

Royal Institute of British Architects

Response to the House of Lords International Agreement Committee: UK-Australia trade negotiations and agreement September 2021

The Royal Institute of British Architects is a global professional membership body driving excellence in architecture. We serve our members and society in order to deliver better buildings and places, stronger communities and a sustainable environment. Being inclusive, ethical, environmentally aware and collaborative underpins all that we do.

The RIBA welcomes this inquiry. British architecture is a global success story – at £624 million last year, UK architects’ revenue from international work far exceeds that of architects in any other European country, with the majority of exports going to countries outside the EU.

As the UK negotiates a new relationship with the rest of the world – opening new markets via trade agreements is critical. There are deep cultural and business links between Britain and Australia, as well as existing cooperation between British and Australian architects that a free trade agreement (FTA) should build upon.

The UK is the second-largest provider of services imports into Australia. At present Australia is a relatively small market for UK architectural exports; however, the potential exists for significant growth if a deep services trade agreement can be concluded.

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Does the agreement in principle published on 17 June 2021 deliver on UK interests, including those of the devolved nations? What are the costs and benefits? How reliable do you find the DIT's assessment of the potential impacts of the proposed agreement with Australia, either as set out in the strategic approach or elsewhere?

The agreement in principle was broadly positive for the architecture sector. It was positive to see the mutual recognition of professional qualifications (MRPQs) included in the agreement; a lack of MRPQs is the biggest non-tariff barrier affecting architects.

The inclusion of enhancing the opportunities for business travel in the agreement in principle was also encouraging. Currently, the process to obtain a visa to enter Australia is time-consuming and bureaucratic, which adds delays to projects and increases costs. However, further details are required to ascertain if enhanced business travel will be achieved.

Commitments on maximising opportunities to participate in each other's government procurement markets and higher investment screening thresholds for UK investors in Australia are also welcomed.

The UK Government aimed to increase opportunities for the UK professional services industry by supporting Mutual Recognition of Professional Qualifications and facilitating the temporary movement of business people between the UK and Australia. From the information available to-date, to what extent will the agreement meet this objective?

The UK architecture sector succeeds because of its ability to trade in goods and services and recruit international talent. An employer may seek to recruit an international architect for several reasons, including a scarcity of applicants with specialities, or the requirement for soft skills, such as language and international market knowledge.

One in four architects currently working in the UK are non-UK nationals; 80% of international architects are from the EU. However, since the referendum there has been a drop-off in registrations from EU architects, we are concerned about the impact of this on recruitment. 86% of architects think that access to international talent is critical to the sector. It is unclear how COVID-19 (coronavirus) will impact on the ability to recruit within the sector.

We currently do not know the full extent of the impact of the UK leaving the EU, or the impact of coronavirus, on architectural talent. Therefore, it is crucial that the UK-Australia FTA include MRPQs and adequate provisions to enhance the movement of business people.

Mutual Recognition of Professional Qualifications

Currently, UK architects wishing to work in Australia must go through a costly and bureaucratic process of registration, and sometimes requalification, locally in order to practice or use the title ‘architect.’

This adds additional regulatory burdens for British architects seeking to work in Australia and for Australian architects looking to bring their skills to British practices, with a significant investment of time and money often required to overcome this barrier.

These issues are particularly pronounced for smaller practices, who are less able to bear the additional cost and administration burdens associated with overcoming these barriers. 85% of architectural practices employ fewer than 10 people; at present, propensity to export in the architecture sector varies greatly by size.

The RIBA has had positive engagement with its counterparts in the Australian Institute of Architects on mutual recognition, therefore, it was positive to see this included in the agreement in principle. This will help enable easier access to the Australian markets for UK qualified architects, while also ensuring that the UK sector has access to Australian talent.

Visas and movement of people

International architects bring a wealth of design skills and market knowledge that makes the UK a leader for creativity and innovation. Trade agreements must reflect this through a trade in services deal that allows for the movement of businesspeople.

Architecture is a people-based profession and the biggest drivers of its success are the individual professionals working in the sector. RIBA research shows that nearly three-quarters of the barriers to trade in architectural services relate to restrictions on foreign entry and particularly the movement of people.

The agreement in principle states that the UK and Australia have committed to provisions on temporary entry that will support economic recovery, enhance opportunities for business travel, and encourage people to travel and work in each other’s territories. This is a positive commitment as currently Australia is a relatively difficult country to enter for work purposes. RIBA members working on projects in Australia have reported that the process for obtaining visas for staff is arduous and bureaucratic, with it frequently taking 2-3 months to get visas approved. This adds delays to projects and increases costs; addressing these issues would remove a significant barrier to services trade and support professional business services like architecture to do business more efficiently and effectively in Australia.

However, it is currently unclear if the specific commitments on mobility in the agreement in principle will alleviate these problems. The suggested changes for youth mobility, including the age increase (from 30 years old to 35) and the extension of the scheme (from two years to three), may help the mobility of architects from Australia to the UK and vice versa. The current

youth mobility programme is impractical for the needs of some architecture practices due to the short-term nature and age restrictions. However, until these changes come into force it is difficult to ascertain how successful they will be at helping fill skills gaps.

The agreement in principle states that the FTA will include visa pathways for service suppliers. As part of this, the opportunity to include provisions such as work visa quotas in a trade agreement with Australia would help to ensure that restrictions on the movement of people are addressed. A number of bilateral trade agreements already include work visa quotas (e.g. between the USA and Australia) and these have helped to boost services trade by removing barriers.

In addition, the RIBA would welcome a simplified application process and expedited visa processing for business travellers, making temporary entry far easier and more reliable and helping to reduce costs for services trade. Abolishing the immigration skills charge for high-skilled roles would also help to keep administrative costs to a minimum.

The agreement in principle also noted the removal of the economic needs test. However, this is only applicable for UK architects wishing to travel to Australia, as the UK's new immigration rules do not include this test. The removal of the economic needs test will not benefit UK architecture practices wishing to attract talent from Australia.