

# Annual Report 2022 - 2023


CELEBRATING 100 YEARS

ARCHITECTS  
REGISTRATION BOARD  
OF VICTORIA  
1923 - 2023


The logo consists of the lowercase letters 'a', 'r', 'b', and 'v' in a bold, sans-serif font. Above the letter 'a' is a short orange horizontal bar.

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 and present. 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 2023. The publication of the ARBV Annual Report 2022–23 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.

# TABLE OF CONTENTS

<b>REPORT OF OPERATIONS</b>	
<i>Responsible Body's declaration</i>	<b>4</b>
<b>Section 1: Year in review</b>	<b>5</b>
<i>Chairperson and CEO / Registrar report</i>	<b>6</b>
<i>Vision / Mission / Values</i>	<b>11</b>
<i>Strategic Direction</i>	<b>12</b>
<i>About the ARBV</i>	<b>13</b>
<i>Nature and range of functional areas</i>	<b>13</b>
<i>Performance report (non-financial)</i>	<b>17</b>
<i>Performance report (financial)</i>	<b>34</b>
<b>Section 2: Governance and Organisational Structure</b>	<b>37</b>
<b>Section 3: Workforce data</b>	<b>41</b>
<b>Section 4: Other disclosures</b>	<b>43</b>
<b>FINANCIAL REPORT</b>	
<i>ARBV Financial Management</i>	
<i>Compliance Attestation Statement</i>	<b>49</b>
<b>APPENDICES</b>	
<i>Appendix 1: Disclosure index</i>	<b>87</b>

# RESPONSIBLE BODY'S DECLARATION

The Hon Sonya Kilkeny 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 2023.

Yours faithfully,



**Dr Giorgio Marfella**  
Chairperson  
Architects Registration Board of Victoria  
25 September 2023



## SECTION 1: YEAR IN REVIEW

**338**

New architect registrants

**7,398**

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

**316**

Graduates registered for the  
Architectural Practice  
Examination

**313**

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

**123**

New company and partnership  
registrations processed and  
completed

**26**

Professional conduct  
investigations initiated

**16**

Professional conduct  
investigations completed and  
not referred for inquiry

**8**

Matters referred to Architects  
Tribunal

**32**

Prohibited conduct  
investigations initiated

Jill Garner (Victorian Government Architect) and Giorgio Marfella hosting the "100 years of registered architects in Melbourne" walk in Melbourne CBD.



## CHAIRPERSON AND CHIEF EXECUTIVE OFFICER / REGISTRAR REPORT

**The beginning of 2023 marked the ARBVs centenary, our 100th year ensuring architectural services in Victoria are delivered according to high professional standards and contribute to improved building outcomes for the benefit of the community. To mark this significant milestone our board and staff have reflected on the history of the ARBV and how the architectural landscape has changed in Victoria over the past 100 years.**

We have formed a partnership with Open House Melbourne (OHM) and will be hosting events in conjunction with OHM to celebrate our centenary. We will be hosting a commemorative walking tour as part of the OHM "Collective City" weekend in July 2023, and will be holding a celebration event later in 2023 which will include a panel discussion focusing on the ARBV's vision of a well-designed, liveable and safe built environment in the context of the past, present and future of the architecture profession regulated in Victoria.

The most significant initiatives that have commenced or were completed in the last twelve months, and the steps taken to meet our overarching strategic goals are outlined in this annual report. In the 2022-23 financial year the ARBV settled into the new hybrid working model, with staff working a combination of remotely and on-site each week.

Business as usual saw regulatory oversight of more than 6,500 practising architects and approved companies and partnerships, over 300 Architectural Practice Examinations held, and approximately 8000 enquiries received and responded to. Several matters were referred to the Architects Tribunal and the ARBV prosecuted a person in the Magistrates' Court of Victoria for offences against the Architects Act 1991.

The ARBV continued to work closely with other regulators and both State and Commonwealth Government agencies, including through chairing the National Registrars Forum for regulators of the architecture profession throughout Australia and collaboration with other regulators such as the Victorian Building Authority in improving standards of practice e.g., as part of the Design Standards Working Group.

# CHAIRPERSON AND CHIEF EXECUTIVE OFFICER / REGISTRAR REPORT

We also continued to work closely with the Architects Accreditation Council of Australia on matters concerning the standard of architecture education and the practice of architecture in Australia, which supports ARBV's vital role in monitoring and providing accreditation for Schools of Architecture in Victorian universities.

In the second half of 2022 the ARBV and the New South Wales Architects Registration Board (NSW ARB) completed a research project to identify current, emerging, and future systemic compliance issues and associated risks affecting the regulation of architects in Victoria and New South Wales.

Findings from the research project are now being used to inform the proactive regulatory strategies employed by the ARBV, and NSW ARB respectively, in order to mitigate harm caused by systemic risks. Plans are in place to conduct focus groups with a range of relevant stakeholders across the building and construction sectors in the second half of 2023 to further unpack the key themes identified in the context of the research project.

In November 2022 we launched a new webinar series providing free continuing professional development for architects, aimed at addressing emerging trends and issues arising for both architects and consumers of architectural services in Victoria. Three webinars were held in the financial year, covering a range of issues including how to manage client budgets and project costs, client architect agreements and partial services, as well as a detailed overview of the report produced from the research project into systemic risks in the Australian architecture sector.

In February 2023 amendments were made to the Architects Act 1991, primarily to make changes to provide for the application of the Architects Act 1991 to interstate architects practising in Victoria under the Automatic Mutual Recognition (AMR) scheme and to facilitate AMR.

The legislative changes include definitions relevant to this scheme and a requirement that architects under the scheme provide proof of insurance in line with the requirements of architects registered in Victoria. The amendments also include provisions on publishing disciplinary actions and removing individuals from the Register of Architects.

Further amendments to the Architects Act 1991 received royal assent in June 2023 and will come into operation as provided for in the Building Legislation Amendment Act 2023. These changes, when they come into operation, will strengthen and improve governance arrangements of the ARBV.

In May 2023, the Lieutenant-Governor made regulations to change architects' registration fees. Significant work was undertaken in collaboration with the former Department of Environment, Land, Water and Planning (DELWP) and the Department of Transport and Planning (DTP) to progress the review of fees. The objective of resetting registration fees was to ensure that the ARBV can deliver its regulatory services to meet government, industry and community expectations effectively, while maintaining an independent and sound financial position.

Key industry stakeholders including the Australian Institute of Architects, Association of Consulting Architects and ArchiTeam were closely consulted and provided input into the new fee structure proposed by the ARBV. Income from the fees will enable us to continue to regulate, educate and engage to ensure architectural services are delivered according to high professional standards and contribute to improved building outcomes for the benefit of industry and the community.



# CHAIRPERSON AND CHIEF EXECUTIVE OFFICER / REGISTRAR REPORT

In the last quarter of the financial year, the ARBV worked with DTP to provide input on the development of the Minister's Statement of Expectations (SoE) for the ARBV effective from July 2023. Priority elements identified to be addressed in the SoE will assist the ARBV to foster better practice in regulation and achieve improvements in regulatory efficiency and effectiveness, demonstrating the ARBV's value as a trusted regulator supporting the delivery of a high-quality built environment.

In providing input in the development of the new SoE the ARBV is mindful of the Building System Review's Expert Panel Stage 1 Report, particularly recommendation 12: Modernise legislative schemes and regulate governance and operations for architects and design practitioners to ensure alignment with best practice and that qualification requirements include a focus on compliance with current regulatory settings.

The ARBV has also worked with the former DELWP and DTP during the year to consider and progress a range of legislative reform proposals to strengthen and optimise the ARBV's powers under the *Architects Act 1991*.

Our dedicated staff have worked hard to progress initiatives that support our strategic priorities as set out in the Strategic Plan 2022-26, including the delivery of new projects that benefit the profession and the broader sector. We thank our small team of staff for their steadfast contributions over the last year.

We also thank the members of the ARBV Board, Bruce Allen, Sophie Cleland, Mark Curry, Richard Drew, Stefan Preuss, Sally Wills, Danielle Roche (*resigned in March 2023*) and Richard Salter, for their ongoing support and strategic advice, as well as their commitment to promoting higher standards of professional conduct among architects in the public interest. A special thanks is due to our Deputy Chairperson Richard Salter, who completed his term in June 2023 after serving the ARBV for two terms of appointment.

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 Glenice Fox*  
CEO / Registrar



*Dr Giorgio Marfella*  
Chairperson



# **BRIEF HISTORY OF THE REGISTRATION OF ARCHITECTS IN VICTORIA**

~ Professor Julie Willis  
University of Melbourne

*The registration of architects in the state of Victoria celebrates its centenary in 2023, marking 100 years since the first statutory registration of professional architects in June 1923.*

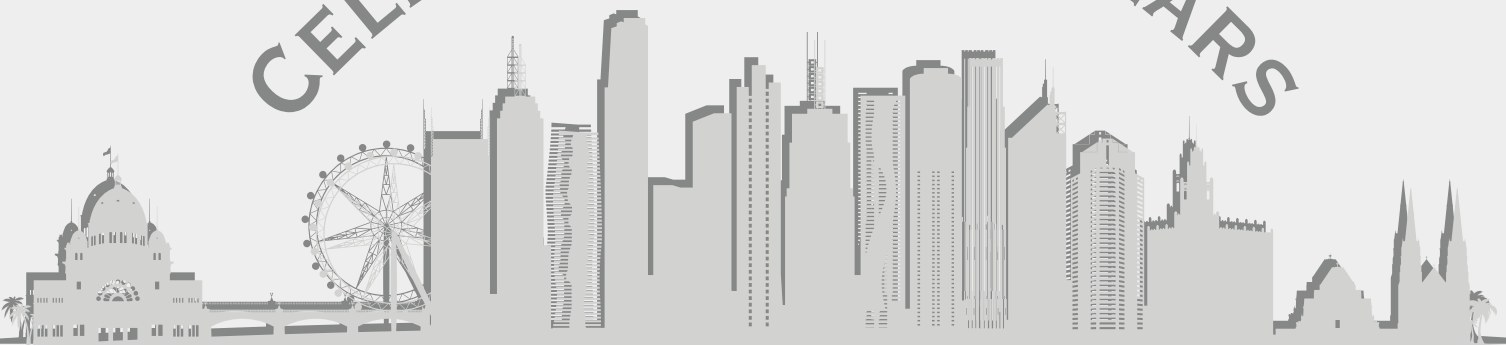
*The first formal consideration of registration for architects in Australia was in 1887, when both the Victorian Institute of Architects and the South Australian Institute of Architects began to discuss the matter in their respective jurisdictions. The VIA's concerns were to lift the standards expected of architects, including the formalisation of architectural education and the requirement of a competence standard to use the title 'architect', that would lead to public good (consumer protections), particularly related to health and eradication of disease, through good design.*

*From 1890, when the first bill was drafted, there were multiple attempts to see registration for architects achieved in Victoria, including a failed reading of the bill in Parliament (1892) and several approaches to the Minister of Public Works. In 1918, a private member's bill for the registration of architects was introduced in Victoria by AA Billson, whose son, EF Billson, was the first graduate of the Diploma of Architecture at the University of Melbourne in 1915. Billson senior would introduce his bill a further two times (1919 and 1920), without success.*

*World War I had significantly disrupted the pipeline of articulated pupils in architecture, prompting the establishment or revival of formal qualifications in architecture in universities and technical colleges across Australia. In parallel, there was renewed momentum for architectural registration. Despite Billson senior's lack of success, the Minister for Public Works, the Hon Frank Clarke, introduced a second architects' registration bill in 1920 (known as Bill No.2) to the Legislative Council, and the two bills were considered concurrently in 1920 and 1921, with Bill No.2 finally passed into law in 1922.*

*The complications of two concurrent bills with the same premise meant the debate in Victoria was particularly protracted: in shorter timeframes, firstly NSW (November 1921) and then Western Australia (December 1921), passed legislation giving statutory regulation of architects. Victoria had only managed to protect the title of 'registered architect', putting it out of step with NSW, WA, Qld (1928) and then Tasmania (1930). It took until 1939 for the Act in Victoria to be amended to protect the term 'architect', and until 1940 for South Australia to finally pass its own registration Act.*

**CELEBRATING 100 YEARS**  
1923 - 2023



# **BRIEF HISTORY OF THE REGISTRATION OF ARCHITECTS IN VICTORIA**

~ Professor Julie Willis  
University of Melbourne

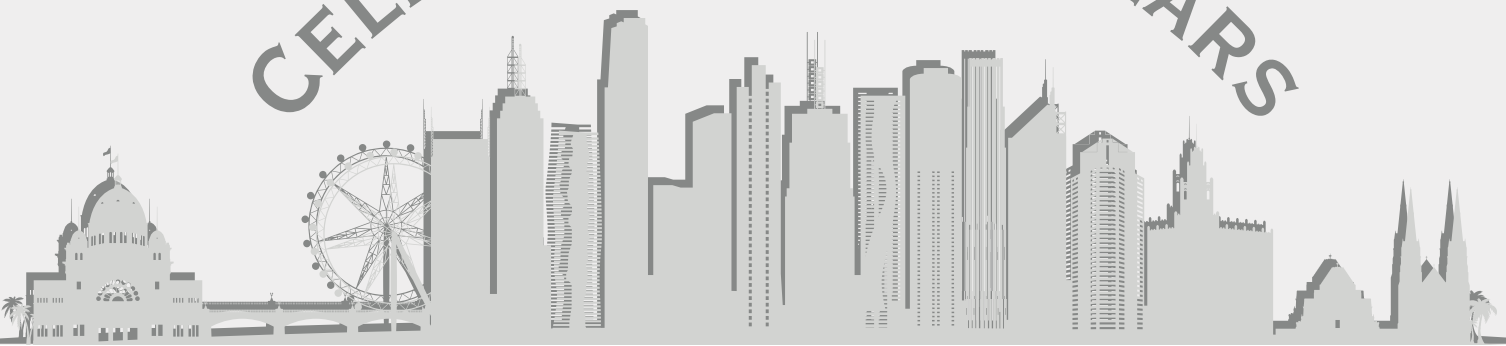
*The requirements outlined in the 1922 Act were agnostic as to any allegiances or professional memberships and encompassed a wide range of possible education and qualification. Rather like the move from private forms of architectural education (articles) to institutionally-based certification, the set of rules and requirements for registration as set out in the Act allowed practitioners from a wide range of backgrounds to become registered architects. While the registration of architects was often criticised for the protections it gave the profession, paradoxically its independence from the profession's direct control meant it opened architecture up to those who may have otherwise been excluded by non-government bodies.*

*In the first tranche of registered architects in Victoria (GG 27 June 1923), of the thirty-three registered, just twelve were members of the RVIA. Registrants included a significant number of regional architects, from Mildura to Bairnsdale, and a woman architect, Vera Lane (#14), the second female graduate of the University of Melbourne's Diploma of Architecture. Within the first year of the Architects' Registration Board of Victoria, nearly 500 architects were registered in Victoria.*

*Registration numbers of architects remained nearly static for the next two decades, dipping to near 400 as the Great Depression took its toll. With the 1939 amendment to the Act, numbers rose in the early 1940s, corresponding with a tightening of the expected qualifications in architecture.*

*The numbers of registered architects rose steadily over the ensuing decades, softening at time of economic stress and uncertainty, but recovering soon afterwards. From its inception, architectural registration set the standards for qualification and competence of an architect, and considered a valuable distinction by practitioners and the profession as a whole to inspire public trust in professional architects and the services they offer.*

**CELEBRATING 100 YEARS**  
**1923 - 2023**





## 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

# STRATEGIC DIRECTIONS

1

**KNOWLEDGE,  
CAPABILITY AND  
EXCELLENCE**

*To support architects in the delivery of professional services for the benefit of the community and advancement of the industry.*

2

**COMMUNITY  
UNDERSTANDING**

*To build community understanding of the role of architects and the ARBV.*

3

**TRUSTED  
REGULATOR**

*To demonstrate ARBV's value as a trusted regulator, supporting the delivery of a high-quality built environment.*

4

**CULTURE AND  
OUTCOMES**

*To drive positive outcomes for consumers by promoting a professional culture of accountability among architects.*

The **ARBV Strategic Plan 2022-2026** guides our activities and how we prioritise our resources to achieve the ARBV's mission. We are committed to upholding the highest standards of integrity in the professional practice of architecture and engaging with architects, consumers and government to enhance the quality and safety of the built environment for all Victorians.

# ABOUT THE ARBV

The Architects Registration Board of Victoria (ARBV) is part of Victoria's transport and planning portfolio, led by the Department of Transport and Planning (DTP).

DTP delivers an integrated approach to Victoria's transport and planning system to support inclusive, prosperous, and sustainable community outcomes. DTP enables more liveable communities across Victoria through the realisation of local economic and community opportunities.

DTP serves five Ministers and a Parliamentary Secretary and unites transport, planning, precincts, land use, property, building and heritage to support our vision of thriving places, connected communities for all Victorians.

ARBV and its initiatives are key contributors to the transport and planning portfolio.

## 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 terms "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

### Registration

The registration function is responsible for pre-registration and registration-related activities, including assessing applications for registration from 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.

Registration oversees suspensions and cancellations of registration and revocations of suspension. It also ensures registrants comply with their compliance obligations (i.e. Continuing Professional Development and Professional Indemnity Insurance).



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 Complaints and Investigation function is responsible for administering compliance obligations set out in the Architects Act 1991. As part of this function, Complaints and Investigation assesses complaints received about architects' professional conduct and may undertake investigations. Complaints and Investigation may also investigate in circumstances where an unregistered person is alleged to be representing themselves as an architect which is prohibited conduct under the legislation.

Complaints and Investigation support the ARBV's proactive regulatory activities by identifying complaint trends and emerging issues which help to inform parallel educative initiatives. Established collaborative relationships with other regulators and stakeholders including information sharing arrangements also help to inform regulatory activities and outcomes.

### **Legal**

This function provides legal, regulatory and policy advice. It also coordinates administrative support for the Architects Tribunal in relation to disciplinary proceedings.

This function also oversees management of 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

### **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. The function supports implementation of Victorian Government policy and assists other divisions to bring into operation the various regulatory requirements.

### **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 ARBV's digital presence.

# OUR REGULATORY APPROACH

**The ARBV strives to ensure the delivery of quality architectural services in Victoria, the protection of consumers of architectural services as well as the broader community, and to instil public confidence in the regulation of the architecture sector by the ARBV. To this end, the ARBV is committed to ensuring that outcomes are at the heart of its regulatory approach and activities.**

## **Regulatory objectives**

In overseeing the regulatory framework, the ARBV specifically aims to:

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

The ARBV uses all its available regulatory tools to pursue these objectives.

## **Regulatory strategy**

The Regulatory Strategy sets out the ARBV's risk-based approach. It explains how the ARBV regulates the architecture profession in Victoria using the risks associated with non-compliance that could compromise achievement of regulatory objectives as a guide for its regulatory activities. In turn, this approach helps to ensure that the ARBV regulates in a manner that is effective, fair, efficient and consistent.

The Statement of Regulatory Approach published on the ARBV website provides an overview of the Regulatory Strategy. It enables regulated entities (architects, approved companies and partnerships) to understand the ARBV's regulatory approach and supports them to develop a positive and effective compliance culture.

## **Regulatory activities**

The ARBV uses its registration and approval function to ensure that only those that are eligible under the regulatory framework are authorised to provide architectural services. In addition, the ARBV undertakes proactive and reactive regulatory activity to respectively mitigate the risk of non-compliance with the regulatory framework and address that risk in cases when non-compliance occurs.

## 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, deter or prevent non-compliance.

Proactive activities include:

- developing educational materials, including fact sheets, updates and webinars, to assist architects to understand and meet their obligations and to help clients to understand their rights
- engaging with a broad range of stakeholders, including architects, clients and industry bodies, to discuss compliance issues, encourage voluntary compliance, and gain insights about areas of concern
- carrying out research and analysis to help the ARBV better understand sector-wide issues and concerns
- monitoring regulated entities, gathering intelligence from various sources about compliance risks and analysing information to detect compliance trends and issues.

Each year, the ARBV develops a new proactive strategic plan that helps to ensure that the ARBV's proactive regulatory activities dynamically keep pace with a changing context.

### Reactive regulatory activity

The ARBV undertakes reactive regulatory activity to respond to instances of actual or possible non-compliance.

The ARBV's reactive regulatory activity may include:

- education and engagement
- informal advice about compliance or warning
- referral to the Architects Tribunal where there are concerns about an architect's fitness to practise and/or professional conduct
- suspending or cancelling registration or approval
- institution of prosecution proceedings.

### Proactive highlights:

Important proactive activities undertaken by the ARBV in 2022-23 include the joint research partnership with the New South Wales Architects Registration Board into systemic risks in the architecture sector and the launch of the ARBV's new webinar series providing continuing professional development for architects, aimed at addressing emerging trends and issues arising for both architects and consumers of architectural services.

### Reactive highlights:

In 2022-23 the ARBV carried out several complex investigations as part of its reactive enforcement regime (pp 23-24). This included a successful prosecution in the Magistrates' Court of Victoria against a former architect and the company through which the former architect carried on his business for numerous offences against the Architects Act 1991.






# PERFORMANCE REPORT

*(non-financial)*

2022-23



# 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

Persons 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 (Asia Pacific Economic Co-operation and US architects). During the reporting period the UK mutual recognition pathway was introduced.

The fit and proper person (FPP) requirements for registration requires registrants to answer questions related to their fitness to practise. 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 also administers 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.

Enhancements to the registration function continue to be delivered, including:

- Working to increase registrations, particularly among persons who meet registration requirements but are not registered as architects
- Embed the National Standard of Competency for Architects into pre-registration programs
- Communicate the importance of fulfilling Continuing Professional Development obligations
- Continue to deliver proactive activities in registration to encourage voluntary compliance e.g., monitoring of compliance with CPD requirements
- Deliver training to ARBV's refreshed Panel of APE Examiners
- Collaborate 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
- Implement an audit process for companies and partnerships to ensure compliance with the Act
- Improve communications regarding the registration processes and ensuring that all relevant details are available on the website
- Contribute 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.

The Registration team conduct routine audits to ensure compliance with professional indemnity insurance requirements and to ensure that architects meet statutory requirements. Most incidences of non-compliance detected in 2022-23 related to a failure by the registrant to provide a copy of their up-to-date PII certificate of currency to the ARBV.

## 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 professional indemnity insurance.

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) the ARBV may initiate steps to suspend the registration of the regulated entity. If a regulated entity fails to pay their registration renewal, the 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%
Suspensions relating to non-payment of 2022-23 annual fees	37	0.54%

Notes:

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

## Registration and Architectural Practice Examination statistics

New Registrants	2018-19	2019-20	2020-21	2021-22	2022-23
Architect Registrations	403	347	315	336	338
Company Approvals	75	102	87	119	120
Partnership Approvals	0	3	0	1	3
Changing of Registration Class	2018-19	2019-20	2020-21	2021-22	2022-23
Practising to Non-Practising	50	135	121	226	237
Non-Practising to Practising	55	82	72	105	76
Total Architects on Register at 30 June	2018-19	2019-20	2020-21	2021-22	2022-23
Practising	4633	4822	5025	5276	5423
Non-Practising	1868	2005	3083	1779	1975
<b>Total</b>	<b>6501</b>	<b>6827</b>	<b>8108</b>	<b>7055</b>	<b>7398</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.



<b>Total Companies and Partnerships on Register</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>As of 30 June 2023</b>
Companies	1046	1112	1176	1274	1362
Partnerships	26	27	27	28	28

<b>Architectural Practice Examination</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Number of Candidates	351	430	418	348	329
Successful Candidates	222	183	373	310	280
Unsuccessful Candidates	129	24	45	38	49

**Notes:**

1. 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.

# 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 underline the importance of registration. The Act enables the ARBV to investigate matters on its own initiative or on the complaint of any person.

In line with the Regulatory Strategy, the ARBV continues to strengthen its focus on the delivery of proactive regulatory activities and increasing awareness and understanding of compliance obligations by architects through education and assistance.

Voluntary compliance by architects supports high standards of professional conduct and practice being maintained and helps to instil confidence in the profession among relevant stakeholders, including the public.

Consumers are able to engage architects with the knowledge that registration requires them to be covered by Professional Indemnity Insurance. Restricting who can represent themselves to be an architect also protects 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.

The ARBV increased its proactive regulatory activities in 2022-23 particularly in the areas of research and education and engagement and plans to further upscale the delivery of proactive activities in the coming year with additional revenue and resourcing available through the increase in 2023-24 registration fees.

The ARBV's reactive regulatory activities ensure 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. The ARBV undertook important reactive regulatory activities in 2022-23 including a number of complex investigations.

During 2022-23 the ARBV commissioned a review to assess the manner in which complaints and investigations are managed. The review involves an assessment of the extent to which ARBV's reactive regulatory activities are aligned with the Regulatory Strategy. The review will support the enhancement of regulatory documents, tools and guidance materials and help to ensure that good regulatory practice is maintained.

## 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 or should not be held into an architect's professional conduct and/or fitness to practise. Further information about the Architects Tribunal can be found on page 26.

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 (VCAT) for a review of that determination. In the reporting period the ARBV responded to one application for review that was made to VCAT.

In 2022-23, the ARBV's complaint data indicates that the highest incidence of complaints about professional conduct related to the following complaint issues:

- inappropriate billing practice
- unreasonable delays in the provision of architectural services
- incompetent design or specifications
- failure to provide services with due skill, care and diligence.

The complaints data from 2022-23 helped to inform the research project undertaken jointly with the NSW ARB on systemic risks in the architecture sector. The data was also used to inform ARBV's proactive regulatory activities including the delivery of the ARBV's webinar program, and will inform the development of the next Proactive Strategic Plan and delivery of proactive regulatory activities in the coming year.

### **Prohibited Conduct**

To represent themselves as an architect in Victoria, 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.

### **Complex investigations 2022-23**

Over the past year, ARBV has been carrying out a number of complex investigations as part of its reactive enforcement regime. Those investigations have taken significant time, due to the number of issues raised, the complexity of the issues under consideration and the need to ensure that the persons involved are given appropriate time to provide documents and information in relation to the issues raised regarding their conduct.

Some examples of the complex investigative work undertaken by ARBV over the past year include:

- Investigation of multiple complaints regarding a former architect who is no longer registered under the Architects Act but who was continuing to hold himself out to consumers as a registered architect. The investigation by ARBV required detailed review of significant amounts of evidence, given the numerous occasions on which the architect had misrepresented himself. The investigation led to a successful prosecution of the former architect and the company through which the former architect carried on his business for numerous offences against the Act. The former architect and the company pleaded guilty to the charges and was ordered to pay a fine and costs.
- Investigation of a person who allowed himself to be represented to be a registered architect on multiple occasions in published articles and interviews, in circumstances where he had never been registered. That investigation concluded that this conduct had occurred more than 14 times. The person involved took steps to ensure that the offending representations were removed from publicly available records and to avoid any future representations of that type.
- Investigations regarding a building that was designed with external aluminium cladding, which did not comply with the requirements of the National Construction Code and at which a fire subsequently occurred, causing significant damage to the building. Given the complex factual matrix and the involvement of numerous regulators, including Fire Rescue Victoria and the Victorian Building Authority, ARBV has been liaising with those regulators to understand the circumstances leading to the approval of the non-compliant building design and the conduct of the architects involved.
- ARBV closely monitored an investigation by the Australian Competition and Consumer Commission (ACCC) into the conduct of a Melbourne architectural company and a registered director of that company in relation to a tender for a development that was federally funded. The ACCC concluded that the architectural company and director in question had engaged in cartel conduct, by seeking to prevent other architectural firms from submitting a tender for that work. The ACCC brought civil penalty proceedings in the Federal Court of Australia, as a result of which the Court imposed significant fines. Now that the court proceedings are concluded, ARBV is conducting its own investigation, focusing on whether any professional conduct obligations set out in the Architects Act or the Regulations have been contravened by any of the parties involved.

## Complaints and Investigation Statistics

Professional Conduct of Architects	2018-19	2019-20	2020-21	2021-22	2022-23
Assessments and Investigations initiated	30	77	67	33	26
Reactive (complaints)	27	63	63	33	24
Proactive (initiated by ARBV)	3	14	4	0	2
Investigations completed – not referred for inquiry	6	33	63	20	16
Investigations completed – not referred for inquiry, but written advice provided to architect (per Regulation 8)			14	2	5

### Notes:

1. Where no values are shown this indicates the category was not previously reported.

Professional Conduct of Architects	2018-19	2019-20	2020-21	2021-22	2022-23
Matters referred to Architects Tribunal	6	4	2	1	8
Architects Tribunal Inquiries Completed	6	6	1	5	0



Prohibited Conduct	2018-19	2019-20	2020-21	2021-22	2022-23
Assessments and Investigations initiated	79	73	64	44	32
Investigations in which prohibited conduct was not identified			29	7	20
Investigations in which prohibited conduct was identified, compliance achieved without escalation			32	15	19
Investigations referred for prosecution advice	4	4	0	8	
Prosecutions initiated	1	0	0	0	1
Completed prosecutions	1	0	0	2	1

Notes:

1. Where no values are shown this indicates the category was not previously reported.

## Architects 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.

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.

Conduct considered by the Tribunal in 2022-2023 includes:

- Entering into a client architect agreement that did not comply with the requirements in the Code of Conduct for architects
- Careless or incompetent conduct by providing estimates for build cost that were significantly inaccurate
- Failing to take reasonable steps to ensure information provided to a client was accurate and unambiguous
- Failing to engender confidence in and respect for the profession of architecture with respect to communications with the client
- Failing to disclose a conflict of interest
- Careless or incompetent conduct by providing drawings for which a building permit could not be issued
- Failing to act honestly and with reasonable care in the provision of services, by failing to comply with a planning permit.

If the Tribunal finds allegations against an architect proven, it makes determinations regarding penalties and costs. The Tribunal 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 the determinations made by the Tribunal.

An architect may apply to the Victorian Civil and Administrative Tribunal for a review of an Architects Tribunal determination concerning them.

# ARBV SERVICE CHARTER

The ARBV Service Charter was first published in July 2022. The charter sets out the standard of service people can expect to receive from the ARBV, including:

- how to contact us
- what you should do if you wish to make a complaint or provide feedback about your dealings with us
- how you can help us to help you
- our expected time frames for services provided.

## OUR SERVICE COMMITMENTS:

### Responsiveness

- We will respond promptly to your enquiries through our phone and email service.
- We aim to respond to phone enquiries and emails within 3 business days and written correspondence within 10 working days.
- We will provide accurate and up to date information in response to enquiries.
- We will manage all registration applications efficiently and finalise complete and routine applications for registration within 6 weeks.
- We will keep complainants informed about the progress of their complaint and the expected timeframe for finalisation.
- We will acknowledge complaints about the ARBV within 3 days and respond to those complaints within 4 weeks.

### Transparency

- We will be open and transparent about our processes.
- We will provide consistent and clear information across our communication channels.
- Our staff and Board will disclose conflicts of interest, and comply with the VPS code of conduct.
- We will give you access to your personal information if you request it.
- We will publish clear and current information on our website.

### Quality service

- We will give you clear and straightforward information about the ARBV, including information on how to register as an architect in Victoria, make an enquiry or complaint, or respond to a complaint.
- We will keep an up-to-date Register of Architects in Victoria.
- We will handle all complaints about the conduct of architects fairly and efficiently.
- We will keep you informed about the progress of your enquiry, application, or complaint.
- We will tailor our response to your accessibility needs where possible.
- We will provide linkages and referral to other government information relevant to your needs where reasonably practicable.

### Confidentiality

- We will have systems in place to protect your confidential information.
- We will treat all information received in accordance with the Privacy and Data Protection Act 2014.

### Professionalism and Respect

- Our dealings with you will be conducted with integrity, honesty and respect.
- Our staff will be informative and helpful and responsive to feedback you may wish to provide.
- When you contact us, the person who responds to your enquiry will give you their name.
- We will be inclusive and treat every member of the public equally.
- We will endeavour to ensure we are accessible for those with disabilities and culturally diverse backgrounds.

# ARBV FEEDBACK & ENQUIRIES

At the ARBV we collect a range of information and feedback from architects and consumers of architectural services throughout the year. Each email, portal enquiry or phone call is categorised, and surveys are conducted.

Approximately 8000 enquires were received and responded to in the 2022-23 financial year. Most enquiries were responded to in accordance with the timelines set out in the ARBV Service Charter.

Data gathered provides valuable insights, and helps us to identify key trends and issues. This data is used to inform and guide the delivery of the ARBV's regulatory strategy.

	Emails	Portal enquiries	Calls
Registration	1813	332	533
Continuing Professional Development	85	16	25
Architectural Practice Examination	1212	133	276
Professional Indemnity Insurance	343	39	101
Portal help	233	NA	204
General advice	42	NA	24
Renewal	291	NA	262
Other	1046	197	242
Complaints and Investigation	321	NA	230
<b>Total</b>	<b>5386</b>	<b>717</b>	<b>1897</b>



# SPONSORSHIPS, GRANTS AND AWARDS

In 2022-23, the ARBV entered into a sponsorship partnership program with Open House Melbourne (OHM). The partnership program will deliver a number of events in 2023-24 to celebrate ARBV's centenary and recognise and promote the contribution the ARBV makes to Victoria's well-designed, liveable and safe built environment in its role as a regulator of the architectural profession.

The ARBV is delighted to be working with OHM on a range of partnership activities, including hosting a commemorative walking tour as part of the OHM "Collective City" weekend in July 2023. The generous support provided by Jill Garner AM, Victorian Government Architect, in hosting the walking tour alongside ARBV Chairperson, Dr Giorgio Marfella is deeply appreciated. This support includes the identification of buildings for the walking tour that depict the evolution of architecture and the growing needs of Victorians and showcase how the architecture profession that is regulated by the ARBV has contributed to our built environment over the last 100 years.

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.

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.

Sponsorship of OHM fulfills these objectives.

## 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. Two students received awards in the reporting period.



## CELEBRATING 100 YEARS OF REGISTERED ARCHITECTS IN VICTORIA



# 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>informing progress of enquiries, applications, or complaints about professional conduct</li> <li>acknowledging and responding to complaints about the ARBV.</li> </ul>	<p>Establishment of Service Charter completed. Adhering to commitments is ongoing.</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>Risk-profiling is an ongoing activity.</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>Proactive Strategic Plan is developed annually, and targeted regulatory activities informed by research and data analytics are delivered on an ongoing basis to address existing and emerging compliance issues.</p> <p>Outcomes from regulatory activity undertaken are reported in the Annual Report, on the website and in quarterly newsletters.</p> <p>Performance Monitoring Framework has been developed and ARBV regularly assesses the outcomes from regulatory activities and their alignment with strategic priorities.</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>The public-facing Statement of Regulatory Approach is published on the website.</p> <p>Digital mechanisms for consumers and architects to provide feedback have been established.</p> <p>A clear purpose is defined for all information that is collected to ensure it supports regulatory requirements.</p> <p>Trends and insights have been published together with information about how they have been used to inform and prioritise regulatory activities and guide the delivery of the regulatory strategy.</p> <p>Targeted activities have been undertaken to understand regulatory issues and inform future regulatory activities. This included the joint research project with the NSW ARB on systemic risks in the architecture sector.</p>




<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>Collaboration with co-regulators and related stakeholders to establish/renew information sharing agreements, memorandums of understanding or service level agreements is ongoing.</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>All forms, data requests and other registration and compliance processes have been digitised.</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>Information for consumers is available on the website explaining the difference between the role of architects and other related design professionals.</p> <p>Information for consumers about the design process is available on the website.</p>



# PERFORMANCE REPORT

*(financial)*

2022-23



# 2022-23 FINANCIAL YEAR REVIEW

## Operating result

In 2022-23, the ARBV recorded a net surplus of \$46,496 which was an increase of \$8,087 as compared to the 2021-22 net surplus of \$38,409.

Revenue increased by \$233,363, including an additional \$124,242 of annual registration fee income due to an increase in the number of registered architects, and approved companies and partnerships.

Expenditure increased by \$227,082. This was mainly driven by increases in the following expense categories:

1. Information Technology expenses - \$117,751 – including CRM software support, purchase of laptops and other equipment.
2. Occupancy expenses - \$38,508 – including repairs and maintenance costs.
3. Employee expenses - \$37,502 – including revaluation of long service leave liability for prior year.
4. Examination expenses - \$31,190 – including increase in amount payable to the AACA.

The net result variance includes a minor adjustment flowing from the disposal of non-financial assets in the prior year.

## Financial position

### Equity

Equity increased by \$114,947 to \$1,502,007. This was the result of the net surplus of \$46,496 and a prior year adjustment of \$68,451 to reflect a reduction in the Right-Of-Use (ROU) Assets and Liabilities as per the lease schedule.

### Total Assets and Liabilities

Total assets increased by \$377,284 due to higher cash collection of registration fees (\$676,157) partially offset by a reduction in non-financial assets (\$288,253). This reduction was mainly due to adjustment to ROU Assets and depreciation for the year.

Total liabilities increased by \$262,337 due to a higher volume of fees collected in advance. Registration and examination fees paid in advance increased by \$418,944 which includes the increase in 2023-24 registration fees introduced in May 2023.

## ARBV FIVE-YEAR FINANCIAL SUMMARY

	2023	2022	2021	2020	2019
	\$	\$	\$	\$	\$
Total income from transactions	2,869,560	2,636,197	2,501,132	2,184,555	2,447,596
Total expenses from transactions	2,823,770	2,596,687	2,433,281	2,355,266	2,379,098
Sponsorships and awards*	13,091	4,000	5,000	25,782	61,000
Net result for the period	46,496	38,409	67,851	(170,711)	98,498
Net cash flows from operations	802,650	479,330	(40,329)	426,231	144,208
Total assets	4,324,384	3,947,100	3,915,468	3,369,736	2,934,365
Total liabilities	2,822,377	2,560,040	2,566,817	2,088,887	1,482,805

\* Sponsorships and awards are included in the net result for the period.

### Significant changes or factors affecting performance

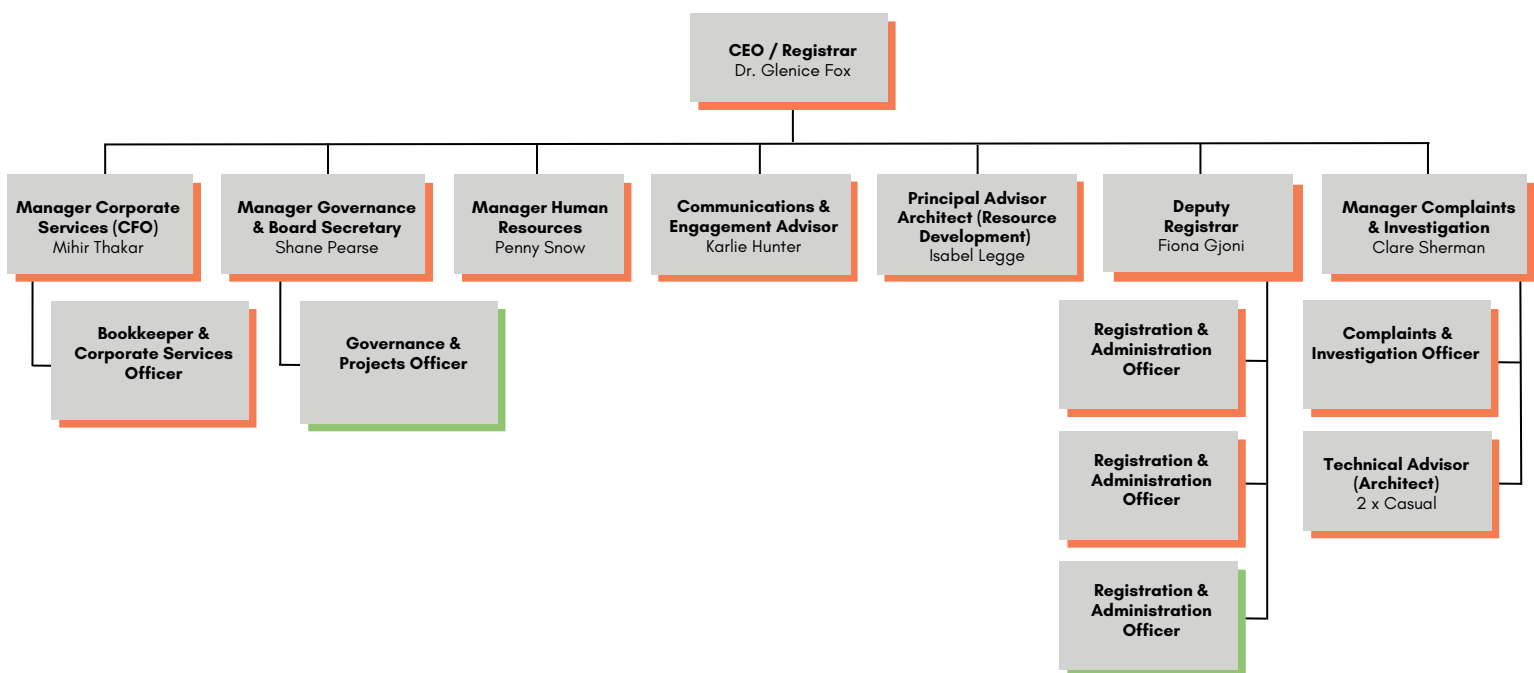
There were no significant changes or factors affecting ARBV's performance during the reporting period. The hybrid working model for staff continued throughout the year without any impact on performance.

### Subsequent events

As at the date of signing the annual financial statements there were no subsequent events requiring disclosure.

# SECTION 2: GOVERNANCE AND ORGANISATIONAL STRUCTURE

**ARBV Organisation Structure**  
As at 30 June 2023





# 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 steering 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 2023 was as follows:

- Dr Giorgio Marfella, PhD, M.Arch, RAIA (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*
- Sally Wills, Adv. Dip. Building Design (Architectural)  
*Representative of professional building industry organisations  
(Joined 13 September 2022)*

Directors whose term expired or who resigned during 2022-23 were:

- Danielle Roche, B.Eng (Hons), MWRMgt Consumer representative nominated by the Minister for Consumer Affairs (Victoria) resigned with effect from 13 March 2023
- Richard Salter's term expired on 30 June 2023.

## 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 Committees**

The ARBV Board is supported by two committees and one steering group:

### **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 three 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.

### **Proactive Strategic Plan Implementation Steering Group**

The steering group provides strategic guidance to the CEO/Registrar and the internal Project Team to ensure delivery of the Proactive Strategic Plan and the achievement of agreed outcomes. This includes monitoring implementation of the Proactive Strategic Plan to ensure effective, on-time and on-budget delivery.

Members of the Proactive Strategic Plan Implementation Steering Group during the year were board members; Dr Giorgio Marfella, Sophie Cleland, Mark Curry and Richard Drew, and relevant staff members.

## Board and Committee Meeting Attendances

Number of meetings attended/eligible to attend in 2022-23

Name	Board	Audit & Risk Committee	Remuneration & Organisation Development Committee	Notes / Overall meeting attendance
Dr Giorgio Marfella (Board Chairperson)	10/10	3/3	2/2	15/15
Richard Salter (Board Deputy Chairperson)	8/10		2/2	10/12
Mark Anderson (Audit & Risk Committee Chairperson)	N/A	3/3		3/3
Bruce Allen	10/10	2/3		12/13
Sophie Cleland	9/10			9/10
Mark Curry	10/10	3/3		13/13
Richard Drew	10/10			10/10
Stefan Preuss	8/10			8/10
Danielle Roche	5/7		0/1	5/8 resigned 13 March 2023
Sally Wills	6/8			6/8 Joined 13 September 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 regard 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.

The ARBV's target for 2022-2023 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 2022-2023 year.

The ARBV's Workcover premium rate at the completion of 2022-2023 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 Inclusion Policy**

The ARBV strives to provide an inclusive working environment where equal opportunity and diversity are valued, and that reflects the communities we serve. The ARBV's commitment to diversity and inclusion is reflected in our policies and practices of valuing and supporting employees regardless of their age, ethnicity, race, abilities, religion, socioeconomic status, culture, sex, sexual orientation, and gender identity.

Due to the ARBV's size (under 15 employees) the ARBV does not have formal plans or strategies in place, for example Disability Employment Plan, Gender Equality Action Plan for 2022-25 and Aboriginal Employment Plan 2020-26 or targets for gender diverse staff, as adopted by larger public sector organisations.

## Workforce Data

The Architects Registration Board of Victoria employed 14 staff (10.0 full time equivalent) on 30 June 2023, compared to 14 staff (10.1 full time equivalent) on 30 June 2022.

Employees have been correctly classified in workforce data collections.

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

Classification	2021-22		2022-23	
	Number (headcount)	FTE	Number (headcount)	FTE
Executive Officer	1	1	1	1
VPS 7	1	1	1	1
VPS 6	2	1.3	4	3.4
VPS 5	4	2.1	3	0.6
VPS 4	1	0.6	1	0.4
VPS 3	5	4.1	4	3.6
VPS 2	0	0	0	0
<b>Total</b>	<b>14</b>	<b>10.1</b>	<b>14</b>	<b>10</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 (VIIP) 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 2022-2023 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 2022-2023.

### Government Advertising Expenditure

There were no advertising campaigns in 2022-2023 with a media spend of \$100,000 or greater.

### 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
\$293,445	\$19,634	0	\$19,634

### Consultancy Expenditure

#### Details of consultancies \$10,000 or greater

In 2022-23, there were two consultancy engagements for which services were provided during the reporting period that were individually valued at \$10,000 or greater (excluding GST). The total expenditure incurred during 2022-23 in relation to these consultancies was \$27,000 (excl. GST).

Consultant	Dart Legal Consulting Pty Ltd	Halliday’s Business Insights Pty Ltd
Purpose of consultancy	Research into systemic risks in the architecture sector	Independent workplace assessment
Start - End Date	July - October 2022	August - December 2022
Expenditure 2022-23 (excl. GST)	\$15,000	\$12,000

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

In 2022-2023 there was one consultancy during the year, where the total fees payable to the individual consultancy was less than \$10,000. The total expenditure incurred during 2022-23 in relation to these consultancies was \$5,080 (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 2022-2023.

## **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 2022-23, the ARBV received one FOI application, which was still being finalised after 1 July 2023.

## **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 2022 to 4 December 2022 was the Hon Lizzie Blandthorn MP, Minister for Planning. The responsible Minister for the period from 5 December 2022 to 30 June 2023 was the Hon Sonya Kilkenny MP, Minister for Planning. 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 Transport 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 of Transport 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.

### **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 research undertaken by the ARBV
- (c) details of major promotional, public relations and marketing activities undertaken by the ARBV to develop community awareness of the entity and its services
- (d) details of changes in prices, fees, charges, rates and levies charged
- (e) a statement on industrial relations within ARBV
- (f) 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 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 39)
- (b) assessments and measures undertaken to improve the occupational health and safety of employees (on page 41).

### **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 development activities undertaken by the ARBV (no major 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: 22 August 2023**



# FINANCE REPORT

2022-23



# 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 2023 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 2023 and financial position of the ARBV at 30 June 2023.

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.

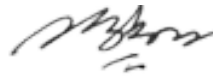
We authorise the attached financial statements for issue on the 22nd August 2023.



**Giorgio Marfella**  
Chairperson



**Glenice Fox**  
Chief Executive Officer



**Mihir Thakar**  
Chief Finance Officer

**Melbourne**  
**22 August 2023**





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 2023</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 2023 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  
5 September 2023



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

## Comprehensive operating statement

for the year ended 30 June 2023

	Notes	2023	2022
		\$	\$
<b>Continuing operations</b>			
<b>Income from transactions</b>			
Revenue from continuing operations	2.1	2,869,560	2,636,197
<b>Total income from transactions</b>		<b>2,869,560</b>	<b>2,636,197</b>
<b>Expenses from transactions</b>			
Registration expenses		180	2,205
Employee expenses	3.1.1	1,634,586	1,597,084
Professional services		93,219	90,645
Legal and tribunal		206,366	224,122
Administration	3.1.4	59,012	58,764
Information Technology		236,990	119,239
Examinations		212,783	181,592
Occupancy		52,121	13,613
Interest Expense	6.2.2	11,057	20,307
Depreciation & amortisation	4.1.2	213,085	212,542
Subscriptions		91,280	72,574
Sponsorships and awards		13,091	4,000
<b>Total expenses from transactions</b>		<b>2,823,770</b>	<b>2,596,687</b>
<b>Net result from transactions (net operating balance)</b>		<b>45,790</b>	<b>39,510</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		706	646
<b>Total other economic flows included in net result</b>		<b>706</b>	<b>(1,101)</b>
<b>Net result</b>		<b>46,496</b>	<b>38,409</b>
Other economic flows - other comprehensive income			
Other gains/(losses) from other economic flows		-	-
<b>Comprehensive result</b>		<b>46,496</b>	<b>38,409</b>

The accompanying notes form part of these financial statements.

## Balance Sheet

As of 30 June 2023

	Notes	2023	2022
		\$	\$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.1	3,674,627	2,998,470
Receivables	5.1	29,952	40,572
<b>Total financial assets</b>		<b>3,704,579</b>	<b>3,039,042</b>
<b>Non-financial assets</b>			
Prepayments	5.3	12,419	61,631
Property, plant and equipment	4.1	188,130	232,902
Right of use assets	4.2	260,339	417,387
Intangible assets	4.3	158,917	196,138
<b>Total non-financial assets</b>		<b>619,805</b>	<b>908,058</b>
<b>Total assets</b>		<b>4,324,384</b>	<b>3,947,100</b>
<b>Liabilities</b>			
Employee-related provisions	3.1.2	158,488	135,508
Income received in advance	5.2	2,119,974	1,701,030
Payables	5.4	268,400	227,087
Lease liability	6.2	275,515	496,415
<b>Total liabilities</b>		<b>2,822,377</b>	<b>2,560,040</b>
<b>Net assets</b>		<b>1,502,007</b>	<b>1,387,060</b>
<b>Equity</b>			
Contributed capital		221,718	221,718
Accumulated surplus		1,280,289	1,165,342
<b>Net worth</b>		<b>1,502,007</b>	<b>1,387,060</b>

The accompanying notes form part of these financial statements.

## Statement of changes in equity

For the financial year ended 30 June 2023

	Accumulated Surplus	Contributed Capital	Total
	\$	\$	\$
<b>Balance at 1 July 2021</b>	1,126,933	221,718	1,348,651
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>
Adjustment to accumulated surplus/(deficit) due to changes in ROU Asset and Liabilities (i)	68,451	-	68,451
<b>Restate Balance at 1 July 2022</b>	<b>1,233,793</b>	<b>221,718</b>	<b>1,455,511</b>
Net result for the year	46,496	-	46,496
<b>Balance at 30 June 2023</b>	<b>1,280,289</b>	<b>221,718</b>	<b>1,502,007</b>

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

- (i) The Right of Use Asset and Liability was reviewed during the financial year 2022-23 and the figures were adjusted accordingly. The net adjustment of \$68,451 was restated in Statement of Changes in Equity related to the year 2021-22.

## Cash flow statement

For the financial year ended 30 June 2023

	Notes	2023	2022
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts:			
Interest		79,804	7,337
Receipts from subscribers and sundry Income (incl GST)		3,219,370	2,822,502
GST receipts from Australian Tax Office		92,965	106,229
<b>Total receipts</b>		<b>3,392,139</b>	<b>2,936,068</b>
Payments:			
Payments to suppliers and employees (incl GST)		(2,578,432)	(2,436,431)
Interest expense		(11,057)	(20,307)
<b>Total payments</b>		<b>(2,589,489)</b>	<b>(2,456,738)</b>
<b>Net cash flows from operating activities</b>	<b>6.1</b>	<b>802,650</b>	<b>479,330</b>
<b>Cash flows from investing activities:</b>			
Receipts from sales of fixed assets		-	-
Investment in term deposits		-	-
Payments for plant & equipment		(18,202)	(243,005)
Payments for intangible assets		(19,634)	(37,800)
<b>Net cash flows from / (used in) investing activities</b>		<b>(37,836)</b>	<b>(280,805)</b>
<b>Cash flows from financing activities:</b>			
Repayment of principal portion of lease liability		(88,657)	(124,234)
<b>Net cash flows from / (used in) financing activities</b>		<b>(88,657)</b>	<b>(124,234)</b>
Net increase (decrease) in cash and cash equivalents		676,157	74,291
Cash and cash equivalents at beginning of financial year		2,998,470	2,924,179
<b>Cash and cash equivalents at end of financial year</b>	<b>6.1</b>	<b>3,674,627</b>	<b>2,998,470</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 rates.

#### 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 22 August 2023.

#### 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 2022-2023.

## 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

	2023	2022
	\$	\$
<b>Income</b>		
Revenue from fees:		
Annual registrations	2,331,156	2,206,913
Applications and revocation	58,394	80,015
Examinations	320,766	308,125
Interest	79,804	7,337
Sundry income	6,345	60
Legal fees recovered	73,095	33,747
<b>Total income from transactions</b>	<b>2,869,560</b>	<b>2,636,197</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

	2023	2022
	\$	\$
Registration expenses	180	2,205
Employee expenses	3.1.1 1,634,586	1,597,084
Professional services	93,219	90,645
Legal and tribunal	206,366	224,122
Administration	3.1.4 59,012	58,764
Information Technology	236,990	119,239
Examinations	212,783	181,592
Occupancy	52,121	13,613
Interest expense	11,057	20,307
Subscriptions	91,280	72,574
Sponsorships and awards	13,091	4,000
<b>Total expenses from transactions</b>	<b>2,610,685</b>	<b>2,384,145</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 Operating Statement

	2023	2022
	\$	\$
Employee expenses (excluding superannuation)	1,503,780	1,475,133
Superannuation	3.1.3 130,806	121,951
<b>Total employee expenses</b>	<b>1,634,586</b>	<b>1,597,084</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

	2023	2022
	\$	\$
<b>Current provisions</b>		
Employee benefits – annual leave:		
Unconditional and expected to settle within 12 months (i)	87,532	92,389
Unconditional and expected to settle after 12 months	-	-
Employee benefits – long service leave:		
Unconditional and expected to be settled within 12 months	27,033	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	6,565	11,346
Unconditional and expected to settle after 12 months	-	-
<b>Total current provisions</b>	<b>121,130</b>	<b>124,750</b>
<b>Non-current provisions</b>		
Employee benefits	32,057	9,780
Employee benefits on costs	5,301	978
<b>Total non-current provisions</b>	<b>37,358</b>	<b>10,758</b>
<b>Total provisions</b>	<b>158,488</b>	<b>135,508</b>

### Reconciliation of movement in employee related provisions

	2023	2022
	\$	\$
Opening balance	135,508	113,452
Additional provisions recognised	150,010	147,908
Amounts utilised during period	(126,324)	(116,734)
Reductions transferred out	-	(8,472)
Effect of changes in the discount rate	(706)	(646)
<b>Closing balance</b>	<b>158,488</b>	<b>135,508</b>
Current	121,130	124,750
Non Current	37,358	10,758

### 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	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Defined contribution plans</b>				
Vicsuper Futuresaver	40,716	24,513	2,823	3,482
Other	90,090	97,438	9,114	10,877
<b>Total</b>	<b>130,806</b>	<b>121,951</b>	<b>11,937</b>	<b>14,359</b>

### 3.1.4 Administration expenses

Administration expenses comprise:

	2023	2022
	\$	\$
Finance and bank charges	12,313	25,067
Advertising	1,000	-
Travel and accommodation	127	184
Small office equipment	36,211	29,171
Other expenses	5,771	498
Postage & couriers	3,590	3,844
<b>Total administration expenses</b>	<b>59,012</b>	<b>58,764</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

	2023	2022
	\$	\$
Office equipment at cost	82,647	82,647
Accumulated depreciation	(71,760)	(65,443)
	<b>10,887</b>	<b>17,204</b>
Leasehold improvements at cost	263,714	245,512
Accumulated depreciation	(86,471)	(29,814)
	<b>177,243</b>	<b>215,698</b>
	<b>188,130</b>	<b>232,902</b>

These assets are all classified as public administration fixed assets.

#### 4.1.1 Reconciliation of movements in carrying amounts for property, plant and equipment

2023	Office Equipment	Leasehold Improvements	Total
	\$	\$	\$
<b>Opening balance</b>	<b>17,204</b>	<b>215,698</b>	<b>232,902</b>
Additions	-	18,202	18,202
Disposals	-	-	-
Transferred to expenses	-	-	-
Depreciation	(6,317)	(56,657)	(62,974)
<b>Closing balance</b>	<b>10,887</b>	<b>177,243</b>	<b>188,130</b>

2022	Office Equipment	Leasehold Improvements	Total
	\$	\$	\$
<b>Opening balance</b>	<b>54,080</b>	<b>7,334</b>	<b>61,414</b>
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>

During the 2021-22 reporting period, the ARBV has 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 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.

Asset class	Useful life
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

	2023	2022
	\$	\$
Office equipment	6,317	13,136
Leasehold improvements	56,657	29,814
Right-of-use assets	93,256	115,080
Intangible assets	56,855	54,512
<b>Total</b>	<b>213,085</b>	<b>212,542</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>
	2023			2022		
	\$			\$		
Buildings at fair value	466,279	(205,940)	260,339	557,112	(139,725)	417,387
<b>Net carrying amount</b>	<b>466,279</b>	<b>(205,940)</b>	<b>260,339</b>	<b>557,112</b>	<b>(139,725)</b>	<b>417,387</b>

## 4.2.2 Reconciliation of movement in carrying amounts

	<i>Buildings</i>
<b>Opening balance - 1 July 2022</b>	<b>417,387</b>
Additions	-
Disposals	-
Depreciation	(93,256)
Prior year adjustment to ROU Asset	(63,792)
Lease incentive received	-
<b>Closing balance - 30 June 2023</b>	<b>260,339</b>
<b>Opening balance - 1 July 2021</b>	<b>619,218</b>
Additions	-
Disposals	-
Depreciation	(115,080)
Lease incentive received	(86,751)
<b>Closing balance - 30 June 2022</b>	<b>417,387</b>

(i) The Right of Use Assets were reduced by \$63,792 in the financial year 2022-23

## 4.3 Intangible Assets

	<b>Computer Software</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Gross carrying amount</b>				
Opening balance	250,650	212,850	250,650	212,850
Additions	19,634	37,800	19,634	37,800
<b>Closing balance</b>	<b>270,284</b>	<b>250,650</b>	<b>270,284</b>	<b>250,650</b>
<b>Accumulated depreciation, amortisation and impairment</b>				
Opening balance	(54,512)	-	(54,512)	-
Amortisation	(56,855)	(54,512)	(56,855)	(54,512)
Disposals	-	-	-	-
<b>Closing balance</b>	<b>(111,367)</b>	<b>(54,512)</b>	<b>(111,367)</b>	<b>(54,512)</b>
<b>Net book value at end of financial year</b>	<b>158,917</b>	<b>196,138</b>	<b>158,917</b>	<b>196,138</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

	2023	2022
	\$	\$
<b>Contractual</b>		
Trade Receivables	11,263	40,041
	<b>11,263</b>	<b>40,041</b>
<b>Statutory</b>		
GST Receivable	18,688	531
	<b>18,688</b>	<b>531</b>
<b>Total Receivables</b>	<b>29,951</b>	<b>40,572</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

2023

	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	11,263	11,263	-	-
<b>Total</b>	<b>11,263</b>	<b>11,263</b>	<b>-</b>	<b>-</b>

2022

	Carrying Amount	Not past due and not impaired	Less than 1 month	Past due but not
	\$	\$	\$	\$
<b>Impaired</b>				
<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>

## 5.2 Income received in advance

	2023	2022
	\$	\$
<b>Registration fees</b>		
Practising architect	1,540,954	1,217,322
Company	563,075	463,256
Partnership	10,606	8,027
<b>Sub Total</b>	<b>2,114,635</b>	<b>1,688,605</b>
Examination fees	5,340	12,425
<b>Total Income received in advance</b>	<b>2,119,975</b>	<b>1,701,030</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.

	2023	2022
	\$	\$
Prepayments	12,419	61,631
<b>Total Prepayments</b>	<b>12,419</b>	<b>61,631</b>

## 5.4 Payables

	2023	2022
	\$	\$
<b>Contractual</b>		
Accrued expenses	105,115	121,282
Creditors	124,766	46,801
	<b>229,881</b>	<b>168,083</b>
<b>Statutory</b>		
PAYG liability	26,582	44,288
Superannuation	11,937	14,716
	38,519	59,004
<b>Total Payables</b>	<b>268,400</b>	<b>227,087</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

2023

	Maturity Dates			
	Carrying Amount	Nominal Amount	Less than 1 month	1-3 months
	\$	\$	\$	\$
<b>Payables</b>				
Supplies and services	124,766	124,766	124,766	-
Other payables	105,115	105,115	105,115	-
<b>Total</b>	<b>229,881</b>	<b>229,881</b>	<b>229,881</b>	<b>-</b>

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>

## 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.

	2023	2022
	\$	\$
Total cash and deposits disclosed in balance sheet	3,674,627	2,998,470
<b>Total Cash and cash equivalents</b>	<b>3,674,627</b>	<b>2,998,470</b>

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

	2023	2022
	\$	\$
Operating result for the period	37,962	38,409
Add non-cashflows		
Depreciation	221,619	212,542
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	10,621	108,671
(Increase)/decrease in prepayments	49,212	(26,316)
(Decrease)/increase in payables	41,312	13,180
(Decrease)/increase in income received in advance	418,944	82,222
(Decrease)/increase in provisions	22,979	22,055
<b>Net cash flows provided (used) by operating activities</b>	<b>802,650</b>	<b>479,330</b>

### 6.2 Lease 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.

	2023	2022
	\$	\$
Current liability	94,629	128,654
Non-current liability	180,886	367,761
<b>Total lease liability</b>	<b>275,515</b>	<b>496,415</b>

(i) The Right of Use Liabilities were reduced by \$132,243 in the financial year 2022-23

## 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:

	2023	2022
	\$	\$
Interest expense on lease liabilities	11,057	20,307
Depreciation expense related to right-of-use assets	93,256	115,080
<b>Total amount recognised in the Comprehensive operating statement</b>	<b>104,313</b>	<b>135,387</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 2023 relating to leases.

	2023	2022
	\$	\$
Total cash outflow for leases	99,714	144,542

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.

### 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.

## 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 them in full 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:
  - o has transferred substantially all the risks and rewards of the asset; or
  - o has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred 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 2023 \$	Carrying Amount 2022 \$
<b>Contractual Financial Assets</b>			
Cash and deposits	6.1	3,674,627	2,998,470
Trade Receivables	5.1	11,263	40,041
<b>Total Contractual Financial Assets</b>		<b>3,685,890</b>	<b>3,038,511</b>
<b>Financial Contractual Liabilities</b>			
Payables	5.4	229,881	168,083
<b>Total Contractual Financial Liabilities</b>		<b>229,881</b>	<b>168,083</b>

## (b) Interest rate risk

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

2023

	Carrying Amount \$	Fixed Interest \$	Variable Interest Rate \$	Non Interest Bearing \$
<b>Contractual Financial Assets</b>				
Cash and deposits	3,674,627	-	3,674,627	-
Trade Receivables	11,263	-	-	11,263
<b>Total Contractual Financial Assets</b>	<b>3,685,890</b>	<b>-</b>	<b>3,674,627</b>	<b>11,263</b>
Weighted Average Interest Rate		N/A	3.13%	0%
<b>Contractual Financial Liabilities</b>				
Payables	229,881	-	-	229,881
<b>Total Contractual Financial Liabilities</b>	<b>229,881</b>	<b>-</b>	<b>-</b>	<b>229,881</b>
Weighted Average Interest Rate		N/A	N/A	-
<b>Net Contractual Financial Assets/ Liabilities</b>	<b>3,456,009</b>	<b>-</b>	<b>3,674,627</b>	<b>(218,618)</b>
<b>2022</b>				
	Carrying Amount \$	Fixed Interest \$	Variable Interest Rate \$	Non Interest Bearing \$
<b>Contractual Financial Assets</b>				
Cash and deposits	2,998,470	-	2,998,470	-
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>

## Contractual receivables at amortised cost

2023	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	11,263	-	-	-	-	11,263
<b>Loss allowance</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>	-	-	-	-	-	-

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

	2023	2022
Balance at beginning of the year		
Opening Loss Allowance	-	-
Transfers in / acquired outputs	-	-
Transfers out / disposed outputs	-	-
AASB 7.35I(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>2023</b>			
Cash and deposits	3,674,627	-	3,674,627
Trade Receivables	-	11,263	11,263
<b>Total contractual financial assets</b>	<b>3,674,627</b>	<b>11,263</b>	<b>3,685,890</b>
<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>

### Ageing analysis of contractual financial assets

<b>2023</b>				
	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	11,263	11,263	-	-
<b>Total</b>	<b>11,263</b>	<b>11,263</b>	<b>-</b>	<b>-</b>
<b>2022</b>				
	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>

## (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

2023	Maturity Dates			
	Carrying Amount	Nominal Amount	Less than 1 month	1-3 months
	\$	\$	\$	\$
<b>Payables</b>				
Supplies and services	124,766	124,766	124,766	-
Other Payables	105,115	105,115	105,115	-
<b>Total</b>	<b>229,881</b>	<b>229,881</b>	<b>229,881</b>	<b>-</b>
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>

## (f) Interest rate risk sensitivity

	Carrying amount	Interest rate			
		-300 basis points		+300 basis points	
		Available-for-sale revaluation surplus		Available-for-sale revaluation surplus	
<b>2023</b>		<b>Net result</b>		<b>Net result</b>	
<b>Contractual financial assets</b>	<b>\$</b>			<b>\$</b>	
Cash and deposits (i)	3,674,627	(110,239)	-	110,239	-
<b>Total impact</b>		<b>(110,239)</b>	<b>-</b>	<b>110,239</b>	<b>-</b>
<b>2022</b>		<i>-100 basis points</i>		<i>+100 basis points</i>	
<b>Contractual financial assets</b>					
Cash and deposits (i)	2,998,470	(29,985)	-	29,985	-
<b>Total impact</b>		<b>(29,985)</b>	<b>-</b>	<b>29,985</b>	<b>-</b>

Notes:

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

- 2023: \$ 3,674,627 x -0.03 = -\$110,239; and \$3,674,627 x 0.03 = \$110,239; and
- 2022: \$2,998,470 x -0.01 = -\$29,985; and \$2,998,470 x 0.01 = \$29,985

## 7.2 Contingent assets and liabilities

As at 30 June 2023 there were no contingent assets and contingent liabilities in existence (2022 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	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and deposits	3,674,627	2,998,470	3,674,627	2,998,470
Trade Receivables	11,263	40,041	11,263	40,041
<b>Total Financial Assets</b>	<b>3,685,890</b>	<b>3,038,511</b>	<b>3,685,890</b>	<b>3,038,511</b>
<b>Financial Liabilities</b>				
Payables	229,881	168,083	229,881	168,083
<b>Total Financial Liabilities</b>	<b>229,881</b>	<b>168,083</b>	<b>229,881</b>	<b>168,083</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.

	2023	2022
<b>Other gains/(losses) from other economic flows</b>	<b>\$</b>	<b>\$</b>
Net gain/(loss) arising from revaluation of long service liability (i)	706	646
<b>Total other gains/(losses) from other economic flows</b>	<b>706</b>	<b>646</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.

Title	Name	Period of Appointment
Minister for Planning	The Hon Lizzie Blandthorn MLA	(1 July 2022 to 5 December 2022)
Minister for Planning	The Hon Sonya Kilkenny MLA	(5 December 2022 to 30 June 2023)
Chairperson	Dr Giorgio Marfella	(1 July 2022 to 30 June 2023)
Deputy Chairperson	Mr Richard Salter	(1 July 2022 to 30 June 2023)
ARBV member	Mr Bruce Allen	(1 July 2022 to 30 June 2023)
ARBV member	Ms Sophie Cleland	(1 July 2022 to 30 June 2023)
ARBV member	Mr Mark Curry	(1 July 2022 to 30 June 2023)
ARBV member	Mr Richard Drew	(1 July 2022 to 30 June 2023)
ARBV member	Mr Stefan Preuss	(1 July 2022 to 30 June 2023)
ARBV member	Ms Danielle Roche	(1 July 2022 to 13 March 2023)
ARBV member	Ms Sally Wills	(13 September 2022 to 30 June 2023)
ARBV Accountable Officer	Dr Glenice Fox	(1 July 2022 to 30 June 2023)

### Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the Department during the reporting period was in the range: \$230 000–239 000 (2022: \$230 000–239 000).

## 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

	2023	2022
	\$	\$
Short term employee benefits	271,073	277,458
Post-employment benefits	-	-
Other long-term employee benefits	-	-
Termination benefits	-	-
<b>Total</b>	<b>271,073</b>	<b>277,458</b>
<b>Total numbers</b>	<b>10</b>	<b>10</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

	2023	2022
	\$	\$
<b>Victorian Auditor-General's Office</b>		
External audit services	26,000	25,500

## 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 2022-2023 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 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.**

AASB 2022-10 amends AASB 13 Fair Value Measurement by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.

Among other things, the Standard:

- specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 Non-current Assets Held for Sale and Discontinued Operations or if it is highly probable that it will be used for an alternative purpose;

- clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services;
- specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data; and
- provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence.
- This Standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

## **AASB 17 Insurance Contracts, AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments and AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector**

AASB 17 replaces AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026. This Standard applies for annual reporting periods beginning on or after 1 January 2023.

## **AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants**

AASB 2020-1 amended AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current and was applicable to annual reporting periods beginning on or after 1 January 2022.

AASB 2020-6 subsequently amended AASB 2020-1, deferring the mandatory effective date of AASB 2020-1 from 1 January 2022 to 1 January 2023. AASB 2022-6 was applicable for annual reporting periods beginning on or after 1 January 2022.

AASB 2022-6 amends and clarifies the requirements contained in AASB 2020-1. Among other things, it:

- clarifies that only those covenants that an entity must comply with at or before the reporting date affect a liability's classification as current or non-current; and
- requires additional disclosures for non-current liabilities that are subject to an entity complying with covenants within twelve months after the reporting date.

AASB 2022-6 applies to annual reporting periods beginning on or after 1 January 2023.

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.

2023	2022
\$	\$
-	-

## 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 asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

### Employee benefits expenses

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

### Financial 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 deposits and other investments.

## Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, 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>		
FRD 22	Manner of establishment and responsible Minister	13
FRD 22	Nature and range of services provided	13
FRD 22	Objectives, functions, powers and duties	12-14
FRD 22	Performance Reporting (non-financial) - Achievements	6-8
FRD 22	Performance Reporting (non-financial) - Operational Performance	17-33
FRD 22	Performance Reporting (non-financial) - Key Initiative	6-8
FRD 22	Summary of the financial results for the year	35-36
FRD 22	Significant changes in financial position during the year	36
FRD 22	Major changes or factors affecting performance	36
FRD 22	Subsequent Events	36
<b>Governance and Organisational Structure</b>		
FRD 22	Organisational structure and corporate governance	37
FRD 22	Board's role and membership	38
FRD 22	Audit & Risk Committee membership	39
FRD 22	Board Committees	39
FRD 22	Employment and conduct principles	41
<b>Workforce Data</b>		
FRD 22	Public sector values & employment principles	41
FRD 22	Occupational Health and Safety	41
FRD 29/FRD 22	Workforce data disclosures	42
FRD 10	Disclosure index	87
<b>Financial and Other Information</b>		
FRD 10	Disclosure index	89
FRD 21	Disclosure of Responsible Persons, Executive Officers and other personnel	82
FRD 22	Subsequent Events	83
FRD 103	Non-financial physical assets	64
FRD 106	Impairment of Assets	75
FRD 110	Cash flow statements	58

<b>Legislation</b>	<b>Requirement</b>	<b>Page Reference</b>
<b><i>Other Disclosures as Required by FRD's</i></b>		
FRD 25	Local Jobs First	44
FRD 22	Government advertising expenditure	44
FRD 22	Details of consultancies over \$10,000	44
FRD 22	Details of consultancies under \$10,000	44
FRD 22	Disclosure of ICT expenditure	44
FRD 12	Disclosure of Major Contracts	44
FRD 22	Application and operation under the Freedom of Information Act 1982	45
FRD 22	Compliance with Building Act 1993	46
FRD 22	Statement on Competitive Neutrality Policy	46
FRD 22	Application of the Public Interest Disclosures Act 2012	46
FRD 24	Reporting on office-based environmental impacts	48
FRD 22	Statement of availability of other information available on request	48
<b><i>Compliance Attestation and Declaration</i></b>		
SD 5.1.4	Attestation for Compliance with Ministerial Standing Directions	49
SD 5.2.3	Declaration in the Report of Operations	49
<b><i>Financial statements</i></b>		
SD 5.2.2	Declaration in financial statements	52
SD5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	52
SD5.2.1(a)	Compliance with Standing Directions	52
<b><i>Legislation</i></b>		
Architects Act 1991		47
Freedom of Information Act 1982		45
Building Act 1993		46
Public Interest Disclosures Act 2012		46
Local Jobs First Act 2003		44
Financial Management Act 1994		47
Disability Act 2006		47
Public Administration Act 2004		47

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of Victoria

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