

2 June, 2000

COMMENTARY ON THE
PRODUCTIVITY COMMISSION REPORT -
"DE-REGULATION OF THE ARCHITECTURAL PROFESSION" - MAY 2000

This draft report falsely purports to establish a pre-conceived position that:

- a. *Non qualified architectural services are unable to compete with architectural services.*
- b. *Architectural services are non competitive, contrary to the community benefit.*
- c. *Restricting the use of the title "architect", (for whom such persons undertake extensive training, certification and continuing education) restricts the free competition of those untrained to do the work of architects.*
- d. *Some unqualified / uncertified "building professionals" might have greater expertise in architecture than some of those who are "certified" "*
- e. *Alternative self regulation / certification might be possible, to permit anyone to purport to have architectural expertise and call themselves an architect*
- f. *Certification of architects imposes costs on consumers, architects and non-architects.*
- g. *Costs of regulation outweigh benefits to the consumer*
- h. *Architects might still be able to be accredited (by an independent authority) for the export of architectural services to overseas countries who require independent regulation of all architects.*
- i. *Greater competition will serve the interests of the community and the long term interests of the profession,*

and it concludes that the profession should therefore be de-regulated after a 2 year notice period.

The Draft Report falaciously bases its findings on the following illogical premises that :

1 . Whilst stating a belief that "a majority of consumers choose not to hire architects", the reality is that most consumers may only be home builders once in their lifetime, and free competition results in either no building professional being involved, an architect designed Builder's range which is included in the price of the home, or a draftsman has been employed.

An example of free choice and competition for the community benefits

2. "Some non architectural!y gualified "building professionals" may have greater expertise than qualified architects" in some aspects of the profession, but such does not ensure comprehensive expertise in a highly specialised and all embracing building profession.

i.e. Architects do not only design and document houses!

3. "Non architecturally qualified "building professionals" are not free to compete with architects". This of course is a gross untruth, and in reality there is fierce competition and fee bidding for all professional building services.

The only restriction to those non-qualified is the legislated protection of the tides "architect" and "architectural", in order that the community have assurance of those who are qualified.

The regulation of architects, not only in Australia, but throughout the world, has, for many years, provided the world communities with the benefit of independent assurance of professional expertise, and redress for misconduct.

Architects happily accept the restriction of competition on themselves, imposed by the current regulated system of qualification and ethical standards, in the community interest, and to uphold high standards of integrity and impartiality to their clients.

A system which can not occur under self regulation, and a system which is and should be the envy of all other professions.

4. "Alternative self regulation might be possible". The engineering profession is an example of the limitations of self regulation, where assurance of expertise as any sort of engineer, is in the hands of the APEA, a "Learned Body" who have now established a list of members who pay their annual subscription to be so listed as members. However, breaches of ethical standards or professional conduct is not within their charter or ability to enforce.

We can also look toward the past de-regulation of Building Certification, and whilst most private companies abide by the building regulations and Building Acts, it is not beyond the bounds of probability that a friendly certifier, whose fees are paid by the building developer could provide a "friendly" ruling to their client, to the detriment of competitors. Would it also be appropriate to repeal all building regulations, as they also impose restrictions to inovative cost competition, for the community cost benefit?

Self Regulation means - **do what you like and let the buyer beware!**

5. "The cost of certification is born by the community architects and non architects". This is only partly correct, as the cost is only born by architects and architectural companies out of their annual registration fees. There should be no cost to the community, or if there is any shortfall, then it is up to Government to raise the fee structure to being cost neutral to the community. "Under National Competition Policy Guidelines, the onus is on those arguing for retention of regulation to show that benefits outweigh costs".

It is therefore abundantly clear that there are no costs to the community for the retention of regulation, and greater benefits to be gained for the community.

6. "Greater competition will benefit the community and the longer term interests of the architectural profession". There are no restrictions on competition for architectural services, as all compete in the open market for a range of services, and usually are selected on the basis of cost, quality, and expertise. Those clients who select professional services purely on the basis of cost, usually get what they pay for. The long term interests of the profession are not based upon the narrow view by the Productivity Commission of greater fee competition, being the basis of greater benefit to the community.

The longer term benefit to the profession is surely the protection of integrity of one of the oldest professions, where excellence and impartiality of judgement, and efficiency of operation of building design solutions, are a prized attribute.

In conclusion, I find the whole Report is based upon incorrect assertions and exhibits a lack of understanding of the operation of the building industry, and existing highly competitive tendering of professional services, where fees have been reduced to an all- time low, and services minimised as a result. Competition for work is already fierce, and the resultant salaries for employee architects are amongst the lowest of all of the professions.

This report bases its "solution" for increased competition, on the de-regulation *of the title "architect", and the description of service provided -"architectural".* as **the panacea to a "problem" which in fact does not exist.**

All that needs adjustment, is amalgamation of the current State and Territories Architects Acts into a National Act would achieve uniformity of international accreditation for improved administration and Trade benefits for Australia, from a recognised and accredited profession.

Yours sincerely

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