



# National Communique

## December 2013

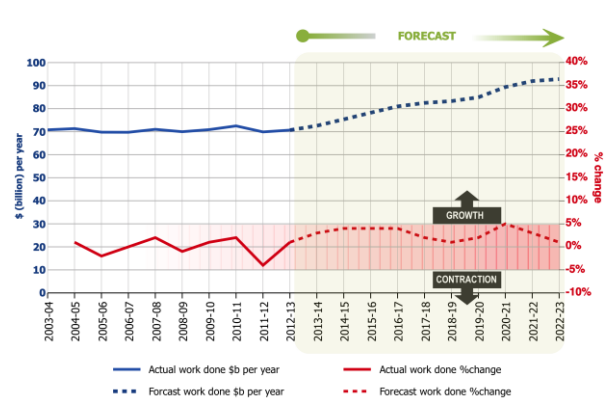
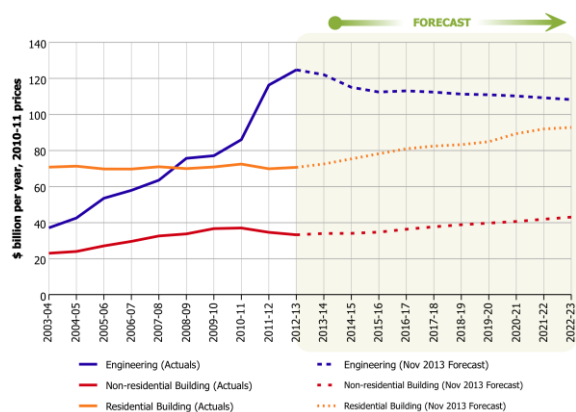
### ACA ACIF FORECASTS

Where is the construction industry heading? Peter Barda, CEO of the Australian Construction Industry Forum, outlines the major finding of November’s ACIF Forecasts.

The ACIF forecasts reflect a series of turning points in the construction industry across Australia, within different parts of the construction industry and within the different states. The turning points reflect key macro-economic changes and industry developments.

Falling commodity prices have narrowed the pipeline of new major development projects and have deferred other major projects, while the engineering construction boom is projected to taper off. Meanwhile historic lows in interest rates and improved housing affordability are expected to encourage uplift in housing starts and an increase in residential construction spending.

A recent recovery in investor sentiment along with lower interest rates is expected to encourage an improvement in commerce that will be reflected in an upturn in non-residential construction spending.



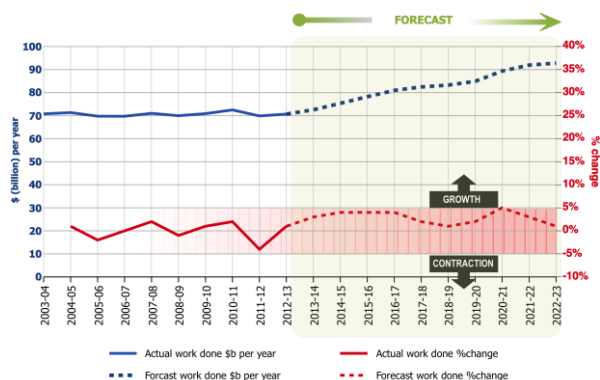
ACIF considers that a fall in construction activity in some sectors of the industry will be offset by increases in others. Total construction activity is projected to amount to around \$229 billion next year, roughly the same as it was in 2012–13. The total amount of construction and building work to be done in 2013–14 is projected to be around 75 per cent larger than it was a decade ago. This is in real terms – that is, taking out the impact of inflation.

More than ever this sanguine BIG picture hides considerable variation, swings and troughs in construction spending in specific construction sub-sectors and in different states and cities. Those interested in gaining a full understanding of patterns and the outlook for construction should review the macro projections and construction aggregates as well as the detailed picture provided in the ACIF forecasts.

Readers should also note that ACIF Forecasts are reported in real value terms instead of nominal values (current prices). The base year for the November 2013 forecasts is 2010–11.

**NOTE:** The information contained in The National Communique is for general information and is not offered as legal or financial advice. You are advised to seek your own counsel and confirmation prior to acting on anything contained in this document. The ACA would like to acknowledge the support of CBUS in preparing the Communique.

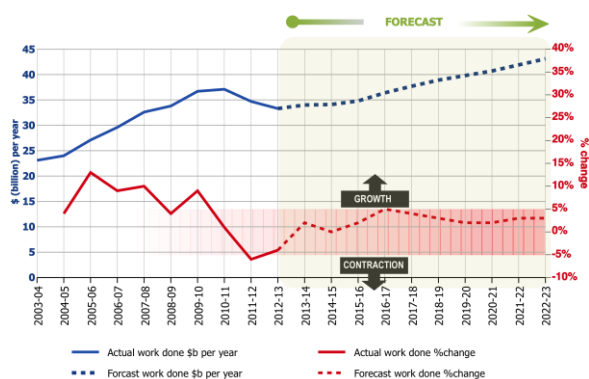
## Highlights for residential building



Lower interest rates and greater affordability will boost the recovery in residential building that began last year in New South Wales. The pattern of change is going to be different across the Australian States. Key points include:

- The state that had the best conditions for some time, Victoria, is set to see a fall in residential activity next year. The key swing factor is the risk of a supply overhang in apartments in Melbourne following double-digit growth in this category in recent years. The relatively low interest rates and increased demand pressures from continued population growth will see a recovery in Victoria within the next 2 years.
- Queensland can expect growth in 2013–14 after weakness in recent years.
- While there has been weakness in residential building activity in Western Australia in recent years a lift is factored into the forecasts reflecting low mortgage rates and expectations of income growth as mining development projects come on stream.
- For South Australia, an upturn is expected in the forecasts although the level of demand and spending on new housing and additions is not set to return to pre-GFC levels over the next three years.
- For those in the nation’s capital, prospects for the Australian Capital Territory are for an extended period of weakness.
- Tasmanian builders will have to hang on for their relief, as conditions remain muted across the state in 2013–14 ahead of a moderate recovery as relatively low mortgage interest rates eventually restores demand growth for new homes and alterations.

## Highlights for non-residential building



An uplift in non-residential building is projected in the year ahead reflecting an improvement in investor confidence and relatively low interest rates. Growth in this category of building in the medium term is expected to be variable, reflecting the interplay between underlying economic conditions and the phased reduction of policy related spending in areas such as education and health.

In the big picture, the percentage of gross domestic product (GDP) spent on non-residential construction has been in long-term decline. The overall outlook in the forecasts involves a stabilisation

of the share of GDP devoted to non-residential construction. The outlook for the sector differs widely by subcategory of construction within the overall non-residential category and by different states. It is more important than ever to look at the details in the forecasts as well as the big picture.

New South Wales Retail, health, and office investment are all expected to contribute to growth in the short term.

Victoria A recovery next year after several years of contractions. The upturn is not as large as previously foreshadowed. It will take some years for work done to claw its way back to levels achieved before the GFC. Declines in spending in areas such as offices and retail in the forecasts reflect the completion of current projects and increases in areas such as Industrial reflect a distribution of the expected national increase in investment in these areas given Victoria's traditional share of underlying economic activities.

Queensland A bounce raising activity in 2013–14, then contractions in later years, essentially holding a flat to negative outlook. The few bright spots include accommodation, entertainment and recreation, which are always volatile and variable. They are countered by contractions in areas such as health where the current major projects will be completed and not replaced and office construction, which is projected to shrink in the medium term (2–3 years).

South Australia In contrast to general gloom about the retention of the automotive industry in South Australia, ACIF Forecasts project a swing into growth in industrial construction in SA in the next few years. This reflects a continuation of work in the pipeline and then an increase in commercial activity reflecting relatively low interest rates. The projected increases should be viewed in context – they serve to bring construction work done up to the level regularly attained in the last decade rather than set new records.

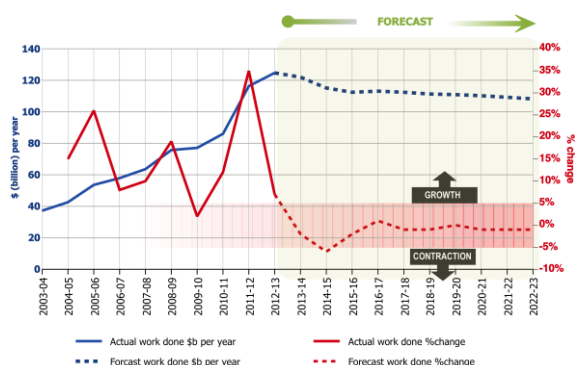
Australian Capital Territory Some growth in office and retail is forecast – this is essentially completing existing projects – but in real terms the ACIF Forecasts predict a contraction across the sector at best.

Western Australia Investors seem to want to “wait and see” about lower commodity prices and further mining construction. A reduction in non-residential building activity is forecasts in the next few years.

Tasmania Non-residential building activity has an uplift in 2013–14. This reflects some growth in general commerce reflecting a response to low interest rates, a moderation in the strength of the Australian Dollar that increases in tourism arrivals and retail turnover. This growth still leaves forecast activity well below levels achieved several years ago and there is a more than usual amount of forecast uncertainty around this recovery.

Northern Territory Non-residential activity has been supporting the surge in engineering construction and major energy investments in the Territory. Non-residential construction activity is forecast to fall away from the recent peak.

### Highlights for engineering construction



The ACIF Forecasts indicate that engineering construction spending peaked in real terms in 2012–13 with around \$124 billion of work done. This is higher than previously expected and represents an historic achievement that will be difficult to exceed in the next few years.

*Peter Barda is CEO of the Australian Construction Forum. The ACA is a member of ACIF. More information can be found at [www.acif.com.au](http://www.acif.com.au)*

## THE ACIF FORECASTS IN PRACTICE

*What do the ACIF Forecasts mean in the context of architectural practice. John Held reflects briefly on how they are used at Russell & Yelland.*

The ACA is a member of the Australian Construction Industry Forum, which regularly publishes industry forecasts for each state and for each sector of the industry. How useful are these forecasts? They don't talk about specific jobs; they might not always be completely accurate; and they have to predict the decisions of both governments and the private sector, which is not an easy task.

Nonetheless the forecasts have a place in our practice, particularly when we undertake strategic planning with our staff. For such planning we need to look both to past performance and to where we need to go in the future. In health and education, for example, the BER program and the construction of large health facilities have distorted the market: what will happen in the next few years? The forecasts help us to plan ahead, they allow us to look at both the overall market and the sectors we traditionally work in, and look at the other sectors to determine where our energies are best concentrated.

*John Held is President of ACA-SA and a director of Adelaide-based practice Russell & Yelland. He is an ACA representative on ACIF.*

## KNOW YOUR AWARD – STUDENTS AND GRADUATES OF ARCHITECTURE

*With many students and new graduates now looking for work, and students becoming graduates it is worth recalling provisions for students and graduates of architecture in the Architects Award and the pay rates applicable.*

### Students of architecture

The [Architects Award](#) distinguishes between students of architecture under 21 years of age, and those over 21. Students of architecture are discussed in section 15.4.

Students of architecture under 21 years of age are paid a percentage of the entry rate Graduate of Architecture rate of payment. This percentage changes according to the length of service and years of experience. These rates and percentages are as follows:

<u>Service</u>	<u>% of Level 1 – Entry rate</u>
First 13 weeks of employment	35%
Next 13 weeks of employment	50%
Next 26 weeks of employment	65%
2nd year of experience	70%
3rd year of experience	75%
4th year of experience	85%
5th year of experience	90%
6th year of experience	95%

Students of architecture aged 21 and over are paid either the minimum adult wage if they have less than three years experience and then a percentage of the first year Graduate of Architecture rate of payment, according to years of experience. Rates and percentages are as follows. These rates and percentages are as follows:

<u>Service</u>	<u>Minimum rate or % of Level 1 – Entry rate</u>
Less than 3 years of experience	\$622.20
3rd year of experience	75%
4th year of experience	85%
5th year of experience	90%
6th year of experience	95%

Current minimum pay rates can be downloaded [here](#).

## When does a student become a graduate?

Michael Corrigan of Platinum Employee Relations explains that once a student of architecture has results that show a pass, they are deemed a graduate of architecture and should be paid accordingly. If, however, a pass cannot be proven then they become a graduate when a graduation certificate is issued or presented.

Minimum annual rates for graduates of architecture are covered in section 15.1 of the [Architects Award](#).

## KNOW YOUR AWARD – FAIR WORK CHANGES FROM JANUARY 2014

*Is your practice prepared for the changes to the Fair Work Act from 1 January 2014?*

The [Fair Work Amendment Act 2013](#) includes a number of changes that take effect from 1 January 2014. The following brief overview draws directly on the information provided by the [Fair Work Commission](#) and the [Fair Work Ombudsman](#).

The Fair Work Commission now has an express function in promoting cooperative and productive workplace relations and preventing disputes.

### Amended modern awards objective

The “modern awards objective” has been amended to protect penalty rates. This means that when making or changing a modern award the Fair Work Commission must take into account the need to provide additional pay for employees working overtime; unsocial, irregular or unpredictable hours, weekends or public holidays and/or shifts.

### Anti-bullying jurisdiction

A worker in a constitutionally covered business who reasonably believes that he or she has been bullied at work can apply directly to the Commission for an order to stop the bullying. The Commission must start to deal with the application within 14 days.

The Fair Work Commission provides a summary of the case management model [here](#). The Commission has also released a [draft Anti-Bullying Benchbook](#) for public consultation to help to assist parties lodging or responding to anti-bullying applications. The draft is available for public comment until 27 December 2013.

For information about what your practice should do to be prepared for this change see the Know Your Award item below.

### Consent arbitration of general protections and unlawful termination disputes

If both parties consent, the Fair Work Commission now has power to arbitrate unlawful termination and general protections disputes involving a dismissal. This consent arbitration is an alternative to a court application.

This means that an applicant can – with the employer’s agreement and within 14 days after the day the Commission issues a certificate in general protections dismissal dispute or an unlawful termination dispute – have the dispute arbitrated by the Commission.

### Consultation term in modern awards and enterprise agreements

Modern awards and enterprise agreements must contain a term requiring employers to “genuinely consult” with employees about changes to their regular rosters or ordinary hours of work.

When employers want to change an employee’s regular roster or ordinary hours of work they will have to:

- give information to employees about the changes
- invite employees to air their views about how the changes will affect them
- consider the employees’ views.

Agreements will also require employers to consult about any major change to a workplace that is likely to have a significant effect on the employees.

## Right of entry

The Commission has greater capacity to deal with disputes about the frequency of visits to workplaces by permit holders and the Commission may deal with disputes about the new arrangements for provision of transport and accommodation to permit holders at remote workplaces.

## ACA KNOW YOUR AWARD – ANTI-BULLYING LEGISLATION

*Michael Corrigan of Platinum Employee Relations explains more about the changes to workplace laws on bullying and what you need to know.*

The amendments to the Fair Work Act regarding bullying will affect every employer, and it is imperative that you understand what the changes mean for your business.

The amendment allows a worker who is being bullied at work, or believes he/she is being bullied at work, the right to bypass his/her employer and apply directly to the Fair Work Commission (FWC) for an order to stop the bullying. The FWC will then have 14 days to action the complaint.

Should the FWC determine that the worker has been bullied and that there is a risk of this bullying continuing, the FWC has the power to make any order it deems appropriate to ensure the bullying does not continue, although no financial damages can be awarded. Should the orders be breached, however, the employer faces breach penalties of up to \$10,200 for an individual, or \$51,000 for a body corporate.

### What do you need to do as an employer?

Firstly, it is paramount that you understand what is considered as workplace bullying. Section 789FD of the Fair Work Amendment Act 2013 states that:

- A worker is considered to have been bullied at work if
- a. while the worker is at work in a constitutionally-covered business, an individual, or a group of individuals, repeatedly behaves unreasonably towards the worker, or a group of workers of which the worker is a member; and
  - b. that behaviour creates a risk to health and safety.

It is important to note that this definition does not apply to “reasonable management action carried out in a reasonable manner.”

As the definition in the Act is quite broad, due care must be taken to prevent any instances of bullying and reduce the likelihood of complaints to the FWC.

The best way to do this is to have a current Workplace Bullying Policy that is reviewed on a regular basis and is issued to all employees. You must also have clear systems in place to address workplace bullying, and these systems must be communicated to all workers. Lastly, it is imperative to have a positive workplace culture, the benefits of which will impact the business as a whole.

*Note: An outline of the changes was also published in the July 2013 Communique.*

## ACA INSURANCE UPDATES

*Recent Communiques have included various discussions about insurance. Damian Harrison, senior account manager at BJS Insurance Brokers, offers responses and commentary on two of these.*

### AS4122–2010

A piece by Richard Young in the July 2013 Communique raised some possible issues relating to the AS4122–2010 amendment, regarding the “assumed liability” exclusion. This suggested that three clauses within the Australian Standard contract – clauses 4, 23.4 and 28 – “may result in claims that enliven the ‘assumed liability’ exclusion under the Architects Facility policy.”

In response I would make the following points:

Clause 4 relates to the standard of care that the consultant must perform in providing their services. This is a simple restatement of the common law position, i.e. you are expected to perform to the normal



anticipated professional standards, or to higher expectations if this is what you have promised. As such it is not clear why an insurer would see this clause as a potential problem.

Clause 23.4 insists, “The Consultant must ensure that its officers, employees, agents, subconsultants and subcontractors comply with the Consultant’s obligations under this clause 23” (namely confidentiality obligations) I am not sure of the exact extent of the concern, but it may relate to these obligations being passed onto any subconsultants/subcontractors.

In such a case, any implication that architectural practices don’t have responsibility for sub-contractors or sub-consultants is erroneous. Once an architectural practice has engaged sub-consultants or sub-contractors, that practice has vicarious liability for the actions of their sub-consultants or subcontractors. Further, I would argue that the architect has the professional responsibility to select sub-consultants carefully and to do everything possible to ensure that they are competent, understand their responsibilities, and live up to their clients’ expectations. In essence this means passing onto the other consultants the same responsibilities the architect has taken on.

Clause 28 is the indemnity clause, which may cause reason for concern. However, compared to some consultancy agreements, it is concise and does not attempt to impose absolute liabilities. It is limited by a reduction in the liability caused by the principal (28.2a), and is limited further still by the principal failing to mitigate the loss (28.2b), and by the opportunity for aggregation in Clause 29.1 (item 24 of the annexure). Nevertheless, there is still potential that an insurer could refuse to deal with a particular claim, if the liability has only existed because of the contract.

In my own work at BJS Insurance Brokers in relation to these issues, a few of our main insurers have recently given us the availability to incorporate two extensions onto their policies, namely:

- a) Cover for contractual liability whilst carrying out the business (of an architect), and
- b) Any contractual requirement for architects to opt out of proportionate liability legislation

The stumbling block at this moment in time is who can get this cover. From the insurer’s perspective, firstly it has to be commercially viable – i.e. the premium must be high enough to warrant its inclusion – and secondly they want to ensure that it is only given to architects who have good risk management practices in place.

Insurers provide these extensions as a secondary measure. That means asking for any unfair or unwarranted clauses to be removed (such as hold harmless, indemnity or proportionate liability). If all else fails and they are not able to secure the required alterations with the principal, then at least they will have some form of additional protection under their professional indemnity policies.

### **Fees and Professional Indemnity Insurance**

The recent essay by Peter Sarlos in the November Communique looked at the question of professional indemnity (PI) insurance policies precluding claims for fees.

This particular exclusion is placed on virtually all PI policies because insurers don’t want to be responsible for having to repay or pay an architect’s professional fees for services they have provided. However, they do want to insure their clients against any breach of professional services that has led the principals to ask for a refund of the fees (or refusal to pay).

Quite often insurers want to include or exclude a particular cover, yet what is actually printed in the legal documents, including the policy wordings, may be construed by lawyers as having a completely different meaning to what was intended. Every insurance policy wording is reviewed / written by lawyers, each of whom may have their own personal opinion about the terminology and phrasing of the wordings, which is why problems such as those outlined by Peter Sarlos can occur.

What it really comes down to is the ability for insurers to understand what cover they are trying to give, and not to reject a claim on the basis that they have made an error in the misinterpretation of a clause. Furthermore, it is also the responsibility for brokers to fight their client’s corner if the insurers take a stance that is detrimental to their clients’ position.

The insurer that Peter mentions does include a provision for the recovery of fees, but places a few provisos on this extension:

- 1) There must be a threat of a counterclaim
- 2) The counterclaim must be for a sum greater than the outstanding fee
- 3) The principal agrees not to pursue a claim if the architect agrees not to press for their outstanding fees.

Any use of this policy benefit is classified as an actual claim, with the potential to increase the premiums accordingly, and when you add this to the client already having to contribute an excess payment, it is not clear how much of a benefit this extension actually is.

IN contrast, I have come across another situation whereby an insurer agreed to pay for fees when it was clearly excluded under their policy – they took a commercial decision to settle to avoid having to deal with a much larger counter claim.

My general advice would be that, when looking at any kind of insurance, it is important to consider the policy in full. This is a fine balancing act – weighing up the advantages and disadvantages of different coverage available in different areas.

## **ACA NEWS, ACTIVITIES AND ACTIONS**

### **ACA NEW WEBSITE – CALL FOR IMAGES**

Work continues apace on the new ACA website, designed and built by Between Two and efront. This is now almost ready for launch.

We are still asking member practices to contribute images for use on the website. We are particularly keen to show architects in action – the profession at work, in the office, on site and so on.

If your practice has relevant images you can make available please email [editor@aca.org.au](mailto:editor@aca.org.au). All images used on the site will be appropriately credited and considerately used.

If you are interested to contribute content on a subject relevant to the business of architecture to the new website please also email [editor@aca.org.au](mailto:editor@aca.org.au)

### **HEALTH AND SAFETY IN THE WORKPLACE**

A reminder that the ACA is convening a small group to develop ACA guidelines to assist practices to meet workplace health and safety obligations. This was outlined by Anna Piatkowska in the November Communique.

If you would like to participate in this please contact Michelle Eades [nat@aca.org.au](mailto:nat@aca.org.au)

### **ACA SALARY SURVEY**

The second iteration of the ACA Salary Survey will be conducted shortly – members will receive an email with a link to the survey when it is live. The report looking at the findings from the first two surveys will now be available early in the New Year.

### **THE YEAR IN REVIEW**

*Jack Birrell provides an update on ACA's financial activities over the past year.*

It has been rewarding working along side Simon Hanger, ACA Treasurer, on all matters regarding accounts and finances. This year was our first with a new Strategic Plan. Finalised in November 2012, this is an exciting new vision defined by our core membership, a united collective of leaders and employers in the business of architecture, across Australia.

Over 2013 the ACA carried out the first round of Key Actions as identified in the Strategic Plan. In regard to the Strategic Plan's "Business Model, Finance and Administration" section, we have successfully undertaken the following key strategic initiatives:



### National subscription system

We have developed a standardised national subscription fee model through the National Executive. This was a “global” organisational undertaking, carried out by many members at both NEC and State Branch levels. All representatives worked in unison with a clear mandate – it was a challenging and rewarding process that will result in improved, fair and equitable outcomes for the entire ACA membership.

The model was agreed across all branches. We are moving towards issuing subscription renewals under this new, nationally aligned system, and the process is strongly supported by all states and territories.

### Consolidated accounting

We now have new consolidated accounting for all branches with independent review and audit processes. This is a relatively new requirement by Fair Work Australia (FWA). During 2013 FWA issued a considerable raft of amendments regarding accounting and auditing for all organisations. The ACA responded promptly throughout the year, maintaining FWA compliance for the entire organisation.

We are continuing to review ACA financial systems with the view to moving to centralised 'cloud'-based IT accounting. This will streamline processes, making them more efficient for the group.

### Sponsorship

The NEC has successfully renewed its sponsorship from CBUS. The NEC is now targeting potential new corporate partners to increase income for our membership and allow us to continue to develop new initiatives and programs.

Wrapping up the year, we see many new challenges ahead. Knowing that we have strong support from our members and sound finances, we are confident these can be successfully tackled and that we can continue to improve the delivery of services as outlined in the Strategic Plan.

## GRADUATE GENDER PAY GAP

The launch of the COAG Reform Council report on gender equity, *Tracking equity: Comparing outcomes for women and girls across Australia*, saw erroneous reporting regarding the graduate gender pay gap in architecture in various News Corp publications, including the *Adelaide Advertiser*. In response John Held, President of ACA–SA, submitted the following letter to the editor. Unfortunately this was not published. However, members may be interested in the letter, which is as follows:

In the article published on November 19 Natasha Bitá writes, “The Council of Australian Governments Reform Council report shows that ... male architect graduates earn \$9000 more and male lawyers \$4300 more.”

This is incorrect. The COAG report refers to data from the Graduate Careers Australia survey, which groups architecture together with many other professions and industries in the construction field. As the COAG report identifies, the gap referred to pertains across the entire field, not to architecture alone.

Graduates salaries in architecture are determined by the Architects Award, which the ACA negotiates on behalf of architectural employers. This award helps to ensure that all graduates are treated fairly when they enter our profession.

The Association of Consulting Architects acknowledges that women still face unequal opportunity in architecture, as in society more broadly. We welcome the COAG report, along with current initiatives to address gender inequity in architecture. We are concerned that such lazy journalism is counterproductive and has the potential to undermine these important efforts to improve opportunities for women in architecture.

John Held, ACA – SA President.

The presence of a graduate pay gap in architecture is a complicated topic. The only data available is from Graduate Careers Australia, which groups a wide range of professions and industries together as “Architecture and Construction”. A number of pieces on the [Parlour](#) website seek to untangle the numbers and the issues.

## **ACA BRANCH UPDATES**

### **NEW SOUTH WALES / ACT**

#### **What do the top-profit-earning smaller engineering, surveying and architectural firms look like?**

The NSW/ACT Branch held its second lunchtime Roundtable Webinar event on Wednesday 27 November. This focussed on small- to medium-sized practices and provided a great deal of excellent information on how to effectively measure the performance of your business, what the major pitfalls for managing a successful business are and how to address them and, effective tools for increasing profit. It used a number of worked examples to illustrate its message, ranging from one-person practices to businesses with a turnover of over \$5m.

A key theme to the webinar was being realistic about the real cost of your business, how not to get caught in the spiral of 'gutless pricing' and how to ensure you are paid for variations and real time spent on projects.

The webinar was held at five locations in NSW and the ACT, plus log in details were provided to members outside the geographic areas of those venues.

The webinars are proving very successful and, as discussed in last month's Communique, we are in the process of planning a series for 2014.

### **QUEENSLAND**

#### **HR Policies: Protecting your front line intelligence!**

*Your human resources policies and procedures are in place! But are they implemented and consistently followed?*

ACA Queensland is soon launching a series of HR Policy Templates, which can be able to be tailored to suit the specific needs of Queensland practices.

In the lead up to this, Tameka Bramwell of Bramwell Partners addressed the topic *HR Policies: Protecting your front line intelligence!* at a Lunch Forum on 8 November 2013. Tameka outlined the importance of adopting clear, current and well documented HR policies and procedures to minimise the risk of a Fair Work Claim. Tameka also reinforced why it is important to be proactive as she shared many case studies including:

An employer was recently was fined \$25,000 by the Fair Work Commissioner because they were unable to provide documented evidence of the acceptance by the employee of the terms and conditions of their employment.

An employer was fined \$45,000 by the Fair Work Commissioner for failing to have a documented HR system. This was associated with an unfair dismissal claim made by an employee in middle management.

#### **Succession Planning – Start Now!**

Our final event for the year was on 22 November and addressed succession planning. Speakers were David Frost, Group Practice Director of Thomson Adsett; Carl Brooks, Director of AB+M Architects and member of ACA Queensland Committee; and Bruce Hatcher, consultant company director and family business adviser, BDO Australia.

Bruce has worked with many businesses – large and small, family, private and public – and his experience and passion for succession was evident as he spoke on the key drivers for developing a succession plan and why it is so important to start now.

David and Carl discussed a range of issues including establishing their practices, growth and new shareholders, expansion, retaining talent, the exit of the first generation to today's structure and new business ownership models.

The key point reiterated throughout the event was – succession is the process, not an event.

Important steps outlined during the discussion included:

- Identify the skills set you need to take the practice to the next level.
- Promote and develop the people from within your practice.
- Every key position should have someone else who can do the role.
- Communication is critical.
- Any meetings should be purposeful and minutes should be taken.
- Develop a code of conduct.
- Understand the difference between management, leadership and ownership.
- Consider if an independent director/advisor add value where your practice is lacking in skills.

Proper succession planning evolves over time and when changes occur, they can be managed without a crisis. What will your legacy be?

### **ACA –Qld thanks Corporate Partners for 2013**

GWA Bathrooms and Kitchens, Kennedy's Classic Aged Timbers, Grace Construction Products, Enware Australia, James Hardie and Stokes Wheeler.

### **WESTERN AUSTRALIA**

#### **Update on Architectural Panel 2012**

Earlier this year ACA–WA, through its membership of a Built Environment Design Professions (BEDP) working group, received a letter from the Minister for Energy, Finance, Citizenship and Multicultural Interests, Dr Mike Nahan, MLA. This advised us of a new approach to the application of the Civil Liability Act 2002 (WA) in consultancy contracts entered into for public works contracts, which would entail a “more balanced view on the application of Part 1F”. The context is that, under the existing consultancy contract, the government’s Building Management and Works (BMW) department had excluded the provisions of Part 1 F that allow for proportionate liability.

This letter caused great rejoicing and relief amongst the architectural fraternity. However, I regret to report that in the ensuing months the proposed changes to the clauses have proven to be less than satisfactory. Dialogue is continuing between the BEDP and BMW. Our position is that the exclusion clause should be deleted not amended – full stop!

Meetings are also continuing over the issue of limiting liability in BMW consultancy contracts. No final outcome has been reached on this.

Rest assured we will continue to fight hard on these issues but as usual it is a long process.

#### **Event report – Jeff Speck**

On 15 October ACA – WA jointly sponsored a presentation by visiting urban planner, Jeff Speck, titled “Walkable City”. Jeff gave a lively speech over a very enjoyable lunch at Fraser’s restaurant, which was attended by over a hundred and fifty architects, planners, engineers and their guests.

Jeff has dedicated his career to determining what makes cities thrive – and he has boiled it down to one key factor: walkability.

The very idea of a modern metropolis evokes visions of bustling sidewalks, vital mass transit and a vibrant, pedestrian-friendly urban core. But in the typical American city, the car is still king, and downtown is a place that’s easy to drive to but often not worth arriving at.

According to Jeff, making walkability happen is relatively easy and cheap – the trick is seeing exactly what needs to be done. Jeff spoke about the invisible workings of the city, how simple decisions have cascading effects and how we can all make the right choices for our communities.

## Members' Luncheon

Our third Members' Luncheon for the year was held on Friday 20 September at Maurizio Restaurant. Over thirty attended the magnificent lunch – as always the food was excellent and no one went away hungry! These events always engender a great feeling of fellowship and once again the usual suspects were reported to have carried on late in the day.

The next lunch will be held on Friday 7 February 2014. Put it in your diary now – you deserve it!

## SOUTH AUSTRALIA

### 50<sup>th</sup> Anniversary Celebration of SA Practising Architects Association and ACA – SA

When: Wed 4 December, 4.30–6 pm

Where: UniSA Architecture Museum.

Fifty years ago most of the established architectural practices in South Australia formed the SA Practising Architects Association to represent the business interests of their members. In 1987 SAPAA merged with the newly formed Association of Consulting Architects to represent those interests throughout Australia. They continue to be the recognised employer representative group while also advocating for a better deal for our practices in contracts, procurement and emerging technologies.

You are invited to join us as we present our archives to the Architecture Museum and contemplate the past and future challenges for architectural practices in South Australia.

RSVP to Cate Roberts at [sa@aca.org.au](mailto:sa@aca.org.au)

### Practice Administrators Group

A small group has been convened to gauge the interest in establishing a Practice Administrators Group in South Australia. The group would meet informally to discuss matters of common interest, which may include accounting, insurance, HR and general practice issues. If your practice administrator would be interested, contact Cate Roberts on [sa@aca.org.au](mailto:sa@aca.org.au).

### SA Construction Industry Forum – meeting with the Minister for Transport and Infrastructure

ACA is represented on the SA Construction Industry Forum (CIF). We recently met with the Hon. Tom Koutsantonis to discuss issues of interest, including

- Procurement issues, including cost of tendering, local content, retention of expertise within government and uniform tendering requirements between government departments and local government.
- BIM and IT – the government's role; mandating BIM, involving government FM in BIM initiatives.
- The cost of doing business in SA, including cost impacts of legislation; a proposal for free access to building and housing codes, and the cost of work cover.

The Minister asked CIF to pursue these issues further with concrete proposals for change.

## SA PRESIDENT'S REPORT 2012–2013

*John Held, ACA – SA President, provides an overview of the year's activities.*

This year has been tough for many South Australian practices, and we hear of staff layoffs, cancelled or deferred projects and little activity in many sectors apart from the large flagship projects around Adelaide.

ACA–SA has represented members at a number of levels, both in outlining to the wider industry and government our concerns around fees, contract conditions and industrial and employment issues. Last year we met with Minister Conlon about these issues and next month we will be part of a group meeting with Minister Koutsantonis about Construction Industry issues.

As the designated Employer Organisation under Fair Work Australia for the Architects Award, we have been able to offer useful resources including

- Wages and awards
- Conditions of employment
- Pro-forma employment contracts
- Representation of members in industrial matters
- Concise and current information on important issues

Our continuing alliance with Platinum Employment Relations enables members to discuss employment related issues one-on-one when required.

Activities undertaken in the last twelve months include:

### **Roundtables**

Our series of Roundtables has been well-received and has generated interesting discussions and actions to follow up.

- In July we met with a group of builders on the future of construction over the next 5 to 10 years in these testing times. We learnt that collaboration isn't about agreeing but about respecting each other's views and that there is value in early engagement of contractors in the process.
- The September Roundtable was about the strategic and detailed management of the business of architecture and the all-important profitability.
- In May we met with engineers to discuss common concerns and ways in which we can work more effectively.
- The June Roundtable addressed education and the new National Architectural Competency Standards.

### **Work Health and Safety: Safety in Design**

After our successful joint seminar with Australian Institute of Architects on the new Work Health and Safety legislation, a small working group was formed by ACA–SA to rationalise the information presented and provide information to architects. It consists of Ric D'Andrea (Hardy Milazzo), Thanh Tran (Thomson Rossi), Peter Morris (Swanbury Penglase) and Ian Hore (Walter Brooke) with John Held as convenor. To date the work has entailed:

- Client hazard analyses and checklists – formulating a standard approach to obtaining the information we legally need to obtain from clients
- Additions to briefing guidelines to incorporate WHS issues
- Risk analysis tools for designers to comply with the Safe Design Code
- Specification clauses to ensure that the information in the Residual Risk register is formally transferred on to the Contractor.

We have been working closely with DPTI on this to try to ensure a uniform approach to the legislation whether the client is government or private, and are almost at the stage where the draft documentation can be circulated for comment and trial on actual projects.

## **Liaison with Government**

We continue to liaise with Government, and in particular with DPTI Building Management. With the demise, at least for the present, of BEDP in South Australia, DPTI invited all the professional groups to be represented on a new Construction Professionals Forum in 2013. ACA represents the needs and concerns of its members at this group: your input is welcome.

Issues discussed at that group included Limited Liability for Consultants; the use of cascading appointments of secondary consultants after the appointment of Lead Professional Services Contractor, the introduction of Mandated BIM and the DPTI implementation of safe design procedures and workflows.

Following DPTI's proposal for a new Prequalification category for new architectural and cost consulting firms, we asked David Kilpatrick & John and Lindsey Williams to coordinate responses from smaller firms which are registered with DPTI for Category 3 work. The resultant Category 3M is still not perfect but a considerable improvement on earlier proposals.

## **Internships**

We recently liaised closely with University of Adelaide to ensure their proposal for an internship program complied with the provisions of the Fair Work Act. The issues raised are ongoing and are indicative of the wider debates about student work placements and practical experience.

## **Construction Industry Forum**

We continue to represent architects on this forum, which allows us to keep up with issues in the construction sector.

## **Keith Neighbour Graduate Study Program**

This program gives opportunities for graduates who are studying for Registration the chance to form study groups with guidance from recently registered architects. It has been very successful, with two groups having now sat their exams and a third group being organised, with new mentors coming from previous study groups.

## **Strategic Plan**

An interested group of ACA members and non-members gathered in September to meet ACA National President Steve Kennedy for the launch of the new ACA strategic plan. Steve's eloquent presentation of ACA's focus on the Business of Architecture, the state of the Architecture Industry and the concentration on key issues relating to getting it right on Day One of a project stimulated a great deal of discussion. He also talked about the ACA's new Guideline for Briefing and the development of similar documents to assist at the start of projects.

## **Future activities**

We want to ensure that we represent the needs of architectural practices in SA. We'd like to run further Roundtables of interest to members; we plan to run another WHS seminar in association with the AIA, and we hope to start an informal Practice Manager's group. More ideas are welcome!

## **Thanks**

I'd like to thank our committee for the time and energy they have given to the ACA-SA. Our current committee is as follows:

President: John Held  
Vice President: Simon Thomson  
Secretary: Graham Hardy  
Treasurer: Ian Hore  
Committee: David Kilpatrick, David Bagshaw, Ashley Halliday, Chris Watkins, Thomas Masullo.



## **OF INTEREST ELSEWHERE**

A reminder –these links and news items are also shared on the ACA twitter account. Follow us at @AssoConsultArch.

### **ACA Resurrecting the Australian Building Construction Commission**

Architecture & Design reports that the Federal Government has introduced legislation to reinstate the Australian Building Construction Commission (ABCC), which was closed in 2012.

### **ACA Succession planning**

Michael Bleby continues to write on business matters and architecture. This piece in BRW canvasses the question of succession planning.

### **ACA The benefits of architecture**

Fast Company reports on a new interactive infographic released by the American Institute of Architects that aims to show the many benefits of well-designed architecture and the impacts of architectural decisions.

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