




# Annual Report 2021 - 2022


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Architects  
Registration Board  
of Victoria



*The ARBV respectfully acknowledges the Traditional Owners and custodians of the land and water upon which we rely. We pay our respects to their Elders past, present and emerging. We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life. We embrace the spirit of reconciliation, working towards equality of outcomes and an equal voice.*



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Data provided in this report is correct as of 30 June 2022. The publication of the ARBV Annual Report 2021–22 complies with requirements under the Financial Reporting Direction 30 regarding its design, use of colour and images, standard sizing, paper stocks and other publishing requirements.



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## RESPONSIBLE BODY'S DECLARATION

The Hon Lizzie Blandthorn MP, Minister for Planning  
8 Nicholson Street  
East Melbourne, VIC 3002

Dear Minister,

In accordance with the *Financial Management Act 1994* and the *Architects Act 1991*, I am pleased to submit the Architects Registration Board of Victoria's Annual Report for the year ending 30 June 2022.

Yours faithfully,



**Dr Giorgio Marfella**  
Chairperson  
Architects Registration Board of Victoria  
26 September 2022



## SECTION 1: YEAR IN REVIEW

**336**

new architect registrants

**7,055**

architects registered  
(practising and non-practising  
included on the Register of  
Architects)

**348**

graduates registered for the  
Architectural Practice  
Examination

**331**

requests from architects for  
change of class  
(practising and non-practising)

**120**

new company and partnership  
registrations processed and  
completed

**33**

professional conduct  
investigations initiated

**20**

professional conduct  
investigations completed and  
not referred for inquiry

**5**

inquiries completed by the  
Architects Tribunal

**44**

prohibited conduct  
investigations initiated

# CHAIRPERSON AND CHIEF EXECUTIVE OFFICER/ REGISTRAR REPORT

**We are pleased to present the Annual Report of the Architects Registration Board of Victoria (ARBV) for the 2021-22 financial year.**

At the ARBV, the last financial year was a period of consolidation and establishing new strategic direction. The Board and ARBV staff embarked on a new biennial cycle of activities in response to the Statement of Expectations issued by the former Minister for Planning, the Hon Richard Wynne MP, in July 2021.

The ARBV has continued to develop and enhance processes that allow staff and the organisation to deliver its services with timeliness, apply risk-based strategies, commit to decisions with integrity, independence and transparency, and continue to provide services in the public interest. The Board has been working closely with management to strengthen the ARBV's effectiveness as the regulator of the largest cohort of registered architects in Australia. Underpinning every aspect of the ARBV's work is a strong commitment to engage, cooperate and communicate with other regulators, its duty holders, industry stakeholders and the public.

This annual report outlines progress made, and steps taken to meet those overarching strategic goals. Here, we take the opportunity to underline only the most significant initiatives that have commenced or were completed in the last twelve months.

The Board worked closely with management in developing the ARBV Service Charter, which sets out the standard of service that Victorians can expect from the ARBV. The Charter explains the long-standing role, values, and functions of the ARBV and provides direction for anyone willing to engage directly with our organisation, including making a complaint or giving feedback on the services we provide.

The Automatic Mutual Recognition (AMR) scheme for architects commenced in Victoria on 1 January 2022, allowing individuals to use their home state occupational registration to work in participating Australian states and territories, without the need to apply for registration or pay fees in the second state.

The ARBV worked closely with other regulators and both State and Commonwealth Government agencies to develop systems and processes for sharing information, including a new public facing AMR register on our website.

In March 2022, the Board and senior management gathered for the annual ARBV Planning Day. The day's activities directed the ARBV to commence work on a new four-year Strategic Plan. A draft of the new strategy was completed in June 2022 and is planned for release in late 2022. The draft strategy sets a provisional framework of direction under a new vision and mission, and a detailed plan of objectives that will guide the ARBV until 2026.

Work on the new strategy gave staff and the Board a chance to reflect on the culture of a public entity with one hundred years of history. The long-standing culture of the ARBV rests on understanding the architectural profession and its current standards of professional conduct, transparency and procedural fairness, and governance practice tailored to the functions set out in the legislative framework of the Victorian *Architects Act 1991* (the Act) and the *Architects Regulations 2015*.

The Board continued to meet its calendar appointments remotely due to the ongoing global pandemic, and for many Board and staff members, the Planning Day was the first opportunity to meet in person. ARBV Board and workshop meetings take place monthly and are complemented by additional appointments for committee meetings, training, and theme-based working group sessions.

Since July 2021, the Board has welcomed five new members who have quickly adjusted to the organisation's culture and pace and made valuable contributions. The new arrivals allowed the Board to engage in the launch of a new program of induction for Board members, which spanned over several months with collective seminar-based training and one-on-one discussions with the Chairperson. The induction program, combined with the individual expertise, skill and knowledge brought by each individual Board member, has strengthened an already existing solid leadership and culture of governance at the ARBV.



## CHAIRPERSON AND CHIEF EXECUTIVE OFFICER/ REGISTRAR REPORT

A point of strength of the current Board derives significantly from the availability of a balanced matrix of skills and professional expertise, which includes consumer representatives, professionals of the building industry and several registered architects with complementary skills coming from government, academia, large and small practice.

The Board has continued monitoring and providing accreditation for Schools of Architecture in Victorian universities. Working in collaboration with the Architects Accreditation Council of Australia and aligning with the decisions of other Australian Registration Boards, the ARBV has also taken important and nationally consistent decisions that will improve the prerequisite activities of professional practice required to sit the Architectural Practice Exam.

Assessing and responding to complaints for alleged unprofessional conduct and its associated decision-making for referrals for inquiry to the Architects Tribunal is essential to the Board's activities. As is protecting Victoria's consumers from unregistered persons representing themselves as architects in breach of the Act's prohibited conduct provisions. Such breaches may be prosecuted in the Magistrates Court of Victoria by the ARBV and in 2021-22 ARBV has been working to strengthen its oversight of and enforcement in relation to prohibited conduct.

Since the revision of the ARBV's Regulatory Strategy in 2021, the ARBV has worked on improvements to its investigation processes and reporting to the Board. These revised processes allow Board members to follow a more co-ordinated approach for managing conflicts of interest, gain a thorough understanding of the circumstances of each case from a legal perspective and gather insight on trends and patterns of non-compliance that may warrant proactive regulatory activities.

The Board is committed to proactive regulatory activities and educational initiatives that complement the regulatory functions prescribed by legislation.

In the last year, the ARBV continued to support universities with a small but symbolically important monetary award for students of architecture who excel in the study of professional practice and committed, in collaboration with the New South Wales Architects Registration Board, to a pilot research initiative on systemic risks for the architectural profession in Australia that will be published in late 2022.

Despite global disruptions and uncertain economic prospects, Victoria remains an attractive destination for studying architecture and registering as an architect. The ARBV has continued to operate as a financially independent public entity without weighing on the State Government budget, supported by the examination fees paid by APE candidates and registration fees paid by architects and approved companies and partnerships that provide architectural services in Victoria.

In the 2021-22 financial year, the growth of registrations and strict expenditure control allowed the ARBV to maintain a small operating and cash surplus whilst also meeting capital expenses for enhancing the new digital Customer Relationship Management system, the procurement of a new office fit out, and relocation to the new premises.

In order to continue implementing our busy cycle of activities and regulatory improvements, while maintaining an independent and sound financial position, the Board has taken steps to discuss and review the viability of the current fee structure over the long term.

On several occasions, the Board and ARBV have worked closely with the Department of Environment, Land, Water and Planning (DELWP), progressing initiatives for sectoral reforms and discussing plans for strengthening the ARBV and its regulatory remit for the future, and we have continued to engage with the same purpose with leaders of membership organisation of the architectural profession, the Association of Consulting Architects, the Australian Institute of Architects and the ArchiTeam Cooperative.



## CHAIRPERSON AND CHIEF EXECUTIVE OFFICER/ REGISTRAR REPORT

The ARBV continues to provide an essential role in national leadership as a member of the Architects Accreditation Council of Australia. In this role, the ARBV fulfils, through the Chairperson and CEO/Registrar, representation from Victoria in the coordination and governance of a national framework that sets criteria for course accreditation, national examination, international agreements for overseas qualifications and setting competency standards that inform the registration and conduct of the profession of architecture in Australia.

In conclusion, we wish to express our gratitude to the staff of the ARBV who continued to work with daily commitment in supporting the implementation of many changes within the organisation.

We wish to also thank the members of the Board, Bruce Allen, Sophie Cleland, Mark Curry, Richard Drew, Stefan Preuss, Danielle Roche and Deputy Chairperson Richard Salter, for their ongoing support and strategic advice and their steadfast commitment to promoting higher standards of professional conduct among architects in the public interest.

Lastly, thank you to our duty holders, the Victorian architects, for their ongoing support to the ARBV through registration and the valuable services they continue to provide to their clients and the Victorian community.



**Dr Giorgio Marfella**  
Chairperson

**Dr Glenice Fox**  
CEO/Registrar

## OUR VISION

A well designed, liveable and safe built environment for Victorians.

## OUR MISSION

We will engage, educate and regulate to ensure architectural services in Victoria are delivered according to high professional standards and contribute to improved building outcomes for the benefit of the community.

## OUR VALUES

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



Responsiveness



Integrity



Impartiality



Accountability



Respect



Leadership



Human Rights



# ABOUT THE ARBV

The responsible Minister for the period from 1 July 2021 to 27 June 2022 was the Hon Richard Wynne MP, Minister for Planning.

The responsible Minister for the period from 27 June 2022 to 30 June 2022 was the Hon Lizzie Blandthorn MP, Minister for Planning.

## Establishment and Role

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

The *Architects Act 1991* (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.

## Functions

The ARBV's statutory 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.

## Nature and Range of Functional Areas at the ARBV

### Registration

Registration is responsible for registration-related activities, including assessing and determining applications for registration.

It also includes applications for applicants seeking registration for the first time, architects seeking to change their class of registration, architects seeking registration with the ARBV via mutual recognition, and architects seeking to renew their registration. The function also 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 assisting the administration of accreditation. It also provides secretariat support to the National Registrars Forum.



### **Complaints and Investigation**

The ARBV receives complaints and notifications and where appropriate investigates matters relating to professional conduct or prohibited conduct matters. Based on cumulative information, this function identifies systemic or emerging issues based on its data analysis and information sharing. The Complaints and Investigation team maintains collaborative relationships with other regulators and stakeholders.

The ARBV seeks to identify and act upon possible non-compliance as early as possible and provide guidance to architects and consumers through its proactive regulatory strategies.

### **Legal**

The legal section provides legal, regulatory and policy advice and may represent the ARBV in proceedings. The function coordinates administrative support for the Architects Tribunal in relation to disciplinary proceedings.

It also manages freedom of information (FOI) and privacy matters, including the assessment of FOI requests in accordance with the *Freedom of Information Act 1982* and guidelines issued by the FOI Commissioner. The function also supports implementation of Victorian Government policy and assists other divisions to bring into operation the various regulatory requirements.

### **Governance**

The governance function 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.

### **Finance and Corporate Services**

#### *Finance*

Finance ensures 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.

#### *Risk Management, Auditing and Compliance*

This function is responsible for establishing effective systems and controls for financial management and performance and sustainability of the ARBV, including internal control, risk management, auditing and meeting government compliance requirements.

#### *Business Services*

This function encompasses building and facilities management, sustainable procurement, information services, and office administration.

#### *Human Resources*

The human resources function includes payroll services, compliance with key governance obligations, industrial and employee relations, workforce planning, capability development, organisational culture and occupational health and safety and employee wellbeing.

### **Communications and Engagement**

This function is responsible for public relations, issues management, stakeholder relations, corporate communications (publications and external messaging) and digital presence.



# OUR REGULATORY APPROACH

Our Regulatory Strategy (Strategy) is intended to help architects, approved partnerships and companies regulated by the ARBV develop a strong and effective compliance culture. The Strategy embeds a risk-based approach to regulation. This means our regulatory activities and resources are focused in areas where the risk of non-compliance – that is, the probability and impact of non-compliance – is greatest.

The higher the risk associated with non-compliance, the more serious, resource intensive and timely our regulatory response. The risk-based approach guides our regulatory activities and assists us in determining an appropriate regulatory response.

This approach ensures the objectives underlying the regulatory framework are met, while avoiding undue burden on regulated entities.

## Regulatory objectives

In overseeing the regulatory framework, the ARBV aims to:

- promote and maintain high standards of professional conduct and practice
- restrict who can represent themselves as architects
- ensure only suitably qualified entities are registered and approved
- ensure compliance with insurance requirements
- maintain professional accountability of architects
- support architects to fulfil their duties and to engender confidence in and respect for the profession
- encourage and support voluntary compliance.



## ***The ARBV conducts proactive and reactive regulatory activity.***

### **Proactive regulatory activity**

Proactive regulatory activity is undertaken on the ARBV's own initiative to encourage compliance and detect and/or deter non-compliance.

The ARBV's proactive strategic plan assists with early identification of emerging compliance issues and challenges that regulated entities may face in complying with the regulatory framework.

Proactive activities include:

- providing educational materials to assist practitioners understand and meet their obligations
- engaging with practitioners at industry meetings, stakeholder events and in one-on-one discussions to discuss compliance issues and encourage voluntary compliance
- monitoring of a compliance issue, regulated entity or group of regulated entities based on information received externally or generated internally
- carrying out surveys and questionnaires to help the ARBV better understand industry-wide issues and conditions
- engaging with practitioners and other stakeholders to help practitioners avoid inadvertently breaching protected terms or prohibited conduct provisions
- investigating matters identified through analysis of data and through liaison with relevant stakeholders to determine whether or not non-compliance has occurred.

### **Reactive regulatory activity**

The ARBV undertakes reactive regulatory activity to respond to instances of actual or possible non-compliance. It can result from:

- complaints made to the ARBV by another regulator, client or user of architectural services, or other member of the public
- detection of non-compliance through other activities undertaken by the ARBV, including proactive regulatory activity.

The ARBV's risk-based approach is used to determine the appropriate response to instances of non-compliance.

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 an architect's fitness to practise and/or professional conduct
- other regulatory action to mitigate risk, such as suspending or cancelling registration or approval
- institution of prosecution proceedings.



A white trolley is the central focus, moving along a city street. In the background, a large, ornate clock tower with a golden dome and a tall, Gothic-style church spire are visible under a clear blue sky. The scene is captured in a bright, slightly hazy light, suggesting a sunny day. The trolley has the number '136' on its front and side, and a 'SEASIDE' logo. The overall image has a soft, semi-transparent overlay effect.

# PERFORMANCE REPORT

*(non-financial)*

2021-22

# REGISTRATION

Registration is an important regulatory function 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 (PII).

## Qualifications for registration

Individuals seeking registration as an architect in Victoria 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 *Architects Act 1991* (the Act) makes provision for the main pre-registration pathway being the Architectural Practice Examination (APE) for this purpose, as it allows candidates to be tested on their practical knowledge. The APE has been adopted by all Australian state and territory architect registration boards, providing national consistency in pre-registration examinations.

The APE is the most common pathway to registration and is held twice in each calendar year. 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).

The fit and proper person (FPP) requirements for registration (first introduced in July 2020) requires registrants to answer questions related to their fitness to practice. FPP is determined during the registration assessment and can help to provide initial insights into the risk profiling of a regulated entity. This initial understanding of risk profiles provides useful information to inform education and monitoring of newly regulated entities.

ARBV has also introduced an enduring declaration at renewal for registrants to provide details of changes in their registration related to the FPP requirements contained in section 10A of the Act.

While continuing to deliver registration business as usual services, the emphasis in 2021-22, consistent with the overall organisational strategy, has been to deliver enhancements to the registration function.

This has included:

- Working to ensure that registration pathways remain nationally consistent.
- 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.
- Overseeing the accreditation processes administered by the AACA.
- Managing the Continuing Professional Development (CPD) process, including the implementation of the mandatory CPD declaration.
- Managing compliance with PII requirements.
- Reviewing and improving record management for registrant records.
- Laying the foundations for an audit mechanism to detect unapproved companies, for implementation in the coming year.
- Improving communications regarding the registration renewal process and the overall regulatory framework.
- Contributing content for the ARBV Update provided quarterly to registrants.

## 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. The CRM now enables more efficient auditing of compliance with insurance obligations.

In 2021-22, the Registration team implemented a targeted strategy to audit compliance with professional indemnity insurance requirements and ensure architects meet statutory requirements. Over 3,000 incidences of non-compliance were detected with most incidences relating to a failure to provide a copy of the PII certificate of currency to the ARBV. Further compliance work is planned in the coming year.



## Registration renewal

The ARBV has continued to improve communications about the renewal process to promote compliance by registrants with the 1 July date for payment of prescribed annual fees. The introduction of the CRM system has improved the overall renewal process and allowed registrants to be more actively engaged with their compliance obligations for renewal and more widely their registration obligations for PII.

Where the prescribed fee is not paid by the due date (which may be extended in agreed circumstances, e.g. through the Financial Hardship Policy) ARBV may initiate steps to suspend the registration of the regulated entity. If a regulated entity fails to pay their registration renewal, ARBV may suspend their registration.

Numbers of suspensions relating to non-payment of annual fees since 2018-19 are as follows:

Number of Suspensions		% of Total Registrants
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%
Suspensions relating to non-payment of 2020-21 annual fees	45	0.93%
Suspensions relating to non-payment of 2021-22 annual fees	37	0.58%

### Notes:

1. Registrants required to pay annual fees: architects (practising), approved companies and approved partnerships.



## Registration and Architectural Practice Examination Statistics

New Registrants	2017-18	2018-19	2019-20	2020-21	2021-22
Architect Registrations	332	403	347	315	336
Company Approvals	81	75	102	87	119
Partnership Approvals		0	3	0	1
Changing of Registration Class	2017-18	2018-19	2019-20	2020-21	2021-22
Practising to Non-Practising		50	135	121	226
Non-Practising to Practising		55	82	72	105

### Notes:

1. Partnerships were previously combined with companies for reporting purposes.
2. Changing of Registration Class was first reported on in 2018-19.

Total Architects on Register at 30 June	2017-18	2018-19	2019-20	2020-21	2021-22
Practising	4380	4633	4822	5025	5276
Non-Practising	1214	1868	2005	3083	1779
<b>Total</b>	<b>5594</b>	<b>6501</b>	<b>6827</b>	<b>8108</b>	<b>7055</b>

### Notes:

1. Due to changes in recent years in how we record Non-Practising registrants on the Register of Architects the total in 2020-21 appears greater. This primarily relates to the treatment of Non-Practising registrants holding inactive status.

Total Companies and Partnerships on Register	2017-18	2018-19	2019-20	2020-21	As of 30 June 2022
Companies	1043	1046	1112	1176	1274
Partnerships		26	27	27	28

Notes:

- Partnerships were previously combined with companies for reporting purposes.

Architectural Practice Examination	2017-18	2018-19	2019-20	2020-21	2021-22
Number of Candidates	361	351	430	418	348
Successful Candidates	318	222	183	373	310
Unsuccessful Candidates	43	129	24	45	38

Notes:

- Due to coronavirus (COVID-19), only one APE session was completed in the financial year 2019-20 leading to the postponement of 223 candidate examinations.

Suspension of registration/ approvals		2018-19	2019-20	2020-21	As of 30 June 2022
Architects Suspended		474	472	438	451
Companies Suspended		257	251	250	249
Partnerships Suspended		16	15	16	14

Notes:

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

# COMPLAINTS AND INVESTIGATION

The ARBV Complaints and Investigation function exercises the regulatory powers of the *Architects Act 1991* (the Act) to maintain the standards and integrity of the profession of architecture, to protect consumer interests and to promote the importance of registration. The Act enables the ARBV to investigate matters on its own initiative or on the complaint of any person.

In 2021-22, the ARBV continued to enhance its data analysis capability by integrating historical complaints and Tribunal inquiry outcomes and introducing a complaints issue categorisation in its CRM. As a result, the ARBV has been able to refine its risk profiles and understanding of systemic or emerging issues.

Information generated from the ARBV's enhanced data analysis has facilitated:

- Design of evidence-based and targeted proactive regulatory activities
- A more efficient investigation and risk assessment function
- Participation in regulatory and industry forums to share insights and learnings
- Increased ability to support information sharing with other building regulators

The ARBV has also updated its complaints handling policy and procedure to include, amongst other things, key performance indicators and timeframes for complaints handling and a distinction between assessment and investigation phases.

These enhancements allow for improved handling and prioritisation of complaints to maximise timeliness and efficiency of complaint handling and communication of outcomes to relevant stakeholders.

## Other highlights:

During 2021-22, the ARBV initiated the process of employing its information gathering power under section 17B of the Act in a prohibited conduct investigation.

The ARBV continues to work closely with other building regulators and stakeholders to discuss and address risks in the building and construction industry.

The ARBV conducted proactive regulatory activities by way of:

- Conducting seminars to potential registrants about the advantages of registration
- Engagement with local councils regarding architect compliance with planning requirements
- Drafting of information sheets for consumers and architects
- Engaging with the Victorian Building Authority and the Domestic Building Dispute Resolution Victoria
- Preparing webinars for practitioners on key competency issues, such as managing project costs and client expectations, maintaining client relations and the common pitfalls of client architect agreements

## Professional Conduct of Architects

Architects must demonstrate professional standards and conduct that are competent and professional. This includes but is not limited to fulfilling the obligations detailed in the 'Victorian Architects Code of Professional Conduct' (the Code) contained within the Architects Regulations 2015.

The Code sets out requirements architects must comply with relating to:

- standards of conduct
- skills and knowledge
- approval of documents
- contracts and agreements with clients
- administering a building contract for a client
- professional fees and costs
- provision of information to clients
- retaining documents and record keeping
- maintaining confidentiality of client information
- disclosing conflicts of interest, referrals, and endorsements
- engendering confidence in and respect for the profession
- maintaining standards and integrity of the profession.



Following an investigation, the ARBV may determine that an Architects Tribunal inquiry should be held into an architect's professional conduct and/or fitness to practise. 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.

In 2021-22, the ARBV's complaint data indicates that the highest incidence of complaints about professional conduct related to the following complaint issues:

- deficient client architect agreement
- failure to provide services with due skill, care and diligence
- incompetent design or specifications
- inappropriate billing practice.

The ARBV has used this complaints data to inform the revision of its proactive strategic plan 2022-23 and delivery of proactive regulatory activities in the coming year.

## **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 continuing professional development and professional indemnity insurance requirements, contribute towards maintaining the integrity of the profession and providing consumer protection.

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

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

In 2021-22, the ARBV has implemented a targeted strategy in relation to regulating the use of controlled terms and ensuring that representations made about being an architect are true and correct. On 30 June 2022, several prohibited conduct investigations were underway and the ARBV anticipates that prosecution proceedings may be instituted by the ARBV in the coming year.

## Complaints and Investigation Activity Statistics

Professional Conduct of Architects	2017-18	2018-19	2019-20	2020-21	2021-22
Investigations initiated	10	30	77	67	33
General inquiries relating to alleged breach of professional conduct (not progressing to the Investigation phase)					68 <sup>2</sup>
Reactive (complaints)		27	63	63	33
Proactive (initiated by ARBV)		3	14	4	0
Investigations completed – not referred for inquiry		6	33	63	20
Investigations completed – not referred for inquiry, but written advice provided to architect				14	2

### Notes:

1. Where no values are shown this indicates the category was not previously reported.
2. As part of the ARBV's refreshed complaints handling policy, general inquiries by way of telephone calls or emails relating to alleged breach of professional conduct are now not counted under "Investigations initiated" unless a complaint is submitted through the ARBV Complaints portal. Some matters are also assessed and do not progress to the Investigation phase. Where appropriate, some matters are referred to an appropriate regulatory or dispute resolution body.

Professional Conduct of Architects	2017-18	2018-19	2019-20	2020-21	2021-22
Matters referred to Architects Tribunal	3	6	4	2	1
Architects Tribunal Inquiries Completed	2	6	6	1	5



## Prohibited Conduct

The Act prohibits representations as an architect by people 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
- professional regulatory requirements
- professional indemnity insurance cover.

During the 2021-22 reporting period 44 potential breaches were investigated.

Prohibited Conduct	2017-18	2018-19	2019-20	2020-21	2021-22
Investigations initiated	86	79	73	64	44 <sup>3</sup>
General inquiries relating to alleged breach of professional conduct (not progressing to the Investigation phase)					42 <sup>4</sup>
Investigations in which prohibited conduct was not identified				29	7
Investigations in which prohibited conduct was identified, compliance was able to be achieved				32	15
Investigations referred for prosecution advice	8	4	4	0	8
Prosecutions initiated		1	0	0	0
Completed prosecutions	5	1	0	0	2

### Notes:

1. Prosecutions initiated were first reported on in 2018-19.
2. Where no values are shown this indicates the category was not previously reported.
3. In 2021-22, the ARBV introduced an assessment phase prior to a matter being investigated as part of its refreshed complaints handling policy. As a result, values for "Investigations initiated" will be lower for 2021-22 compared to previous years.
4. As part of the ARBV's new complaints handling policy, general inquiries by way of telephone calls or emails relating to alleged prohibited conduct are now not counted under "Investigations initiated" unless a complaint is submitted through the ARBV Complaints portal. Some matters are also assessed and do not progress to the Investigation phase. Where appropriate, some matters are referred to an appropriate regulatory or dispute resolution body.

## Tribunal

Professional conduct and/or fitness to practise inquiries are conducted by the Architects Tribunal which is independent of the Board. A Tribunal is constituted as required, from a panel of suitably qualified people appointed by the Minister and 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 proven, it makes determinations regarding penalties and costs.

The ARBV is required to enforce the determinations made by the Tribunal.

Number of new cases referred to the Tribunal for inquiry in 2021-22	1
Number of inquiries finalised in 2021-22	5

## Regulatory Outcomes

The proactive and reactive regulatory activity undertaken by the ARBV outlined in this section support the ARBV's regulatory objectives to:

- promote and maintain high standards of professional conduct and practice
- restrict who can represent themselves as architects
- ensure only suitably qualified entities are registered and approved
- ensure compliance with insurance requirements
- maintain professional accountability of architects
- support architects to fulfil their duties and to engender confidence in and respect for the profession
- encourage and support voluntary compliance.

In this regard, a focus by the ARBV on proactive regulatory activities and increasing awareness and understanding of relevant compliance obligations by regulated entities through education and assistance supports voluntary compliance and helps promote high standards of professional conduct and practice are achieved in architect interactions with clients and other stakeholders.

The support provided by the ARBV to architects (e.g., access to educative and guidance material) to help them comply thereby instils confidence in the profession among relevant stakeholders, including the public.

The ARBV's reactive regulatory activities such as providing a procedure for handling complaints against architects ensures that architects are being held accountable for their professional conduct and practice thereby protecting consumers and upholding the high standards of integrity in the professional practice of architecture.

Similarly, restricting who can represent themselves to be an architect and the use of particular expressions helps to protect consumers by allowing them to source competent and qualified architects over unregistered persons, who may lack the qualifications or competencies to deliver safe and compliant building work.

Consumers are also able to engage architects with the knowledge that registration requires them to be covered by professional indemnity insurance.



# SPONSORSHIPS, GRANTS AND AWARDS

Consideration of grants and sponsorships by ARBV must be linked to the objective of the advancement of architectural education as set out Section 59(1) of the *Architects Act 1991* and cognisant of ARBV's principal role as a regulator.

From time to time the ARBV supports programs or activities that advance continuing education and learning for practising architects, as a collective group, and which aim to address one or more of the following:

- encourage continuous improvement in professional competency, conduct and integrity
- drive awareness of risk associated with the provision of architectural services and/or promote risk mitigation
- deliver improved compliance with the regulatory regime for architects leading to strengthened consumer experience and confidence in the Victorian architectural regulatory framework.

Consideration of grants and sponsorships by ARBV also consider whether proposals:

- raise awareness of and increase positive regard and understanding for ARBV's role as a regulator
- build stronger relationships with and encourage participation by stakeholders.

In 2021-22, the ARBV operated in an environment of strict expenditure control to maintain a small operating and cash surplus. No sponsorships or grants were approved by the Board in the reporting period.

## 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 and are available at the five Victorian schools of architecture.

Recipients receive a grant of \$1,000 as a contribution towards the student's further studies or professional development. Four students received awards in the reporting period.



University of Melbourne  
Architectural Student Professional  
Practice Awards. L-R: Dr Glenice Fox,  
Lachlan Welsh and Dr Djordje  
Stojanovic. Photographer: James  
Rafferty

# STATEMENT OF EXPECTATIONS

The revised Statement of Expectations (SOE) framework, issued by the Minister for Planning in July 2021 for the period to June 2023, included the following performance improvements and targeted outcomes on which an update on progress is provided.

SOE Performance Improvements and Targeted Outcomes	SOE Target	ARBV Progress
<p><b>Improved timeliness</b></p> <p>Development and implementation of a Service Charter - setting out ARBV's service commitment and defining the response times to improve quality of service.</p>	<p>By 30 June 2023: Undertake development and implementation of ARBV Service Charter - setting out ARBV's service commitment and defining the response times to improve quality of service for:</p> <ul style="list-style-type: none"> <li>enquiries about Registration</li> <li>managing applications for registration</li> <li>keeping the Register of Architects up to date</li> <li>providing updates</li> <li>about progress of enquiries, applications, or complaints about professional conduct</li> <li>acknowledging and responding to complaints about the ARBV.</li> </ul>	<p>Completed</p>
<p><b>Risk-based strategies</b></p> <p>Make greater use of data to refine risk-based strategy and report on how outcomes from regulatory activity under the Strategy align with ARBV's strategic priorities.</p>	<p>By June 2023:</p> <ul style="list-style-type: none"> <li>Further develop initial risk profiles based on areas of concern for possible harm to help predict the likelihood of non-compliance. This should be further developed and refined as the CRM is embedded by enabling increased capacity for data collection and analysis and information sharing arrangements.</li> </ul>	<p>Ongoing - we continue to refine our risk profiling as new information comes to hand and having regard to changes in the industry. It is also informed by information gathering initiatives and findings of research initiatives.</p>



SOE Performance Improvements and Targeted Outcomes	SOE Target	ARBV Progress
<p><b>Risk-based strategies</b></p> <p>Make greater use of data to refine risk-based strategy and report on how outcomes from regulatory activity under the Strategy align with ARBV's strategic priorities.</p>	<ul style="list-style-type: none"> <li>Develop focused strategies that address the most significant existing and emerging compliance issues in tandem with developing improved data analytics to better identify emerging trends and targeting of non-compliance of most need and impact. The strategies will ensure:               <ul style="list-style-type: none"> <li>- ARBV has a Regulatory Strategy which it uses to develop an annual proactive strategic plan</li> <li>- a proactive strategic plan to be launched in July 2021 with a new plan every year.</li> <li>- Signal any trends that identify a risk/problem with industry.</li> </ul> </li> <li>Report on how outcomes from regulatory activity under the Regulatory Strategy align with the ARBV's strategic priorities in the ARBV annual report and website.</li> </ul> <p>By July 2021: ARBV to complete development of the Performance Monitoring Framework and bring to operation and among other things to assess the outcomes from regulatory activities and how they align with strategic priorities.</p>	<p>Ongoing - the ARBV has enhanced its data analysis capability by integrating historical complaints and Tribunal outcomes and introducing a complaints issue categorisation in its CRM. As a result, it has been able to refine risk profiling and its understanding of systemic or emerging issues. The ARBV revises its proactive strategic plan every year and has developed a comprehensive implementation plan for the delivery of proactive regulatory activities.</p> <p>Completed</p> <p>Completed</p>

SOE Performance Improvements and Targeted Outcomes	SOE Target	ARBV Progress
<p><b>Accountability and transparency</b></p> <p>Coordinate feedback from regulated entities and other stakeholders to identify opportunities to improve regulatory design and interaction with stakeholders.</p> <p>Publish the ways in which information gathered will be used.</p> <p>Consider digital mechanisms for interactions and feedback where possible.</p>	<p>By December 2021:</p> <ul style="list-style-type: none"> <li>• Publish a public-facing Regulatory Strategy with a clear definition of how ARBV administers regulation and, where appropriate, how regulation is enforced - e.g., transparent complaints mechanisms and transparency about the reasons for enforcement decisions).</li> </ul> <p>By June 2022:</p> <ul style="list-style-type: none"> <li>• Establish digital mechanisms for consumers and architects to provide feedback- e.g., when completing forms and making suggestions for improvement in accordance with the Service Charter.</li> <li>• Define a clear purpose for all information that is collected to ensure it supports regulatory requirements.</li> </ul> <p>By June 2023:</p> <ul style="list-style-type: none"> <li>• Report and publish key regulatory trends identified and insights emerging from data collected and information and feedback received. Any reporting or publication should explain how that information has been used to inform and prioritise regulatory activities and guide the delivery of the regulatory strategy.</li> <li>• Undertake surveys and other targeted activities to understand regulatory issues that will inform future regulatory activities - with surveys administered on an annual basis to provide currency and an opportunity to compare results over time.</li> </ul>	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Ongoing - several publications are planned and include a research project on systemic risks for the architectural profession in Australia.</p> <p>Ongoing - survey instruments are in development and will be finalised once the findings of the research project are known.</p>



SOE Performance Improvements and Targeted Outcomes	SOE Target	ARBV Progress
<p><b>Cooperation among regulators</b></p> <p>Cooperate with regulators in Victoria and nationally - through internal seminar sessions and other measures to identify good practice and share lessons; actively collaborate with other regulators where needed to support regulatory outcomes.</p> <p>Information to be made publicly available in relation to the work that the ARBV undertakes with other regulators.</p>	<p>By December 2022:</p> <ul style="list-style-type: none"> <li>• Prepare instruments to clarify regulator roles where there are shared accountabilities and promote coordination between regulators (for example, memorandums of understanding, formal agreements or contracts for service provision).</li> </ul>	<p>Ongoing – new ISAs and SLAs are under discussions. Existing ISAs are being reviewed and updated. ARBV is also participating in Information and knowledge sharing initiatives being progressed by DELWP for building sector entities.</p>
<p><b>Stakeholder consultation and engagement</b></p> <p>Review stakeholder engagement forms, data requests and compliance processes to consider the extent to which they can be digitised to ensure relevancy and efficiency in future.</p>	<p>By June 2022:</p> <ul style="list-style-type: none"> <li>• Review all forms, data requests and other registration and compliance processes with a view to digitising to ensure relevancy and efficiency in a COVID/post-COVID environment.</li> </ul>	<p>Completed</p>
<p><b>Role clarity</b></p> <p>Provide more information to clarify the roles of the ARBV and other regulators or statutory bodies, where there are shared accountabilities.</p>	<p>By December 2021:</p> <ul style="list-style-type: none"> <li>• Provide information for consumers in plain English explanations of the difference between the role of architects and other related design professionals.</li> <li>• Ensure adequate information is available to consumers to understand the design process easily.</li> </ul>	<p>Completed</p> <p>Completed</p>



# PERFORMANCE REPORT

*(financial)*

2021-22



# 2021-22 FINANCIAL YEAR REVIEW

## Operating result

In 2021-2022, the ARBV recorded a net surplus of \$38,409 which was a \$29,442 decrease on the 2020-2021 net surplus of \$67,851.

Revenue increased by \$135,065 on the back of annual registration fee income increasing by \$139,975 as a result of having a higher number of architects, companies and partnerships on the register.

Expenditure increased by \$163,406 which was driven by an increase to depreciation and amortisation of \$172,273 due to:

1. Completion of the customer relationship management system.
2. Fit out of the new leased premises, and
3. Changed accounting treatment under AASB 16 – Leases, which requires depreciation of leased premises.

Other material movements in expenditure, due to changing priorities during the year, included:

- Employee expenses increased by \$93,525, which reflects a redundancy payment following an organisational restructure in 2021-2022 and higher employee vacancies in 2020-2021.
- Professional services expenditure decreased \$106,471 due to less consultants being engaged and completion of the project management activities to implement the customer relationship management system.
- Occupancy costs reduced \$97,699 due to the changed accounting treatment for rent payments under AASB 16 - Leases and staff working from home for most of the year.

Smaller expenditure increases were seen in legal, information technology and administrative expenses and the inclusion of an interest expense of \$20,307 due to the changed requirements from AASB 16 -Leases.

## Financial position

Net assets increased by \$38,409 to \$1,387,060 as a result of the net surplus for the year.

Total assets increased by \$31,632 and total liabilities decreased by \$6,777 relative to 2020-2021.

Property, plant and equipment increased \$171,488 for the completion of the new office fit out, whilst the Right-of-use asset reduced by \$201,831 reflecting receipt of the landlord's lease incentive and depreciation of the leased office for six months of the reporting period.

The lease liability for the Right-of-use asset reduced by \$124,235 through the monthly rent payments, while the balance of rent is reflected as a finance (interest) expense. Registration and examination fees paid in advance increased by \$82,222 which reflects delays to annual renewal process in June 2021 due to the implementation of the customer relationship management system.

This reduced the number of transactions processed in advance for the 2020-2021 renewal period.

Cash has increased by \$74,291 relative to 30th June 2021. Cash decreased by \$239,812 in 2020-2021.

## ARBV FIVE-YEAR FINANCIAL SUMMARY

	2022	2021	2020	2019	2018
	\$	\$	\$	\$	\$
Total income from transactions	2,636,197	2,501,132	2,184,555	2,447,596	2,124,263
Total expenses from transactions	2,596,687	2,433,281	2,355,266	2,379,098	2,066,187
Net result for the period	38,409	67,851	(170,711)	98,498	58,220
Net cash flows from operations	479,330	(40,329)	426,231	144,208	303,439
Total assets	3,947,100	3,915,468	3,369,736	2,934,365	2,786,808
Total liabilities	2,560,040	2,566,817	2,088,887	1,482,805	1,433,746

### 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 continued throughout the year without any impact on performance.

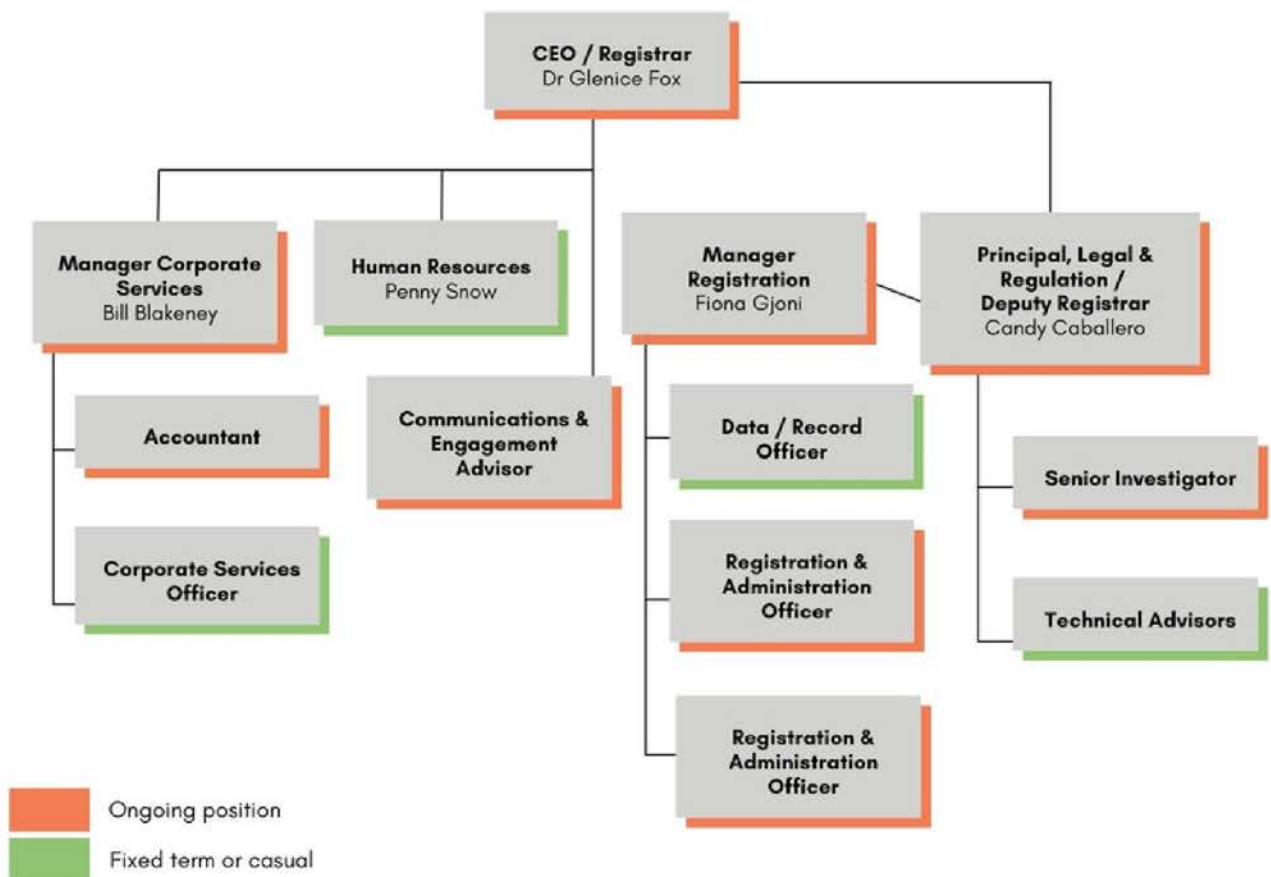
### Subsequent events

At 30 June 2022 there were no subsequent events.



## SECTION 2: GOVERNANCE AND ORGANISATIONAL STRUCTURE

### ARBV Organisation Structure As at 30 June 2022



# GOVERNANCE

## ARBV Board

The ARBV Board is responsible for performing statutory decision-making functions and powers conferred by the *Architects Act 1991* (the Act) and the *Architects Regulations 2015*. The ARBV Board also provides leadership, strategic guidance and policy direction in addition to overseeing implementation of policies and initiatives.

In accordance with section 47 of the Act, the Board comprises up to ten members appointed on a representative basis with the Chairperson and Deputy Chairperson elected by the members.

The Board is assisted by committees and working groups. It is also responsible for constituting the independent Architects Tribunal to conduct inquiries concerning architects and their fitness to practise or professional conduct. The Act prohibits a person being concurrently a member of the ARBV Board and the Architects Tribunal.

The Board membership of the ARBV at 30 June 2022 was as follows:

- Dr Giorgio Marfella, PhD, M.Arch, RAlA (Chairperson)  
*Representative of architects nominated by Councils of approved schools of architecture*
- Richard Salter, B.Eng. (Hons), B.Sc. (Deputy Chairperson)  
*Representative of Professional Building Industry Organisations nominated by the Housing Industry Association (Vic).*
- Bruce Allen, B.Arch, M.Arch, M.B.A.  
*Elected representative of architects*
- Sophie Cleland, B.Arch (Hons)  
*Architect nominated from panel submitted by the Australian Institute of Architects (AIA)*
- Mark Curry, B.AppSc, BSW  
*Consumer representative nominated by the Minister for Consumer Affairs (Victoria)*
- Richard Drew, B.Eng (Hons), M.DesS, GradCertEng  
*Representative of the Institution of Engineers, Institute of Surveyors, Institute of Quantity Surveyors and Royal Australian Planning Institute*
- Stefan Preuss, Dipl. Ing Arch, MSc.Arch, GAICD  
*Practising senior government architect nominated by the Office of Victorian Government Architect*
- Danielle Roche, B.Eng (Hons), MWRMgt  
*Consumer representative nominated by the Minister for Consumer Affairs (Victoria)*

Directors whose term expired or who resigned during 2021-22 were:

- Jenny Gretgrix, B.Eng (Hons)  
*Representative of professional building industry organisations nominated by the Housing Industry Association (Victoria).*  
Term of appointment: 6 October 2020 to 8 February 2022.



## **Board Committees**

The ARBV 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 1994* (FMA) and associated Standing Directions 2018 issued by the Assistant Treasurer under Section 8 of the FMA. Members of the Audit and Risk Committee are appointed by the Board in accordance with the Committee's Charter.

Meetings are held at least four times a year, and at other times 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
- review 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 during the year were: Mark Anderson (Independent Chair), Bruce Allen (Independent Member), Mark Curry (Independent Member) and Dr Giorgio Marfella (Independent Member). The CEO/Registrar and Chief Finance Officer also attend.

### **Remuneration and Organisation Development Committee**

The purpose of the Remuneration and Organisation Development Committee is to assist the Board to fulfil its obligations relating to remuneration, organisation development and human resource policy and related matters, including the management of the Registrar's contract and performance review.

Members of the Remuneration and Organisation Development Committee during the year were Giorgio Marfella (Chair), Richard Salter and Danielle Roche.

### **CEO/Registrar**

The Board appoints a Registrar to deliver the operations of the organisation in accordance with the agreed strategy. Dr Glenice Fox, SJD, LLB, BA, Grad Cert in Dispute Resolution has occupied the role of CEO/Registrar since February 2021.

## Board and Committee Meeting Attendances

Number of meetings attended/eligible to attend in 2021-22

Name	Board	Audit & Risk Committee	Remuneration & Organisation Development Committee	Notes
Dr Giorgio Marfella (Board Chairperson)	11/11	4/4	2/2	
Richard Salter (Board Deputy Chairperson)	8/11		2/2	
Mark Anderson (Audit & Risk Committee Chairperson)		4/4		
Bruce Allen	11/11	4/4		
Sophie Cleland	10/11			
Mark Curry	11/11	4/4		
Richard Drew	10/11			
Stefan Preuss	10/11			
Danielle Roche	7/11		1/2	
Jenny Gretgrix	0/6			Resigned 8th February 2022

## ARBV Chairpersons and Registrars since 1923

Chairpersons	
1. Edward Bates	1923 - 1931
2. William Godfrey Plus, a period 1924-1925 as acting chair.	1931 - 1934
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. Allan 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 - May 2021
17. Dr Giorgio Marfella	May 2021 -

Registrars	
1. William Campbell	1923 - 1929
2. John Islip Charles Serpell was acting registrar 1942-1946 while John Islip was on leave having enlisted in the Royal Australian Air Force.	1929 - 1970
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
11. Adam Toma	September 2018 - July 2020
12. Allan Bawden <i>Interim Registrar</i>	July 2020 - February 2021
13. Dr Glenice Fox	February 2021 -





## SECTION 3: WORKFORCE DATA

### **Public sector values & employment principles**

The ARBV has embedded the employment principles as set out in section 8 of the *Public Administration Act 2004* into its Human Resources Policies and Procedures 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.

### **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 with a continued commitment to OH&S compliance, active risks and hazards assessment and control.

A revised OH&S Policy was approved by the Board in February 2022. A major focus of the year was establishing CovidSafe practices and ensuring compliance with State Government directives as they evolved over the course of the pandemic. A COVIDSafe Plan and a range of related guidelines and practices were implemented to support a safe return to the office.

The ARBV's target for 2021-2022 was for zero OH&S incidents leading to claims which was achieved. No incidents, hazards or near misses or lost time were reported during the 2021-2022 year.

The ARBV's Workcover premium rate at the completion of 2021-2022 is 0.6115%. This is below the applicable State Government Administration industry classification rate of 0.6360%. ARBV's performance rating of 0.961508 is 3.84% better than the industry average.

## Workforce Data

The Architects Registration Board of Victoria employed 14 staff (10.1 full time equivalent), compared to 10 staff (9.4 full time equivalent) on 30 June 2021.

Employees have been correctly classified in workforce data collections.

All employees, except executive officers, are covered by the ARBV Enterprise Agreement.

Classification	2021-22		2020-21	
	Number (headcount)	FTE	Number (headcount)	FTE
Executive Officer	1	1	1	1
VPS 7	1	1	0	0
VPS 6	2	1.3	2	2
VPS 5	4	2.1	2	2
VPS 4	1	0.6	2	2
VPS 3	5	4.1	2	1.6
VPS 2	0	0	1	0.8
<b>Total</b>	<b>14</b>	<b>10.1</b>	<b>10</b>	<b>9.4</b>

### Notes:

- All figures reflect employment levels during the last full pay period in June of each year.
- Excluded from workforce data; employees on leave without pay or absent on secondment, graduates, external contractors/consultants and temporary staff employed by employment agencies.
- Ongoing employees includes people engaged on an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.
- "FTE" stands for Full time equivalent.
- The ARBV uses Victorian Public Sector (VPS) Salaries and Classification and Value Range Descriptors.





## SECTION 4: OTHER DISCLOSURES

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.

### 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.

There were no procurements initiated by the ARBV in 2021-2022 falling within the provisions of the Local Jobs First Policy.

### Social Procurement

The ARBV is a very small agency and whilst it remains conscious of its obligations under the State Government's Social Procurement Framework, it is difficult for the entity to generate meaningful social value given:

1. the limited annual expenditure budget for goods and services, and
2. the nature of goods and services acquired over the course of the year.

Management continues to explore opportunities for social procurement, however there was no expenditure of this nature in 2021-2022.

### ICT expenditure

Disclosure of ICT Expenditure	ICT Expenditure relating to projects to create or enhance ICT capabilities in 2021-22		
Business as usual ICT expenditure	Non-business as usual ICT expenditure	Operational expenditure	Capital expenditure
\$184,887	\$37,800	0	\$37,800

### Government Advertising Expenditure

There were no advertising campaigns in 2021-2022 with a media spend of \$100,000 or greater.

### Consultancy Expenditure

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

In 2021-22, there were no consultancy engagements for which services were provided during the reporting period that were individually valued at \$10,000 or greater (excluding GST).

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

In 2021-2022 there were three consultancies during the year, where the total fees payable to the individual consultancy was less than \$10,000. The total expenditure incurred during 2021-22 in relation to these consultancies was \$6,350 (excl. GST).

### Declarations of private interests

All ARBV Board members have completed a declaration of private interests.

### Disclosure of Major Contracts

The ARBV did not enter into any major contracts valued at \$10 million or above during 2021-2022.



## **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. 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 subsections 29, 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 \$30.60 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 section 17 of the Act.

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 10, 533 Little Lonsdale Street  
Melbourne 3000  
or registrar@arbv.vic.gov.au

## **FOI statistics/timeliness**

During 2021-22, the ARBV received two FOI applications, both applications were transferred to another authority under s.18(2).

## **Further information**

Further information regarding the operation and scope of FOI can be obtained from the Act; regulations made under the Act; and [ovic.vic.gov.au](http://ovic.vic.gov.au). The ARBV's Part II statement can be found on our website.

### **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*.

### **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.

### **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](http://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](http://www.ibac.vic.gov.au)

Email: See the website above for the secure email disclosure process, which also provides for anonymous disclosures.



## **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* 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.

## **Compliance with establishing Act**

The ARBV is established under the *Architects Act 1991*. 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 accountable to the Minister for Planning, who is accountable to Parliament and the community for the performance of the ARBV. The responsible Minister for the period from 1 July 2021 to 27 June 2022 was the Hon Richard Wynne MP, Minister for Planning. The Hon Lizzie Blandthorn MP commenced as Minister for Planning on 27 June 2022. 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.

Additionally, the ARBV is required to advise the Minister on the carrying out of its functions under the Act and on any other matter referred to it by the Minister and is subject to any specific written directions given by the Minister.

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.

### **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 together with the emphasis on electronic document management and a “paperlite” approach is reducing paper and storage. Wastepaper is binned for recycling and used printer cartridges are disposed of via Planet Ark.
- The ARBV liaises with a not-for-profit service provider who help job seekers to find work with inclusive employers who recognise and value diversity.
- The ARBV will continue to invest in green deposits which are deposits issued by the provider to invest in environmentally beneficial projects and initiatives.

### **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
- (e) details of all consultancies and contractors, including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

The information is available on request from:

Registrar, ARBV  
Level 10, 533 Little Lonsdale Street  
Melbourne 3000  
or registrar@arbv.vic.gov.au

### **Statement of availability of other information available on request**

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 34)
- (b) assessments and measures undertaken to improve the occupational health and safety of employees (on page 36).

### **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 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).

### **DataVIC Access Policy**

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



# ARBV FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I, Dr Giorgio Marfella, on behalf of the Responsible Body, certify that the Architects Registration Board of Victoria has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



**Dr Giorgio Marfella**  
Chairperson  
Architects Registration Board of Victoria  
Date signed: 23 August 2022



**FINANCE  
REPORT**

2021-22

# 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 2022 in the following structure to provide users with the information about the ARBV's stewardship of resources entrusted to it.

Financial statements

Declaration in the financial statements

Independent auditor's report

Comprehensive operating statement

Balance sheet

Statement of changes in equity

Cash flow statement

Notes to the financial statements

**1. About this report**

**2. Funding delivery of our services**

2.1 Summary of income that funds the delivery of our services

**3. The cost of delivering services**

3.1 Expenses incurred in delivery of services

**4. Key assets available to support output delivery**

4.1 Property, plant and equipment

4.2 Right of use assets

4.3 Intangible assets

**5. Other assets and liabilities**

5.1 Receivables

5.2 Income received in advance

5.3 Prepayments

5.4 Payables

**6. How we financed our operations**

6.1 Cash flow information and balances

6.2 Lease liabilities

6.3 Commitments for expenditure

**7. Risks, contingencies and valuation judgements**

7.1 Financial instruments specific disclosures

7.2 Contingent assets and liabilities

7.3 Fair value determination

**8. Other disclosures**

8.1 Other economic flows

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 Changes in accounting policies

8.9 Ex gratia payments

8.10 Glossary of technical terms

8.11 Style conventions



## 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 Assistant Treasurer 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 2022 and financial position of the ARBV at 30 June 2022.

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 23rd August 2022.



W. Blakeney  
Chief Financial Officer



G. Fox  
Chief Executive Officer



G. Marfella  
Chairperson

Melbourne  
23rd August 2022



Victorian Auditor-General's Office

## Independent Auditor's Report

### To the Board of the Architects Registration Board of Victoria

<b>Opinion</b>	<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"> <li>• balance sheet as at 30 June 2022</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• declaration in the financial statements.</li> </ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2022 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>
<b>Basis for Opinion</b>	<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.</p> <p>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 <i>APES 110 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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<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.</p> <p>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>



**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  
6 September 2022



Paul Martin  
*as delegate for the Auditor-General of Victoria*



## Comprehensive operating statement for the financial year ended 30 June 2022

	Notes	2022	2021
		\$	\$
<b>Continuing operations</b>			
<b>Income from transactions</b>			
Revenue from continuing operations	2.1	2,636,197	2,501,132
<b>Total income from transactions</b>		<b>2,636,197</b>	<b>2,501,132</b>
<b>Expenses from transactions</b>			
Registration expenses		2,205	2,481
Employee expenses	3.1.1	1,597,084	1,503,559
Professional services		90,645	197,116
Legal and tribunal		224,122	196,020
Administration	3.1.4	58,764	37,438
Information Technology		119,239	83,827
Examinations		181,592	186,402
Occupancy		13,613	111,312
Interest Expense	6.2.2	20,307	4,638
Depreciation & amortisation	4.1.2	212,542	40,269
Subscriptions		72,574	66,219
Sponsorships and awards		4,000	4,000
<b>Total expenses from transactions</b>		<b>2,596,687</b>	<b>2,433,281</b>
<b>Net result from transactions (net operating balance)</b>		<b>39,510</b>	<b>67,851</b>
<b>Other economic flows included in net result</b>			
Net gains/(losses) on disposal of non-financial assets		(1,747)	-
Net gains/(losses) from revaluation of long service liability		646	-
<b>Total other economic flows included in net result</b>		<b>(1,101)</b>	<b>-</b>
<b>Net result</b>		<b>38,409</b>	<b>67,851</b>
<b>Other economic flows - other comprehensive income</b>			
Other gains/(losses) from other economic flows		-	-
<b>Comprehensive result</b>		<b>38,409</b>	<b>67,851</b>

*The accompanying notes form part of these financial statements.*

## Balance sheet as at 30 June 2022

	Notes	2022	2021
		\$	\$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.1	2,998,470	2,924,179
Receivables	5.1	40,572	62,492
<b>Total financial assets</b>		<b>3,039,042</b>	<b>2,986,671</b>
<b>Non-financial assets</b>			
Prepayments	5.3	61,631	35,315
Property, plant and equipment	4.1	232,902	61,414
Right of use assets	4.2	417,387	619,218
Intangible assets	4.3	196,138	212,850
<b>Total non-financial assets</b>		<b>908,058</b>	<b>928,797</b>
<b>Total assets</b>		<b>3,947,100</b>	<b>3,915,468</b>
<b>Liabilities</b>			
Employee-related provisions	3.1.2	135,508	113,452
Income received in advance	5.2	1,701,030	1,618,808
Payables	5.4	227,087	213,907
Lease liability	6.2	496,415	620,650
<b>Total liabilities</b>		<b>2,560,040</b>	<b>2,566,817</b>
<b>Net assets</b>		<b>1,387,060</b>	<b>1,348,651</b>
<b>Equity</b>			
Contributed capital		221,718	221,718
Accumulated surplus		1,165,342	1,126,933
<b>Net worth</b>		<b>1,387,060</b>	<b>1,348,651</b>

The accompanying notes form part of these financial statements.

**Statement of changes in equity**  
for the financial year ended 30 June 2022

	<i>Accumulated Surplus</i>	<i>Contributed Capital</i>	<i>Total</i>
	\$	\$	\$
<b>Balance at 1 July 2020</b>	1,059,082	221,718	1,280,800
Net result for the year	67,851	-	67,851
<b>Balance at 30 June 2021</b>	<b>1,126,933</b>	<b>221,718</b>	<b>1,348,651</b>
Net result for the year	38,409	-	38,409
<b>Balance at 30 June 2022</b>	<b>1,165,342</b>	<b>221,718</b>	<b>1,387,060</b>

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



## Cash flow statement

for the financial year ended 30 June 2022

		2022	2021
	Notes	\$ Inflows (Outflows)	\$ Inflows (Outflows)
<b>Cash flows from operating activities</b>			
Receipts:			
Interest		7,337	9,672
Receipts from subscribers and sundry Income (incl GST)		2,822,502	2,312,627
GST receipts from Australian Tax Office		106,229	104,684
<b>Total receipts</b>		<b>2,936,068</b>	<b>2,426,983</b>
Payments:			
Payments to suppliers and employees (incl GST)		(2,436,431)	(2,439,461)
Interest expense		(20,307)	(4,638)
<b>Total payments</b>		<b>(2,456,738)</b>	<b>(2,444,099)</b>
<b>Net cash flows from operating activities</b>	<b>6.1</b>	<b>479,330</b>	<b>(17,116)</b>
<b>Cash flows from investing activities:</b>			
Payments for plant & equipment		(243,005)	(19,352)
Payments for intangible assets		(37,800)	(180,134)
<b>Net cash flows from / (used in) investing activities</b>		<b>(280,805)</b>	<b>(199,486)</b>
<b>Cash flows from financing activities:</b>			
Repayment of principal portion of lease liability		(124,234)	(23,213)
<b>Net cash flows from / (used in) financing activities</b>		<b>(124,234)</b>	<b>(23,213)</b>
Net increase (decrease) in cash and cash equivalents		<b>74,291</b>	<b>(239,815)</b>
Cash and cash equivalents at beginning of financial year		2,924,179	3,163,994
<b>Cash and cash equivalents at end of financial year</b>	<b>6.1</b>	<b>2,998,470</b>	<b>2,924,179</b>

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:

Level 10  
533 Little Lonsdale Street  
Melbourne VIC 3000

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.

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.

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.

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 Australian Accounting Standards (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

### Compliance information

These general purpose financial statements have been prepared in accordance with the Financial Management Act 1994 (FMA) and applicable Australian Accounting Standards, 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 8.10 and 8.11.

These annual financial statements were authorised for issue by the ARBV Chairperson, Chief Executive Officer and Chief Financial Officer on behalf of the ARBV on 23rd August 2022.

### 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 standards has been adopted by ARBV for the first time: Not applicable for 2021-2022.



## 2. FUNDING DELIVERY OF OUR SERVICES

The 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

	2022	2021
	\$	\$
<b>Income</b>		
Revenue from fees:		
Annual registrations	2,206,913	2,066,938
Applications and revocation	80,015	82,224
Examinations	308,125	310,555
Interest	7,337	9,672
Sundry income	60	3,274
Legal fees recovered	33,747	28,469
<b>Total income from transactions</b>	<b>2,636,197</b>	<b>2,501,132</b>

#### Revenue from contracts with customers

Revenue from fees is recognised under AASB15 Revenue from Contracts with Customers. The ARBV charges an annual fee for registration of Architects, which is recognised in the year to which the renewal relates. Annual registration fees paid in advance are recognised as income in advance. Examination fees are recognised when the service is provided.

#### Interest

Interest income includes interest received on bank term deposits and other cash holdings. Interest income 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 is recognised as it accrues.



## 3. The Cost of Delivering Services

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

### Structure

#### 3.1 Expenses incurred in delivery of services

##### 3.1.1 Employee benefits

##### 3.1.2 Employee related provisions

##### 3.1.3 Superannuation

##### 3.1.4 Administration expenses

### 3.1 Expenses incurred in delivery of services

		2022	2021
Registration expenses		2,205	2,481
Employee expenses	3.1.1	1,597,084	1,503,559
Professional services		90,645	197,116
Legal and tribunal		224,122	196,020
Administration	3.1.4	58,764	37,438
Information Technology		119,239	83,827
Examinations		181,592	186,402
Occupancy		13,613	111,312
Interest expense		20,307	4,638
Subscriptions		72,574	66,219
Sponsorships and awards		4,000	4,000
<b>Total expenses from transactions</b>		<b>2,384,145</b>	<b>2,393,012</b>

Expenses from transactions are recognised and reported in the financial year to which the related goods and services are received.

## 3.1.1 Employee benefits in the Comprehensive operating statement

		2022	2021
		\$	\$
Employee expenses (excluding superannuation)		1,475,133	1,385,389
Superannuation	3.1.3	121,951	118,170
<b>Total employee expenses</b>		<b>1,597,084</b>	<b>1,503,559</b>

Employee expenses include all costs related to employment including wages and salaries, superannuation, leave entitlements, redundancy payments, payroll tax 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.

## 3.1.2 Employee-related provisions in the Balance sheet

	2022	2021
	\$	\$
<b>Current provisions</b>		
Employee benefits – annual leave:		
Unconditional and expected to settle within 12 months (i)	92,389	73,209
Unconditional and expected to settle after 12 months	-	-
Employee benefits – long service leave:		
Unconditional and expected to be settled within 12 months	21,015	-
Unconditional and expected to settle after 12 months	-	-
Provisions related to employee benefit on-cost:		
Unconditional and expected to be settled within 12 months	11,346	7,325
Unconditional and expected to settle after 12 months	-	-
<b>Total current provisions</b>	<b>124,750</b>	<b>80,534</b>
<b>Non-current provisions</b>		
Employee benefits	9,780	29,924
Employee benefits on costs	978	2,994
<b>Total non-current provisions</b>	<b>10,758</b>	<b>32,918</b>
<b>Total provisions</b>	<b>135,508</b>	<b>113,452</b>

### Reconciliation of movement in employee related provisions

	2022	2021
	\$	\$
Opening balance	113,452	78,566
Additional provisions recognised	147,908	143,195
Amounts utilised during period	(116,734)	(108,309)
Reductions transferred out	(8,472)	-
Effect of changes in the discount rate	(646)	-
<b>Closing balance</b>	<b>135,508</b>	<b>113,452</b>
Current	124,750	106,127
Non Current	10,758	7,325

### 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, and annual 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.



## (ii) Long service leave

Long service leave is recognised in the provision for employee benefits.

Unconditional long service leave (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 long service leave 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 long service leave liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates, which is recognised as other economic flows included in net result.

## (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.

### 3.1.3 Superannuation

Fund	Total contributions payable		Contributions outstanding	
	2022 \$	2021 \$	2022 \$	2021 \$
<b>Defined contribution plans</b>				
Allan Bawden Superannuation Fund	-	8,029	-	-
Australian Retirement Trust (formerly Sunsuper)	1,970	4,745	774	-
Australian Super	27,094	38,419	2,051	597
BT Super	5,106	2,902	-	174
Care Super	3,780	-	687	-
Colonial First State	-	1,090	-	-
D & G Fox Family Superannuation Fund	21,468	9,342	2,330	338
EquipSuper	48	-	-	-
Future Super	5,562	5,038	671	117
James W Sadler P/L Super Fund	228	-	-	-
Hesta	-	7,078	-	-
Legalsuper	331	-	-	-
Other Super Funds	330	-	330	-
Qsuper	6,521	7,905	679	126
Salt Super Fund	-	282	-	-
Schwarz Superannuation Fund	297	130	118	-
Telstra Superannuation Scheme	7,762	4,666	618	143
The Trustee for Redaqua Holdings Super Fund	-	45	-	-
Unisuper	1,652	1,765	111	-
Vicsuper futuresaver	24,513	26,690	3,482	460
Vision Super (The Trustee for Local Authorities Super)	15,289	44	2,508	-
	<b>121,951</b>	<b>118,170</b>	<b>14,359</b>	<b>1,955</b>



## 3.1.4 Administration expenses

Administration expenses comprise:

	2022	2021
	\$	\$
Finance and bank charges	25,067	22,391
Advertising	-	10,871
Travel and accommodation	184	132
Small office equipment	29,171	-
Other expenses	498	1,847
Postage & couriers	3,844	2,197
<b>Total administration expenses</b>	<b>58,764</b>	<b>37,438</b>

## 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 Property, plant and equipment
  - 4.1.1 Reconciliation of movements in carrying amounts for property, plant and equipment
  - 4.1.2 Depreciation and impairment
- 4.2 Right-of-use assets
- 4.3 Intangible assets

### 4.1 Property, plant and equipment

	2022	2021
	\$	\$
Office equipment at cost	82,647	127,217
Accumulated depreciation	(65,443)	(73,137)
	<b>17,204</b>	<b>54,080</b>
Leasehold improvements at cost	245,512	43,289
Accumulated depreciation	(29,814)	(35,955)
	<b>215,698</b>	<b>7,334</b>
	<b>232,902</b>	<b>61,414</b>

These assets are all classified as public administration fixed assets.

#### 4.1.1 Reconciliation of movements in carrying amounts

2022	Office Equipment	Leasehold Improvements	Total
	\$	\$	\$
<b>Opening balance</b>	54,080	7,334	61,414
Additions	4,827	238,178	243,005
Disposals	(1,747)	-	(1,747)
Transferred to expenses	(26,820)	-	(26,820)
Depreciation	(13,136)	(29,814)	(42,950)
<b>Closing balance</b>	<b>17,204</b>	<b>215,698</b>	<b>232,902</b>

2021	Office Equipment	Leasehold Improvements	Total
	\$	\$	\$
<b>Opening balance</b>	57,686	-	57,686
Additions	12,018	7,334	19,352
Disposals	(2,510)	-	(2,510)
Depreciation	(13,114)	-	(13,114)
<b>Closing balance</b>	<b>54,080</b>	<b>7,334</b>	<b>61,414</b>

During the reporting period, the ARBV increased the threshold for recognising purchases as assets from \$1,000 to \$5,000 and expensed the written down value of any previously capitalised items with a purchase cost below \$5,000. This resulted in a transfer of \$26,820 from Property, plant and equipment to expenditure in the Comprehensive operating statement.

## 4.1.2 Depreciation, Amortisation and Impairment

All property, plant and equipment with a finite useful life is 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.

<b>Asset class</b>	<b>Useful life</b>
Computers	3 years
Furniture and Fittings	5 – 13 years
Intangible Assets	5 years
Leasehold Improvements	5 years

### Aggregate depreciation & amortisation recognised as an expense during the year

	2022	2021
	\$	\$
Office equipment	13,136	15,624
Leasehold improvements	29,814	-
Right-of-use assets	115,080	24,645
Intangible assets	54,512	-
	<b>212,542</b>	<b>40,269</b>

## 4.2 Right-of-Use Assets

### Right-of-use assets acquired as lessee – Initial measurement

The ARBV recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or site on which it is located.

### Right-of-use assets – Subsequent measurement

The ARBV depreciates right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

### 4.2.1 Carrying value of Right-of-use assets

	<i>Gross carrying amount</i>	<i>Accumulated depreciation</i>	<i>Net carrying amount</i>	<i>Gross carrying amount</i>	<i>Accumulated depreciation</i>	<i>Net carrying amount</i>
	2022			2021		
Buildings at fair value	557,112	(139,725)	417,387	643,863	(24,645)	619,218
<b>Net carrying amount</b>	<b>557,112</b>	<b>(139,725)</b>	<b>417,387</b>	<b>643,863</b>	<b>(24,645)</b>	<b>619,218</b>



## 4.2.2 Reconciliation of movement in carrying amounts

	<i>Buildings</i>
Opening balance – 1 July 2021	619,218
Additions	-
Disposals	-
Depreciation	(115,080)
Lease incentive received	(86,751)
<b>Closing balance – 30 June 2022</b>	<b>417,387</b>
Opening balance – 1 July 2020	-
Additions	643,863
Disposals	-
Depreciation	(24,645)
<b>Closing balance – 30 June 2021</b>	<b>619,218</b>

## 4.3 Intangible Assets

	<i>Computer Software</i>		<i>Total</i>	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Gross carrying amount</b>				
Opening balance	212,850	32,761	212,850	32,761
Additions	37,800	180,089	37,800	180,089
<b>Closing balance</b>	<b>250,650</b>	<b>212,850</b>	<b>250,650</b>	<b>212,850</b>
<b>Accumulated depreciation, amortisation and impairment</b>				
Opening balance	-	-	-	-
Amortisation	(54,512)	-	(54,512)	-
Disposals	-	-	-	-
<b>Closing balance</b>	<b>(54,512)</b>	<b>-</b>	<b>(54,512)</b>	<b>-</b>
<b>Net book value at end of financial year</b>	<b>196,138</b>	<b>212,850</b>	<b>196,138</b>	<b>212,850</b>

### 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.

### 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 Income received in advance
- 5.3 Prepayments
- 5.4 Payables

### 5.1 Receivables

	2022	2021
	\$	\$
<b>Contractual</b>		
Trade Receivables	40,041	55,987
	<b>40,041</b>	<b>55,987</b>
<b>Statutory</b>		
GST Receivable	531	6,505
	<b>531</b>	<b>6,505</b>
<b>Total Receivables</b>	<b>40,572</b>	<b>62,492</b>

#### 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.

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

##### 2022

	Carrying Amount	Not past due and not impaired	Less than 1 month	Past due but not Impaired
	\$	\$	\$	\$
<b>Investments and other contractual financial assets</b>				
Trade Receivables	40,041	40,041	-	-
<b>Total</b>	<b>40,041</b>	<b>40,041</b>	<b>-</b>	<b>-</b>

##### 2021

	Carrying Amount	Not past due and not impaired	Less than 1 month	Past due but not Impaired
	\$	\$	\$	\$
<b>Investments and other contractual financial assets</b>				
Trade Receivables	55,987	55,987	-	-
<b>Total</b>	<b>55,987</b>	<b>55,987</b>	<b>-</b>	<b>-</b>

## 5.2 Income received in advance

	2022	2021
Registration fees	\$	\$
Practising architect	1,217,322	1,159,329
Company	463,256	357,060
Partnership	8,027	7,139
<b>Sub Total</b>	<b>1,688,605</b>	<b>1,523,528</b>
Examination fees	12,425	95,280
<b>Total Income received in advance</b>	<b>1,701,030</b>	<b>1,618,808</b>

## 5.3 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.

	2022	2021
	\$	\$
Prepayments	61,631	35,315

## 5.4 Payables

	2022	2021
	\$	\$
<b>Contractual</b>		
Accrued expenses	121,282	100,013
Creditors	46,801	64,628
	<b>168,083</b>	<b>164,641</b>
<b>Statutory</b>		
PAYG liability	44,288	49,266
Superannuation	14,716	-
	<b>59,004</b>	<b>49,266</b>
<b>Total Payables</b>	<b>227,087</b>	<b>213,907</b>

### Payables consist of:

- contractual payables, including liabilities for goods and services provided to the ARBV prior to the end of the financial year that are unpaid at 30th June, 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

2022	Maturity Dates			
	Carrying Amount	Nominal Amount	Less than 1 month	1-3 months
	\$	\$	\$	\$
<b>Payables</b>				
Supplies and services	46,801	46,801	46,801	-
Other payables	121,282	121,282	121,282	-
<b>Total</b>	<b>168,083</b>	<b>168,083</b>	<b>168,083</b>	<b>-</b>



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2021	Maturity Dates			
	Carrying Amount	Nominal Amount	Less than 1 month	1-3 months
	\$	\$	\$	\$
<b>Payables</b>				
Supplies and services	64,628	64,628	64,628	-
Other payables	100,013	100,013	100,013	-
<b>Total</b>	<b>164,641</b>	<b>164,641</b>	<b>164,641</b>	<b>-</b>

## 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 Lease liabilities
- 6.3 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.

	2022	2021
	\$	\$
Total cash and deposits disclosed in balance sheet	2,998,470	2,924,179
<b>Total Cash and cash equivalents</b>	<b>2,998,470</b>	<b>2,924,179</b>

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

	2022	2021
	\$	\$
Operating result for the period	38,409	67,851
Add non-cashflows		
Depreciation	212,542	40,269
Loss on disposal of non-financial assets	1,747	-
Assets reclassified as expenses	26,820	-
<b>Changes in Assets &amp; Liabilities</b>		
(Increase)/decrease in receivables	108,671	18,251
(Increase)/decrease in prepayments	(26,316)	(767)
(Decrease)/increase in payables	13,180	22,989
(Decrease)/increase in income received in advance	82,222	(200,595)
(Decrease)/increase in provisions	22,056	34,886
<b>Net cash flows provided (used) by operating activities</b>	<b>479,330</b>	<b>(17,116)</b>

#### 6.2 Leases liabilities

The ARBV leases office premises at 533 Little Lonsdale St. Melbourne. The three year lease expires in April 2024 and has an option for a further term of two years. Rent under the lease increases by 3.5% on the second and fourth anniversary of the commencement date. An annual interest rate of 3.5% was adopted to determine the lease liability.

	2022	2021
	\$	\$
Current liability	128,654	124,235
Non-current liability	367,761	496,415
<b>Total lease liability</b>	<b>496,415</b>	<b>620,650</b>

##### 6.2.1 Right-of-use

Right-of-use assets are presented in note 4.2

## 6.2.2 Amounts recognised in the Comprehensive operating statement

The following amounts are recognised in the Comprehensive operating statement relating to leases:

	2022	2021
	\$	\$
Interest expense on lease liabilities	20,307	4,638
Depreciation expense related to right-of-use assets	115,080	24,645
<b>Total amount recognised in the Comprehensive operating statement</b>	<b>135,387</b>	<b>29,283</b>

## 6.2.3 Amounts recognised in the Cash flow statement

The following amounts are recognised in the Cash flow statement for the year ending 30 June 2022 relating to leases.

	2022	2021
	\$	\$
Total cash outflow for leases	144,542	27,851

For any new contracts entered into, the ARBV considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the ARBV assesses whether the contract meets three key criteria:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the ARBV and for which the supplier does not have substantive substitution rights;
- Whether the ARBV has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the ARBV has the right to direct the use of the identified asset throughout the period of use; and
- Whether the ARBV has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

### Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee has an option to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

The ARBV has not adopted this option in relation to outgoings payable to the landlord, which have been treated as lease payments for the determination of the initial lease liability and right-of-use asset.

### Recognition and measurement of leases as a lessee

#### *Lease Liability – initial measurement*

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the ARBV incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.



## ***Lease liability – subsequent measurement***

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

## ***Short-term leases and leases of low-value assets***

The ARBV has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

## ***Below market/peppercorn lease***

The ARBV currently has no below market/peppercorn leases.

## ***Presentation of right-of-use assets and lease liabilities***

The ARBV presents right-of-use assets and lease liabilities as separate lines on the Balance Sheet.

## **6.3 Commitment for Expenditure**

There were no commitments at balance date not otherwise disclosed in the financial statements and notes.

## 7. Risks, Contingencies and Valuation Judgements

The ARBV is exposed to risk from its activities and external 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**

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.

#### **Categories of financial assets**

##### **Financial assets at amortised cost**

Financial assets are measured at amortised costs 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 interests.

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

The ARBV recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables);
- term deposits; and
- certain debt securities.

##### **Financial assets at fair value through other comprehensive income**

The ARBV does not hold debt or equity investments.



## Financial assets at fair value through net result

The ARBV does not hold equity investments for trading.

Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost.

Financial assets and liabilities at fair value through net result are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through net result on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows unless the changes in fair value relate to changes in the ARBV's own credit risk. In this case, the portion of the change attributable to changes in the ARBV's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised.

## Categories of financial liabilities

Financial liabilities at amortised cost are initially recognised on the date they originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. The ARBV recognises the following liabilities in this category:

- payables (excluding statutory payables).

**Derivative financial instruments** are not held by ARBV.

**Offsetting financial instruments:** Financial instrument assets and liabilities are offset and the net amount presented in the consolidated Balance Sheet when, and only when, the ARBV has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where the ARBV does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

**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; or
- the ARBV retains the right to receive cash flows from the asset, but has assumed an obligation to pay without material delay to a third party under a 'pass through' arrangement; or
- the ARBV has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has control of the asset.

Where the ARBV has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the ARBV's continuing involvement in the asset.

**Derecognition of financial liabilities:** A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the Comprehensive operating statement.

**Reclassification of financial instruments:** Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the ARBV's business model for managing its financial assets has changed such that its previous model would no longer apply.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.



## 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 2022	Carrying Amount 2021
		\$	\$
<b>Contractual Financial Assets</b>			
Cash and deposits	6.1	2,998,470	2,924,179
Trade Receivables	5.1	40,041	55,987
<b>Total Contractual Financial Assets</b>		<b>3,038,511</b>	<b>2,980,166</b>
<b>Financial Contractual Liabilities</b>			
Payables	5.4	168,083	164,641
<b>Total Contractual Financial Liabilities</b>		<b>168,083</b>	<b>164,641</b>

**(b) Interest rate risk**

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities,  
2022

	Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	\$	\$	\$	\$
<b>Contractual Financial Assets</b>				
Cash and deposits	2,998,470	-	2,998,470	-
Trade Receivables	40,041	-	-	40,041
<b>Total Contractual Financial Assets</b>	<b>3,038,511</b>	<b>-</b>	<b>2,998,470</b>	<b>40,041</b>
Weighted Average Interest Rate		N/A	1.00%	0%
<b>Contractual Financial Liabilities</b>				
Payables	168,083	-	-	168,083
<b>Total Contractual Financial Liabilities</b>	<b>168,083</b>	<b>-</b>	<b>-</b>	<b>168,083</b>
Weighted Average Interest Rate		N/A	N/A	0%
<b>Net Contractual Financial Assets/ Liabilities</b>	<b>2,870,428</b>	<b>-</b>	<b>2,998,470</b>	<b>(128,042)</b>
<b>2021</b>				
	Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	\$	\$	\$	\$
<b>Contractual Financial Assets</b>				
Cash and deposits	2,924,179	-	2,924,179	-
Receivables	55,987	-	-	55,987
<b>Total Contractual Financial Assets</b>	<b>2,980,166</b>	<b>-</b>	<b>2,924,179</b>	<b>55,987</b>
Weighted Average Interest Rate		N/A	0.55%	0%
<b>Contractual Financial Liabilities</b>				
Payables	164,641	-	-	164,641
<b>Total Contractual Financial Liabilities</b>	<b>164,641</b>	<b>-</b>	<b>-</b>	<b>164,641</b>
Weighted Average Interest Rate		N/A	N/A	0%
<b>Net Contractual Financial Assets/ Liabilities</b>	<b>2,815,525</b>	<b>-</b>	<b>2,924,179</b>	<b>(108,654)</b>

**Contractual receivables at amortised cost**

2022	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 receivables	40,041	-	-	-	-	40,041
<b>Loss allowance</b>	-	-	-	-	-	-

**Contractual receivables at amortised cost**

2021	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 receivables	55,987	-	-	-	-	55,987
<b>Loss allowance</b>	-	-	-	-	-	-

**Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:**

	2022	2021
Balance at beginning of the year		
Opening Loss Allowance	-	-
Transfers in / acquired outputs	-	-
Transfers out / disposed outputs	-	-
AASB 7.35(b) Modification of contractual cash flows on financial assets	-	-
Increase in provision recognised in the net result	-	-
Reversal of provision of receivables written off during the year as uncollectible	-	-
Reversal of unused provision recognised in the net result	-	-
Balance at end of the year	-	-

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 are considered as written off by mutual consent.

**Statutory receivables at amortised cost**

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. Statutory receivables 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.



**(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 financial asset is represented by the carrying amount of those assets on the Balance Sheet.

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

	Other (min triple-B credit rating)	Other (not rated)	Total
	\$	\$	\$
<b>2022</b>			
Cash and deposits	2,998,470	-	2,998,470
Trade Receivables	-	40,041	40,041
<b>Total contractual financial assets</b>	<b>2,998,470</b>	<b>40,041</b>	<b>3,038,511</b>
<b>2021</b>			
Cash and deposits	2,924,179	-	2,924,179
Trade Receivables	-	55,987	55,987
<b>Total contractual financial assets</b>	<b>2,924,179</b>	<b>55,987</b>	<b>2,980,166</b>

**Ageing analysis of contractual financial assets**

**2022**

	Carrying Amount	Not past due and not impaired	Less than 1 month	Past due but not Impaired
	\$	\$	\$	\$
<b>Investments and other contractual financial assets</b>				
Trade Receivables	40,041	40,041	-	-
<b>Total</b>	<b>40,041</b>	<b>40,041</b>	<b>-</b>	<b>-</b>

**2021**

	Carrying Amount	Not past due and not impaired	Less than 1 month	Past due but not Impaired
	\$	\$	\$	\$
<b>Investments and other contractual financial assets</b>				
Trade Receivables	55,987	55,987	-	-
<b>Total</b>	<b>55,987</b>	<b>55,987</b>	<b>-</b>	<b>-</b>

## (d) Risks and mitigation

The risks associated with the ARBV's financial instruments and the 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 and the exposure to liquidity risk is deemed insignificant based on forecast cashflow projections.

## Maturity Analysis of contractual liabilities

2022	Maturity Dates			
	Carrying Amount	Nominal Amount	Less than 1 month	1-3 months
	\$	\$	\$	\$
<b>Payables</b>				
Supplies and services	46,801	46,801	46,801	-
Other Payables	121,282	121,282	121,282	-
<b>Total</b>	<b>168,083</b>	<b>168,083</b>	<b>168,083</b>	<b>-</b>

2021	Maturity Dates			
	Carrying Amount	Nominal Amount	Less than 1 month	1-3 months
	\$	\$	\$	\$
<b>Payables</b>				
Supplies and services	64,628	64,628	64,628	-
Other Payables	100,013	100,013	100,013	-
<b>Total</b>	<b>164,641</b>	<b>164,641</b>	<b>164,641</b>	<b>-</b>

## (f) Interest rate risk sensitivity

	Carrying amount	Interest rate	
		-100 basis points	+100 basis points
		Available-for-sale revaluation surplus	Available-for-sale revaluation surplus
2022	Net result	Net result	
<b>Contractual financial assets</b>	<b>\$</b>	<b>\$</b>	
Cash and deposits <sup>(i)</sup>	2,998,470	(29,985)	29,985
<b>Total impact</b>		<b>(29,985)</b>	<b>29,985</b>
2021		-100 basis points	+100 basis points
<b>Contractual financial assets</b>			
Cash and deposits <sup>(i)</sup>	2,924,179	(29,242)	29,242
<b>Total impact</b>		<b>(29,242)</b>	<b>29,242</b>

Notes:

(i) Cash and deposits includes deposits that are exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

- 2022:  $\$2,998,470 \times -0.01 = -\$29,985$ ; and  $\$2,998,470 \times 0.01 = \$29,985$ ; and
- 2021:  $\$2,924,179 \times -0.01 = -\$29,242$ ; and  $\$2,924,179 \times 0.01 = \$29,242$

## 7.2 Contingent assets and liabilities

As at 30 June 2022 there were no contingent assets and contingent liabilities in existence (2021 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	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and deposits	2,998,470	2,924,179	2,998,470	2,924,179
Trade Receivables	40,041	55,987	40,041	55,987
<b>Total Financial Assets</b>	<b>3,038,511</b>	<b>2,980,166</b>	<b>3,038,511</b>	<b>2,980,166</b>
<b>Financial Liabilities</b>				
Payables	168,083	164,641	168,083	164,641
<b>Total Financial Liabilities</b>	<b>168,083</b>	<b>164,641</b>	<b>168,083</b>	<b>164,641</b>



## 8. Other Disclosures

### Introduction

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

- 8.1 Other economic flows
- 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 Changes in accounting policies
- 8.9 Ex-Gratia Payments
- 8.10 Glossary of technical terms
- 8.11 Style conventions

### 8.1 Other economic flows

#### 8.1.1 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- transfer of amounts from reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

	2022	2021
<b>Other gains/(losses) from other economic flows</b>	\$	\$
Net gain/(loss) arising from revaluation of long service liability <sup>(i)</sup>	646	-
<b>Total other gains/(losses) from other economic flows</b>	<b>646</b>	<b>-</b>

(i) Revaluation gain/(loss) due to changes in inflation factors and discount rates

#### 8.1.2 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;

## 8.2 Responsible Persons

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

<u>Title</u>	<u>Name</u>	<u>Period of Appointment</u>
Minister for Planning	The Hon Richard Wynne, MLA	(1 July 2021 to 27 June 2022)
Minister for Planning	The Hon Lizzie Blandthorn MLA	(27 June 2022 to 30 June 2022)
Chairperson	Dr Giorgio Marfella	(7 July 2021 to 30 June 2022)
Deputy Chairperson	Mr Richard Salter	(1 July 2021 to 30 June 2022)
ARBV member	Mr Bruce Allen	(7 July 2021 to 30 June 2022)
ARBV member	Ms Jenny Gretgrix	(1 July 2021 to 8 February 2022)
ARBV member	Ms Sophie Cleland	(7 July 2021 to 30 June 2022)
ARBV member	Mr Mark Curry	(7 July 2021 to 30 June 2022)
ARBV member	Mr Richard Drew	(7 July 2021 to 30 June 2022)
ARBV member	Mr Stefan Preuss	(7 July 2021 to 30 June 2022)
ARBV member	Ms Danielle Roche	(7 July 2021 to 30 June 2022)
ARBV Accountable Officer	Dr Glenice Fox	(1 July 2021 to 30 June 2022)

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

Income Band	Total Remuneration	
	2022	2021
\$0- \$9,999 (Board Members)	8	7
\$10,000- \$19,999 (Board Members)	1	2
<b>Total number of Board members</b>	<b>9</b>	<b>9</b>
The table includes those that receive no remuneration in the band \$0-\$9,999		
\$180,000 - \$189,999 (Accountable Officer)	-	1
\$230,000 - \$239,999 (Accountable Officer)	1	-
<b>Total annualised employee equivalents</b>	<b>1</b>	<b>1</b>

## 8.3 Remuneration of Executives

Other than the Responsible persons detailed in Note 8.2 there are no other executives requiring disclosure.

## 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.

### 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 8.2 Responsible Persons.

Compensation of KMP	2022	2021
	\$	\$
Short term employee benefits	277,458	243,324
Post-employment benefits	-	-
Other long-term employee benefits	-	13,880
Termination benefits	-	-
<b>Total</b>	<b>277,458</b>	<b>257,204</b>

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.

Outside of normal citizen type transactions with ARBV, there were no related party transactions that involved key management personnel, their close family members or their personal businesses interests.

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.



## 8.5 Remuneration of auditors

### Victorian Auditor-General's Office

External audit services

2022	2021
\$	\$
25,500	25,000

## 8.6 Subsequent events

There are no matters or circumstances that 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 ARBV in the future financial years. As at the date of signing the annual financial statements there were no subsequent events requiring disclosure.

## 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 2021-2022 reporting period. These accounting standards have not been applied to the ARBV annual financial statements. The ARBV is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

### 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 applies to periods beginning on or after 1 January 2023. The ARBV is in the process of analysing the impacts of this Standard, however, it is not anticipated to have a material impact. The ARBV will not adopt the Standard early.

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 Changes in accounting policies

In 2021-2022 the threshold for classifying an item as an asset was increased from \$1,000 to \$5,000. \$26,820, being the written down value of previously capitalised acquisitions costing less than \$5,000 was expensed in the Comprehensive operating statement in 2021-2022.

## 8.9 Ex gratia payments

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that are not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

2022	2021
\$	\$
-	-

## 8.10 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 other comprehensive income.

### Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

### Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible

### 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 asset

A financial asset is any asset that is either:

- (a) cash
- (b) an equity instrument of another entity
  - a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.
- (c) a financial asset can also be a contract that will or may be settled in the entity's own equity instruments and is either:
  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments
  - 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.

### 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 unfavourable to the entity; or
- (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 comprehensive operating 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 - *Presentation of Financial Statements*; and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.



## **Interest income**

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

## **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, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows – other comprehensive 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 change in net worth that is due to transactions and can be attributed directly to ARBV policies.

## **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 from transactions. It includes:

- 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;

## **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.

## **8.11 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.





## *APPENDIX 1:* **DISCLOSURE INDEX**

The Annual Report of the 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.

<b>Legislation</b>	<b>Requirement</b>	<b>Page Reference</b>
<b>Report of Operations</b>		
<i>Year in Review</i>		
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FRD 22	Nature and range of services provided	10-11
FRD 22	Objectives, functions, powers and duties	10
FRD 22	Performance Reporting (non-financial) - Achievements	6-8
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<b>Legislation</b>	<b>Requirement</b>	<b>Page Reference</b>
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Local Jobs First Act 2003		39
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Architects  
Registration Board  
of Victoria

**ARCHITECTS REGISTRATION BOARD  
OF VICTORIA**

**Address**

Level 10, 533 Little Lonsdale Street  
Melbourne VIC 3000

**Postal Address**

PO Box 13078  
Law Courts VIC 8010

**Phone number**

03 9417 4444

**Email**

[registrar@arbv.vic.gov.au](mailto:registrar@arbv.vic.gov.au)