

AUSTRALIAN INSTITUTE OF LANDSCAPE ARCHITECTS

PRACTICE NOTE 3

A SUMMARY OF FEES CHARGED BY PRACTICING LANDSCAPE ARCHITECTS IN AUSTRALIA

Purpose

Soon after its inauguration AILA published a Scale of Fees and Charges. Members who charged less than those mandatory fees were considered to be guilty of unprofessional conduct. That 'scale' was revised and refined until, about thirty years ago, the Trade Practices Commission banned all forms of mandatory or recommended fee scales.

AILA has no interest in the fees charged by its members for specific services. The actual quantum of a fee is not a professional conduct issue.

But, landscape architects and their clients obviously expect the Institute to provide 'helpful' information. There is a body of anecdotal evidence showing that institutional and government clients often use the AILA reports of Commonly Charged Fees as a starting point for fee negotiations.

The Institute recently distributed a survey of fees and charges. About 10% of practices responded. While this is not a large data base, it does generate some useful outcomes.

Summary of responses

The following pages report on the range of fees for size and type of project, with limited comments on the methods of fee calculation, nature of services provided and regional differences.

Three categories of data emerged from the survey.

1. the collective opinion of the range of 'appropriate' fees;
2. time charge rates of a variety of landscape architects; and
3. actual fees for about 90 projects.

Regional variations were not apparent for category 1. Surprisingly, category 3 was also reasonably uniform except for a small number of (mostly NSW based) residential projects. But, there is a significant, regional, variation in the time charge rates considered acceptable to clients.

All respondents commented on the results of the preliminary survey in a manner that indicated their opinions of 'fair' fees.

FULL SERVICE	
LANDSCAPE PROJECT COST	TOTAL LANDSCAPE ARCHITECT FEE
Over \$20m	6% to 9%
\$20m	6.1% to 9.2%
\$15m	6.25% to 9.4%
\$10m	6.5% to 9.6%
\$5m	6.75% to 9.8%
\$4m	7% to 10%
\$3m	7.5% to 10.1%
\$2m	8% to 10.4%
\$1m	8.5% to 11%
\$700k	9% to 11.5%
\$500k	10% to 12.5%
\$250k	12% to 14.5%
\$100k	10% to 18.5%
\$50k	10% to 20%
Less than \$50k	12% 25%

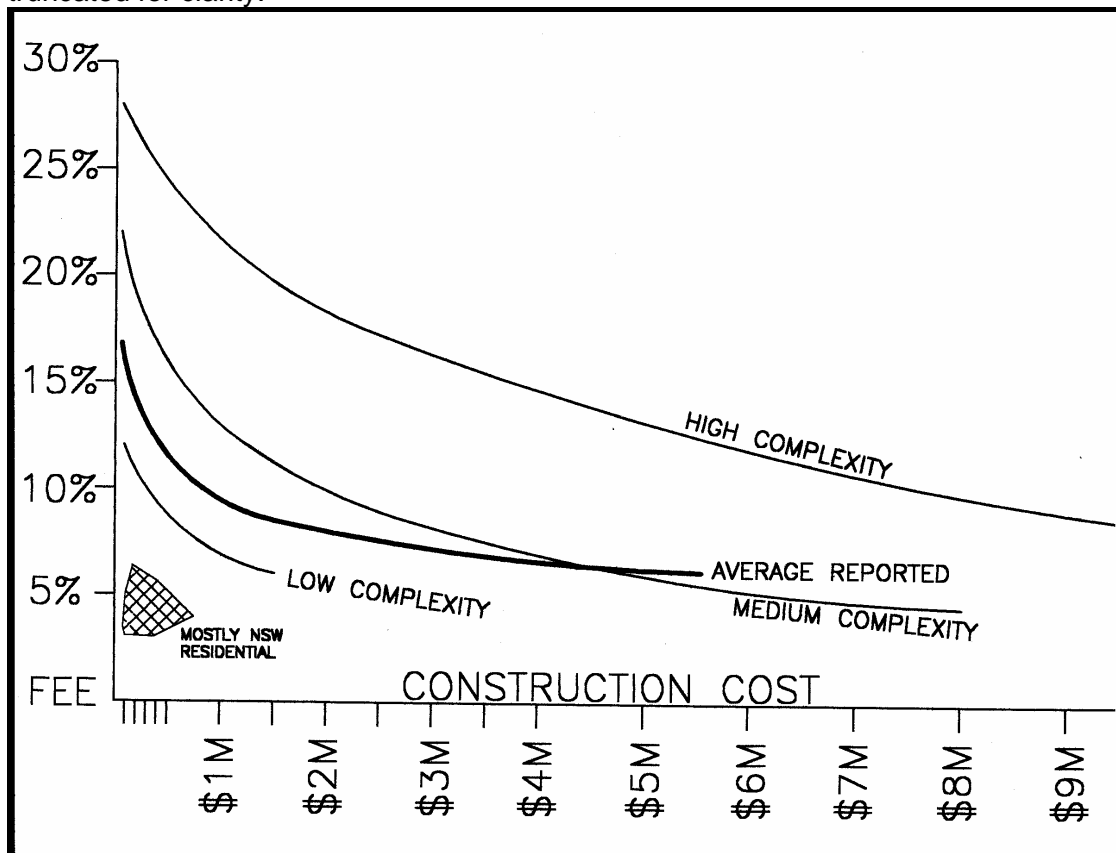
The range of fee within each project cost line represents an attempt by most respondents to indicate how they adjust their fees to allow for varying types and complexities of project. These figures cover all but two respondents. One was significantly lower; the other much higher.

All respondents identified their actual time-basis charge-out rates.

TIME CHARGE	
POSITION	HOURLY RATE
Director/ Partner/ Principal	\$120 - \$250
Associate	\$100 - \$180
Senior Landscape Architect (5 – 7 years experience)	\$80 - \$140
Landscape Architect (3 – 5 years experience)	\$70 - \$120
Student/ Technician	\$50 - \$95
Administrative Staff	\$35 - \$85
Expert Witness	\$170 - \$280

The time-charge multiplier was reported in the range 2.5 to 3.8 and the actual number of hours worked by salaried staff per year remained at 1504, plus overtime. The lower multiplier figures were for contract staff; the upper end for salaried staff. Some argued that a Senior Landscape Architect is a person with more than ten years experience and Landscape Architect is in the five to ten year range. They further suggested that there should be a Junior Landscape Architect (less than five years) category and a Senior Technician (CAD) category. A few gave the rationale for quoting a wide range of rates as the impact of specific projects on the proportion of time that is actually chargeable. Some also identified overheads (such as administration-only principals) that must be earned through higher charge-out rates for project staff.

The project reports are summarized in the following graph. Fees were reported for a few larger projects (7.3% for \$13m and 5.8% for \$35m). The graph has been truncated for clarity.



Fees are reported as percentages for comparison purposes only. The majority of examples reported were lump sum fees based on either an estimate of time, or calculated by reference to some percentage fee records. About 30% of commissions (mostly in the \$250k to \$3m range) were reported as 'percentage' based fees. Some time-charge project work was reported. Non-project focused work was charged on a time basis.

Fees were reported on a wide range of services. For comparison and reporting purposes, all have been factored up or down to equate to the hypothetical, project focused, full service basis. The preferred staging distribution of the total fee was Concept 0.15, Design development 0.15, Documentation 0.4, Tendering 0.1 and Contract administration 0.2. Some firms increase *contract administration* at the expense of *concept* (this is a reasonable reflection of the costs involved); others increase *concept* at the expense of *documentation* (this is a reasonable reflection of the comparative benefits to the client).

Comments on cost pressures were inconclusive. Most argued that administrative costs had increased as a result of the formal risk management demands of many clients. Some (in WA and SA) mentioned the inability, in a public sector dominated market, of reflecting these increases in their fees. Few maintained that these same procedures had generated reductions in overheads on larger projects.

This practice note reports responses to a multi-stage survey. The opinions expressed are those of the respondents and do not necessarily reflect the opinions of the Australian Institute of Landscape Architects, or of its office bearers, employees or consultants.