

Association of Consulting Structural Engineers Victoria Inc.  
(ACSEV)



Joseph Genco (President ACSEV):



Karl Apted (Past President ACSEV) :



The Foundations and Footings Society (VIC) Inc.  
(FFSV)



Email:

Steve Buratto (Chair Foundations & Footings Society Victoria):



3<sup>rd</sup> April 2021

Consumer Affairs, Liquor, Gaming, and Dispute Services  
Department of Justice and Community Safety  
121 Exhibition Street  
Melbourne VIC 3000

Via website submission: <https://engage.vic.gov.au/engineers-registration>

Attention: Mr. John Batho  
Deputy Secretary

Dear Sir,

RE: Public Consultation  
Professional Engineers Registration (Fees) Regulations  
Exposure Draft & Regulatory Impact Statement

Responding to request for public consultation (6<sup>th</sup> April to 3<sup>rd</sup> May).

We are responding to the Exposure Draft Regulations and the Regulatory Impact Statement as issued 6<sup>th</sup> April.

The Association of Consulting Structural Engineers Victoria represents some 300 structural and civil engineers, most of whom are currently Registered Building Practitioner Civil Engineers under the Building Act 1993 who are actively engaged in the design of civil and structural works in the building and construction industry.

The Foundations and Footings Society Victoria represents engineers, engineering geologists, and technicians involved in the geotechnical assessment of building sites. We represent engineers involved in the design of foundations and footings for building works.

Both of our Associations have concerns with the proposed regulations.

Our concerns include:

1. The proposed scheme includes 4 organisations being owners of the Registration process, they are Business Licencing Authority (BLA), Consumer Affairs (CAV), Victorian Building Authority (VBA), Victorian Civil Arbitration Commission (VCAT). Whereas engineers currently operating under the Building Act 1993 are registered with the VBA.  
There is no analysis as to why we have principally three government entities to administer one scheme, currently we have one. The RIS does not justify this.  
It will eventually fall on VCAT members to sort out the mess, with the costs higher than they should be.
2. Small engineering companies will subsidise large companies, in that generally only senior engineers are registered. We note that most smaller firms have only one or two engineers, being the registered engineers (currently registered under the Building Act 1993). Larger firms have more than 40 engineers per registered engineer.  
There is no analysis to include for this.  
The cost is not equitable and considering that work a good volume of our representative firms undertake are predominantly for housing to medium scale industrial/commercial, this will impact on housing prices.  
Costs will be passed on.
3. The Regulatory Impact Statement notes that the registration fees include for part funding of Victorian Civil Administration Tribunal (VCAT). Our concerns are multiple on this aspect and are as follows:
  - a. We note that these costs are currently part funded by the levies already charged on Building Permits, as is funding for the Domestic Building Resolution Victoria. Analysis of this is not included in the RIS.  
The RIS does not consider this current funding? It is unreasonable to expect a surge in VCAT hearings due to registration of engineers, all who are already registered by the Victorian Building Authority and covered by the Building Act.  
  
This is government double dipping or providing multiple hidden taxing regimes. VCAT is a function of government, as are the courts. Costs associated with VCAT should be charged at VCAT.
  - b. The general funding of this court through registration fees is penalising 'good' engineers due to the actions of 'bad' engineers coming before VCAT. This is inequitable.
  - c. Registration fees to fund or subsidise VCAT is not demonstrated for other licencing regimes in the RIS. Why so in this case? Also, there is no guarantee that the funding will be used for engineering disputes only. This will go into VCAT general revenue and be used to subsidise other high usage disputes such as town planning disputes.  
  
Use of registration fees for other purposes is not acceptable.
4. We consider the fees to likely discourage engineers from becoming registered. Currently only Registered Building Practitioner Engineers need registration, these will transition to building endorsed engineers. The non-endorsed building engineers will unlikely become registered, as there is no need, and it will be simpler and more cost efficient to practice under a registered professional engineer.  
This will lead to inequitable fees as some are forced to be registered and others are not.

5. We consider the figures of the number of likely registered engineers to be significantly over estimated.

We expect all RBP Engineers in the Building industry to become registered.

We do not expect non-building endorsed engineers to become registered in large numbers.

The fully funded cost burden will fall on the endorsed engineers who are required to be registered.

There is no incentive for non-endorsed building engineers to become registered, especially if costs are excessive.

We consider the fees proposed and the burden of registration will discourage engineers from becoming registered.

The fees proposed will not alleviate reluctance for engineers to become registered.

The costs to consumer will increase to account for the added burden of registration. Our members will increase their fees which will impact homeowners and possibly disproportionately to first homeowners.

6. We have concerns with the non-practicing engineer's registration.  
We cannot see how this will be policed effectively, again leading to inequitable fees.
7. We understand the Building Act 1993 and the regulatory regime is currently being reviewed, with major changes expected (Framework for Reform-Modernising Victoria's building system).

A whole section is dedicated to Practitioner Registration and including the category of Engineer (civil).

The bulk of registered engineers will be in the construction industry.

In consideration of this major change why are we heading down this path, when it is most likely to be major changes in registration and who undertakes this registration function?

Why does the Regulatory Impact Statement does not reference these proposed changes?

8. We consider there to be significant inaccuracies in the Regulatory Impact Statement. These include:
  - The false assertion that there is currently no registration of Engineers in Victoria, and the issues with the current scheme.
  - The failure to consider the costs of currently registered engineers.  
Why is the cost of registration so much more than the current Victorian Building Authority registration? The prescribed engineer classifications will remain largely the same.
  - Number of engineers expected to become registered appears excessive. Full recovery costs will be over a smaller pool of engineers.
  - Costs of registration are significant. Costs will be passed onto consumer.
  - There is a risk of perverse incentives, noncompliance, as increased registration costs lead to increased cost to the consumer. If costs become excessive, engineers are less likely to be engaged, problems that otherwise may have been avoided.
  - Vertical equity is not the problem it is seen to be, as engineers will not be registered until they are proficient wish to work unsupervised (later in their career).

- No mention is made of engineers who are self-employed or contractors that pay their own registration compared to larger, institutional, or government employees that will likely get their registration costs paid by their employer. This is inequitable. The equity scores in table 7 appear flawed for reasons mentioned. The equity argument appears to mainly correlate to practicing and non-practicing engineers.

We do not support full cost recovery for fees association with registration of professional engineers.

We would support a partial cost recovery scheme.

An important consideration that appears to have been ignored is why would an engineer become registered if they can maintain the status quo by working under supervision? There is no additional cost and no risk being taken to task for misconduct or breach of the act.

More consideration needs to be given to incentivise engineers to become registered, you will not achieve this by charging full cost recovery of fees.

A response with regards to this letter is respectfully requested.

Should you or your staff need further information or elaboration please contact Joseph Genco (ACSEV President) on [REDACTED]

Yours faithfully,



Joseph Genco  
President  
Association of Consulting Structural Engineers Victoria



Steve Buratto  
Chair  
The Foundations and Footings Society Victoria



Karl Apted  
Past President  
Association of Consulting Structural Engineers Victoria