Design Matters National

Submission to Productivity Commission -

National Competition Policy 2025

In response to the request from National Treasury, under the Productivity Commission Act (s. 17), Design Matters National would like to make the following submission addressing an occupational licensing scheme as it affects our members, that provides for:

- labour mobility nationally
- the need for high standards, while cutting red tape and delays, and
- harmonising regulated standards across Australia, in priority sectors identified by governments (housing).

This submission has been written on the lands of the Wurundjeri people of the Kulin Nations. Design Matters National wishes to acknowledge them as the Traditional Owners and Custodians of the land and pay respects to their Elders past and present. Their sovereignty has never been ceded.

For questions regarding this submission, please contact: Danielle Johnston, CEO, Design Matters National,

June 2025

Contents

About Design Matters National

Design Matters National is the largest professional body of building design and thermal assessors in the country. Coming from Victorian origins, our intent to see national recognition of built environment professionals is supported by the desire to streamline their ability to work unhindered across the country, encourage high quality standards, stimulate business and work opportunities, and to facilitate a desirable built form, accessible to all Australians.

Who are our design professionals?

Building designers design buildings. Historically, building designers would be remembered, or referred to as 'drafts people', however this term is outdated and technologically retarded. Drafting is just one of the aspects of a building designer's work. In 2025 a building designer is concerned with:

- ✓ Compliance: building codes and regulations, planning laws, material compliance
- ✓ Sustainability: siting, materiality, operating efficiency, longevity
- ✓ Affordability: creating designs that are flexible, affordable and sympathetic to our changing social fabric
- ✓ Beauty: contribute to the built environment that is aesthetically pleasing.

In conjunction with building designers, **thermal assessors** are an important member of our Design Matters National family. As we strive towards a net zero economy, thermal assessors contribute to that goal through their contributions to building efficiency:

- ✓ Green Building: Section J compliance (NCC Vol. 2)
- ✓ Whole of House: NCC Volume 1 compliance, and
- ✓ Net Zero: material carbon accounting, reduce energy consumption (decreased operating costs) and increased thermal comfort for occupants.

Summary of Major Recommendations

National Registration

- Nationally recognised registration that is consistent across states in line with the National Construction Code for building designers and thermal assessors.

Minimum Qualification Standards

- Nationally recognised qualification that enables pathways into the profession for building designers to operate in every state and territory.
- Enables a pathway for internationally qualified people to be more mobile when electing their final place of settlement.

Compulsory Professional Development

- Mandatory professional development to assist with maintaining quality and standards within the profession of building design and thermal assessment.

Enforcement of Energy Efficiency Compliance

- The National Construction Code 2022 version dictates Whole of House compliance in addition to 7 Star Efficiency and Section J compliance for commercial buildings. Currently there is no method or process of ensuring practical compliance.

Nation-wide Adoption of the National Constuction Code (NCC)

- The provisions in the NCC are a guide only and do not provide any consistency across the Jurisdictions. Each State and Territory decides whether to adopt NCC provisions and can apply their own provisions overriding NCC provisions. If we want to improve efficiencies, either the ABCB needs more power over implementation of the NCC, or the power to make provisions need to be transferred to the Jurisdictions (taking into account their regional contingencies).

Shared Data Bank of Building Information

- Save time and resources by building a data bank of as built documentation for industry users as well as for the end users and the ongoing management and maintenance of the building.

Current State of Registration Requirements

Building Designers

Despite having a National Construction Code that dictates building materials and methods, with reference to the Australian Standards, also nationally recognised, practitioners have different levels of licencing requirements across the country. The following table illustrates this.

State/Territory	Building Designer Licensing	Limits
Victoria	Yes	No
Queensland	Yes	Yes
Tasmania	Yes (projects > $5,000)	Yes
Western Australia	No	No
New South Wales	No	Yes
South Australia	No	No
Australian Capital Territory	No	No
Northern Territory	No	No

Thermal Assessors (Energy Efficiency Assessors)

The regulation of thermal performance assessors is governed by the Nationwide House Energy Rating Scheme (NatHERS).

Depending upon the compliance pathway, there are varying requirements for qualifications and quality controls. For example, under the NatHERS pathway, there are options to carry out assessment either as an Accredited Assessor or unaccredited assessor. Each produce energy efficiency reports and certificates in different formats.

NatHERS Accredited Assessors must:

- Carry Certificate IV qualifications
- Carry current Professional Indemnity Insurance
- Adhere to a Code of Conduct
- Attain minimum professional development activities annually, and
- Agree to Quality Assurance procedures and performance improvement actions.

Unaccredited Assessors and those who carry out energy efficiency reports under the Elemental Deemed to Satisfy and VURB pathways are not required to:

- Carry any formalised qualifications
- Adhere to a Code of Conduct
- Participate in Quality Assurance activities
- Engage with continuing professional development

It is unknown whether individual Unaccredited Assessors carry Professional Indemnity Insurance.

Qualifications of Thermal Performance Assessors (Energy Efficiency Assessors)

While the overarching framework is national, specific requirements and recognition can vary between states and territories.

To conduct thermal performance assessments, the National Framework, or NatHERS, requires practitioners to:

1. Attain a qualification:
- Certificate IV in NatHERS Assessment (CPP41212) **OR**

- Certificate IV in Home Energy Efficiency and Sustainability (Thermal Performance Assessment) (CPP41119) **OR**
- Certificate IV in Home Energy Efficiency and Sustainability (Home Sustainability Assessment and Thermal Performance Assessment) (CPP41119)(NatHERS)

2. Gain Accreditation from an Assessor Accrediting Organisation (AAO), of which Design Matters National is one, as is the Australian Building Sustainability Accreditation (ABSA) and House Energy Raters Association (HERA). These organisations assess qualifications, software training, and other criteria to grant accreditation.

The certification and accreditation processes are not consistent nationally:

State/Territory	NatHERS Accreditation required for NatHERS Assessments	Additional Requirements per NCC and/or State legislation
Victoria	Yes	Yes
Queensland	No	Yes
Tasmania	No	Yes
Western Australia	No	Yes
New South Wales	Yes	Yes, covered under BASIX legislation
South Australia	Yes	Yes
Australian Capital Territory	Yes	Yes, including additional practitioner licencing
Northern Territory	No	Yes

The current system is letting us down – still.

Authored by Professor Peter Shergold and Ms. Bronwyn Weir in 2018, the **Building Confidence Report (BCR)**[1] assessed the effectiveness of compliance and enforcement systems within Australia's building and construction industry. The report identified significant shortcomings in the implementation of the National Construction Code (NCC) and made 24 recommendations aimed at strengthening regulatory practices and restoring public trust.

Of those recommendations that directly affect building designers on a professional they are:

- Recommendation 1 - Registration of building practitioners
- Recommendation 2 - Consistent requirements for registration
- Recommendation 3 - Continuing Professional Development
- Recommendation 12 – Collecting and Sharing of Data Intelligence
- Recommendation 13 - Responsibility of design practitioners, and
- Recommendation 14 - Adequate documentation for performance solutions.

In their overall findings, there was a call for a "better system of harmonisation". [2] Since the report was submitted to the Australian Building Ministers, those recommendations are making steady but slow progress. The last jurisdictional update[3] was five years ago, in 2020.

Consistency across the jurisdictions will enable businesses to operate seamlessly. As state economies wain or expand, through either State and Territory policy initiatives or environmental disasters, labour can move across borders to meet demand.

[1] https://www.industry.gov.au/sites/default/files/July%202018/document/pdf/building_ministers_forum_expert_assessment_-_building_confidence.pdf
[2] Building Confidence, Introduction. Pp14 Productivity Commission 2004, Reform of Building Regulation, p. 243
[3] https://www.industry.gov.au/publications/building-confidence-report-implementation-plan

A National Registration Scheme

As building designers and thermal performance assessors work to comply with the National Construction Code, it makes eminent sense to have a national registration or licencing scheme that allows professionals to work across state borders.

First steps towards a national licensing scheme

Design Matters National's is advocating for:

- Streamlined national governance for **thermal assessors**
- National licence / registration system for building **designers**

The accreditation process as described above for thermal performance assessors is already established with nationally recognised qualifications, however the governance of those may differ between jurisdictions. Thermal Performance and energy efficiency standards are governed by the Australian Building Codes Board (ABCB) via the National Construction Code (NCC) Part H6. While the NCC sets national construction standards, *each jurisdiction may choose whether to adopt the current provisions,* and whether to adopt them in their entirety, or to exempt parts of the code, or certain areas within their State/Territory.

Previous attempts at a national registration / licensing scheme

Competitive rivalry between architects and building designers has been a barrier to a national licensing scheme. Where NSW limits work that building designers can do, Victorian has a more vigorous registration process and no limits to the type of projects engaged. Design Matters National represents all designers and sees building designers and architects as mutually beneficial to the built environment outcome.

Design Matters National supports the Victorian model, where building designers and architects can compete for the same work in an open market with their individual skill and business capabilities assessed, based on the requirements of any given project, be it two, four or more stories, and any classification or building type. In essence such a scheme would provide a truly open market with no barriers to trade, in accordance with increased productivity aims. In response to industry, building designers' registration is currently under review by the Victorian Building Authority. The changes proposed will enable designers to limit their registration to either residential work or commercial and residential, depending on their area of expertise. Similar limits have been allocated to Building Surveyor licensing.

Quantifying the benefits of a national licensing scheme

- Increased building permits – improving documentation / speed of assessments and therefore construction.
- Increased work participation – replace retiring professionals.
- Increased quality – better documentation.
- Decreased building failures.

Minimum Qualification Standards

The discussion around the minimum qualification, and the supporting documentation in Appendix A, will highlight the initial hurdle. Each qualification contributes to the limitations of area of work. A formalised pathway that enables building designers to practice all types of construction, outlined in both Volume 1 & 2 of the National Construction Code, is highly desirable.

As with the registration process between States and Territories, so are the qualifications required for building design.

The four established courses which have currency are:

- Certificate IV Residential Drafting – National Code CPP40121
  - ⇒ Drafters produce drawings and documentation and use CAD software to draft and document residential Class 1 and 10 (as defined in the National Construction Code (NCC) building designs under the supervision of licensed or accredited building designers **or** architects.
  - ⇒ **10 units** of competency
- Diploma of Building Design – National Code CPP50921
  - ⇒ Practitioners further develop their drafting expertise and design capabilities to design, draft and document plans, specifications and documentation for buildings of all classifications, as defined in the NCC, to a maximum floor area of 2,000 m^2, excluding those of Type A construction.
  - ⇒ **12 units** of competency
- Advanced Diploma of Building Design – National Code CPP60421
  - ⇒ Practitioners work without supervision to design, draft and document plans, specifications and documentation for building design projects on all classes of buildings, as defined by the National Construction Code (NCC), including those of Type A construction.

⇒ **8** units of competency

- Advanced Diploma of Building Design (Architectural) – Victoria 22627VIC
  - ⇒ The prescribed course to become registered with the Victorian Building Authority (VBA) in the Victorian class of Building Design (Architectural) and one of the prescribed courses for the Victorian class of Building Design (Interior).
  - ⇒ **22** units of competency

The qualifications on offer respond to the licensing requirements of each state. The Victorian model is currently under review [4] for the renewal in 2028. This potentially will make way for further development of the current and extended qualifications to meet the evolution of the industry:

22654VIC **Course in Building Information Modelling (BIM)** - provides graduates with the skills and knowledge required to apply digital technologies to work practices during the construction phase, or post construction for management of the asset life cycle.

22655VIC **Advanced Diploma of Building Information Modelling (BIM)** - provides graduates with the skills and knowledge required to manage the detailed activity of a building construction or engineering project using BIM-compatible software to achieve optimisation of the project workflow from start to completion.

Desing Matters National is working with industry to assess the effectiveness of the Victorian qualification in comparison to the national qualification. Although more comprehensive, it does not provide sufficient flexibility or allocation of resources in the current employment market for students of building design to explore job opportunities in the wider area of professional services within the construction industry. The courses currently being assessed by Artibus, above, attend to this fact.

Need for Ongoing Professional Development

Building designers and thermal performance assessors are encouraged to engage in Continuing Professional Development (CPD) to stay updated with industry standards, software advancements, and regulatory changes, however this is not compulsory for either professional stream.

[4] Artibus Innovation is a workforce development consultancy that focuses on aligning skills and workforce needs with the Australian Vocational Education and Training (VET) sector

The built environment is continually changing. These changes are brought about through:

- Changing building technologies - as evidenced by our performance-based National Construction Code.
- Policy changes – State (Planning) and Federal (Net Zero)
- Social change – Demographic, generational, work-life balance & population changes, to name a few
- Economic change – Affordability demands, material availability, and
- Environmental change – sustainability measures, carbon footprints.

To maintain quality in our built environment, it is essential that practitioners maintain professional currency through ongoing education. CPD ensures building practices through design documentation is abreast of technological changes both in building construction technologies and materials utilised.

International standards

One national qualification will enable an international recognition of overseas trained professionals to do one qualification and give them more mobility as they settle in Australia.

A system of Compulsory Professional Development to improve awareness of product certification and compliance to Australian Standards would benefit national and international accredited professionals.

Lack of NCC consistency, enforcement, across jurisdictions

While Australia invests billions of dollars into the Australian Building Codes Board (ABCB) structure to produce a revised National Construction Code (NCC) each three years, the provisions in the Code are a guide only and do not provide any consistency across the jurisdictions.

Each State and Territory also invests in planning and building authorities each of which has discretion over whether to adopt NCC provisions. They also choose whether to apply their own provisions overriding NCC provisions.

If we want to improve efficiencies, either the ABCB needs more powers over the implementation of the NCC, or the power to make provisions needs to be transferred to the jurisdictions (accommodating regional contingencies).

Demonstrating Compliance with Energy Efficiency Provisions

Under NCC 2022 Part H5, the provisions provide four pathways that can be used to demonstrate compliance with Energy Efficiency provisions. These include:

1. NatHERS Deemed to Satisfy (energy use [appliance] is currently not possible with this option)
2. Elemental Deemed to Satisfy
3. Verification Using a Reference Building (VURB), and
4. Performance Solution.

Efficiency measures once determined and applied are not inspected. There is no enforcement. If Australia is committed to its carbon-reduction pledged made under the Paris Agreement, energy efficiency provisions will need to be elevated in importance and as-built compliance verification adopted.

Duplication of building authorities, lack of understanding

There is duplication of building authorities across three levels of government, including local government which also has their own interpretations and application of the NCC. Cutting red tape and streamlining the system is essential if we are to resolve the housing crisis and address our homelessness epidemic.

Other competition reform options

Identification of reforms to remove existing barriers to competition (clause 1b), review barriers to trade (clause 5b).

A need for a centralised database to facilitate sharing of known building information:

Multiple government departments, such as Councils' Planning and Building Surveyors and utility authorities, are continually requesting the same information of Building Designers. For example, a title lodged with council must be less than three months old, so Building Designers must request titles multiple times from the Titles Office. We seek a centralised database for building information. Buildings are all documented, however obtaining general information about a building's existing conditions is difficult with Freedom of Information Laws. A central database from which we can retrieve building information (e.g. floor plans) without having to physically travel to inspect these conditions. Currently Land Surveyors are required to submit land surveys to the Titles Office however this is done on a voluntary basis. This should be made to be mandatory as it would reduce

boundary disputes through easier access to known information. Recommendation 12 of the Building with Confidence Report[5] thought the same:

> *'That each jurisdiction establishes a building information database that provides a centralised source of building design and construction documentation.'*
>
> In 2020 this has only been partially carried out in some jurisdictions.

Architect Act vs. Building Designers

Anti-competitive practices need to be eliminated. The industry should be skills-based. Registered BDs should have the freedom of equal access to project opportunities, on par with architects. For example, in the Coburg Library project in Victorian, BDs were locked out of this opportunity, and this was anti-competitive.

Access to feasible litigation to recover losses

This is a significant issue in our industry because legal costs make it prohibitive to recover losses. BDs are forced to write off tens of thousands of dollars in lost fees annually and this is a sad indictment on our industry.

Empower planners to assess applications

To promote efficiency, productivity and confidence in our industry, the attitudes of planners need to change. It is common practice for BDs put in an initial, ambit-claim design, such as applying for a four-storey building, when all that was required were three storeys because they know their application will be reduced to three anyway. Red herrings are included in applications so these will be removed by the authorities. For example, an identical design will be seen negatively by a Council planner, whereas in a private practice, that same person will view the same design more positively.

[5] Building Confidence, Introduction. Pp14 Productivity Commission 2004, Reform of Building Regulation, p. 27

Thank you for the opportunity to make this submission.

Design Matters National

Australia's largest and fastest growing peak body for building designers and energy efficiency assessors.

(

PO Box 429

Elwood Vic 3184

www.designmatters.org.au

Info@designmatters.org.au

Appendix A

CPP40121 Certificate IV in Residential Drafting

Qualification Description

This qualification reflects the role of entry level drafters who support building designers and architects. Drafters produce drawings and documentation and use CAD software to draft and document residential Class 1 and 10 (as defined in the National Construction Code (NCC)) building designs under the supervision of licensed or accredited building designers or architects. To achieve this qualification, competency must be demonstrated in 10 units of competency, consisting of 7 core and 3 elective units.

Core

CPPBDN4101	Work effectively in a building design environment
CPPBDN4102	Analyse building design drawings
CPPBDN4103	Use CAD software to produce drawings for building design projects
CPPBDN4104	Apply compliance requirements to Class 1 and 10 building design documentation
CPPBDN4105	Prepare drawings for planning and building approval for Class 1 and 10 buildings
CPPBDN4106	Investigate materials for construction of Class 1 and 10 buildings
CPPBDN4107	Investigate construction methods for Class 1 and 10 buildings

Electives

CPCCWHS1001	Prepare to work safely in the construction industry
CPPBDN4108	Draw layout of required services for Class 1 and 10 buildings
CPPBDN4109	Research architectural styles and movements
CPPBDN4110	Set up BIM-capable software and files for building design drafting projects

CPPBDN5101	Produce digital 3-D models of building designs
CPPBDN5102	Produce compliant designs for Class 1 and 10 building
CPPBDN5110	Inspect and assess sites to inform the design process

CPP50921 Diploma of Building Design

This qualification reflects the role of drafters who apply their skills to diverse building design projects. Practitioners further develop their drafting expertise and design capabilities to design, draft and document plans, specifications and documentation for buildings of all classifications, as defined in the NCC, to a maximum floor area of 2,000 m^2, excluding those of Type A construction.

Practice at this level is underpinned by the ability to analyse and synthesise information from a range of sources to generate design solutions. Practitioners work without supervision and may specialise in residential, commercial, public or industrial projects including new buildings and renovations.

To achieve this qualification, competency must be demonstrated in **12 units** of competency consisting of **9 core and 3 elective** units.

Core

BSBESB402	Establish legal and risk management requirements of new business ventures
CPCCBC4015	Prepare specifications for all construction works
CPPBDN5101	Produce digital 3-D models of building designs
CPPBDN5102	Produce compliant designs for Class 1 and 10 buildings
CPPBDN5103	Produce compliant designs for Class 2-9 buildings up to two storeys
CPPBDN5104	Prepare drawings for planning and building approval for Class 2-9 buildings up to two storeys
CPPBDN5105	Evaluate construction materials and methods for Class 2-9 buildings up to two storeys

CPPBDN5106	Determine compliance requirements for Class 2-9 buildings up to two storeys
CPPBDN5107	Manage contracts for small-scale building design projects

Electives

BSBESB401	Research and develop business plans
BSBPMG426	Apply project risk management techniques
CPPBDN5108	Design timber framed buildings
CPPBDN5109	Recommend sustainability solutions for small-scale building design projects
CPPBDN5110	Inspect and assess sites to inform the design process
CPPBDN5111	Produce rendered animations of 3-D models of small-scale building designs
CPPBDN6106	Produce building information modelling for building design projects
CPCCWHS1001	Prepare to work safely in the construction industry
PUAFIR518	Conduct and record a Bushfire Attack Level (BAL) assessment

CPP60421 Advanced Diploma of Building Design

This qualification reflects the role of experienced drafters and building designers who apply their skills to complex building design projects.

Practice at this level is underpinned by the ability to critically analyse and synthesise information from a range of sources to generate design solutions and manage the design project. Practitioners work without supervision to design, draft and document plans, specifications and documentation for building design projects on all classes of buildings, as defined by the National Construction Code (NCC), including those of Type A construction.

To achieve this qualification, competency must be demonstrated in **8** units of competency, consisting of **6 core and 2 elective** units. Electives are to be chosen as follows:

Core

BSBOPS502	Manage business operational plans
CPPBDN6101	Produce compliant designs for Class 2-9 buildings up to three storeys
CPPBDN6102	Prepare drawings for planning and building approval for Class 2-9 buildings up to three storeys
CPPBDN6103	Evaluate construction materials, methods and services for Class 2-9 buildings up to three storeys
CPPBDN6104	Determine compliance requirements for Class 2-9 building designs up to three storeys
CPPBDN6105	Manage the tendering and contract administration process for a client

Electives

BSBMKG541	Identify and evaluate marketing opportunities
BSBSTR501	Establish innovative work environments

BSBPMG430	Undertake project work
BSBINS512	Monitor business records systems
BSBTWK502	Manage team effectiveness
CPPACC5006	Apply ergonomic principles to accessible building design and fitout
CPPACC5011	Prepare concept designs for accessible building work
CPPBDN6106	Produce building information modelling for building design projects

22627VIC Advanced Diploma of Building Design (Architectural)

This is the prescribed course to become registered with the Victorian Building Authority (VBA) in the Victorian class of Building Design (Architectural) and one of the prescribed courses for the Victorian class of Building Design (Interior). All units are core units.

Core	Unit of competency title
BSBESB401	Research and develop business plans
BSBPMG426	Apply project risk management techniques
CPCWHS1001	Prepare to work safely in the construction industry
VU23441	Undertake site survey and analysis to inform design process
VU23442	Apply structural and construction technology to the design of residential buildings
VU23443	Apply structural and construction technology to the design of commercial buildings
VU23444	Comply with relevant legislation in the design of residential buildings
VU23445	Comply with relevant legislation in the design of commercial buildings
VU23446	Design safe buildings
VU23447	Design sustainable buildings
VU23448	Integrate services layout into design documentation
VU23449	Produce preliminary and working drawings for residential buildings
VU23450	Produce preliminary and working drawings for commercial buildings
VU23451	Select construction materials for building projects

VU23452	Provide design solutions for residential buildings
VU23453	Provide design solutions for commercial buildings
VU23454	Integrate digital applications into residential architectural workflows
VU23455	Integrate digital applications into commercial architectural workflows
VU23456	Present architectural designs
VU23457	Manage architectural project administration
VU23458	Undertake complex architectural projects
VU23459	Conduct, interpret and apply a Bushfire Attack Level (BAL) assessment