

RIBA Response:

House of Lords Committee - EU International Agreements Sub-Committee: UK-Australia trade negotiations

The Royal Institute of British Architects champions better buildings, stronger communities and higher environmental standards through the practice of architecture and our 40,000 members. We provide the standards, training, support and recognition that put our members – in the UK and overseas – at the peak of their profession. With government and our partners, we work to improve the design quality of public buildings, new homes and new communities.

The RIBA welcomes this inquiry. British architecture is a global success story – at £625 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 which make it an attractive prospect for a trade agreement, as well as existing cooperation between British and Australian architects that a free trade agreement (FTA) should build upon.

Does the Department for International Trade (DIT)'s strategic approach, published on 17 June 2020, set out the right objectives for negotiations? How effectively does that strategic approach represent the interests of different groups and regions across the country, including the devolved nations, businesses, civil society, and individuals?

The objectives set out in the strategic approach for the Australian trade negotiations were overall positive for the architecture sector. Architecture was mentioned in the strategic approach as an area that would benefit from an FTA; this has been a key position for the RIBA.

We were pleased to see that the strategic approach noted that the UK architecture sector was a key area of strength.

The strategic approach highlighted that the Government would like a trade deal that supports the Mutual Recognition of Professional Qualifications (MRPQs). Architecture was mentioned as priority area for MRPQs, which was welcomed. Currently, a lack of MRPQs is the biggest non-tariff barrier affecting architects. It is critical for the architecture sector that trade deals with Australia contain clauses for mutual recognition of professional qualifications.

The inclusion of enhancing the opportunities for business travel was also a welcomed objective in the UK's strategic approach to negotiations with Australia. Currently, the process to obtain a visa to enter Australia is time-consuming and bureaucratic. This adds delays to projects and increases costs. Addressing this would remove a significant barrier to services trade.

The strategic objectives also highlighted some of the excellent work that British architects have already completed in Australia, including the Sydney Metro, which was welcomed by the RIBA.

The UK Government has expressed interest in increasing 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. What provisions do you think the UK should seek to agree with Australia on the movement of people in professional services and what impacts might there be for UK workers and businesses? What provisions will Australia be seeking?

The UK is the second-largest provider of services imports into Australia behind the United States. 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. The relatively high openness of the UK and Australian services market provide a good starting point for a free trade agreement focused on removing barriers to mutual market access.

Mutual Recognition of Professional Qualifications (MRPQs)

For architecture the most significant non-tariff barrier to trade is a lack of mutual recognition of professional qualifications; 59% of our members believe this is a top priority for boosting trade in architecture.

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 recommended that the Government make the necessary legislative changes to allow the Architects Registration Board to negotiate and implement new mutual recognition agreements, without delay, and instruct them to begin talks with priority markets including Australia.

The RIBA has had positive engagement with its counterparts in the Australian Institute of Architects on mutual recognition, however, we need the respective Governments to agree to pursue this further, either via a trade agreement or by allowing regulators to open discussions. We believe that any trade deal with Australia must include an agreement for the mutual recognition of professional qualifications, which will enable easier access to those markets for UK qualified architects, while also ensuring that the UK sector has access to global 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.

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 issues like this would remove a significant barrier to services trade and support professional business services like architecture to do business more efficiently and effectively in Australia.

RIBA has recommended that the UK should look for opportunities to include similar provisions such as work visa quotas in a trade agreement with Australia, to ensure that restrictions on the movement of people are addressed and to support UK architects and other service sector professionals to work there. 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.

Our research demonstrates how nearly three-quarters of the barriers to trade in architectural services relate to restrictions on foreign entry and particularly the movement of people.

Addressing these barriers will support trade and increase the pool of talented architectural staff British practices can benefit from.

Potential impacts on the sector

The UK architecture sector succeeds because of its ability to trade in goods and services and recruit talent international talent.

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.

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.

Regional architecture practices find it more difficult to recruit. This is for several reasons, including: talent is drawn to cities where salaries are higher, applicants do not want to relocate for work and an insufficient pipeline of talent due to a lack of local universities with architecture courses.

It takes at least seven years to qualify as an architect in the UK. The lack of different routes to registration, and length of time it takes to train new domestic talent, means the skills pipeline doesn't necessarily reflect current demand.

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. But this is why it is crucial that new trade deals include MRPs and provisions to enhance the movement of business people.