Association of Consulting Architects
The Business of Architecture

State of the Profession survey report

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an ACA resource

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THE STATE OF THE SOUTH AUSTRALIAN ARCHITECTURE PROFESSION SURVEY RESULTS AND REPORT

5 April 2016

Overview

The ACA – SA State of the Profession Survey provides a crucial snapshot of architectural practice in South Australia at the end of 2015. It reveals new data about the nature and size of architectural practices and structural change underway within the profession.

The survey provides an important baseline for ongoing regular surveys to track changes in the status of the profession and emerging changes in the nature of practice. Longitudinal surveys are vital as they can provide hard evidence that supports the need for interventions to maintain the relevance, viability and influence of the architecture profession as a key shaper of the built environment. The SA survey also acts as a pilot study and ACA – SA recommends that a similar survey be carried out regularly at a national level.

The response rate for this survey was high and represents a good cross-section of practices operating in South Australia.

This strong response indicates a willingness on the part of the South Australian architectural community to engage with questions about the current state of the profession and its possible futures. While many of the practices recorded a great number of challenges facing the profession, respondents also saw solutions and opportunities within these challenges. South Australia is one of the smaller states in the nation, but many of the challenges and solutions would not markedly differ across the country. What becomes clear in comments is that the profession as a whole would benefit from a greater sense of combined action. This report is a beginning of that process of collective work.

Disaggregating data by size of practice proved particularly useful for discerning patterns, and the size of practices made a significant difference to aspects such as the kind of projects, clients, contracts used and income.

Key findings of the survey include:

- Procurement of architectural services remains largely traditional, with 82% of respondents (80 practices) doing providing full service for an average of 60% of their work (assessed by income). Nonetheless many comments indicate an ongoing move away from full service, with full service work concentrated in particular sectors such as education and single residential work.
- Procurement of buildings via traditional tender is still the most popular strategy, with Design & Construct followed by Managing Contractor being the next most popular procurement options.
- Larger practices are more likely to be involved in Design & Construct and Managing Contractor than sole practitioners and small practices (2–5 people).
- A significant number of practices describe themselves as multidisciplinary, but this work is mostly being conducted by those with architectural training, and only a very small proportion of staff members are involved in non-traditional architectural services.
- The majority of South Australian practices are based in South Australia only with small numbers operating interstate or affiliated with interstate practices and even smaller numbers operating overseas.
- Collaboration between practices is common, with smaller practices typically working with other South Australian practices and larger practices tending to work with interstate or overseas practices.
- The establishment of new practices appears to peak during economic recessions.

- A significant number of practices undertake unpaid work, predominantly as speculative work for either existing clients or potential new clients. Pro bono work accounts for approximately 35% of the unpaid work. Larger practices are more likely to undertake unpaid work.
- Nett fee income levels appear low, particularly for sole practitioners and small practices.
- Residential work is a major component of the work of sole practitioners and small practices, while commercial and institutional work is the predominant source of larger practice's work.
- Gender stereotypes continue to be played out in South Australian practice with very few women at Director level, men dominating employment numbers in all levels of practice and a surprisingly low level of women graduates employed. Interior Design is the only professional area where there appear to be significantly more women than men, which is also replicated with administrative staff.
- Traditional work practices dominate the profession, with the majority of people employed as full-time and only very low numbers in a part-time capacity or with flexible hours. These work practices may in part explain the low participation of women working in architectural practices
- Fee shrinkage is the greatest challenge facing the profession, closely followed by greater risk architects are expected to bear and competition from other sectors.

In addition to the hard data collected the survey attracted significant discursive responses. These provide a useful insight into the profession and identify areas for future action. Themes that emerged include:

- While sole practitioners and small practice are the dominant forms of practice in South Australia, they do not feel that their needs are well met by existing professional organisations.
- The profession needs to address fee shrinkage caused by a competitive 'race to the bottom'
- Low fees are undermining an ability for staff to be well paid and for the profession to attract the 'best and the brightest'.
- BIM and 3D documentation are seen as an opportunity for the profession to regain a leadership role.
- The importance of design must be promoted for architects to have continuing relevance.

The knowledge gained through this survey is complemented by two further reports: *Architects in SA – a view from the APBSA data*, and *Architects in SA – a view from the census*, both undertaken by Gill Matthewson on behalf of the ACA – SA.

Number of responses

The survey attracted 167 respondents. Of these, 34 were disqualified because they were not completing the survey on behalf of a practice involved in architecture in South Australia.

Of the remaining 133 respondents 83 companies completed the full survey, with a further 41 companies providing useful partial responses. Nine responses did nothing other than indicate that the practice was located in SA.

This figure compares well with other knowledge about the number of practices in the state (there is no single reliable figure available). The APBSA Register includes 119 companies and 8 partnerships, but some of these are located interstate. The SA Chapter of the Australian Institute of Architects has 83 practices in the A+ category, while a rough count from Yellow Pages phone directory provides a total of 170 practices, including sole practitioners.

Background

The ACA – SA State of the Profession Survey was conducted by the SA Branch of the Association of Consulting Architects in November 2015. It was undertaken as part of the State of the Profession research project, led by John Held and Susan Phillips and funded by a grant from the Architectural Practice Board of South Australia. The grant enabled Justine Clark to be engaged to undertake research, prepare the survey and analyse the results with support from Gill Matthewson.

The development of the survey and review of the results was guided by a Reference Group with the following membership:

- Kirsteen Mackay – Government Architect, South Australia
- Dr Christine Garnaut – Associate Professor and Director of the Architecture Museum, University of South Australia
- Dr Veronica Soebarto – Associate Professor, University of Adelaide
- Nicolette Di Lernia – SA Chapter Manager, Australian Institute of Architects
- Ian Hore – Director, Walter Brooke

- Thomas Masullo – Director, Woods Bagot
- Warwick Mihaly – Principal Architect, Mihaly Slocombe Architects

The survey was for architectural practices operating in South Australia. It was distributed via three professional bodies – the Association of Consulting Architects SA, the Architectural Practice Board of South Australia and the Australian Institute of Architects SA Chapter. These three organisations sent the survey via email and social media.

The survey was designed for architectural practices. A similar companion survey for individuals would be a valuable source of other information, but was outside of the scope of the current project.

About the ACA

The Association of Consulting Architects leads the discussion on business matters in architecture in Australia and is the key body representing architectural employers.

The ACA provides regular advice and information on business and employment matters, promotes awareness of and discussion about business issues, and advocates for better business practices and legislative frameworks.

Through this support and advocacy, the ACA helps to ensure the long-term health and viability of the profession, and thereby supports the important contribution that architecture makes to our cities, environments, communities and cultures.

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RESPONSES TO SURVEY QUESTIONS

1. OVERALL DEMOGRAPHICS

How many businesses responded?

Useful information was supplied by 124 practices, with 83 of these completing the full survey.

Where are practices located?

Information about location was provided by 124 practices.

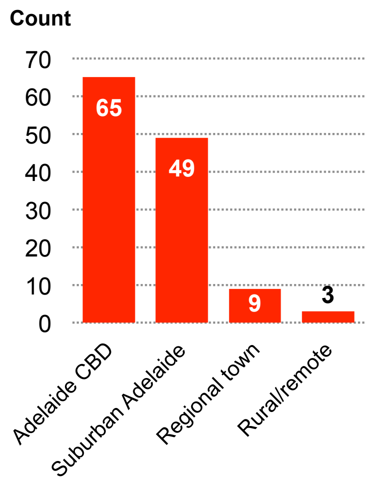


Figure 1: Location of practices

Just over one half (65) are located in the Adelaide CBD, with the majority of others being in Suburban Adelaide (49). Small numbers are located in regional towns (9) and remotely (3). This concentration of architectural practices in the greater Adelaide area aligns with Census information whereby a bare 3% of those who identified themselves as architects lived outside of greater Adelaide.

Of the 9 practices in regional towns, 2 also identified Adelaide as a location. These are predominantly small practices. Five were 1-person practices, two were 2–5 people and two are 6–10. The rural/remote practices are also small – one was a 1-person practice and two had 2–5 people.

How established are the practices?

124 practices provided information about the age of the practice.

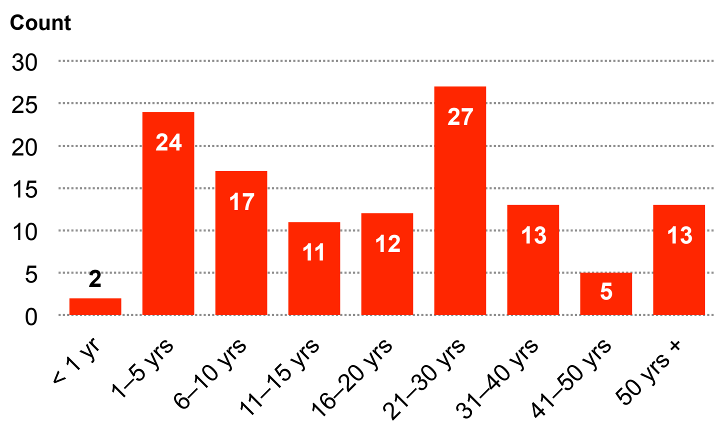


Fig 2: Age of practices

Almost half of the responding practices (58) have been in operation for 21 years or more.

The largest proportion of respondent practices is quite established – almost a quarter (27) practices have been operating for 21–30 years. This group corresponds with the downturn of the early 1990s, which saw many new businesses start as the established (and larger) practices downsized. The next largest group is the new practices, with 19% (24) having been in operation for between 1 and 5 years. Over a third have been in existence less than ten years.

How large are the practices?

124 practices provided information about the size of the practice.

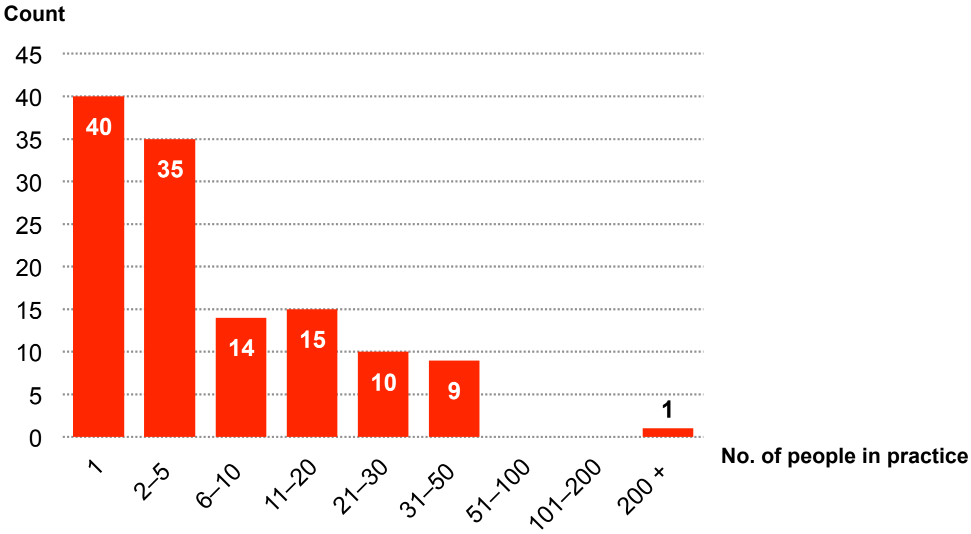


Figure 3: Size of practices

A large proportion of practices are very small in size. One-person operations account for 40 practices and another 35 employ 2–5 people. Taken together, they comprise over 60% of the respondents. Only 20 practices employ more than 20 people, and only one employs more than 200 – in a multi-disciplinary context (this practice employs just over 40 people with architectural training).

What business structures are used?

123 practices provided information about the structure of the business.

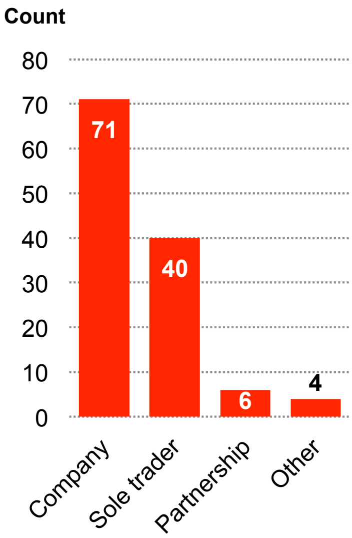


Figure 4: Business structure

Unsurprisingly, the large majority of the 1-person practices are sole traders (34). The 6 partnerships do not form any clear pattern; partnerships are over the range of practices ages – from 1–5 years to over 50 years – and employ between 2 and 30 people.

What connections do South Australian practices have nationally and internationally?

123 practices provided information about national and international connections.

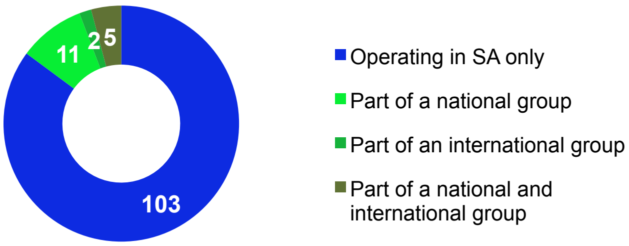


Figure 5: Business locations

The large majority of respondents operate solely in South Australia – 84.5% or 104 practices. A further 12 practices are part of a national group, 2 more are part of international groups and 5 are part of a national and international group.

The practices that are part of international groups are predominantly larger, although one was in the 2–5 people range and located regionally. Of the 11 that are part of a national group, two were also this small size, and the rest were larger.

Of the 19 practices operating outside SA, 8 operate under a single-ownership model, 6 are dispersed and 2 are franchises. Other models identified are 'network'; 'federation of offices' and one practice that is part of an engineering firm.

Operating nationally

Of those practices operating nationally, 13 identified that they are active in Victoria, 9 in NSW, 8 in WA and smaller numbers in the other states. Only three practices identified NT as another location, which might have been expected to be higher given historic connections between the two states.

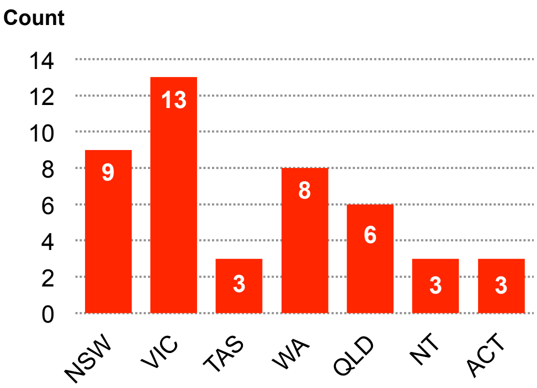


Figure 6: Number of practices active nationally, by state

A number of practices based in South Australia undertake work outside of South Australia. This is captured in Section 12 Revenue.

Operating internationally

Of the 7 practices that indicated they operate internationally, 5 have a presence in China, Southeast Asia, the Middle East and Europe. The sole respondent that ticked 'other' identified this as New Zealand.

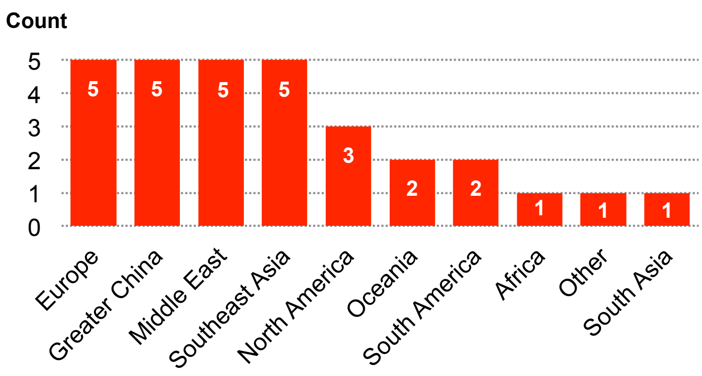
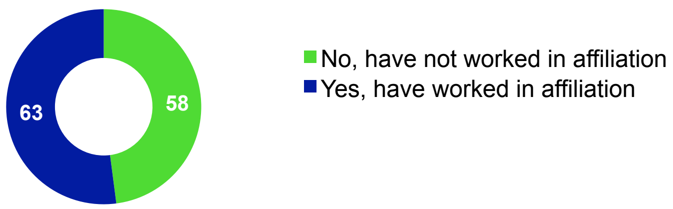


Figure 7: Countries where practices are active internationally

Working together

These questions were answered by 121 practices.

Over half the respondents (63 or 52.1%) identified that the practice had work in affiliation or joint venture with other practices in the last financial year.



When disaggregated by size of practice, most of the larger practices had worked in affiliation of some kind, as had almost half of the smaller practices.

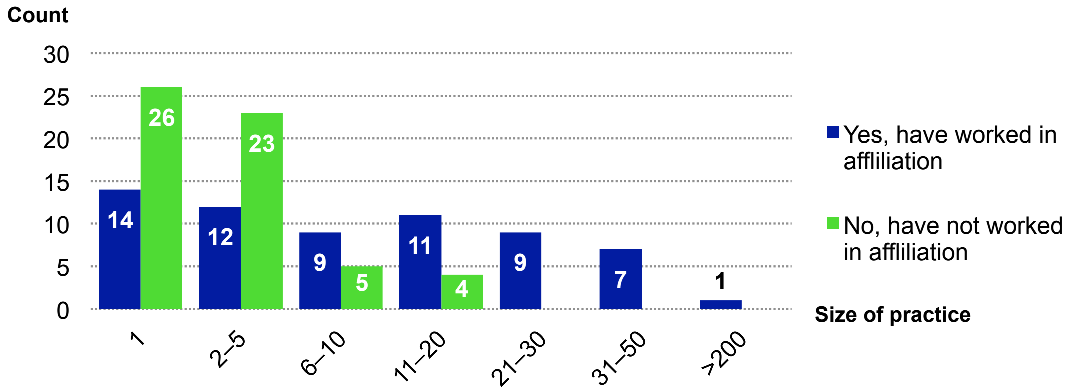


Figure 8: Working in affiliation, by size of practice

When disaggregated by age of practice, it becomes apparent that young practices are less likely to have worked in collaboration.

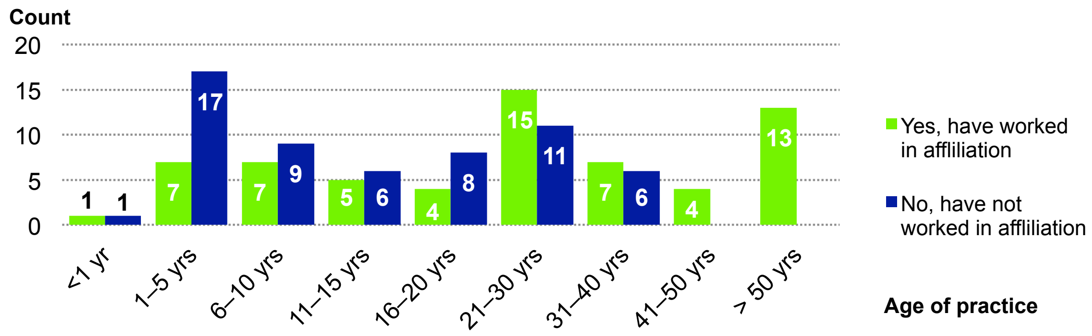


Figure 9: Working in affiliation by size of practice

Of the 63 practices that had worked in affiliation, the majority had worked with practices based in SA (51); over half had worked with practices from other states (39), while 16 had worked with practices from overseas, over different time periods.

When looked at by practice size, we see that smaller practices are more likely to work with other practices based in SA, which suggests practices are banding together to take on projects that may be more complex or of a larger scale. Some of small practices are also offering specialist services (such as heritage) to other practices.

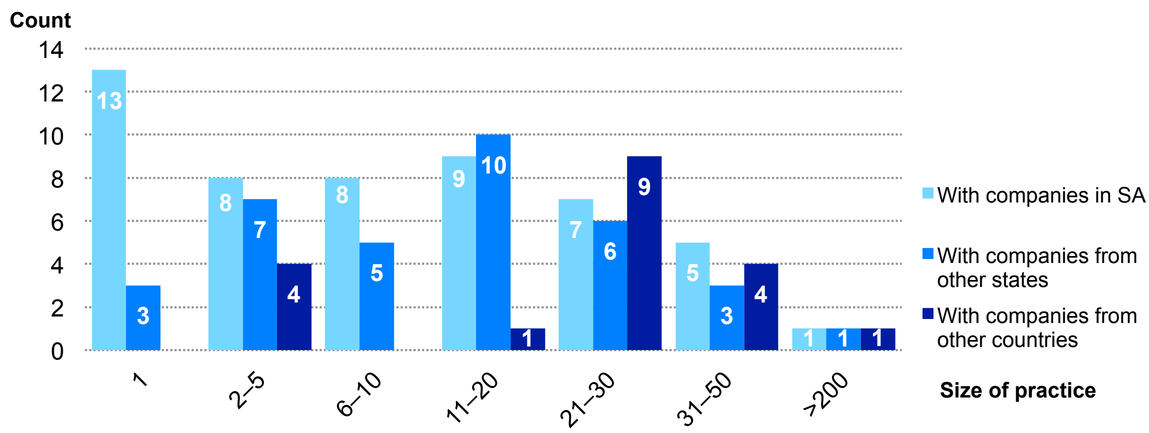


Figure 10: Working together by size of practice

Respondents were also asked about the timeframes for these collaborations, and were asked to tick all that applied.

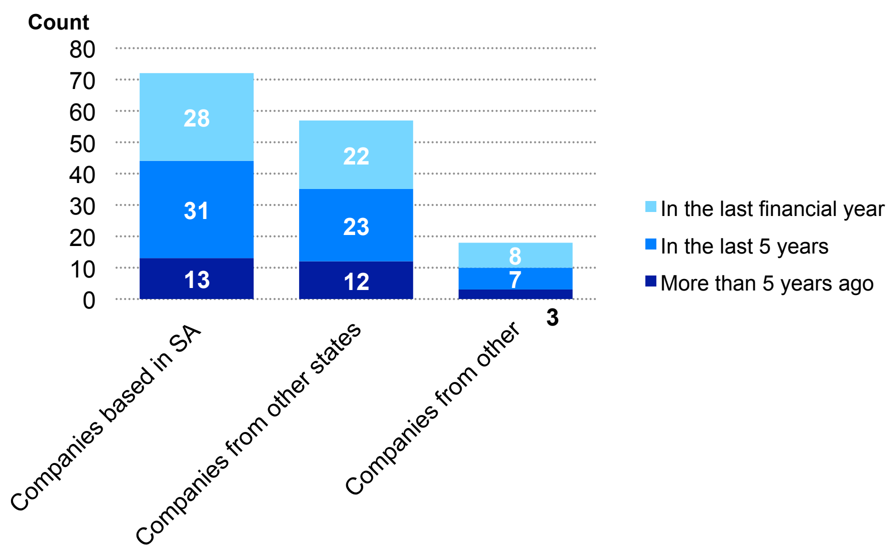


Figure 11: Working in affiliation, by location and time period

2. DISCIPLINARY CONTEXTS

117 practices answered a set of questions about disciplinary contexts.

Just over half described themselves as multidisciplinary. When disaggregated by size, it becomes apparent that the practices that describe themselves as single discipline are predominantly smaller-sized – all larger practices describe themselves as multidisciplinary.

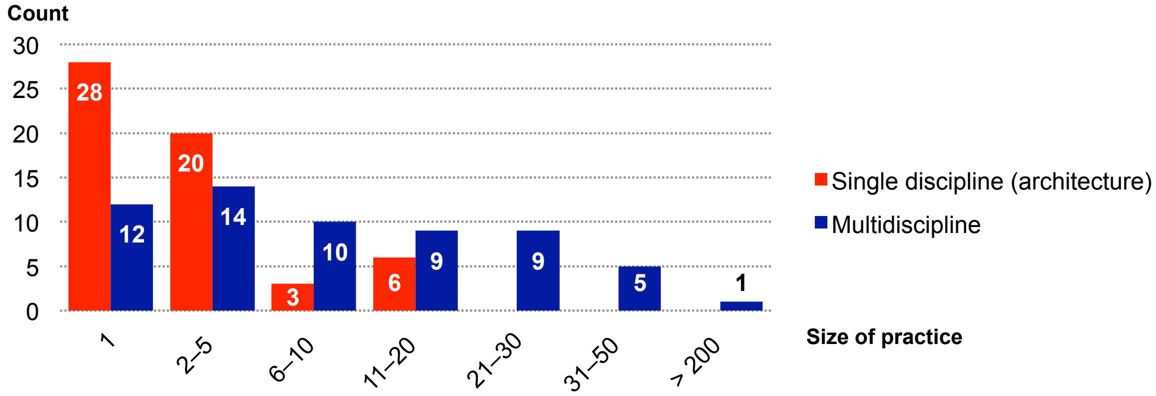


Figure 12: Disciplinary context by size of practice

Practices were asked what were the lead disciplines and what were secondary. Of the 60 practices that described themselves as multidisciplinary, 50 nominated architecture as the lead discipline. Of these, 30 practices named architecture as the sole lead, with the other 20 naming a mix of other disciplines as shared lead. The most common areas identified as leads along with architecture were Interior Design (14), followed by Project Management (5), Heritage and Conservation (4), Urban Design (4), Landscape Architecture (3), Planning (2), Construction (2), Development (2) and Engineering (1). Figure 10 shows the range and number of disciplines included in practices that nominate architecture as lead discipline.

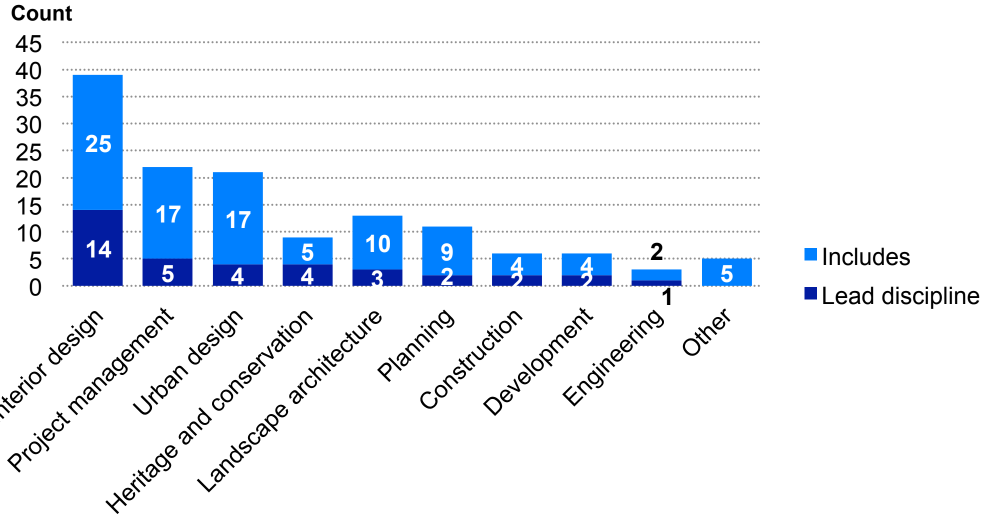


Figure 13: Other disciplines within architectural practices, by number

A number of practices identified no hierarchy between disciplines. This was done in two ways – 13 practices named all disciplines as lead, while 3 more did not identify any lead discipline. Instead, they identified that the practice included a mix of disciplines, with no leads (all of these included architecture).

Only four practices identified architecture as secondary, with another discipline as the lead. Of those, the nominated lead disciplines were 'sustainable development, energy efficiency, biological waste, emergent systems' (1), engineering and project management (1), interior design (1), 'project management and construction' (1), landscape architecture (1).

3. SECTORS OF WORK

This section was answered by 97 practices. The chart below shows the number of practices that identified they were active in each area.

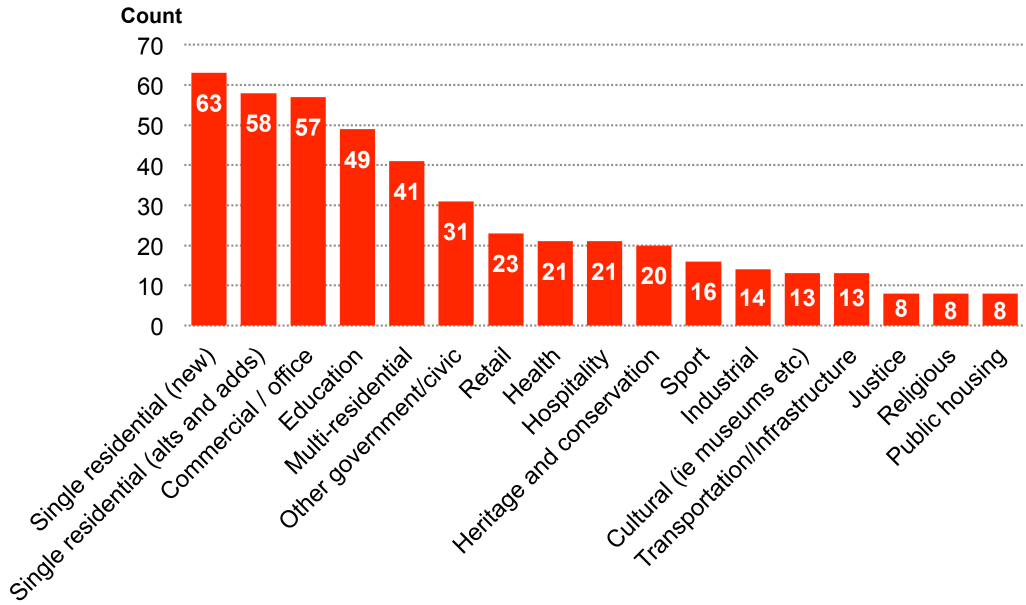


Figure 14: Number of practices active in each sector

When this data is separated according to size of practice, unsurprising patterns are revealed – for example, we see that single residential is the province of smaller practices. Commercial/office and education projects are spread over the range of practice sizes, reflecting the fact that such projects can range greatly in size.

Table 1: Sectors of work by size of practice and numbers of practices active

	1	2–5	6–10	11–20	21–30	>31
Single residential (new)	20	22	9	9	2	1
Single residential (alts & ads)	19	21	8	7	2	1
Multi-residential	9	12	2	10	4	4
Public housing	1	1	1	4	0	1
Commercial / office	12	16	8	10	7	4
Retail	6	3	3	6	2	3
Hospitality	3	6	0	6	3	1
Industrial	1	5	1	2	4	1
Education	7	12	6	11	8	5
Health	3	3	3	4	5	3
Justice	0	4	1	2	1	2
Religious	1	3	0	3	0	1
Cultural (i.e. museums etc.)	1	3	1	4	1	3
Other government / civic	4	7	3	9	6	2
Heritage & conservation	4	7	1	3		1
Sport	2	2	2	3	5	1
Transportation /Infrastructure		3	0	3	4	3
Other	7	3	1	2	1	
sample size	**31**	**30**	**9**	**14**	**8**	**5**

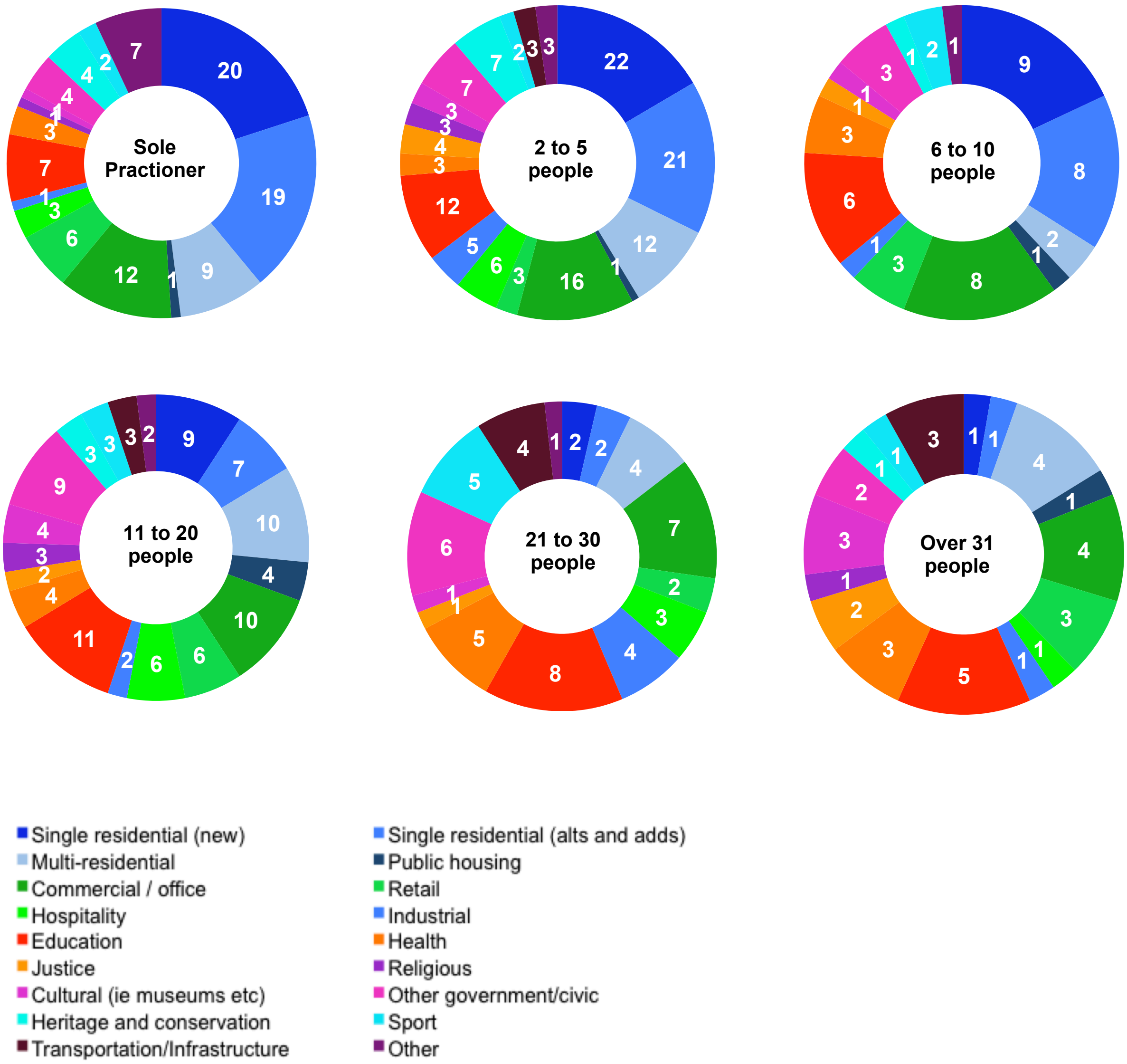


Figure 15: Sectors of work by size of practice

Those who ticked ‘other’ indicated broad of areas of work, but many of these related to the categories that were provided as options. These include dispute reports, medical imaging fit-outs, defence, aged care (3), research facilities, tourism; energy assessment, contribution to consultancies, books, design manuals, Standards reviews, government and quangos. One respondent comments that, “Since the 1980s, provided architectural services to government-funded indigenous organisations”. Others provide insight into the wider range of activities undertaken by architectural practices. For example, “Research paper linking design and specifications to local economic development”; pre-purchase inspections & other reports; urban design consultancies, design review panels and planning authorities, and BIM consulting.

Percentage of work by sector by income

Practices were also asked to estimate the percentage of work undertaken in each sector in the last financial year, by income. In the chart below, the red bars show the number of practices active in each area, while the green bars show the average % of work that this sector provides for the practices working in that sector. For example, of the 63 practices working in Single residential (new), that work provides an average of 24% of their income.

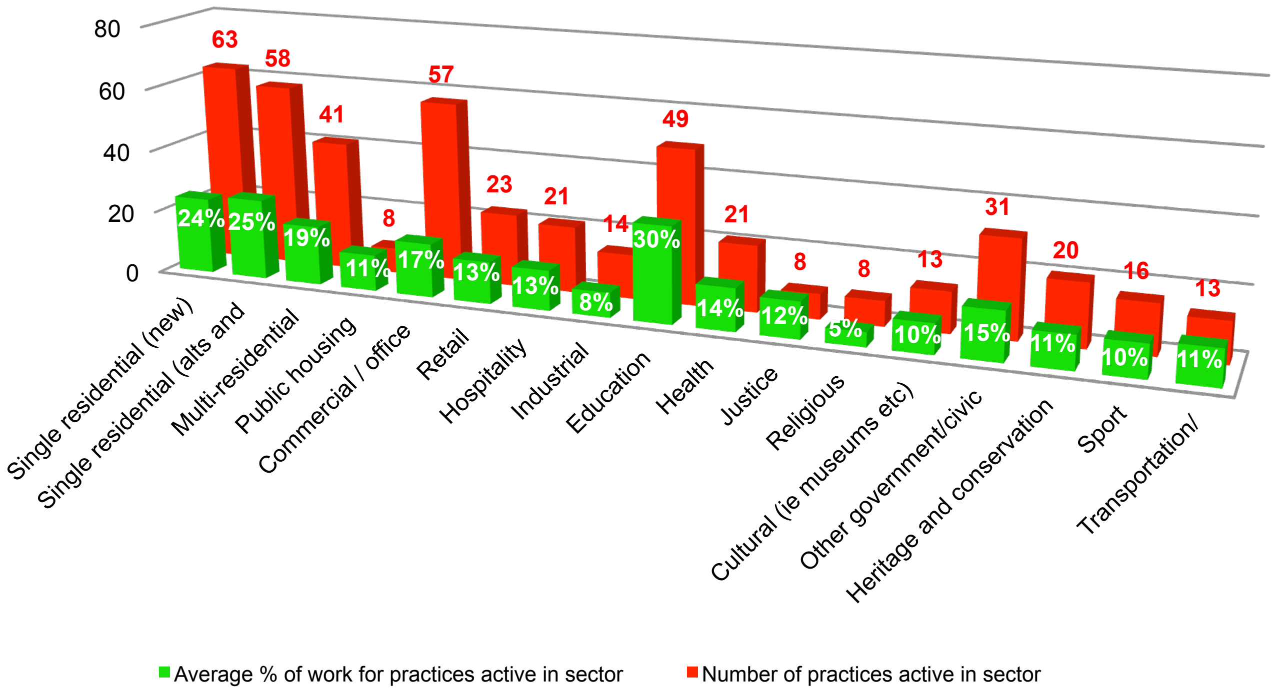


Figure 16: Sectors of work, by numbers of active practice and % of work

Changes in sectors over time

Practices were also asked if the balance of sectors has changed over the life of the practice. Of the 83 responses that responded, 29 replied ‘no’, with the remaining practices identifying change of some kind.

While more than a third of the firms surveyed reported no changes in the balance of sectors over the life of the practice, a sizeable number acknowledged fluctuations. For some that was a consequence of beginning with small-scale work (such as residential additions and alterations) and growing into larger work (new houses, small commercial to larger commercial or educational, etc.). However, one practice reported that the firm was now back to doing smaller scale projects and another that all work had ‘disappeared’. More than 12% of the respondents considered the kind of work to be highly dependent on the economy: private clients declining in a downturn and social infrastructure work backed by government investment increasing. The greatest increase reported was for education work (unsurprising given the federal government’s economic stimulus package in the wake of the 2008 global financial crisis targeted education infrastructure). Several firms discussed how they had strategically moved into different sectors in order to become a more robust business, but most seemed to take what came their way.

4. FULL OR PARTIAL SERVICE

97 practices answered questions about type of service provided in the last financial year.

Of the 97 practices that answered, 80 had worked under the full traditional service model, 62 had done work with 'limited full service' – that is, with qualitative role only during the construction phase, and 72 had supplied partial services.

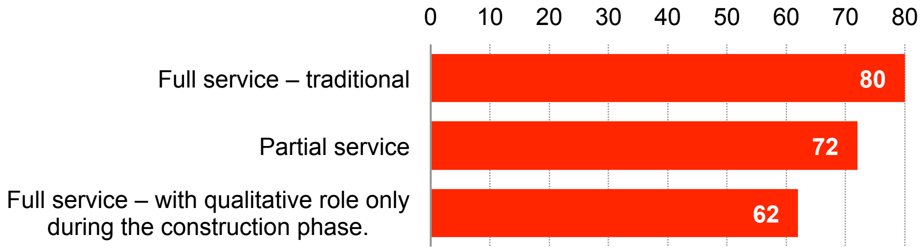


Figure 17: Types of service by number of practices

Respondents were asked what percentages of work was full-service and what was partial service, with percentages estimated according to income in the last financial year.

In the chart below, the red bars show the number of practices working with each service model, while the green bars show the average % of work that each delivery provides for the practices working in that sector. For example, for the 80 practices doing full service work this comprises an average of 61% of the work, by income.

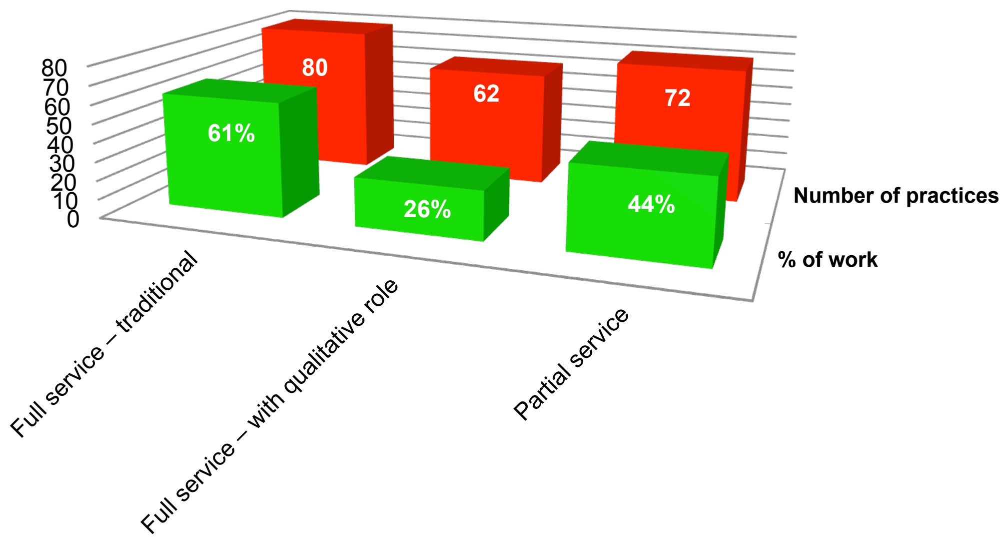


Figure 18: Types of service by number of practices and % of work

This data shows that full service is still the dominant service model for most sized practices. The exceptions are sole practitioners – who as a group do a lot more work with partial service – and very large practices, where limited full service is the dominant model.

The chart below shows these average percentages by practice size. (Note these do not add up to 100% because each % relates to a different number of practices working in this way.)

Table 2: Average % of work service model by income, by size of firm

	1	2–5	6–10	11–20	21–30	31–50	> 200
Full service – traditional	49%	69%	68%	67%	48%	65%	20%
Full service – with qualitative role only during the construction phase.	25%	21%	17%	23%	41%	42%	60%
Partial service	70%	37%	35%	22%	23%	8%	20%

When this is looked at in terms of sectors the practices work in it becomes apparent that full service is the province of particular sectors. The chart below shows the sectors worked in by practices earning over 70% of their income from full service.

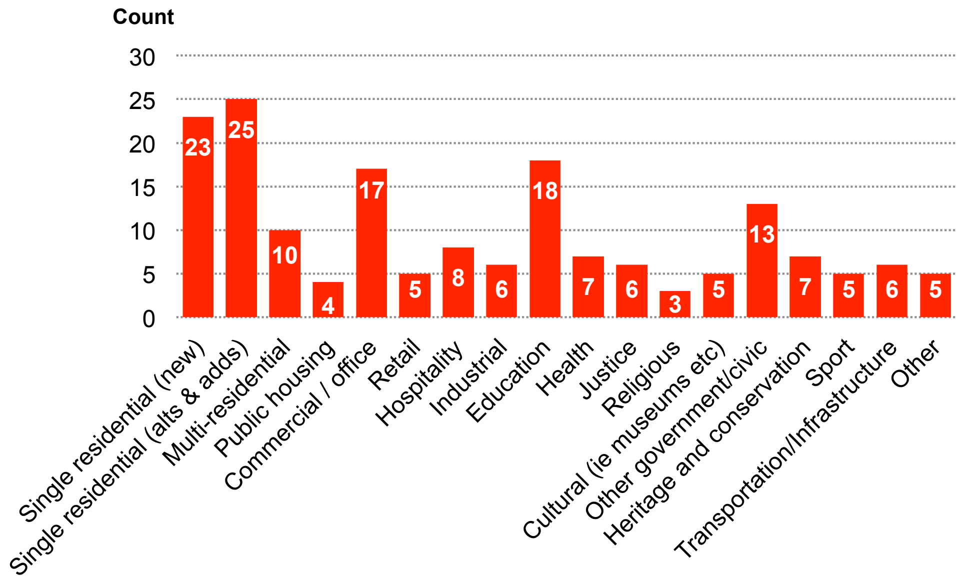
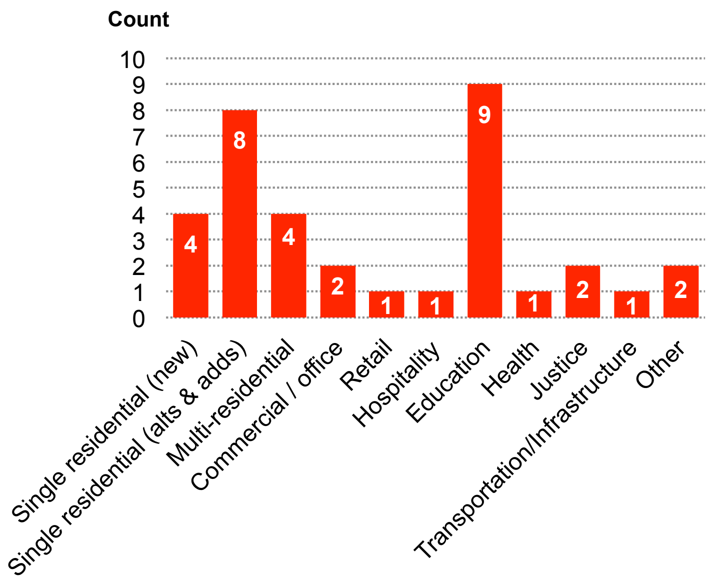


Figure 19: Sectors worked for practices earning >70% of income for full service

When this data is filtered to only show those sectors that represent 30% or more of the practices income the dominance of single residential work and education becomes apparent.

Figure 20: Sectors representing over 30% of work



Changes over time

Respondents were asked how this had changed over the life of the practice.

Of the 81 respondents, 39 indicated that there had been no change or minimal change, while 38 identified some kind of shift. The remaining 4 practices gave ‘it depends’ type answer, commenting for example, that it fluctuates according to economics or the mix of work. The most common change was a shift away from full service to partial service of some type (30). In contrast, 2 respondents indicated a shift *towards* full service, and one towards more contract admin.

Comments of interest include:

> *“We are now seeing a strong move away from traditional to design and construct and GMP delivery. Even DPTI is now supporting this.”*
>
> *“More partial services on the rise. Feasibilities on the rise. No government commitment to the whole job. Understandably, it needs to be tested and estimated before it can become a real project.”*
>
> *“Mostly planning or planning and building approval. Rarely on site once the builder takes over. Clients unwilling to pay for full service.”*
>
> *“This past 12 months - services has included the contract administration side. The client base over recent times has wanted to pay the architect to see the project through to ensure the best possible and quality result.”*
>
> *“Less full service projects, and less percentage based projects, because of tough competition from drafting services and architectural graduates offering very low fees.”*
>
> *“This number is affected by how many projects proceed to construction - of those that do proceed 95% are full service. This last year a disproportionate number did not proceed.”*

5. STAGES OF WORK

Practices were asked which stages of work they were involved in. These questions were answered by 97 practices. Traditional concept and developed design, and documentation were the most common stages, which almost all practices are active in.

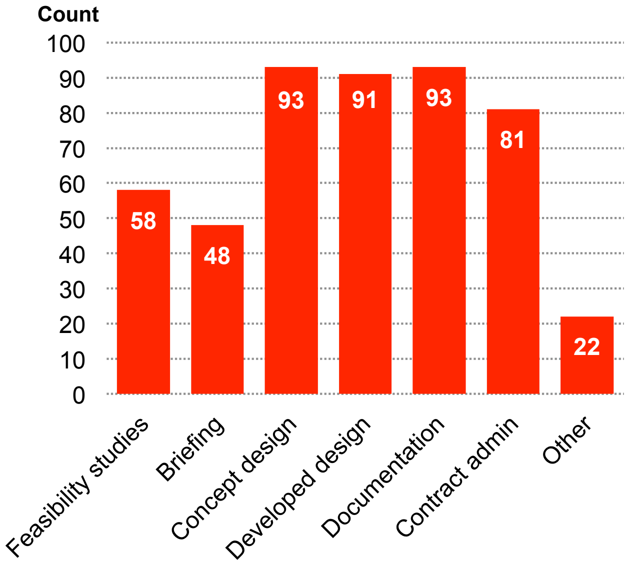


Figure 21: Numbers of practices involved in stages of work

Practices were also asked to estimate percentages of income earned from stages of work, in the last financial year. Of the 97 practices that answered, documentation remains the most significant stage in terms of income. In the chart below the red bars show the number of practices working in each stage of work, while the green bars show the average % of income that each stage provides for the practices working in that sector. For example, of the 93 practices undertaking documentation, that work provides an average of 35% of their income.

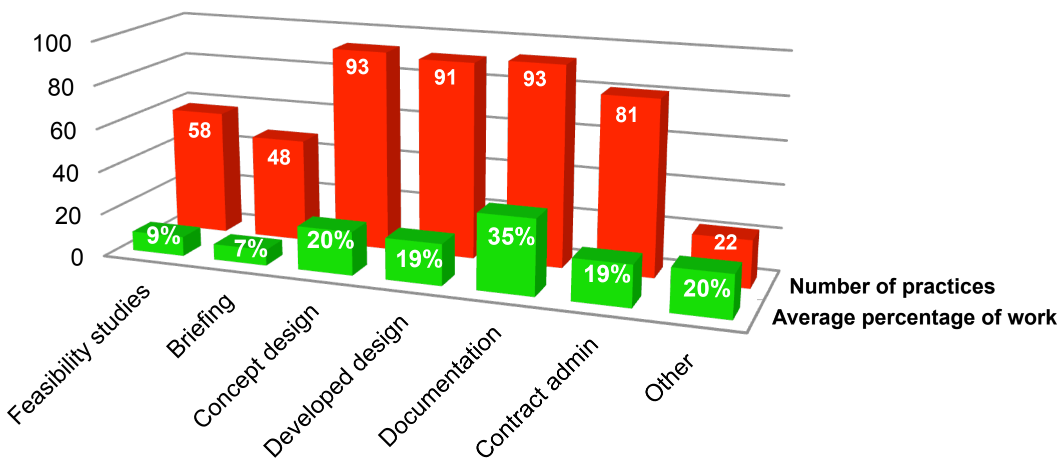


Figure 22: Stages of work by number of practices and average % of work by income

When disaggregated by practice size, documentation remains the most significant stage for all but the very large practice, where developed design is dominant. Contract administration is the second income earner in medium-sized practices, with sole practitioner and smaller practices earning more from concept design. Documentation is the second for the very large practice. This corresponds to the levels of service provided by these practice sizes.

Table 3: Average % of work by stage, by income, by size of firm

	1	2–5	6–10	11–20	21–30	31–50	> 200
Feasibility studies	14%	6%	9%	6%	8%	8%	4%
Briefing	11%	7%	5%	4%	7%	8%	1%
Concept design	26%	22%	15%	13%	15%	18%	20%
Developed design	21%	21%	16%	13%	16%	18%	35%
Documentation	30%	35%	38%	41%	38%	39%	25%
Contract administration	17%	19%	21%	21%	21%	20%	15%
Other	25%	20%	5%	19%			

In addition to these stages, practices were asked what other types of work they undertook. Over half (51) did no other types of work. Of the 46 practices that indicated they were active in other areas, Reports and Guidelines were the most frequent type of work by income.

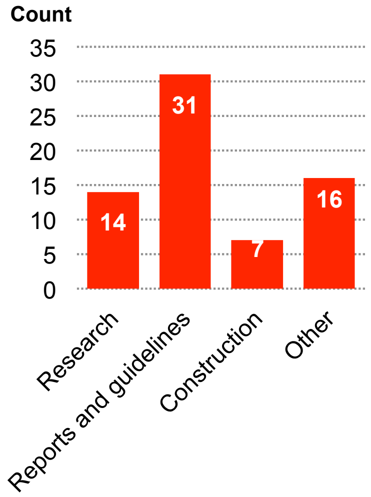


Figure 23: Numbers of practices involved in additional areas of work

In the chart below the red bars show the number of practices undertaking additional work, while the green bars show the average % of work that each area provides for the practices working in that sector. For example, of the 31 practices producing reports and guidelines, that work provides an average of 67% of that additional area of work, by income.

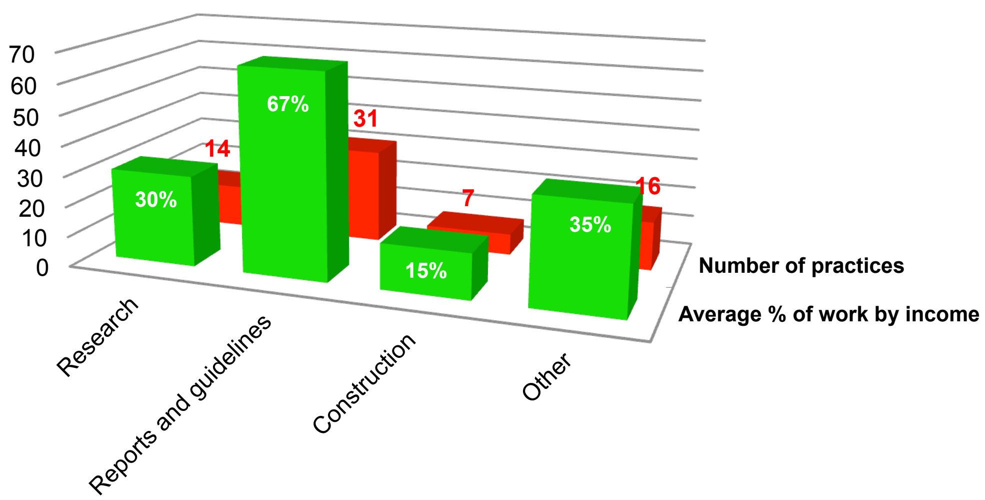


Figure 24: Other areas of work by number of practices and average % of work by income

Further areas of work identified by those who ticked ‘other’ included: project management (2), master planning (2), design management services, BIM consultancy to other firms, teaching, inspections, including pre-purchase inspections, expert advice including heritage and technical advice, compliance assessment, urban design consultancies, design review panels and planning authorities.

Some respondents provided more detail about types of work that relate to the broad categories offered – for example, architectural guidelines for land purchase contracts and conservation reports.

Changes over time

Respondents were asked how this spread of work had changed over the life of the practice. Of the 72 respondents over half (42) indicated no change. Of those that had experienced changes, 20 commented on the increase in work in the earlier stages of projects or a decrease in time on site. Two identified an increase in contract documentation. Work in areas other than those that lead to producing a building was identified by 2 respondents, while one specialist practitioner pointed out that the nature of their work as a consultant shifts the balance of stages of work within the practice.

Comments of interest note the volatility experienced by some practices including:

> *“Residential projects have got smaller and more bitsy. There is much more demand for 3D-modelling, and a lot more time involved with council application planning processes.”*
>
> *“More project management during construction and less traditional contract admin.”*
>
> *“More concept design and documentation. Less on site work”*
>
> *“Very unstable at the moment. Lack of government/commercial work has led us to adjust more into the residential sector.”*
>
> *“The design development phase has been reduced and this is a risk for resolved construction documentation.”*
>
> *“With the advent of design review and other planning processes the feasibility and concept design phases have become more involved. Contract administration has become more demanding and time consuming and less desired by clients.”*
>
> *“The amount of additional work required in other than documentation has increased markedly.”*
>
> *“Clients are increasingly expecting more work prior to engagement and more deliverables for lower fees in the early stages.”*

Other comments note the stability that can come with specialisation:

> *“Senior members are obtaining more consultative work such as expert witnesses.”*
>
> *“More collaborative investigatory research work has appeared over time within the social science arena and working with non-traditional clients i.e. not property developers.”*
>
> *“As a sole practitioner with specialist expertise in library design my role in larger scale projects is at the front end as a sub-consultant to a firm with the resources to deliver the project. Smaller scale projects up to $2M are hands-on for the full service. This has remained consistent for 5 years.”*

6. UNPAID AND PRO BONO WORK

Of the 97 practices that responded to this question, 57 had done unpaid work of some kind in the last financial year, with most practices doing unpaid work of more than one type.

Unpaid speculative work for an existing client was the most common form of unpaid work, followed by pro bono work.

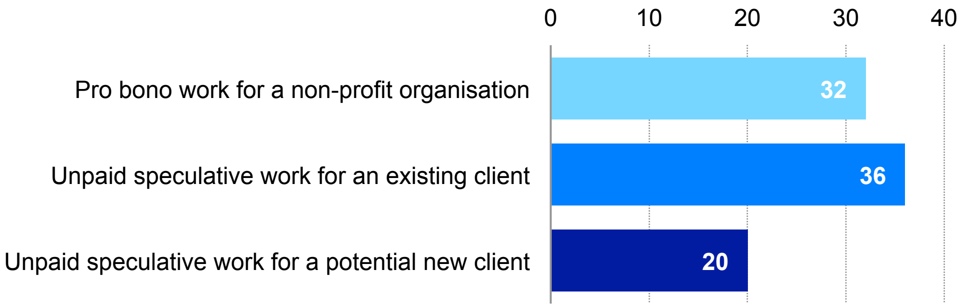


Figure 25: Type of unpaid work, by number of practices

When this is disaggregated by size of practice, it becomes apparent that approximately half of the smaller size practices are doing unpaid work of some kind and over three quarters of the larger practice are doing likewise. The graph below shows the percentage of practices in each size group that undertook unpaid or pro bono work.

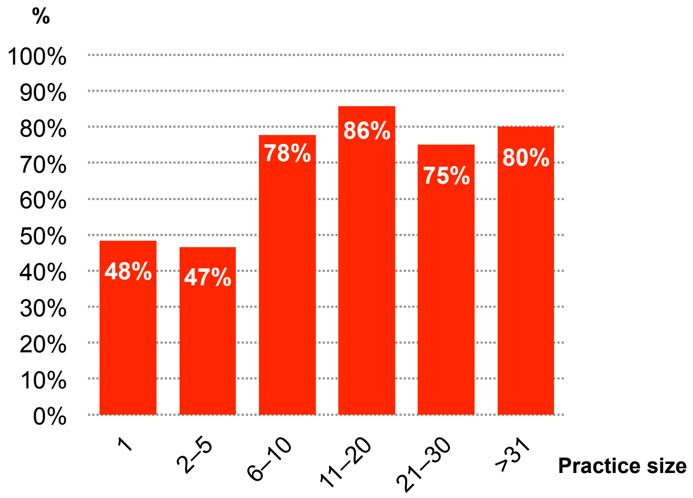


Figure 26: Percentage of practices doing unpaid work, by size of practice

Looking at the types of unpaid work we see that one third of the practices doing pro bono work for non-profit organisations are one-person practices. Speculative unpaid work for potential new clients is the least common type of unpaid work for all practice sizes.

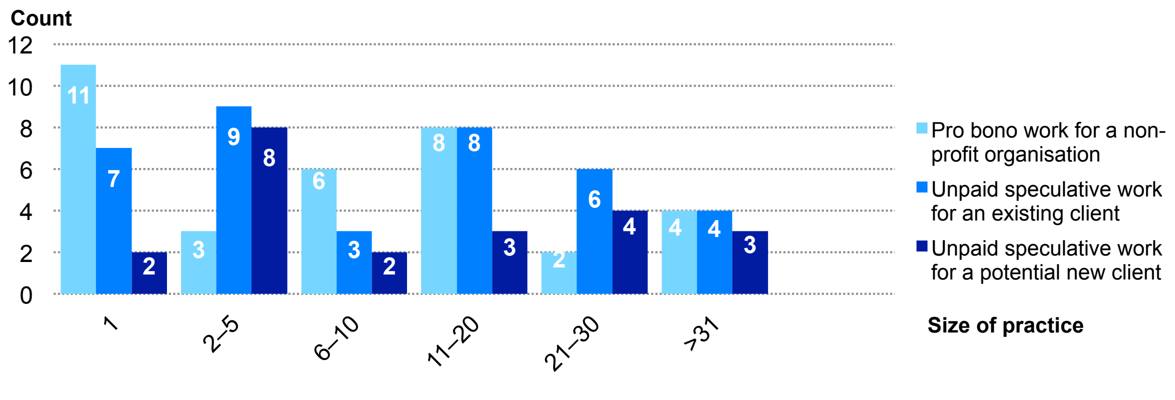


Figure 27: Type of unpaid work by practice size

Practices that indicated they did unpaid speculative work of some kind were asked to describe briefly what kind of work this was. Information was provided by 33 practices.

The answers provide important insight, and indicate that many practices are doing strategic work for clients at the beginning of projects, in an unpaid capacity. Feasibility work of some kind was undertaken by 10 practices, with another 9 practices doing some level of sketch design or concept design without fee. Initial services of some type were provided at no cost by a further 5 practices. Two respondents noted that tenders and submissions now require some design work, while 3 did some type of commercial development work at no cost, for example, to provide options or attract tenants.

For some practices this work was kept to a minimum and was very preliminary, but others found it an increasing burden. Disaggregating these comments by practice size did not reveal further patterns.

Comments include:

> *"Design work. Trying to win a commission - sometimes this work is part of the tender process."*

> *"Feasibility study for multi-residential project prior to property purchase."*

> *"Concept visualisations, project desktop feasibility studies, project concept development."*

> *"I generally offer some initial free services, including preliminary advice, design thoughts, Council research etc, to get a project started."*

> *"Minor concept work not significant in time spent."*

> *"Meeting clients, discussing projects, sometimes doing site visits and some simple sketches."*

> *"Sit on community panels and committees associated with public works proposals wi8th community impacts."*

Two indicated the difficult positions they find themselves in when unpaid work is expected:

> *"Our known clients sometimes require investigative work on a potential project before there is finance available. A difficult decision for us but limited work to 'prime the pump' seems to be the norm with our competition."*

> *"My practice is constantly being asked to do work for nothing based on developing designs for land sales, or for raising investment for projects. Even with contracts for payment, on two projects the clients have 'run with the designs' and not paid. We are now heading for court proceedings to recover fees. Copyright is not honored but it is too expensive to take this to court. There is a general unethical attitude about being able to get away with simply not paying, even with contracts in place."*

Other respondents took the opportunity to comment on this practice, pointing out that providing unpaid work in commercial contexts is to the detriment of the profession.

> *"I do not believe that the profession should do any unpaid speculative work - pro bono work may be ok under specific circumstances."*

> *"We do not provide free design work to secure or win a project for ANY client including existing ones. That is not ethical and architects need to stop doing this as it devalues the worth of the profession."*

7. STAFFING

Practices were asked about staffing levels. This section was answered by 94 practices.

Architectural staff

The architectural staff in responding practices total 417 full-time equivalent men and 146 full-time equivalent women. Of these, 263 men and 86 women are registered architects.

These figures can be broadly compared with those drawn from the 2011 Census and with registration figures. The 2011 Census counted 629 men and 185 women working as architects in South Australia (note that Census figures are now a little out of date). The Architectural Practice Board of SA identifies 646 registered men and 139 registered women. This suggests that this survey picked up 41% of registered men and 62% of registered women in the state.

Roles within practice are distributed as follows:

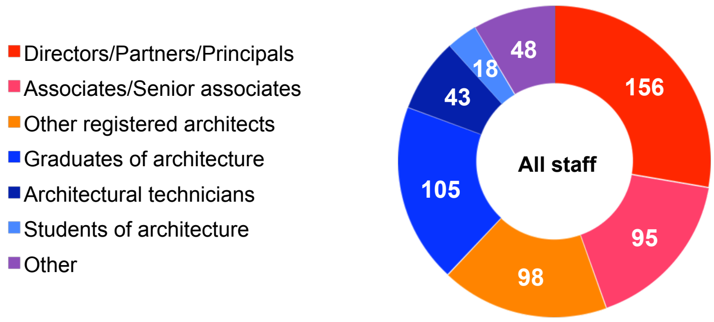


Figure 28: All architectural staff by role

The high percentage of directors / partners / principals is explained by the large proportion of one-person practices responding to the survey.

The figure for 'other' is slightly misleading. Many respondents have used this to identify non-architectural staff, which is also counted in subsequent questions. Roles identified include landscape architects, interior designers, timber framer, bookkeeper, construction professionals, admin, reception/ accountancy/interior designers, building supervisors and contract drafters.

Looking at the roles within practice by gender, some clear differences become apparent.

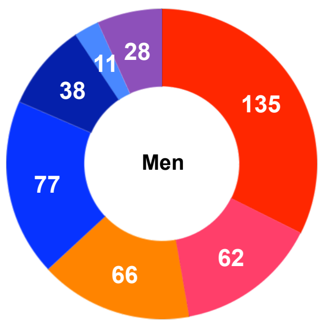


Figure 27: Male architectural staff by role

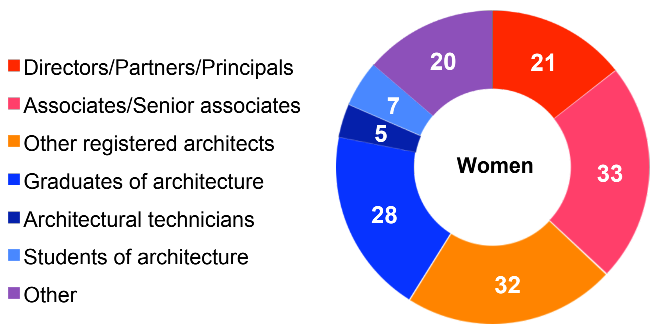


Figure 28: Female architectural staff by role

The above charts show that almost half the men are directors or associates and around one-third of the women. However, men dominate the senior roles, nearly 80% of these roles are filled by men and at the director level that figure is close to 90%. This correlates to broader demographic information about the profession, in which women are underrepresented at senior levels, despite having graduated in substantial numbers for over two decades.

More difficult to explain is the low percentage of women employed as graduate architects in the practices surveyed just 27%, and this does not align with national trends identified through the 2011 Census. One possible explanation is that there may be a significant portion of older men who have failed to register and are still described as graduates, another could be that a larger proportion of female graduates mover interstate. However, there is no available data on this. The chart below demonstrates this large gap in numbers.

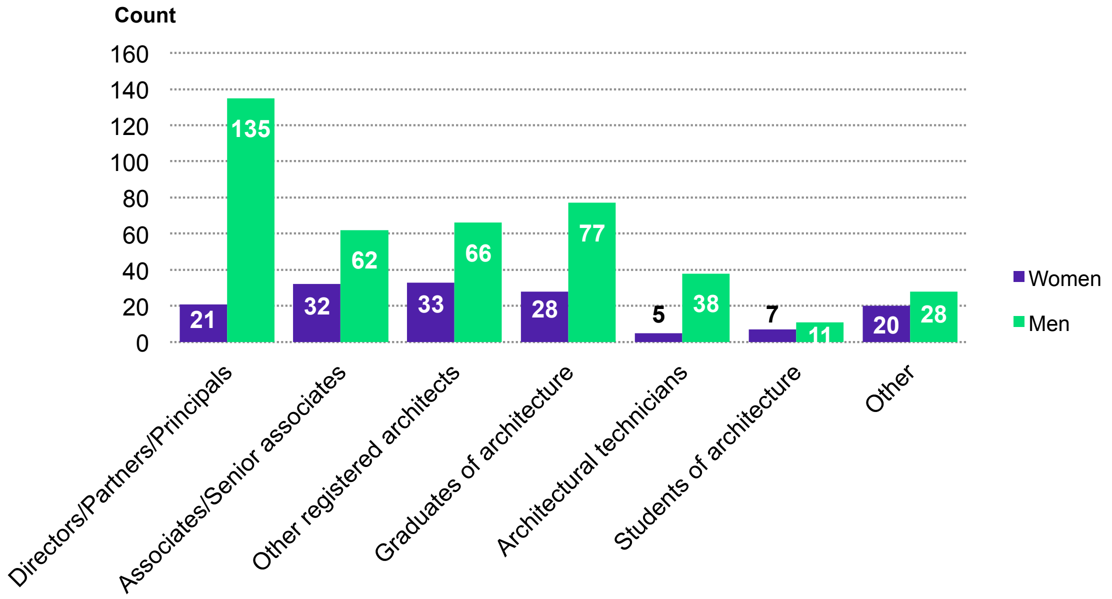


Figure 29: Full-time equivalent architectural staff by role and gender

Full-time equivalent staff from other design disciplines

Practices were also asked about employees from other design disciplines. With the exception of Interior Designers, the numbers are quite small, despite the fact that half the surveyed practices describe themselves as multi-disciplinary. This suggests that the bulk of work described as multi-disciplinary is undertaken by those with architectural training. The exception is a large multidisciplinary company employing a very large number of engineers (not shown here).

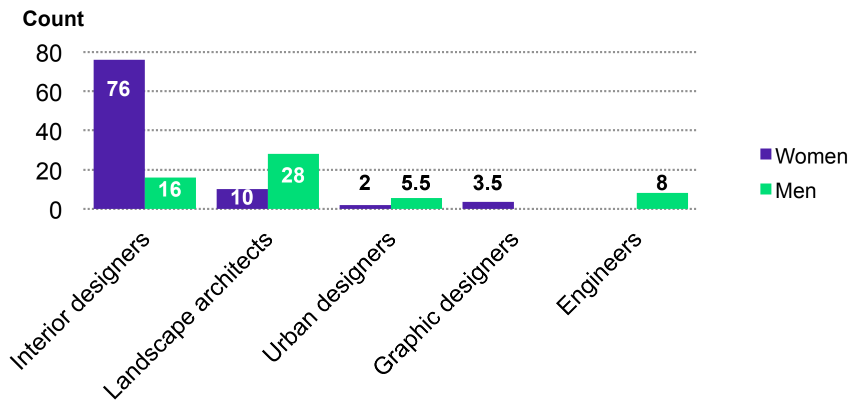


Figure 30: Full-time equivalent other design staff by role and gender

Administrative and support staff

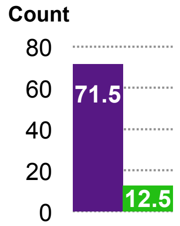


Figure 31: Full-time equivalent admin and support staff by gender

Full-time, part-time and flexible working practices

The 91 practices that answered this question reveal very traditional patterns of work, with few architects working part-time. Of those who do, there is a clear weighting towards women. It is important to note that practices answered these questions for all staff, not only architectural staff. The presence of one very large multidisciplinary practice, with a large number of non-architectural staff, means that a much higher number of people are counted here than in the questions counting full-time equivalent architectural staff.

"Other" was selected by only 4 practices, who described these as follows: "Contract work on a job per job basis", "non-standard hours – 6 x 10 hour days", "one on maternity leave, another about to take maternity leave", and "4 at 18 days per month".

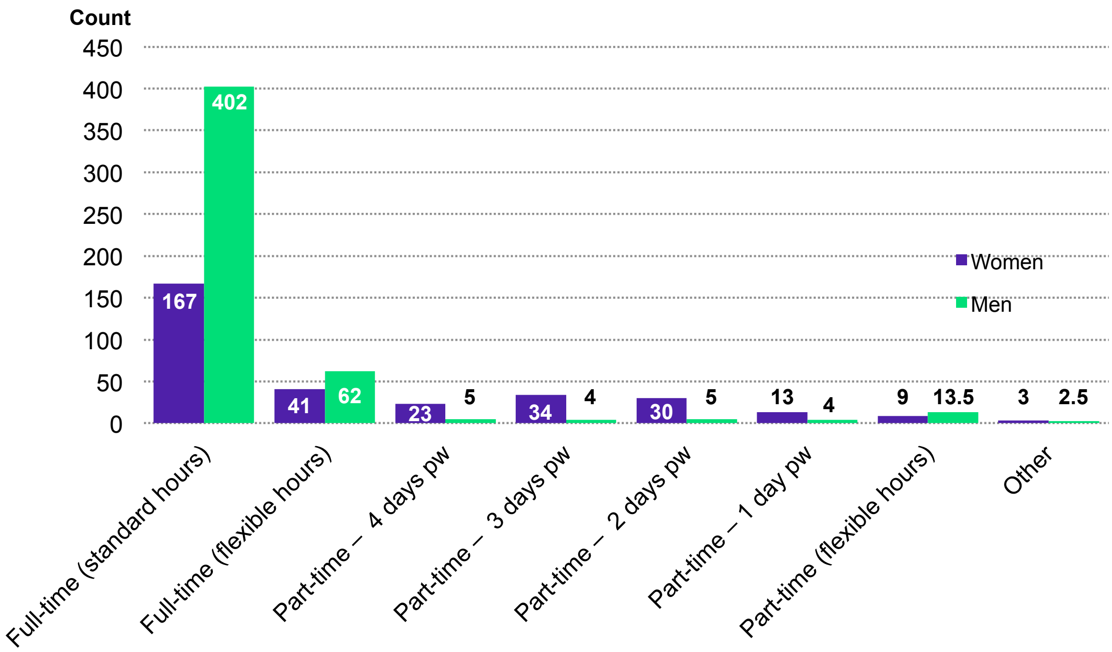


Figure 32: Work patterns by gender, all respondents

The presence of one large practice skews the data a little. When the employees of this practice (many of which are not architects) are extracted, the numbers of men and women working flexibly drops substantially, suggesting that the majority of SA practices employ their staff in standard, full-time models.

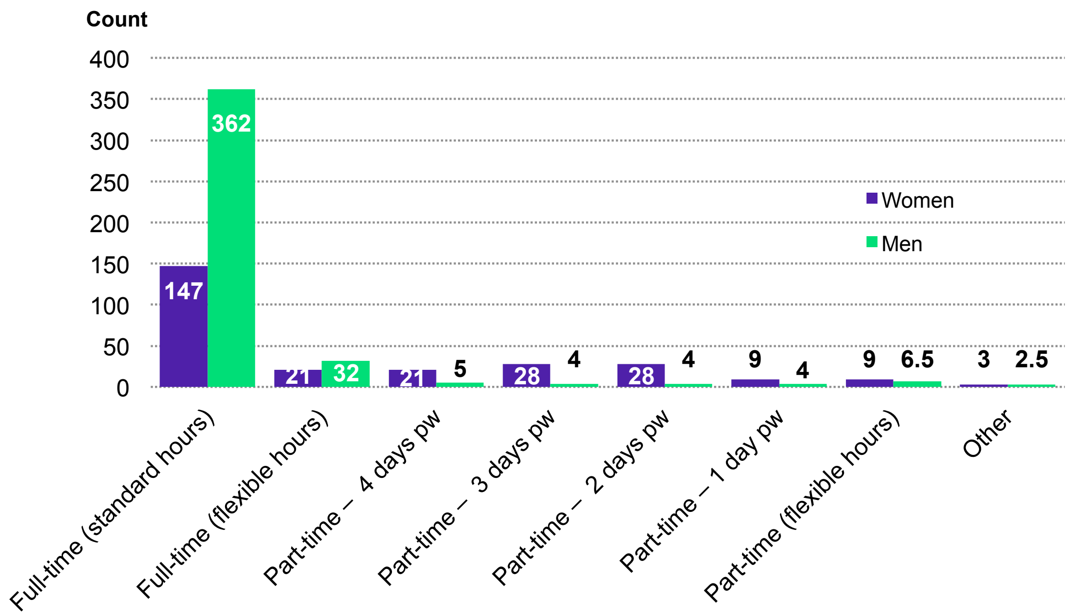


Figure 33: Work patterns by gender, excluding large multi-disciplinary practice

Once we move into looking at less than 5-day weeks, women dominate numerically and proportionally. However, 8% of both women and men work full-time flexible hours

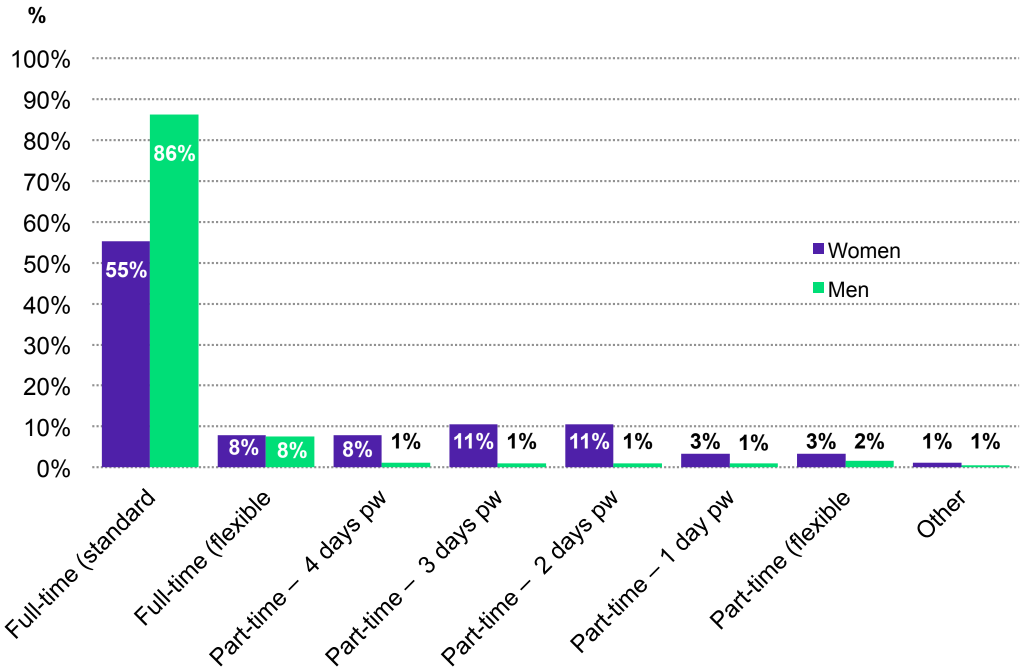


Figure 34: Percentage of work patterns by gender (excluding large multi-disciplinary practice)

8. CLIENTS

This set of questions was answered by 88 practices. Respondents were asked to indicate the approximate percentage of projects undertaken for each client type in the last financial year.

The chart below shows the number of practices that have worked with each client type.

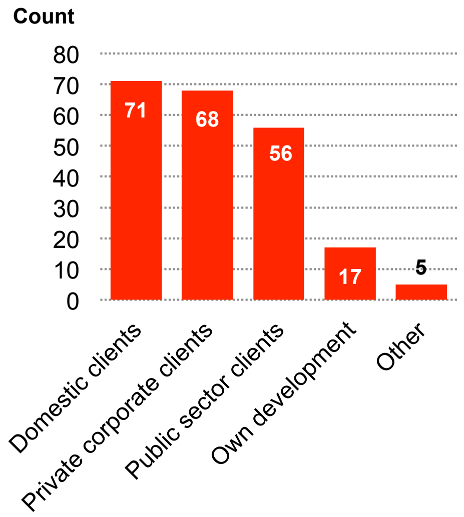


Figure 35: Number of practices working with each client type

The chart below shows the average percentage of work by income for the practices working with each client type.

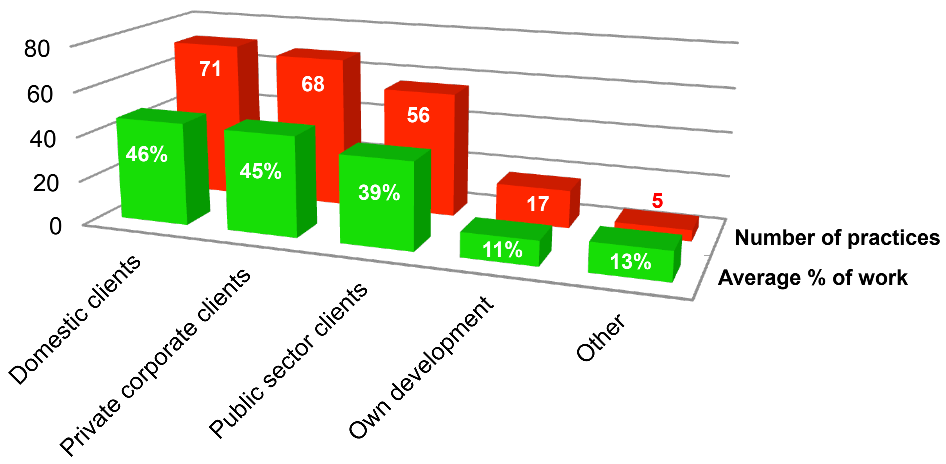


Figure 36: Client type by number of practices and average % of work

Only sole practitioners answered the question about other client types. These were described as health professional, pro bono (2) and 'other architects seeking compliance reports.'

When these figures are disaggregated by practice size, new patterns become apparent.

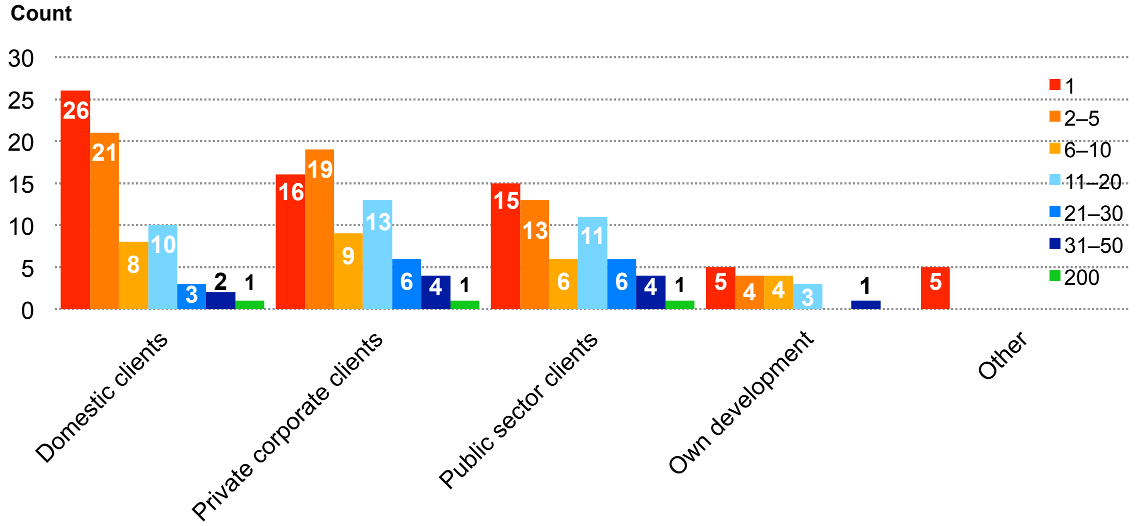


Figure 37: Client types by size of practice

This confirms the data about sectors, and shows the diminishing importance of domestic clients as the size of a practice increases. This is reinforced when the average percentage of income is disaggregated by practice size.

Table 4: Work for client types by average % of income by practice size

	1	2–5	6–10	11–20	21–30	>31
Domestic clients	66%	54%	30%	17%	4%	3%
Private corporate clients	46%	38%	44%	46%	56%	60%
Public sector clients	27%	47%	38%	47%	43%	37%
Own development	17%	14%	10%	3%		5%
Other	13%					

Change in clients over time

The changing balance of client types over time is also different for different practice sizes. Sole practitioners reported little change, although some commented on decreasing numbers of domestic clients. Those in the 6–20 bracket also comment on the reduction in domestic clients, while those in the 11–20 report little change. Larger practices describe an increase in private sector clients.

Conversion rates

88 practices provided answers approximate about conversion rates for different types of clients. The chart below shows the averages by practice size. These rates are higher for private sector work than public sector work across all practice sizes, except for 2–5, where they are very similar. This may reflect more targeted tendering.

Table 5: Average conversion rates by client type by practice size

	1	2–5	6–10	11–20	21–30	31–50
Domestic clients	59%	65%	50%	67%	63%	50%
Private corporate clients	71%	69%	55%	58%	45%	33%
Public sector clients	54%	66%	39%	22%	34%	25%
Other client types	70%	5%	18%			

9. PROJECT DELIVERY CONTEXTS

Questions about project delivery contexts were answered by 88 practices. No practices had worked in PPPs in the last financial year, as there were no such projects running in the state at the time.

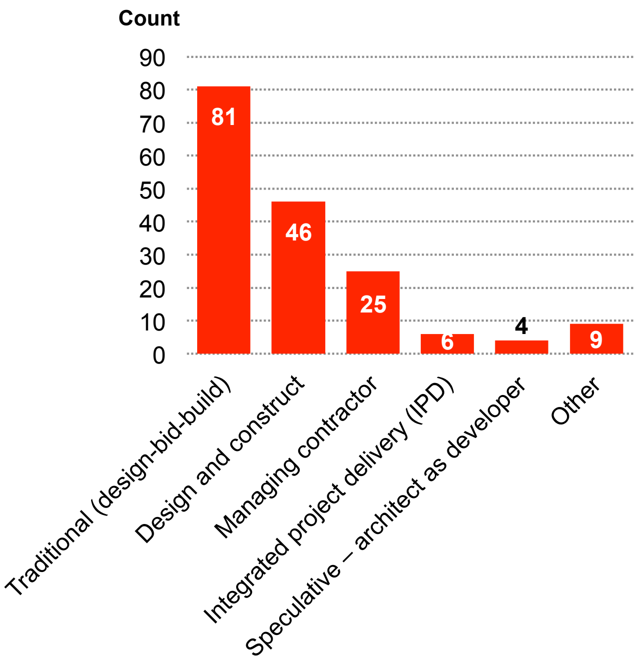


Figure 38: Number of practices working in each delivery context

Practices were asked to estimate the percentage of practice income in each context. The chart below shows the number of practices working in each context (red) and the average percentage of practice income from each delivery context for those practices working in that context (green).

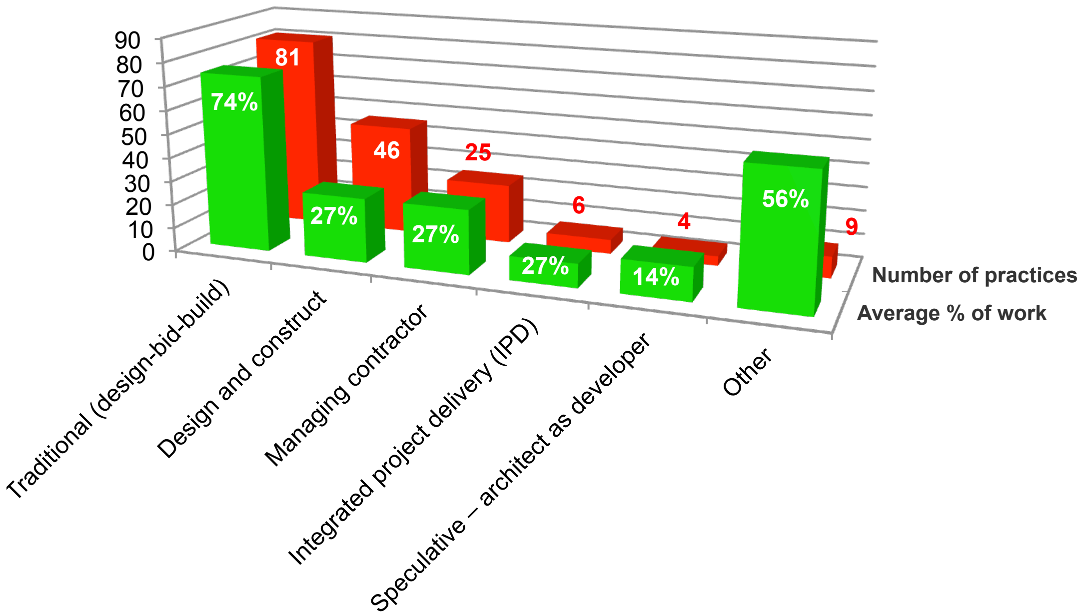


Figure 39: Average % of work in each delivery context, by number of practices

Perhaps surprisingly, practices at almost all scales are, on average, still predominantly working in traditional delivery contexts. Only 9 practices indicated that they worked in other contexts, but of these, 4 had 100% of their work in these contexts, with another two at 90% and 80%. This results in the high average shown in the chart above.

Delivery context by size of practice

Table 6: Average percentage of work in each delivery context by practice size

	1	2–5	6–10	11–20	21–30	>31
Traditional (design-bid-build)	83%	80%	77%	67%	41%	34%
Design and construct	34%	29%	29%	20%	26%	19%
Managing contractor	20%	15%	20%	21%	29%	52%
Integrated project delivery (IPD)	15%				13%	5%
Alliance	5%	10%		5%		5%
Speculative – architect as developer	20%	20%	10%	5%		
Other	78%	10%	3%	30%		

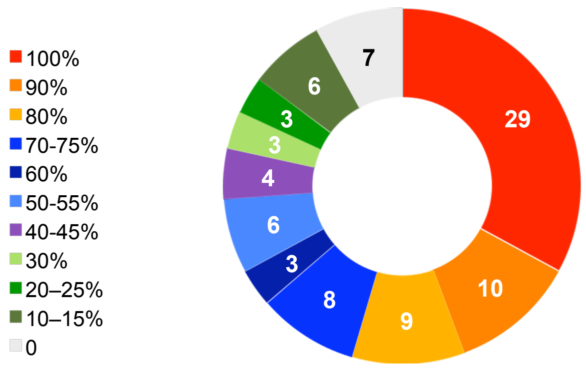


Figure 40: Traditional delivery – number of practices gaining % of income

One third of practices (29) indicated that they work 100% in traditional delivery contexts. Well over a half of the respondents work in traditional context for 80% or more of their income, with 12 practices gaining 30% or less from this. Only 7 practices gained no income from traditional delivery.

Of the 46 practices working in Design and Construct, only 2 derived 100% of income in this way in the last financial year, with many earning only a small percentage of income in this context.

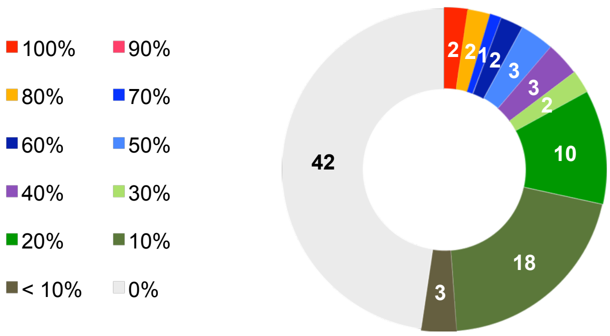


Figure 41: Design and Construct, number of practices gaining % of income

There were no practices working entirely in Managing Contractor contexts.

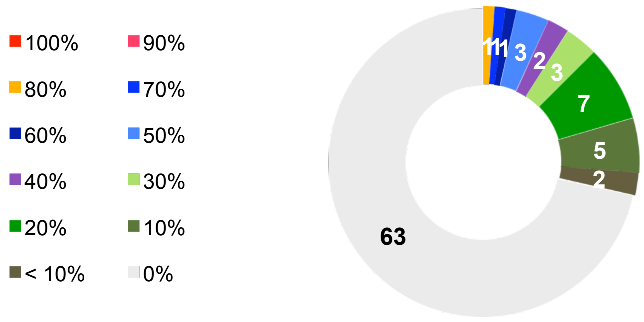


Figure 42: Managing contractor: number of practices gaining percentage of income

The 9 practices that identified 'other' delivery contexts described these as follows:

> *"For residential projects, predominantly we provide documentation for Planning and Building Rules, then the owner takes the project over."*
>
> *"Concept Master planning and Sketch Design Services are primarily provided. Limited Construction phase services."*
>
> *"Prequalification required for government agency work"*
>
> *"Owner builders"*
>
> *"Client appoints builder and we provide additional design advice as required"*
>
> *"Internal research based"*
>
> *"Small engagements for specialist advice. i.e. nothing built"*
>
> *"Technical advice and research study."*
>
> *"Partial service as consultant or service portion as decided by the client"*

Changes over time

Respondents were asked how this had changed over the life of the practice. Of the 63 practices that responded, 38 commented that there had been no change. Of the 20 practices that said things had changed, the most prominent change was a move towards more early contractor involvement, with 12 respondents comment on either a move to design and construct (7) or managing contractor arrangements (5). A further two indicate that there had been changes, but did not say how.

Comments of interest include:

> *"Yes – We have gone from 100% Traditional to 100% Design + Construct"*
>
> *"Speculative projects come and go. Generally always traditional project delivery context"*
>
> *"Very client based. Offering flexibility is important for a young business."*
>
> *"Yes, however this is not accurately reflected over the last year."*

10. CONTRACTS

Questions about contracts were answered by 88 practices.

Practices were asked to indicate the percentage of contracts used over the last financial year. Australian Institute of Architects contracts were in use by 51 practices, with 18 practices using them for 100% of projects. Standard – AS4122 contracts were used by 37 practices, with only 3 using them all the time. Standard authority contracts were used by 25 practices, while 16 practices used other standard contracts. Bespoke contracts were being used by 30 practices, with 11 using bespoke contracts only.

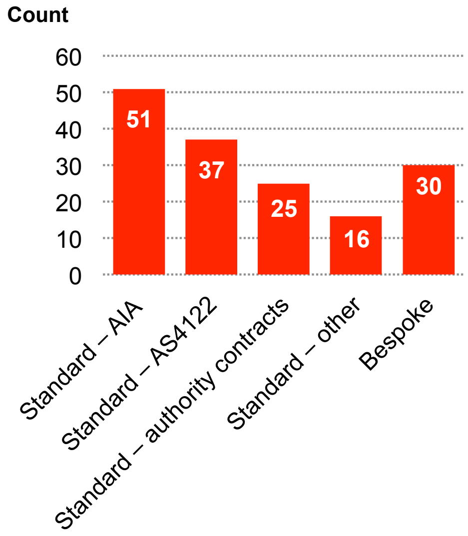


Figure 43: Number of practices using contracts

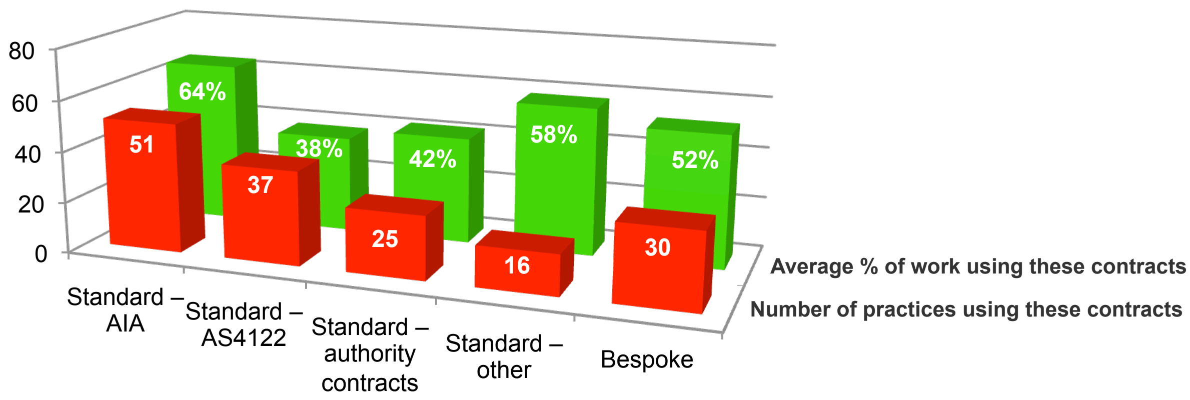


Figure 44: Number of practices using contract types and average % of work by income

Changes over time

Respondents were asked how this had changed over the life of the practice. Of the 63 practices that responded, 43 commented that there had been no change. Of the 18 practices that said things had changed, 7 commented that they are using AIA contracts less, 5 described a move to bespoke contracts, 3 indicated a move towards AS4122. Comments include:

> *"The practice works on complex projects which demand bespoke contractual arrangements often attached to fast track flexible or risk mitigation strategies for the client. For example, novated guaranteed maximum price managing contractor arrangements"*

"More clients are preparing their own customised contracts heavily weighted in their favour. AIA standard agreements don't seem to offer sufficient comfort to most clients."

11. NOVATION

Practices were asked what percentage of projects they had been novated on over the last financial year. Of the 88 respondents who answered, 23 had been novated. The majority of other practices had been novated on a small percentage of projects. These small numbers may reflect the overall skew within the survey towards small practice. Although most practices that had been novated were medium to large practice, a small number of 1-person and 2–5 person practices indicated that they had also been novated

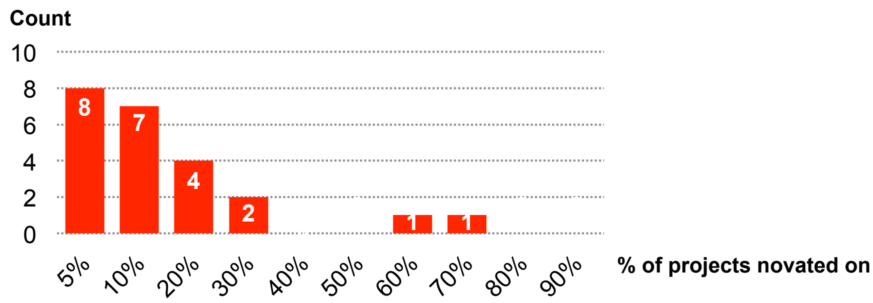


Figure 45: % of projects novated on by number of practices

12. REVENUE

86 practices answered questions about net revenue (excluding sub-consultants and GST) in SA for the last financial year.

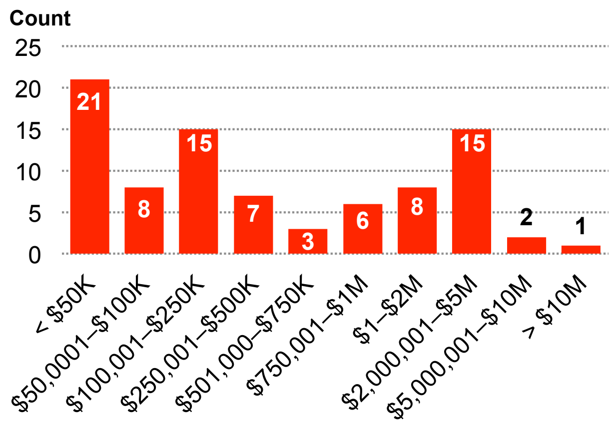


Figure 46: Net revenue for SA in last financial year

One quarter of these (20) earned less than $50,000. Of these, 16 were one-person practices, many of which had been established for a reasonable length of time. Three practices in this income bracket were 2–5 people, and one was 6–10. This indicates that some well-established practices have a very marginal existence.

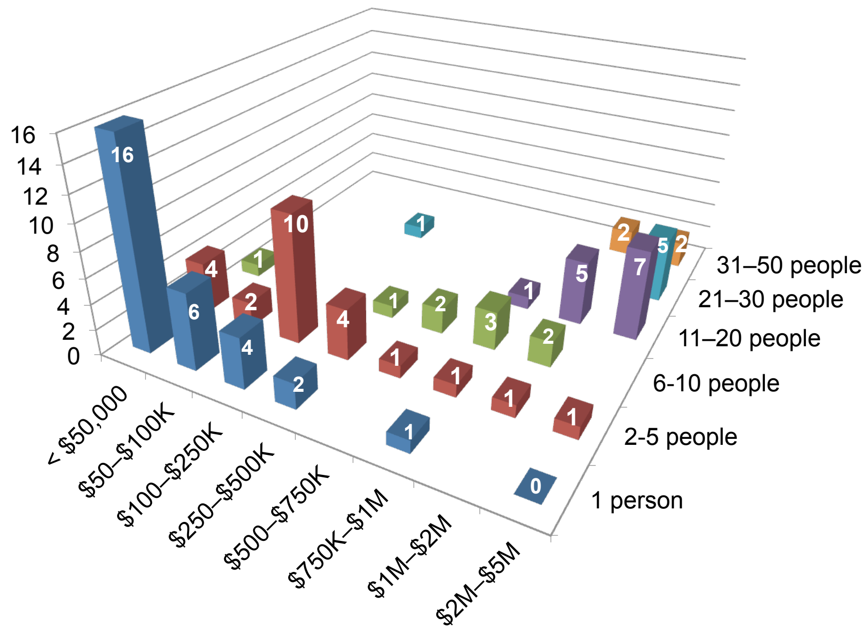


Figure 47: Income by size of practice

Income from work outside South Australia

Practices were asked what percentage of revenue in the last financial year was for projects outside South Australia. Of the 82 who responded, 31 had generated income from work elsewhere – 29 of these practices had earned income from work elsewhere in Australia, and 10 for work overseas. A large number of the practices (21) earning income elsewhere in Australia are based in SA only (that is, they are not part of a national or international group). Of the 10 practices earning income internationally, 6 were based in SA only.

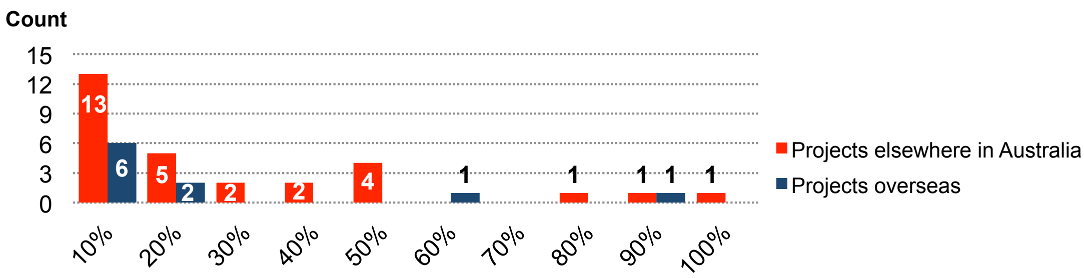


Figure 48: Percentage of income earned outside SA, by number of practices

Some of the respondents earning income outside of SA hint at different practice/business models. For example, four practices indicated that they had earned all income from outside SA (in various combinations of work overseas and in SA), but only one was part of a national group. Two of these were one-person practices, one of which worked in specialist areas, one of which was an architectural technician. Another sole practitioner earned 60% of their income internationally.

Outsourcing

Only 16 practices of the 86 who answered this question had outsourced architectural services during the last financial year. This was predominantly to other companies within Australia. Only three practices outsourced work to overseas to another company and no work was outsourced to an international arm of the practice.

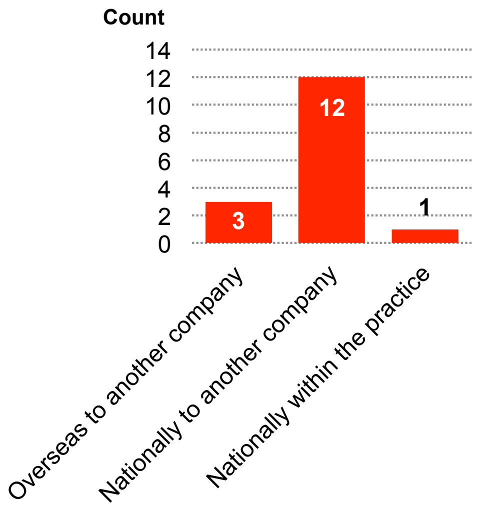


Figure 49: Number of practices outsourcing work.

Respondents were asked what percentage of practice income in the last financial year was for work outsourced. The three practices that outsourced work overseas did so for 5% of the practice's income. The one practice that outsourced nationally within the practice did so for 40% of the work. Those that outsourced nationally to another company are represented in the chart below.

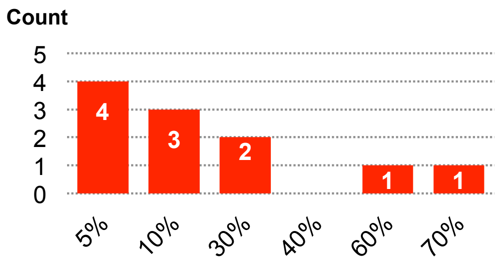


Figure 50: Percentage of work by income outsourced nationally to another company

13. FEES

Methods used

85 practices answered questions about fees. Practices were asked which fee establishment methods were used in the last financial year.

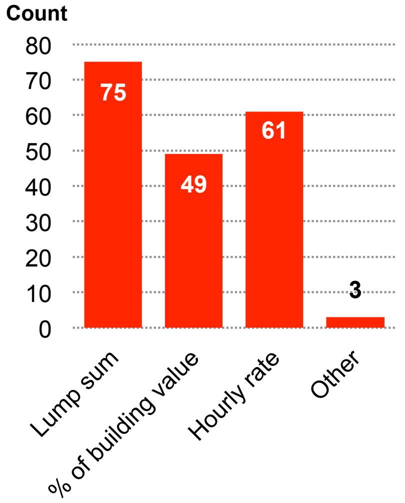


Figure 51: Fee establishment method used by number of practices

All three methods were used widely. Three practices indicated that they used other methods to establish fees – these were described as 'percentage progress claims'; 'percentage of building value with a cap on contractor administration, which convert to hourly rates'; and 'fixed fee stages commissioned step by step by client satisfied with prior work'.

Practices were asked to estimate the percentages of projects using each method. The chart below shows the average % of work for the practices using the various methods.

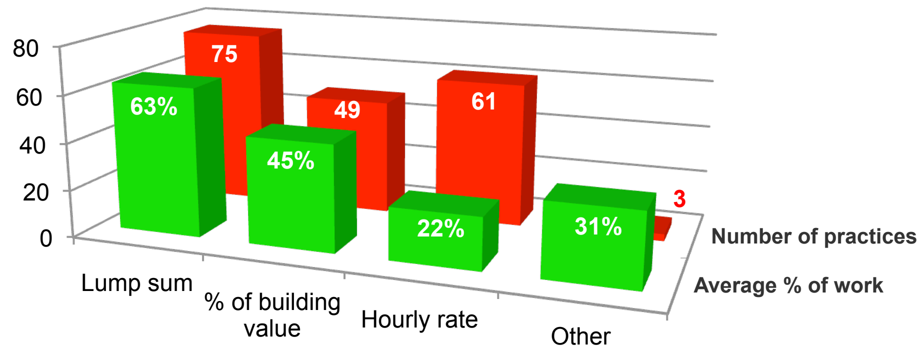


Figure 52: Fee establishment method by average % of work and number of practices

When disaggregated by size of practice, the overall patterns remain similar, although larger practices use a lesser proportion of hourly rates. The pattern also remained similar when disaggregated by type of work, with the exception of commercial, in which a larger % of fees were determined through % of building value.

The chart below show the numbers of practices using different fee methods, and the percentage of work these are used for.

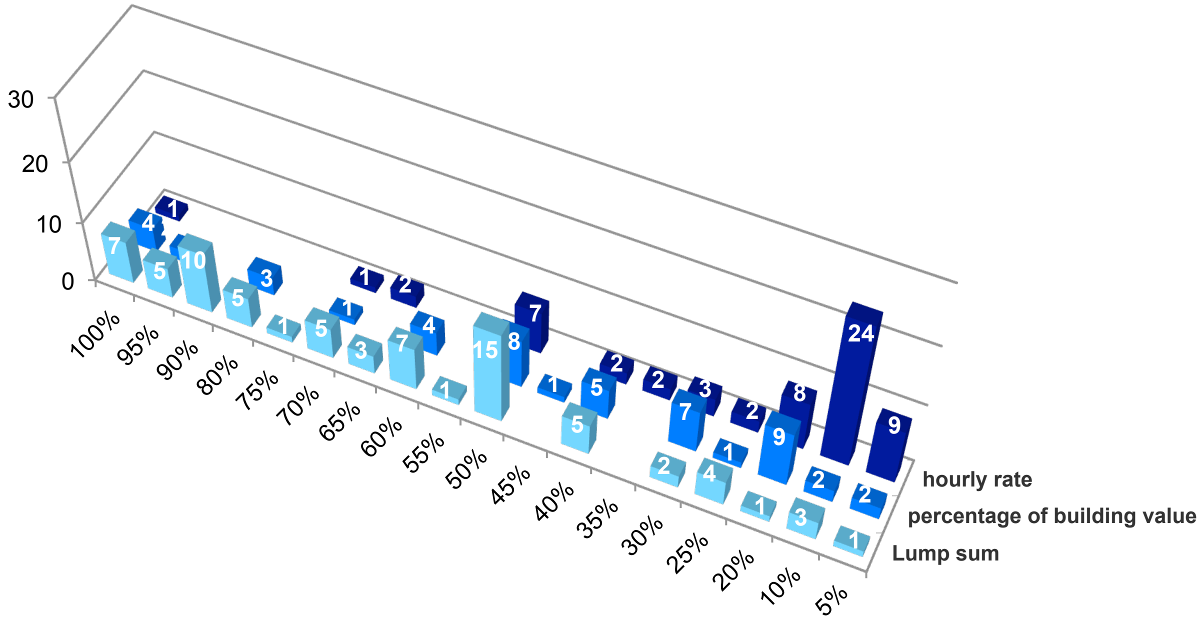


Figure 53: Fee establishment methods by number of practices

How have things changed?

Of the 67 respondents who commented, 48 said there had been no change. Of the 17 who identified changes, 8 indicated a move towards more lump sum, 5 reported less use of percentages. And 2 reported an increase in the use of hourly rates, but 2 a decrease.

Comments of interest include:

> *"Yes, lump sum has been replaced with hybrid forms of fee establishment."*
>
> *"More clients seem unhappy with the idea of fees being linked to construction value; it seems to be based on a distrust of the profession."*
>
> *"Yes - At the outset we based our fees on a percentage of building value. From the early 80s we gradually moved to a fee quote and charged at hourly rates within the fee quote cap."*
>
> *"Slowly moving towards Lump sum for client satisfaction, however clients do find it hard to accept large figures for work they find hard to justify. Others can be great that appreciate architectural services."*
>
> *"Now more hourly rate contracts with long established private/corporate clients than in the past."*

14. WORKING INTERNATIONALLY

Of the 85 practices that answered this question, 13 had worked on projects with an international component in the last financial year.

These practices worked in the following contexts

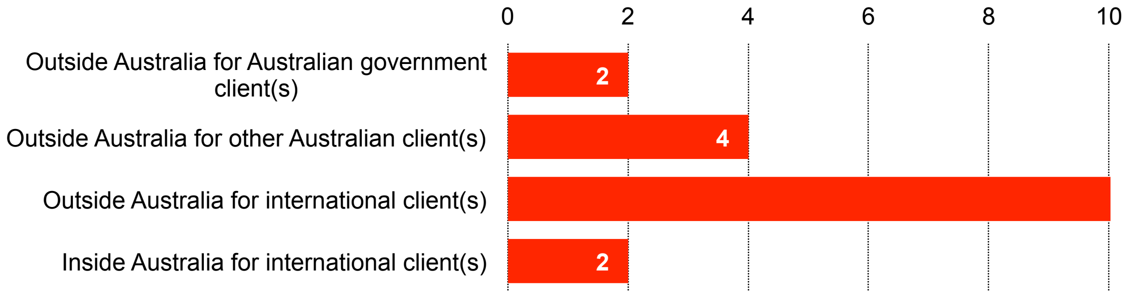


Figure 54: Practices working overseas

These 13 practices worked in the following locations.

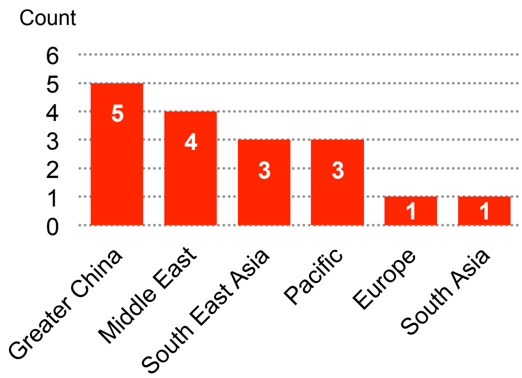


Figure 55: Locations of international work

Of the 13 practices, 4 had a permanent presence overseas. 7 did all overseas work in their own right, 3 always work in partnership, and 3 work in both contexts.

Practices working abroad in the last financial year are not only large practices – three were one-person practices, one was 1–5, two were 6–10, one was 11–20, two were 21–30 and four were over 30 people.

Over half of these practices (7) had begun working internationally between one and five years ago. The other five had more established international presences – two had begun working between 6 and 10 years ago, while four started more than 10 years ago.

Interest in working internationally

The 77 practices not currently working internationally answered questions about their interest in working abroad. Of these 4 were actively pursuing work abroad, 25 were considering pursuing work internationally and 43 were not interested in working on international projects.

Of the practices not currently working overseas, 5 had experience of doing so in the previous 5 years and 13 more than 5 years ago.

15. CHALLENGES AND OPPORTUNITIES FOR THE PROFESSION

Questions about opportunities and challenges were answered by 83 practices. This section included a range of questions, which asked respondents to reflect on the challenges and opportunities that face both their practice and the profession more widely. Many respondents did not distinguish greatly between the two.

Answers consistently raised two main issues – fees and relevance. Many respondents wrote of the difficulty of obtaining adequate fees for work in an environment that seems to constantly demand more of architects for less, of fee cutting and competition for services, and of the difficulty of providing a high quality service for the available fees. Many also wrote of the declining awareness of the value that architects bring, and the difficulty of expressing this. Many felt let down by their professional organisations in this regard.

Relevance was also seen as key to future opportunities for the profession and for respondent practices – if this relevance could be more successfully conveyed to clients, government and the community. Opportunity was also seen in new technologies and in BIM (but these were also seen as challenges by some). Some practices saw potential in more clearly framing their services in terms of design and the ability to work strategically in complex situations. Others hoped that the economy would pick up and improve the lot of the practice. Some practices are clearly thinking strategically about the future, but others seemed at rather a loss, uncertain about what to do and feeling that little guidance was available.

Another line of challenges comments considered the very nature of the profession. This is perhaps these are best summarized in the following quote as 'the whole lot!'

> *"Loss of role in the construction process. Move away from tradition designer led process. Poor briefing and project initiation by non-designers leading to poor outcomes for client. Poor communication about our role, our unique skill set, on the part of architects is leading to this loss. We should be more involved at the very startup point as soon as a project is initiated because this is where the most value can be achieved with the least cost. Leaving the client to go through this alone, then have their months of work synthesized into a paragraph is frustrating for everyone and leads to much wasted time and money. Architects are particularly and uniquely good at briefing and interpretation of the brief for the best fit and best outcome. The emphasis on consultant fee competition leads to loss of continuity through the procurement process as architects are brought on, then replaced at the next phase. The architect should be walking with the client through the whole process. Traditionally and sometimes still (with private clients) the architect is the one constant on a project, in fact often the constant on the site. As client groups and client/user leadership changes, the architect is there holding the corporate knowledge. This is lost with a change of architect."*

Some respondents saw potential in the changing role of the architect, while others found this very problematic. Some saw hope in new generations of practitioners and others hoped that new regulatory environments would reinforce the role of the architect.

Extensive quotations from the discursive survey responses are included in the next section.

Challenges for the profession

Practices were asked to rank challenges in terms of significance. The chart below shows the outcomes as weighted averages. For all practice sizes the largest issue was fee shrinkage, which was described as 'extremely significant' by 29 practices, 'very significant' by 13 practices and 'significant' by 14 practices.

Of the 8 practices that not consider fee shrinkage as a challenge, half had been in operation between one and 5 years. There were few other commonalities between these practices – they operated in different areas of work, and calculated fees in a range of different ways.

Shifting risk onto architects and competition were the other significant challenges.

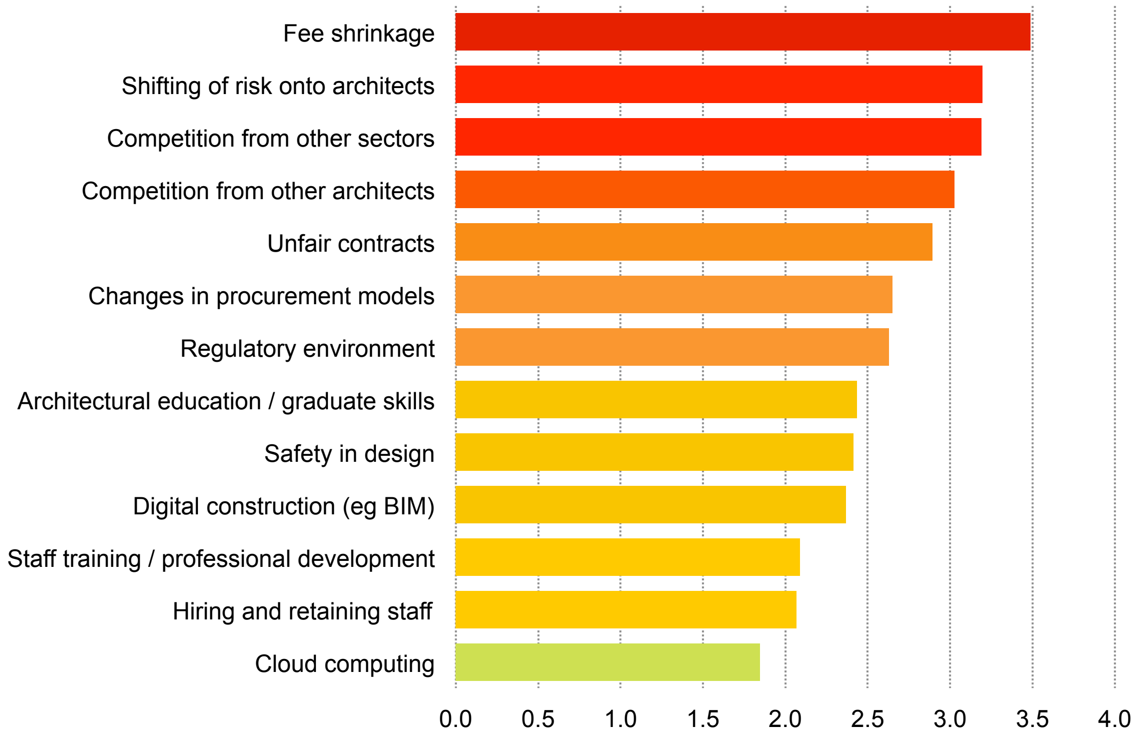


Figure 56: Challenges facing the profession, by weighted averages

The detailed responses are shown in the table below:

Table 7: Perceived significance of challenges facing the profession

	Not a challenge	Mild challenge	Significant challenge	Very significant challenge	Extremely significant challenge
Fee shrinkage	8	16	14	13	29
Digital construction (eg BIM)	17	26	23	8	2
Cloud computing	31	24	15	1	1
Changes in procurement models	12	32	15	7	11
Regulatory environment	11	34	17	12	7
Safety in design	15	34	20	10	3
Shifting of risk onto architects	6	24	18	14	19
Unfair contracts	11	24	15	12	13
Competition from other architects	7	21	24	15	11
Competition from other sectors	11	10	25	19	14
Hiring and retaining staff	28	23	13	7	2
Staff training / professional development	22	32	20	3	1
Architectural education / graduate skills	21	29	11	7	10

Further comment on ranked challenges

Respondents were invited to make further comment in relation to the ranked challenges. This opportunity was taken up by 24 respondents, who provided detailed comment on a wide range of subject, with a sample of comments below:

"Too many challenges – erosion of respect for the clever, increasing complexity and professional discipline required, inability to communicate our value, complete breakdown of the business model of the provision of architectural services, complete lack of a progressive career structure for new graduates, too many new graduates with no understanding of their profession, just too many new graduates, schools with no real connection to the profession, a professional institute that has catastrophically failed in its duty to 'sell' architecture to pretty-much anyone and yet it all tumbles onward in an increasing 'dog eat dog' cliff-edge of pseudo camaraderie and bohemia, saying everything's fine because 'just look at the quality of the work'!"

Value of architects

"Ever since the architectural fee scales were removed, the problem with clarity around the value of architects has grown significantly. Bench marking is too complicated?"

"Biggest challenge at present is the clients not knowing what architects can do for them and the AIA not helping in promoting this."

"Decline in significance of architects in the public mind leads to anomalies such as banks refusing to fund project with other than lump sum build contracts and architect superintendence is opposed."

"Replacement of architects in the lead role on projects is the most significant threat to the industry in our 25 years of practice and stands to further diminish professional and design standards. Outsourcing of documentation to developing countries utilising cheap labour is close behind in terms of undermining the profitability and quality of architectural services."

Fees

"The race to the bottom with fees is our biggest threat as it's devaluing our industry."

"'Race to the bottom' with fees continues to be a massive factor in being able to win then make money on projects."

"The only issue is the survival of the profession before we are eaten up or eat each other!"

Difficulty of doing quality work within fees

"Domestic clients never pay for the time it takes to thoroughly document a project?"

"Local government assessors seem to require architects to dot more I's and cross more t's every month – but do not require non-professionals to."

"It's getting very difficult to remain profitable and maintain high professional standards"

Competition

"Competition from interstate and international architects and drafting services are also very significant challenges. The opportunity for suitably sized and complex work to maintain and develop the skills required to maintain and expand our practice is another risk."

"As the residential market broadens with newer practices, and graduates as sole practitioners, we see potential issue with over supply and competition, but also opportunities to differentiate a fuller more comprehensive service. With commercial work, ensuring that the procurement methodology does not place undue risk on to Architects is paramount in encouraging design to develop through experimentation."

Economy

"State of SA economy is a significant challenge. Pressure of undercutting of fees and trying to maintain quality of design and documentation on reduced fees an issue."

Skills

"Graduate skills seem limited beyond software capabilities."

"As a sole practitioner it is very difficult to stay on top of tech developments."

"The decline in architectural training and architectural fees has lead to a decline in abilities and services which is resulting in a decline in client interest in architects."

Regulation

> *“Over regulation, increased risk are becoming problems that are making the sector extremely unattractive to work in - especially for fairly low rates of pay.”*

On a more positive note

> *“Our market/client base is stable at the moment.”*

> *“As a sole practitioner I can ride out the storms of uncertainty.”*

Other significant challenges faced by the practice

The survey also invited respondents to articulate other issues faced by the practice. There were 30 responses. Many identified multiple issues, and also reiterated many of the same issues – for example fees, fee-cutting and competition. A sample of these follows:

Wider social changes

> *“Disruptive forces in our society e.g. technology and social change. Traditional ways of working are now being tested more than ever and our profession requires itself to reinvent itself if it’s to remain relevant – we need to redefine what an architect really is or more to the point where is the best value for architects in the service offer. Frankly the only aspect that architects/designers can really offer is design service – the rest of our offerings will be marginalised and can be done by a variety of industries, organisations and individuals.”*

Competition with non-architects and fee cutting from other architects

> *“Fee cutting and competition from non architects for the same projects.”*

> *“Competition from draftsman/ building companies for work. Clients seeking out & expecting low fees.”*

> *“Most fee bidding from less qualified service providers.”*

> *“Securing work in the domestic market is challenging. Projects of this nature are very personal to clients and as such are very time consuming. However in Australia clients don’t understand the time involved and when competing against many others including designers not qualified a fee worthy of the hours involved will simply not win the work.”*

> *“Low income and designers often used by clients rather than architects.”*

> *“Maintaining Fee levels. Too many architects willing to discount fees to win projects.”*

> *“Small unincorporated "companies" calling themselves architects with the ACA’s blessing, but with absolutely no fees. Makes competing difficult.”*

> *“Competition from larger practices for small project work.”*

> *“Yes, maintaining relevance in a market place, the ability to compete with interstate and international practices and drafting service providers and maintenance and development of the skills required to expand our practice.”*

> *“Shrinking local economy, and trend of interstate practices either opening local offices, or working on SA projects from interstate.”*

> *“Financial sustainability, and competing for work with other practices.”*

> *“Costly submissions are now required for most projects, often against large numbers of competitors. Selection processes are less effective in general.”*

Fees

> *“Maintaining fees with increased regulatory burden and risk onus on us. A further erosion of fees towards a lower base and the increased requirement of deliverables change in technology is a significant risk”*

Multiple

> *“Copyright issues, issues being paid, builder's fee margins too high, escalating engineering and other consultant costs (these affect the project budget).”*

> *“Changes to government procurement priorities; maintaining documentation quality; time pressures, constructability knowledge within the company; poor performance of subconsultants.”*

Business and planning

"Challenges associated with growth and tax implications. Chasing up overdue payments."

"Developing ongoing computer skills and practice expansion interstate."

"Currently expanding will be interesting. Building a labor prices for small jobs are expanding at a rapid rate and becoming unaffordable for most. ie trades with charge up rates."

"Succession; fragmentation into smaller practices."

"Succession – we have one retiring director and the financial implications of the model, and thus the way the practice is set up for the existing and future directors to benefit or not find they have to adopt a different exit strategy is challenging."

"Whether to pursue opportunities outside of South Australia and Australia, and the costs and risks of chasing such work."

"Yes, Bankruptcy."

"Managing workloads and earning enough income while battling chronic clinical depression."

<u>Value and role</u>

"Alternative delivery methods and the continuing loss of status within the project delivery framework. Getting lower on the food chain."

"Finding work in a depressed economy that values price of a largely undefined level of service (in a tender situation which is the prevalent form of engagement) over quality outcomes. Competing in a market where basic business principles (making a decent profit, paying decent salaries, partaking in research and development and upskilling via training) is overshadowed by ego and the pursuit of a 'grand design or commission' at all costs."

<u>More positively</u>

"I am able to source assistance from a network of home-based professionals to assist with specific project-based roles. This is most useful."

Future opportunities for the practice

There were 48 responses to the invitation to articulate opportunities for the practice. 14 saw none, or very few, and one commented that they were "not willing to disclose". Others saw a mix of possibilities. Comments include:

<u>Economy</u>

"Rising from the low in the construction cycle: improved economy in SA."

<u>Design</u>

"Moving upstream and into more design service and dispensing with the rest of our service offerings."

"Hopefully a shift in boutique architectural design. The general public now appreciates custom design although not quite ready for the build costs."

"Possibly expanding nationally through collaboration with other practices."

"Greater involvement in up front design, monitoring of design intent and quality control as the Design and Construct processes increase in popularity."

"Ensuring that we offer a unique full service design focused service that is measured on the lifestyle outcome not merely on the application of a fee based selection."

<u>Value</u>

"The pursuit of reclaiming respect as the primary multi-skilled consultant to the exclusion of the likes of project managers."

"To continue to emphasize leadership in emergent systems; thus possibly reduce use of the term 'architect'."

"Succession to youngers who can find a new operating paradigm that creates jobs and a fair reward for the risk/energy/commitment level required. A better ethical and moral framework that rewards high design quality outcomes not just procedures in architectural practice. Getting better involved in construction through better design/build procurement from shorter tenders lists, not 30 people all doing a design and hoping! Education that lets people

understand not just what we do but a ‘rip the curtain down’, ‘lift the veil’ understanding of the actual difficulties/roadblocks to the creation of a better built environment. More master planning of living places for lower socio-economic groups. Trying to wrest back from builders and planners our primacy to design, to find new ways of operating collaboratively with more respect of our abilities, more commitment to our benefit as synthesises and generalists.”

“The ability to offer an in-house premium service.”

<u>Interstate and overseas</u>

“Greater diversity interstate and overseas. There are limited opportunities for our area of design expertise in SA.”

<u>Expansion and collaboration</u>

“We are looking at partnership with a builder so we can offer true design construct services to our clients.”

“Collaboration with firms of similar size to vie for larger project opportunities.”

“Greater collaboration with similar boutique practices.”

“Diversifying our services and thinking about design beyond the conventional boundaries.”

“BIM, changes in roles, energy and carbon zero; expansion into asset management and other roles.”

“Own developments.”

“Growth”

“Ongoing growth, diversification, larger projects.”

“Growing staff as more jobs are won.”

“Work with interstate practices as a 'local office'”

<u>Clients</u>

“Broadening our local client base.”

“A strong connection with clients that leads to repeat commissions underpins continuity of work.”

<u>Uncertain</u>

“I am not sure – the last three years have been extremely difficult, and although my practice has a good portfolio, the competition with fees means that it's hardly worth the stress and long hours of being an architect.”

“Changes need to be made but difficulty knowing what they are and how to tackle them”

<u>Going well</u>

“My practice suits my needs well and I hope it continues.”

Future opportunities for the profession

We also asked respondents to reflect on wider opportunities for the profession. There were 44 answers. 8 gave a variation on ‘none’, ‘not sure’ or ‘not many’. Others (5) comment that the opportunities for the profession are the same as articulated for their practice. The improving economy presented an opportunity for two respondents.

Others saw a mix of possibilities that could be led by the profession. Comments include:

<u>Relevance, value and advocacy</u>

A number considered that architects are very relevant but that relevance is not obvious to many people. As a consequence greater advocacy of the value of architects and architecture was seen as very important.

“Making itself more relevant.”

“Retaining professional status as a respected profession.”

"That our work can enrich people's lives and that our clients understand that. Educating the public is the key."

"To engage with public discussion."

"To strategically and consistently pursue architect relevance advocacy across the community."

"Greater collaboration with colleagues and greater education to the industry and public on our important role within the process of procuring buildings."

"I think that there is a growing recognition of the value of Professional Designers in all sectors"

"Widening appeal to 'ordinary' prospective Clients from appreciation of good design."

"Gaining back ground as design managers, project managers and contract administrators. Reasserting the value of good design."

"As indicated by the shifts in architectural education, the design and planning of urban environment and the broader conceptual role in place of the detailed construction orientated processes."

"Convincing the public that we are relevant on everyday projects. Architecture was one of the traditional five 'professions' (along with Engineering, Clergy, Medicine, Law). The other 4 professions (with a cloud of doubt over Clergy) have all maintained their integrity and value over the years. However Architects have allowed the emergence of the Project Manager, the Builder, the Engineer, the Building Designer etc to all rise and take the role of the lead consultant or designer on many project types. In many cases of residential/domestic architecture, we end up with a role that belittles our training, experience and reputation, we end up accepting a meagre fee, and yet we still face full risk. We need to completely reinvent how we market ourselves to the public. Architects are very good at marketing themselves to other architects - Place Magazine etc. We use project types and a language that immediately exclude the general public. We need to speak to them, not to each other. We need to convince the public that we are: - affordable - relevant - necessary - money well spent."

"We need to ensure that Multi Res is at the forefront of Architectural design. These are mostly rented by young people and or bought as first homes, and if we can impart as a profession an appreciation of good design via experience, it will more likely mean that these younger people will gain an appreciation for design and demand it in future applications, whether they be residential or workspace/hospitality etc"

<u>Skills as complex thinkers / design thinking</u>

"Ability to work through complexity – not many professions have this skill."

"Sustainable design and resolving complex authority requirements via design and design thinking."

"Design management has become the primary concern for clients and the discipline best placed to take advantage of this is architecture."

<u>Design ambition</u>

"'Stretching further' the boundaries of creativity and design 'boldness' for Adelaide buildings."

<u>Cooperation</u>

"Ability to work cooperatively across the industry and with other players."

<u>Business strategy</u>

"Understand a niche market. Provide a professional hands-on service. The existing client base and repeat commissions are 90% of the workload."

"To remain as design leaders but also to diversify into specialist areas; perhaps try not to be expert in everything."

"More work to come from overseas."

<u>New technologies</u>

"Design/build using emerging materials printing technologies."

> *"Ownership of BIM."*
>
> *"The opportunity to re-establish the profession as leaders in creative profit making enterprises that embrace technology to improve profitability, sustainability and efficiency in the construction Industry. Can only be done with real leadership from our professional organisations and support from the tertiary institutions that train future design professionals."*

Regulatory context

> *"Planning reform placing greater emphasis on quality means that architectural input more assured that previously."*
>
> *"Making RAIA contracts the safest form of contract for the GP to acknowledge."*
>
> *New generations*
>
> *"Turnover of practices"*

Problems of small practice

> *"Very grim for sole practitioners, but good for large firms. AIA needs to show more interest in sole practitioners and support the promotion of them."*
>
> *"Shrinking work for architects – AIA/ACA is not taking into account that most architectural practices are small."*

Key challenges for the profession

We also asked respondents to reflect on wider challenges for the profession. There were 58 answers, many of which once again reiterated topics already raised in the previous questions around fees, competition, fighting for relevance and educating the public about the relevance of architects, and regulatory context. Comments covering this material include:

Fees and competition

> *"Fee bidding smoothing the construction cycle education at tertiary level availability of skills training post tertiary."*
>
> *"Too much competition and fees under cutting from drafting companies and too much imbalance of fees going to other sectors in the process of making a building. Also there are too many graduates and not enough work for them."*
>
> *"Ongoing financial recognition and benchmarking with other professions nationally."*
>
> *"Responsibility and reasonable profit turnover per job."*
>
> *"Further erosion of services by other niche and overseas service providers."*
>
> *"Procuring adequate work at sustainable fee offers."*
>
> *"Diminishing fee, reduced pool of projects, competition and profession increasingly not unified and fragmented into small practices."*
>
> *"Declining fee structures, over supply of architects, declining respect for design and building excellence."*
>
> *"Fees . . .and fee work .."*
>
> *"Continuing to justify reasonable fees to clients."*

Relevance

> *"Making itself more relevant. Competing with building designers / non-qualified architects."*
>
> *"Explaining what we do and why we are of value."*
>
> *"That the public will continue to undervalue our role in the built environment."*
>
> *"To re-engage in critical discussion within the industry. To retain female architects in a meaningful way."*
>
> *"The apparent ignorance regarding the value of our services generally and the dissolving of the breadth of our services. If we lose design leadership / coordination, we will never retrieve it."*

“We must stay relevant by offering a full service and be well organised. We do not need to be project managed.”

“Staying relevant – promoting the relevance and importance of our professional abilities in the built environment.”

“Same as always in SA ... with little or no requirement to use an architect in this state there is a tiny demand and the public is less and less aware of what architects do.”

“Retaining status as a respected profession.”

“Maintaining technical ability and professionalism”

“Maintaining relevance in an industry that does not appreciate the benefits provided by the profession. Recognition of the architectural profession.”

“Not enough is being done by AIA to promote the sole practitioner and to explain to the mums and dads out the re what they can do for them.”

“Visibility in the market.”

“Irrelevance”

“Staying relevant, dealing with changing attitudes towards design.”

<u>Educating about the value of architects</u>

“Educating the Australian public about the value of architects and good design.”

“_ Skilled labour markets engagement with "traditional practice" particularly the next generation of practitioners _ disruptive forces in our traditional economic markets i.e. an emerging new economy over the existing traditional economy _unbalanced levels of liability levelled at the designers”

“Lack of appreciation of good design outcomes.”

“Proving that we provide value for money and by design to stop erosion of services from other providers e.g. project managers/ partial services/ and building designers.”

“Promotion of architects services - not concentrating on "fab architecture" but more of the "contract administration" services that architects provide.”

“Explaining why good design and good service are worth paying for.”

“The notion that we are merely 'decorators' of functional sheds built by builders.”

<u>Economics</u>

“Economic environment”

“Improvement in economy.”

<u>Technology</u>

“BIM & 3D documentation.”

“Labor costs & potential housing and prefab commercial models that could change the building industry.”

“Capacity of artificial intelligence to take on more design work, particularly for 'ordinary' commercial buildings.”

<u>Skills</u>

“Anyone being able to produce drawings.”

<u>Regulation and procurement</u>

“Bean Counters, Code Compliance, Local Government Assessors, competition from non professional designers.”

“Risk avoidance”

"Lack of ability to be the trusted advisor; short-termism of client thinking, changes to government procurement models."

"Changing State Government spending and procurement practices."

"Remaining relevant in the construction process."

"Relevance to the process of building procurement."

Changing roles

"Losing lead consultant role on projects and being sidelined during various phases of the project."

"Becoming part of an increasingly more integrated multidisciplinary services sector while retaining design quality, design leadership and unique professional qualities that clients value."

"Willingness to become the 'design consultant' only."

"Sustainability in an environment where design is not highly valued. Engineers and project managers taking on more work traditionally performed by Architects."

The nature of the profession

"Saving itself from itself."

"Lets face it. Would you seriously recommend that your children take up this profession? Ten years ago I may have. Our position, financial reward for effort and reward for risk have been eroded consistently over the last 20 plus years. This is partly of our own making. This is evidenced by ridiculously low wage rates and falling educational requirements / qualities of graduates. We no longer attract the best and the brightest. Most gyprockers on commercial sites will be paid more than a reasonably experienced architect."

"Need to adapt better to a rapidly changing environment. Too many holding on to what we once had/did rather than focussing on our potential."