

DEEP DIVE REPORT INTO SYSTEMIC RISKS IN THE AUSTRALIAN ARCHITECTURE SECTOR BY THE ARBV AND NSW ARB

PURPOSE OF RESEARCH

Regulation of architects:

Architecture in Australia is regulated by Architect Registration Boards (ARBs) in each State and Territory. The ARBs administer regulatory frameworks to ensure architects meet professional standards, protecting the interests of clients and end-users. The ARBV and NSW ARB oversee compliance in Victoria and NSW, respectively.

Research into systemic risks affecting the Australian architecture sector:

In 2022, the ARBV and NSW ARB conducted a joint research project to identify systemic risks in the Australian architecture profession. This involved a desktop review of information about Australian and global construction and architecture sectors.

Findings and recommendations were compiled into the **Systemic Risks in the Australian Architecture Sector Report** (Systemic Risks Report). In 2023, focus groups were conducted to delve deeper into key areas identified in the initial research - client-architect relationships, D&C procurement, NCC compliance, and disruptive change.

Focus group participants included architects, industry bodies, clients, developers, insurers and regulatory bodies.

Deep Dive Report into Systemic Risks in the Australian Architecture Sector (Deep Dive Report):

In June 2024, the ARBV and NSW ARB released a report combining the initial research and insights from the deep dive focus groups.

The Deep Dive Report aims to highlight key systemic risks in the Australian architecture sector. It is part of the ARBs' proactive regulatory efforts to detect and prevent non-compliance and avoid harm.

The report identifies implications of these risks for ARBs and other sectoral participants, offering recommendations to enhance outcomes for architects, clients, users of architectural services, and the public.

ACTIONS PROPOSED

The need for a systematic response:

The Deep Dive Report identifies systemic risks in the Australian architecture sector that affect the entire industry. Without effective action, these risks could lead to widespread negative outcomes.

Action by the ARBV and NSW ARB:

The systemic nature of risks identified in the Australian architecture sector requires a coordinated response involving not only the ARBs but also industry bodies, education providers, research institutions, and other government agencies.

Various interventions are necessary to tackle different aspects of these risks, including Continuing Professional Development (CPD), guidance for architects and clients, stakeholder engagement, education, research, and legislative reform.

Role for other bodies:

The ARBs acknowledge stakeholders' efforts in addressing recommendations in the Systemic Risks Report but stress that there is more work to be done, as highlighted in the Deep Dive Report.

Industry bodies are urged to support architects through activities such as CPD, guidance, engagement, and research.

Education providers should enhance programs to address identified educational gaps.

Research bodies can contribute by analysing key issues, while government bodies should advance legislative reforms to mitigate systemic risks in the architecture sector.

More information:

The Systemic Risks Report (2022) and the Deep Dive Report (2024) can be found on the websites of the ARBV and the NSW ARB.

www.arbv.vic.gov.au

www.architects.nsw.gov.au

KEY SYSTEMIC RISKS

The Deep Dive Report addresses systemic risks facing the Australian architecture sector that arise in the following four areas.

1. Client-architect relationships and agreements

- A better understanding of roles and responsibilities of architects and clients could improve outcomes.
- Effective communication between architects and clients is crucial for a strong relationship, with room for improvement on both sides.
- The sector would benefit from a deeper understanding of communication dynamics and their impact on outcomes.
- Custom client-architect agreements appear to be widespread, but not used appropriately for managing relationships and associated risks in projects at various scales.



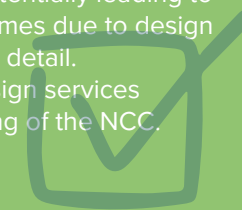
2. D+C procurement

- Design and Construct (D&C) procurement can transfer design responsibility away from architects, potentially compromising built quality and compliance with professional standards.
- D&C procurement often prioritises high-level design documentation, which, coupled with limited on-site presence, hinders architects' ability to oversee design intent during construction.



3. NCC compliance

- There is debate among industry participants about whether National Construction Code (NCC) compliance guarantees quality built outcomes due to its focus on minimum standards.
- Roles and responsibilities for NCC compliance, especially in D&C procurement, are not well understood.
- Limited design scope may hinder architects from achieving NCC compliance, potentially leading to non-compliances in built outcomes due to design documentation that has limited detail.
- Engagement limitations for design services affects architects' understanding of the NCC.



4. Disruptive change

- The architecture profession's overall awareness and readiness for disruptive change, especially regarding climate and technology, are likely limited.
- Practical challenges hindering adaptation, including lack of resources, may mean some practices are better equipped to respond to change than others.
- Adjustments to service delivery may be necessary to maintain professional standards and seize opportunities arising from disruptive change.

