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# National Communique July 2013

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## **COMMENT**

### **SUPERANNUATION UPDATE**

*The start of the new financial year sees a number of changes to the Australian superannuation system. Mark Ward of [Cbus](#) gives an overview of the changes.*

The single biggest change is the lifting of the Superannuation Guarantee (the amount of superannuation an employer pays to an employee) from 9% to 9.25% and reaching 12% from 1 July 2019. There are also changes to superannuation for older and younger workers, with older workers having a greater ability to top up their superannuation and younger workers earning less than \$37,000 continuing to receive a tax rebate of up to \$500 through the Low Income Superannuation Contribution Scheme.

#### **Change to contributions cap for older workers**

As announced by the Government in April this year, the annual concessional (before tax) caps will be raised from the current level of \$25,000 to \$35,000 for older workers. This will provide them with more opportunities to top up their super each year. Importantly, there are two different start dates for these higher caps, with those aged 60 and over getting a head start.

From 1 July 2013, those aged 60 and over will be able to contribute up to \$35,000 each year while, those aged 50 and over will have to wait until 1 July 2014 until their higher contribution cap limit of \$35,000 comes into effect. A \$25,000 concessional cap limit remains in place for everyone else.

#### **Reduced tax penalties for excess contributions**

The Government has reduced the tax penalties for people who exceed their concessional cap limits. From 1 July 2013, excess concessional contributions will be taxed at an individual's marginal tax rate, plus an interest charge, rather than the top marginal rate. The Government will also allow individuals to withdraw any excess contributions. This change recognises that many individuals accidentally breach their caps and gives individuals greater choice in dealing with this tax.

#### **Lost Super**

From 1 July 2013, the threshold definition of lost super will be raised, making it more important than ever to consolidate your super if you have multiple accounts. ACA member practices may wish to advise their staff to visit the [ATO SuperSeeker website](#) to see if they have any lost super – many Australians have old super accounts from previous jobs.

If you need further help understanding the changes, contact the Cbus Service Centre on 1300 381 784.

Disclaimer: This superannuation update is intended to keep readers informed of current developments in superannuation and is not intended to be used as a substitute for professional advice. It doesn't take into account your specific needs, so you should look at your own financial position, objectives and requirements before making any financial decisions.

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## **RELEASING CAD FILES TO CLIENTS**

*Architects are increasingly being asked to release CAD files to clients. What are the implications of doing so? Damian Harrison of [BJS Insurance Brokers](#) gives an insurance perspective.*

I have been asked a couple of times in the last month about potential insurance issues surrounding architects releasing CAD files to their clients, which suggests that requests of this type are becoming more frequent.

From an insurance perspective, the vast majority of professional indemnity insurance providers will not offer any opinion whatsoever as they would rather leave the matter to the discretion of each individual practice.

I feel that any terms of engagement need to be made clear the architect retains intellectual property, and that this includes the CAD drawings. Additionally the terms of engagement should state whether the architect is in fact prepared to release the CAD files, and if so, under what terms and at what additional cost.

If you do release the files to your clients, then be aware that:

- The documents could contain your own notes, which may not appear on any plans and, dependent on the wording of such notes, this could potentially cause privacy/liability issues.
- Simply removing identifiable information from the files (such as your logo, address etc.) does not diminish any of your legal responsibilities.
- Other parties may have had an involvement in completing the final drawings, such as your contractors or sub-consultants.
- Incorporating a signed disclaimer holding you harmless may take away some legal liability, however, this only pertains to your client involved in this agreement. It does not prevent other parties making a future claim against your practice.
- Certain Federal and State laws may overrule any contractual warranties, which may be contained in disclaimers or contracts.

My personal opinion is that these files are your own documents and you should only provide pdf copies. However, if you do decide to release the files, ensure that an appropriate disclaimer is included and signed. This should grant the client a non-exclusive licence solely for the purposes of altering and constructing the project, and hold you harmless and indemnify you for all costs and expenses arising from any alteration to the files (appropriate legal advice should be sought on the exact phrasing of any disclaimer).

BIM projects provide a slightly different context, although an insurance company would never preclude or place any restrictions on BIM projects. The only issues are more risk management factors – it is important to ensure that there is a clear definition and concise responsibility between all parties for their roles in the process, and that this is legally binding with regard to any potential collaborative issues (such as intellectual property, and the privacy act).

If a claim was made, the insurers have to thoroughly investigate what part the respective stakeholders had in the project (predominantly their own insured). The more notes and information recorded, the easier it becomes to understand and, more importantly, apportion any respective blame for each of the individual parties. This means that thorough documentation and notes are vital.

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

### **ACA – NEW NATIONWIDE PHONE NUMBER**

The ACA now has a nationwide telephone number – 1300 653 026.

### **UPDATED PAY RATES**

Following the 2.6% increase in the minimum wage, [updated award rates](#) are now available on the ACA website. Remember that the new rates apply from the first full pay period from 1 July 2013.

### **REVIEW OF AS4000 – GENERAL CONDITIONS FOR CONTRACT**

Standards Australia is establishing a committee to revise the entire suite of contracts under AS4000 – General Conditions for Contract. In the first stage of the review process Standards Australia is consulting with relevant stakeholders in the construction and legal communities to better understand the issues surrounding AS4000 from the users' perspective. Representatives of the ACA are participating in this process and an update will be published in the Communique in due course.

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## ACA NATIONAL SALARY SURVEY – PRELIMINARY OBSERVATIONS

The inaugural National Salary Survey has had a good response from ACA members and the resulting data is now available to those who participated. Information on accessing this has been sent out via a separate email.

The survey benchmarks salaries for thirty-two different roles. Participating practices can run reports to show how they compare in each role category against the lowest, highest and average results of similar firms. Practices will also be able to run reports with a range of different demographic figures. A separate email will be sent out advising how to access the data and run these reports.

Analysis of the data is also underway and an overview report will be available shortly. Preliminary analysis highlights the softness of the market, confirming that these are tricky economic times in which to be running an architectural practice, however there are also some surprises and some outliers at top end are still being paid well. Initial observations include the following:

- 91.8% of respondent firms have increased salaries by CPI or less than 5%.
- 48% of firms did not increase salaries in the last 12 months. This is not surprising given the market conditions, but it does mean that salaries have effectively reduced by the Consumer Price Index.
- Salary results overall appear similar to those published by recruitment agencies, but the ACA report includes the total package, while some of the others only include superannuation.
- While 76% of firms offer other packaged benefits to staff, mostly these benefits are targeted at directors and senior management/professionals. 72% of respondents did not offer additional to all staff.
- Salaries for senior administration staff are lower than expected. For example, average salaries are \$84,000 for Practice Managers, \$112,000 for General Managers and \$150,000 for CEOs.
- The emerging role of BIM manager is proving to be a desirable career path with average salary of \$100,000 nationally.
- 54% of firms do not employ students. In past years students have been a key part of the office support team and documentation output. The lower numbers of students employed may partly be a result of the current tertiary emphasis, which at many schools includes little or no workplace learning. As a result graduates are generally not “work ready” following graduation. This is an area for ACA action.
- There are significant differences in salaries according to region.

One worrying observation is that minimum salaries in some categories are below award levels. This suggests that some member firms are not paying Modern Award rates. The ACA reminds members that they are legally required to pay award wages. To do otherwise is to risk investigation by the Fair Work Ombudsman. Contravening a Modern Award can lead to significant penalties – up to \$10,200 for an individual and \$51,000 for a corporation.

The Salary Survey will be repeated at six-month intervals, with the next one scheduled for November this year. This is already a very useful resource for members – many ACA members comment that decision making around salaries is often done in a context of incomplete or inaccurate information. The salary survey will give members a much firmer ground on which to base their salary decisions. Over time the results will also give excellent longitudinal information about the state of the profession.

We encourage all members to participate – the more practices contribute, the more reliable the resulting data and the better informed we all will be.

## PI INSURANCE ISSUES AND AS4122 – 2010

*Signing the AS4122 – 2010 General Conditions of Contract can put your PI insurance at risk. The ACA is working to rectify this. Richard Young, ACA – WA President, outlines the issues and progress thus far.*

ACA members are increasingly required by their clients to use AS 4122 – 2010 General Conditions of Contract for Consultants for the provision of architectural services on projects. Since its inception in 2010 this contract seems to have become the “standard” for the industry, although in many cases clients see fit to amend it!

Many ACA members arrange professional indemnity insurance through Architects Professional Risk Services (APRS), who routinely advise that certain clauses in AS 4122, if not deleted or amended, could jeopardise cover under the APRS Professional Indemnity Insurance policy. Yet, when trying to secure an important commission in these difficult economic times, it is rarely possible to convince clients that they should amend this contract in the architect’s favour, particularly when, more often than not, we are trying to prevent them from making more onerous amendments to the standard.

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The ACA believes that, given that this document is an Australian Standard, members should be able to sign it unamended document without the fear of compromising their insurance cover.

The ACA – WA Chapter recently wrote to APRS to seek general agreement to accept this document in its entirety when used by our members on normal projects where a standard architectural service is being provided. As a result they are now in discussions with Vero, the Architects PI Facility insurer. The following is an extract from the Architects Professional Risk Services letter in response:

*The 2010 version of the agreement is, in our opinion, a significant improvement on the 2000 version, which it supersedes. As addressed in our note, there are three clauses in the standard for of the agreement – Clauses 4, 23.4 and 28 – which, in our view, may result in claims that enliven the ‘assumed liability’ exclusion under the Architects Facility policy.*

*We understand that many clients expect their consultants to accept the standard terms of AS4122-2010 without amendment, simply due to the fact that the agreement is an Australian Standard agreement for use when engaging consultants. We appreciate that even when aware of the risks, it is often difficult, due in part to uneven bargaining power and the pressure of competition, for your members to resist this pressure.*

### **The Architects Facility Policy**

*The Architects Facility Policy was established to provide architects with consistent and comprehensive policy coverage. The policy has been modified numerous times to address emerging issues facing the profession – most recently in relation to cover for ‘safety in design’ prosecutions.*

*We recognize that being engaged under an industry standard contract which includes clauses that raise potential insurance risks is an enduring area of concern for architects. In response to your correspondence, a decision has been made to refer your request for insurer’s acceptance of the standard terms of AS4122-2010 to Vero.*

*We will keep you informed of the progress of our discussions with the Architects PI Facility insurer – Vero in this regard.*

Hopefully we will be able to report some good news in the next edition of the Communique.

## **KNOW YOUR AWARD – PAID PARENTAL LEAVE**

*Do you have systems in place for Paid Parental Leave? Do you understand your practice’s role and obligations? The ACA provides an overview to help you get started.*

The start of the new financial year sees increases in the new Paid Parental Leave scheme – up from \$606.50 to \$622.10 before tax. The Paid Parental Leave scheme has two components – Parental Leave Pay, which began in 2011, and Dad and Partner Pay, which was introduced in January this year. Some members may not yet be familiar with the scheme, so we provide an outline and links to useful material below.

Paid Parental Leave provides eligible working parents up to 18 weeks government-funded pay when they take time off work to care for a new child. This must be taken as a single block of time. The new Dad and Partner Pay means new fathers and partners now have access to two weeks of paid parental leave as well. Full-time, part-time, casual, seasonal, contract and self-employed workers may be eligible for this leave.

The Paid Parental Leave scheme is administered through the Department of Human Service (Centrelink). Dad and Partner Pay is paid directly to the employee, without the involvement of the employer. In contrast, Parental Leave Pay is paid to the employee via the employer in their usual pay cycle. This means that the employer has to wait to receive the payment from the government before passing it on to the employee.

Paid Parental Leave applies to all employers, no matter the size of the business or the number of staff it employs. Employers should register through the [Business Online](#) website, and can do so at any time – you don’t need to wait until you have an eligible employee to register.

It is worth noting that Paid Parental Leave is a payment, not an entitlement to leave, and as such it does not count as salary in relation to the accumulation of entitlements. This means that it does not change employees’ existing leave entitlements or give them a new entitlement to leave.

ACA members should take the time to familiarize themselves with the Paid Parental Leave scheme, and their role and obligations as employers, even if it is not relevant to your practice at this moment in time. Ensuring that you have pregnancy and parental leave policies in place, and communicating these to your employees, means that you will all be ready when a staff member does have children.

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Note also, some members have experienced delays in receiving the payment from the government. This appears to [be a fairly widespread problem](#). A [report](#) by the University of Queensland evaluating the first year of the scheme identified that 46 percent of mothers experienced at least one problem with payment – mostly this was not receiving the payment on time. Mothers paid through employers were much more likely to experience problems than those paid through Centrelink. Given this, it may be worth alerting employees to the fact that there have been some delays, and both employers and employees should ensure that relevant forms are completed and processes are in place well ahead of time. More positively, the same report found that most employers had not found the scheme onerous to implement, and that only small costs were associated with it.

The Department of Human Services outlines eligibility for Paid Parental leave and the steps an employer needs to take as follows.

Eligibility is assessed by the department. To be eligible an employee must:

- Be the primary carer (usually the mother) of a newborn or recently adopted child;
- Meet Australian residence requirements from the date the child enters their care until the end of their Paid Parental Leave period;
- Have met the Paid Parental Leave work test before the birth or adoption occurs;
- Have received an individual adjusted taxable income of \$150 000 or less in the financial year before the date of birth or adoption or the date of claim, whichever is earlier *and*
- Be on leave or not working, from when they become the child's primary carer until the end of their Paid Parental Leave period.

To meet the Paid Parental Leave work test, an employee must have:

- Worked at least 10 of the 13 months before the birth or adoption of their child *and*
- Worked for at least 330 hours in that 10-month period (just over one day a week), with no more than an eight-week gap between any two consecutive working days

The department outlines the following steps for employers to prepare for providing government-funded Parental Leave Pay to eligible employees:

- Register with [Centrelink Business Online Services](#) for the Paid Parental Leave scheme.
- Opt in to provide Parental Leave Pay to eligible employees.
- Discuss your employee's leave intentions and workplace entitlements with them.
- Employee lodges a claim (this can be up to three months before the expected date of the birth or adoption).
- Department of Human Services decides whether the employee is eligible.
- Department of Human Services decide whether you are required to provide Parental Leave Pay, and we notify you of this decision.
- You then need to either accept the decision to provide Parental Leave Pay to your employee or seek a review of the decision.
- If you accept the decision, you then provide your pay cycle and bank account details to the Department of Human Services.
- You will receive the funds from the department before you providing Parental Leave Pay to your employee.

There is a lot of other useful material available to employers as they navigate this new leave.

Links to some of the most useful are:

- The [Paid Parental Leave Scheme](#) can be downloaded from the Department of Education, Employment and Workplace Relations website, which also has a [short overview](#) from an employer perspective.
- The Department of Human Services has good [information for employers](#). This outlines [how to get ready for your responsibilities as an employer](#), [what your responsibilities are](#), [how to provide parental Pay Leave](#), and [who is eligible](#). Useful resources include the [employer toolkit](#), a [video](#) and transcript debunking "Top Myths about Paid Parental Leave" for employers.
- The Fair Work Ombudsman [Parental Leave web pages](#) also include a lot of useful material. They also have [checklists for employers and employees](#) and [templates](#) to assist with record keeping. You can download the [Best Practice Guide for Parental Leave](#), which discusses the government scheme and offers broader advice and case studies including staying in touch with employees on parental leave and on flexible return to work arrangements. This also briefly outlines the business case for following best practice in parental leave.

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- Business Victoria also provides [a good overview](#) of the leave scheme and information about pregnancy at work. This includes a short checklist of what you should do when an employee is expecting a child and brief advice about being prepared ahead of time.
- The Workplace Gender Equity Agency has document "[The 'How To' Guide to Employer-Provided Paid Parental Leave](#)", which offers advice on "adapting or introducing entitlements to complement the Government's Paid Parental Leave scheme". This includes an overview of the government scheme.

## EVENT REPORT – CLIENT RISK MANAGEMENT

*What potential risks might clients present? What are the warning signs? What strategies and structures can architects use to reduce risk? A recent seminar in Brisbane drew on the expertise and experiences of members to develop knowledge and processes to assist all.*

Caroline Treacy moderated the lunchtime event, which aimed to increase awareness of the need to evaluate risks posed by potential clients, their conditions of engagement, project type and financial capacity. Guest speakers were Mark Williams, Managing Director of Mark Williams & Associates Architects; Kevin Murphy, Practice Director of BVN Donovan Hill; and Malcolm Gay, National Sales Manager of EC Credit Control.

Caroline framed the event by commenting that communication is the single biggest complaint about architects. She reiterated the importance of process – both reporting and analytic processes – in providing the prompts to ensure consistency, minimum risk and maximum efficiency. She also discussed the value of proforma documents, especially for less experienced and/or smaller practices, where there is often less opportunity for discussions with colleagues or executive reporting.

Kevin Murphy urged architects to take risk management seriously rather than seeing it as "just one more thing to deal with" – and pointed out that if risk management is high on the agenda of the practice principals it will also be taken seriously by their employees. He pointed to the social complexities of risk management, to the importance of balancing risk and reward, and to architects' optimistic streak and their tendency to be problem solvers. He acknowledged that the current economic climate means that many architects are not in a strong position to pick and choose clients, but pointed out that the wrong client can be very costly in the long term – the worse the economy the more care needs to be taken.

Speaking from the perspective of a larger practice where the contractual requirements of larger projects can pose higher risks, Kevin advised architects to seek legal advice on client-provided conditions of engagement and to have a thorough understanding of what you are committing to before signing.

Mark Williams addressed the issue from the viewpoint of a smaller practice. He also commented that architects tend to be very optimistic in response to every potential client. He told his own difficult client story, warned against assuming that everyone who contacts an architect wants to pay for their services and advised architects to find ways to test how genuine potential clients are.

Malcolm Gay drew on his experience at one of Australia's largest mercantile agents to small and medium businesses, which supply of terms and conditions of trade documentation and provides debt collection services. He reinforced the importance of having up-to-date and relevant terms and conditions and suggested that the credit rating of potential clients can be checked using services such as Veda.

So what should an architect do?

Mark suggested architects do a risk assessment before submitting an Expression of Interest or Fee for Service. A Risk Assessment might include the following considerations:

- Verifying where the potential client obtained your contact details – was it word of mouth, the Internet, a recent project, a referral or are they a repeat client?
- For face-to-face meetings, understand body language and what it can tell you about a client.
- Identifying the decision makers, and ensuring all the decision makers are present at meetings.
- Assessing the client's ability as communicators.
- Assessing if the client knows what they want.
- Asking are you qualified for the type of project required?
- Understanding if the client wants architectural services or drafting services?
- Does the client have a good attitude?
- What are the client's goals and are they realistic?
- Does the client have a total budget and is it realistic for the project?

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Kevin underlined the importance of establishing risk management processes and sticking to them, especially when busy. A risk management process could include the following:

- Establishing “go / no go” procedures at enquiry stage.
- Setting questions to establish a ranking of potential projects and their relevance to the development of your practice. Is the project in your target sector? What is its scope? Is it profitable? Might it lead to future work?
- Have minimum criteria for a project to “go”. Don’t ignore these.
- Identifying cost and budget constraints. Have an annual BD budget and fixed bid costs.

The event also posed a set of eleven questions addressed to the audience – drawn in part from the speakers’ presentations. These included considering what kinds of risks clients can pose, what criteria might be used to assess the suitability of a new client, procedures to facilitate speculation on a project and how to assess if a project is worth pursuing, strategies for minimizing the potential of non-payment, how to manage a client who never puts anything in writing, how to ensure the client is happy to pay their bills, how to prevent known risk factors from impacting revenue targets, how to verify a client’s financial position, and terms and conditions in client & architect agreement to help in the event that the client/architect relationship breaks down. Caroline Treacy identifies some of the key points as follows:

- Internal communication and regular reporting for all potential projects and clients is vital. This should include an assessment of the likelihood of a project proceeding on the basis of a series of standardised questions.
- Internal risk management procedures should consider, communicate and document regular risks and actions. This should include the review of the likely factors for non-payment.
- Allocate a “client relationship manager” and ensure they maintain good communication throughout the process. Clients should be sent regular progress documentation and information. Ask numerous briefing queries early to establish what level of detail or decision-making they need to be involved in and ensure both parties are happy to proceed on that basis.
- Good communication is particularly important with clients who resist putting things in writing. Tips to manage this include the following: document all briefing conversations and send back to client, asking to note if anything not documented correctly or clearly; document all changes to brief and send back; ensure signoff on any project stages is undertaken prior to proceeding further; and finally, seek references prior to proceeding!

As Caroline comments, paid work does not fall from the sky. Processes like these can help architects ensure that every hour is spent on productive work.

## REVIEW OF THE NATIONAL COMPETENCY STANDARDS FOR ARCHITECTURE

The Architects Accreditation Council of Australia (AACA) is undertaking a review of the National Competency Standards in Architecture (NCSA), which will reassess the structure, format, and general and detailed content of the competencies. The first stage of this review is a general consultation with stakeholders. The questions posed by the AACA in this initial phase are broad – ranging from awareness of the existence of the NCSA and their uses, their relevance to practice, registration and accrediting qualifications, to the clarity of content and format and omissions and/or redundancies.

The ACA is providing input to this stakeholder consultation stage, which is being coordinated by the NSW Branch. As part of this ACA-SA addressed the NCSA at their June Roundtable, with a particular emphasis on education and the role of the competencies. The event was attended by representatives of both SA schools of architecture and by practitioners, including new graduates and those involved in the Australian Institute of Architects Education Committee and with experience on the Registration Board. The main points arising from this discussion are outlined below.

The NCSA play an important part of the regulation of the profession. They are described as the “measure of knowledge skill and experience required of a practitioner to enter the profession” and set out benchmark standards against which applications for registration are assessed. The competencies are also used to determine the equivalence of overseas architectural qualifications and selected competencies form the basis for accrediting Australian schools of architecture. They also provide the framework for continuing professional development programs. There are 149 competencies organised into four basic areas – design, documentation, practice management and project management.

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Despite this key role, the SA Roundtable revealed that many practitioners know little about the competencies. Likewise, although they form a backdrop for the accreditation of architectural education – something to check against – the NCSA are just one of many factors that impact on the development of curricula and teaching programs.

The roundtable also noted that another system of assessment and accreditation also impacts on the schools – the Threshold Learning Outcomes, which are part of the Federal Government’s TEQSA Higher Education Standards Frameworks. These are very short – one page – and offer the more synthetic approach to architectural knowledge. The academics voiced concern about working with two systems of accreditation and criteria, and made a clear recommendation that these be articulated – that accreditation under one system should be understood as adequate to cover accreditation over the other.

Further, George Zillante, of the University of Adelaide, argued that competencies are a “tick-box approach” and that this is not the best way to assess an education program, or to assist its development. He spoke in favour of a more collaborative, less adversarial, approach to accreditation, and commented that this is now occurring in other industries. There was substantial discussion around the relative role of universities and practice in educating future architects and a recognition that the NCSA are minimum standards only. This related to comments that universities do a lot more than prepare students for professional competence. Both academics and practitioners acknowledged that university is vital in teaching students to think, and that some of aspects of practice are best learnt in a practice environment.

Nonetheless some of the practitioners present were concerned that in the current volatile economic climate practices simply can’t afford to hire new graduates who can’t work productively straight away. There was also concern about low levels of knowledge of structures and materials, even among very bright new graduates, and the comment that although practices don’t expect new graduates to have a thorough understanding of the Building Code of Australia, but they do expect them to know that it exists. John Schenk of UniSA noted that the competencies relating to documentation are not included in those that are used as part of the accreditation of architecture schools.

The competencies themselves were generally felt to be too long and detailed. Despite this it was felt that they don’t capture the full range of activities that architects might pursue – particular areas identified as missing included sustainability and heritage – and that they don’t really account for specialisation. It was also felt that the NCSA corresponds to a fairly traditional version of architectural practice and doesn’t relate to the many and different ways that one can practice architecture. This is particularly relevant in the current context where the role of the architect continues to shift, change and diversify. Participants also noted the increasing complexity of the statutory environment that architects operate in – this is a much bigger part of practice than it once was.

In counterpoint to suggestions that the NCSA should be much shorter, Mads Gaardboe of UniSA speculated that maybe there are not enough competencies – perhaps this range of possible architectural activity should be more fully charted.

Positive comments related to the usefulness of the NCSA for young graduates as a checklist for assessing the mix and range of experience they need to gain to be registered. It was thought that this had the potential to ‘empower’ graduates in their discussions with employers as they seek to gain a balanced range of experiences in their early years in the profession.

John Held finished by commenting that although we know anecdotally that practice is changing there is very little data about this. This is a fertile area for research, which leads to the question of how this might be facilitated and pursued, and what practice can contribute to research.

## STRATEGIC PLAN – CREDITS

The Strategic Plan, which you will all have a copy of by now, omitted to include image credits. The document will be updated with these in the PDF version. The credits are as follows:

- Cover: BC Dental, Beaumaris, Vic, by Craig Barkla, Associate Director, Demaine Partnership. Photograph: Peter Clarke.
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## OF INTEREST ELSEWHERE

### FAIR WORK AMENDMENTS TO ADDRESS WORKPLACE BULLYING

Amendments to the Fair Work Act mean that from January 1 2014 the Fair Work Commission will have new powers to issue orders to stop bullying. The new section – Part 6-4B – means the commission will have jurisdiction to hear applications by employees “who reasonably believe” they may have been bullied at work.

The legislation focuses on preventing further bullying and includes a new definition of bullying. Under this a worker is understood as having been bullied at work if an individual or group of individuals “repeatedly behaves unreasonably towards the worker, or a group of workers of which the worker is a member” and the “behaviour creates a risk to health and safety”.

This will put a focus on the way that employers respond to complaints about bullying. This means that you should have a mechanism for dealing with bullying in place, ensure that any complaints are dealt with thoroughly and fairly, and ensure that you have prevention strategies in place.

### NATIONAL INFRASTRUCTURE PLAN

Infrastructure Australia has released the National Infrastructure Plan, a report to the Council of Australian Governments. The plan outlines seven reforms with a twenty-seven associated actions. There is a strong emphasis on freight and port infrastructure and a proposed new Indigenous Communities Essential Infrastructure Investment Fund. The seven reforms are:

- Establish a single national infrastructure fund.  
Actions include: focussing public investment on public transport, with road expansions being paid for by users not taxpayers; long-term planning for freight infrastructure and coordinated strategic planning, investment and delivery of regional infrastructure.
- Use government budgets innovatively.  
Actions include: better use of urban networks; incentives to build higher residential densities and dense commercial centres in cities; creating a remote Indigenous Communities Essential Infrastructure Investment Fund.
- Recycle capital for new infrastructure.  
Actions include: transferring the following to the private sector – suitable port and rail assets, water assets, energy assets and ownership of regional assets such as airports.
- User pays – user says.  
Actions include: charging reforms for urban transport; creating a complete national freight network; a national policy framework to shift a greater commercial focus onto roads; full cost recovery pricing for the provision of water; reconsidering reliability standards in the provision of energy to match the level of service customers are willing to pay for.
- Improvements to project governance and procurement to reduce the cost of developing new infrastructure.
- Reduce layers of government.  
Actions include: Consolidating local government in cities; consolidating regional local governments; establishing a national economic regulator for water; improve national governance and planning of energy markets; apply a global approach to lowering carbon emissions to achieve the most cost efficient reductions.
- Be world leaders in project governance.  
Actions include: long term planning for major ports; a national road portfolio manager; consider alternative water sources; endorse the Remote Indigenous Infrastructure Policy Framework.
- Smarter leaner infrastructure procurement.  
Actions include: better use of water resources and investment in food sector and trial innovative financing approaches for Indigenous infrastructure.

The National Infrastructure Plan can be downloaded [here](#). The seven reforms and associated actions are summarised on page 93. The website Lexology, aimed at business lawyers, has a useful [overview](#) of the report.



## ABS PRIVATE SECTOR CONSTRUCTION INDUSTRY REPORT

The Australian Bureau of Statistics has released the Private Sector Construction Industry Report. This estimates the economic and financial performance of businesses involved in the construction industry for the 2011–2012 financial year. It provides detailed measures of the performance, structure and activity of businesses and includes the composition of income earned, details of expenses incurred and the characteristics of the workforce. Figures are presented for the construction industry as a whole, so it is not possible to glean specific knowledge about architecture as an industry. Nonetheless the report provides an interesting overview of the wider industry within which ACA members operate.

Key findings for the period include:

- At the end of June 2012, there were 209,783 businesses in the construction industry – 172,697 businesses working in construction services, 31,297 in building construction and 5,789 in heavy and civil engineering.
- The construction industry generated total income of \$305.5b, incurred \$275.4b in total expenses and had employment of 950,000 persons. Total industry value added by these businesses was \$99.4b. Operating profit before tax (OPBT) for these businesses was \$30.3b and operating profit margin (OPM) was 10.1%.
- At the end of June 2012, there were 950,000 persons working in construction. Two-thirds (67.0% or 636,000) worked for construction services, 16.8% (or 160,000) in building construction and 16.2% (or 154,000) in heavy and civil engineering.
- Main occupations were tradespeople with 33.1% (or 314,000) and labourers with 20.4% (or 194,000).
- Small businesses (employment range of 0–19) employed the majority of persons with 62.1% (or 590,000), followed by medium size businesses (employment range of 20–199) with 19.3% (or 183,000) and large size businesses (employment range of 200 or more people) with 18.6% (or 177,000).
- Businesses in the industry generated total income of \$305.5b. Construction services accounted for 44.5% (or \$135.9b) of the total income, building construction for 33.2% (or \$101.6b) and heavy and civil engineering for 22.3% (or \$68.0b).
- The major source of income (76.3% or \$233.2b) was from trade services, building and construction, followed by sales of goods and other services (22.1% or \$67.5b).
- Small businesses (employment range 0-19) accounted for 97.7% (or 204,949) of all businesses and the largest share of total income with 49.0% (or \$149.8b). Large construction businesses (employment range of 200 or more) accounted for 0.1% (or 186) of all businesses and generated just over a quarter of total income (27.3% or \$83.5b).
- Queensland and New South Wales recorded the greatest share of income from the sale of goods and services, each with 24.1% (or \$72.6b). Comparatively, these states' population shares were 20.1% and 32.1% respectively. Although Western Australia's share of the population was 10.7%, they accounted for 18.3% (or \$55.2b) of income from sales of goods and services.
- Western Australia's average salary was \$76.6k, followed by Queensland (\$59.2k), Victoria (\$51.9k) and Northern Territory (\$51.6k).
- The share of wages and salaries to total operating expenses varied across states, with Western Australia recording the highest level (22.6%). The lowest share of wages and salaries to total operating expenses were in South Australia (15.3%) and the Australian Capital Territory (13.3%)

The report can be downloaded [here](#) and the summary of findings is [here](#).

## AMERICAN INSTITUTE OF ARCHITECTS FORESIGHT REPORT

The American Institute of Architects has released its [2013 Foresight Report](#). A research-based project, the report aims to “highlight key trends and to outline their impact” on architectural business and on current and future practice. It also includes strategies immediately related to business, marketing, operations, practice and design and firm leadership. Obviously this report concerns the American market and context, but it may include interesting insights that are also relevant to architects in Australia.

The 34-page report can be purchased [here](#) in PDF and hardcopy formats.

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## **BRANCH NEWS**

### **QUEENSLAND**

#### **Congratulations to Mark Trotter, recipient of a 2013 Churchill Fellowship**

Mark Trotter, immediate past president of ACAQ, has been awarded a 2013 Churchill Fellowship. He will use this travelling award to visit education facilities for facilities for disadvantaged and disengaged youth in Canada, United States of America, Ireland, Britain, Finland and Singapore. He describes each of the case study facilities as catering for different groups and “representing alternative methods of re-engagement and empowerment”. Mark will use these experiences and the knowledge gained to develop new ideas and architectural initiatives for schools to address similar issues in Australia. Congratulations Mark.

#### **Thank you Graham Hobbs – Mark Trotter outlines Graham’s contribution to the ACA**

Graham Hobbs, long serving ACA Queensland Branch Committee member, has announced his decision to step down from his ACA committee involvement. Graham joined the ACAQ committee in 2005 and took on the presidency in 2007 – at a time when membership was dropping, and enthusiasm low. Operating with contagious enthusiasm, he reorganised our structure and over a four-year term rebuilt our finances and governance structures. Graham also rebuilt the committee with a committed new team, as long serving members retired.

At the same time, Graham represented Queensland on the National Executive Committee and undertook the national treasurer role, again introducing new initiatives to improve ACA.

In 2011, having spent so much time thinking about the ACA’s mission, Graham wrote a paper entitled “A Case For Action” which formed a basis for the ACA move toward developing a strategic plan and ultimately expanding its role in our industry.

Graham has had a significant impact on the profession through his work with ACA and is now applying that same passion to his role on the Queensland Chapter Council of AIA.

### **TASMANIA**

#### **An update on the state of play from Jack Birrell.**

The recently released Tasmanian Building and Construction Industry Training Board 2013 [state-of-the-industry report](#) has revealed that Tasmania has lost 5000 construction jobs and will experience \$544 million less in building activity during the next two years.

Despite prospects of reasonably strong activity in mining, housing renovations and some sectors of non-residential building, the outlook for the property and construction industry in Tasmania remains subdued amid expectations of further drops in housing starts and capital value declines across most sectors of commercial property and a recent surge in office vacancies throughout Hobart to decade highs, negligible population growth and a shrinking economy. Overviews of the report can be found in [The Mercury](#) and on [Design Build Source](#).

The State Planning Scheme, currently being rolled out at glacial speed, is yet to gain any traction and debate grows as to whether the objectives of simplicity and clarity, streamlining, and less complicated processes are in fact going to be delivered. The risks are considerable as investment from the private sector both commercially and residentially is at an all time low in the state. This was clearly evident in last month’s Architecture Award, with most entries to the Public and Educational categories indicating where the primary source of construction has occurred over the past year. With Tasmanian State Government budgets in near austerity mode, the spend on government sector work is likely to continue to be less than previously experienced.

A Tasmanian report card cannot fail to mention that Tasmania and its economy are indebted to the miracle of Medici-like philanthropist David Walsh and his MONA-effect. Our newest statesman gave us [Dark MOFO](#), which has just run its course in the dead of winter and saw masses naked in the Derwent and marvelling at light beams that travelled kilometres into space over Hobart and could be seen from all parts of the state.

### **WESTERN AUSTRALIA**

#### **UWA Prizegiving**

Each year ACA – WA donates a monetary prize to the Faculty of Architecture, Landscape and Visual Arts at the University of Western Australia. The prize this year was awarded to Charlie Boman who, on completing the Level 1 units in the course for the degree of Bachelor of Environmental Design, displayed the best design portfolio.

#### **Members’ Luncheon**

Our second Members’ Luncheon for the year was held on Friday 21 June at Maurizios Restaurant. Over thirty attended the magnificent lunch – as always the food was excellent and no one went away hungry! The event always engenders 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 20 September. Put it in your diary now – you deserve it!

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## VICTORIA/TASMANIA

### **Victorian Building Authority**

State President Simon Hanger, together with representatives of the Australian Institute of Architects, continues to attend briefing meetings with the Department of Transport Planning and Infrastructure regarding the transition of the Architects Registration Board of Victoria (ARVB) into the new Victorian Building Authority (VBA), which replaced the previous Victorian Building Commission and Victoria Plumbing Industry Commission this month.

It is anticipated that the ARVB will be integrated into the new VBA by July 2014, with further consultative meetings to be held during the intervening period.