



20 February 2026

Submission to the Senate Select Committee on Productivity in Australia

To the Committee Secretary

The Association of Consulting Architects Australia (ACA) welcomes the opportunity to contribute to the Senate Select Committee on Productivity in Australia inquiry.

The ACA is the national peak body representing architectural businesses of all scales, from sole operators to large multi-national practices. Our membership comprises approximately 850 architectural practices employing more than 7,000 technical staff across metropolitan and regional Australia. Our members work across public and private sectors on projects including housing, health, education, infrastructure, defence and civic development.

The architecture profession is a key contributor to Australian productivity, creating high-quality, sustainable, and innovative built environments that underpin the nation's \$221.6 billion construction sector. Through their design expertise, architects deliver lasting value by minimising lifecycle costs, enhancing building performance, and enriching cities, communities, and streetscapes with beauty and identity. Employment in the field has grown significantly, with Study Australia reporting a 16.8% increase between 2021 and 2026.

The ACA's submission draws on the lived experience of architectural practices operating across all Australian jurisdictions and builds on insights previously provided to state-based productivity reviews. Our central proposition is that national productivity outcomes will improve where governments:

- Reform procurement to prioritise value, quality and long-term outcomes rather than the lowest upfront cost;
- Address structural risk allocation and insurance pressures that suppress innovation and competition;
- Invest in digital capability, including BIM and responsible AI adoption, across the built environment;
- Strengthen the skills pipeline and professional workforce, including supporting the transition from qualification to professional competency to reduce workforce churn;
- Develop a coordinated research and data framework for the built environment to enable evidence-based productivity reform;
- Reduce regulatory friction that adds cost without improving safety or performance; and
- Consider the link between productivity, procurement and employee wellbeing.

Architectural services are a critical enabler of productivity across the economy. Better design leads to more efficient construction, lower lifecycle costs, improved sustainability outcomes and more resilient communities. The ACA stands ready to work with government to advance practical reforms that deliver enduring productivity gains for Australia.



Productivity in the Built Environment

Australia's productivity challenge is particularly evident in construction and professional services. Despite increasing project complexity, regulatory requirements and community expectations, procurement models and risk frameworks have not evolved to match contemporary delivery realities.

ACA members report that productivity is constrained by:

- Short-term, price-driven procurement approaches that undervalue early design input;
- Excessive and poorly allocated risk, particularly in public sector contracts;
- Escalating professional indemnity insurance costs;
- Fragmented and inconsistent adoption of digital tools; and
- Skills shortages and constrained workforce pipelines.

These challenges are systemic rather than cyclical and require coordinated national reform.

Our Response to the Committee's Terms of Reference

1. Current Position, Barriers and Opportunities for Productivity Growth

Lowest-price procurement remains a dominant feature of public sector engagement.

This approach:

- Discourages innovation and early investment in design quality;
- Shifts risk onto consultants and contractors least able to manage it;
- Increases project variations, disputes and lifecycle costs.

The ACA strongly supports a transition to value-based procurement models that assess quality, capability, collaboration and long-term outcomes alongside price.

Recommendation 1: Link Commonwealth funding to the adoption of national best-practice procurement frameworks for professional services that prioritise value, quality and whole-of-life outcomes.

2. Risk Allocation, Contracts and Insurance

Disproportionate risk transfer is a major drag on productivity.

Common issues include uncapped liability, fit-for-purpose obligations, and bespoke contract amendments that undermine standard risk allocations.

The impact includes:

- Reduced competition, particularly from SMEs;
- Increased professional indemnity premiums;
- Conservative design decisions that limit innovation.

Recommendation 2: Promote consistent use of standard form contracts with proportionate liability and reasonable caps on risk.



Recommendation 3: Reinforce proportionate liability frameworks nationally to stabilise professional indemnity insurance markets.

3. Technology, Digital Capability and AI

Digital tools such as Building Information Modelling (BIM), data-enabled design and AI-assisted analysis offer significant productivity gains, particularly when deployed early. However, adoption is uneven and often unrewarded under current procurement models.

Recommendation 4: Require digital capability and BIM maturity as weighted criteria in government procurement.

Recommendation 5: Develop a national built environment digital strategy, including guidance on responsible AI adoption in design and construction.

4. Workforce Capability and Skills

Productivity is ultimately driven by people.

The architecture profession faces challenges, including:

- Skills shortages across technical and digital disciplines;
- Limited pathways for early-career development;
- Growing demand for new competencies, including AI governance and digital ethics.

Recommendation 6: Establish a national built environment skills strategy that encompasses education pathways, cadetships, digital upskilling, and lifelong learning.

5. Regulatory and Competitive Reform

The ACA supports regulatory reform that improves outcomes without adding unnecessary cost. Members report inefficiencies arising from:

- Duplicative compliance requirements;
- Inconsistent regulatory approaches across jurisdictions;
- Overly prescriptive processes that limit innovation.

Recommendation 7: Streamline and harmonise regulatory frameworks affecting the built environment, with a focus on performance-based outcomes.

6. National and International Benchmarking

Through coordinated Federal and State action, Australia can lead internationally in sustainable, digitally enabled built environment delivery. Learning from international best practice – including procurement reform, BIM mandates and collaborative contracting – will support long-term productivity growth.

7. Productivity and the Four-Day Working Week

In design-led professional services such as architecture, productivity is closely linked to cognitive performance, collaboration quality and sustained workforce capability rather than hours worked alone. Research on architectural work cultures demonstrates that longer hours don't equate to



better productivity - in fact, excessive workloads and fatigue reduce productivity per hour worked, increase errors, and harm the quality of design thinking.

For practitioners with caring responsibilities, who are often women and underrepresented in senior roles, the inability to access flexible arrangements can mean leaving the profession entirely. This creates a productivity loss of a different kind: the loss of talent, experience, and diversity that strengthens design outcomes and innovation.

However, alternative work patterns do not automatically deliver productivity gains. The challenge isn't whether flexible work is viable, but whether current fee structures and project resourcing allow it. When fees are inadequate and projects are chronically under-resourced, any conversation about sustainable work arrangements becomes difficult. Without parallel reform to procurement timeframes, briefing quality, contract conditions and fee structures, compressed working weeks risk shifting pressure rather than improving outcomes.

Productivity benefits from flexible work models are most likely where:

- Productivity is measured by outputs and outcomes rather than time-based utilisation;
- Clients allow realistic program durations aligned with design complexity;
- Teams are adequately resourced and supported by digital workflows;
- Procurement and contract models recognise contemporary professional service delivery.

Recommendation: Government-led productivity strategies should explicitly consider flexible and reduced-hours work models as part of workforce and skills policy, particularly in knowledge-intensive sectors. Any such consideration should be integrated with procurement reform, realistic programming and outcome-based performance measures.

8. Practitioner Wellbeing and Productivity

Genuine productivity gains in professional services cannot come at the expense of practitioner wellbeing. Research from the ARC Linkage Project on Architectural Work Cultures (2020–2024) demonstrates that poor mental health directly undermines the quality, creativity, and efficiency that define good architectural practice.

The profession faces a wellbeing crisis driven by procurement practices that have normalised inadequate fees and unsustainable workloads: 37% of respondents in the 2021 Practitioner Survey reported working more than 45 hours per week, with 8% exceeding 55 hours. Prolonged overwork reduces productivity per hour, increases errors and rework, and leads to higher absenteeism, with mental health claims averaging significantly longer absence periods than other workplace injuries.

The hidden costs extend across reduced creativity and innovation, increased staff turnover and loss of institutional knowledge, diminished collaboration capacity, and ultimately lower quality built outcomes. Conversely, workplaces with adequate resourcing, transparent leadership, and psychologically safe environments report higher engagement, better retention, and sustained performance.

Recommendation: Productivity strategies must consider well-being metrics into government procurement evaluation criteria, establish mandatory minimum fee guidelines tied to project complexity, and require realistic timeframes and resourcing assessments.



9. Workforce Churn

The built environment workforce challenge is not limited to skills shortages but includes a structural loss of capability over time. In architecture, employers carry primary responsibility for transitioning graduates from academic qualifications to professional competency. Unlike trades and other regulated professions, this training burden sits largely with businesses rather than with supported national training frameworks.

This creates a hidden productivity cost. Senior professionals spend substantial time mentoring, supervising and correcting work to achieve competency standards, reducing available project delivery capacity. Every hour spent training a graduate is an hour less spent on a project. For small and medium-sized practices in particular, the cumulative effect is reduced efficiency and increased burnout risk.

The consequence is workforce churn at multiple stages:

- early-career attrition due to prolonged competency pathways
- mid-career burnout due to supervisory load
- loss of experienced practitioners as training obligations compound business pressure

Without structured support, the training model risks becoming unsustainable and constraining the future pipeline of qualified professionals.

Recommendation: Align skills funding with professional competency development, including incentives for supervised practice, mentoring and structured transition-to-practice programs in knowledge-based professions.

Deconstructed Productivity Framework for Architecture and the Built Environment

The table below deconstructs productivity into practical policy-relevant dimensions. Each item is scored for **relative importance to national productivity outcomes** (1 = low, 5 = critical), identifies a **key impediment**, and proposes **one reform lever** that government could use. Collectively, these form a coherent advocacy and reform framework.

Ref	Productivity Dimension	Importance (1–5)	Key Impediment to Efficiency	Reform Lever / Improvement Opportunity
A	Definition of productivity in design	5	Narrow focus on speed and cost, ignoring quality and lifecycle value	Adopt value-based productivity metrics incorporating lifecycle cost, performance and user outcomes
B	Design procurement duplication	5	Repeated bidding and unpaid concept work	Limit unpaid design stages; reform procurement to reduce duplicated effort



Ref	Productivity Dimension	Importance (1–5)	Key Impediment to Efficiency	Reform Lever / Improvement Opportunity
C	Team structure & collaboration	4	Fragmented consultant engagement	Encourage early contractor and consultant involvement models
D	Skills & knowledge development	5	Underinvestment in digital and systems thinking	National built environment skills and digital upskilling strategy
E	Time to award contracts	4	Lengthy, risk-averse approval processes	Set benchmark timeframes for public sector procurement decisions
F	Competition policy	3	Over-concentration driven by risk and scale	Fairer risk allocation to support SME participation
G	Briefing efficacy	5	Poorly defined or shifting project briefs	Mandatory structured briefing phases before procurement
H	Change management	4	Late-stage changes driven by weak upfront decisions	Strengthen early design validation and gateway reviews
I	Design time vs outcomes	5	Assumption that faster is always better	Recognise that adequate design time reduces downstream delays and cost
J	BIM & digital technology	5	Inconsistent mandates and lack of client capability	National BIM and digital delivery requirements for government projects
K	Standards & codes compliance	4	Overly prescriptive and overlapping requirements	Shift toward performance-based, harmonised standards
L	QA systems & workflows	4	Manual, compliance-heavy QA processes	Digitise QA workflows and align them with risk-based assurance
M	Construction procurement models	5	Adversarial, price-driven contracting	Expand collaborative and value-based procurement models



Ref	Productivity Dimension	Importance (1–5)	Key Impediment to Efficiency	Reform Lever / Improvement Opportunity
N	Data transparency during construction	4	Siloed data and poor information sharing	Require shared data environments across project teams
O	Contract selection & relationships	5	Inappropriate or heavily amended contracts	Mandate standard form contracts with limited departures
P	Effects of unfair contracts	5	Uncapped liability and disproportionate risk	Enforce proportionate liability and reasonable caps
Q	Soft landings & building operation	4	Poor transition from construction to operation	Require soft landings and post-occupancy evaluation on public projects
R	Build vs non-build options	3	Bias toward capital works solutions	Embed options analysis including retrofit and non-build alternatives
S	Measuring building vs process productivity	4	Lack of outcome-based measurement	Develop metrics distinguishing asset performance from delivery inputs
T	Decarbonisation impacts	5	Additional complexity without aligned time/cost frameworks	Align decarbonisation targets with procurement, codes and delivery models
U	Workforce capability & churn	5	Professional competency development occurs within project delivery, diverting senior expertise and reducing effective delivery capacity	Align skills policy to support supervised practice, mentoring and structured transition-to-practice pathways

The Need for More Research and Better Evidence

This submission highlights that across procurement, digital delivery, modern construction methods, regulation and workforce capability, a consistent issue emerges: **productivity reform in the built environment is being pursued with limited shared evidence and research.**

Reforms are often developed using fragmented data. As a result, the same challenges such as duplication, disputes, churn, inconsistent adoption of technology and variable outcomes recur across jurisdictions.



The built environment is central to national priorities, including housing supply, decarbonisation and infrastructure delivery. Improving productivity will therefore depend not only on changing policy settings, but on understanding which initiatives/strategies/interventions actually work.

Recommendation: Establish a coordinated national built environment research program to support evidence-based productivity reform.

Conclusion

Productivity reform in Australia must move beyond narrow efficiency measures and address the structural drivers that shape how value is created.

For the built environment, this means better procurement, fairer risk allocation, investment in digital capability and skills, and regulatory settings that enable rather than constrain innovation.

ACA welcomes ongoing engagement with the Committee and stands ready to provide further evidence or participate in hearings as required. Please do not hesitate to contact our CEO, Angelina Pillai directly at Angelina.pillai@aca.org.au.