



Australian
Institute of
Architects

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PURPOSE

This submission is made by the Australian Institute of Architects (the Institute) to provide comment on matters affecting the budget of the Australian Government.

INFORMATION

The Australian Institute of Architects (Institute) is the peak body for the architectural profession in Australia. It is an independent, national member organisation with around 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.

TABLE OF CONTENTS

SUMMARY OF RECOMMENDATIONS.....	i
1. Introduction	1
2. Managing change and fostering thriving cities and regions	1
3. Ensuring good design	2
4. Procurement of architectural services.....	3
5. Climate change and community resilience	5
6. Housing a diverse and inclusive community.....	6
7. Improving building regulation.....	6
8. Appropriate use of Australian Government funds: Anzac Hall demolition	7

SUMMARY OF RECOMMENDATIONS

The Australian Institute of Architects and its members are dedicated to raising the quality of the built environment for people and to the advancement of architecture. We seek to improve the enduring health and wellbeing of all Australians and our diverse communities. The design of the built environment shapes the places where we live, work and meet. The quality of the design affects how spaces and places function and has the potential to stimulate the economy and enhance the environment. Good design adds value.

Australian architects have a worldwide reputation for innovative design leadership and our profession is well placed to support the Federal Government through advising on ways to address key challenges that we are facing in our towns and cities.

Primary issues include climate change, housing affordability, equitable access to community services, an ageing demographic, increasing demand for efficient transport systems, and the need for more community and public infrastructure to support a growing population. These are urgent issues, requiring sophisticated solutions. The planning and design of cities and towns to address these challenges will significantly impact the shape of Australia's built environment, requiring federal government commitment to a high quality, sustainable legacy for future generations.

To face these challenges, the government will require built environment expertise and strategic planning to support its development of effective policy and project solutions. It is critical to foster the unique capability of our built environment professionals and their capacity to bring innovation and know-how to government's work.

The Institute identifies seven key areas the Australian Government should address in building affordable, equitable, amenable and sustainable places that contribute to the wellbeing of Australian communities and our economy. These are:

- *Managing change and fostering thriving cities and regions*
- *Ensuring good design*
- *Procurement of architectural services*
- *Climate change and community resilience*
- *Housing a diverse and inclusive community*
- *Improving building regulation*
- *Appropriate use of Australian Government funds: Anzac Hall demolition*

The Australian Government budget should be focused on maximising outcomes in these key areas.

1. Introduction

The Australian Institute of Architects (the Institute) is the peak body for the architectural profession in Australia, representing around 12,000 members. The Institute works to improve our built environment by promoting quality, responsible, sustainable design. Architecture influences all aspects of the built environment and brings together the arts, environmental awareness, sciences and technology.

By combining creative design with technical knowledge, architects create the physical environment in which people live, which in turn, influences quality of life. Through its members, the Institute plays a major role in shaping Australia's future.

Architects are a key component of Australia's \$100 billion built environment sector and there are around 13,500 architectural businesses in Australia with around 40,000 employees. Approximately 25,000 people in the labour force hold architectural qualifications (Bachelor degree or higher) and architectural services in Australia in 2017-18 had revenue of \$6.1 billion and generated \$1.1 billion of profit.¹

Australian architects have a worldwide reputation for creative and innovative design leadership and Australia is known for producing contemporary and breakthrough architecture. We have a well-recognised, high quality and liveable built environment and to maintain this into the future to support a burgeoning population in both urban and regional centres, we must create buildings and public spaces that are environmentally, economically, socially sustainable and culturally rich.

Governments and industry in Australia must deliver places for communities that are built and connected in a way that enhances liveability, wellbeing, sustainability and productivity. The Institute therefore welcomes the opportunity to make a pre-budget submission.

2. Managing change and fostering thriving cities and regions

The Institute recognises that governments at all levels have diminishing control over the issues that are shaping Australian society. Factors at play include the impacts of the global economy, technological change, demographic pressure and social change, natural disasters, climate change and the use and availability of natural resources.

In this environment government has a key role to play in setting the right political and policy environment to support Australians to adapt and thrive. All governments must work together to deliver high quality health, education, community and infrastructure services, and there exists a particular challenge to maximise outcomes and ensure the effective and efficient delivery of services across Australia. If not done well, there will be ongoing negative impacts on the wellbeing of citizens. The capacity of Australians to keep pace with the accelerating speed of change and respond flexibly to challenges will also be significantly undermined.

The overlap between tiers of government and their roles, responsibilities and related activities needs to be co-ordinated as efficiently and effectively as possible. Empowering Australia to be dynamic and resilient in the face of change, will allow Australia to thrive, despite uncertainty, and will be the most effective way to develop successful pathways forward.

Top down decision making and generic program delivery regardless of location will also need a careful rethink and realignment.

Recommendation

- Ensure government processes support urban communities and regions to play a leading role in developing their own growth strategies.
- Realign existing government processes and programs to enable local decision making and the delivery of integrated services to communities, regardless of their location.

3. Ensuring good design

There is a large body of Australian and international research that shows good design and architecture leads to improved liveability. In turn, well designed, liveable places become centres of social and economic activity creating sustainable, long-term returns on initial investments. Many Australian states and territories have therefore appointed a “Government Architect” to provide leadership and strategic advice to government in relation to architecture and urban design.

Architects have a key role to play when governments seek to deliver place-based infrastructure and community services. Equally they can transform private spaces. Architecture is not just for major cities and not just for the elite and the wealthy, it is something that can contribute meaningfully to the lives of people in all corners of Australia.

Building Australia’s capacity to deliver liveable cities and regional communities requires governments to support Australian skills and expertise, ensuring a strong and vibrant built environment industry. All Australian governments have a responsibility to support the development and growth of high value knowledge based built environment jobs within Australia.

Governments and industry in Australia must deliver places for communities that are built and connected in a way that enhances liveability, wellbeing, sustainability and productivity. While our cities have traditionally been the generators of our national wealth rural and regional communities have a greater future role to play. To support this transformation, they must be well-connected to urban centres and their services. This requires the integration of planning, transport, design and implementation.

Almost all Australians (97 per cent) believe that cities and towns are better to live in when public buildings and public spaces are well designed.ⁱⁱ Governments are therefore central to delivering on community expectations of how the built environment will support Australian society.

Government structures must support the provision of independent, expert advice across portfolio areas on urban design and infrastructure and to allow for the coordination and collaboration of all tiers of government, the private sector, researchers, and the wider community.

To ensure this occurs the Institute recommends that the Australian Government appoint a Australian Government Architect, as an expert advisor, to support an integrated approach to built environment policy and practice across all tiers of government and to engage meaningfully with industry to advance public outcomes. Once appointed the Australian Government Architect should lead the development of a National Architecture Policy that recognises and extends architecture’s contribution to the delivery of great, sustainable places for all Australians, regardless of location.

There is also a role for the Australian Government to provide incentives and flexible financial arrangements for state and local governments. These should be linked to specific design and sustainability outcomes, for example through the City Deals program led by the Australian

Government Department of Infrastructure. Any new program funding should also be linked to ensuring architectural expertise is harnessed to ensure outcomes that enhance sustainability and contribute to a local sense of place.

Recommendations

- The Australian architectural profession must be recognised as providing innovative design leadership both locally and internationally.
- An Australian Government Architect should be appointed as an expert advisor to support an integrated approach to built environment policy and practice across all tiers of government and to engage meaningfully with industry to advance public outcomes.
- The Australian Government Architect should lead the development of a National Architecture Policy.
- The role of the Minister for Cities should be strengthened and include Infrastructure in the portfolio.
- Incentives and flexible financial arrangements should be provided for state governments linked to specific design and sustainability outcomes through the City Deals program.
- New project funding must be linked to ensuring outcomes that enhance sustainability and contribute to a local sense of place.

4. Procurement of architectural services

Commissioning architectural services through quality-based selection

The selection of an architect is a crucial early step in the delivery of a successful built project. Thoughtful and thorough consideration at the early stage of consultant procurement maximises the possibilities for design quality, cost savings, and a productive working relationship between the client and consultant group.

Government agencies and institutions in Australia have adopted various methods of quality-based selection (as opposed to cost-based selection) to commission architectural services, including Expressions of Interest (EOI), Request for Tenders (RFT), Request for Proposals (RFP) and Design Competitions. Each of these methods has merit and provides agencies with options to suit the burgeoning type of projects commissioned in the public sector.

Over time, however, the variance and complexity of these methods has increased, as has the onus on architectural practices to respond with more detail and take on greater risks associated with changing procurement models. Many government and institutional clients are aware of the difficulties for consultants in the architectural services procurement process and taking steps to address them. Policy frameworks of all public agencies are constantly undergoing refinement.

The Institute has identified procurement of architectural services as a key policy priority and has recently undertaken research to investigate best practice Expression of Interest (EOI) and Request for Tender (RFT) methods in public sector and educational institutions that commission architectural services. In the context of ongoing change, the research looked to explore the perceptions and experiences of clients and architects of procurement practices, with a view to improving the procurement process. The research included an analysis of industry and government policy documents, interviews with government and institutional clients, and an online survey of Institute members.

The research enabled the Institute to develop a set of Guidelines for EOI and RFT for architectural servicesⁱⁱⁱ endorsed by the Office of the Victorian Government Architect. The objective of the guidelines is for potential clients to review their own EOI and RFT methods and documents and align them with best practice to enable an effective and efficient process that maximises the potential for high quality built outcomes and reduces bidding and assessment costs for all.

Without clear and concise tender processes that provide equal opportunity, a fair distribution of project risk and a focus on quality design, clients can squander precious time and public resources in the procurement of architectural services, and undermine the potential quality of their built project. This is true for projects delivered anywhere in Australia.

The Institute is continuing to engage with government at all levels while encouraging members to share the guidelines with potential clients so that together we can promote better procurement practices for all.

Design competitions

To support the appropriate use of design competitions the Institute has produced a set of guidelines to assist purchasers of architectural services to realise the benefits of architectural design competitions.^{iv}

While competitions can generate excellent outcomes for clients and a quality-built legacy the process must be robust. The guidelines therefore seek to ensure that government and industry are more informed clients and that the opportunities afforded by a competition approach can be fully realised.

Covering a range of issues from different types of competitions to formulating a brief and jury selection, the guidelines support government, and non-government entities, to make key decisions about what competition process to use depending on size, objectives, time constraints and the design flexibility of the project.

Architectural design competitions help to open up the field of participants, generating public interest in the project and supporting innovation. The independence of a well-run competition can mitigate political risk, unify disparate stakeholders, resolve conflict and realise the full potential of a project.

There is also scope for design competition objectives and expression of interest guidelines to support the use of local capability and procurement aggregation. When local government looks to coordinate planning and development to support local capability, additional local economic benefits can be leveraged beyond just an increase in built environment amenity and access to community facilities.

Recommendations

- All Australian governments must facilitate the involvement of Australian architects in competitive design processes for publicly funded projects.
- Government should ensure fair and open procurement practices in order to maximise economic benefits and create a rich legacy of civic buildings and urban spaces via procurement practices.
- Risk allocation in contracts must be balanced to support quality innovation and viability.
- Procurement options for significant community developments should include the use of design competitions when relevant.

- Design competitions can result in a wide range of diverse design ideas and can be a useful way to engage and empower the community in decision making processes.
- Design competitions must be undertaken appropriately to ensure that government is an informed client and that the opportunities afforded by a competition approach to the provision of civic space can be fully realised.

5. Climate change and community resilience

Australia must enhance the resilience of our built environment to extreme weather events and predicted climate change impacts. Design plays a critical role in integrating systems, such as water and waste management, natural ecologies, culture, human health and well-being. Growth in our urban and rural cities means increasing pressures on our natural environment and the crucial ecosystem services they provide (e.g. clean air, cooler urban areas).

Climate change is expected to exacerbate these pressures. We must create a sustainable built environment that fosters connectivity and integrates essential resources and functions to mitigate against adverse impacts from climate change.

As a signatory to the Paris Climate Change Agreement, Australia has committed to reaching net zero emissions by around 2050. Australia's built environment contributes almost a quarter of Australia's emissions, offering a significant opportunity for emissions reduction.^v

Setting strong energy standards for new buildings between now and 2050 could reduce energy bills by up to \$27 billion, cut energy network costs by up to \$12.6 billion and deliver at least 78 million tonnes of cumulative emissions savings.^{vi}

Improved energy performance of buildings reduces stress on the electricity network, offers bill savings, supports a least-cost pathway to a zero-carbon built environment, and improves health and resilience outcomes for households and businesses.

Recommendations

- The Australian Government should establish a national plan towards zero carbon buildings by 2040 that can be supported and led where appropriate by state and local government.
- Strong mandatory minimum standards must be set for the energy performance of buildings and appliances and energy efficiency programs must be adapted for existing and new buildings. More stringent energy standards must be included in the National Construction Code.
- Incentives for the private sector to implement climate change mitigation and adaptation strategies in the built environment must be considered and implemented.
- Government at all levels must ensure that they only purchase architectural design services that deliver the implementation of climate change mitigation and adaptation strategies in the built environment.

6. Housing a diverse and inclusive community

Australia is faced with a major housing problem in terms of availability, affordability and accessibility. There is a major shortfall of social housing available for those on low incomes who need housing, especially those who have recently experienced homelessness, family violence or have other special needs. Affordability affects our overall productivity as a nation and the ability of all citizens to participate effectively in the economy.

Accessibility is also another major issue for Australia's ageing population and people with a disability. These pressures are present equally in both urban and regional centres, however longer distances and the ability to access services becomes a more significant hurdle to overcome in regional Australia.

The requirement for culturally appropriate housing for Indigenous communities is also keenly important to creating healthier, more stable, secure and socially cohesive communities. All Australian governments will need to coordinate approaches to support housing diversity because:

- Australia will need to build more than one million social and affordable houses over the next 20 years to combat the housing affordability crisis, many of these will need to be located in regional Australia.
- By 2036, Australia will need 728,600 social housing properties for those on social security, and 295,000 affordable rental homes for low income earners.
- Mortgage stress, rental stress and homelessness are all on the rise. Private renters in the lowest two income quartiles spend 29-47 percent of their disposable income on housing.^{vii}

Good design and the involvement of architects from the early planning stages can have a positive impact on project outcomes and in the purpose designed and constructed delivery of diverse and inclusive community housing.

Recommendations

- Local Indigenous people and organisations must be supported to deliver and manage their housing services.
- New, appropriate housing must be invested in and existing homes must be upgraded.
- Government programs must look to support the purpose designed and constructed delivery of diverse and inclusive community housing.
- Federally owned land must be released in relevant locations. The development sector must become partners to provide new social and affordable housing.
- Clear targets for social and affordable housing must be developed and include more flexible housing types and multi-generational occupancy.

7. Improving building regulation

Australia needs to change the building regulatory environment regarding compliance with and enforcement of the National Construction Code (NCC). There have been significant compliance failures such as in non-conforming building products and fire safety.

These failures are of significant and on-going concern and have occurred for three main reasons:

1. quality is not embedded into the value system of the design and construction process;
2. the roles and responsibilities of those involved are not clearly defined; and
3. there is a general lack of appreciation of good design and the value of thorough documentation.

The Institute has been closely engaged with governments and regulators across Australia and it is very encouraging to see that changes are now starting to take effect in response to the nationally endorsed recommendations of the Shergold-Weir Building Confidence report. This momentum for reform must be harnessed and all the findings of the Building Confidence Report must be implemented in a nationally consistent manner, as a high priority.

The Institute is extremely keen to support reform aimed at rebuilding consumer confidence in the building and construction industry. Property owners must have the confidence that designs meet the Building Code of Australia, that they are provided and then constructed by appropriately qualified professionals and that the original design intent is realised in the finished building.

Recommendations

- Encourage states and territories to implement all of the recommendations of the Building Confidence report in a nationally consistent manner.
- Continue to regularly host the Building Ministers Forum and the joint industry/government meetings.
- Regulate through the NCC for the construction of new homes that are easy to access and adaptable, facilitating an enhanced quality of life for occupants.
- Legislate for post-construction audits to measure as-built environmental performance.

8. Appropriate use of Australian Government funds: Anzac Hall demolition

The Institute has significant and ongoing concerns about the \$500 million Australian War Memorial (AWM) redevelopment project regarding the planned demolition of Anzac Hall and threats to the heritage value of the site.

The AWM is included on the Australian Institute of Architect's register of Nationally Significant 20th-Century Architecture. In 2005, Anzac Hall received the Institute's Sir Zelman Cowen Award for public buildings for its design excellence. The award citation included 'The materials of stone, concrete, metal and glass meld well with the heritage qualities of the existing building, and the powerful and contemporary form of the new building complements the old.' The Anzac Hall also received the Canberra Medallion in the same year.

There is a direct relationship between recognition by groups such as the Institute (and others such as Engineers Australia) for the work of their peers and the eventual recognition of values by the broader community through heritage listing. The AWM heritage listings already acknowledge the contribution of Anzac Hall to the precinct. Given time, it is extremely likely that Anzac Hall would obtain a direct heritage listing in its own right. The current and pending Heritage Management Plan's (2011 and 2019) also recognise the importance of Anzac Hall to the AWM Campbell precinct and require that Anzac Hall be retained and conserved.

Ashley Built Heritage has undertaken for the Institute an independent Heritage Review of the redevelopment project under the *Environment Protection and Biodiversity Conservation Act 1999*. The Review has identified that the current redevelopment proposal has significant heritage impacts arising from the bulk, scale and location of the new work, such that further detail and minor modification would not remove that significant impact.^{viii}

Opened in 2001 at a reported cost of \$11.3 million, ANZAC Hall has been lauded for its sensitivity to the heritage and cultural context of this national memorial while also providing functional design. At only 18 years of age, ANZAC Hall is considered young in public building terms, where average lifecycles are 50 to 100 years.

The demolition of an award winning building that remains fit for purpose and with options for extension and redevelopment is objectionable, even more so in an setting where government resources must be extended across a range of competing demands. It is also not appropriate from an environmental and sustainability standpoint to undertake the demolition.

Architects are passionate about preserving Australia's heritage and honouring our national history, nowhere more so than the extraordinary service and sacrifice of the servicemen and women. In recognition of this Anzac Hall was designed with care and sensitivity to the highest standards of design excellence, an effort recognised when it was selected above any other piece of public architecture to receive the Sir Zelman Cowen Award.

The AWM is one of our nation's most significant monuments and a site of immense pride and emotion for the Canberra community and this includes Anzac Hall, which is a national landmark and much-loved exhibition space. The Institute believes that the planned demolition of Anzac Hall must be stopped, and an acceptable alternative found instead.

Recommendations

- The planned demolition of Anzac Hall must be stopped, and an acceptable alternative found instead.
- Governments must look to ensure the appropriate reuse of resources, including preferencing the redevelopment, rather than replacement of public buildings.

ⁱ *Industry Profile: Architectural Services in Australia*, IBISWorld April 2019

ⁱⁱ *The Benefit of Design*, prepared for Architects Accreditation Council of Australia, Galaxy Research, June 2015

ⁱⁱⁱ https://www.architecture.com.au/policy_campaigns/procurement/

^{iv} <https://www.architecture.com.au/wp-content/uploads/Architectural-Competitions-Policy.pdf>

^v *Built to Perform: An Industry Led Pathway to a Zero Carbon Ready Building Code*. Australian Built Environment Sustainability Council and Climate Works, July 2018

^{vi} *Built to Perform: An Industry Led Pathway to a Zero Carbon Ready Building Code*.

^{vii} *Estimating need and costs of social and affordable housing delivery*, City Futures Research Centre, March 2019

^{viii} <https://wp.architecture.com.au/anzachall/heritage-review-of-epbc-act-referral/>