

## RIBA Response:

# House of Lords Committee - EU International Agreements Sub- Committee: UK-New Zealand 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 New Zealand which make it an attractive prospect for a trade agreement, as well as existing cooperation between British and New Zealand 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 New Zealand trade negotiations were overall positive for the architecture sector.

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 New Zealand 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 New Zealand. Currently, obtaining a visa to enter New Zealand can be time-consuming and bureaucratic. This adds delays to projects and increases costs. Addressing this would remove a significant barrier to services trade.

**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 New Zealand. What provisions do you think the UK should seek to agree with New Zealand on the movement of people in professional services and what impacts might there be for UK workers and businesses? What provisions will New Zealand be seeking?**

The UK is the second-largest provider of services imports into New Zealand behind the United States. At present New Zealand 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 New Zealand 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 New Zealand 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 New Zealand and for New Zealand 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 New Zealand.

The RIBA has had positive engagement with its counterparts in the New Zealand 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 New Zealand 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.

Delays in visa processing can increase the time it takes for architectural practices to send people to work in overseas markets, adding delays to projects and increasing the costs of working internationally.

Under several of its existing free trade agreements – for example its FTA with China – New Zealand provides expedited visa processing for business travellers, making temporary entry far easier and more reliable and helping to reduce costs for services trade. Under the Trans-Tasman Agreement, New Zealand and Australian citizens can live and work freely in each other's country with no visa requirements.

The UK should similarly look for opportunities to include work visa quotas and expedited visa processing in a trade agreement with New Zealand to ensure that restrictions on the movement of people are addressed and to support UK architects and other service sector professionals to work there.

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 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 the 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, 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 MRPQs and provisions to enhance the movement of business people.