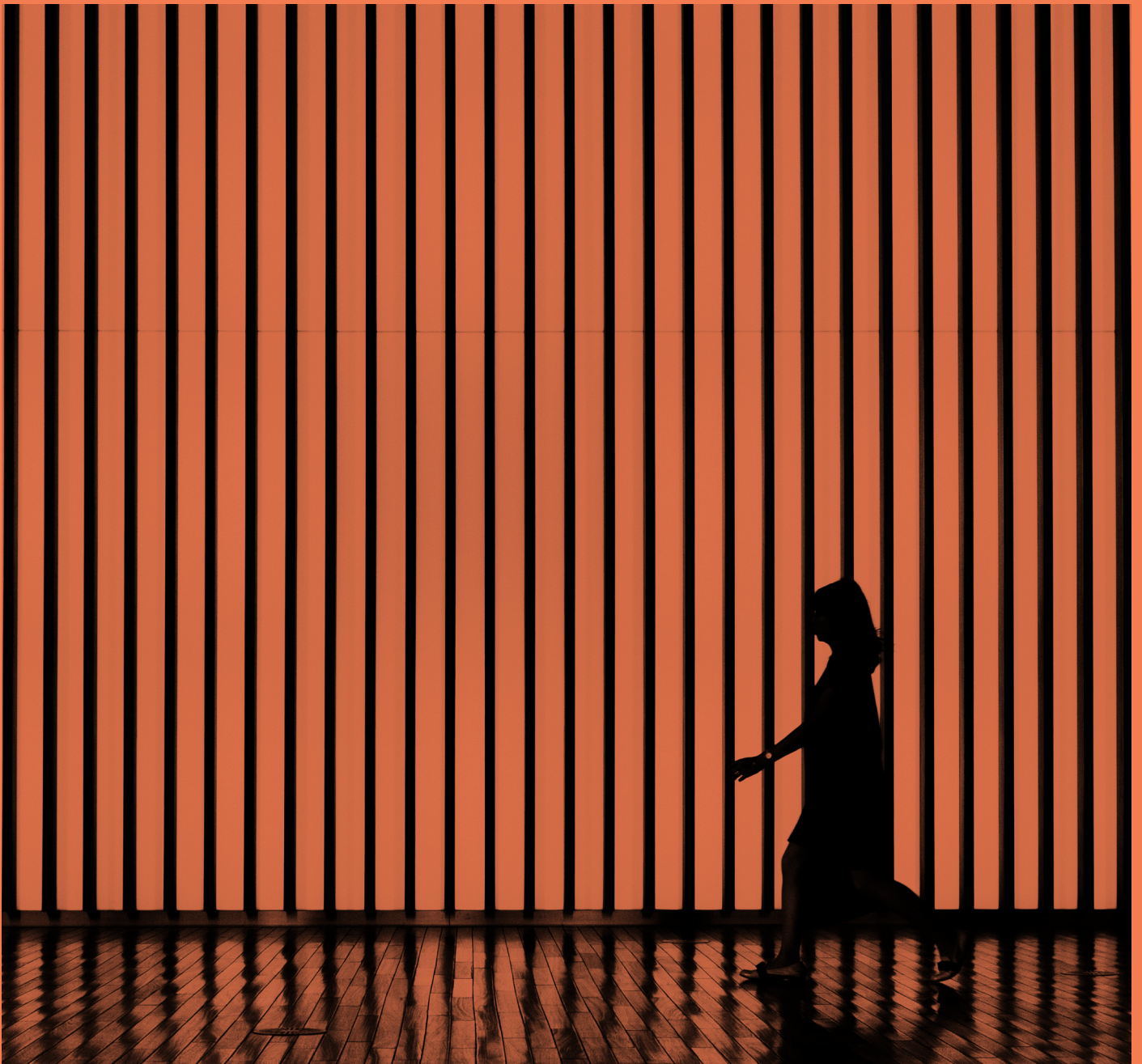


Annual Report
2019—20



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Data provided in this report is correct as of October 2020. The publication of the ARBV Annual Report 2019–20 complies with requirements under the Financial Reporting Direction 30D regarding its design, use of colour and images, standard sizing, paper stocks and other publishing requirements.

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Responsible Body Declaration

20 October 2020

The Hon Richard Wynne, MP
Minister for Planning
8 Nicholson Street
East Melbourne, VIC 3002

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Dear Minister,

I am pleased to submit the 2019-20 Architects Registration Board of Victoria Annual Report in accordance with the Financial Management Act 1994 and the Architects Act 1991.

Yours faithfully,



Karen Alcock

Chairperson
Architects Registration Board of Victoria

Our Purpose

To protect the community interest and instil confidence in the regulation, integrity, and delivery of architectural services in Victoria.

Chairperson's Report



Karen Alcock,
Chairperson



The Architects Registration Board of Victoria (ARBV) implemented several significant initiatives in the 2019-20 year, including its Regulatory Strategy and the three-year corporate plan. The 2019-20 year has been without precedent. Like all of Victoria the ARBV has had to juggle the challenges of coronavirus (COVID-19), but we have grown and adapted.

For much of the year, our staff have been working remotely and our office has been closed since March, this has meant a great deal of work to ensure our programs were accessible online. This has included the Experienced Practitioner Assessment (EPA), registration and compliance interviews, and also the postponement of an Architectural Practice Exam (APE) session to facilitate this online transition.

Despite these challenging times, the ARBV is still working to deliver on the key aims of the corporate plan which are to ensure a capable, compliant, and informed profession; a community that understands the role of architects and the ARBV; a modern, trusted and connected regulator; and a regulatory framework that drives strong outcomes.

The ARBV continued its focus on refining its Regulatory Strategy. The strategy determines how the ARBV regulates architectural services in

Victoria and provides a framework for architects, approved partnerships and companies to develop a strong and effective compliance culture.

The strategy was published in August 2019 and as part of the implementation the Board and management have actively reviewed it against compliance outcomes. This is an important piece of work for the ARBV and I would like to acknowledge the commitment of management to ensure it is as effective and balanced as possible to support the profession and protect consumers.

The 2019-20 year saw significant legislative changes to the Architects Act, including:

- a requirement that architects meet the test of a 'fit and proper person'
- compulsory Continuing Professional Development
- new information gathering powers
- immediate suspension of registration, pending inquiry.

These changes are consistent with the requirements of other professional regulators.

The ARBV is committed to working closely with the Department of Environment, Land, Water and Planning, and industry stakeholders to provide confidence in design

safety across the profession of architecture and continue towards legislative improvements for the industry.

We are continuing to monitor issues and developments relating to combustible cladding, drawing on the recommendations in the Shergold Weir Report, the Victorian Cladding Taskforce and emerging evidence. The use of non-compliant external cladding on buildings in Victoria remains a significant safety issue and we continue to liaise with the Victorian Building Authority to identify potential non-compliance issues.

The ARBV has also applied its resources on the development of a new website, initiating an Expression of Interest for a new Customer Relationship Management platform and developing our education strategy to assist architects understand their registration and compliance requirements. All of these will be implemented by the end of the 2020/21 year with our education strategy an ongoing commitment. We have committed dedicated funding to these projects, ensuring they are adequately resourced to achieve the most effective outcomes. ARBV operates as a self-funded agency, and its financial position is sound as demonstrated in the Financial Statements but these are unusual times, and the Board has constantly

monitored its financial position to ensure we can achieve our strategic goals now and in the future.

I acknowledge the contribution of David Islip who stepped down as Chairperson earlier this year after seven years on the Board with three years of that term as Chair. His leadership and commitment to the Board was significant and appreciated.

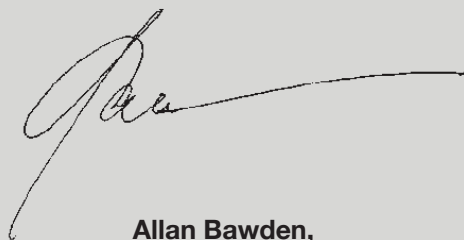
Other Board members who finished their terms in the reporting year include Dionne Wright, Arianne Rose, Ian Sutter, Clare Newton and Venise Reilly, who along with David Islip made a significant contribution to the Board and oversaw the development of the new Regulatory Strategy and restructuring of the organisation.

In June 2020 Adam Toma stepped down as ARBV's Chief Executive Officer and Registrar to take up a secondment with the Department of Environment, Land, Water and Planning. Adam made a significant contribution to the ARBV implementing important regulatory changes. The Board and I thank him for his commitment. Adam has been replaced by Allan Bawden as Interim Registrar. Allan brings to the role considerable corporate governance experience as a CEO and Chair, his contribution and support have been significant.

The ARBV is working towards a full complement of Board members and welcomed to the Board in November 2019 elected member Bruce Allen, RAlA nominated member Catherine Duggan and schools of architecture representative Dr Giorgio Marfella.

Finally, I thank the Board, Deputy Chair Richard Salter, Interim Registrar Allan Bawden and staff for their dedication in exercising their duties for the ARBV, and the examiners and tribunal members for their expertise in meeting community expectations for the profession of architecture.

Chief Executive Officer/ Interim Registrar Report



Allan Bawden,
Interim Registrar

I am pleased to report on the activities of the Architects Registration Board of Victoria (ARBV) for the 2019-20 reporting year.

The 2019-20 year has been a period of consolidation based on the ongoing implementation of the Board's strategy of becoming a more contemporary regulator of the architectural profession in Victoria. A lot has been achieved but further work remains to be done to deliver on the ARBV's Business and Corporate Plans and the Statement of Expectations (SOE) issued by the Minister for Planning in August 2019.

In February 2020 the Building and Environment Protection Legislative Amendment Bill was passed by Parliament. This bill is to further implement the government's commitment to improve the regulatory regime in the building and construction industry, and to modernise and strengthen the ARBV to effectively carry out its regulatory strategy, build a stronger profession and meet community expectations. Proclamation of the relevant sections of the Building and Environment Protection Legislation Amendment Act resulting in changes to the Architects Act 1991, took effect on 28 July 2020 post the 2019-20 reporting period.

The Board has a legislative basis of ten members appointed by the Governor in Council. The Board derives its legislative authority from the Architects Registration Act 1991 and is guided by the SOE for

the period 2019 to 2021. In response to the SOE, the Board has developed several initiatives to improve regulatory outcomes including cooperation among co-regulators and the formation of the National Registrars Forum. The Board is also implementing a communications and stakeholder engagement strategy. Work also began on revising guidance material for use by architects and consumers more generally. In response to the SOE around embracing digital registration processes and improved data analytics, the Board commenced an expression of interest process to purchase a new Customer Relationship Management platform and embark on a redevelopment of its website.

As a self-funded regulator, the ARBV has a finite funding base comprised primarily of registration fees. Some of the initiatives developed by the Board to become a more contemporary regulator and to achieve the objectives set out in the SOE will require an expanded revenue base in order to remain sustainable. The Board will work with its responsible portfolio agency, Department of Environment, Land, Water and Planning to assess the need to implement an increase to its statutory fees base.

The regulatory environment for the architectural profession is likely to be impacted as a result of ongoing reform of the building and construction industry both within Victoria and nationally. The coronavirus (COVID-19) pandemic may also have consequences for the level of

building activity in Victoria over coming years which may affect the numbers of architects in employment and practicing in the state and those graduating.

The ARBV has a very capable team of staff who support the Board and Architects Tribunal. The coronavirus (COVID-19) restrictions have affected ARBV operations, requiring staff to work remotely. Despite the restrictions, staff ensured that key activities and responsibilities have been met.

During the reporting year, the term of office of five Board members expired and at the close of the reporting period several appointments were still pending. I wish to thank all current and past Board members for their support and contribution to the organisation over the past year.

I also wish to acknowledge Adam Toma's contribution to the organisation in his time as CEO/Registrar of the ARBV. Adam was instrumental in working with the Board and staff in refocusing ARBV's regulatory strategy to reflect the prevailing contemporary view of professional regulation.

About the ARBV

Establishment and Role

Established in 1923 the ARBV is a self-funded Victorian public sector entity.

The Architects Act 1991 (Vic) (the Act) establishes the framework for the regulation of architects in Victoria and has as its purposes:

- to provide for the registration of architects
- to provide for the approval of partnerships and companies providing architectural services
- to regulate the professional conduct of architects
- to provide a procedure for handling complaints against architects
- to regulate the use of the term's "architect", "architectural services", "architectural design services" and "architectural design"
- to establish the Architects Registration Board of Victoria.

Accountability

The ARBV is accountable to the Minister for Planning, who is accountable to Parliament and the community for the performance of the ARBV. The Minister for Planning also establishes key governance and performance priorities for the ARBV by issuing a Statement of Expectations. In overseeing the performance of the ARBV, the Minister for Planning is supported by the Department of Environment, Land, Water and Planning.

Functions

The ARBV's functions include:

- assessing and determining applications for registration from individuals and applications for approval from partnerships and companies
- suspending and cancelling registrations or approvals and revoking suspensions where required
- regulating the professional conduct of architects, approved partnerships and approved companies
- preparing guidelines on professional conduct and practice for architects, approved partnerships and approved companies

- publishing information relating to the operation of the ARBV and the Act
- together with the Architects Accreditation Council of Australia (AACA), administering the Architectural Practice Examination, the most common pathway to registration
- accrediting architectural programs of study within Victoria, in accordance with the established Architecture Program Accreditation Procedure in Australia and New Zealand administered by the AACA and in doing so, determining qualifications required for registration under the Act
- investigating and bringing proceedings for offences against the Act
- carrying out any other powers and functions which are given to it by the Act or which are necessary to implement the Act.

Organisation

Providing leadership, strategic guidance and policy direction

The role of the ARBV's Board is to provide leadership, strategic guidance and policy direction in addition to overseeing implementation of policies and initiatives.

The Architects Act 1991 provides for ten members to be appointed on a representative basis in accordance with section 47 of the Act. The Board is also assisted by committees and panels including the independent Architects Tribunal. The Act prohibits a person being concurrently a member of the ARBV Board and the Architects Tribunal.

The Board appoints a Registrar to deliver the operations of the organisation in accordance with its strategy.

ARBV relationship with Architects Accreditation Council of Australia

The Architects Accreditation Council of Australia (AACA) is a not-for-profit, incorporated company limited by guarantee which establishes national standards in the practice of architecture and provides services to the state and territory architect registration boards.

Its membership comprises persons nominated by the architects registration boards in each state or territory, including the ARBV.

The AACA's role is to:

- consult with key organisations to develop, maintain and promote the National Standard of Competency for Architects, which sets the benchmark competency against which an applicant for registration as an architect in Australia is measured
- develop and provide competency-based assessment programs to determine eligibility for registration as an architect in Australia
- administer the Architectural Practice Examination (APE) on behalf of the architect registration boards

- administer the Architecture Accreditation Procedure in Australia and New Zealand on behalf of the architect registration boards
- facilitate international mutual recognition agreements regarding architectural education and registration as an architect in Australia
- assess overseas qualifications for architects seeking to register as an architect in Australia.

Funding for the AACA is derived from a general levy paid by each of the States based on the number of practising architects in their respective registers together with a share of costs for the AACA managed Architecture Program Accreditation Procedures.

Organisation (continued)

Our Purpose

To protect the community interest and instill confidence in the regulation, integrity and delivery of architectural services in Victoria.

Our Values

The ARBV operates in accordance with the Victorian Public Sector Values of:

- Responsiveness
- Integrity
- Impartiality
- Accountability
- Respect
- Leadership
- Human Rights

Our Success Measures

- A capable, compliant and informed profession
- A community that understands the role of architects and the ARBV
- A modern, trusted and connected regulator
- A regulatory framework that drives strong outcomes

Our Regulatory Approach

In 2019-20, the ARBV continued to build on its regulatory approach, the foundations of which were laid in the 2018-2019 financial year. The ARBV's Compliance function was increased in both size and expertise in order to enable it to conduct regulatory activity based upon risk and in the public interest.

In applying the regulatory framework, the ARBV aims to ensure:

- high levels of compliance across all aspects of the regulatory framework
- it provides the profession and the public with accurate and timely information to assist the profession to maintain professional obligations and the public to be aware of those obligations
- prevention of false and misleading conduct
- the public is protected from architects who do not meet their professional obligations and from people who falsely represent themselves to be architects
- the public can have confidence in architects
- architects have the required insurance.

The ARBV conducts proactive and reactive activity.

Proactive regulatory activity

The ARBV undertakes proactive regulatory activities to encourage compliance and detect and/or deter non-compliance. Proactive activities include:

- providing resources to regulated entities in order to assist them to understand and meet their obligations and the ARBV's expectations
- providing resources to the public so it can be aware of an architect's obligations and the ARBV's expectations
- investigating matters identified through analysis of data and through liaison with relevant stakeholders
- referring matters to the Architects Tribunal where it has concerns about risks posed by an architect's professional conduct and/or fitness to practise.

Reactive regulatory activity

The ARBV undertakes reactive regulatory activity to respond to instances of potential non-compliance. It can follow:

- complaints made to the ARBV by any person, such as a client or related professional
- referral of a matter from another regulator.

The ARBV's reactive regulatory activity may include:

- education and engagement
- informal advice or warning
- formal warning
- referral to the Architects Tribunal where it has concerns about risks posed by an architect's professional conduct and/or fitness to practise
- other regulatory action to mitigate risk such as suspending or cancelling registration or approval
- initiation of prosecution proceedings.

Board and Registrar/Chief Executive Officer

Board

Membership of the ARBV Board is on a representative basis with the Chairperson and Deputy Chairperson elected by the members.

The Board membership of the ARBV at 30 June 2020 was as follows:

- **Karen Alcock** (Chairperson)
FRAIA (B.Arch, UMelb)
Representative of architects by election in accordance with the procedures set out in the Architect Regulations 2015. Appointed 26 November 2019.
- **Richard Salter**, B.Eng. (Hons), B.Sc. (Deputy Chairperson)
Representative of Professional Building Industry Organisations nominated by the Housing Industry Association (Vic).
- **David Islip** B.Arch (Hons)
B.P.D. Urban Design (Hons)
FRAIA GAICD *Practising Senior Government Architect nominated by the Office of Victorian Government Architect (Vic).*
- **Stuart Brown**, B.Tech (Building Surveying),
Representative of the Institute of Engineers, Institute of Surveyors, Institute of Quantity Surveyors and Royal Australian Planning Institute.
- **Bruce Allen**, B.Arch., M.Arch., M.B.A., LFRAIA
Representative of architects by election in accordance with the procedures set out in the Architect Regulations 2015. Appointed 26 November 2019.
- **Catherine Duggan**, B.Arch (Hons), B.EnvDes, RAIA
Representative of architects nominated by the Royal Australian Institute of Architects. Appointed 26 November 2019.
- **Dr Giorgio Marfella**, PhD, M.Arch, RAIA
Representative of architects nominated by Councils of approved schools of architecture. Appointed 26 November 2019.

Directors whose term expired or who resigned during 2019-20 were:

- **Dionne Wright's** term expired on 14 March 2020 and was appointed for a further three-month period from 24 March 2020 to 23 June 2020.
- **Arianne Rose's** term expired on 14 March 2020 and was appointed for a further three-month period from 24 March 2020 to 23 June 2020.
- **Ian Sutter's** term expired 31 August 2019.
- **Clare Newton's** term expired 30 October 2019.
- **Venise Reilly's** term expired on 30 June 2020.

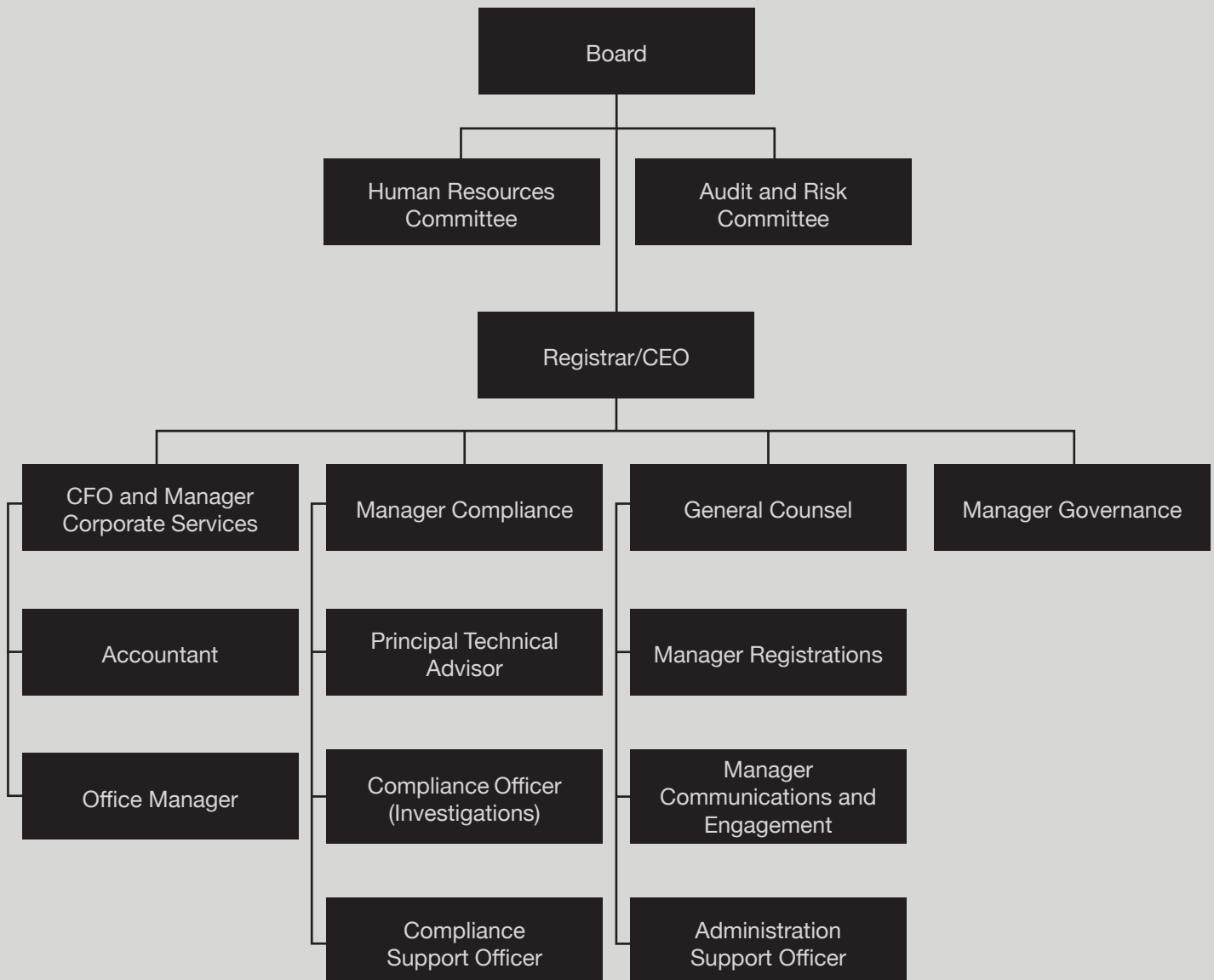
David Islip resigned his Board membership post 30 June 2020.

Registrar/Chief Executive Officer

The Board appoints a Registrar to deliver the operations of the organisation in accordance with the agreed strategy. **Adam Toma**, B.Com, LLB was appointed to the role in September 2018 and was seconded to the Department of Environment, Land, Water and Planning in July 2020.

Allan Bawden was appointed as the Interim Registrar on 12 June 2020.

Our Organisational Structure



Nature and Range of Services Provided

Finance and Corporate Services

Comprises Finance, Business Services and People and Culture.

Finance

Includes ensuring accurate, transparent and timely management of financial information including management of revenue from applications, registration and examination fees together with strong financial management of budgeted expenditure.

Business Services

Encompasses building and facilities management, sustainable procurement, information services and office administration.

People and Culture

Includes payroll services and advice on staff development, change management, meeting key governance obligations, industrial and employee relations, workforce planning, capability development, organisational culture and occupational health and safety compliance.

Registrations

Responsible for registration related activities including assessing and determining applications for

registration. Such applications may include applicants seeking registration for the first time, architects seeking to change their class of registration, seeking registration with the ARBV via mutual recognition, and seeking to renew their registration. The function oversees suspensions and cancellations of registration and revocations of suspension. The function is also responsible for maintaining the register of architects, supporting the AACA in its administration of the Architectural Practice Examination (APE) and other pre-registration pathways, and providing secretariat support to the National Architectural Regulators Forum.

Compliance

The ARBV's Compliance function is responsible for administering compliance obligations set out in the Architects Act 1991. The ARBV receives complaints and seeks to identify instances of non-compliance based on intelligence and information sharing. The Compliance function maintains collaborative relationships with other regulators and stakeholders. The ARBV seeks to identify and act upon non-compliance at the earliest time possible and provide preventative compliance guidance to architects.

Legal Services

Provides legal, regulatory and policy services and advises on legal matters and may represent the ARBV in proceedings and assist the Architects Tribunal in its conduct of inquiries. The function also supports implementation of Victorian Government policy and assists other divisions to bring into operations the various regulatory requirements.

Governance

Ensures the necessary mechanisms, frameworks, processes, policies and procedures are in place to meet the organisational, statutory and whole of government compliance and accountability requirements and facilitates the effective and efficient operation of the Board and its committees.

Communications and Engagement

Responsible for communications and engagement including, public relations, issues management, stakeholder relations, corporate communications (publications and external messaging) and digital presence. This position is also responsible for liaising with the AACA for the accreditation program in Victoria.

Report of Operations

The Report of Operations for 2019–20 provides general information about the ARBV and its activities, achievements and strategic direction.

Registrations

347

new architect registrants representing a 16% decrease over 2018-19 due to coronavirus (COVID-19) impacting the number of graduates seeking registration

6,827

architects currently registered (practising and non-practising) a 5% increase over 2018-19

48%

increase over 2018-19 in requests from architects for change of class (practising and non-practising) which is attributed to correct classification messaging and coronavirus (COVID-19) impacts

430

graduates registered for the Architectural Practice Examination which was a 23% increase over 2018-2019

452

registration related applications processed and completed

36%

increase in new company registrations which is attributed to ARBV's messaging of the requirement that all architectural companies and partnerships must be registered

48

Financial Hardship Applications seeking assistance through deferral on the payment of 2020-21 renewal fees were received and approved

90%

of 2020-21 renewal fees were paid by the 1 July 2020 due date which is a significant outcome in the coronavirus (COVID-19) environment

Compliance

77

professional conduct investigations initiated comprising both reactive and proactive investigations

6

inquiries completed by the Architects Tribunal resulted in four with adverse findings

83

prohibited conduct investigations completed resulting in compliance action

33

professional conduct investigations completed and not referred for inquiry (six in 2018-19)

73

prohibited conduct investigations initiated

Q1

July

- 2019-20 ARBV Forward Plan and 2019-2022 Corporate Plan endorsed by Board
- Achievement of 90% payment of 2019-20 renewal fees by 1 July 2019
- Practice Examination (APE) Part 1 – Logbook and Statement of Practical Experience
- National Registrars meeting

August

- Minister for Planning issues Statement of Expectations for ARBV for 2019 to 2021
- APE Part 2 – National Examination Paper

September

- Minister for Planning endorses commencement of ARBV Fee Review
- National Registrars meeting

Q2

October

- Architects election process completed with two Board candidates selected by majority vote
- Building & Environment Protection Legislation Amendment Bill 2019 introduced into Parliament
- APE Part 3 – Examination conducted by Interview
- ARBV's 2018-19 Annual Report reported to Parliament
- EOI released for architects (practising) to join the APE examiner panel

November

- Four new Board members appointed by Governor in Council – one nominated by Councils of approved schools of architecture, one nominated by Australian Institute of Architects and two elected by Architects
- ARBV Certificate Conferring Ceremony held on 26 November with 120 architects, families and the Board attending
- Architects Accreditation Council of Australia (AACA) Annual General Meeting
- National meeting of Architects Registration Boards

- National Continuing Professional Development Policy Framework for architects adopted
- ARBV Chairperson re-appointed as Chair of the National Architect Registration Board's Chair's Group
- ARBV Registrar re-appointed as Chair of the National Architect Registration Board's Registrar's Group
- National Registrars meeting

December

- Expert Panel on Building Reform appointed by Government
- Board adopts a Community and Engagement Strategy to address the key priority initiatives and projects
- ARBV Examiners Briefing post 2019 APE sessions

Q3

January

- APE information briefing for 2020 applicants

February

- Building & Environment Protection Legislation Amendment Bill 2019 passed by Parliament and Royal Assent given
- Architects Insurance Ministerial Order takes effect on 15 February
- APE Part 1 – Logbook and Statement of Practical Experience

March

- Working from home commenced for ARBV staff in response to coronavirus (COVID-19)
- National Registrars Meeting

Q4

April

- ARBV Financial Hardship Policy endorsed by Board in response to coronavirus (COVID-19)
- Postponement of the National Examination Paper (NEP) due to coronavirus (COVID-19)

May

- Practising architects, companies and partnerships advised of annual fees for 2020-21 which remained at 2019-20 levels in recognition of coronavirus (COVID-19)
- APE examiner panel finalised for a three-year term

June

- Appointment of Interim Registrar
- APE Part 1 – Logbook and Statement of Practical Experience
- Postponement of the APE Part 3 interviews due to coronavirus (COVID-19)

Introduction

In 2019-20, the ARBV continued to build on its core functions to deliver improved regulatory outcomes.

Those core functions included but were not limited to:

- regulation through a clear set of objectives and guiding principles using a risk-based approach to regulation
- identifying and investing in fit for purpose systems and infrastructure
- producing policies, processes and procedures to support delivery of core services
- building improved and effective communication with consumers and architects
- providing compliance guidance and support to architects
- enhancing the ARBV's financial systems, processes and reporting
- delivering on the Board adopted Communications and Engagement Strategy
- improving governance and reporting to better meet government obligations and compliance requirements
- improving Board management and governance
- building on relationships with key stakeholders and Government
- developing and utilising data and analytics capability.

Compliance

The ARBV compliance function exercises the regulatory powers of the Act to protect the public interest. The Architects Act 1991 enables the ARBV to investigate matters reactively following a complaint/report or proactively at the ARBV's own initiative.

The ARBV continues to increase its ability to generate and process information to develop actionable intelligence which informs its proactive activities to enable greater focus on higher risk matters and initiate early and timely regulatory intervention. Analysis and information sharing with related regulatory bodies and industry partners is a key part of its strategy.

In 2019-20, the ARBV's compliance function has grown and this has allowed a particular increase in proactive activity. The team now includes in-house technical expertise.

Professional Conduct of Architects

Architects must demonstrate conduct that is professional. This includes but is not limited to fulfilling the obligations detailed in the 'Victorian Architects Code of Professional Conduct' (contained within the Architects Regulations 2015). The Code includes requirements relating to:

- standards of conduct
- skills and knowledge
- approval of architectural documents
- contracts and agreements
- fees and costs
- provision of information to clients
- documents and record keeping
- confidentiality of client information
- conflict of interest, referrals, and endorsements
- confidence in and respect for the profession
- standards and integrity of the profession.

Following investigation, the ARBV may determine that an Architects Tribunal inquiry into an architect's professional conduct and/or fitness to practise should be held. If the Tribunal finds allegations against an architect proven, it may make determinations against the architect that include cautions, reprimands, mandatory further education, registration conditions, and suspension or cancellation of registration. The ARBV is required to enforce any determinations made by the Tribunal.

The Act provides that:

- a person whose interests are affected by an ARBV determination not to refer an architect's conduct or fitness to practise for inquiry may apply to the Victorian Civil and Administrative Tribunal for a review of that determination
- an architect may apply to the Victorian Civil and Administrative Tribunal for a review of an Architects Tribunal determination concerning them.

Prohibited Conduct

To be an architect, a person must be registered with the ARBV. The education and experience required for registration, coupled with the professional conduct obligations and the need to have compliant professional indemnity insurance cover, contribute towards the public being protected and being able to have confidence in the profession.

If a person is not registered with the ARBV, they are not an architect in Victoria. If a person represents themselves or allows themselves to be represented as an architect, they are in breach of the Act's prohibited conduct provisions. Similarly, it is a breach to represent an unregistered person as an architect.

Breaches of the Act's prohibited conduct provisions may be prosecuted in the Magistrates Court of Victoria by the ARBV.

Compliance Activity Statistics

Professional Conduct of Architects	2016-17	2017-18	2018-19	2019-20
Investigations initiated	14	10	30	77
Reactive (complaints)			27	63
Proactive (initiated by ARBV)			3	14
Investigations completed – not referred for inquiry			6	33
Investigations in progress	4	4	13	23

Notes:

1. Investigations in Progress as at 30 June 2020.
2. Where no values are shown this indicates the category was not previously reported.

Professional Conduct of Architects	2016-17	2017-18	2018-19	2019-20
Matters referred to Architects Tribunal	4	3	6	4

Notes:

1. For the 2016/17 to 2017/18 reporting periods, outcomes reported reflect only matters referred to the Tribunal in response to complaints (reactive).
2. 2018-19 and 2019-20 reporting reflects matters referred to the Tribunal in response to complaints (reactive) and investigations of a reactive (complaints) and proactive nature (ARBV initiated).

Professional Conduct of Architects	2016-17	2017-18	2018-19	2019-20
Architects Tribunal Inquiries Completed	2	2	6	6

Compliance Activity Statistics (continued)

Prohibited Conduct

The Act prohibits representations as an architect by people who are not architects or bodies who are not architects and enables the ARBV to investigate potential offences and to initiate proceedings in the Magistrates Court of Victoria.

As a consumer protection mechanism, the Act's prohibited conduct provisions ensure the public can have confidence in an architect's:

- qualifications, skills, and experience
- regulatory requirements
- professional indemnity insurance cover.

During the 2019-20 reporting period 73 potential breaches were investigated.

Prohibited Conduct	2016-17	2017-18	2018-19	2019-20
Investigations initiated	72	86	79	73
Investigations not requiring compliance action			12	3
Investigations resulting in compliance action	46	59	35	83
Investigations still in progress			9	19
Investigations referred for prosecution advice	12	8	4	4
Prosecutions initiated			1	0
Completed prosecutions	8	5	1	0

Notes:

1. The number of investigations initiated, and the resulting processes identified reflect a point in time being 30 June 2020. Some matters will be reported on at various stages of the investigations processes over more than one financial year.
2. Where no values are shown this indicates the category was not previously reported.

Compliance Activity Statistics (continued)

Tribunal

Professional conduct inquiries are conducted by the Architects Tribunal which is independent of the Board. A Tribunal panel is appointed as required, from a 'standing panel' of suitably qualified people approved by the Governor in Council.

An Architects Tribunal is constituted as follows:

- one panel member who is a practising architect
- one panel member who is not an architect
- one panel member who is a representative of consumer interests.

At least one member of a Tribunal is to be a person with legal experience and knowledge.

If the Architects Tribunal finds allegations against an architect proved, it makes determinations regarding penalty and costs. The ARBV is required to enforce the determinations made by the Tribunal.

Number of new cases referred to the Tribunal in 2019-20 – 4
Number of cases finalised in 2019-20 – 6

Compliance with Professional Indemnity Insurance requirements

Section 8B and 8C of the Act require practising architects to be covered by professional indemnity insurance that complies with requirements set out in the Architects Insurance Ministerial Order of February 2020. The Board audits compliance with this requirement and suspends the registration of architects who fail to comply.

Registrations

Registration is an important regulatory tool that controls entry to the profession and provides assurance to consumers that architects possess a high standard of education and experience, adhere to prescribed standards of professional practice and hold professional indemnity insurance.

The test of good character which previously formed part of the registration process has been changed to the fit and proper person test as per the recent amendments to the Act. This more modern test is comparable to the test used by other entities for practitioners in the building industry. This will align the ARBV with other regulators and provide for specifics to test against in the registration process.

The registration process also provides an initial insight into the risks of a regulated entity e.g. an architect may have an association with a high-risk architect or company or may have demonstrated a lack of knowledge or understanding in an area of practice. This initial understanding of risk provides useful information to educate and monitor newly regulated entities.

To be eligible for registration as an architect, a person must have been engaged for not less than two years in practical architectural work and attained a standard of professional practice satisfactory to the ARBV. The legislation makes provision for

the Architectural Practice Examination (APE) for this purpose, being the APE administered by the architect registration boards in collaboration with the AACA. The APE has been adopted by all Australian state and territory architect registration boards, providing for national consistency in pre-registration examination. The APE is the most common pathway to registration, held twice in each calendar year. There are three parts to the APE which are:

Part 1: Logbook and Statement of Practical Experience

Part 2: National Examination Paper

Part 3: Examination by interview

The other pathways to registration are administered by the AACA and include the Experienced Practitioner Assessment (EPA) – for both overseas experienced and locally experienced individuals and overseas mutual recognition (APEC and US architects). There has been a significant increase in the number of candidates participating in the APE, increasing the ARBV's workload in this area.

While continuing to deliver registration business as usual services as described above, the emphasis in 2019-20, consistent with the overall organisational strategy, has been to deliver enhancements to the registration function. This has included:

- Contributing to the development of a fit for purpose customer

relationship management system and a more user-friendly website to allow the organisation to simplify its services where regulated entities can easily complete transactions.

- Reviewing and developing policies and procedures as part of the implementation of the regulatory strategy and to ensure they meet legislative requirements.
- Collaborating with the AACA and other architect registration boards to implement improvements to relevant registration and examination procedures and processes.
- Working to ensure that registration pathways remain nationally consistent.
- Reviewing and improving record management for registrant records.
- Implementing a Continuing Professional Development (CPD) framework, which is nationally consistent to allow ease of recording for architects registered in more than one state.
- Improving communications regarding the registration renewal process and the overall regulatory framework.
- Developing new policies and implement changes to processes reflective of the amended legislation.
- Contributing to content for the revised ARBV Update to be provided periodically through the year for registrants.

Registrations (Continued)

Postponement of the APE session 1

Due to coronavirus (COVID-19) impacts the ARBV worked closely with the AACA to take the postponed National Examination Paper (NEP), which is Part 2 of the APE process to an online platform to allow candidates to participate in the APE in 2020.

APE Examiner Panel

The ARBV underwent a recruitment process for the examiner panel, which was open to all appropriately qualified practising architects in Victoria. This is the first time in many years that the process was open to all, seeking a wide range of experience and knowledge to join the panel.

The ARBV has now finalised this panel of 75 individuals who will be participating in the examination for session 2 of the APE, taking place in late 2020.

ARBV Conferring

The ARBV Certificate Conferring Ceremony is an annual event held for newly registered architects in Victoria. The 2019 ceremony was held on 26 November at Deakin Edge, Federation Square with 120 architects, the Board and many families also attending.

The Ceremony was well received and provided an important opportunity to highlight the importance of regulation, the year of change at the ARBV and to celebrate a significant milestone in the lives of many new architects.

Registrations and Architectural Practice Examination Statistics

New Registrants	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Architect Registrations	245	271	304	322	403	347
Company Approvals	76	82	73	81	75	102
Partnership Approvals					0	3
Changing of Registration Class	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Practising to Non-Practising					50	135
Non-Practising to Practising					55	82

Notes:

1. Changing of Registration Class was first reported on in 2018-19.

Registrations and Architectural Practice Examination Statistics (continued)

Total Architects on Register as of 30/06	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Practising	3681	3918	4046	4380	4633	4822
Non-Practising	1204	1227	1141	1214	1868	2005
Total	4885	5145	5187	5594	6501	6827

Notes:

1. Increase in Non-Practising between 2017-18 and 2018-19 results from inclusion of previously non-reported architects e.g. retired. Act does not provide for resignation or removal from register other than through suspension or cancellation.
2. Total numbers does not include cancelled or suspended registrations at 30 June.

Total Companies and Partnerships on Register	2014-15	2015-16	2016-17	2017-18	2018-19	As of 30 June 2020
Companies	936	986	1001	1043	1046	1112
Partnerships					26	27

Notes:

1. Partnerships were previously included in the reporting on companies.

Architectural Practice Examination	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Number of Candidates	224	250	248	361	351	430
Successful Candidates	199	226	224	318	222	183
Unsuccessful Candidates	25	24	24	43	129	24

Notes:

1. Due to coronavirus (COVID-19) only one APE session was completed in the financial year 2019-20 which has impacted outcomes.

Suspension of registration/ approvals	2014-15	2015-16	2016-17	2017-18	2018-19	At 30 June 2020
Architects Suspended					474	472
Companies Suspended					257	251
Partnerships Suspended					16	15

Notes:

1. Suspensions not previously reported prior to 2018-19.

Finance and Corporate Services

Finance and Corporate Services has focused on enhancements to both service delivery governance for internal stakeholders i.e. the Board and internal auditors as well as for external parties including architects, the Department of Environment, Land, Water and Planning, the Department of Treasury and Finance as well as the Victorian Auditor General and our suppliers. An emphasis has been placed on improving core operational policies and procedures and financial procurement efficiencies as well as assessing risk, information security and procuring a new fit for purpose Customer Relationship Management system (CRM).

During the reporting period the ARBV significantly progressed a renewal of the website and successfully transitioned to a new managed information technology (IT) provider to drive improved IT service and better value for money.

The ARBV has strengthened its governance and risk oversight by conducting internal audits and improvements in general financial controls, human resource and payroll systems, and Information Security and business continuity policy and practice improvements.

Further continuous improvements are being delivered in the following areas:

Customer Relationship Management System (CRM)

At the end of the reporting period an Expression of Interest process had been initiated to replace ARBV's current registrant database. This has been undertaken to deliver a contemporary solution that better meets the needs of registered architects. The next phase will involve the assessment of proposals and selection of a vendor / system integration partner. The end result being to implement a new fit for purpose solution that will enable enhancement to the delivery of the ARBV's regulatory core functions and drive improvements for the public and customer service generally.

Re-developed Website

The ARBV is working towards a more user-friendly website to operate alongside the new database replacement. The development of a more user-friendly website will allow the organisation to simplify its services, for regulated entities to more easily complete transactions and will provide consumers and architects with guidance and educative materials that drives improved compliance outcomes.

Human Resources

A performance management system has been implemented and staff have completed their first performance appraisal. Occupational Health & Safety has been updated incorporating latest working remotely and COVIDSafe plans. The ARBV has also been included as a NEXUS agency which aligns to the Victorian Public Service agreements and conditions.

Finance System

Reduced compliance time by adopting Single Touch Payroll (STP) and enhanced security and processes around vendor master file changes as well as continuing audits of general financial controls.

Risk

A revised Risk Management Policy and Framework was endorsed by the Audit & Risk Committee and approved by the Board in May 2020. This incorporated updated risk registers, controls and treatments. Also endorsed was an Information Security policy.

Governance

2019-20 continued with the implementation of enhancements to ARBV's governance frameworks to better meet whole of government accountabilities and obligations as regards governance and financial compliance and Board processes more generally.

Legal Services

The focus for Legal Services in 2019-20 included:

- development and implementation of significant legislative and regulatory changes
- changes to the Professional Indemnity Insurance framework applying to the architectural profession in recognition of cladding issues and the insurance markets response
- review of the Architects Tribunal administrative framework and operation
- initiation of ARBV examiner recruitment and selection process
- review of Regulatory Strategy implementation initiated
- assistance to Tribunal on inquiries and oversight of prosecutions.

Transparency and Accountability

Corporate Plan

The ARBV's Corporate Plan 2019–22 endorsed by the Board in May 2019 provided the guidance for the resulting Business Plan for 2019–20 approved by the Board in June 2019. The three-year Corporate Plan established a roadmap for the future in providing a clear direction and building on the work during the duration of the Plan. The Plan is built on the ARBV's:

Long Term Outcomes

- A capable, compliant and informed profession.
- A community that understands the role of architects and the ARBV.
- A modern, trusted and connected regulator.
- A regulatory framework that drives strong outcomes.

Key Strategies

- Build a high performing, focused and sustainable organisation.
- Implement effective systems and processes.
- Undertake effective communications and stakeholder engagement.
- Deliver and implement an effective regulatory strategy.
- Drive improvements to the regulatory framework while optimising use of the existing framework.

As part of the Corporate Planning process, indicators of success to achieving the long-term outcomes have been developed and incorporated in the published plan. Those outcomes will be delivered and measured through the identified strategies and actions over the three-year life of the Plan.

Outcomes achieved in the respective reporting years will be included in future annual reports.

Statement of Expectations

The revised Statement of Expectations (SOE) framework, issued by the Minister for Planning in August 2019 for the period to June 2021, included the following performance improvements and targeted outcomes on which an update on progress is provided.

SOE framework

SOE Performance Improvements and Targeted Outcomes

SOE Target

ARBV Progress

Improved timeliness

Simplifying and improving timeliness of services by providing a client focused digitally enabled system to replace paper-based lodgements and interactions with the ARBV staff.

By 30 June 2021

- (a) a client focussed digitally enabled systems is successfully implemented and is operating effectively.
- (b) reporting on timeliness of service is published in ARBV annual report and website.

Expression of Interest process completed for procurement and implementation of a fit for purpose Customer Relationship Management System (CRM) with evaluation in progress. Projected timeline for implementation is December 2020 to March 2021.

Reporting on timeliness of service to commence on implementation of CRM and completion of website redevelopment. Projected timeline for implementation is post March 2021.

2020-21 Annual Report to report timeliness of service post implementation of CRM and re-developed website.

SOE framework (Continued)

SOE Performance Improvements and Targeted Outcomes

SOE Target

ARBV Progress

Risk-based strategies

<ul style="list-style-type: none"> Development of a public facing risk-based and evidence-led regulatory strategy. 	<p>By 31 July 2019 the risk based regulatory strategy is published on the ARBV website.</p>	<p>Completed.</p>
<ul style="list-style-type: none"> Key regulatory outcomes are published in the ARBV annual report. 	<p>By 30 June 2021 the risk based regulatory strategy is being applied to improve compliance through:</p> <ul style="list-style-type: none"> (a) development of risk profiles as predictors for likelihood of non-compliance (b) focused strategies addressing the current major and emerging key compliance issues (c) development of improved data analytics in: <ul style="list-style-type: none"> > identifying emerging trends and tailoring of services > better targeting of areas of non-compliance of most need and effect. 	<p>Projects completed in 2019-20 include:</p> <ul style="list-style-type: none"> Implementation of a proactive program of regulatory activities. Implementation of an Operations Manual to support regulatory strategy. Input to compliance related legislative change and their implementation. <p>Projects initiated and progressing:</p> <ul style="list-style-type: none"> Development and implementation of a data and intelligence strategy (dependant on establishment of CRM). Identification and publicising of targeted regulatory focus areas and development of response strategies. Development of strategies to better utilise and optimise existing regulatory powers. Identify and promotion of longer-term legislative and regulatory change.

SOE Performance Improvements and Targeted Outcomes**SOE Target****ARBV Progress**

Compliance-related assistance and advice

Activities to support regulated entities' compliance, including the development of guidance, education and support.

By 31 December 2020 guidance material to support regulated entities with their compliance obligations has been reviewed, updated and made available on ARBV's website.

Guidance material on professional conduct and practice for regulated entities, along with education and support to assist practitioner compliance has been initiated and is continuing as an ongoing task.

Guidelines made available on ARBV's website as well as communicated to registrants.

Cooperation among regulators

Establishment of information sharing agreements with key co-regulatory bodies.

By 30 June 2021 information sharing agreements with key co-regulatory bodies to be established.

Information sharing agreement in place with VBA.

Information actively being shared with the VBA. On-demand near-live data sharing being developed.

Discussions with other regulatory agencies in progress both individually and collectively.

SOE framework (Continued)

SOE Performance Improvements and Targeted Outcomes

SOE Target

ARBV Progress

Stakeholder Consultation & Engagement

By 31 December 2019 implementation of a communications and stakeholder engagement strategy has commenced with a view to full implementation by 31 December 2020.

By 30 June 2021 the jurisdictional regulatory forum will be operating with a view to sharing information and learning to improve consistency in regulatory activities nationally and within jurisdictions.

ARBV communication and stakeholder engagement strategy approved by Board in December 2019. Implementation of the strategy is in progress with several initiatives progressed including:

- raising awareness of compliance through university engagement
- regular newsletters to the profession
- commencement of the website re-development project.

Jurisdictional forum operating and met on four occasions in 2019-20.

SOE Performance Improvements and Targeted Outcomes**SOE Target****ARBV Progress**

Accountability & Transparency

- Establishment of an industry and consumer forum to provide feedback and guidance on the delivery of the regulatory strategy.

By 30 June 2021 the industry and consumer forum will be in operation effectively and its findings used to inform the ARBV's regulatory activities and a review of the effectiveness of the ARBV's regulatory strategy.

Board has endorsed Terms of Reference and consulted with DELWP. Progression of forum impacted by coronavirus (COVID-19).

Legislative reform

The Government in October 2019 introduced the Building and Environment Protection Legislation Amendment Bill into Parliament. The Minister for Planning in his Second Reading Speech explained that the Bill was to further implement the government's commitment to improve the regulatory regime in the building and construction industry and modernise and strengthen the Architects Registration Board of Victoria. The Bill was passed by Parliament on 18 February 2020 and received Royal Assent on 25 February 2020. Proclamation of the relevant sections of the Building and Environment Protection Legislation Amendment Act took effect on 28 July 2020, post the 2019-20 reporting period, resulting in changes to the Architects Act 1991.

These changes will be implemented to ensure the ARBV can effectively carry out its regulatory strategy, build a stronger profession and meet community expectations and their impact reported on in 2020-21.

The five key amendments to the Act were as follows:

- substituting a 'fit and proper person' test for the current 'good character' test
- introducing a power to require the production of information or documents
- introducing an immediate power of suspension for registration
- introducing a head of power to mandate continuing professional development for architects
- introducing a power for the ARBV Board to delegate any of its functions, powers or duties.

The Act also incorporated a number of other amendments including extending the term of Board members appointment from two to three years, repealing the provision that restricts replacement ARBV Board members from holding office only for the rest of the term of appointment of the member whose place he or she fills and changing suspensions of registration relating to Professional Indemnity Insurance (PII) by including PII grounds as a basis for immediate suspension, pending inquiry.

Key Initiatives

Financial Hardship Policy

The initiation of the Financial Hardship Policy was to acknowledge that individuals, companies or partnerships were likely to experience financial hardship, and unable to meet the statutory fees due to the circumstances of coronavirus (COVID-19).

The primary objective for the policy was to enable architects, approved companies and partnerships in financial hardship to remain registered while assisting them in meeting their financial obligations.

As the ARBV does not have statutory power to waive fees, ARBV provided those who were able to demonstrate financial hardship with an extension to pay the required annual fees.

The extension considers individual circumstances and is available up to a maximum of six months. In relation to the 2020-21 fees payable by 1 July 2020, 48 Financial Hardship Applications were received and approved.

National Registrars Forum

The National Registrars Forum initiated in April 2019, brought together cross-jurisdictional regulators to share best practice, better understand risk and to work towards a nationally consistent approach to the regulation and oversight of the architectural profession continued in 2019-20.

Matters discussed included:

- information sharing arrangements between architect registration boards
- APE review, including the implementation of a new examiner training program
- the postponement of the APE and the transition to online platforms for the delivery of the APE
- development and implementation of the national framework for Continuing Professional Development (CPD).

Key Initiatives (Continued)

Registration - Payment of Annual Fees

The ARBV over the previous financial year and in 2019-20 has sought to improve compliance with annual fee payments through improved communications with architects and other initiatives.

Post the 2019-20 reporting period, annual fee renewals for 2020-21 (due by 1 July 2020) had reached

96% being 5,791 of 6,017 registrants required to pay annual fees which is a significant outcome in a coronavirus (COVID-19) environment.

Where the prescribed fee is not paid by the stipulated date (which may be extended in agreed circumstances for example through the Financial Hardship Policy) registrants are advised of ARBV's intention to suspend their registration. Individuals are given an opportunity at that point

to provide any additional information to support a further extension of time to make payment before a recommendation being made to the Board to suspend registration.

As a result of the improved communications with architects including individual contacts the number of suspensions has been significantly reduced. Following provides evidence of that reduction:

	Number of Suspensions	% of Total Registrants (1)
Suspensions relating to non-payment of 2018-19 annual fees	332	6.3%
Suspensions relating to non-payment of 2019-20 annual fees	78	1.4%
Estimated suspensions relating to non-payment of 2020-21 annual fees (2)	41	0.85%

Notes:

1. Registrants required to pay annual fees - architects (practising), approved companies and approved partnerships.
2. Estimated suspensions based on a total of 89 registrants at the time of reporting not having paid their 2020-21 fees of which 48 had applied and been approved under ARBV's Financial Hardship Policy which allows for additional time to make payment.

Board Election Process

The composition of the Board includes two elected representatives of architects as prescribed by s47(2) c) of the Architects Act 1991.

An election process to fill the then two vacant positions was agreed to by the Board at its May 2019 meeting, with the Australian Election Company (AEC) subsequently engaged to conduct the election.

The following provides the process/timetable:

Election notice published in Government Gazette - 11 July 2019
 Candidate nominations opened - 11 July 2019
 Candidate nominations closed - 9 August 2019
 Opening of voting - 4 September 2019
 Close of voting - 2 October 2019
 Declaration of result - 2 October 2019

The election result was advised by the AEC Returning Officer post the close of voting on 2 October 2019 in that Bruce Allen and Karen Alcock had been elected by a majority of votes. The Returning Officer also advised the ARBV that he was satisfied that the election was conducted accurately and with integrity.

The following provides comparative statistics between the 2017 and 2019 elections:

Election Elements	2017 Election	2019 Election	% Change
Number of Final Nominations	11	17	↑ 54%
Total Eligible Voters	4,010 (1)	5,992 (2)	↑ 49%
Number of Architects Voting	462	888	↑ 92%
% of eligible voters (1) & (2)	11.5%	14.8%	
% of eligible voters Practising only	11.5%	19.0%	
Total Formal Votes (x 2 candidates)	824	1,708	↑ 107%
Unexercised Preferences	100	63 (3)	↓ 47%
Total Informal Votes	Nil	Nil	
Votes polled by successful architects	302 and 111	421 and 285	

Notes:

1. Only practising architects participated in the 2017 election.
2. Both practising (4,674) and non-practising (1,318) architects participated in the 2019 election.
3. Unexercised preferences being where architects only voted for a single candidate.

Sponsorships, Grants and Awards

Architectural Student Professional Practice Awards

The Architectural Student Professional Practice Awards are in recognition of the importance of education linked to the professional practice of architecture. Recognising ARBV's important consumer protection role, awards are provided each year to the top 4th or 5th year student in a professional practice subject, demonstrating the highest level of performance in this field. Recipients receive a grant of \$1,000 as a contribution towards the student's further studies or professional development and a Certificate of Recognition. The award is currently limited to the four Victorian schools of architecture – University of Melbourne, Deakin University, Monash University and RMIT.

Open House Melbourne - 2019 Speaker and Naked Architect Series

The following sponsorship was approved by the Board in 2018/19 and completed in the 2019-20 reporting period.

The Naked Architect Series provided a guide to commissioning and working with an architect and presenting the opportunity for people thinking of engaging an architect to see inside six architect-

designed homes and to learn about the full process – from commissioning the right architect through to budgeting and building. The six case studies provided insights and stories that were specific to each project, client and architect, yet relevant more broadly to consumers thinking about engaging an architect.

The Speaker Series built awareness about the value of good design, informing people on how architecture is conceived and implemented, and created a library of filmed presentations with some of Melbourne's most important architects. The series provided the opportunity for the ARBV to communicate to all stakeholders, importantly consumers, about the role of the ARBV in protecting the public interest, and as an opportunity to speak to the next generation of architects about the importance of the ARBV's regulatory functions. The ARBV contributed capped funding of \$25,000 (GST exc) towards the Open House Melbourne 2019 series in 2018-19. The ARBV also contributed capped funding of \$5,000 (GST exc) in 2019-20 towards the Open House Melbourne 2020 series.

Grant for the Boyd Centenary Projects

A grant of \$32,000 for the Boyd Centenary Projects was approved in 2018/19 and continued in 2019-20. The ARBV has contributed \$25,000 from March 2019 to June 2020 towards completing the projects.

The projects aim to strengthen the understanding and beginnings of the relationship between consumers and architects using real life case studies and experiences which are documented and publicly available e.g. Small Homes Service website as an ongoing resource.

Coronavirus (COVID-19) has had a major impact on progress with the ability to access materials/ documentation from institutions such as the State Library of Victoria and RMIT Design Archives curtailed. Ability to conduct interviews with former clients of Boyd has also been significantly impacted.

Subject to coronavirus (COVID-19) impacts, going forward the projects are expected to be completed in March 2021.

Financial Management Compliance Attestation

20 October 2020

I, Karen Alcock, on behalf of the Board, certify that the Architect Registration Board of Victoria has no Material Compliance Deficiency with respect to the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions.



Karen Alcock

Chairperson
Architects Registration Board of Victoria
Date signed: 20 October 2020

2019-20 Financial Year Review

Financial performance and business review

In 2019-20, the ARBV recorded a net deficit from operations of \$170,711 which was a \$269,209 turnaround from the net surplus of \$98,497 in 2018-19. This occurred due to both increased applications and registration income of \$114,097 offset by significant reductions of examination income of \$145,825 plus deferral of examination income of \$90,370 due to coronavirus (COVID-19). There were also decreased legal recoveries of \$134,286 and interest received of \$33,376, respectively.

Expenditure reduced by \$23,832 from prior year yet staff costs increased by \$428,753. The increase in employee costs was due to right sizing the organisation to provide greater levels of service which included bringing the compliance, communications, and finance function in house instead of using contractor services. Offsetting this increase were savings in legal, administration and information technology totalling \$317,010.

Financial position

Net assets decreased by \$170,711 from \$1,451,560 to \$1,280,849 mainly due to increased cash from annual fees in advance and deferred examinations revenue of \$509,392 plus increased payables \$61,504 and employee provisions of \$45,186 less cash and receivables of \$375,749 and increased assets for new website \$32,761 and office equipment of \$26,861.

ARBV five-year financial summary

ARBV five-year financial summary	2020	2019	2018	2017	2016
Total income from transactions	2,184,555	2,477,596	2,124,263	1,975,946	1,810,632
Total expenses from transactions	2,355,266	2,379,098	2,066,187	1,805,602	1,478,554
Sponsorships and donations (1)	5,000	25,782	61,000	70,000	31,500
Net result for the period	(170,711)	98,498	58,220	171,000	331,761
Net cash flows from operating activities	476,231	144,208	303,439	152,876	460,271
Total assets	3,369,736	2,934,365	2,786,808	2,494,405	2,340,591
Total liabilities	2,088,887	1,482,805	1,433,746	1,199,563	1,216,749

Notes:

1. Sponsorships and donations are included in the net result for the period.

Financial Statements

Architects Registration Board of Victoria - Financial Statements

How this report is structured

The Architects Registration Board of Victoria (ARBV) has presented its audited general purpose financial statements for the financial year ended 30 June 2020 in the following structure to provide users with the information about the ARBV's stewardship of resources entrusted to it.

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Declaration in the financial statements

The attached financial statements for the Architects Registration Board of Victoria(ARBV) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and financial position of the ARBV at 30 June 2020.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on the 25th August, 2020



D. O'Beirne
Chief Finance Officer
ARBV

Melbourne
Date 28/8/2020



A. Bawden
Chief Executive Officer
ARBV

Melbourne
Date 28/8/2020



K. Alcock
Chairman of the Board
ARBV

Melbourne
Date 28/08/2020



Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of the Architects Registration Board of Victoria

Opinion	<p>I have audited the financial report of the Architects Registration Board of Victoria (the authority) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration in the financial statements. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2020 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other Information	<p>The Board is responsible for the "other information" included in the authority's Annual Report for the year ended 30 June 2020. The other information in the Annual Report does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information included in the Annual Report. Accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial report, my responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a materially misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.</p>
Board's responsibilities for the financial report	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
8 September 2020



Paul Martin
as delegate for the Auditor-General of Victoria

Financial Statements (continued)

ARBV five year financial summary

	2020	2019	2018	2017	2016
	\$	\$	\$	\$	\$
Total income from transactions	2,184,555	2,477,596	2,124,263	1,975,946	1,810,632
Total expenses from transactions	2,355,266	2,379,098	2,066,187	1,805,602	1,478,554
Sponsorships and donations (i)	5,000	25,782	61,000	70,000	31,500
Net result for the period	-170,711	98,498	58,220	171,000	331,761
Net cash flows from operating activities	476,231	144,208	303,439	152,876	460,271
Total assets	3,369,736	2,934,365	2,786,808	2,494,406	2,340,591
Total liabilities	2,088,887	1,482,805	1,433,746	1,199,564	1,216,749

(i) Sponsorships and donations are included in the net result for the period.

Comprehensive operating statement
for the financial year ended 30 June 2020

	Notes	2020	2019
		\$	\$
Continuing operations			
Income from transactions			
Revenue from continuing operations	2.1	2,184,555	2,477,596
Total income from transactions		2,184,555	2,477,596
Expenses from transactions			
Application for registration	3.1	6,585	6,551
Annual registration		1,395	5,090
Employee expenses	3.2	1,398,169	969,416
Professional services		94,428	199,909
Legal and tribunal		253,462	383,228
Administration	3.3	259,409	446,653
Registration examinations		153,917	171,490
Occupancy		165,013	163,503
Depreciation	4.1.2	17,888	7,476
Sponsorships and donations	3.4	5,000	25,782
Total expenses from transactions		2,355,266	2,379,098
Net result from transactions (net operating balance)		(170,711)	98,498
Other economic flows included in net result			
Other gains/(losses) from other economic flows		-	
Comprehensive result		(170,711)	98,498

The accompanying notes form part of these financial statements.

Financial Statements (continued)

Balance sheet as at 30 June 2020

	Notes	2020	2019
Assets		\$	\$
Financial assets			
Cash and deposits	6.1	3,163,994	2,748,674
Receivables	5.1	80,743	120,314
Total financial assets		3,244,737	2,868,988
Non-financial assets			
Prepayments	8.2	34,551	17,952
Plant and equipment	4.1	57,687	47,425
Intangible assets	4.2	32,761	
Total non-financial assets		124,999	65,377
Total assets		3,369,736	2,934,365
Liabilities			
Annual registration fees received in advance	5.2	1,819,403	1,310,011
Payables	5.3	190,918	139,414
Employee-related provisions	3.2.1	78,566	33,380
Total liabilities		2,088,887	1,482,805
Net assets		1,280,849	1,451,560
Equity			
Contributed capital		221,718	221,718
Accumulated surplus		1,059,131	1,229,842
Net worth		1,280,849	1,451,560

The accompanying notes form part of these financial statements.

Statement of changes in equity
for the financial year ended 30 June 2020

	<i>Accumulated Surplus</i>	<i>Contributed Capital</i>	<i>Total</i>
	\$	\$	\$
Balance at 1 July 2018	1,131,344	221,718	1,353,062
Net result for the year	98,498	-	98,498
Balance at 30 June 2019	1,229,842	221,718	1,451,560
Net result for the year	(170,711)	-	(170,711)
Balance at 30 June 2020	1,059,131	221,718	1,280,849

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Financial Statements (continued)

Cash Flow Statement

for the financial year ended 30 June 2020

	Notes	2020	2019
		\$ Inflows (Outflows)	\$ Inflows (Outflows)
Cash flows from operating activities			
Receipts:			
Interest		13,172	44,577
Receipts from subscribers and sundry income		2,815,918	2,722,890
Total receipts		2,829,090	2,767,467
Payments:			
Payments to suppliers and employees		(2,352,859)	(2,623,259)
Total payments		(2,352,859)	(2,623,259)
Net cash flows from operating activities	6.1.2	476,231	144,208
Cash flows from investing activities:			
Investment in term deposits			1,500,000
Payments for plant & equipment		(28,150)	(27,591)
Payments for intangible assets		(32,761)	
Net cash flows from / (used in) investing activities		(60,911)	1,472,409
Net increase (decrease) in cash and cash equivalents		415,320	1,616,617
Cash and cash equivalents at beginning of financial year		2,748,674	1,132,057
Cash and cash equivalents at end of financial year	6.1	3,163,994	2,748,674

The accompanying notes form part of these financial statements.

Notes to the financial statements

1. About this Report

The financial statements cover the ARBV as an individual reporting entity. The ARBV is a self funded statutory authority established by *the Architects Act 1991*.

Its principal address is:
The Architects Registration Board of Victoria
Level 7, 372 Albert Street
East Melbourne VIC 3002

A description of the nature of the ARBV's operations and its principal activities is included in the ARBV overview, which does not form part of these financial statements.

Basis of preparation

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Judgements, estimates and assumptions are required to be made about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates.

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention.

All amounts in the financial statements have been rounded to the nearest \$1 unless otherwise stated.

ARBV considered the impact COVID-19 has had on registrants and others customer and suppliers they transact with and whether there will be a flow-on impact. Given the nature of ARBV operations no significant impact was identified at 30 June 2020. Nevertheless social distancing restrictions in place have forced a delay in the stage 3 exam resulting on unearned revenue of \$90,370 at 30 June 2020. Further disclosures in relation to unearned revenue are at note 2.1 of this report.

It is expected that both fee and examination revenues may be reduced in 2020-21 due to this uncertainty ARBV has budgeted a decrease in revenue of 2.5%.

Compliance information

These general purpose financial statements have been prepared in accordance with the Financial Management Act 1994 (FMA) and applicable Australian Accounting Standards (AAS) including Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 Whole of Government and General Government Sector Financial Reporting. Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 8.9.

These annual financial statements were authorised for issue by the ARBV Chairman, Chief Executive Officer and Chief Financial Officer on behalf of the Board of the ARBV on 25 August 2020.

Financial Statements

(continued)

Changes in accounting policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Unless otherwise stated, all accounting policies applied are consistent with those of the prior year.

The following standard has been adopted by ARBV:

· AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from contracts with customers, which replaces AASB 118 Revenue AASB 111 Construction Contracts and related interpretations requires the Corporation to recognise revenue when the Corporation satisfies a performance obligation by transferring a promised good or service to a customer. The Corporation has adopted AASB 15 as at 1 July 2019 and has applied the new rules on a modified retrospective basis as mandated by the DTF through FRD 121 Transitional requirements on the application of AASB 15 Revenue from Contracts with Customers. As a result, comparatives for 2018/19 in our 30 June 2020 accounts have not been restated. No transition adjustments required to retained earnings. Further disclosures in relation to AASB15 are at note 2.1 of this report.

· AASB 16 Leases

AASB 16 Leases was issued in February 2016 and replaces AASB 117 Leases. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed for lessees. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay the obligation for lease payments are recognised. The Corporation has adopted AASB 16 as at 1 July 2019 and has applied the new rules on a modified retrospective basis as mandated by the DTF through FRD 123 Transitional requirements on the application of AASB 16 Leases. As a result, comparatives for 2018/19 in our 30 June 2020 accounts have not been restated. The transition adjustment was nil. Further disclosures in relation to AASB 16 are at note 3.1 and 6.2 of this report.

· AASB 1058 Income for Not-for-Profits

AASB 1058 Income for Not-for-Profits replaces requirements of income transactions previously accounted for under AASB 1004 Contributions. It establishes principles for not-for-profit entities that apply to (a) transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit Corporation to further its objectives; and (b) the receipt of volunteer services. It will apply to capital grants from government and grants with no sufficiently specific performance obligation. Corporation needs to determine whether a transaction falls under AASB 1058 or actually a contract with a customer under AASB 15. ARBV has adopted AASB 1058 as at 1 July 2019 and has applied the new rules on a modified retrospective basis as mandated by the DTF through FRD 122 Transitional requirements on the application of AASB 1058 Income of Not-for-Profit Entities. As a result, comparatives for 2018/19 in our 30 June 2020 accounts have not been restated. The transition adjustment was nil.

2. FUNDING DELIVERY OF OUR SERVICES

The Architects Registration Board of Victoria (ARBV) has as its primary objectives the registration of architects and approval of architectural companies/partnerships, investigation of complaints against architects, provision of Tribunal inquiry into professional conduct and accreditation of architecture courses.

Income is generated from the following sources and is used to deliver ARBV's objectives.

2.1 Summary of Income that funds the delivery of our services

	2020	2019
	\$	\$
Income		
Revenue from fees:		
Annual registration	1,902,979	1,763,458
Application and revocation	84,521	109,944
Revenue from examinations:		
Examination	141,090	377,285
Interest received:		
Interest on bank deposits	13,172	46,548
Sundry income	3,637	6,919
Legal fees recovery	39,156	173,442
Total income from transactions	2,184,555	2,477,596

Revenue from Contracts with Customers

Revenue from fees and examinations are recognised under AASB15 Revenue from Contracts with Customers. The ARBV charges an annual fee for registration of Architects and is recognised in the year that the renewal is due. There are also examination fees which are recognised when the service is provided. In the instance where annual registration fees are paid in advance then this revenue is recognised as unearned revenue.

Interest

Interest income includes interest received on bank term deposits. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Interest income on investments and cash holdings are recognised as they accrue.

Financial Statements (continued)

3. The Cost of Delivering Services

This section provides an account of the expenses incurred by the Architects Registration Board of Victoria in delivering services. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

- 3.1 Expenses incurred in delivery of services
- 3.2 Employee and contractor expenses
- 3.3 Administration expenses
- 3.4 Sponsorship and donations

3.1 Expenses incurred in delivery of services

		2020	2019
Application for registration		6,585	6,551
Annual registration		1,395	5,090
Employee expenses	3.2	1,398,169	969,416
Professional services		94,428	199,909
Legal and tribunal		253,462	383,228
Administration	3.3	259,409	446,653
Registration examinations		153,917	171,490
Occupancy		165,013	163,503
Sponsorships and donations	3.4	5,000	25,782
Total expenses from transactions		2,337,378	2,371,622

Expenses from transactions are recognised as they are incurred and are reported in the financial year to which they relate.

Occupancy includes operating lease payments, which are recognised on a straight line basis over the lease term. ARBV elected to apply the recognition exemption para 5(a) AASB 16-Leases - "short-term leases". The ARBV Lease agreement 2019 ending on 11th of December 2020 with monthly rent of \$8,807 is the only lease agreement. There are no other lease agreement in place at 30 June 2020.

3.2 Employee expenses in the comprehensive operating statement

		2020	2019
		\$	\$
Employee expenses	3.2.1	1,281,163	899,825
Superannuation	3.2.2	117,006	69,591
Total employee expenses		1,398,169	969,416

Employee expenses include all costs related to employment (other than superannuation which is accounted for separately) including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is the employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period. The ARBV does not have a defined benefit plan.

3.2.1 Employee-related provisions in the balance sheet

	2020	2019
	\$	\$
Current provisions		
Employee benefits – annual leave:		
Unconditional and expected to settle within 12 months (i)	47,724	26,589
Unconditional and expected to settle after 12 months		
Employee benefits – long service leave:		
Unconditional and expected to be settled within 12 months	13,473	3,192
Unconditional and expected to settle after 12 months		
Provisions related to employee benefit on-cost:		
Unconditional and expected to be settled within 12 months	6,123	2,979
Unconditional and expected to settle after 12 months		
Total current provisions	67,320	32,760
Non-current provisions		
Employee benefits	10,223	504
Employee benefits on costs	1,023	56
Total non-current provisions	11,246	620
Total provisions	78,566	33,380

Reconciliation of movement in on-cost provision

Opening balance	33,380
Additional provisions recognised	142,947
Amounts utilised during period	-97,761
Effect of changes in the discount rate	
Closing balance	78,566
Current	67,320
Non Current	11,246

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave and long service leave for services rendered to the reporting date.

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. Liabilities for wages and salaries (including non-monetary benefits, annual leave, accumulating sick leave and on-costs) are recognised as part of the employee benefit provision as current liabilities. Liabilities for salaries and annual leave are all recognised in the provision for employee benefits as 'current liabilities' as per AASB 119 Employee Benefits.

(ii) Long service leave

Long Service Leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL (representing seven or more years of continuous service) is disclosed as a current liability even where the ARBV does not expect to settle the liability within 12 months. The ARBV does not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. The components of this current LSL liability are measured at:

- Undiscounted value – the component the ARBV expects to wholly settle within 12 months; or
- Present value – the component the ARBV does not expect to wholly settle within 12 months.

Conditional long service leave is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current long service liability is measured at present value. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised in the operating statement.

Financial Statements (continued)

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee decides to accept an offer of benefits in exchange for the termination of employment. The ARBV recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(iv) Employee benefits on-costs

Employee benefits on-costs such as workers compensation and superannuation are recognised separately from the provision for employee benefits.

3.2.2 Superannuation

Fund	Paid Contribution for the Year		Contribution outstanding at year	
	2020	2019	2020	2019
	\$	\$	\$	\$
Defined contribution plans				
AMP	110	14,925		209
Australian Super	31,449	3,469	5,092	477
Colonial First State			342	
Construction & Building unions	2,063		154	
Chemhouse Staff superannuation fund			88	
Esssuper	88		154	
Future Super	3,090	2,628	496	445
Hesta		12,769		
Lamkin superannuation fund	44			
Macquarie super manager	154			
Pssap fund	16,206	13,341	1,044	698
Osuper	7,455		1,609	
Rest Industry super	5,357	5,471		361
Sunsuper superannuation fund	2,282		367	
Unisuper	9,298		1,263	
Vicsuper futuresaver	25,718	8,146	3,218	1,190
Vision super	1,221		322	
	104,513	60,749	14,149	3,380

3.3 Administration expenses

Administration expenses comprise

	2020	2019
	\$	\$
Finance and bank charges	27,263	28,953
Advertising	10,327	1,474
Travel and accommodation	8,048	15,351
Awards	3,000	12,500
Service and maintain office equipment	2,275	8,325
IT and computer services	125,368	119,387
Other expenses	6,584	15,178
Loss on disposal of non-financial assets	0	550
Subscriptions	68,483	80,148
Postage	8,061	7,034
Board initiative - Acumen	0	44,004
Board initiative - Communications	0	45,749
Board initiative - Regulatory Strategy	0	68,000
Total administration expenses	259,409	446,653

3.4 Sponsorships and Donations

	2020	2019
	\$	\$
Sponsorships and donations	5,000	25,782
Total sponsorships and donations	5,000	25,782

In 2020 the ARBV board agreed to continue the sponsorship of the Melbourne Open House speaker series.

Financial Statements (continued)

4. Key Assets available to support output delivery

The ARBV controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the ARBV to be utilised for service delivery.

Structure

4.1 Plant and equipment

4.1.1 Reconciliation of movements in carrying values of infrastructure, property, plant and equipment

4.1.2 Depreciation and impairment

4.1.3 Fair value determination: Non-financial physical assets

4.2 Intangible assets

4.1 Plant and equipment

	2020	2019
	\$	\$
Office equipment at cost	122,934	94,784
Accumulated depreciation	(65,247)	(48,719)
	57,687	46,065
Leasehold improvements at cost	35,955	35,955
Accumulated depreciation	(35,955)	(34,595)
	1,360	
	57,687	47,425

These assets are all classified as public administration fixed assets

4.1.1 Movements in carrying amounts

2020	Office Equipment	Leasehold Improvements	Total
	\$	\$	\$
Opening balance	46,065	1,360	47,425
Additions	28,150	-	28,150
Disposals	-	-	-
Depreciation	(16,526)	(1,360)	(17,886)
Closing balance	57,687		57,687

2019	Office Equipment	Leasehold Improvements	Total
	\$	\$	\$
Opening balance	25,140	2,720	27,860
Additions	27,591	-	27,591
Disposals	(550)	-	(550)
Depreciation	(6,116)	(1,360)	(7,476)
Closing balance	46,065	1,360	47,425

4.1.2 Depreciation

All plant and equipment with finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated over the period of the lease using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period and adjustments made where appropriate.

The following are typical estimated useful lives for the different asset classes for current and prior years.

Asset class	Useful life
Computers	4 years
Furniture and Fittings	5 – 13 years
Intangible Assets	5 years
Leasehold Improvements	5 years

4.1.2 Aggregate depreciation recognised as an expense during the year

	2020	2019
	\$	\$
Office equipment at cost	16,528	6,116
Leasehold improvements at cost	1,360	1,360
	17,888	7,476

Impairment of non-financial assets

Non-financial assets, including items of Property, Plant and Equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off, except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of current replacement cost and fair value less costs to sell. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

Plant and equipment

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

Cost measurement hierarchy for assets as at 30 June 2020

	Carrying amount as at 30 June 2020	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
Property, plant and equipment at cost	-			-
Leasehold Improvements at cost	-			-
Office equipment	57,687			57,687
Total plant and equipment at cost	57,687			57,687

Description of significant unobservable inputs into level 3 valuations

Asset Classification	Valuation Technique	Significant Unobservable	Range	Sensitivity
Office equipment and leasehold improvements	Depreciated replacement cost	Cost per unit	\$2,000 - \$3,000 per unit	- A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value

Financial Statements (continued)

Plant and equipment

Plant and equipment is held at fair value.

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the ARV.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Consistent with AASB 13 Fair Value Measurement, the ARV determines the policies and procedures for both recurring fair value measurements such as financial instruments and for non-recurring fair value measurements.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement unobservable.

For the purpose of fair value disclosures, the ARV has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Non-financial physical assets

4.2 Intangible Assets

	Website		Total	
	2020	2019	2020	2019
Gross carrying amount				
Opening balance				
Additions	32,761		32,761	
Additions from internal development				
Acquisitions from business combinations				
Disposals or classified as held for sale				
Closing balance	32,761		32,761	
Accumulated depreciation, amortisation and impairment				
Opening balance				
Amortisation of intangible produced assets				
Amortisation of intangible non produced assets				
Acquisitions from business combinations				
Disposals or classified as held for sale				
Impairment losses charged to net result				
Reversals of impairment losses charged to net result				
Closing balance				
Net book value at end of financial year	32,761		32,761	

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An intangible asset of \$32,761 for the ARBV's website redevelopment has been recognised at 30 June 2020.

Subsequent measurement

Intangible produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between three and five years.

5. Other Assets and Liabilities

This section sets out those assets and liabilities that arose from the ARBV's controlled operations.

Structure
 5.1 Receivables
 5.2 Annual registration fees received in advance
 5.3 Payables

5.1 Receivables

	2020	2019
	\$	\$
Contractual		
Security Deposit Bond	77,757	68,861
Interest Receivable		13,637
	77,757	82,498
Statutory		
GST Receivable	2,986	37,816
	2,986	37,816
Total Receivables	80,743	120,314

Receivables consist of:

- contractual receivables such as debtors in relation to goods and services and accrued investment income; and
- statutory receivables such as GST input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as financial assets at amortised cost (refer to Note 7.1 Financial Instruments for recognition and measurement). Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described below. An expected credit loss is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

Ageing analysis of contractual financial assets

2020				
	Carrying Amount	Not past due and not impaired	Less than 1 month	Past due but not impaired
	\$	\$	\$	\$
Investments and other contractual financial assets				
Security Deposit bond	77,757	77,757	-	-
Total	77,757	77,757	-	-

2019				
	Carrying Amount	Not past due and not impaired	Less than 1 month	Past due but not impaired
	\$	\$	\$	\$
Investments and other contractual financial assets				
Interest receivable	13,637	13,637	-	-
Security Deposit bond	68,861	68,861	-	-
Total	82,498	82,498	-	-

Financial Statements (continued)

5.2 Annual registration fees received in advance

	2020	2019
	\$	\$
Practising	1,364,069	964,429
Company	446,818	339,441
Partnership	8,516	6,141
Total annual registration fees received in advance	1,819,403	1,310,011

Registration fees received relating to the subsequent year are recognised at year-end as annual registration fees in advance.

5.3 Payables

	2020	2019
	\$	\$
Contractual		
Accrued expenses	39,341	102,580
Creditors	104,468	14,911
	143,809	117,491
Statutory		
PAYG liability	33,343	18,123
Superannuation	14,149	3,380
FBT and GST payable	(383)	420
	47,109	21,923
Total Payables	190,918	139,414

Payables consist of:

- contractual payables, such as accounts payable and fees received in advance. Accounts payable represent liabilities for goods and services provided to the ARBV prior to the end of the financial year that are unpaid, and arise when the ARBV becomes obliged to make future payments in respect of the purchase of those goods and services; and

- statutory payables, such as goods and services tax, fringe benefits tax and PAYG withholding tax.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Terms of settlement are generally 30 days from date of invoice.

Maturity Analysis of contractual liabilities

2020	Maturity Dates			
	Carrying Amount	Nominal Amount	Less than 1 month	1-3 months
	\$	\$	\$	\$
Payables				
Supplies and services	104,468	104,468	104,468	-
Other Payables	39,341	39,341	39,341	-
Total	143,809	143,809	143,809	-

2019	Maturity Dates			
	Carrying Amount	Nominal Amount	Less than 1 month	1-3 months
	\$	\$	\$	\$
Payables				
Supplies and services	14,911	14,911	14,911	-
Other Payables	102,580	102,580	102,580	-
Total	117,491	117,491	117,491	-

6. How We Financed our Operations

This section provides information on the sources of finance utilised by the ARBV during its operations, along with other information related to financing activities of the ARBV.

This section includes disclosures of balances that are financial instruments (such as cash balances). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

Structure

6.1 Cash flow information and balances

6.2 Commitments for expenditure

6.1 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	2020	2019
	\$	\$
Total cash and deposits disclosed in balance sheet	3,163,994	2,748,674
Total Cash and cash equivalents	3,163,994	2,748,674

6.1.2 Reconciliation of net result for the year to net cash flows provided (used) in operating activities

	2020	2019
	\$	\$
Operating result for the period	(170,711)	98,498
Add non-cashflows		
Depreciation	17,888	7,476
Loss on disposal of non-financial assets	-	550
Changes in Assets & Liabilities		
(Increase)/decrease in current receivables	39,571	(26,488)
(Increase)/decrease in prepayments	(16,599)	15,113
(Decrease)/increase in current payables	51,504	(78,205)
(Decrease)/increase in annual registration fees received in advance	509,392	175,137
(Decrease)/increase in provisions	45,186	(47,873)
Net cash flows provided (used) by operating activities	476,231	144,208

6.2 Commitments for expenditure

(a) Operating lease commitments contracted for but not capitalised in the accounts payable

	2020	2019
	\$	\$
Not later than one year	47,485	102,467
Later than one, not later than five years	0	51,234
	47,485	153,701

The lease relates to the Board's premises at 7/372-377 Albert Street East Melbourne. The board took up the option to extend the lease by one year to December 2020. After this date the option is to seek alternative accommodation. The ARBV elected to apply the recognition exemption para 5(a) AASB 16 Leases - "short term leases".

Financial Statements (continued)

7. Risks, Contingencies and Valuation Judgements

Introduction

The ARBV is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the ARBV related mainly to fair value determination.

Structure

- 7.1 Financial Instruments
- 7.2 Contingent Assets and Liabilities
- 7.3 Fair Value Determination

7.1 Financial Instruments specific disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the ARBV's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 9 Financial Instruments. For example, statutory receivables do not meet the definition of financial instruments as they do not arise under contract.

Categories of financial assets under AASB 9

Financial Assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result.

- The assets are held by the ARBV to collect the contractual cash flows, and
- The assets contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transactions costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The ARBV recognise the following assets in this category:

- Cash and deposits
- Trade receivables and loans (excluding statutory receivables)

Categories of financial assets previously under AASB 139

Receivables and cash

Receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables and cash are measured at amortised cost using the effective interest method, less any impairment).

Receivables and cash include trade receivables, but not statutory receivables.

Categories of financial liabilities under AASB 9 and previously under AASB 139

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs.

Financial instrument liabilities measured at amortised cost include all of the ARBV's contractual payables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Offsetting financial instruments

Financial instruments assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the ARBV has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

At the end of each reporting period, the ARBV assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets are subject to annual review for impairment.

Receivables are assessed for expected credit loss on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for expected credit loss are classified as other economic flows in the net result.

(a) Financial risk management objectives and policies

The ARBV's principal financial instruments comprise:

- cash assets;
- term deposits;
- receivables (excluding statutory receivables); and
- payables (excluding statutory payables).

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability above are disclosed in Note 1 of the financial statements.

Categorisation of financial instruments

	Note	Carrying Amount 2020	Carrying Amount 2019
		\$	\$
Contractual Financial Assets			
Cash and deposits	6.1	3,163,994	2,748,674
Receivables	5.1	77,757	82,498
Total Contractual Financial Assets		3,241,751	2,831,172
Financial Contractual Liabilities			
Payables	5.3	143,809	117,491
Total Contractual Financial Liabilities		143,809	117,491

Financial Statements (continued)

(b) Interest rate risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

2020

	Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	\$	\$	\$	\$
Contractual Financial Assets				
Cash and deposits	3,163,994	-	3,163,844	150
Receivables	77,757	-	77,757	0
Total Contractual Financial Assets	3,241,751	-	3,241,601	150
Weighted Average Interest Rate		1.46%	0.55%	0%
Contractual Financial Liabilities				
Payables	143,809	-	-	143,809
Total Contractual Financial Liabilities	143,809	-	-	143,809
Weighted Average Interest Rate		0%	0%	0%
Net Contractual Financial Assets/ Liabilities	3,097,942	0	3,241,601	-143,659

2019

	Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	\$	\$	\$	\$
Contractual Financial Assets				
Cash and deposits	2,748,674	-	2,748,268	406
Receivables	82,498	-	68,861	13,637
Term Deposits	0	0	-	-
Total Contractual Financial Assets	2,831,172	0	2,817,129	14,043
Weighted Average Interest Rate		2.19%	0.01%	0%
Contractual Financial Liabilities				
Payables	117,491	-	-	117,491
Total Contractual Financial Liabilities	117,491	-	-	117,491
Weighted Average Interest Rate		0%	0%	0%
Net Contractual Financial Assets/ Liabilities	2,713,681	0	2,817,129	-103,448

Contractual receivables at amortised cost

2019	Current	Less than 1mth	1-3mths	3mths to a year	1-5yrs	Total
Expected loss rate	0%	4%	15%	50%	100%	
Gross carrying amount of contractual receivable:	2,831,172					2,831,172
Loss allowance	0					0

Contractual receivables at amortised cost

2020	Current	Less than 1mth	1-3mths	3mths to a year	1-5yrs	Total
Expected loss rate	0%	4%	15%	50%	100%	
Gross carrying amount of contractual receivable:	77,757					77,757
Loss allowance	0					0

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

Statutory receivables and debt investments at amortised cost [AASB 9.Aus2.1.1]

The ARBV's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments. Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance has been recognised.

Financial Statements (continued)

(c) Credit risk

Credit risk arises from the contractual financial assets of the ARBV, which comprise cash and deposits and non statutory receivables. The ARBV's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the ARBV. Credit risk is measured at fair value and is monitored on a regular basis.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Balance Sheet. Credit risk is minimal as the main debtor is a security deposit held with the Macquarie Bank for the leased premises.

Credit quality of contractual financial assets that are neither past due nor impaired

	Other (min triple B credit rating)	Other (not rated)	Total
	\$	\$	\$
2020			
Cash and deposits	3,163,994		3,163,994
Security deposit bond	-	77,757	77,757
Total contractual financial assets	3,163,994	77,757	3,241,751
2019			
Cash and deposits	2,748,314	360	2,748,674
Security deposit bond	-	68,861	68,861
Total contractual financial assets	2,748,314	69,221	2,817,535

Ageing analysis of contractual financial assets

2020	Carrying Amount	Not past due and not impaired	Less than 1 month	Past due but not Impaired
	\$	\$	\$	\$
Investments and other contractual financial assets				
Security Deposit bond	77,757	77,757	-	-
Total	77,757	77,757	-	-
2019				
	Carrying Amount	Not past due and not impaired	Less than 1 month	Past due but not Impaired
	\$	\$	\$	\$
Investments and other contractual financial assets				
Security Deposit bond	68,861	68,861	-	-
Total	68,861	68,861	-	-

(d) Risks and mitigation

The risks associated with the ARBV's main financial instruments and our policies for minimising these risks are detailed below.

Market risk

Market risk is the risk that the fair value or future cash flows of the ARBV's financial instruments will fluctuate because of changes in market prices. The only market risk to which the ARBV is exposed is interest rate risk.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The ARBV is not exposed to any material interest rate risk.

(e) Liquidity risk

Liquidity risk is the risk that the ARBV would be unable to meet its financial obligations as and when they fall due. The ARBV settles financial obligations within 30 days.

Maturity Analysis of contractual liabilities

2020	Carrying Amount	Maturity Dates		
		Nominal Amount	Less than 1 month	1-3 months
	\$	\$	\$	\$
Payables				
Supplies and services	104,468	104,468	104,468	-
Other Payables	39,341	39,341	39,341	-
Total	143,809	143,809	143,809	-

2019	Carrying Amount	Maturity Dates		
		Nominal Amount	Less than 1 month	1-3 months
	\$	\$	\$	\$
Payables				
Supplies and services	14,911	14,911	14,911	-
Other Payables	102,580	102,580	102,580	-
Total	117,491	117,491	117,491	-

(f) Interest rate risk sensitivity

	Carrying amount	Interest rate		Available for sale revaluation surplus	Available for sale revaluation surplus
		100 basis points	+100 basis points		
		Net result	Net result		
2020					
Contractual financial assets					
Cash and deposits ⁽ⁱ⁾	3,163,994.00	-31,639.94	31,639.94
Total impact		-31,639.94	31,639.94
2019					
Contractual financial assets					
Cash and deposits ⁽ⁱ⁾	2,748,674.00	-27,486.74	27,486.74
Total impact		-27,486.74	27,486.74

Notes:

(i) Cash and deposits includes a deposit of (2019: \$960,084) that is exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

- 2020: $\$3,085,603 \times 0.01 = \$30,856$; and $\$3,085,603 \times 0.01 = \$30,856$; and
- 2019: $\$2,748,674 \times 0.01 = \$27,487$; and $\$2,748,674 \times 0.01 = \$27,487$

Financial Statements (continued)

7.2 Contingent assets and liabilities

As at 30 June 2020 there were no contingent assets and contingent liabilities in existence (2019 nil).

7.3. Fair value determination

The ARBV considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full. The following table shows that the fair values of most of the contractual financial assets and liabilities are the same as the carrying amounts:

Financial Instruments	Carrying amount		Fair value	
	2020	2019	2020	2019
	\$	\$	\$	\$
Financial Assets				
Cash and deposits	3,163,994	2,748,674	3,163,994	2,748,674
Receivables	77,757	82,498	77,757	82,498
Total Financial Assets	3,241,751	2,831,172	3,241,751	2,831,172
Financial Liabilities				
Payables	143,809	117,491	143,809	117,491
Total Financial Liabilities	143,809	117,491	143,809	117,491

8. Other Disclosures

Introduction

This section includes additional material disclosures required by accounting standards, for the understanding of this financial

- 8.1 Other non-financial assets
- 8.2 Responsible Persons
- 8.3 Remuneration of Executives
- 8.4 Related Parties
- 8.5 Remuneration of auditors
- 8.6 Subsequent events
- 8.7 Australian accounting standards issued that are not yet effective
- 8.8 Glossary of technical terms
- 8.9 Style conventions

8.1 Other non-financial assets

Prepayments

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

	2020	2019
	\$	\$
Prepayments	34,551	17,952
Total Prepayments	34,551	17,952

8.2 Responsible Persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the Financial Management Act 1994 (FMA), the following disclosures are made regarding responsible persons for the reporting period.

Title	Name	Period of Appointment
Minister for Planning	The Hon Richard Wynne, MLA	(1 July 2019 to 30 June 2020)
Chairperson	Ms Karen Alcock	(9 May 2020 to 30 June 2020)
Chairperson	Mr David Islip	(1 July 2019 to 8 May 2020)
ARBV member	Ms Karen Alcock	(26 November 2019 to 8 May 2020)
Deputy Chairperson	Mr Richard Salter	(1 September 2019 to 30 June 2020)
Deputy Chairperson	Mr Ian Sutter	(1 July 2019 to 31 August 2019)
ARBV member	Mr David Islip	(9 May 2020 to 30 June 2020)
ARBV member	Mr Richard Salter	(1 July 2019 to 31 August 2019)
ARBV member	Ms Catherine Duggan	(26 November 2019 to 30 June 2020)
ARBV member	Mr Bruce Allen	(26 November 2019 to 30 June 2020)
ARBV member	Dr Giorgio Marfella	(26 November 2019 to 30 June 2020)
ARBV member	Ms Venise Reilly	(1 July 2019 to 30 June 2020)
ARBV member	Ms Clare Newton	(1 July 2019 to 30 October 2019)
ARBV member	Ms Arianne Rose	(1 July 2019 to 23 June 2020)
ARBV member	Ms Dionne Wright	(1 July 2019 to 23 June 2020)
ARBV member	Mr Stuart Brown	(1 July 2019 to 30 June 2020)
ARBV Accountable Officer	Mr Allan Bawden	(15 June 2020 to 30 June 2020)
ARBV Accountable Officer	Mr Adam Toma	(1 July 2019 to 14 June 2020)

The number of responsible persons are shown in their relevant income bands.

Income Band	Total Remuneration	
	2020	2019
\$0- \$9,999 (Board Members)	11	9
\$10,000- \$19,999 (Board Members)		1
\$20,000- \$29,999 (Board Members)	1	
Total number of Board members	12	10
\$160,000 - \$179,999 (Accountable Officer)	1	1
\$180,000 - \$189,999 (Accountable Officer)		
Total annualised employee equivalents	1	1
Total remuneration	\$271,239	\$286,468

Whilst remuneration is up overall this is due to Board member fee activity increasing.

Financial Statements (continued)

8.3 Remuneration of Executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

The compensation detailed below excludes the salaries and benefits the Portfolio minister receives. Amounts relating to ministers are reported in the financial statements of the Department of Premier and Cabinet.

Remuneration	2020	2019
	\$	
Short term employee benefits	\$ 239,761	\$ 214,401
Post-employment benefits	\$ 16,657	\$ 13,341
Other long-term employee benefits	\$ 14,821	\$ 7,294
Termination benefits		\$ 51,432
Total remuneration	271,239	286,468
Total number of executives (a)	12	10
Total annualised employee equivalents (b)	1	1

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure.

(b) Annualised employee equivalent is the total for the accountable officer. The other executives are board members and their remuneration is for sitting fees for the reporting period.

8.4 Related Parties

The ARBV is a self-funding Statutory Authority in the State of Victoria.

All related party transactions have been entered into on an arm's length basis.

In the prior year Bruce Allen received payments from the ARBV for activities other than board fees as follows:

	2020	2019
	\$	\$
Examiner fees	1,400	5,600

Significant transactions with government-related entities

During the year there were no related party transactions with government related entities.

Related parties of the ARBV include all key management personnel (KMP) and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over), and all cabinet ministers and their close family members.

The KMP's of the ARBV is the same as listed in 8.3 Responsible Persons.

Compensation of KMP	2020	2019
	\$	\$
Short term employee benefits	239,761	214,401
Post-employment benefits	16,657	13,341
Other long-term employee benefits	14,821	7,294
Termination benefits		51,432
Total	271,239	286,468

Compensation for the Minister is not included in this table

Transactions with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Related party transactions with the members of the ARBV and their related parties, which occurred during the normal course of business, apart from remuneration of Board directors which is disclosed in Note 8.3 above:

Bruce Allen, Board member received payments from the ARBV for activities other than board fees as follows:

	2020	2019
	\$	\$
Examiner fees	1,400	2,800

The ARBV has prepared the related party disclosures for the year based on reasonable enquiries made by management in relation to the portfolio ministers and their related parties and the information available to the organisation.

Financial Statements

(continued)

8.5 Remuneration of auditors

	2020	2019
	\$	\$
Victorian Auditor-General's Office		
External audit services	15,800	15,400
H L Mann Judd		
Internal audit services	24,300	4,226

8.6 Subsequent events

Events Occurring after the reporting date

The COVID-19 pandemic has created unprecedented uncertainty of the economic environment. Actual economic events and conditions in future may be materially different from those estimated by the entity at the reporting date. In the event the COVID-19 pandemic impacts are more severe or prolonged than anticipated, this may have further adverse impacts to the entity. At the date of the annual report an estimate of the future effects of the COVID-19 pandemic on the entity cannot be made, as the impact will depend on the magnitude and duration of the economic downturn, with the full range of possible effects unknown.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in the future financial years. As at 30 June 2020 there were no subsequent events.

8.7 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2019-20 reporting period. These accounting standards have not been applied to the ARBV Financial Statements. The ARBV is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. The ARBV has not earlier adopted the Standard.

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

The ARBV is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 Classification of Liabilities as Current or Non-Current – Deferral of Effective Date with the intention to defer the application by 1 year to periods beginning on or after 1 January 2023. The ARBV will not early adopt the Standard.

The ARBV is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the ARBV's reporting.

8.8 Glossary of technical terms

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and defined contribution superannuation plans.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

(a) A contractual obligation:

- (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially
- (b) A contract that will or may be settled in the entity's own equity instruments and is:

- (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
- (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

A complete set of financial statements comprises:

- (a) a statement of financial position as at the end of the period;
- (b) a statement of profit or loss and other comprehensive income for the period;
- (c) a statement of changes in equity for the period;
- (d) a statement of cash flows for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income,

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes plant and equipment.

Other economic flows included in net result

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result

- gains and losses from disposals, revaluations and impairments of non financial physical and intangible assets;
- fair value changes of financial instruments; and
- depletion of natural assets (non produced) from their use or removal.

Other economic flows – other comprehensive income

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards.

The components of other economic flows – other comprehensive income include:

- (a) changes in physical asset revaluation surplus;
- (b) share of net movement in revaluation surplus of associates and joint ventures; and
- (c) gains and losses on remeasuring available for sale financial assets;

Financial Statements (continued)

Payables

Includes accounts payable, grants and taxes.

Receivables

Includes amounts owing to the ARBV through accounts receivable, accrued investment income, and interest receivable.

Sales of goods and services

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the ARBV.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the ARBV.

8.9 Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

Appendices

Appendix 1: Governance and Compliance

Appendix 2: Workforce Data

Appendix 3: Disclosure Index

Appendix 1: Governance and Compliance

Board of Management

The ARBV Board of Management is established under section 47 of the Act. The Board has a legislative basis of 10 members each of whom is appointed by the Governor in Council on a representative basis.

The Board sets the strategic framework for the achievement of the ARBV's objectives and the execution of its functions. The Board does this by overseeing strategic planning, policy development, auditing and compliance, prudent financial management, fostering stakeholder relationships and reviewing management performance. Management of the operations and administration of the ARBV is delegated by the Board to the Registrar who manages and controls the affairs of the ARBV.

Board Committees

The Board is supported by two committees:

Audit and Risk Committee

The purpose of the Audit and Risk Committee is to assist the Board to fulfil its statutory oversight responsibilities relating to the Financial Management Act (FMA) 1994 and associated Standing Directions 2018 issued by the Minister for Finance under Section 8 of the FMA 1994. Members of

the Audit and Risk Committee are reviewed and appointed annually by the Board in accordance with the Committee's Charter.

Meetings are held quarterly and at any other time as required, on request of a Committee member or the internal or external auditor.

The Committee's key responsibilities are to:

- assist the Board in reviewing the effectiveness of the ARBV's internal control environment, covering effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations
- review the annual financial statements and make a recommendation to the Board as to whether to adopt the statements reviewing information in the report of operations on financial management, performance and sustainability
- determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including co-ordination with external auditors
- maintain effective communication with external auditors, consider recommendations made by internal and external auditors, and review the implementation of actions to resolve issues raised
- oversee the effective operation of the risk management framework.

Members of the Audit and Risk Committee as at 30 June 2020 were: Mark Anderson (Independent Chair), Karen Alcock (Independent Member), Stuart Brown (Independent Member) with one vacancy (Independent Member). The Registrar and Chief Finance Officer also attend.

Committee members whose term expired during 2019-20 were: Dionne Wright (Independent Member) on 23 June 2020 and Venise Reilly (Independent Member) on 30 June 2020. David Islip (Independent Member) resigned from the Committee on 8 May 2020.

Human Resources Committee

The purpose of the Human Resources Committee is to assist the Board to fulfil its obligations relating to human resource and remuneration policy and related matters and for the management of the Registrar's contract and performance review consistent with the policies of the Government's Remuneration Tribunal.

Members of the Human Resources Remuneration Committee at 30 June 2020 were Karen Alcock (Chair), Richard Salter (Deputy Chair) and Venise Reilly.

Board and Committee Meeting Attendances

Number of meetings attended/
eligible to attend in 2019-20

Name	Board	Audit & Risk	Human Resources (1)	Notes
Karen Alcock (Chairperson)	8/8	1/1		
Richard Salter (Deputy Chairperson)	12/13		1/1	
Stuart Brown	13/13	2/2		
Dr Giorgio Marfella	8/8			
Bruce Allen	8/8			
Catherine Duggan	7/8			
Clare Newton	4/4			Clare Newton's term expired 30 October 2019.
Dionne Wright	12/12	4/4		Dionne Wright's term expired on 14 March 2020 and was appointed for a further three-month period from 24 March 2020 to 23 June 2020.
Arianne Rose	12/12			Arianne Rose's term expired on 14 March 2020 and was appointed for a further three-month period from 24 March 2020 to 23 June 2020.
Venise Reilly	12/13	3/3	1/1	Venise Reilly's term expired on 30 June 2020
David Islip	13/13	3/3	1/1	
Ian Sutter	2/2			Ian Sutter's term expired 31 August 2019.
Mark Anderson Independent Chair ARC		4/4		

Notes:

1. Human Resources Committee met on an informal basis on numerous occasions.

This section includes disclosures required by the Financial Management Act 1994, the Architects Act 1991, the Public Interest Disclosure Act 2012, Disability Act 2006 and the Freedom of Information Act 1982. It also includes voluntary disclosure of additional regulatory compliance information.

Manner of establishment and relevant Minister

The ARBV is established under the Architects Act 1991. The relevant Minister for the period from 1 July 2019 to 30 June 2020 was the Hon Richard Wynne MP, Minister for Planning.

Accountability of the ARBV

Pursuant to section 46 of the Architects Act 1991, the ARBV is required to exercise its powers and perform its duties under the Act.

The ARBV is subject to the general direction and control of the Minister and any specific written directions given by the Minister. The Minister cannot give a direction in relation to a specific person.

The ARBV is required under the Public Administration Act 2004 to:

- Inform the Responsible Minister and the portfolio Secretary (Department Environment, Land, Water and Planning) of known major risks (significant or emerging) to the effective operation of the ARBV and of the risk management systems that it has in place to address those risks.

- Provide the Responsible Minister, unless prohibited from doing so by or under any law, with any information relating to the ARBV or its operations as he or she requests.

Ministerial Directions

No Ministerial Directions were given during the reporting year 2019-20.

ARBV's objectives, functions, powers and duties

The ARBV's primary objectives, functions, powers and duties are found in section 46 of the Architects Act 1991.

Subsequent events

The coronavirus (COVID-19) pandemic has created unprecedented uncertainty of the economic environment. Actual economic events and conditions in future may be materially different from those estimated by the entity at the reporting date. In the event the coronavirus (COVID-19) pandemic impacts are more severe or prolonged than anticipated, this may have further impacts on the entity.

In assessing the impacts of coronavirus (COVID-19) on ARBV as a going concern, VAGO concluded that due to the nature of ARBV's operations, coronavirus (COVID-19) represented an insignificant impact on ARBV.

At 30 June 2020 there were no subsequent events.

Significant changes or factors affecting performance

There were no significant changes or factors affecting ARBV's performance during the reporting period. Remote working by staff and other measures allowed ARBV to operate without significant impacts on its performance.

The ARBV's role in the community

The ARBV is the regulator of the architectural profession in Victoria and its objectives and functions include (amongst others):

- Protecting the community interest and instil confidence in the regulation, integrity and delivery of architectural services in Victoria.
- Providing information to Victorian consumers on the regulation framework of the architect's profession in Victoria.
- Ensuring users of architectural services have access to independent complaint processes and relevant and timely information in their relationship with an architect and that the services are provided promptly and professionally.
- Ensuring the public is protected from unprofessional conduct by architects.

Access to information

The ARBV discloses information online and via printed publications. It also provides information services in person and/or by phone, annual report and website.

Major Committees	Purpose	Extent of Purpose Achieved
National Registrars Forum	The Forum has been established to provide an avenue for Registrars from each of the jurisdictions to lend their expertise, experience and guidance in support of advancing the regulation and oversight of the architectural profession nationally, especially in achieving national consistency wherever possible.	The forum has achieved its purpose in: <ol style="list-style-type: none">1. Driving consistency around practice, especially as regards registration and compliance.2. Providing a forum to discuss key operational risks and strategic opportunities.

Government Advertising Expenditure

There were no advertising campaigns with a media spend of \$100,000 or greater.

Disclosure of ICT Expenditure	ICT Expenditure relating to projects to create or enhance ICT capabilities in 2019-2020			
	Business as usual ICT expenditure	Non-business as usual ICT expenditure	Operational expenditure	Capital expenditure
	\$88,619	\$56,740	\$9,595	\$32,761

Governance and Compliance (continued)

Disclosure of Major Contracts

The ARBV did not enter into any major contracts during 2019-20. A major contract is a contract entered into during the reporting period valued at \$10m or more.

Public Sector Values and Employment Principles

The ARBV has embedded the employment principles as set out in section 8 of the Public Administration Act 2004 (PAA) into its Staffing Manual. The manual's employment policies and practices are consistent with the principles e.g. merit and equity with regards to selection processes to ensure that applicants are assessed and evaluated fairly and equitably based on key selection criteria and other accountabilities without discrimination.

The ARBV has adopted and published for the purposes of its Corporate Plan for 2019 to 2021, the Victorian Public Sector Values of:

- Responsiveness
- Integrity
- Impartiality
- Accountability
- Respect
- Leadership
- Human Rights

Workforce Data

Appendix 2 provides details of the 2019-20 workforce data for the ARBV.

Occupational Health & Safety

The goal of the ARBV's occupational health and safety (OH&S) policy is to ensure all staff (and others accessing the ARBV's premises) remain safe and healthy at work with a continued commitment to OH&S compliance, active risks and hazards assessment and control.

The ARBV's OH&S management system which is aimed at enhancing safety performance and ensuring safe systems of work requires an annual review (or more frequently if required e.g. office changes) of the identified hazards and safety risks and the procedures for dealing with the identified risks. A focus on mental wellbeing is also part of the ARBV's strategy.

The ARBV's target for 2019-20 was for zero OH&S incidents leading to claims which was achieved. No incidents, hazards or near misses were reported during the 2019-20 year.

No lost time claims or injuries were reported in the Annual Reports of the ARBV in 2016-17, 2017-18 and 2018-19.

Based on the 2019-20 claims experience and increased remuneration associated with additional staffing, the ARBV's premium rate for 2020-21 is 0.4571% which is below the applicable State Government Administration industry classification premium rate of 0.4640%.

Freedom of Information Act 1982

The Freedom of Information Act 1982 (the Act) allows the public a right of access to documents held by the ARBV. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by the ARBV. This comprises documents both created by the ARBV or supplied to the ARBV by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by the ARBV is available on the ARBV's website under its Part II Information Statement.

The Act allows the ARBV to refuse access, either fully or partially, to certain documents or information.

Examples of documents that may not be accessed include but not limited to cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to the ARBV in-confidence.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the time frame for deciding a request.

If an applicant is not satisfied by a decision made by the ARBV, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Making a request

FOI requests can be lodged writing to the ARBV via email or post. An application fee of \$29.60 applies.

Access charges may also be payable if the document pool is large, and the search for material, time consuming.

Access to documents can also be obtained through a written request to the ARBV as detailed in s17 of the Freedom of Information Act 1982.

When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

Requests for documents in the possession of the ARBV should be addressed to:

Registrar
ARBV
Level 7, 372 Albert Street
East Melbourne 3002
or registrar@arbv.vic.gov.au

FOI statistics/timeliness

During 2019-20, the ARBV received three FOI applications, the details of which are as follows:

- the three applications received were personal requests
- two requests were granted access in part within the requirements of section 21 of the Act
- one request was processed outside the normal timeframe (but less than 90 days) due to the size of the request.

One request remains the subject of a VCAT appeal.

Further information

Further information regarding the operation and scope of FOI can be obtained from the Act; regulations made under the Act; and foi.vic.gov.au. the ARBV's Part II statement can also be found on our website.

Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The ARBV continues to comply with the requirements on competitive neutrality reporting as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

Governance and Compliance (continued)

Public Interest Disclosures Act 2012

The Public Interest Disclosures Act 2012 encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken

The ARBV does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The ARBV will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Reporting procedures

You can make a public interest disclosure about the ARBV or its board members, officers or employees by contacting IBAC (details below).

The ARBV is not able to receive public interest disclosures.

The ARBV has established procedures for the protection of persons from detrimental action in reprisal for making a public interest disclosure about the ARBV, its board members, officers or employees. You can access the ARBV's procedures on its website at: www.arbv.vic.gov.au

Alternatively, disclosures may also be made directly to the Independent Broad-based Anti-Corruption Commission

Level 1, North Tower, 459
Collins Street
Melbourne, VIC 3000
Mail: IBAC, GPO Box 24234,
Melbourne Victoria 3001
Phone: 1300 735 135
Internet: www.ibac.vic.gov.au
Email: See the website above for the secure email disclosure process, which also provides for anonymous disclosures.

Additional information available on request

In compliance with the requirements of the Standing Directions 2018 of the Minister for Finance, details in respect of the items listed below, where applicable to the ARBV, have been retained and are available on request, subject to the provisions of the Freedom of Information Act 1982:

- (a) details of publications produced by the ARBV about itself, and how these can be obtained
- (b) details of major promotional, public relations and marketing activities undertaken by the ARBV to develop community awareness of the entity and its services
- (c) details of changes in prices, fees, charges, rates and levies charged
- (d) a statement on industrial relations within ARBV.

The information is available on request from:

Registrar, ARBV
Level 7, 372 Albert Street
East Melbourne 3002
or registrar@arbv.vic.gov.au

Additional information included in Annual Report

Details in respect of the following items have been included in the ARBV's annual report, on the pages indicated below:

- (a) a list of the ARBV's major committees, the purposes of each committee, and the extent to which the purposes have been achieved (on page 87)
- (b) statements of completion of declarations of pecuniary interests by relevant officers (on page 93)
- (c) assessments and measures undertaken to improve the occupational health and safety of employees (on page 88)

Information that is not applicable to the ARBV

The following information is not relevant to the ARBV for the reasons set out below:

- (a) declaration of shares held by senior officers (no shares have ever been issued in the ARBV)
- (b) details of overseas visits undertaken (no ARBV board members or senior executives took overseas work-related trips)
- (c) details of any major external reviews carried out on the ARBV (no major external reviews undertaken)
- (d) details of major research and development activities undertaken by the ARBV (no major research and development activities undertaken).

Building Act 1993

The ARBV does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the Building Act 1993.

Local Jobs First Act 2003

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Job first policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for state-wide projects, or \$1 million or more for projects in regional Victoria.

No procurements initiated by the ARBV in 2019-20 were assessed as falling within the Local Jobs First Policy.

Disability Act 2006

The Disability Act 2006 reaffirms and strengthens the rights of people with a disability and recognises this requires support across the government sector and within the community.

Absolutely everyone: State disability plan for 2017-2020 is the Victorian Government's framework for enabling people with disability to participate and contribute to the social, economic and civic life of their community. Over time the government will consider ways to align disability action plans to the state plan.

The ARBV has a Disability Action Plan in place approved by the Board. Consistent with the plan the ARBV's Human Resources policies e.g. Workplace Health and Safety and Equal Opportunity recognise and seek to address the rights and needs of people with disabilities.

This is exemplified by an organisational disability employment strategy where the ARBV will make reasonable adjustments for a person with a

disability to ensure an inclusive and disability equitable workplace. Those adjustments include where:

- a person with a disability who applies for a job, is offered employment, or is an employee, and requires the adjustments in order to participate in the recruitment process or perform the genuine and reasonable requirements of the job
- it is necessary to ensure employees with a disability can work safely and productively
- flexibility in the working arrangements is required for example where employee is the carer of a child under 18 with a disability.

Office-based Environmental impacts

The ARBV is committed to reducing its environmental footprint and promoting awareness and participation amongst its employees. The use of recycled paper continues to increase while the introduction of electronic document management and "paperlite" approach is reducing paper and storage. Waste paper is binned for recycling and used printer cartridges are disposed of via Planet Ark.

The ARBV with the intended move to new premises in late 2020 is committed to establishing 2020-21 targets for energy (kWh) and paper consumption (reams) to allow for ongoing monitoring of performance.

Governance and Compliance (continued)

Consultancy Expenditure

Details of consultancies (valued at \$10,000 or greater)

In 2019-20, there were two consultancy engagements for which services were provided during the reporting period that were individually valued at \$10,000 or greater (excluding GST).

The total expenditure incurred during 2019-20 in relation to these consultancies was \$53,639. Details of individual consultancies are outlined below and can also be obtained at ARBV's website (www.arbv.vic.gov.au).

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl. GST)	Expenditure 2019-20 (excl. GST)	Future Expenditure
Ellis Jones	Website Development	1-Jul-19	30-Jun-20	55,000	41,539	15,000
RMS	IT Security Review	1-Jul-19	30-Jun-20	12,500	12,100	

**Details of consultancies
under \$10,000**

In 2019-20 there were eight consultancies engaged during the year, where the total fees payable to the individual consultancy was less than \$10,000. The total expenditure incurred during 2019-20 in relation to these consultancies was \$20,770 (excl. GST).

Declarations of pecuniary interests

All ARBV officers exercising a financial delegation have completed a declaration of pecuniary interest in accordance with the ARBV delegation's policy.

ARBV Chairpersons and Registrars since 1923

Chairpersons

1. Edward Bates 1923 - 1931

2. William Godfrey 1931 - 1934

Plus, a period 1924-1925 as acting chair.

3. Kingsley Henderson 1934 - 1939

4. John Gawler 1939 - 1946

5. Stanley Parkes 1946 - 1966

6. Harry Winbush 1966 - 1971

7. Ronald Lyon 1971 - 1975

8. R.J.Gibson 1975 - 1983

9. J.F.Swan 1983 - 1985

10. A.Rodger 1985 - 1988

11. Peter Williams 1988 - 1997

12. Robert McGauran 1997 - 2000

13. Andrew Hutson 2000 - 2012

14. David Sainsbery 2012 - Dec 2017

15. David Islip Dec 2017 - May 2020

16. Karen Alcock May 2020 -

Registrars

1. William Campbell	1923 - 1929	11. Adam Toma	September 2018 - July 2020
2. John Islip	1929 - 1970	12. Allan Bawden (Interim Registrar)	July 2020 -
<i>Charles Serpell was acting registrar 1942-1946 while John Islip was on leave having enlisted in the Royal Australian Air Force.</i>			
3. John Janicke	1970 - 1971		
4. Tom Cranston	1971 - 1972		
5. Raymond Wilson	1972 - 1972		
6. Noel Bewley	1972 - 1986		
7. Mary Mauthoor	1986 - 1992		
8. Jeffrey Keddie	1992 - 1998		
9. Michael Kimberley	1998 - 2008		
10. Alison Ivey	2008 - 2018		

Appendix 2: Workforce Data

Demographical Data	Jun-20						
	All employees		Outgoing			Fixed term and casual number	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Gender							
Women	8	6.8	4	1	4.4	3	2.4
Men	5	4.2	3	1	3.6	1	0.6
Self-described	n	n	n	n	n	n	n
Age							
15-24	1	1	1	0	1	0	0
25-34	2	1.6	1	0	1	1	0.6
35-44	6	5.4	4	1	4.4	1	1
45-54	3	2.4	1	0	1	2	1.4
55-64							
65+	1	0.6	0	1	0.6	0	0

Jun-19

All employees		Outgoing			Fixed term and casual number		
Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	
5	4	3	0	3	2	1	
5	4.4	2	1	2.8	2	1.6	
n	n	n	n	n	n	n	
		0	0	0	0	0	
2	1.6	1	0	1	1	0.6	
6	5	4	0	4	2	1	
1	0.8	0	1	0.8	0	0	
1	1	1	0	1	1	1	
		0	0	0	0	0	

Appendix 2: Workforce Data (continued)

Classification Data	Jun-20						
	All employees		Outgoing			Fixed term and casual number	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
VPS 1-6 grades	12	10	6	2	7	4	2
VPS 2	1	0.6	0	0	0	1	0.6
VPS 3	3	1.8	1	1	1.4	1	0.4
VPS 4	3	3	1	0	1	2	2
VPS 5	3	2.6	2	1	2.6	0	0
VPS 6	2	2	2	0	2	0	0
Senior employees	1	1	1	0	1	0	0
Executives	1	1	1	0	1	0	0
Total Employees	13	11	7	2	8	4	3

Table 2: Annualised total salary, by \$20 000 bands, for executives and other senior non executive staff

Income band (salary)	Executives	STS
\$180 000 – \$199 999	1	2,379,098
Total	1	0

Notes:

The salaries reported above is for the full financial year, at a 1-FTE rate, and excludes superannuation.

Jun-19

All employees		Outgoing			Fixed term and casual number		
Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	
9	7.4	4	1	4.8	4	2.6	
1	0.6	0	0	0	1	0.6	
3	2	1	0	1	2	1	
1	1	1	0	1	0	0	
2	2	1	0	1	1	1	
2	1.8	1	1	1.8	0	0	
1	1	1	0	1	0	0	
1	1	1	0	1	0	0	
10	8.4	5	1	5.8	4	2.6	

Appendix 3: Disclosure index

The Annual Report of ARBV is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of ARBV's compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
Report of Operations		
<i>Year in Review</i>		
FRD 22H	Manner of establishment and responsible Minister	86
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FRD 22H	Performance Reporting (non-financial) - Achievements	16
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FRD 22H	Performance Reporting (non-financial) – Key Initiative	41
FRD 22H	Summary of the financial results for the year	47
FRD 22H	Significant changes in financial position during the year	46
FRD 22H	Major changes or factors affecting performance	86
FRD 22H	Subsequent Events	86
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Legislation	Requirement	Page Reference
<i>Other Disclosures as Required by FRD's</i>		
FRD 25D	Local Jobs First	91
FRD 22H	Government advertising expenditure	87
FRD 22H	Details of consultancies over \$10,000	92
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<i>Compliance Attestation and Declaration</i>		
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