

The commission further stated that:

- practitioners collectively have a sense of responsibility for maintaining the competence and integrity of the occupation; and
- practitioners are organised in bodies, which are concerned to provide the machinery for testing the competence and regulating standards of competence.

Professional architects fall within this definition.

There is and will continue to be, an increase in complexity within the various areas in which professionals work. Professional services are inherently difficult for consumers to evaluate, as they are usually infrequent purchasers. This creates a significant asymmetry of knowledge between the provider of the services and the consumer, which makes it difficult for consumers to choose between alternative services. Information may be costly or difficult to acquire or the limited information available may be misleading.

The consequences of misjudgement can be costly in either financial or human terms. Consumers are disadvantaged by their limited ability to:

- assess the need for architectural advice and/or service;
- assess the type or quality of service needed;
- distinguish between the competent and incompetent provider and
- determine the quality of service delivered.

Therefore they are likely to purchase on price alone. Relatively high external market costs may result from the delivery of services by incompetent persons.

Transaction costs for professional services may be high. These include:

- finding someone to do business with;
- reaching an agreement on price and other aspects; and
- ensuring the terms of the agreement are fulfilled (including resort to legal advice and court action).

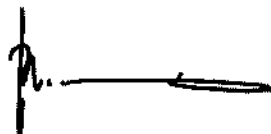
When the transaction costs are high, demand is lessened and the size of the market reduces accordingly. Consumers benefit from processes that reduce transaction costs (time and price), such as the introduction of more efficient means of bringing buyers and sellers together; or resolution of post sale disputes.

A statutory system of registering and regulating the architectural profession is adopted in most countries as the most effective way of overcoming potential market failures and thus protecting the public interest. A deregulated market in Australia may tend to attract people who are unable to achieve registration in their own countries.

I urge you in your considerations to conclude that to maintain its position in the global market and to protect the health, wealth, safety and social and cultural amenity of the Australian people, a national system of registration and regulation of architects should be maintained.

The International Union of Architects remains at your disposal for any clarifications or supplementary information.

Yours sincerely



Vassilis SGOUTAS
UIA President