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Architects**

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Date: 30 April 2020

Dear John,

Thank you for the response to our letter earlier this week. We have recently received the following feedback from one of our members regarding the JobKeeper package, which has been echoed by a number of other practice directors.

This particular firm has practices in both Hobart and Melbourne, with a team of between 5-10 in each office. Due to COVID-19, they have had a significant loss of jobs, particularly in Victoria, but also in Tasmania, that has resulted in their income reducing in excess of 30%. However, many of the projects in Tasmania that they undertake are for the University, the Government and local councils, all of which require a single point of contact, being the architect.

This results in them, as the architect, being the lead consultant, and the fees for these projects include the costs of all other sub-consultants, which the architect appoints. The architect is invoiced by these sub-consultants, then invoices the client, and then pays the consultant's invoice.

This creates a problem where the money invoiced on behalf of the sub-consultants is identified as sales or income for the architect. This then increases their perceived turnover and may result in the total reduction in income being less than the 30% that qualifies for the JobKeeper scheme, when in fact that money is used to pay the sub-consultants.

We understand a consistent method of assessment is required for the Government to determine eligibility and this will work for many other industries such as construction (where the head contractor pays their sub-contractors directly and do so month in, month out), however this is generally consistent and on average is similar from year to year.

Architecture firms, on the other hand, may only have a couple of projects where this is undertaken, and therefore the invoicing for this is very much inconsistent between reporting periods.

We wanted to pass this issue on to you in the first instance, and any assistance you can provide regarding this matter would be appreciated. Please don't hesitate to contact us if you require further information.

Yours sincerely,



Shamus Mulcahy  
**Tasmanian President**  
Australian Institute of Architects



Jennifer Nichols  
**Tasmanian Executive Director**  
Australian Institute of Architects

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**The Hon. Peter Gutwein MP**

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