



2021 sees significant activity in the **design and construction** sector in South Australia thanks to Government stimulus, low interest rates and increasing community confidence. A healthy and vibrant construction sector is vital for the State's recovery, providing the platform for a growing economy, rising employment, community development and better living standards.

Unfortunately, high demand for **design and construction** services does not automatically translate to a healthy sector. There is relentless pressure placed on design and construction businesses to deliver buildings faster within poorly planned project timelines and for less money. Heavily modified contracts, which shift project risks and unfair conditions onto designers, contractors and trade contractors increase the risk of compromised quality, which in turn reduces community confidence.

Current conditions are testing the financial viability of businesses, impacting the wellbeing and morale of staff, and compromising quality outcomes as well as reputations. They are also creating disputes and disharmony, conspire against a sustainable, balanced and enjoyable **Design and Construction** sector in SA.

As a result of these shared concerns the Australian Institute of Architects SA Chapter and the Master Builders Association SA have commenced this important conversation, which has developed into a collective initiative. Organization across the sector have joined together to develop strategies to re-create a healthy, sustainable, and vibrant design and construction sector for South Australia.

The Issues

The construction sector is currently highly adversarial as a result of:

- Loss of expertise across the sector, particularly in client organisations, which drives unrealistic project delivery expectations and limits skills development.
- Unfair risk allocation resulting from procurement methodology and amended contracts.
- Program and budget pressures that work against sustained sector growth and quality outcomes.

The result of this is:

- Unrealistic budgets that discourage accurate and coordinated documentation, innovation, R&D.
- Focus on risk management and cost reduction at the expense of quality.
- Decreasing fees and financial viability for design and construction businesses.
- High levels of stress and anxiety for designers, builders and trade contractors to deliver projects.

- Loss of staff, particularly younger staff, with corresponding impact on skills development.
- Difficulty to attract new participants into design, building and trade contractor professions.

These factors work **against** the creation of a positive construction culture.

Our Goals

- A construction sector where ethical practice and quality are valued.
- A sustainable sector that attracts and retains talented people.
- To obtain realistic fees and time to deliver quality projects

To achieve these goals, we need:

- Informed clients who are prepared to share risk and support appropriate procurement practices
- Recognition of the expertise of each participant
- A collaborative, best for project approach
- Focus on quality
- Standards for ethical practice

Resetting construction culture is important because:

- Well designed and constructed buildings are long term assets that support a high quality of life and a strong cultural identity
- Clients and the community need to have confidence in the buildings that they occupy and invest in
- Construction is a major employer comprising about 9% of the total workforce - a healthy sector provides a strong skills base for future development of the state.
- Construction is a significant generator of economic activity. Construction accounts for about 9% of GDP and is a vital component of a healthy economy

The Construction Culture Initiative provides participating organisations with a collective platform to analyse the issues, explore strategies to influence positive change and advocate for improved practices. The objective is to develop a coordinated and consistent position to drive change within the sector and to educate the wider community. This is imperative if we want a healthy design and construction sector that supports ongoing prosperity for South Australia.

