



Kimberley Pickering
Principal Contracts Officer
Commercial Services, Infrastructure Services
Tasmanian Department of Health

Date: 03.05.2022

By email to: kimberley.pickering@health.tas.gov.au

Dear Ms. Pickering,

**RE: CONSULTANCY SERVICES PANEL FOR HEALTH INFRASTRUCTURE PROJECTS
– INDUSTRY CONSULTATION**

On behalf of the Tasmanian Chapter of the Australian Institute of Architects (the Institute), we would like to thank you for the opportunity to provide feedback on the proposed Consultancy Services Panel for Health Infrastructure Projects. Our Chapter, together with our Institute's Policy and Advocacy Unit, has reviewed the eleven-page industry consultation report.

We have also conducted a preliminary review of the *Contract for Supply of Consultant Services Related to Construction – Consultancy Services Panel for Health Infrastructure Projects* which you sent to our National Advocacy and Policy Manager, Paul Zanatta. For the purposes of this submission, we are withholding comment on the Contract to allow time for a more comprehensive review and appraisal of its risks and benefits. Following this, we would like to meet further with the Department of Health to discuss the proposed contract.

The following issues and questions comprise our response to the industry consultation report. Points 1 to 6 below are submitted in the overall context of mitigating the risk for the Tasmanian Department of Health if there are only a small number of practices on the panel. A small panel may not provide the optimum competitive pool (competitive on price, innovation, quality) that best benefits the Tasmanian Government and community.

1. Size of the panel. Is the panel limited in terms of the number of practices who may seek to provide Category B Design Services (Lead Design Consultant /Architectural Services)? If capped, what will be the number of practices on the panel?

2. Changes to practices. How are practices dealt with who merge or where a non-panel practice takes over another practice that is on the panel? Is the new entity or the takeover practice granted panel membership? At present there is actually a contract term 12.2 (a) that further complicates this by specifying that if the Consultant is a corporation, the Consultant must not permit, during the Specified Period, any change in

the Control of the Consultant (whether by a single transaction or event or a series of transactions or events), without the consent, in writing, of the Principal. The commercial business sector is dynamic and it should be expected that there will be mergers and acquisitions. This could even result from death, illness or disablement of an owner or major partner.

3. Third Party Certification. There are minimum Third Party Certification requirements set for:

- Quality Assurance Systems - in accordance with AS/NZS ISO 9001:2015
- Environment Management - in accordance with AS/NZS ISO 14001:2014
- Occupational Health and Safety - in accordance with AS/NZS 4801 or ISO 45001

While some practices may have some of these accreditations, many may not. The Department of Health may need to review this requirement. It may be better to align to the Tasmanian Government's (Department of Treasury and Finance) existing pre-qualification scheme.

4. Refreshing the panel. Given the three-year contracts, how often would the Department of Health propose to recruit additional panel members to allow for attrition, new market entrants, changes to the corporate entities or structures of practices, or insufficient eligible applicants in the first round (e.g who did not have third party certification)?

5. Market divisions. There is a possible risk arising from a small panel that is locked down for the next three years. If the next three-year panel is weighted heavily on EOI criteria around demonstrated capabilities or highly specific experience carrying out projects for the Tasmanian Department of Health, it is possible that the likely successful applicants for the next panel will be those from the first three years. This may create a structural division in the supply market over the longer term - which may not benefit healthy competition.

6. Annual application process. We recommend that the panel application process should be opened up every twelve months to allow for new market entrants, or for those practices that did not meet the first round of requirements - especially the third party certification requirements.

7. Threshold for the panel. We would like clarification as to the financial thresholds for this panel and suggest that this also could align with the Tasmanian Government's existing pre-qualification scheme.

8. Department of Treasury and Finance Buy Local Policy. We hope that the Buy Local Policy is considered in the make up of this panel, and the awarding of work.

9. Other feedback and advice. We note the requirement set out in the table (Attachment I in the consultation document) for Category B. Design Services (lead Design Consultant / Architectural Services) to include:

- *Must hold corporate membership with the Australian Institution of Architects, or equivalent relevant professional organisation.* The Institute strongly supports this requirement. From the Institute’s perspective it means that the architecture practice concerned has ready access to Continuing Professional Development material, practice notes and other forms of professional advice to support competent practice.
- *Must hold an architect licence in Tasmania, including registration with the Board of Architects Tasmania.* This needs to be re-worded to reflect the altered eligibility for practice in Tasmania under the Automatic Mutual Recognition arrangements to be enacted through Tasmania’s AMR Bill. A copy of the bill may be downloaded from: <https://www.justice.tas.gov.au/community-consultation/consultations/occupational-licensing-amr-bill-2022> Part 4 of the Automatic Mutual Recognition Consequential Amendments Bill (2022) in relation to amendments to the Architects Act Section 4 of the Bill alters to the definition of an architect. The particular change to note is “deemed registration” within the meaning of the Commonwealth’s Mutual Recognition Act (1992).

Once again, we thank you for engaging with us regarding this process to ensure best-practice procurement processes that result in high-quality outcomes for the community. We would be happy to be involved in further discussion, should you require. We look forward to discussing the Contract further with the Department of Health. If we can be of any further assistance, please don’t hesitate to contact us.

Kind regards,



Stuart Tanner
President, Tasmanian Chapter
Australian Institute of Architects



Jennifer Nichols
Executive Director, Tasmanian Chapter
Australian Institute of Architects

The Australian Institute of Architects (Institute) is the peak body for the architectural profession in Australia. It is an independent, national member organisation with over 12,000 members across Australia and overseas. The Institute exists to advance the interests of members, their professional standards and contemporary practice, and expand and advocate the value of architects and architecture to the sustainable growth of our communities, economy and culture. The Institute actively works to maintain and improve the quality of our built environment by promoting better, responsible and environmental design. To learn more about the Institute, log on to www.architecture.com.au.