

ABN 72 000 023 012

1/19a Hunter Street Hobart TAS 7000 +61 (3) 6214 1500 tas@architecture.com.au architecture.com.au

To Chris Robertson Department of Treasury and Finance 21 Murray Street Hobart TAS 7000

Date 09.05.2019

Dear Chris,

Thank you for taking the time to meet with Yvette Breytenbach, Jennifer Nichols, Richard Crawford and Fiona McMullen on December 18 to discuss the changes to the Consultants Prequalification Scheme, along with Fiona McIntyre and Jane Scott.

We acknowledge that the changes to the scheme bring the upper limit for consultants in the Architecture Project Service category into line with the maximum prequalification limit for contractors in the Building Works – Institutional category of \$50 million. We also understand that while this isn't necessarily in line with other states at present, your information is that this move is likely to occur across the country in the future.

As discussed in the meeting, the advice that Treasury received from QMS Certification Services regarding costs to establish a third-party qualification certification for a firm with approximately five employees was between \$2,500 - \$3000, with an annual cost of around \$1000 for an audit.

The Institute hosted an information session with QMS in February to enable our members to have a better understanding of the process, and at this session, they indicated that costs for a five-person firm for a three-year certification would be approximately \$7,000 if the firm had a single location. They also indicated that a six to ten-person firm would cost approximately a total of \$9,000, and a 11 - 25-person firm would cost approximately \$11,000, both for a three-year period. The costs indicated at this session are out of line with the costs communicated at our meeting.

Along with this, there is a significant cost to practices in terms of time required to set up the system required for third-party qualification certification. This cost to practices may be passed onto clients, resulting in an increase in architectural fees.

We would also like to point out that there are currently only a handful of third-party qualification certifiers in Tasmania, and Treasury may need to look at increasing the number of certified assessors.



While these changes have already been put into place, we would like to make Treasury aware of the impact they have on architectural practices in Tasmania. We understand that Treasury is flexible around the grace period as to when these changes come into effect, and the Institute appreciate this flexibility provided to our membership and the broader profession. However, the Institute would like to request an extension of this grace period to the end of December 2019.

The Institute and its members are always happy to contribute to assist with any future changes that Treasury might be planning that affect the architecture profession, and the building and construction industry as a whole.

If you would like to discuss any of these issues further, or arrange a meeting, please don't hesitate to contact us.

Kind regards,

Shamus Mulcahy RAIA Jennifer Nichols

President, Tasmanian Chapter, Executive Director, Tasmanian Chapter,

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