



27 March 2020

The Hon. Peter Gutwein MP
Premier of Tasmania
Level 9, 15 Murray Street
Hobart TAS 7000
By email to: peter.gutwein@parliament.tas.gov.au

Dear Premier,

The Australian Institute of Architects (the Institute) commends the Tasmanian Government's recent and continued response to the COVID-19 pandemic and your focused efforts to protect the health and wellbeing of all Tasmanians, and support in these unprecedented times. The Institute fully supports this approach, and importantly the focus on the most vulnerable members of our community whose jobs and livelihoods are under threat.

The Institute also appreciates your initiatives to support businesses and believes that stimulus measures that are aimed at the development sector should be a priority, as this sector with all its components, from planning and design consulting services through to construction trades, supply chains and delivery, typically makes up 13% of the Australian GDP. The Tasmanian building and construction industry contributes enormously to our local economy, adding some \$2.66 billion in 2017-2018, and directly employing over 20,000 workers, making it one of largest employment sectors in the state.

It is the long-term benefits to the community that set the development sector apart from other industries. Stimulus investment in building and infrastructure will equip the community to function safely, effectively and efficiently, long into the future. The benefits of these types of stimulus can be seen in the Building the Education Revolution (BER) stimulus program that was undertaken during the Global Financial Crisis (GFC) and we would fully support a similar approach at this time. The Institute strongly urges the government to bring forward capital works programs that can feed into the construction industry. In particular, we identify that social housing, NDIS related accommodation, education, health and public transport related projects should be brought forward and accelerated.

We see the following as key actions that could be implemented to help maintain the continuity of this industry:

- 1 Maintaining the building and construction sector, including architecture and consultancy, as an essential service is critical.

Keeping people in work and projects on track, as well as commencing new projects has never been more important to maintain the momentum of the industry. Local consulting services and trades, local materials and products of high quality are readily available and

in good supply. Architects and consultants are able to continue to work safely from home while complying with current government restrictions.

Importantly, the construction sector has many downstream economic benefits, driving demand for materials and equipment from local and national manufacturers, and for goods and services in supporting sectors. The continuation of this vital economic contribution will be a lifeline for many in the months ahead across Australia.

2 Bring forward infrastructure projects.

Accelerating spending on infrastructure will help maintain employment and boost an economic recovery. Stimulus funding should be focused in two key areas.

Firstly, areas of most need, such as the rebuilding of bushfire affected communities and providing more affordable housing.

Secondly, critical infrastructure projects that will set us up for the future, should be a priority and include transport, health, education and housing.

3 Australian jobs and supply chains.

At times like these, it is incumbent on all levels of government to support Australians through procurement policies that favour Australian providers. While overseas companies can, and do bring value, governments must now consider how Australian companies can be more engaged to develop and maintain capability within Australia. Strong weightings must be attached to selection criteria for local companies.

There is a groundswell of concern about the volume of work being directed to commercial international companies in Australian cities. This is a loss to Australia, in terms of revenue, jobs and skills development. Using Australian companies and products has a significant multiplier effect that is not offered by other forms of economic stimulus.

We call upon State and Federal Governments to demonstrate support for Australia by preferencing local design professionals and building contractors for the next three to five years to enable the Australian design, building and construction sectors to outlive the looming recession and come back stronger. This includes preferencing Tasmanian design professionals, consultants and building contractors for Tasmanian projects.

4 National Construction Code building 2-9 classified as essential services.

Construction sites with building classifications 2-9 (as classified by the National Construction Code) should be classified as essential services, as these classifications are capacity building.

We have discussed site management with a number of major contractors, who are confident that Construction Management Plans can cater to the proximity issues required by recommended social distancing. We note that generally, construction sites already have high levels of mandated protective equipment and generally incorporate some form of distancing.

5 The implementation of the 2019 National Construction Code, due for adoption in May 2020, should be delayed for six months.

Many projects are currently being assessed for Construction Permits prior to the cut-off date of May 1st. With the strain the system is currently under, these approvals are significantly threatened. Re-documenting buildings in line with NCC 2019 will cause significant extra costs and delays to the project. In some cases, some developments, in particular, multi-residential projects will become unviable.

- 6 Clarification of extension of time claims and relaxation of liquidated damages within construction contracts.

While this is covered under most Force Majeure clauses within contracts, any support or clarification that can be provided by the State Government will create surety in this regard. We request that the Government provide leadership in relation to this and any delays caused by COVID-19 are taken into account when assessing claims for extensions of time and liquidated damages.

- 7 Implementing 'buy local' policies.

It is essential, where possible, that local services and products are utilised in the construction process, and this should be advantaged in any bidding procurement process. The Institute's Tasmanian Chapter and Master Builders Tasmania have an existing Buy Local MOU and we will be working to encourage all industry associations to sign on to this.

- 8 Implementing panel contracts.

The time currently taken to submit for projects is lengthy and costs all design practices inordinate amounts of time and money. We recommend the government moves to pre-qualify architectural and engineering practices to limit this time and cost. This will streamline the delivery of large-scale stimulus.

- 9 Implement agreed fee scales.

Further fee bidding in this fragile economy will only result in poorer outcomes in terms of delivery and quality as practices struggle to stay afloat. It is essential for the government to put a floor under fees that ensures value for money while maintaining quality. This is essential to protect consumers and ensure quality outcomes for all.

- 10 Improve Local Government procurement processes.

Currently we are aware that many local governments are struggling to appropriately brief and procure projects, as these resources simply are not within the local authority. We urge the government to implement standardised expression of interest and request for tender documents, which will better protect the client and provide a higher quality design outcome. The Institute would also like to seek clarification as to local councils' ability to provide continuity in regard to approvals, as this will be integral to keeping work progressing in a timely manner.

- 11 Government suspend and cease design competitions.

We would strongly recommend that the Government suspend design competitions that unnecessarily burden competing firms and cease offering design competitions for all future works until we see signs of an economic recovery.

- 12 Fast tracking planning approvals.

Many projects are being held up with design review processes. We suggest that these should only be required in sensitive and significant sites or in cases where the project is a clear departure from the intent of the local planning scheme. Approval processes are essential as we move forward to ensure a continual pipeline of work, and it is important that we support this whilst dealing with the immediate crisis.

The Institute is currently working with organisations across the built environment to gain a consensus view as to how to expediate stimulus into the system, and to identify other opportunities to improve efficiency. These conversations are underway in every state and at a national level which will draw together an enormous amount of experience, insight and good will.

We offer you the support of the Australian Institute of Architects in any way practicable and thank you again for your committed leadership during this difficult time.

Yours sincerely,



Shamus Mulcahy
Tasmanian President



Jennifer Nichols
Tasmanian Executive Director