



Australian  
Institute of  
Architects

**NSW**

ABN 72 000 023 012

The Royal Australian Institute of Architects  
trading as Australian Institute of Architects

NSW Chapter  
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Wednesday 18<sup>th</sup> January 2023

The Hon. Matt Kean, MP

52 Martin Place

SYDNEY NSW 2000

Response to:

**NSW Treasury Infrastructure Advisory Standard Commercial Framework**

On behalf of: Australian Institute of Architects NSW Chapter

Dear Minister Kean

The Australian Institute of Architects (the Institute) seeks your assistance, on behalf of our members, on a matter which we raised with you in June last year.

While we maintain the intent of the work being done by the NSW Treasury Infrastructure Advisory Standard Commercial Framework project team is valid, and we welcome streamlining measures with regard to procurement processes on government contracts in the built environment, our concerns regarding the fairness and robustness of the process remain. We understand at present the capped rates for architectural services have been issued for guidance purposes only, however, the ongoing mandatory reporting of winning tenders is problematic.

By capturing only the data of the awarded contract, there is the potential that only the lowest bidder's rates are recorded. This will skew the data sample and will not be representative of a fair and true cross-section of practices, not only in terms of rates, but in terms of expertise and size.

We are happy to work with government to implement a more appropriate process for collection of this important data which will ensure an accurate and transparent sample.

Specifically, we still maintain the following:



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1. While capped rates may be justified in some industries, the architectural profession forms part of a complex, multi-faceted service industry which is competitive, and consequently, not known for large profit margins. There is concern regulating pricing, particularly with below-market rates will manipulate the market and lead to unintended outcomes. The streamlining sought by government could be readily achieved through competitive tendering and the standardisation of contractual terms rather than the capping of rates.
2. Data which is based on a varied scope of experience, size and composition of the practices is critical and ensuring this information is captured effectively will provide evidence that the collection of data has been rigorous and fair.
3. Architecturally designed government projects deliver some of the most important public spaces in NSW. These spaces rely on the competitive market to deliver quality architectural outcomes. Should the rates for government projects be far lower than in the private sector, outcomes risk being compromised. Additionally, for many of the most experienced, national firms, government projects will be more feasible interstate. Given the current skills shortage, this could leave NSW vulnerable to facing difficulty securing architects with the experience required to deliver large projects.

We request a response to the concerns we have raised at your earliest convenience, and we are keen to discuss with you alternate ways of securing streamlined government procurement, while ensuring the people of NSW have continued access to quality architectural outcomes.

Yours sincerely

**Joanna McAndrew**  
State Manager, NSW

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*We respectfully acknowledge the Traditional Custodians of the lands on which we work and pay respect to their Elders past, present and emerging.*