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Department of Treasury and Finance
21 Murray Street
GPO Box 147
Hobart TAS 7001

By email to: purchasing@treasury.tas.gov.au

Re: Department of Treasury and Finance Prequalification Scheme

Dear Mr Swain,

The Tasmanian Chapter of the Australian Institute of Architects (the Institute) thanks the Department of Treasury and Finance for the opportunity to provide further feedback on the Department's Prequalification Scheme for contractors and consultants.

The Institute acknowledges the enhancements introduced by Treasury on 1 July 2026, including the new online application forms, greater flexibility in the financial requirements applying to complex company structures, and updated guidance material. The Institute also welcomes Treasury's continued consultation with industry as the review moves to consider the scope, categories and requirements of the Scheme.

The Tasmanian Chapter is committed to helping create a positive future for our state that benefits all Tasmanians. The Institute advocates for the built environment and works to shape policy, foster collaboration and promote design excellence that benefits society as a whole. The Institute values the constructive dialogue established with Treasury and looks forward to continuing this engagement to support the best outcomes for the Tasmanian Government, industry and the wider community.

The Institute's March 2025 submission identified several issues affecting architectural practices, including the interpretation and escalation of project cost, recognition of collaborative practice arrangements, project-evidence requirements, consistency between government agencies and the treatment of architectural services that do not necessarily result in a completed building. These matters remain relevant to the present phase of the review. The current consultation also provides an important opportunity to ensure that the Scheme's categories appropriately recognise architectural services while remaining clear, proportionate and accessible to capable small and emerging practices.

The Institute has considered the questions provided by Treasury and sought feedback from members. A summary of the principal recommendations is provided below, followed by more detailed responses to Treasury's questions.

Summary of key recommendations

The Institute recommends that Treasury:

- retain **Architecture** as a distinct consultant category and not replace or subsume it with the term **Building Design**;
- retain a broad Architecture category and generally assess specialist architectural capabilities at the consultant-selection stage rather than creating numerous overlapping Architecture subcategories;
- clarify the scope of the existing Heritage Conservation Planning category, including its relationship with heritage architecture, historical building assessment, conservation works and adaptive reuse;
- establish a prequalification pathway for small, newly established and emerging architectural practices;
- ensure that prequalification and financial-capacity requirements are proportionate to the risks carried by professional-services consultants;
- clarify the period applying to the two principal reference projects required for each category and broaden the range of acceptable evidence of architectural capability;
- assess the applicant's actual role, responsibilities and project performance rather than relying predominantly on project completion and value;
- make subconsultant prequalification proportionate to the subconsultant's scope and risk;
- publish clear category definitions, evidence requirements and guidance for government purchasers; and
- monitor the effect of any reforms on access, competition and the participation of small and emerging practices.

1. Appropriateness of the current consultant categories

Architecture should remain a distinct category

The Institute strongly supports retaining **Architecture** as a distinct consultant category, with eligibility tied to compliance with the requirements applying to the registration and practice of architects in Tasmania.

The Institute does not support replacing or subsuming Architecture with the broader term **Building Design**. The terms should not be treated as interchangeable.

The Institute believes that a generic Building Design category could:

- create uncertainty for government purchasers about whether building design and architectural services are interchangeable;
- create confusion about professional registration, accountability and the use of the terms “architect” and “architectural services”;
- increase the risk of building regulation non-compliance; and
- make it more difficult to distinguish architectural services from drafting, documentation, interior design and other non-architectural building-design services.

Specialist architectural capability should generally be assessed at consultant selection

The Institute considers that the Architecture category should generally remain broad and should not necessarily be divided into numerous specialist prequalification subcategories.

Architectural services commonly integrate a range of capabilities. Excessive subdivision could result in overlapping categories, artificial boundaries between related services, greater application costs and uncertainty about which categories a practice must hold.

Where specialist capability is material to a particular commission, the relevant agency should assess that capability during the consultant-selection process. Depending on the project, this may include demonstrated experience in:

- adaptive reuse and work to existing buildings;
- environmentally sustainable design;
- inclusive and user-centred design;
- whole-of-life design and maintainability;
- interior architecture;
- specialist capabilities relating to specific and high-risk technical services;
- masterplanning and precinct planning;
- community and stakeholder engagement; and
- post-occupancy evaluation and building performance in use.

Treasury could support this approach by providing guidance to purchasers about the evidence that may reasonably be requested for particular project types. Prequalification should establish threshold organisational and professional capability, while project-specific selection should determine whether the proposed practice and nominated team are suited to the particular commission.

Heritage Conservation Planning

The Institute's March 2025 submission raised concerns about whether the existing **Heritage Conservation Planning** category adequately recognises the breadth of expertise provided by heritage architects.

The present review provides an opportunity to clarify whether the category includes:

- historical building assessments;
- heritage impact assessments;
- conservation management plans;
- significance assessments;
- heritage architecture;
- documentation and specification of conservation works;
- adaptive reuse design;
- advice concerning the spatial and built-form effects of proposed development; and
- contract administration and inspection of conservation works.

Preparing a conservation management plan or heritage assessment is not necessarily equivalent to designing, documenting and administering physical work to a heritage place. At the same time, creating numerous narrowly defined heritage categories may cause further overlap and complexity.

The Institute therefore recommends that Treasury review and clarify the definition of Heritage Conservation Planning in consultation with the relevant professional bodies. The definition should recognise the particular contribution of heritage architects and clearly explain the relationship between heritage planning and the delivery of architectural conservation and adaptive-reuse projects.

Treasury should also ensure that government agencies consistently apply the requirement to engage appropriately prequalified heritage consultants where the Scheme requires this.

2. Small and emerging architectural practices

The Institute recommends that Treasury establish a pathway for small, newly established and emerging architectural practices within a graduated Architecture classification, generally equivalent to the scheme used by NSW.

A practice's date of establishment, staff numbers and corporate project history do not necessarily provide a complete picture of its capability. A newly formed practice may be led by architects with considerable experience gained at previous firms. Similarly, a small established practice may possess strong specialist expertise but have fewer opportunities to demonstrate recent projects at the scale required under the present arrangements.

A small or emerging practice should be permitted, within appropriate limits, to rely on:

- the prior experience of directors and nominated personnel;
- projects undertaken at previous practices where the nominated person can demonstrate a substantial or leading role;
- projects undertaken through joint ventures or formal collaborations;
- relevant design, planning or documentation work that did not proceed to construction for reasons outside the practice's control; and
- demonstrated performance on smaller, lower-risk or less complex commissions.

Graduated Architecture levels could reflect demonstrated capability to undertake commissions of differing risk and complexity. Project value should remain a relevant consideration but should not be the sole determinant of the level awarded.

A practice could progress to higher levels through verified performance, increased organisational capacity and successful delivery of relevant work. This would provide a genuine pathway into government procurement without enabling an inexperienced practice to undertake work beyond its demonstrated capability.

The Institute does not recommend that eligibility be determined solely by an arbitrary firm-age or staff-number threshold. The pathway should be designed to address practical barriers experienced by small, newly established and emerging practices while maintaining appropriate competency and risk requirements.

3. Project thresholds and financial requirements

The Institute supports the underlying purpose of prequalification as a means of reducing the risk of engaging consultants that do not have the organisational or financial capacity to deliver publicly funded projects. However, the assessment requirements should be proportionate to the nature and extent of the risk carried by the consultant.

The Institute recommends that full architectural prequalification requirements apply according to an appropriate combination of:

- professional fee;
- project or construction value;
- project complexity;
- operational and public-safety risk;
- heritage or cultural significance;
- procurement and delivery model;
- the extent of multidisciplinary consultant coordination; and
- the role and contractual responsibilities proposed for the consultant.

A low-fee commission is not necessarily low risk, while a high-value project is not necessarily complex from the perspective of the architectural consultant. Reliance on a single monetary threshold may therefore produce unintended outcomes.

Financial-capacity assessment should also recognise that architectural practices have a different risk, cash-flow and capital profile from head contractors. Financial requirements designed principally for construction contractors should not be applied to architectural practices without adjustment for the nature, value and exposure of the professional-services engagement.

Financial capacity should provide assurance that a practice can sustain the proposed commission. It should not become a proxy for architectural competence or unnecessarily prevent capable small and specialist practices from participating in government work.

4. Project-evidence requirements

Applicable period for project evidence

The current application form expressly requests that applicants include additional or "Other Project Experience" completed within the preceding five years. However, it is not clear whether this five-year limitation also applies to the two principal reference projects required for each category.

The Institute requests that Treasury clarify:

- whether the two principal reference projects must have been completed within a specified period;
- whether that period is also five years;
- the point at which a project is considered completed; and
- whether completion refers to the architect's contracted scope of services or completion of the resulting construction project.

The applicable requirements should be stated consistently in the Guidelines and application form.

If Treasury intends a five-year period to apply to the two principal reference projects, the Institute considers that a rigid limitation may be unnecessarily restrictive for architectural practices.

Substantial architectural projects can take many years to progress through briefing, design, statutory approvals, documentation, procurement and construction. Small and medium practices may undertake relatively few large projects concurrently. Projects may also be delayed, reduced in scope or discontinued because of funding decisions, construction-cost escalation, statutory processes or changes in client priorities. These circumstances do not necessarily diminish the relevance or quality of the architectural services performed.

The Institute recommends that Treasury consider allowing:

- principal reference projects completed within a period of eight to ten years;
- projects substantially designed or documented within the relevant period, even if construction was completed later or has been postponed;

- projects that reached an identified design, planning or documentation milestone but did not proceed to construction;
- earlier projects where nominated personnel continue to demonstrate relevant and current competence; and
- projects undertaken at previous firms where the nominated person's role can be independently verified.

The objective should be to evaluate the continuing relevance of the experience, the role performed and the competence demonstrated, rather than applying an inflexible completion-date test.

Meaning of a completed project

As raised in the Institute's March 2025 submission, Treasury should provide a clear definition of a "completed project".

Architects provide professional services, and the completion of those services does not always correspond with practical completion of construction. For example, an architect may have completed an agreed masterplan, feasibility study, planning submission or contract-documentation commission even though no building has been constructed.

The Scheme should recognise completed professional-services commissions where the contracted scope was delivered, even if the commission did not result in a built outcome. The evidence requirements should identify the relevant project stage and scope rather than assuming that architectural capability can only be demonstrated through a completed building.

5. Assessment of project role and performance

Completed projects of comparable value can provide useful evidence, but project value and completion alone do not establish:

- the role performed by the applicant or nominated personnel;
- the complexity and risks managed;
- whether the project was delivered well;
- whether the outcome was fit for purpose;
- the quality of the architectural services; or
- how the completed building has performed in use.

A completed building should not, without further evidence, be treated as conclusive proof that a practice is suitable to undertake comparable government work.

Operational information, maintenance costs and post-occupancy evaluations will not be available for every project and may remain under the control of the client or building owner. The absence of this information should not count against an applicant where the applicant could not reasonably obtain it.

Project evidence should enable Treasury to understand what the practice and nominated personnel actually did, the competence they demonstrated and the relevance of that experience to the prequalification level sought.

6. Subconsultant prequalification

The Institute recognises that requiring relevant subconsultants to be prequalified may provide government with additional assurance. However, requiring every subconsultant to hold separate prequalification can also:

- exclude niche specialists who undertake government work infrequently;
- duplicate the lead consultant's due-diligence and quality-assurance processes;
- delay project-team formation;
- reduce access to interstate or highly specialised expertise; and
- impose a disproportionate burden on small-value specialist inputs.

The Institute recommends that separate prequalification generally be required only where a subconsultant:

- performs a core or regulated professional discipline;
- carries material design, safety, financial or delivery responsibility;
- has a scope or fee above a nominated threshold; or
- is identified as a critical consultant in the relevant procurement documentation.

For minor, specialist or advisory inputs, the lead consultant should instead be permitted to demonstrate an appropriate process for verifying the subconsultant's:

- qualifications and registrations;
- relevant experience;
- professional indemnity and public liability insurance;
- availability and resourcing;
- conflicts of interest;
- quality-assurance arrangements; and
- previous performance.

Treasury should clearly state these requirements in the Scheme documentation and ensure they are applied consistently by government agencies.

7. Joint ventures and formal collaborations

The ability of smaller Tasmanian practices to work with larger or more experienced practices remains an important issue.

Collaborative delivery arrangements can enable government to combine:

- established organisational and delivery capacity;
- local knowledge and responsiveness;
- specialist design expertise;

- opportunities for capability development; and
- a more diverse and sustainable local architectural market.

The Scheme should permit joint ventures, practices working in association and other formal collaborations where the respective roles, responsibilities, insurances and contractual arrangements are clear.

Treasury should clarify:

- whether all participating practices must hold the same prequalification level;
- when the level of the lead consultant may be relied upon;
- how the experience of each participant will be recognised;
- which party must hold the required insurance limits; and
- how project experience gained through the collaboration may subsequently be used by each practice.

The framework should maintain appropriate government assurance while enabling smaller Tasmanian practices to develop the experience required to progress to higher prequalification levels.

8. Continuous entry and access to opportunities

The Institute supports keeping the Scheme continuously open to new applications, upgrades and applications for additional categories or capability levels.

Continuous entry is important because closed or infrequently refreshed arrangements can prevent newly established practices and other capable entrants from accessing government opportunities for extended periods.

Admission to the Scheme, however, will have limited practical value if government agencies routinely invite only the same established practices to compete.

Treasury should provide guidance encouraging agencies, where appropriate, to consider suitably prequalified small and emerging practices for lower and medium-risk opportunities. Consultant selection should remain based on capability, design quality and suitability for the particular project. Nevertheless, prequalification should provide a genuine opportunity to compete.

Joint ventures and formal collaborations should also be encouraged where they appropriately combine established delivery experience with local, design or specialist expertise.

9. Category definitions and purchaser guidance

The Institute recommends that Treasury publish clear and readily accessible guidance covering:

- the definition of each consultant category;

- examples of included and excluded services;
- distinctions between potentially overlapping categories;
- minimum professional qualifications and registrations;
- the project-evidence requirements applying to each category;
- the evidentiary period applicable to principal and additional projects;
- the treatment of prior-firm experience;
- the treatment of projects that did not proceed to construction;
- the meaning of project cost, component cost and completed project;
- the basis for determining financial limits or capability levels;
- the circumstances in which specialist capability should be assessed at tender stage;
- the circumstances in which subconsultants must be independently prequalified; and
- the treatment of joint ventures and practices working in association.

The Institute also recommends that Treasury provide appropriate training or guidance for government personnel using the Scheme. Prequalification requirements should be applied consistently between agencies and should not be changed or reinterpreted during a procurement process.

10. Monitoring and review

The Institute supports Treasury periodically evaluating whether the Scheme is achieving its intended objectives.

Treasury could publish annual de-identified information concerning:

- the number of applications, approvals and refusals;
- financial or capability levels awarded;
- participation by small, newly established and emerging practices;
- the number of practices progressing to higher levels;
- use of prequalified architectural consultants by government agencies; and
- the extent to which prequalified practices are invited to compete for work.

A review approximately 12 to 24 months after implementation of any changes would enable Treasury to assess whether the revised Scheme has:

- improved access and competition;
- maintained appropriate financial, organisational and professional assurance;
- reduced unnecessary administrative barriers;
- improved consistency between agencies; and
- broadened government access to capable architectural practices.

The effectiveness of an emerging-practice pathway should not be measured only by the number of practices admitted. Treasury should also consider whether those practices receive a reasonable opportunity to compete for appropriate government commissions.

Conclusion

The Institute recognises the importance of the Prequalification Scheme in assisting the Tasmanian Government to manage the organisational, professional and financial risks associated with publicly funded projects.

At the same time, the Scheme should maintain a sufficiently broad and competitive market of capable consultants and provide pathways through which small and emerging Tasmanian architectural practices can develop their experience and capacity.

The Institute considers that these objectives can best be achieved by:

- retaining Architecture as a distinct professional category;
- clearly distinguishing it from non-architectural building-design services;
- assessing specialist architectural capability where it is relevant to a particular commission;
- introducing a proportionate and graduated pathway for small and emerging practices;
- broadening and clarifying acceptable project evidence;
- supporting appropriate collaborative practice arrangements; and
- providing clear and consistent guidance to both applicants and government purchasers.

Thank you for the opportunity to provide input into this phase of the review. The Institute would be pleased to meet with Treasury to discuss these recommendations and assist with the development of revised category definitions or guidance material.

The Institute hopes that this feedback assists Treasury in refining the Prequalification Scheme and enables the best outcomes to be achieved for the Tasmanian Government, the local building and construction industry, and the Tasmanian community.

Kind regards,

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