

**AUSTRALIAN PROJECT MANAGEMENT
FEE SURVEY AND RESULTS**

by

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A Research Survey

undertaken on behalf of the

Australian Institute of Project Management

July, 2000

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Section 1: Overview

1.1 Executive Summary

The objective of the 1999/2000 Project Management Fee Survey is to provide the Australian Institute of Project Management (hereafter AIPM) with an opportunity to provide its' members with current market information on project management fee structures in Australia.

The underlying purpose of this research was to continue the investigation into the basis on which project managers in Australia charge for their services. Fundamental to this purpose is the ongoing question of whether project managers are adequately recompensed for their services, as the basis of the recompense is an indicator of the evolution of project managers as professionals.

This question was addressed in 1999 with the publication by the AIPM of a learned paper titled "Fee Structures in Australian Project Management". This paper summarised the key findings from a thesis study into Australian project management fees in which a deceptively simple matrix was produced to contain a complex set of findings. This matrix formed the basis of an insert into the AIPM publication, which was divided into two tables and is intended to be updated bi-annually.

Based on the research undertaken in 1999/2000, the first table linking a project managers' seniority, competency and fees was reviewed. The second table lists key project management knowledge areas and the associated responsibilities required of a project manager.

These two tables highlight the specific inter-dependence between a project managers' knowledge, responsibilities, experience, competency and fees. The culmination of this research was the reinforcement of the same hourly rates and responsibilities linked to the aforementioned categories.

The results are based on a survey of members of the AIPM in October 1999 and May 2000. The survey was composed of qualitative and quantitative questions with the results collated in the form of tables and charts and where appropriate the results from the 1997/98 survey have been included for comparative purposes.

As was the intention with the thesis study, this research will promote dialogue amongst project managers and as to the nature of their calling and fees generally.

1.2 Research Methodology¹

In 1997/98 a detailed survey of Australian project managers was undertaken as the basis of a thesis on project management fees. Using key sections from the thesis, a booklet was produced in June 1999 for the AIPM, with an introductory article appearing in the June 1999 issue of the "Australian Project Manager". This topic was also presented at an AIPM seminar on 23 June 1999 and at the IRNOP Conference in Sydney on 5 January 2000.

To update the 1997/98 research on Australian project management fee structures, a second survey was sent to delegates attending the AIPM National conference in October 1999. Refer to Appendix A. This survey included similar quantitative and qualitative questions as the 1997/98 survey and extended the depth of questions based on feedback from the initial survey.

Of the 250 surveys despatched, 16 were completed which did not provide the minimum return for a valid survey base. To secure more responses a proposal was submitted to the AIPM on 31 May 2000. Refer to Appendix B.

The proposal outlined a four phase approach which was developed to sequentially increase the level of information gathered and understanding of fees in the project management industry in Australia and overseas and the relative value of these fees when benchmarked against other similar professions.

Agreement was reached to proceed initially with the first phase, extending the timeframe to accommodate updating AIPM member records. Surveys were electronically despatched to all AIPM members from AIPM's head office, where all completed surveys were returned before being forwarded onto Chivonne Watt for collation and analysis.

The 1999/2000 survey of Australian project managers forms the basis of this report and provides an update to the survey undertaken in 1997/98.

The following table provides a summary of the research gathered for this report:

Date	Target	No.	Response	Appendix
October 1999	Delegates attending the AIPM National Conference.	250	16, of which 4* are willing to be contacted for follow up.	E
June 2000	AIPM Members, via e:mail.	1500	90, of which 41* are willing to be contacted for follow up.	F

*The respondents willing to be contacted are included in Appendix D for referral.

¹ To describe the methodology of this project firstly requires an accurate definition of the term 'methodology'. The Macquarie Dictionary defines methodology as 'the science of method, esp.: a. a branch of logic dealing with the logical principles underlying the organisation of the various special sciences, and the conduct of scientific enquiry.'

Section 2: Survey Analysis

To provide the detail required to support any statement on Australian project management fees, careful analysis is necessary of all survey responses. Breaking down the information 'into its constituent elements'² has been done in this section. Data collected in 1997/98 is included where appropriate for comparison

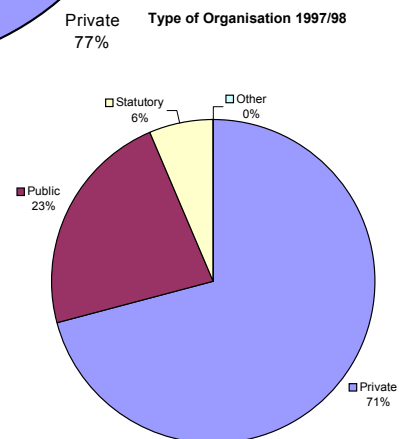
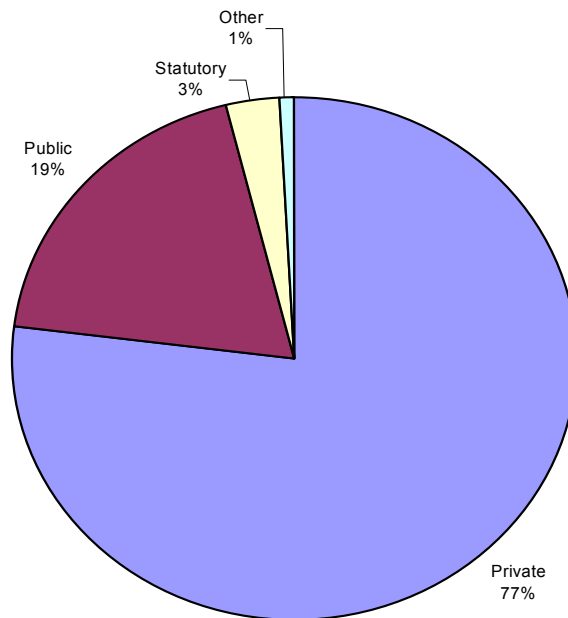
2.1 Your Organisation

Question 1: Is your organisation:

Survey Review

Of the 106 responses, 80 were from respondents working for private organisations, 20 from public, three from statutory, one other and two with no answers, as depicted in the following chart.

Type of Organisation 1999/2000



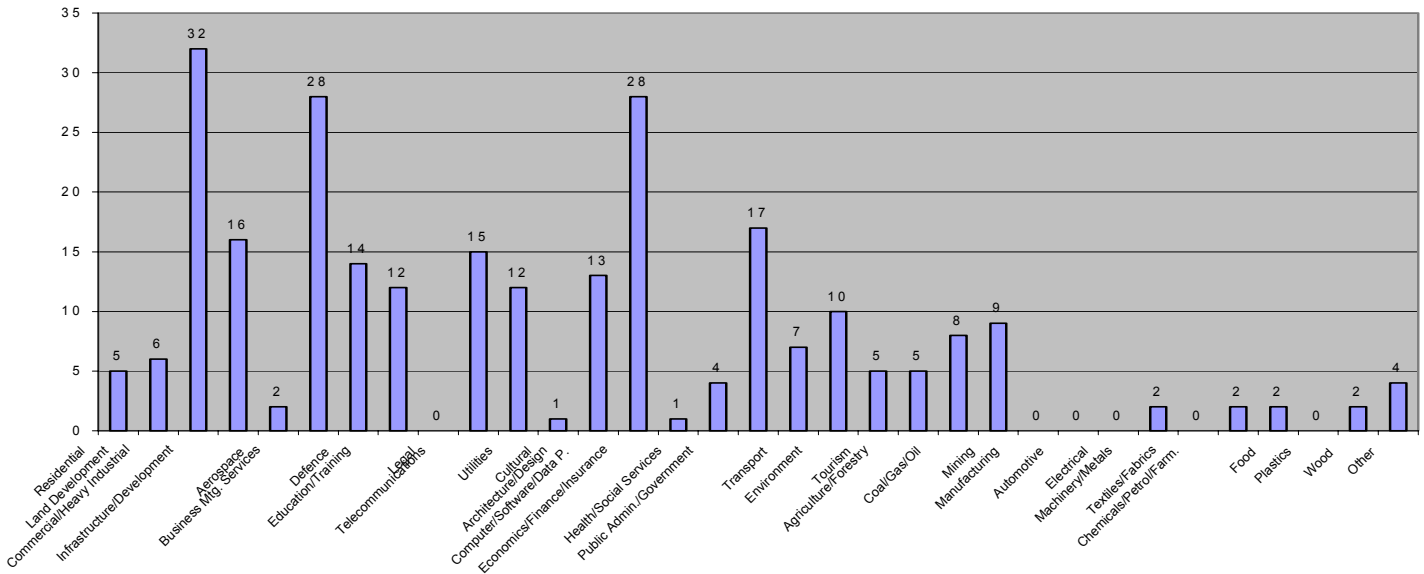
² Macquarie University. (1985) *The Macquarie Dictionary*. Australia. Macquarie Library Pty Ltd. pp 103.

Question 2: Tick the box(es) that best describe your organisation.

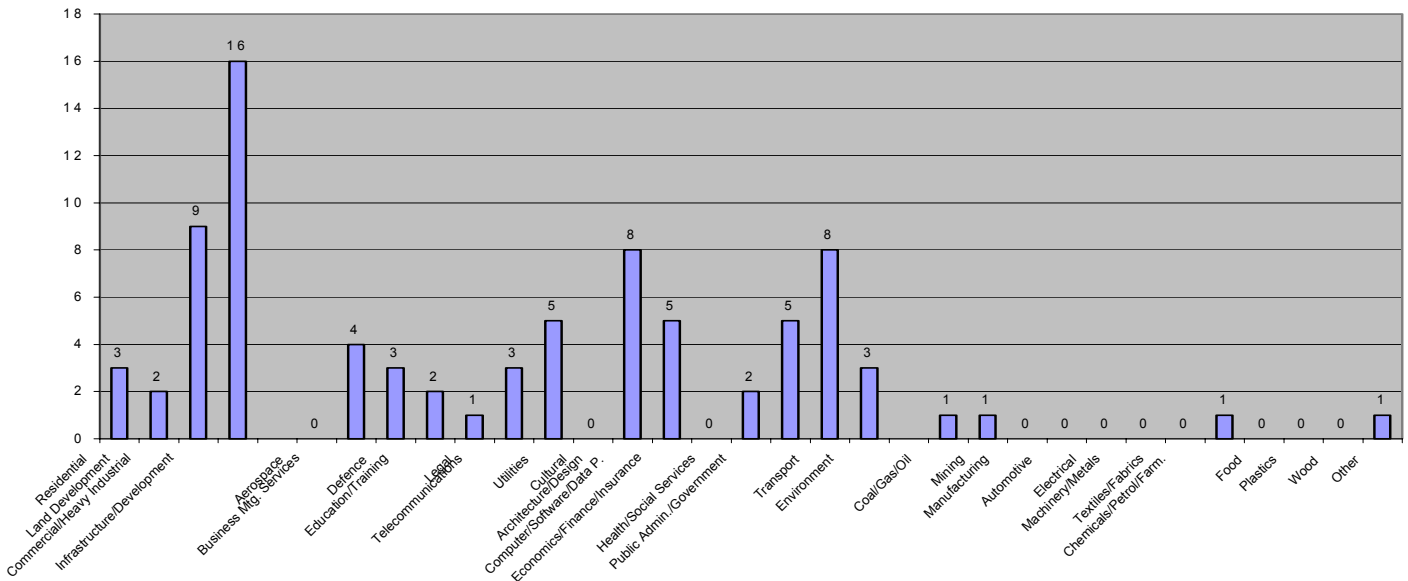
Survey Review

The following graph depicts the range in types of industries represented by the 106 respondents, with the number noted above each column.

Type of Industry 1999/2000



Type of Industry 1997/98



Question 3: Describe the scope of services offered by your organisation?

Survey Review

The following table details the responses from 104 of the 106 returned surveys.

1C	Computer hardware/software/services
2C	Systems integration, application development, technical services/help desk
3C	Marketing research
4C	Design and construction of plants for the mineral processing, environmental and chemical industries in Australasia
5C	Project management training and project facilitation to manufacturing industry
6C	Learning management, consulting, outsourcing, IT projects
7C	Project management, environmental engineering, engineering design, construction
8C	Protection/conservation of natural and cultural environment. Provide appropriate visitor infrastructure
9C	Processes including: acquisition, logistics, market testing and outsourcing, tendering and contracting
10C	Design and construction, program management
11C	Water, wastewater, drainage and irrigation
12C	Project initiation, project management, joint ventures, business analyst, due diligence reporting
13C	Engineering and maintenance consultant to mineral processing plants(gold and nickel). Project management/project engineering for plant upgrades and major shutdown works
14C	Systems integration
15C	Project management, contract management
16C	Water supply and sewerage system operation and maintenance plus asset creation
1E	IT solutions, implementation, management and maintenance aimed at SME.
2E	Project services, cost schedule/risk/admin/doc control/contract admin, commissioning services, software
3E	Consulting engineering in the main - seldom project management of late - we are engaged in building services engineering in the electrical discipline with expert witness and investigative remedial expertise
4E	Project management of all internal and external projects using PMBOK methodology. We do not sell our services as project managers but manage our projects utilising the PM methodologies
5E	IT outsourcing LAN WAN management
6E	Advise on: business mergers and acquisitions, organisational structures, project management, communications strategy
7E	Design, construction, program and project management
8E	Project management IT deployments etc. Computer sales and maintenance support
9E	IT solution providers
10E	IT infrastructure deployment, IT application development, IT consulting, Hardware and software procurement
11E	Project planning and cost control

Question 3: Describe the services offered by your organisation? (continued)

12E	MoveCorp provides consulting services to corporations that require professional support during periods of change within accommodation requirements
13E	State transport agency
14E	Project management, construction management, planning and scheduling, training, contractual advice, contract and claims management, now looking into software engineering management
15E	Design manufacture, installation, maintenance of railway signalling and associated systems
16E	Project management consulting
17E	Engineering design, integration, flight test, weapons and stores clearance from aircraft, training (both military and civilian), consulting, logistics support, aircraft operations, software design, development, and support
18E	Project Management, Quality Management, Strategic Information Systems Planning
19E	Systems integration, professional services
20E	Broad ranging consulting services
21E	Planning, consulting engineering, project management, environmental science
22E	Praxa Ltd is an IT Consulting company that specialises in delivering IT Solution to both the Private Sector and Government. Services include Outsourcing, Software Support, Software Development, Business and IT, Consulting, and System Integration
23E	Project Management Training, Project Management Consulting, Project Management of Defence Projects
24E	Project management training, consulting, mentoring for public sector clients, Earned value performance management training, consulting and mentoring, RegPM development advice, formative assessment, summative assessment
25E	Quantity Surveying services including cost planning, tender documentation, Pre and post contract administration to the construction, mining, engineering, Industrial, resources and infrastructure sectors
26E	As a Telecommunications giant, my organisation is providing various telecommunications and data services
27E	Full development and project management services from design, planning, implementation, commissioning and ongoing management
28E	Project mgt' manufacturing and food Ind. Design and manufacture equ. For above Ind.
29E	All Information Technology services to the private and public sectors, consulting, project management, relocation and asset management
30E	End to end telecommunications product solutions, including scoping of project, project managing marketing, telephone network, IP network, IT development, process engineering, training, customer trial and commercial launch activities
31E	National Broadband fibre services and content provision
32E	Electricity supply wholesale
33E	Road maintenance and construction
34E	Design, documentation and project management of public buildings
35E	Electricity supply - substation design and project management of construction

Question 3: Describe the services offered by your organisation? (continued)

36E	Construction management, engineering and design management, project management
37E	Secure electronic message and electronic services - specialising in the health industry
38E	Project, Development, Technical, Environmental, Civil & Construction Management Services
39E	Taxation matters, taxation policies and rulings, debt recovery, data matching, front office for client service, call centre, investigations, business analysts, training and development
40E	Project design, appraisal and review. Project evaluation environment and natural resource management
41E	Specialist design advice on athletic stadium design. General project management for commercial office buildings
42E	Consulting in IT sector
43E	Project planning, project scheduling, project administration, project management
44E	Telephony services over wireline and Mobiles. Data services over wireline and Mobiles. Internet service provider
45E	Professional Services including software for enterprise asset management in Defence, Government, Mining, Transport and Utilities
46E	Project management, consulting services in international development assistance, natural resource management, education & training, economics and finance, institutional strengthening
47E	Fuel, lubricants and related services
48E	Project planning and scheduling via centralised project office cells in all offices nationally. Numerous information sessions on project management philosophy. Data entry support for system reporting
50E	Provision of housing and infrastructure to remote Aboriginal communities comprising: application for funding, design and documentation, tender process, contract administration and site supervision
51E	Asset Management provides a corporate service function to the Ministry of Justice in the forward works planning, project briefing, project delivery, project management and ongoing maintenance and ultimately the disposal of physical infrastructure
1F	Information systems project management, information systems executive contracting
2F	Development and project management
3F	All project management , design, documentation and asset management, facility management services
4F	Professional consulting services
5F	Project management, needs analysis, systems audit, baselining, systems design, network services, remote monitoring, remote management, facilities management, help desk
6F	Variety of IT services from communication lines (including video conferencing) to systems analysis and design, software development, SAP bureau, e: commerce solutions, software support
7F	Project management
8F	Project management consultancy

Question 3: Describe the services offered by your organisation? (continued)

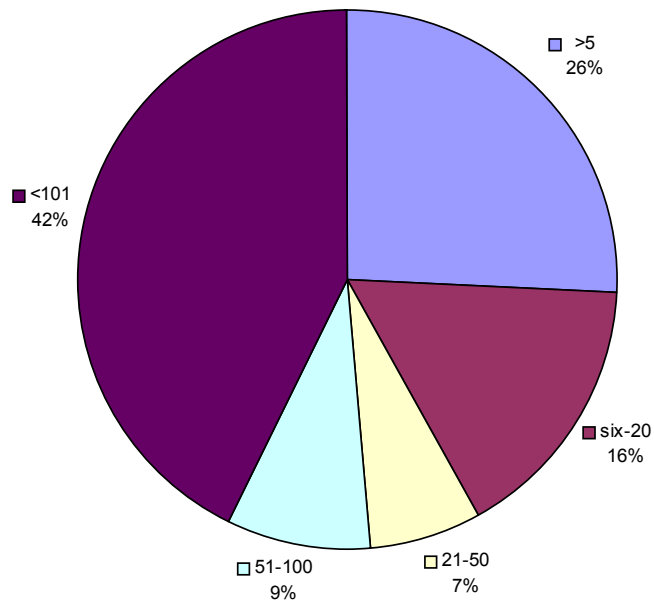
9F	Project management consultancy services: construction, engineering, contracts
11F	Development, project and construction, management of residential, commercial, industrial, retail, hotel and tourism projects
12F	Information technology services. Automation and control. Application services
13F	Development of project offices, development and marketing of application software, full range of project management services
14F	Product development, project, project management, project resources
15F	Project management
16F	Project management support and service, communications and knowledge management, software development and support
17F	Consulting engineers, building services, structural/civil/electrical/mechanical/hydraulic engineering, project management, facades, environmental
18F	Consulting, training, IT software sales
19F	Business management, marketing and business development, strategic human resource management, project management
20F	Consultants
21F	Preparation and procurement of real estate, development projects including management of consultants, marketing, design, construction, handover
22F	Project management governance/due diligence on behalf of board of directors, independent project review services
23F	Project management for Defence acquisition
24F	Constructions, design and construct, project management, cost planning
25F	Architectural services, project management services, energy management/audit consulting
26F	Capital asset design, procurement and management. Developing business models for asset management. Training
27F	Agricultural advisory, regulatory, chemical residual and disease, testing of plants and animals
28F	Supply of avionics, navigation and communication product to the Defence forces and other government bodies. Program management
29F	Business infrastructure solutions - property, facilities, technology, infrastructure, logistics
30F	Project management services - planning, scheduling, resourcing, controlling, due diligence activities for government, contract preparation, concept designs, engineering advice, environmental management
31F	Project management for the acquisition of a major Defence capability
32F	Management of briefing, planning, design and documentation, construction and commissioning principally of heritage buildings
33F	Project management in the operations maintenance and logistics field, asset management and maintenance management
35F	Government policy implementation, policy development, service delivery, emergency services fire, natural disaster
36F	Rail infrastructure construction and maintenance
37F	Financial and public policy advice
38F	Architecture/design services, construction management, project management, total project delivery
39F	High voltage switchyard construction

Question 4: How many employees/contractors work for your organisation?

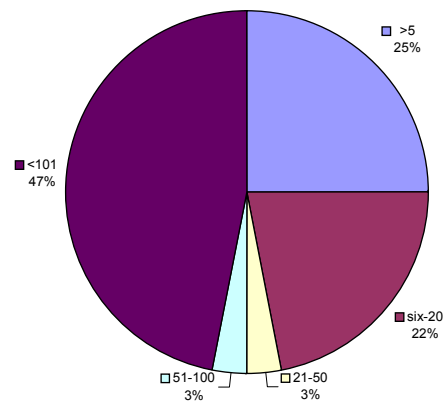
Survey Review

Of the 106 respondents, one did not answer, 27 worked in an organisation with less than five employees, 17 worked with between six and 20 people, seven with between 21 and 50, nine with between 51 and 100 and 45 respondents worked with over 101 employees.

Number of Employees 1999/2000



Number of Employee 1997/98



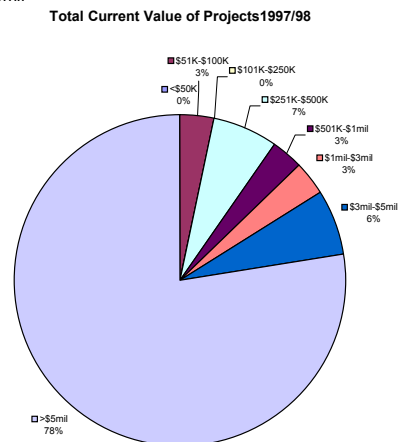
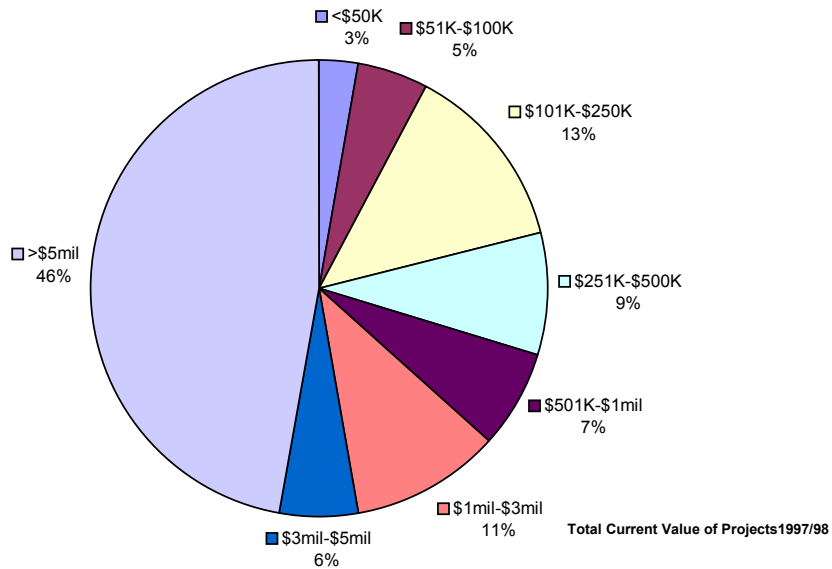
Question 5: What is your organisations' estimated annual turnover of projects?

Survey Review

The following table lists the number of respondents against each category, with the pie chart depicting the % value calculated against the total.

Estimated annual turnover	Number of respondents
<\$50K	3
\$51K-\$100K	5
\$101K-\$250K	14
\$251K-\$500K	9
\$501K-\$1mil	7
\$1mil-\$3mil	11
\$3mil-\$5mil	6
>\$5mil	49
No response	2

Estimated Annual \$ Turnover 1999/2000



Question 6: How does your organisation calculate the profitability of fees charged?

Survey Review

The following table details the responses from 86 of the 106 returned surveys.

1C	By calculating revenue, cost and risk
2C	Based on margin per labour hour
4C	Standard overhead % of project cost
5C	All labour charges - minimal costs. Breakeven analysis for service industry Vs industry standard
7C	Income - expenses
9C	An annual review of overhead of profit as aligned to employee professional and lifestyle objectives
10C	Cost minus revenue
11C	Separate profit centre
12C	True cost of completing commission kept. Budget is assessed weekly. Balance and profit
13C	On what the current market will bare. Fees structured to suit economic climate and vary by 20 - 30%
14C	By calculating gross margin of each engagement. Revenue-cost
15C	Profitability is controlled by market forces - supply of profits/ level of competition
16C	Records actual costs and applies a 1% margin on this expenditure (internal client) or a fixed fee for external clients
1E	Percentage and overhead markup. Percentage of software development costs
2E	Not calculated
3E	We do not charge fees but recover our cost in the overhead
4E	Based on actual time spent vs estimated time on a project
6E	Estimated total actual costs plus a profit margin
7E	Cost + overheads + margin
9E	Revenue less cost of sales
10E	Initial profitability is calculated based on gross margin on revenue. That is the direct costs of the project compared to the revenue earned. For example, if a project cost \$50K in direct costs and the revenue was \$100K, the margin would be 50%. 50% is the standard margin required on project services
11E	Market forces, by negotiation
13E	It doesn't. But we do have notional/internal charge out rates based on salary costs plus organisational overheads
15E	Fees are part of the overall fixed price for a contract
16E	Daily rates based on an income to cover expenses, profit and townsmen
17E	Remove all overhead costs (including Corporate G&A), all project costs, then divide the remaining figure by project revenue
18E	Sole practitioner
20E	Rule of thumb as a multiple of salary costs
21E	Margin = fee - costs
22E	On the basis of cost + margin
23E	Work on daily rate and assume at least 160 chargeable days per year per employee

Question 6: How does your organisation calculate the profitability of fees charged? (continued)

24E	Revenue – expenses + profit. All revenue in excess of expenses is paid to Directors superannuation. So profit = \$0
25E	Purely on a profit and loss accounting basis. No formal job costing system is in place
26E	Not known to me
27E	Varies. Depends on the size, contract type, services provided and client requirements
28E	Using normal cost accounting
30E	We don't charge fees to our internal clients, it is an internal service
31E	Industry benchmarks
33E	RTA Operations is the maintenance & construction arm of the RTA. We do not charge out fees as such
34E	Fee rates and agreed service with clients
35E	% margin on labour (oncosted and overheads applied)
36E	Confidential
37E	Key deliverables delivered on time, to cost and quantity
38E	Charge less cost
39E	Government directives
40E	Gut feeling
41E	My overheads are very low therefore most income is profit
43E	Job costing
44E	Project management is an internal service - we do not charge fees
45E	Nominal cost of individual + margin
46E	Base salary plus oncosts plus overheads plus agreed profit margin
47E	Complex accounting systems collect the costs, deduct from sales, deduct overheads and expenses till Net Income After Tax
48E	Please note, that our organisation costs our projects, but all costs are internal running costs and no monies are generated externally. All projects in total would have a total cost in excess of \$5 million, primarily from internal salary costs
50E	Fees less costs
51E	Cover direct costs
1F	Fees struck to cover costs inclusive of salary
2F	Income less management and staff costs, less general expenses
3F	By comparing actual income received against total costs, based on 2.9 multiplier
4F	Actual man-hours and costs against budget using standard hourly rates
6F	Based on income - costs - government contribution = profit. Each business area/unit may create costs charged differently
7F	By means of a computerised, tailored, cost management system
8F	Fixed hourly rate minus expenses
9F	Marketable value, application value
10F	Income less costs
11F	Time based or percentage fee
12F	Percentage of the contract sum
13F	Budgetary process
14F	Project performance, benchmarking, client company business profile

Question 6: How does your organisation calculate the profitability of fees charged? (continued)

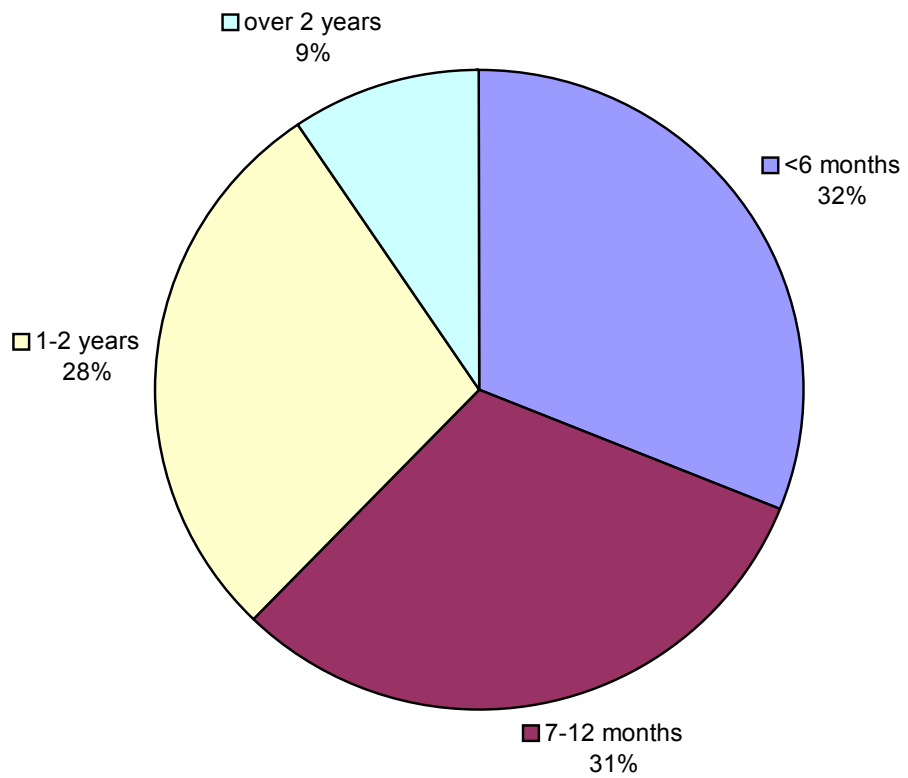
15F	Fixed sum, hourly rate
16F	We are an internal professional services group within a major public construction and development group. We are not a profit centre but work on a fee for services basis, with an agreed level of net cost to the parent company
17F	Charge out rates are used to determine fees - these have a certain component of profit built into them
19F	What the market or client will bare
20F	Fees priced at APS executive level 1 plus recovery of company overheads
22F	Non profit, costs not recoverable from client, cost centre collection only
24F	Actual cost plus margin
25F	Industry standards, general margins on all costs, accountancy information, regular reporting analysis and benchmarking activities
26F	We manage by projects. Our business system calculates project profitability based on AAS11 (accounting standard). We use hours to complete vs budget hours and actual to ascertain profitability
27F	Cost recover + 10%. Most projects - cost recovery for salary and equipment, sometimes overheads are not charged
28F	A G&A rate is calculated for the year added to the cost with management reserve and profit to determine a profit after tax percentage for each program/project
29F	Time sheet analysis and historical costing
30F	It doesn't
32F	From end of year profit
33F	% margin applied to tenders
35F	Industry benchmarks
38F	The crude method of hourly rates + overhead factor + % profit

Question 7: **What is the average duration of projects undertaken by your organisation?**

Survey Review

Of the 106 respondents, 33 worked on projects with an average duration of less than six months, 33 worked on projects for between seven and 12 months, 30 worked on projects for between one and two years, 10 worked on projects of over two years duration and 20 did not respond.

Duration of Projects



Question 8: *Provide a breakdown of major cost items and the % of the fee that is allocated to each?*

Survey Review

The following table details the responses from 55 of the 106 returned surveys.

	Cost Item	% of fee
1C	% fees not allocated to each. Need overall return of 39%	
6C	People	50
	Hardware/software	50
7C	Salaries and sub-consultants	85
	Overheads	15
8C	Project management	10
	Design	10
	Engineering assessment	5
	Construction	75
9C	Salary packaging	81
	Overhead	12
	Shareholder return	7
10C	Equipment and materials	60
	Labour	40
11C	Project management definition	25
	Project management design and construct	20
	Contract administration	55
12C	Labour	60
	Project overhead/admin	10
	Office overheads	10
	Profit	20
13C	Workers comp	4.5
	Professional indemnity	3
	Other insurances	2
	Superannuation	10
	Administration	2.5
	Salary	65
	Statutory overheads (including profit)	13
14C	People	90
16C	Project management	50
	Construction management (contract admin)	50
1E	Office overheads	2
	Insurance	2
	Taxes	2
2E	Design time	45
	Overheads	45
	Profit margin	10
3E	Technical consulting	25
	Installation/maintenance	35
	General administration	3
7E	Personnel cost	85
	Overheads	15

Question 8: Provide a breakdown of major cost items and the % of the fee that Is allocated to each? (continued)

	Cost Item	% of fee
10E	Project management Technical lead Engineers/developers	25 25 50
16E	Cost of sales Overheads Profit	72 21 7
21E	Salaries Local overheads Corporate overheads Travel	50 35 10 5
22E	Project Management Design Coding Testing Implementation	20 16 32 26 6
23E	Daily rate Travel	97 3
24E	Labour	100
25E	Labour	100
26E	Architecture Services consultants P&S	4 (% of prj. Cost) 3 6
27E	Travel/accommodation Admin/phone Insurance Advertising Rent Other Margin	20 30 10 6-8 2 10 20
35E	Major equipment Construction labour Design and PM	65 20 15
38E	Labour Travel Accommodation Overheads Insurance Oncosts	60 ++ ++ 25 5 10
39E	Analysis/research Design/build Test/implement Ongoing mopup	30 40 20 10
40E	Office running costs	15
41E	Consultancy income	100
42E	Consultant fee	100

Question 8: Provide a breakdown of major cost items and the % of the fee that is allocated to each? (continued)

	Cost Item	% of fee
43E	Labour	80
	Misc costs	20
44E	IT systems	50
	Network infrastructure	40
	Training/manuals	10
45E	Software	80
	Services	20
46E	Salary	40
	Oncosts	20
	Overheads	25
	Profit	15
48E	Internal salaries	80
	Externally engaged experts	5
	Administrative	10
	Miscellaneous	5
49E	Lecturer	40
	Admin/management	5
	Equipment	10
	Goods and services	20
	Materials	5
	Levy to institute	20
50E	Travel	15
	Printing, plotting and stationery	5
51E	Staff costs	60
	Accommodation	20
	Vehicles	10
	Miscellaneous	10
1F	Overheads	5
	Salary	95
2F	Management	50
	Staff	20
	General expenses (including rent)	30
4F	Staff	80
	Overheads	10
	Profit	10
8F	Vehicle	20
	Office and equipment	15
	Training	15
	HR/wages	50
9F	Directors' salary	40
	Operating expenses	30
	Gross margin	30
12F	Labour	60
	Materials	10
	Services	10
	Project management	20

Question 8: Provide a breakdown of major cost items and the % of the fee that Is allocated to each? (continued)

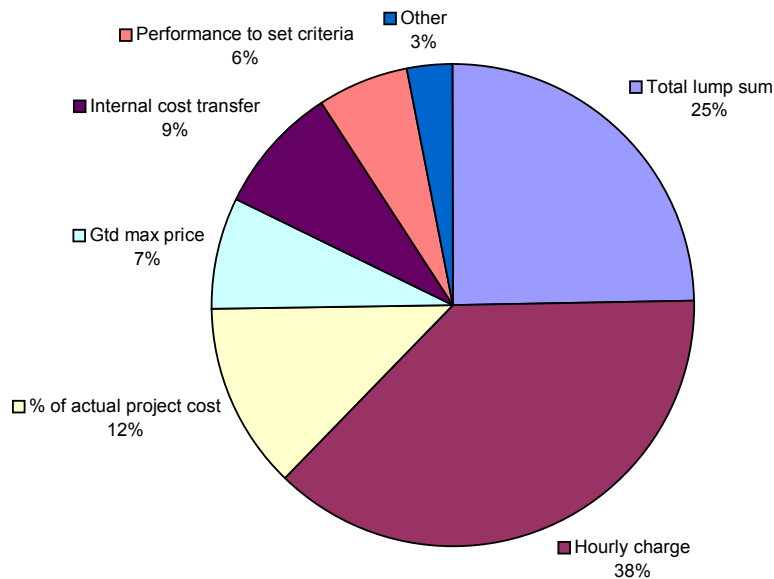
	Cost Item	% of fee
14F	Resources	100
	Materials	110
17F	Salary charge out	99
	Production costs	1
19F	Labour hours	80
	Travel	5
20F	Salary	170
	Super	1
	Communications	10
	Admin	10
	Seminars	10
21F	Total project value	2 - 4
22F	Salaries	46
	Travel and accommodation	26
	Project expenses	28
	Other	5
26F	Project management	1-3
	Superintendent	1-3
	Design services	5-9
27F	Travel and accommodation	20
	Salary	80
29F	Labour	70
	Rents, cars	20
	Capital assets	5
	Projects	5
33F	Personnel	10
	Material	10
35F	Salary	53
	On costs	25
	Accommodation	10
	Disbursements	3
	Hire of equipment	9

Question 9: How does your organisation charge for project management services?

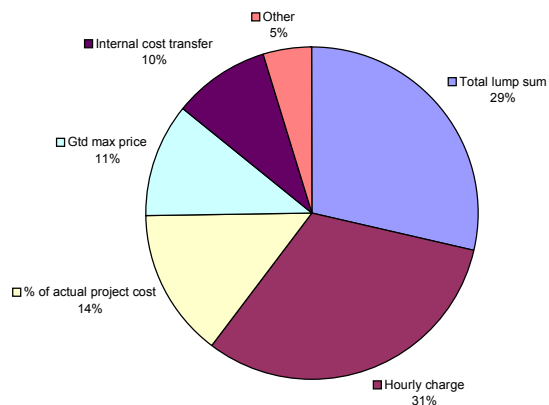
Survey Review

In responding to this question, several supplied more than one option for payment of fees. The favoured choice of 61 respondents was to charge on an hourly basis, followed closely by 40 using total lump sum, 20 charging a % of the actual project cost and the remaining three options closely aligned: guaranteed maximum price with 12, internal cost transfer with 14 and performance to set criteria with 10.

Type of Fee Arrangement 1999/2000



How Project Management Services are Charged 1997/98



Question 10: If your organisation does not charge an hourly rate, how do you calculate effort?

Survey Review

The following table details the responses from 39 of the 106 returned surveys.

1C	We estimate based on history
8C	Proportion of project managers' time allocated to each project in \$ divided by project cost
9C	As a function of 25% of a day
10C	Budget hours against actual hours. Budget sub-contractors cost against actual cost. Budget materials against actual cost of materials
12C	Time records kept
14C	Knowledge of work and history
16C	Record actuals and record in data base
6E	In man days/month
7E	Hours are estimated and accumulated to a lump sum price after which overheads and margins are applied
15E	Estimate hourly rate and include in fixed price
17E	Work out estimated effort, add contingency and bill fix and firm
19E	25% of hours calculated
22E	Estimation of Projects is determined from past history and specialist knowledge. Contingency is applied depending on confidence of estimate. Risk are identified and assessed and a Risk value established
28E	Cost plus
29E	Effort is measured from timesheets entered into the project and financial systems
30E	We have a time tracking system, everyone is required to enter the hours worked on each project. Even though it is internal cost transfer, we still charge an hourly rate
33E	As an overhead through timesheets
34E	With great difficulty
41E	Estimate the number of hours to complete the project multiplied by the appropriate hourly rate
43E	Historical basis
46E	Lump sum calculation based on estimated inputs for project to achieve performance indicators
51E	Quarterly level of effort surveys
2F	Bulk time per person
7F	We often need to carefully gauge market forces and define a minimum yet acceptable, scope of service based on this pricing policy
12F	Man hours x project duration x productivity
14F	Earned value, milestone targets
17F	We charge an hourly rate
19F	Hours consumed
21F	By looking at past experience - 2-4% of total project value
22F	Actual costs
24F	Negotiated contract fee
25F	Cost cards record costs for each individual project - recording of all productive (chargeable time)

Question 10: If your organisation does not charge an hourly rate, how do you calculate effort? (continued)

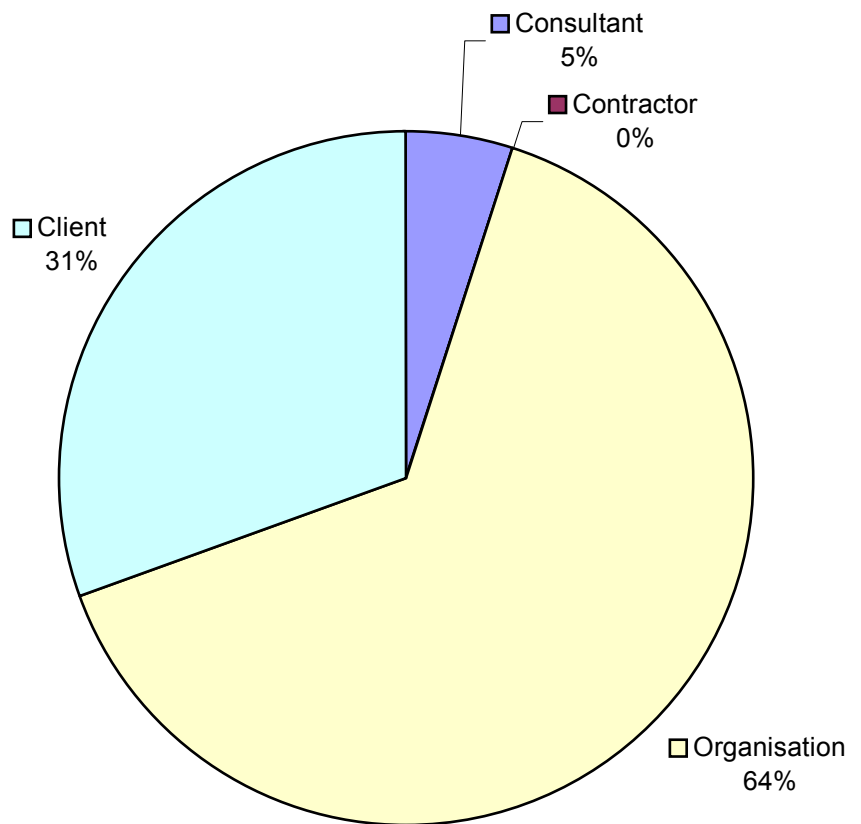
26F	Built up from hours/activity or devalued down from % to budget hours using employee charge rates
28F	Effort is calculated against a statement of work for each individual project
29F	Estimates based on historical records and guess as to what it has to reduce to so that we win the job
30F	Man years of effort
31F	By estimate - most projects are lump sum fee proposal
32F	Estimated in tender stage and fixed price offered
37F	Ley performance milestones and indicators

Question 11: Who determines the type of fee arrangement for each project?

Survey Review

The respondents overwhelmingly stated that their organisation set the fee arrangements, with 65 selecting this answer, 31 nominating the client, five the consultant and five not responding.

Fee Arrangement Decision Maker



Question 12: *Is there a difference in fees charged depending on the type of project? i.e., change management vs construction.*

Survey Review

Of the 106 respondents, 53 stated that there was no difference in fees charged on different projects, with 44 respondents charging various fees as the following table details.

2C	Time and materials projects versus fixed price projects
9C	Some projects involve incentive payments on success
10C	This depends on the nature of the contract. Some are fixed price, others are budget price, others are alliance type construction joint ventures
12C	Management consulting attracts higher fees than property related project management (Business analyst role = \$1200-\$1500 per day, property \$1000 - \$1200 per day)
2E	Degree of difficulty and level of service dictate rates for the hours engaged
4E	Straight forward implementation. Solution identification and implementation
6E	Fee depends on duration and probability of repeat work.
10E	We have different fee arrangements for government and corporate clients.
14E	Fee structure is agreed with client prior to work commencing and normally is included in our brief.
16E	Different skills are hired at different costs.
17E	What market will bare.
20E	Long term projects may attract discount.
22E	All projects are Software Related. However, the type of project (Application development or Integration etc.) will determine charge method.
24E	Hourly or daily rate depends on the length of the contract and my assessment of my risk.
25E	Construction is often on the basis of a percentage of project cost other services, such as strategic consultancy, are generally an hourly, daily or weekly charge.
27E	Usually differentiated by contractual conditions.
29E	Depends on the industry we work to e.g. SAP software is at a higher cost than others. The level of risk associated with different projects. Depends on the rates negotiated with each customer.
31E	Yes hundreds of variables involved in working out cost.
35E	Service for internal requirements (organisation funded). Service for external customer.
36E	Depends on difficulties and risk of the individual project.
39E	Some contracts are linked to deliverables but where there are no scoped out projects the services can be paid for on a monthly basis and not linked to any known deliverables.
40E	Depends on the nature of the job and the country in which I will be working.
41E	A higher hourly rate is charged for stadium design advice.
42E	Long-term project rates are lower if consultant is full-time.
47E	We are a multi national organisation and fees are charged according to many differing aspects.
1F	Short term, less than 6 months, long term greater than 6 months
2F	Each projects demands are assessed
4F	Fees directed to "industry" or "client" known market price

Question 12: Is there a difference in fees charged depending on the type of project? i.e., change management vs construction. (continued)

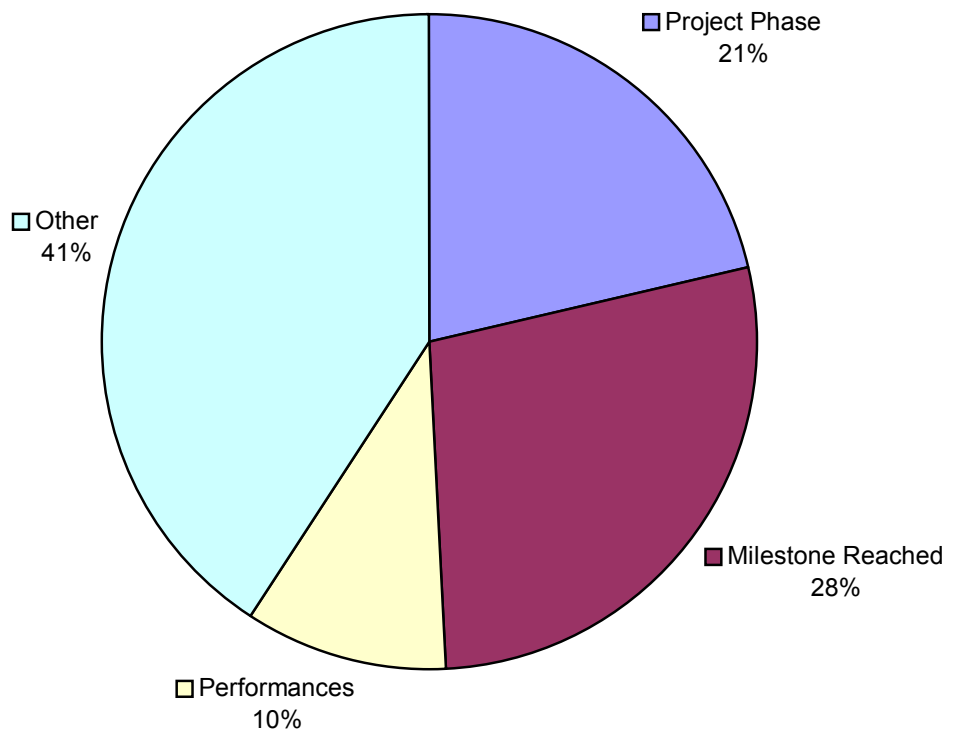
6F	Construction is external work, change management is internal work
7F	Depends on sector in which we are working, strength of relationships and personal contacts
9F	Paralegal works \$90 - \$110 p/hour, construction engineering \$45 - \$90 p/hour, Other \$40 - \$100 p/hour
11F	Degree of difficulty, scope of work, client brief etc
13F	We are an IT based PM company and fees depend on the complexity of the spec
16F	Fee depends on composition of team, hierarchical hourly charge rates, but correlation across various sections.
19F	Some clients like to see the pm costs reports from the project activities, others would complain because they would see pm as an extra.
24F	Subject to control conditions.
25F	Varies depending on complexity of projects.
26F	Size, complexity etc, (ie risk is factored) standard fee regime for normal projects, built up fee for non-standard projects.
28F	Product rates differ from Australian value added effort ie. project management, engineering, integration.
29F	CM fees are lower than feasibility studies. Reports are cheaper than full service.
30F	Is whatever the market will bare - negotiate with client.
31F	P and engineers on average cost half the cost of legal/financial/HR services.
37F	Horses for courses.
38F	Scope of work and specific circumstances.

Question 13: *How does your organisation determine when fees are to be charged?*

Survey Review

A large proportion of the respondents did not select a specific fee determiner, 40 using "other" as their choice, 30 when a milestone is reached, 23 at set project phases and 11 based on performance, noting several respondents chose more than one option.

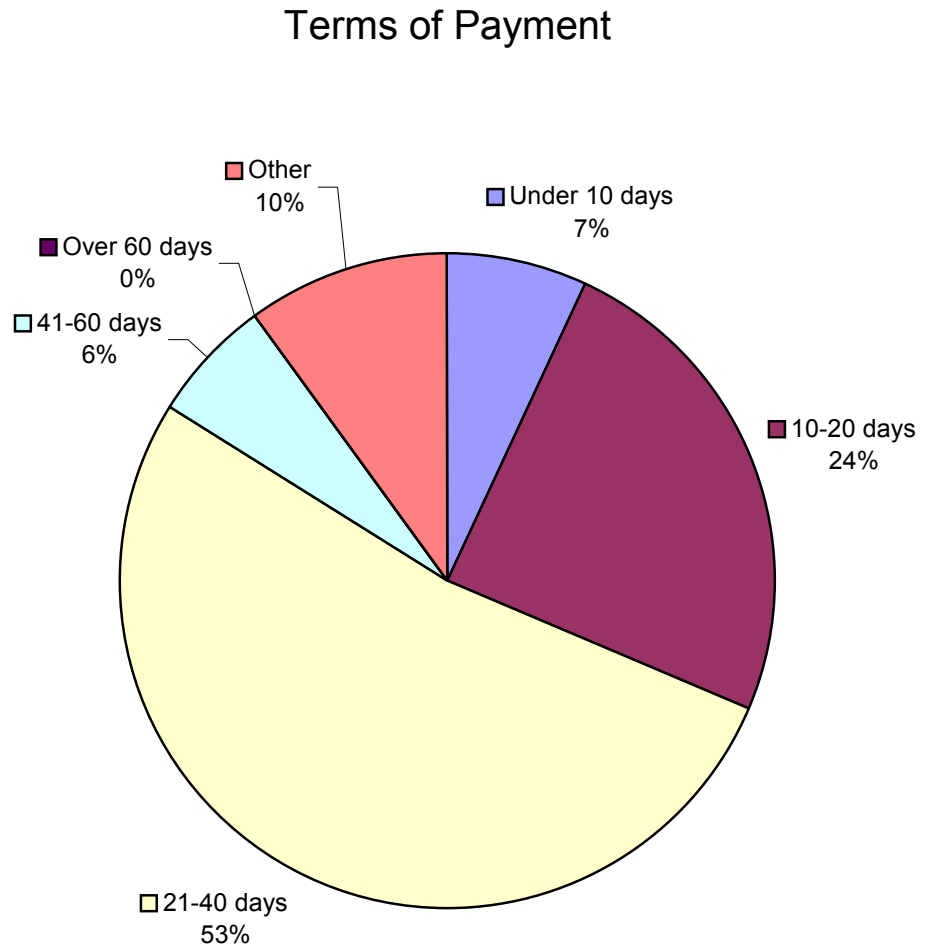
When Fees are Charged



Question 14: What are your organisations' terms of payment?

Survey Review

Of the 106 respondents, 52 expect payment within 21 and 40 days, 24 between 10 and 20, seven under 10 days and six between 41 and 60 days. The remaining respondents did not nominate a category, with 10 selecting other and seven not responding.



Question 15: Does your organisation charge fees based on differing levels of expertise?

Survey Review

The answers were split closely with 41 respondents not charging fees based on expertise and 55 responding affirmatively. Details of the different levels and the corresponding fees are listed below. This list is summarised in a chart, as are the results from the 1997/98 survey, after this table.

	Level Description	Fee Charged \$
2C	Almost every person and every skill category can have a different rate	
3C	Consultant Principal Consultant Project Manager	320 380 92
4C	Drafting and engineering support Basic engineering and PM services	Market rate Internal selling rate
6C	Project Management Senior Project Management/Consultation Infrastructure Consultant Support Administration	120 250 100 80 60
9C	Principal Consultant (inc. Management Consultant) Senior Consultant	900 - 1500 p/day 400 - 1000 p/day
11C	Senior project manager Project manager Contract admin Other	90 75 50 40
13C	Project manager Project engineer	47 42
14C	Project manager	95
1E	Managerial Technical	70-80 50-65
2E	Legal Principal involvement Designer/CAD work	200 130 65
4E	Project manager Engineer Maintenance/Installation engineer Software developers	140 110 75 85
10E	Project manager level I Project manager level II Project manager level III	70 120 150
12E	Project Director Project Manager Project Co-ordinator Project Supervisor	110 95 85 65

Question 15: Does your organisation charge fees based on differing levels of expertise? (continued)

	Level Description	Fee Charged \$
16E	Adviser short term (< 1 month) Adviser Project Consultant short term Project Consultant Project Consultant long term (>12 months) Specialist	1700 p/day 1350 1000 800 600 360
20E	Consultant	900 - 1600 p/day
21E	Professional Senior Professional Principal Professional Director Admin/Technical Staff	50-80 80-110 110-160 150+ 40-80
22E	Project Manager Senior Project Manager	1020 p/day 1120 p/day
23E	Principal consultant/Senior PM Senior Consultant/PM	1000 p/day 800 p/day
25E	Director Associate Senior Consultant Consultant Junior Consultant	150 120 85 75 60
35E	Depends on salary rate of personnel used.	
36E	Confidential.	
38E	Senior Project Manager Project Manager Construction Manager Engineer Architect QS/Cost Controller Planner/Programmer Supervisor/Tradesperson	100 - 125 80 - 100 80 - 90 70 - 80 70 - 80 40 - 60 40 - 60 25 - 40
41E	Stadium design advice General project management	85 65
43E	Project management Project planning Project scheduling Project administration	175 125 100 100
45E	Consultant Senior consultant Project manager Project director	1500 p/day 1650 1850 2000
46E	Project design/Team leader Senior consultant Junior consultant	1100 p/day 990 770
48E	For experts used by organisation, fees will vary. No figures can be provided here.	

Question 15: Does your organisation charge fees based on differing levels of expertise? (continued)

	Level Description	Fee Charged \$
1F	Project management Other	100 95
3F	National expert Regional expert Experienced PM	145 125 95
4F	Project director Principal professional Senior professional Professional Senior technical officer Senior drafter Drafter Support	165 125 110 90 85 65 50 40
5F	Project manager Project co-ordinator	180 100
7F	Senior project manager Project manager	130-150 80-90
8F	Project manager	80
9F	Engineering Paralegal Supervisory	50-80 90-110 45-70
12F	Business manager Project manager Principal engineer Engineer	200 160 130 115
13F	Principal consultant Senior consultant Consultant Junior consultant	1500 p/day 1200 p/day 1000 p/day 600 p/day
14F	Project manager Engineer Documentation person Technician Cost control Procurement	100 75 65 40 40 40
16F	Finder - Section manager Minder - Middle manager/project manager Grinder - Experienced engineer/specialist Graduate engineer Junior	120-165 100-130 85-100 50 50
17F	Graduate engineers Senior engineer/project manager Associate	65 85 115
19F	Senior pm Project officer	1000 p/day 500 p/day

Question 15: Does your organisation charge fees based on differing levels of expertise? (continued)

	Level Description	Fee Charged \$
25F	Managing director/principal	150
	Senior architect	120
	Architect	100
	Graduate architect/senior technician	80
	Technician	60
	Student	50
26F	Principal	150
	Senior	110
	Experienced	90
	Junior	80
	Graduate	65
	Admin	55
27F	Level 3	120
	Level 1	67
29F	Site staff	45
	Contract administrator	70
	Junior project manager	90
	Senior project manager	120
	Director/Associate director	150
30F	Level 1	1000 p/day
	Level 2	850 p/day
	Level 3	650 p/day
31F	Project director	150
	Project manager	110
	Project engineer	85
39F	Scheduler	45
	Project manager	80

Question 16: *Can you provide a list of the key responsibilities of each of the levels described above in Question 15?*

Survey Review

The following list of key responsibilities is an exact transcript of the respondents' answers.

	Level Description	Key Responsibilities
9C	Subject to project requirements	
13C	Project Manager Project Engineer	Total control of project - report direct client Report project manager or client
15C	Project Manager	Project management/ project director/contract administration
1E	Managerial Technical	Management/co-ordination/leadership Data gathering and analysis
2E	Not clearly defined in my organisation	
10E	Project Manager Level I Project Manager Level II Project Manager Level III	Very small projects Small and medium projects Very complex large projects or projects with difficult customers.
12E	Project Director Project Manager Project Co-ordinator Project Supervisor	Responsible for whole project Responsible for key tasks and day to day activities Responsible for implementation phase of project Responsible for physical supervision of work
16E	Advisor Project Consultant Specialist	Project definition, analysis and approval, communications planning and implementation, risk analysis, project auditing, integration management, procurement. Project planning, monitoring and controlling, Quality planning and assurance, role definition and project resource selection. Contract management, schedule management, cost control, milestone tracking, issues log.
22E	Project Manager Senior Project Manager	Manage small to medium sized projects to prescribed time, cost and quality. Manage medium to large projects with additional responsibility for staff mentoring and training.
23E	Principal Consultant/ Sen PM Senior Consultant PM	Provide high level advice to very large projects and senior staff. Work fully independently. Manage complex projects. Advise Project Managers of small to moderate size projects. Manage projects of moderate complexity independently.

Question 16: Can you provide a list of the key responsibilities of each of the levels described above in Question 15? (continued)

	Level Description	Key Responsibilities
25E	Director Associate Senior Consultant Consultant Junior Consultant	Overall office coordination, securing work Securing work, team leader on individual projects Team leader, day to day project work under supervision Day to day project work under supervision Training and day to day project work under supervision
35E	Project manager Construction PM Workpacket manager	Overall PM Various elements of construction Individual workpacket
38E	SPM PM CM Engineer Architect QS/Cost Controller Planner/Program Supervisor/Trades	Team Leader/Clients Representative/Project Control Project Control Construction & Quality Control Structural & Civil Design & Supervision Design & Detail Administration, Contracts & Cost Control Time & Resource control Project Supervision & Trade Works
41E	Stadium design Project management	Provide unique international expertise Provide advice from inception through to maintenance.
43E	Project management Project planning Project scheduling Project administration	Management the project team, client and scope Direct and finalise project plans Prepare and maintain detailed project schedules and reporting Establish and supervise the project administration, including project office
45E	Consultant Senior Consultant Project manager Project Director	Implement Software, train, business analysis Team Leaders Manage Project Manage Project Managers, Attend Steering Committees
1F	Project management Other	Systems deliver on time, in budget, in scope, in quality Schedule management
4F	Project director Principal professional Senior professional Professional Senior technical officer Senior drafter Drafter Support	Executive responsibility Senior project executive (leader) Project execution, discipline leadership Project execution Filed technical work Lead drafting, co-ordination Drafting Typing, clerical etc

Question 16: Can you provide a list of the key responsibilities of each of the levels described above in Question 15? (continued)

	Level Description	Key Responsibilities
5F	Project manager Project controller	Pre-sales, overall project responsibility, providing estimations (WB), product development Co-ordinating activities under PM guidance
6F	PO2 PO3 PO4 PO5 PO6	Programmer (graduate) Experienced programmer, systems analysis and design Team/group leader Unit manager Business manager
7F	Senior project manager Project manager	Supervise very complex projects and/or group of projects, supervise numerous subordinate pms' Supervise individual contract or multiple straight forward ones
9F	Engineering Paralegal Supervisory	Management, control, analysis, estimates Review, reports, opinion, critical analysis Management, negotiation, quality
12F	Business manager Project manager Principal engineer Engineer	Business management, analysis, administration, development, operations Project management, administration control, quality control, budgetary control, scope control Technical compliance, standards, procedures Engineering
14F	Project manager Engineer Documentation person Technician Cost control Procurement	Overall authority to deliver Technical responsibility All project deliverables Low level engineering effort Performance measurement Overall procurement
16F	Section Manager Middle Manager Grinders	Manage a group of specialist staff Business direction/growth Accountable for results, ideas, innovations Supervise staff Specialist technical work Ideas and innovation The 'doers' - complete the tasks to specified quality, time, cost.
17F	Graduate Engineers Senior Engineers/PM Associate Principal	Design, contract admin Certifier, design Project Leader Responsible for section, projects etc.

Question 16: Can you provide a list of the key responsibilities of each of the levels described above in Question 15? (continued)

	Level Description	Key Responsibilities
19F	Senior PM Project Officer	Responsible to client for time, cost and quality for a complete project with multiple stakeholders. "Gopher" - ensures planning and monitoring is done. Manages routine communication eg. project team meetings, agendas, minutes.
25F	Principal Senior Architect Architect Senior Technician Technician Student	Project director/key principal Project director/manager Project manager/team worker Team worker/subordinate Subordinate/apprenticeship -
27F	Level 1 Level 3	Advisory services - recent graduate Equivalent of 12 years experience, expertise to state level.
32F	Project director Project manager Project engineer	Client interface, strategic planning, project responsibility, marketing. Operational day to day with clients, contractors, financial management. Assists pm.
38F	Director Senior associate Associate Clerical	Overall, including policy Project management Support Clerical admin
39F	Scheduler Project manager	Cost control, schedule, change control. Integration of all project management processes. Overall responsibility for project.

Question 17: Do you believe fees charged by your organisation reflect the level of service provided and compare favorably with industry practices?

Survey Review

The majority of respondents, 74 in total, believe that fees charged are in line with industry practice, however 19 did not agree providing the following explanations:

10C	Clients keep coming back although fees are not the only (or even the most important) criteria by which contracts are judged.
13C	Contract pricing very competitive in mining industry and margins dramatically reduced to remain competitive.
15C	Firm is based in the country.
7E	Note that it is not always possible to obtain a good idea of what others charge. We believe that providing "smarts" in the submission helps setting us apart from others.
10E	The Adelaide government market does not pay industry standard prices and my organisation does a lot of work for the government. Adelaide in general is 15-20% below the Sydney and Melbourne markets for IT fees. My organisation is only just starting to understand project management as a value add service.
12E	As our form of PM is specialized it is difficult to compare rates however we have worked from these rates for several years to ensure continuity of work.
17E	However I think that other industries (such as change management and the big six, are much higher, and not justifiably so, than us.
22E	From what I have seen of the fees charged, I believe Praxa Ltd do not charge the high level of fees for Project Management generally seen in the IT industry.
23E	We are a small company and prices reflect our low overheads. We believe we provide an equal standard of performance to the large companies, but at a lower price.
30E	N/A, we are a group providing internal project management services to our client departments.
34E	Too cheap!
50E	Commissions are obtained as a result of competitive Tendering. Clients are not skilled in assessing fee proposals and their funding bodies are of little or no help. Fees for the above described services are often as low as 3%.
3F	Generally higher than industry practice.
12F	Considered to be below industry norms.
16F	Note that being an internal professional services group no 'need' to make a profit, our rates reflect this.
22F	As we do not charge for the service, 'users' are unaware of the cost and benefit.
25F	Price cutting and tender fee bidding is damaging our industry. Poor understanding by client groups of quality vs value is one cause.
30F	I believe that the market in SA is so small that competition keeps the hourly rate down.
31F	Engineering and project management undervalued compared to other professional services.
38F	Highly competitive environment.

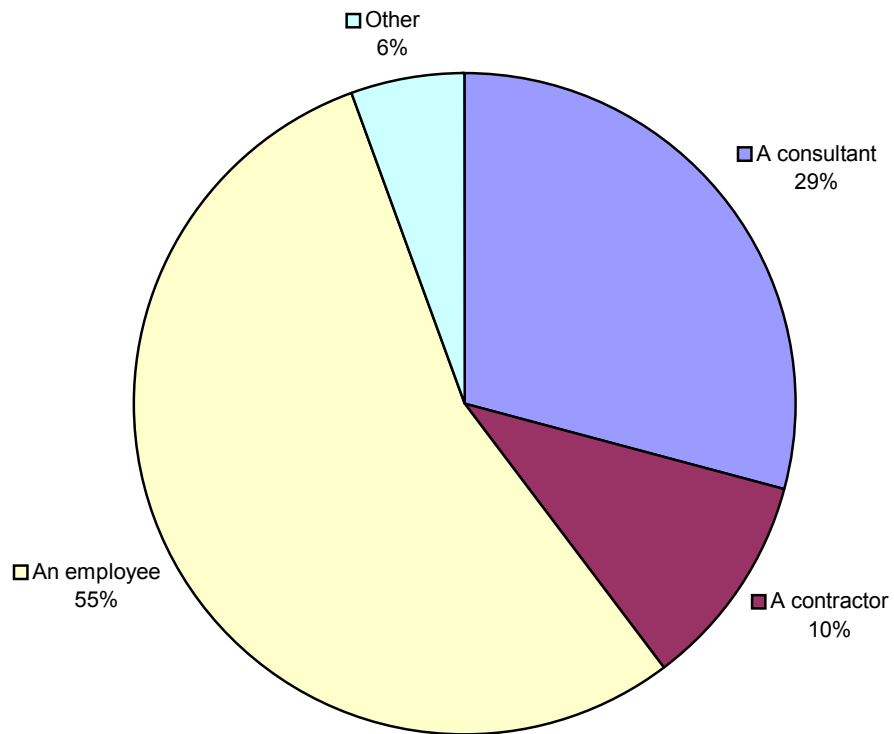
2.2 Your Experience

Question 18: Are you:

Survey Review

Of the 106 respondents, 58 are employees, 31 are consultants, 11 act as contractors and six did not fit these categories.

Respondents' Role



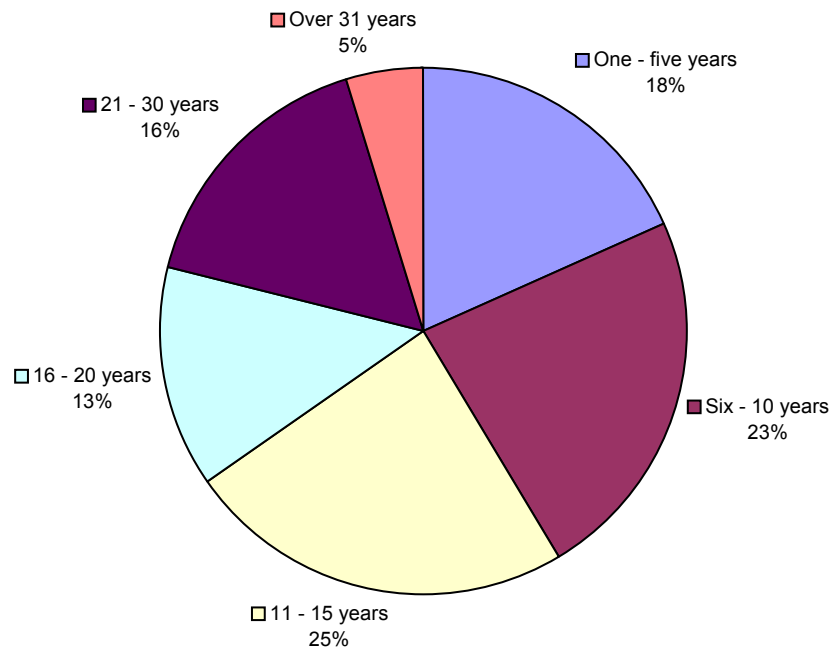
Question 19: How long have you been practicing project management?

Survey Review

There appeared to be a balanced spread of time spent practicing as a project manager with the following table and chart providing the detail.

Years as PM	Respondents
One - five years	19
Six - 10 years	24
11 - 15 years	25
16 - 20 years	14
21 - 30 years	17
Over 31 years	5

Time in Project Management

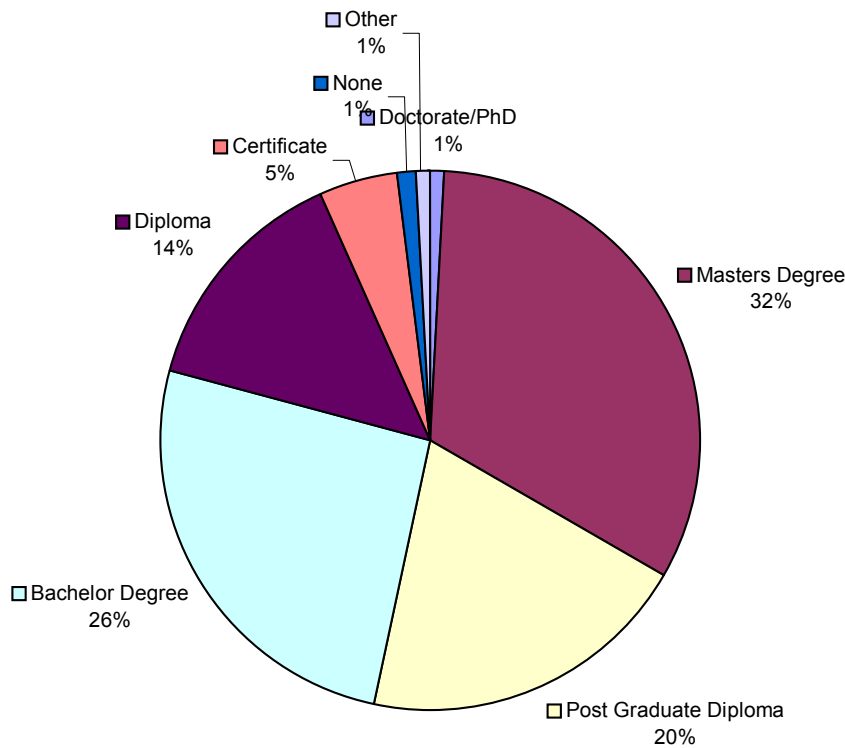


Question 20: What is your highest qualification?

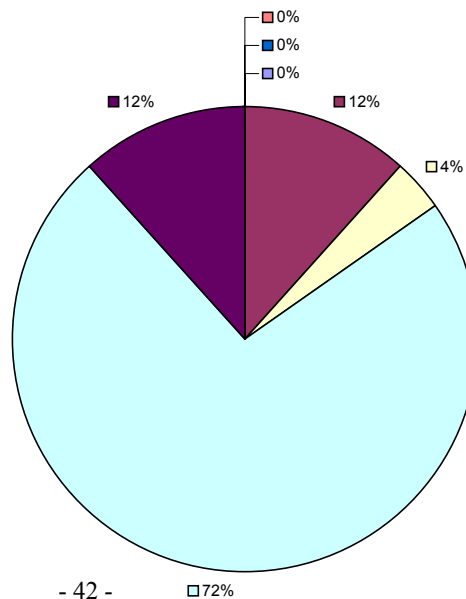
Survey Review

All but two respondents answered this question, with a majority band having either a Masters Degree (34), a Bachelor Degree (27) or a Post Graduate Diploma (21). Of the remaining respondents one held a Doctorate/PhD, 15 held Diplomas, one held a Certificate and one had no formal qualifications.

Respondents' Educational Qualifications 1999/2000



Employee Qualifications 1997/98



Question 21: *Are you a member of the Australian Institute of Project Management?*

Survey Review

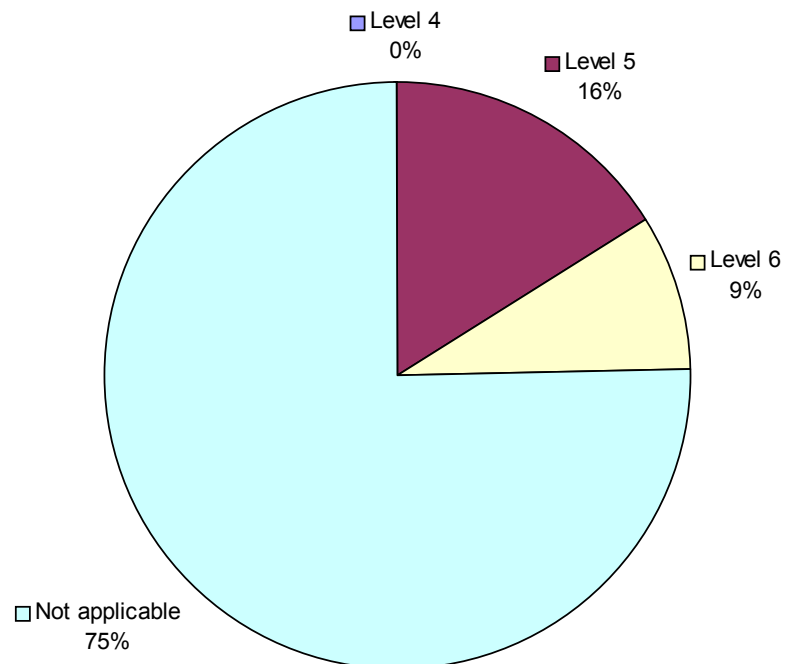
As the survey was sent to AIPM members and delegates attending the AIPM conference the majority of respondents (96) are members, five are not and five did not answer.

Question 22: *Have you achieved any of the following Registration Award Levels (RegPM) for Project Managers?*

Survey Review

Of the 106 respondents, understanding 96 are AIPM members as highlighted in question 21, 13 have attained Level 5 of the RegPM and seven have reached Level 6.

RegPM Attainment



2.3 About You

Question 23: Gender

Survey Review

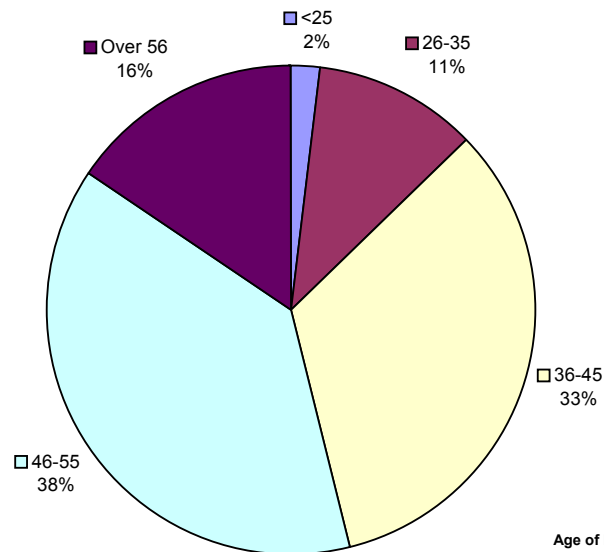
The 1999/2000 fee survey had a larger representation of female respondents, at 18, than in the 1997/98 fee survey, being one. However, the vast majority of respondents in both surveys were male, 84 in the 1999/2000 survey and 31 in the 1997/98 survey.

Question 24: Age

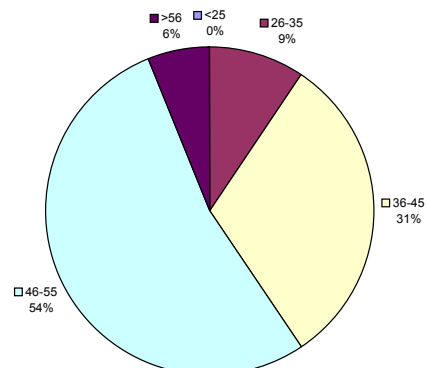
Survey Review

Of the 106 respondents the largest proportion were aged between 46 and 55 (39), followed closely by the 36 to 45 age group (34). The remaining age groups had a smaller representation of the respondents, with two under 25's, 11 aged between 6 and 35 and 16 over 56 years of age.

Respondents' Age 1999/2000



Age of Employees 1997/98



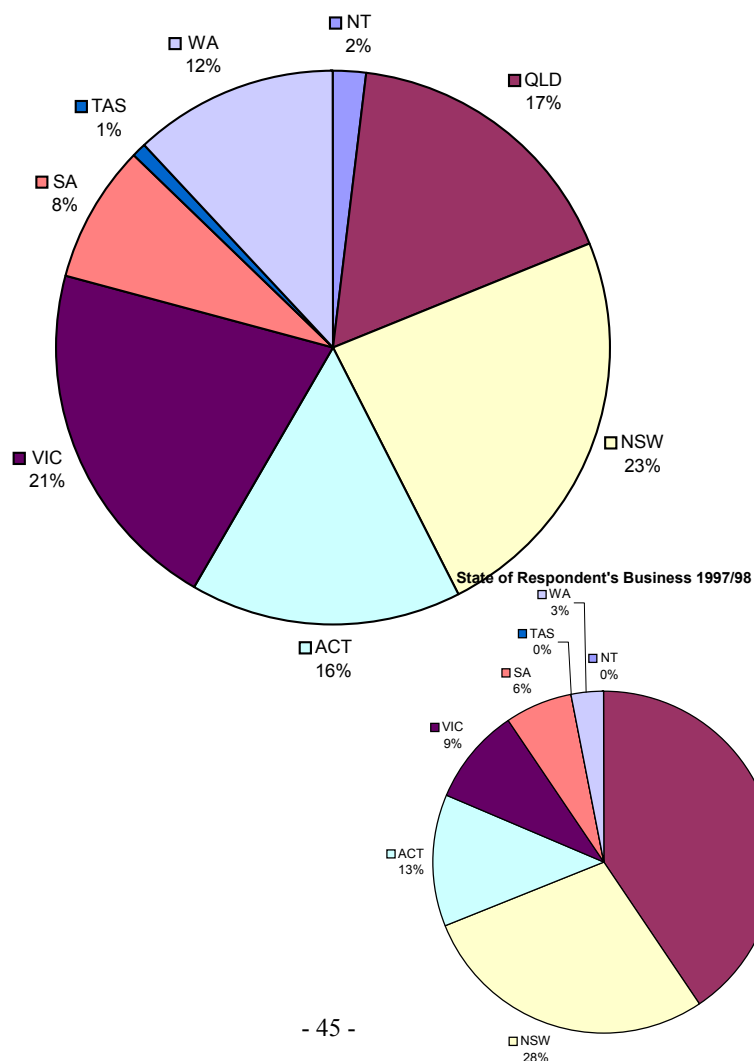
Question 25: What is the state of your usual place of residence in Australia?

Survey Review

All states of Australia were represented in the 1999/2000 fee survey, which did not occur with the 1997/98 survey, as detailed in the table and charts below.

STATE	1999/2000	1997/98
NT	2	0
QLD	17	13
NSW	24	9
ACT	16	4
VIC	21	3
SA	8	2
TAS	1	0
WA	12	1

Respondents' Place of Residence 1999/2000



Question 26: What is your job title?

Survey Review

The following table lists the exact responses from those who answered this question.

1C	Project Director
2C	Project Manager
3C	Senior Project Manager
4C	Manager Contracts
5C	Director
6C	Project Manager
7C	Project Manager
8C	Project Manager
9C	Managing Consultant
10C	Engineering Manager
11C	Manager Project Management
12C	Project Director/Company Director
13C	Project Manager
14C	Project Director
16C	Principal Project Manager
1E	Technical Director
3E	Engineering/projects manager
4E	Technology Consultant
5E	Facilities Manager Southern Region
7E	General Manager Project Services
8E	Project Manager
9E	Project Manager XX Project
10E	Information Solutions Manager - Projects
11E	Project Consultant
13E	Project Manager
14E	Senior Consultant
16E	Managing Director
17E	General Manager
18E	Principal
19E	Project Manager
21E	Principal Project Manager
22E	Development Manager
23E	Managing Director
25E	Manager Engineering Projects
26E	Contract Manager
27E	Project Development Manager
28E	Director
29E	Project Manager
30E	Project Manager
31E	Facilities Manager
32E	IT Project Manager
34E	Project Manager
35E	Substation design engineering officer
36E	Project Manager

Question 26: What is your job title? (continued)

38E	M.D./Senior PM
39E	Test Manager
40E	Director and Principal Consultant
41E	Principal
42E	PM Consultant
43E	Director
44E	Program Manager
45E	State Manager
46E	Director
47E	Maintenance Systems Coordinator
48E	National Systems and Projects Coordinator
49E	Educational Manager
50E	Proprietor
51E	Director Asset Management
1F	Project Manager
2F	Director
3F	State Manager
4F	Principal Project Manager
5F	Project Manager
6F	Project Manager
7F	Project Manager
8F	Project Consultant
9F	Project Specialist - Electrical
10F	Director
11F	Director
12F	Senior Project Manager
13F	Principal Project Management Consultant
14F	Project Manager
15F	Project Manager
16F	Acting General Manager
17F	Graduate Engineer
18F	Senior Consultant
19F	Principal
20F	Director
21F	Development and project manager
22F	Manager Capital Developments
23F	Project Director
24F	Estimator/Contracts Administrator
26F	Client Manager
27F	Agriculture Environment Officer
28F	General Manager Govt Programs
29F	Project Co-ordinator
30F	Managing Director
31F	Director Electronic Warfare Projects - Ranges
32F	NSW Manager
33F	Manager Operations Maintenance and Logistics
35F	Director Capital Policy

Question 26: What is your job title? (continued)

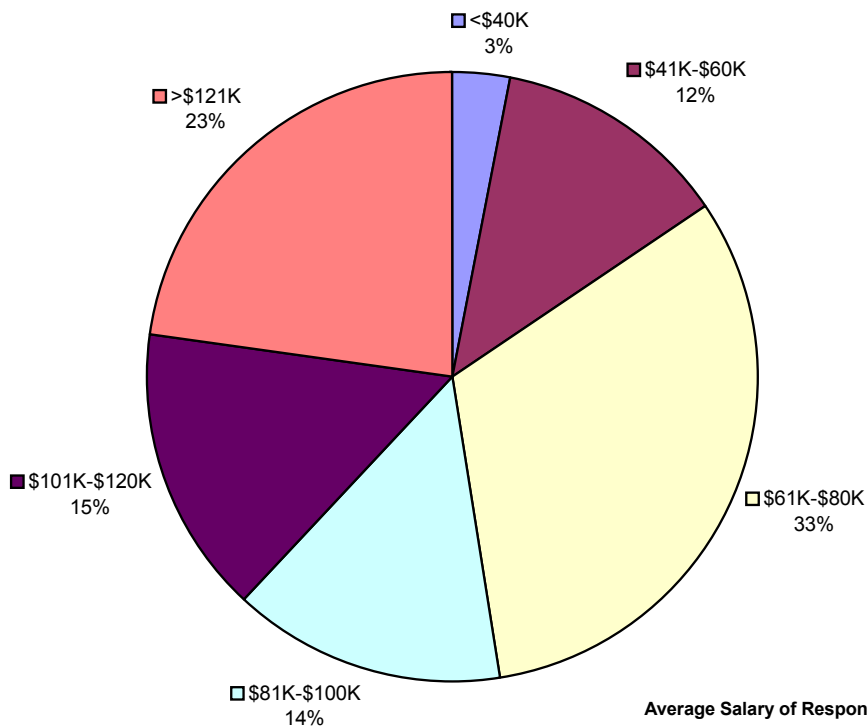
36F	Manager Infrastructure Construction
37F	Director
38F	M.D.
39F	Construction Superintendent

Question 27: What is your annual salary?

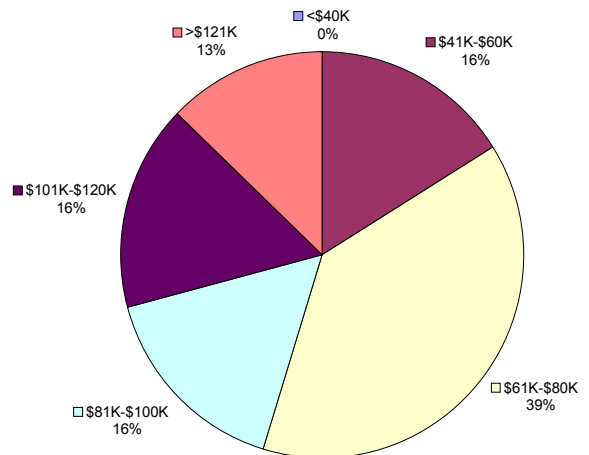
Survey Review

Only nine respondents did not answer this question, with the majority earning annually between \$61,000 and \$80,000 (31), followed by those earning over \$121,000 (22). In the next tier, 12 earn between \$41,000 and \$60,000, 14 earn between \$81,000 and \$100,000, 15 earn between \$101,000 and \$120,000 and three earn under \$40,000.

Respondents' Annual Salary 1999/2000



Average Salary of Respondent 1997/98

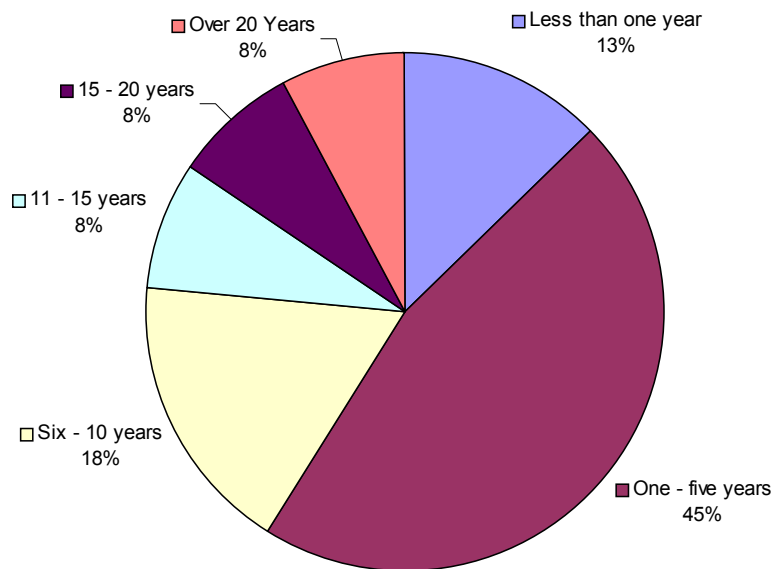


Question 28: How long have you been with/owned your organisation?

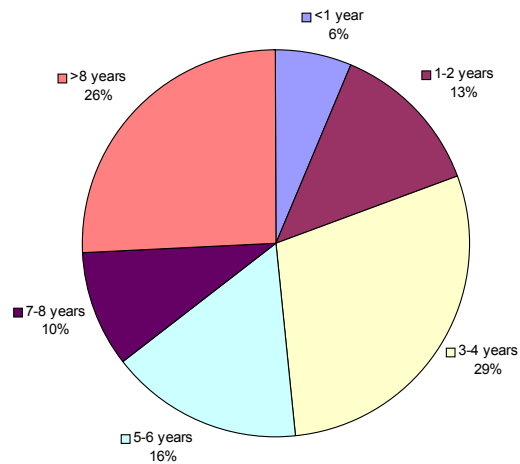
Survey Review

Of the 102 respondents out of 106 who answered this question, 47 have been with their current organisation for between one and five years, 18 for between six and 10 years and 13 less than one year. The remaining time brackets, from 11 to 15 years, 15 to 20 years and over 20 years all had eight respondents in each.

Length of Time with Organisation 1999/2000



Employees Time with an Organisation 1997/98

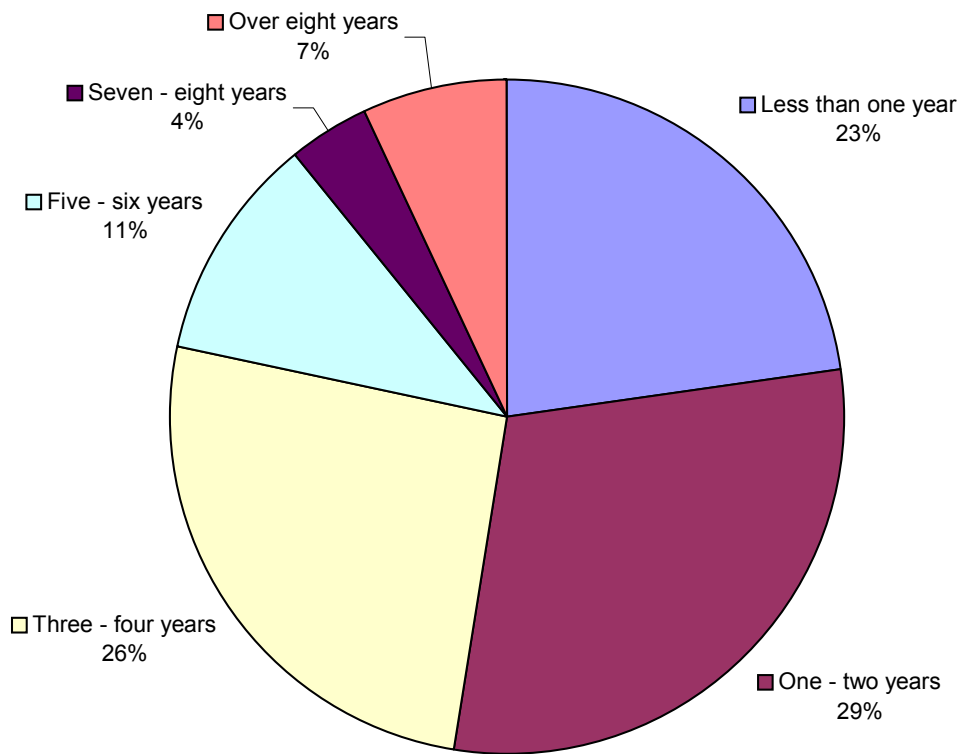


Question 29: How long have you been in your current position?

Survey Review

Of the 101 responses, four had been in their current position for between seven and eight years, seven for over eight years, 11 for between five and six years, 23 for less than one year, 26 for between three and four years and 30 for between one and two years.

Length of Time in Current Position 1999/2000



Section 3: Project Management Fee Insert

The insert for the AIPM publication "Fee Structures in Australian Project Management" is divided into two sections. Section 1 details the Australian Project Management Fee Structures for 1999/2000. This information was first published by the AIPM in June 1999 using research undertaken in 1997/98 for a Masters Degree thesis on project management fees.

Updating the 1997/98 hourly rates began with the identification, from the 1999/2000 fee survey, similar responsibilities to those detailed in the 1997/98 insert category "Seniority". At the same time, the corresponding fee charged for each particular level was reviewed and aligned to the National Competency Standards for Project Managements' (hereafter NCSPM).competency levels.

The NCSPM, developed by the AIPM as national standards for the Australian project management industry, 'cover competence at Australian Standards Framework [ASF] levels four, five and six...'.³ These three levels are those deemed appropriate to the project management profession.

The ASF provide a range from Level one to eight; levels one to three being purely functional and levels seven to eight covering high-level strategic decision-making. Levels four to six provide a measure of competency based on the appropriateness of independent judgement of the operator (project manager). These are defined in detail by the ASF⁴ as follows:

Level 4

Work is likely to be without supervision with general guidance on progress and outcomes sought. The work of others may be supervised or teams guided or facilitated. Responsibility for and limited organisation of the work of others may be involved.

Competency at this level involves the application of knowledge with depth in some areas and a broad range of skills. There is a wide range of tasks and roles in a variety of contexts, with complexity in the range and choice of actions required.

Competencies are normally used within routines, methods and procedures where discretion and judgement is required, for both self and others, in planning and selection of equipment, work organisation, services, actions and achieving outcomes within time constraints.

Level 5

Work is likely to be under broad guidance. The work of others may be supervised or teams guided. Responsibility for the planning and management of the work of others may be involved.

³ Australian Institute of Project Management. (1996) *The (Australian) National Competency Standards for Project Management*. Australia. AIPM. p. 1.

⁴ *ibid.*

Competency at this level involves the self-directed application of knowledge with substantial depth in some areas, and a range of technical and other skills to tasks, roles and functions in both varied and highly specific contexts. Competencies are normally used independently and both routinely and non-routinely. Judgement is required in planning and selecting appropriate equipment, services, techniques and work organisation for self and others.

Level 6

Work is likely to be under limited guidance in line with a broad plan, budget or strategy. Responsibility and defined accountability for the management and output of the work of others and for a defined function or functions may be involved.

Competency at this level involves the self-directed development of knowledge with substantial depth across a number of areas and/or mastery of a specialised area with a range of skills. Application is to major functions in either varied or highly specific contexts.

Competencies are normally used independently and are substantially non-routine. Significant judgement is required in planning, design, technical or supervisory functions related to products, services, operations or processes.

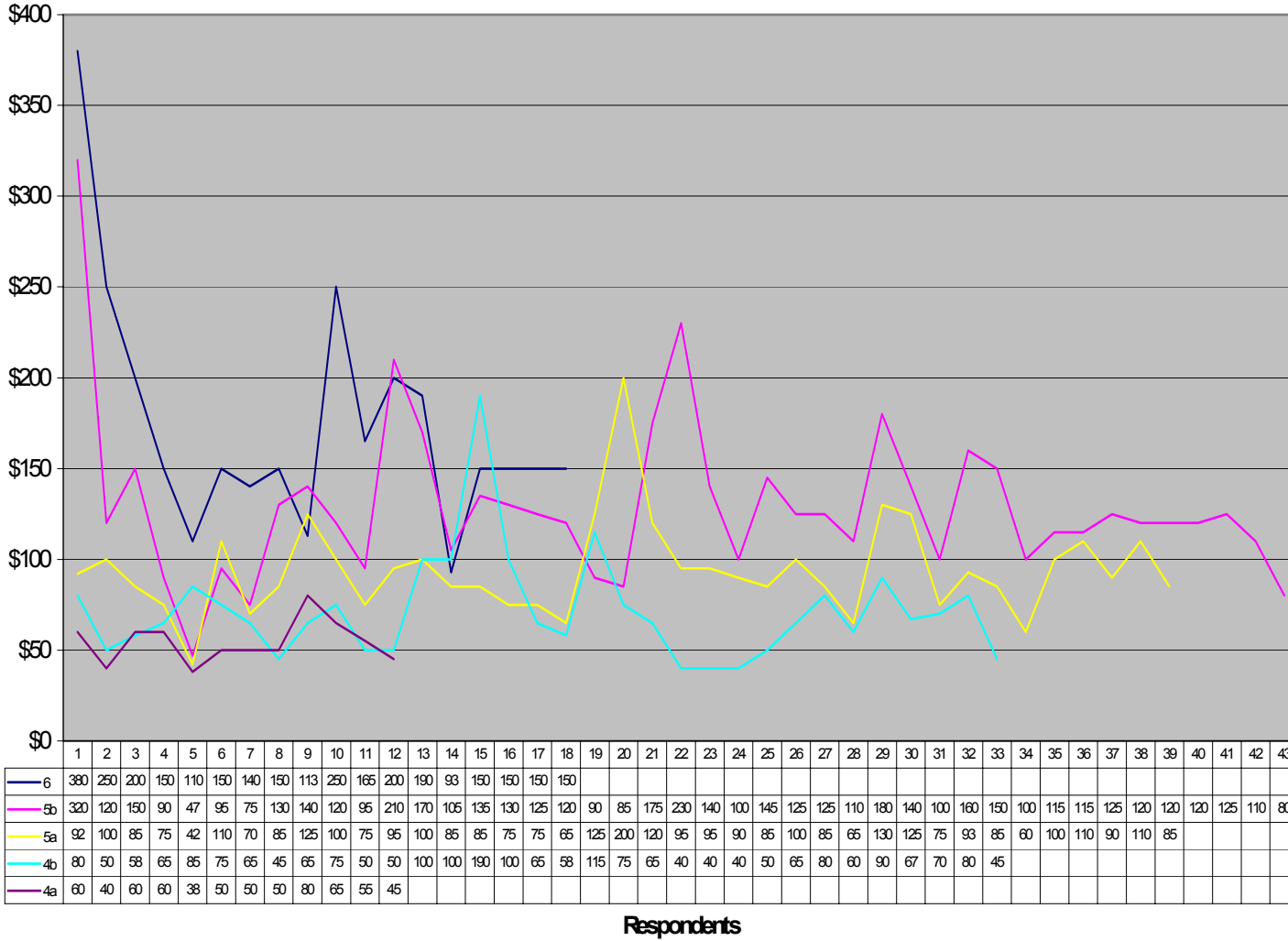
The detailed working tables that were used to align the information provided by the respondents on seniority and responsibilities to the above competency levels are detailed in Appendix C. The result of this analysis is the table on the next page which lists the respondents' hourly rates under the appropriate competency levels.

Respondents' Hourly Rates Aligned to Competency Levels

		Competency Levels				
		6	5b	5a	4b	4a
Hourly Rate \$		380	320	92	80	60
		250	120	100	50	40
		200	150	85	58	60
		150	90	75	65	60
		110	47	42	85	38
		150	95	110	75	50
		140	75	70	65	50
		150	130	85	45	50
		113	140	125	65	80
		250	120	100	75	65
		165	95	75	50	55
		200	210	95	50	45
		190	170	100	100	
		93	105	85	100	
		150	135	85	190	
		150	130	75	100	
		150	125	75	65	
		150	120	65	58	
			90	125	115	
			85	200	75	
			175	120	65	
			230	95	40	
			140	95	40	
			100	90	40	
			145	85	50	
			125	100	65	
			125	85	80	
			110	65	60	
			180	130	90	
			140	125	67	
		100	75	70		
		160	93	80		
		150	85	45		
		100	60			
		115	100			
		115	110			
		125	90			
		120	110			
		120	85			
		120				
		125				
		110				
		80				
Sub Total		3141	5562	3662	2358	653
Divide		18	43	39	33	12
Total		174.5	129.34	93.9	71.45	54.42

A graphical representation of the range in hourly fees for each competency level is also included on the following page to provide a visual representation of the above data.

Hourly Rates Aligned to Competency Levels



The final outcome of this comprehensive analysis is that the hourly rates have not varied since the research was undertaken in 1997/98. However, a note needs to be made that at the time the research was undertaken the Goods and Services Tax (hereafter GST) had not been introduced and as such the hourly rates do not include this new tax.

The second section of the insert provides information on project management knowledge areas and associated responsibilities. After careful review of this section, using the current "Project Management Body of Knowledge" (hereafter PMBOK), it was not thought to require any amendments.

Both sections follow on the next two pages and as outlined in the above statements are unchanged from the 1997/98 insert in the June 1999 AIPM publication "Fee Structures in Australian Project Management".

Australian Project Management Fee Structures – 1999/2000

The following information is based on the Project Responsibility Matrix developed by Chivonne Watt, using information supplied by the Australian and overseas project management community. For specific source details refer to the AIPM publication, *Australian Project Management Fee Structures – 1997/98*.

Hourly Rate	Competency	Seniority
\$50 - \$65	Level Four: Competencies are normally used within routines, methods and procedures where discretion and judgment are required, for both self and others, in planning and selection of equipment, work organisation, services, actions and achieving outcomes within time constraints.	Junior Consultant: Provide support to project team.
\$65 - \$80	Level Four: As above.	Consultant – Level 1, 2, 3 and 4: Provide knowledge, technical and professional skills to specific projects. Level difference based on work and educational experience, ie. Level 1: immediate role after junior consultant likely to be in final year of course; Level 2: newly hired graduate, no company experience; Level 3: newly hired graduate with two years company experience and technical ability improving; Level 4: minimal supervision and high expectations of quality.
\$80 - \$110	Level Five: Competencies are normally used independently and both routinely and non-routinely. Judgment is required in planning and selecting appropriate equipment, services, techniques and work organisation for self and others.	Senior Consultant – Levels 1 and 2: Provide mature industry knowledge, technical and professional skills and support specific projects. Level difference based on responsibility, ie. Level 1: high technical ability, minimum supervision, developing industry knowledge; Level 2 (higher than Level 1): only high level supervision by manager required, manage junior consultant, well developed industry knowledge.
\$110 - \$140	Level Five: As above.	Associate Director - Junior, Associate Director and Associate Director - Senior: Achieve company mission, goals and objectives. Role difference based on increased responsibility, ie. <i>Associate Director - Junior</i> : Manage 1-2 consultants, developing management skills, supervision only necessary when requested, budget control; <i>Associate Director</i> : as above with higher expectations and developing client base; <i>Associate Director - Senior</i> : fully developed management skills, maintaining established client base, higher budgetary expectations, manage increased level of experienced staff.
\$140 - \$200	Level Six: Competencies are normally used independently and are substantially non-routine. Significant judgment is required in planning, design, technical or supervisory functions related to products, services, operations or processes.	Director – Junior, Director, Director – Senior and Managing Director: To lead the company to achieve mission, goals and objectives nationally and internationally. Level difference based on years in a role and experience.

Project Management Knowledge Areas and Associated Responsibilities

The table lists key project management knowledge areas and the associated responsibilities required. These two categories are generic to the preceding information, namely the specific interdependence between a project manager's seniority, competency and hourly rate.

Knowledge area	Responsibility
Project Integration	<ul style="list-style-type: none"> • Project plan development. • Project plan execution • Overall change control. • Lessons learnt.
Project Scope Management	<ul style="list-style-type: none"> • Authorisation and scope planning: scope and business objectives; needs determination – stakeholder/product; project appraisal; project definition; analysis of options; go/no go decision. • Scope definition: translate approved concept into instructions for contractor. appraisal report – feasibility, risk and sensitivity, optimum solution. • Scope change control: inspection and test plans; manuals – procedures; commissioning brief. • Scope verification: client to receive and certify all work, including manuals. • Post project evaluation.
Project Time Management	<ul style="list-style-type: none"> • Activity definition and sequencing and duration estimating. • Schedule development using time management processes. • Time control. • Lessons learnt.
Project Cost Management	<ul style="list-style-type: none"> • Resource planning, cost estimating ($\pm 30\%$) and forecasting. • Cost budgeting ($\pm 10\%$). • Cost control ($\pm 5\%$). • Lessons learnt.
Project Quality Management	<ul style="list-style-type: none"> • Project quality plan. • Quality control of design, documentation, contracts and audits. • Quality control of purchasing and inspection and test planning. • Quality assurance of purchasing, process control, inspection and test planning, corrective and preventative action.
Project Human Resource Management	<ul style="list-style-type: none"> • Define project organisation and identify types and availability of resources. • Project organisational structure, conflict management and training. • Relationship management, resourcing, activity and leadership. • Review structure, reward team, career development and lessons learnt.
Project Communications Management	<ul style="list-style-type: none"> • Communications management plan and initial meeting management plan. • Prepare project definition report and manual, investigate legislative requirements, distribute information and install PMIS. • Prepare procedures manual and progress reports and maintain acceptable public profile. • Administrative closure, lessons learnt and review.
Project Risk Management	<ul style="list-style-type: none"> • Risk identification and consequences – time, cost, quality – risk table. • Risk quantification and response development. • Risk control. • Review risk control.
Project Procurement Management	<ul style="list-style-type: none"> • Procurement and solicitation planning. • Solicitation, source selection and contracts preparation. • Contract administration and dispute resolution. • Contract closeout. Finalisation.
Project Environment Management	<ul style="list-style-type: none"> • Physical and social strategy. • Environmental constraints. • Environmental impact study.

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Appendices

Appendix A: Project Management Fee Survey

Project Management Fee Survey

Thank you for taking the time to undertake this confidential survey. Please answer each question by placing a number in the box or as indicated. When you have finished the survey, please return e:mail it to Rachel Welsh at: rachel@aipm.com.au or fax to Rachel on: 02 9252 7077 before Friday 23 June, 2000.

YOUR ORGANISATION

1. Is your organisation:

1. Private Sector 2. Public Sector 3. A Statutory Body
 4. Other

2. Tick the box(es) that best describe your organisation.

Construction:

<input type="checkbox"/> Residential	<input type="checkbox"/> Commercial/Heavy Industrial
<input type="checkbox"/> Land Development	<input type="checkbox"/> Infrastructure Development

Services:

<input type="checkbox"/> Aerospace	<input type="checkbox"/> Architecture/Design
<input type="checkbox"/> Business Mgt. Services	<input type="checkbox"/> Computer/Software/Data Processing
<input type="checkbox"/> Defence	<input type="checkbox"/> Economics/Finance/Insurance
<input type="checkbox"/> Education/Training	<input type="checkbox"/> Health/Social Services
<input type="checkbox"/> Legal	<input type="checkbox"/> Public Administration/Government
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Transport
<input type="checkbox"/> Utilities	<input type="checkbox"/> Environment
<input type="checkbox"/> Cultural	<input type="checkbox"/> Tourism

Resources:

<input type="checkbox"/> Agriculture/Forestry	<input type="checkbox"/> Mining
<input type="checkbox"/> Coal/Gas/Oil	<input type="checkbox"/>

Manufacturing:

<input type="checkbox"/> Automotive	<input type="checkbox"/> Chemicals/Petrol/Pharmaceutical
<input type="checkbox"/> Electrical	<input type="checkbox"/> Food
<input type="checkbox"/> Machinery/Metals	<input type="checkbox"/> Plastics
<input type="checkbox"/> Textiles/Fabrics	<input type="checkbox"/> Wood
<input type="checkbox"/> Other	<input type="checkbox"/>

3. Describe the scope of services offered by your organisation?

4. How many employees/contractors work for your organisation?

1. Under five 2. Six – 20 3. 21 – 50 4. 51 – 100 5. Over 100

5. What is your organisations' estimated annual turnover of projects?

1. Under \$50K 2. \$51K - \$100K 3. \$101K - \$250K
 4. \$251K – 500K 5. \$501K - \$1 million 6. \$1million - \$3million

7. \$3million - \$5million 8. Over \$5 million

6. How does your organisation calculate the profitability of fees charged?

7. What is the average duration of projects undertaken by your organisation?

1. Less than six months. 2. Seven - 12 months 3. One - two years
4. Over two years.

8. Provide a breakdown of major cost items and the % of the fee that is allocated to each?

Cost Item	% of Fee	Cost Item	% of Fee

9. How does your organisation charge for project management services?

<input type="checkbox"/>	Total lump sum	<input type="checkbox"/>	Hourly charge	<input type="checkbox"/>	% of actual project cost
<input type="checkbox"/>	Guaranteed maximum price	<input type="checkbox"/>	Internal cost transfer	<input type="checkbox"/>	Performance to set criteria
Other					

10. If your organisation does not charge an hourly rate, how do you calculate effort?

11. Who determines the type of fee arrangement for each project?

1. A consultant 2. A contractor 3. Your organisations
4. Other

12. Is there a difference in fees charged depending on the type of project? i.e., change management vs construction.

1. Yes 2. No

If Yes, please describe the differences.

13. How does your organisation determine when fees are to be charged?

1. Project Phase 2. Milestone reached 3. Performance
4. Other

14. What are your organisations' terms of payment?

1. Under 10 days 2. 10 - 20 days 3. 21 - 40 days 4. 41 - 60 days
5. Over 61 days 6. Other

15. Does your organisation charge fees based on differing levels of expertise?

1. Yes 2. No

If Yes, please describe the various levels and the fees charged.

Level Description	Fee Charged

16. Can you provide a list of the key responsibilities of each of the levels described above in Question 15?

Level Description	Key Responsibilities

17. Do you believe fees charged by your organisation reflect the level of service provided and compare favorably with industry practices?

1. Yes 2. No

If No, please provide an explanation:

YOUR EXPERIENCE

18. Are you:

1. A consultant 2. A contractor 3. An employee
4. Other

19. How long have you been practicing project management?

1. One - five years 2. Six- 10 years 3. 11 - 15 years
4. 16 - 20 years 5. 21 -30 years 6. Over 31 years

20. What is your highest qualification?

1. Doctorate/PhD 2. Masters Degree 3. Post Graduate Diploma
4. Bachelor Degree 5. Diploma 6. Certificate
7. None 8. Other.....

21. Are you a member of the Australian Institute of Project Management?

1. Yes 2. No

22. Have you achieved any of the following Registration Award Levels (RegPM) for Project Managers?

1. Level 4 2. Level 5 3. Level 6 4. Not applicable

ABOUT YOU

23. Gender

1. Female 2. Male

24. Age

1. Under 25 2. 26-35 3. 36-45 4. 46-55 5. Over 56

25. What is the state of your usual place of residence in Australia?

1. NT 2. QLD 3. NSW 4. ACT
5. VIC 6. SA 7. TAS 8. WA

26. What is your job title?

27. What is your annual salary?

1. Below \$40K 2. \$41K-\$60K 3. \$61K-\$80K
4. \$81K-\$100K 5. \$101K-\$120K 6. Over \$121K

28. How long have you been with/owned your organisation?

1. Less than one year 2. One - five years 3. Six - ten years
4. 11 - 15 years 5. 15 - 20 years 6. Over 20 years

29. How long have you been in your current position?

1. Less than one year 2. One – two years 3. Three – four years
4. Five – six years 5. Seven – eight years 6. Over eight years

Thank you again for your time. If you would like to contribute more valuable information in a discussion workshop please provide the following information, noting your details will be kept separate to the completed survey, again to ensure strict confidentiality.

.....

Name:.....
Contact Address:.....
Phone: (BH).....E:mail:

.....

Please now return e:mail the survey to Rachel Welsh at: rachel@aipm.com.au or fax to Rachel on: 02 9252 7077 before Friday 23 June, 2000.

Appendix B: Project Management Fee Survey Proposal

Chivonne Watt

21 Meehan Road Cromer NSW 2099
Ph: 02 9981 1228 Fax: 02 9972 3961
E: mail: watt@senalink.com.au

31 May 2000

Leigh Cunningham
Executive Director
The Australian Institute of Project Management
National Administration Office
Level 9, 139 Macquarie Street
SYDNEY NSW 2000

Dear Leigh,

Project Management Fee Survey

To confirm our discussion on Monday 29 May, and the discussion I had with Mr Graeme Salt from Public Relations Partners, I have prepared the following submission.

Objective

To provide the AIPM with an opportunity to provide their member's with current market information on project management fee structures, benchmarked against Australian and overseas professions.

Situation Analysis

In 1997/98 a detailed survey of Australian project managers was undertaken as the basis of a thesis on project management fees. Using key sections from the thesis, a booklet was produced in June 1999 for the AIPM to sell, with an introductory article appearing in the June 2000 issue of the "Australian Project Manager". This topic was also presented at an AIPM seminar on 23 June 1999 and at the IRNOP Conference in Sydney on 5 January 2000.

To provide AIPM members with current information on project management fees, a second survey was sent to delegates attending the AIPM National conference in October 1999. Of the 250 surveys despatched, 16 were completed which did not provide the 10% minimum return for a valid survey base. To achieve the minimum requirement, a second dispatch was scheduled to take place before July 2000.

Strategy

To provide the AIPM with the information requested, a four-phase process is recommended, as follows:

Phase 1:

To achieve the minimum number of completed surveys to provide a valid base from which to report findings, a second distribution should take place. The survey recipients would be drawn from existing contact lists representing stakeholders who have previously indicated their interest in assisting with any further research. This survey of Australian project managers would form the basis of a report that would provide an update of the earlier survey undertaken in 1997/98.

Phase 2:

Benchmarking the information gathered on Australian project managers against industries with a similar infrastructure, service culture, qualifications and level of professionalism. These could include solicitors, accountants, architects, surveyors and engineers. By comparing the rates used by project managers against these other industries, it will be possible to determine if the project management profession is yielding similar rewards to other professions where the professional profile is similar.

Phase 3:

In today's economy it is almost mandatory to think globally, as well as locally. To assist Australian project managers understand how they compare, on a fee basis, with project managers from other industrialised countries, a global fee survey would be undertaken. The relationships that currently exist between the AIPM and these countries' professional associations would be utilised, in addition to the relationships developed in the process of the original thesis.

Phase 4:

To build another level of understanding into the global fee survey, Phase 2 would be replicated using the contacts surveyed in Phase 3. The information gathered would provide an even greater understanding of the global relationships between project managers and other similar professions. Both Phases 2 and 4 will provide the AIPM with a unique opportunity to develop sound business relationships with industries that have similar professional profiles in Australia and overseas.

Timing

To provide the AIPM with detailed reports on the surveys undertaken in the four phases above, a detailed timetable has been prepared and is attached.

Fees

Attached is a detailed proposal, noting that the regular hourly fee of \$100 has been reduced by 25% as recognition of the importance of working with the representative industry association.

If you have any questions or require further information, please contact me on 9972 3961 (office) or 9981 1228 (home).

Yours Sincerely,

Chivonne Watt

Enclosed: Timetable
Fee Proposal

Project Management Fee Survey Timetable - 2000

Activity	June				July					August				September				October					
	5	12	19	26	3	10	17	24	31	7	14	21	28	4	11	18	25	2	9	16	23	30	
Survey submission and approval by AIPM.																							
PHASE 1:																							
CW to produce survey and distribute.																							
CW to collate survey results.																							
CW to submit written and disk report on survey results.																							
PHASE 2:																							
CW to produce survey and distribute.																							
CW to collate survey results.																							
CW to submit written and disk report on survey results.																							
AIPM to prepare Phase 1 and 2 survey results document for sale.																							
Article summarising Phase 1 survey results and Phase 2 progress to be submitted for September issue of 'Australian Project Manager'.																							
CW to present Phase 1 and 2 survey results to AIPM members at September seminar.																							
PHASE 3:																							
CW to produce survey and distribute.																							
CW to collate survey results.																							
CW to submit written and disk report on survey results.																							

Activity	October					November				December			
	2	9	16	23	30	6	13	20	27	4	11	18	25
PHASE 4:													
CW to produce survey and distribute.													
CW to collate survey results.													
CW to submit written and disk report on survey results.													
AIPM to prepare Phase 3 and 4 survey results document for sale.													
Article summarising Phase 3 survey results and Phase 4 progress to be submitted for December issue of 'Australian Project Manager'.													
CW to present Phase 3 and 4 survey results to AIPM members at December seminar.													

Project Management Fee Survey Fee Proposal

The estimated project management fee to undertake the above project has been divided into the four project phases detailed under "Strategy":

Phase 1:

Reproduce surveys and distribute to Australian project managers. Collate results and submit report and disk to AIPM.

Estimate 50 hours @ \$75 an hour = \$3,750

Phase 2:

Produce new surveys and distribute to Australian industries with similar professional profile. Collate results and submit report and disk to AIPM.

Estimate 70 hours @ \$75 an hour = \$5,250

Phase 3:

Produce new surveys and distribute to overseas project managers. Collate results and submit report and disk to AIPM.

Estimate 70 hours @ \$75 an hour = \$5,250

Phase 4:

Produce new surveys and distribute to overseas industries with similar professional profile. Collate results and submit report and disk to AIPM.

Estimate 70 hours @ \$75 an hour = \$5,250

Payments will be due at the completion of each phase and will be invoiced accordingly.

Expenses have not been included and will be invoiced as separate items if not paid directly by the AIPM.

Please note that these are estimates and the actual hours spent will be logged and reported on the corresponding invoice.

The component of the project that extends beyond 31 June 2000 is subject to 10% GST. This will be detailed on invoices submitted after this date and will be accompanied by an ABN.

Appendix C: Seniority, Responsibilities and Corresponding Fees

The quantitative and qualitative responses to Questions 15 and 16 have been aligned in the following table to group similar competency levels which determine what the corresponding hourly rate is.

Fee Charged \$	Competency Level	Seniority	Key Responsibilities
380 320 92	6 5b 5a	Principal Consultant Consultant Project Manager	
250 120 100 80 60	6 5b 5a 4b 4a	Senior Project Management/Consultation Project Management Infrastructure Consultant Support Administration	
110 - 190 50 - 125	5b 5a	Principal Consultant (inc. Management Consultant) Senior Consultant	
90 75 50 40	5b 5a 4b 4a	Senior project manager Project manager Contract admin Other	
47 42	5b 5a	Project manager Project engineer	Total control of project - report direct client Report project manager or client
95	5b	Project manager	
70-80 50-65	5b 4b	Managerial Technical	Management/co-ordination/leadership Data gathering and analysis
200 130 65	6 5b 4b	Legal Principal involvement Designer/CAD work	

Appendix C: Seniority, Responsibilities and Corresponding Fees (continued)

Fee Charged \$	Competency Level	Seniority	Key Responsibilities
140 110 85 75	5b 5a 4b 4b	Project manager Engineer Software developers Maintenance/Installation engineer	
70 120 150	5a 5b 6	Project manager level I Project manager level II Project manager level III	Very small projects Small and medium projects Very complex large projects or projects with difficult customers.
110 95 85 65	6 5b 5a 4b	Project Director Project Manager Project Co-ordinator Project Supervisor	Responsible for whole project Responsible for key tasks and day to day activities Responsible for implementation phase of project Responsible for physical supervision of work
210 170	5b 5b	Adviser short term (< 1 month) Adviser	Project definition, analysis and approval, communications planning and implementation, risk analysis, project auditing, integration management, procurement.
125 100 75	5a 5a 5a	Project Consultant short term Project Consultant Project Consultant long term (>12 months)	Project planning, monitoring and controlling, Quality planning and assurance, role definition and project resource selection.
45	4b	Specialist	Contract management, schedule management, cost control, milestone tracking, issues log.
110 - 200	5b	Consultant	
150+ 110-160 80-110 50-80 40-80	6 5b 5a 4b 4a	Director Principal Professional Senior Professional Professional Admin/Technical Staff	

Appendix C: Seniority, Responsibilities and Corresponding Fees (continued)

Fee Charged \$	Competency Level	Seniority	Key Responsibilities
130	5b	Project Manager	Manage small to medium sized projects to prescribed time, cost and quality.
140	6	Senior Project Manager	Manage medium to large projects with additional responsibility for staff mentoring and training.
125	5b	Principal consultant/Senior Project Manager	Provide high level advice to very large projects and senior staff. Work fully independently. Manage complex projects.
100	5a	Senior Consultant/Project Manager	Advise Project Managers of small to moderate size projects. Manage projects of moderate complexity independently.
150	6	Director	Overall office coordination, securing work
120	5b	Associate	Securing work, team leader on individual projects
85	5a	Senior Consultant	Team leader, day to day project work under supervision
75	4b	Consultant	Day to day project work under supervision
60	4a	Junior Consultant	Training and day to day project work under supervision
100 - 125	6	Senior Project Manager	Team Leader/Clients Representative/Project Control
80 – 100	5b	Project Manager	Project Control
80 - 90	5a	Construction Manager	Construction & Quality Control
70 - 80	5a	Engineer	Structural & Civil Design & Supervision
70 - 80	5a	Architect	Design & Detail
40 - 60	4b	QS/Cost Controller	Administration, Contracts & Cost Control
40 - 60	4b	Planner/Programmer	Time & Resource control
25 - 40	4a	Supervisor/Tradesperson	Project Supervision & Trade Works
85	5b	Stadium design advice	Provide unique international expertise
65	5a	General project management	Provide advice from inception through to maintenance
175	5b	Project management	Management the project team, client and scope
125	5a	Project planning	Direct and finalise project plans
100	4b	Project scheduling	Prepare and maintain detailed project schedules and reporting
100	4b	Project administration	Establish and supervise the project administration, including project office

Appendix C: Seniority, Responsibilities and Corresponding Fees (continued)

Fee Charged \$	Competency Level	Seniority	Key Responsibilities
190	4b	Consultant	Implement Software, train, business analysis
200	5a	Senior consultant	Team Leaders
230	5b	Project manager	Manage Project
250	6	Project director	Manage Project Managers, Attend Steering Committees
140	5b	Project design/Team leader	
120	5a	Senior consultant	
100	4b	Junior consultant	
100	5b	Project management	Systems deliver on time, in budget, in scope, in quality
95	5a	Other	Schedule management
145	5b	National expert	
125	5b	Regional expert	
95	5a	Experienced PM	
165	6	Project director	Executive responsibility
125	5b	Principal professional	Senior project executive (leader)
110	5b	Senior professional	Project execution, discipline leadership
90	5a	Professional	Project execution
85	5a	Senior technical officer	Filed technical work
65	4b	Senior drafter	Lead drafting, co-ordination
50	4a	Drafter	Drafting
40	-	Support	Typing, clerical etc
180	5b	Project manager	Pre-sales, overall project responsibility, providing estimations (WB), product development
100	5a	Project co-ordinator	Co-ordinating activities under PM guidance
130-150	5b	Senior project manager	Supervise very complex projects and/or group of projects, supervise numerous subordinate pms'
80-90	5a	Project manager	Supervise individual contract or multiple straight forward ones

Appendix C: Seniority, Responsibilities and Corresponding Fees (continued)

Fee Charged \$	Competency Level	Seniority	Key Responsibilities
90-110 50-80 45-70	5b 5a 4b	Paralegal Engineering Supervisory	Review, reports, opinion, critical analysis Management, control, analysis, estimates Management, negotiation, quality
200 160 130 115	6 5b 5a 4b	Business manager Project manager Principal engineer Engineer	Business management, analysis, administration, development, operations Project management, administration control, quality control, budgetary control, scope control Technical compliance, standards, procedures Engineering
190 150 125 75	6 5b 5a 4b	Principal consultant Senior consultant Consultant Junior consultant	
100 75 65 40 40 40	5b 5a 4b 4b 4b 4b	Project manager Engineer Documentation person Technician Cost control Procurement	Overall authority to deliver Technical responsibility All project deliverables Low level engineering effort Performance measurement Overall procurement
120-165 100-130 85-100 50 50	6 5b 5a 4b 4a	Finder - Section manager Minder - Middle manager/project manager Grinder - Experienced engineer/specialist Graduate engineer Junior	Manage a group of specialist staff, Business direction/growth, Accountable for results, ideas, innovations. Supervise staff, Specialist technical work, Ideas and innovation. The 'doers' - complete the tasks to specified quality, time, cost.

Appendix C: Seniority, Responsibilities and Corresponding Fees (continued)

Fee Charged \$	Competency Level	Seniority	Key Responsibilities
65 85 115 -	4b 5a 5b	Graduate engineers Senior engineer/project manager Associate Principal	Design, contract admin Certifier, design Project Leader Responsible for section, projects etc.
125 60	5b 5a	Senior pm Project officer	Responsible to client for time, cost and quality for a complete project with multiple stakeholders. "Gopher" - ensures planning and monitoring is done. Manages routine communication eg. project team meetings, agendas, minutes.
150 120 100 80 60 50	6 5b 5a 4b 4b 4a	Managing director/principal Senior architect Architect Graduate architect/senior technician Technician Student	Project director/key principal Project director/manager Project manager/team worker Team worker/subordinate Subordinate/apprenticeship -
150 110 90 80 65 55	6 5b 5a 4b 4a 4a	Principal Senior Experienced Junior Graduate Admin	
120 67	5b 4b	Level 3 Level 1	Advisory services - recent graduate Equivalent of 12 years experience, expertise to state level.
45 70 90 120 150	4a 4b 5a 5b 6	Site staff Contract administrator Junior project manager Senior project manager Director/Associate director	

Appendix C: Seniority, Responsibilities and Corresponding Fees (continued)

Fee Charged \$	Competency Level	Seniority	Key Responsibilities
125 110 80	5b 5a 4b	Level 1 Level 2 Level 3	
150 110 85	6 5b 5a	Project director Project manager Project engineer	
45 80	4b 5b	Scheduler Project manager	Cost control, schedule, change control. Integration of all project management processes. Overall responsibility for project.

Appendix D: Project Management Fee Survey - Follow up Contact List

Title	First Name	Last Name	Company	Address1	Address2	City	State	Post Code	E:mail	Phone
Mr	Stephen	Beaty		Level 6	111 Garter Place	Adelaide	SA		sbeaty@cobweb.com.au	8221 5151
Ms	Danielle	Bolton		PO Box 700		Camberwell South	VIC	3124	danibolton@bigfoot.com	0411 251 415
Mr	John	Brain	Dept of Finance and Administration						john.brain@dofoa.gov.au	02 6275 3575
Mr	Cliff	Brock		PO Box 471		Janison	ACT	2614	cliffbro@dynamite.com.au	02 6258 8326
Mr	Henry F	Campbell		Box 2061		Kent Town	SA	5071	campbelh@ozemail.com.au	0417 960 720
Mr	Chris	Chapman	Teccton Holdings	Level 2	1 Market Street	Newcastle	NSW		chrisc@jml.com.au	02 4929 5399
Mr	Shaun	Clough		GPO Box 2906		Brisbane	QLD	4001	shaun.clough@projectservices.qld.gov.au	07 3224 5091
Mr	Gary	Constantine		PO Box 3330		Nerang	QLD	4211	dca@fan.net.au	07 5527 3600
Mr	Ian	Craven							ianc@agrow.com.au	
Mr	Jim	Davidson		10 Walker Street		Nightcliff	NT	0810	jim.davidson.170953@amy.defence.gov.au	0889 356 950

Appendix D: Project Management Fee Survey - Follow up Contact List (continued)

Title	First Name	Last Name	Company	Address1	Address2	City	State	Post Code	E:mail	Phone
Ms	Cathy	Deane	World Wide Project Management Services	PO Box 6		Kent Town	SA	5071	cdeane@project.com.au	08 8362 4775
Mr	Andrew	Docking		Locked Bag 11		Windsor	NSW	2756	andrew.docking@agric.nsw.gov.au	
Mr	Bob	Doherty		49/69Leichhardt Street		Spring Hill		4020	bobwisk@themub.com.au	0414 725 199
Mr	Tony	Doulis		11 Nettleton Street		Mt Lovisa	QLD	4814	tdoulis@watpac.com.au	07 4729 2290
Dr	Raphael M.	Dua		PO Box 7177		Melbourne	VIC	3004	rafdl@attglobal.net	03 9886 0899
Mr	Andrew	Durbidge		G607/780 Bourke Street		Redfern	NSW		andrew@fides.com.au	02 9319 6191
Mr	John	Ellis		2/2 Dale Street	Deepdene				Jebe@ozemail.com.au	0419 103 645
Mr	Cameron	Gillanders	C/- GHD	GPO Box 668		Brisbane	QLD	4009	cameron_gillanders@ghd.com.au	
Mr	John	Gordon		44 Waite Street		Farrer	ACT	2607	john.gordon@cbr.defence.gov.au	02 6266 4325
Mr	Bob	Graham		PO Box 459		Gladesville	NSW	1675	graham.bob.rk@bhp.com.au	02 9879 9003
Mr	Paul	Graham		PO Box 566		Springwood		4127	vantage@eis.net.au	07 3290 2899

Appendix D: Project Management Fee Survey - Follow up Contact List (continued)

Title	First Name	Last Name	Company	Address1	Address2	City	State	Post Code	E:mail	Phone
Mr	Colin	Hanna		5/147 Lower Heidelberg Road		Ivanhoe	VIC	3079	channa@ue.com.au	9222 9321
Mr	Barry	Jakeman		Level 8	345 Ann Street	Brisbane	QLD		gg@globalmanagement.com.au	07 3236 9000
Mr	Trevor	Jeffries		PO Box 1094		Coffs Harbour	NSW	2452		02 6652 4299
Mr	Robert	Jeges		54 Evans Street		Parkdale	VIC	3195	rjeges@projectware.com.au	03 9588 1000
Mr	Mark	Lloyd		PO Box 3057		Belconnen	ACT	2617	mark_lloyd@advantra.com.au	0419 463 682
Mr	David	Meadows		22 Emert Street		Wentworthville	NSW	2145	d.meadows@burnsbridge.com.au	0411 513 639
Mr	Phil	Newland	Texview Holdings	114 Hopkins Street		Boulder	WA		newland@gold.net.au	08 9093 1912
Mr	Ian	Ponton		16 Derna Crescent		Allambie Heights	NSW	2100	iponton@netspace.net.au	029342 1718
Mr	Warren	Potts		G7/39 Albany Street		Crows Nest	NSW		warren_potts@cne.com.au	9439 1151
Mr	Steve	Power		PO Box 1726		Watgara		6947	sampower@bigpond.com.au	9441 3628

Appendix D: Project Management Fee Survey - Follow up Contact List (continued)

Title	First Name	Last Name	Company	Address1	Address2	City	State	Post Code	E:mail	Phone
Mr	Bruce	Power		PO Box 149		Calwell	ACT	2905	BrucePower@psmc.com.au	0414 421 495
Ms	Mary-Lou	Raybould		31 Joseph Street		Blackburn	VIC	3130	mary-lou_raybould@hp.com	0417 306 267
	G.	Rihs		GPO Box 5230		Sydney	NSW	2001	gary@rihs.com.au	9262 1800
Mr	Malcolm	Rose		18 Yirawala Street		Ngunnawaz	ACT	2913		6266 1933
Mr	Gary	Ryan								02 4968 7425
Mr	Roy	Sargent		PO Box 12666		Brisbane	QLD	4002	Roy.Sargent@projectservices.qld.gov.au	07 3224 5066
Mr	Geoff	Scott		52 Greville Road		Rosanna	VIC	3084	scott_geoff@hotmail.com	03 9280 0600
Mr	Owen	Self							owenself@mincom.com	0412 435 925
Mr	WAC	Services		18 Merrivale Road		Pymble	NSW	2073	williamservice@optushome.com.au	0412 193 531
Mr	Jeff	Silk		20 Clover Square		Girrawheen	WA		Silkl@linet.net.au	08 9342 3937
Mr	Atul	Thapar		4 Turret Place		Castle Hill	NSW	2154	athapar@fl.net.au	0414 666 409

Appendix D: Project Management Fee Survey - Follow up Contact List (continued)

Title	First Name	Last Name	Company	Address1	Address2	City	State	Post Code	E:mail	Phone
Mr	Franklin	Troun		Level 12	8 Nicholson Street	East Melbourne				9637 8296
Mr	David	Woodbury		15 Woodhouse Road		Moonee Beach	NSW	2450	David_Woodbury@rta.nsw.gov.au	02 6640 1085
Mr	Geoff	Zimmer		141 St Georges Terrace		Perth	WA		geoff.zimmer@justice.wa.gov.au	08 9292 8393

Appendix E: Project Management Fee Survey - Conference Responses

Appendix F: Project Management Fee Survey - AIPM Responses