

ā r b v

—

**Architects Registration Board of
Victoria**

Annual Report 2009 - 2010

Contents:

| | |
|---|----|
| Chairperson's foreword | 3 |
| Registrar's report | 4 |
| Letter of Transmittal | 5 |
| The ARBV overview | 6 |
| Board members, nominating agency and attendance | 7 |
| ARBV core values and mission | 8 |
| Complaints and disciplinary proceedings, investigations, inquiries and outcomes | 12 |
| Reports of Tribunal inquiries | 13 |
| Prohibited conduct, title protection | 13 |
| Registrations and APE statistics | 14 |
| Disclosure index | 15 |
| Operational and budgetary objectives, performance against objectives | 18 |
| Employment and conduct principles | 19 |
| Occupational health and safety | 19 |
| Freedom of Information Act 1982 | 20 |
| Statement on national competition policy | 20 |
| The Whistleblowers Protection Act 2001 | 20 |
| Availability of further information | 20 |
| Reporting on office based environmental impacts | 21 |
| Auditor General's Certificate | 23 |

Chairperson's Foreword:

I am pleased to introduce the Annual Report for 2009 to 2010 and review the highlights of the financial year for the Board.

The strategic plan was reviewed by the Board at a special meeting at Boyd House in April and the goals for the year were reassessed. The mission statement, long term objectives, and short term goals appear in this report, and our performance against each goal is recorded.

Another achievement has been the ongoing commitment to improving stakeholder communications by rebuilding of our database and redesigning the website. We are still developing the capability to produce e-newsletters, provide architects with secure log in access to update contact and other details, pay the annual registration fee online, and in the future, record their continuing professional development (CPD) activities. Candidates for registration have completed electronic logbooks for the first time this year and emailed them to the office. Examiners have reviewed them via the intranet. Next year electronic log books will be mandatory throughout Australia.

The Board is determined to pursue the introduction of mandatory continuing professional development for architects. In line with the commitment to professional development the Board has a new induction process which has been implemented with new Board members, and intends to adopt an appraisal system for Board performance. The risk register has been updated and further review projects have been completed by Moore Stephens.

The Board has continued to provide the Architectural Services Award, and has continued to sponsor the Melbourne Open Houses Speaker series.

Finally, the Board has worked hard over the year with a strong desire to add value to the performance of the ARBV. We are fortunate in the calibre and commitment of our Board members, the Registrar and staff at the ARBV and their understanding of the issues that affect the profession and the community. Their contribution is appreciated.

Andrew Hutson

Chairperson

Registrar's Report:

The staff have been busy this year with training and implementation of the new IT systems and functions that we have been developing. The intranet will be a very useful management device when we are fully conversant with it, the new website looks cleaner and is easier to navigate, and the database is near completion.

During March we received the first electronic log books from Architectural Practice Examination candidates, and examiners were able to log in to view them via the intranet. It was understandable that there were some teething problems with the new system but overall, the benefits for candidates, the office, and examiners were apparent. Next year the electronic format is compulsory, so we are happy that our systems are being developed in time to handle them.

We are very pleased that our Enterprise Agreement was approved in February and is in place for the next three years. Our professional development program has continued to improve our skills and knowledge. Morale in the office is very good, and we are fortunate in the working conditions we enjoy. This is appreciated especially when coping with change, IT glitches and development problems, and sometimes demanding callers. Stress management has been a top priority this year.

Looking back over the year, a lot has been achieved. I am grateful to the staff for their continued professionalism and excellent work and appreciate the support they give me and the Board. We would like to thank the Board for their support, understanding, and leadership.

Alison Ivey

Registrar

The Hon Justin Madden MLC
Minister for Planning
Level 17, 8 Nicholson Street,
Melbourne, VIC 3000

1st August 2010

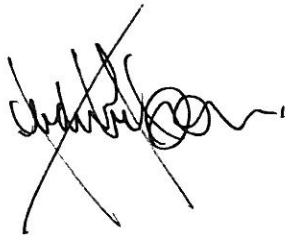
Dear Minister

In accordance with the *Financial Management Act 1994* and Section 46 of the *Architects Act 1991*, I am pleased to submit the annual report of the Architects Registration Board of Victoria for the 2009-2010 financial year.

The report reviews the Board's performance in serving the public interest by maintaining the Register of architects, investigation, inquiry and discipline procedures and regulatory requirements of the profession and providing advice for architects and the public.

The report includes a full set of audited financial statements for the period.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Andrew Hutson', with a large, stylized flourish at the end.

Andrew Hutson
Chairperson

THE ARBV OVERVIEW

The Architects Registration Board of Victoria (ARBV) has existed since 1923 when it was established to carry out the duties entrusted to it by the *Architects Registration Act 1922*. The current Board was established under the *Architects Act 1991*. The Act defines the Board's charter and *The Architects Regulations 2004* are made by the Board within the powers of the Act to implement its provisions.

The Architects Registration Board of Victoria is a self-funding statutory authority which has as its primary responsibilities:

- the registration of architects and architectural companies/partnerships,
- investigation of complaints against architects,
- provision of Tribunal inquiry into professional conduct, and
- accreditation of architecture courses.

The Hon. Justin Madden, Minister for Planning, is the responsible Minister for The Architects Act 1991.

Charter and Purpose:

The present Board was established in The Architects Act 1991 and Architects Regulations 2004.

The main purposes of The Act are 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", and to establish the Architects Registration Board of Victoria.

The Architects Registration Board of Victoria aims to perform its duties as empowered under the Act efficiently and effectively, with fairness, impartiality and transparency, embodying the values of the Victorian Public Sector.

The Board administers the registration process and architectural practice examinations, assesses and accredits courses in architecture in association with approved schools of architecture, provides for the annual payment of registration fees and checks compliance with insurance requirements for architects, partnerships and companies. The Board has disciplinary powers, and may cancel or suspend an architect's registration, investigate complaints against architects and constitute a Tribunal to conduct inquiries. The Board is responsible for regulating the professional conduct of architects, approved partnerships and approved companies. There is a responsibility for the Board to publish information relating to the operation of the Board and The Architects Act 1991.

BOARD MEMBERS AND NOMINATING AGENCY

The members of the Board are appointed by Governor in Council in accordance with Section 47 of the Act. The Board consists of ten people appointed by the Minister from nominations from the Minister for Consumer Affairs, the Profession, Architecture schools and the Building and Allied Industries.

| ARCHITECTS REGISTRATION BOARD MEMBERS 2009/2010 | |
|---|--|
| <p>Mr Andrew Hutson (Chairperson) Nomination: Architecture schools Meeting attendance: 13/13</p> | <p>Ms Karen McWilliam Nomination: AIA Meeting attendance: 13/13</p> |
| <p>Ms Venise Reilly Nomination: Building industry (HIA) Meeting attendance: 7/7</p> | <p>Mrs Jenifer Nicholls Nomination: architects Meeting attendance: 12/13</p> |
| <p>Mr Gary A Crutchley Nomination: Allied Professions Meeting attendance: 12/13</p> | <p>Ms Efy Karagiannis Nomination: Minister Consumer Affairs Meeting attendance: 12/13</p> |
| <p>Ms Vanessa Bleyer Nomination: Minister Consumer Affairs Meeting attendance: 12/13</p> | <p>Ms Jill Garner Nomination Minister, Senior Gov. Architect Meeting attendance: 0/0 Appoynted June 2010 2010</p> |
| <p>Mr David Hallett Nomination: Architects Meeting attendance: 7/7</p> | <p>Mr Bernie Everett Nomination: Building industry (MBAV) Meeting attendance: 8/12</p> |
| <p>Mr Glenn Eagles Nomination: Building industry (HIA) Meeting attendance: 4/6 Term finished November 2009</p> | <p>Ms Shelley Penn Nomination Minister, Senior Gov. Architect Meeting attendance: 6/7 Resigned February 2010</p> |
| <p>Mr Alex Njoo Nomination: Architects Meeting attendance: 6/6 Term finished November 2009</p> | |

ARBV Core Values

The ARBV strategic plan is developed in the context of the following core values –

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

ARBV Mission

The Architects Registration Board of Victoria aims to perform its duties as empowered under the Act efficiently and effectively, with fairness, impartiality and transparency, embodying the values of the Victorian Public Sector.

Long term, core objectives:

1. Undertake a regular review of The Architects Act 1991.
2. Set standards of professional conduct and practice.
3. Improve stakeholder communications.

Goals supporting the long term objectives:

1. Implement an Enterprise Agreement with staff.
2. Implement a process of mandatory CPD in annual registration.
3. Manage the risk profile of the ARBV.
4. Improve ARBV involvement in education standards.
5. Undertake a review of the complaints process.
6. Conduct a review of ARBV office procedures.
7. Establish a Board induction process

Progress on each goal 2009-2010:

An Enterprise Agreement has been adopted by the ARBV for 2010 to 2012.

Implement a process of mandatory CPD in annual registration. The responsibility for this goal has been taken over by DPCD and the Minister because of an industry wide CPD plan.

Manage the risk profile of the ARBV. Moore Stephens completed reports on accounts receivable and compliance with the FMCF.

Improve ARBV involvement in education standards. The ARBV has contributed to the introduction of electronic logbooks and AACA reviews of procedures.

A review of the complaints process The working group completed this review and a number of changes have been adopted by the Board. Mediation has been removed as an option with a view to including it in the next review of The Act.

ARBV office procedures are under ongoing review and improvement. Staff are required to engage in ongoing professional development as part of their appraisal process.

The website has been redesigned, there is a new database, the intranet is established and examiners have been able to log in to read electronic log books online. Annual accounts have been distributed by bulk email to those architects who have an up to date email address on the database, and APE candidates results have been sent via email. Receipting through MYOB and the database is being developed.

Weekly staff meetings contribute to improved practice. Records management is under review and is an ongoing project.

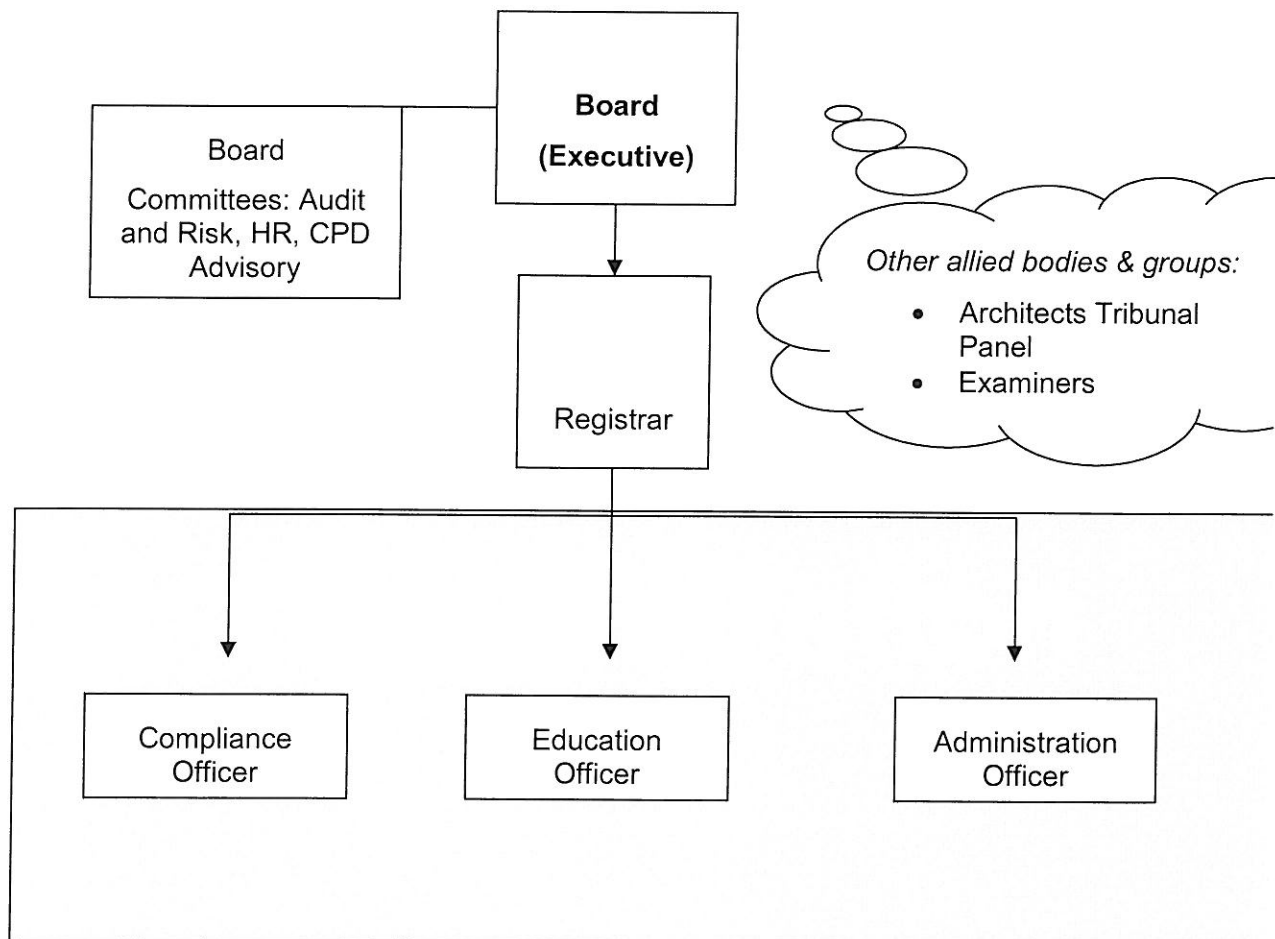
Establish a Board induction plan. This was completed and new Board members have given positive feedback following the new induction procedure and pack.

Improve stakeholder communications. A major project for 2009 has been to rebuild the database and provide for architects to log in to update contact and other details, and to pay fees online. The website is being redesigned to make navigation easier, and to improve the look of the site. Electronic newsletters are being designed with a view to distributing them regularly.

Meetings with registrars of other jurisdictions have been attended by the Education Officer and the Registrar in order to ensure that there is national consistency as far as possible with administrative and IT processes.

The Architectural Services Award continued in 2009. The winner in 2009 was Dean Landy. Professional practice awards were given to three recipients at the Certificate Conferring Ceremony in 2009.

Sponsorship of the Melbourne Open House project began in 2009 with the ARBV sponsoring the inaugural speaker night at Federation Square in July.



The Audit and Risk Committee has an independent chairperson, Mark Peters Partner, Mann Judd until December 2009, replaced by Rob Dickens, Executive Director, State Revenue Office. Board members on the committee are Vanessa Bleyer, Gary Crutchley and Efy Karagiannis.

The Continuing Professional Development Committee is chaired by Karen McWilliam. Other Board members are Vanessa Bleyer, Andrew Hutson and Jenifer Nicholls.

The Human Resources Committee is chaired by Andrew Hutson. Other Board members are Vanessa Bleyer and Jenifer Nicholls.

COMPLAINTS AND DISCIPLINARY PROCEEDINGS INVESTIGATIONS, INQUIRIES AND OUTCOMES

An inherent aspect of the legislation is Board action on behalf of consumers of architectural services. This takes many forms, ranging from verbal and written advice about the working relationship between architect and client to facilitation of formal complaint and inquiry procedures held at no cost to the complainant.

Title breach actions, complaint investigation and Tribunal procedures require a combination of investigative, legal, quasi-legal services and provision of hearing space, administrative and procedural costs each year.

Board and Tribunal procedures with complaints

The Architects Act (Section 18) provides that the Board may inquire into an architect's fitness to practise or professional conduct. The Architects Regulations 2004 contain Professional Conduct Regulations required of architects. Inquiries and discipline procedures are managed by the Compliance Officer.

Each year the Board receives enquiries related to the services of architects. In many cases, the caller is seeking information or clarification of rights and responsibilities, normal practice and reasonable expectations of architects; generally not wishing to make a complaint. Callers are assisted as far as possible with information or referred to Board publications and other relevant sources. Some callers are seeking information about or clarification of the disciplinary provisions of the Act and Regulations. Other callers require information about complaint procedures and a complaint form, so they have the necessary documentation to make a formal complaint if they wish to do so.

Complaints must be in writing and include a completed official complaint form, which is available from the Board. All complaints are carefully reviewed using documentation supplied by the complainant and architect and further investigation conducted where necessary.

If after reviewing a complaint the Board decides that there are prima-facie grounds for further inquiry, it refers the matter to the Architects Tribunal. The Tribunal operates independently of the Board and has access to its own legal advice.

If the Architects Tribunal finds allegations against an architect proved, the Board is required to enforce the Determinations made by the Tribunal. The Act provides for application to be made to the Victorian Civil and Administrative Tribunal for review of a Determination made at an inquiry.

The Act also provides for application to be made to the Victorian Civil and Administrative Tribunal for review of a decision by the Board not to refer a complaint to inquiry.

Panel of Architects Tribunal members

In accordance with the requirements of the Act, a Panel of persons qualified to serve as Architects Tribunal Panel members has been appointed by the Minister.

Bruce Allen, Margaret Pitt, Peter McEwan, John Permewan, Andrew Begg, Tony Mussen, Alan Synman, Peter Haworth, Maggie Edmond, Sally Angell, Renee Gorenstein, Nicole Feeney, Ian Cunliffe, Drago Dragojlovic, Tony Hinz, Shirley

Rooney, Michael Ryan, Les Schwarz, Mark Yorston, Heather Howes, Eliza Collier, Bronwyn Naylor, Peter Harkness.

Membership of Tribunal

- (1) A Tribunal must consist of—
 - (a) one person who is a practising architect; and
 - (b) one person who is not an architect; and
 - (c) one person who is a representative of consumer interests.
- (2) The members of a Tribunal must be chosen from a panel of persons appointed by the Minister under section 21A.
- (3) A member of the Board cannot be a member of a Tribunal.
- (4) At least one member of a Tribunal is to be a person with legal experience and knowledge.
- (5) A Tribunal must elect one of its members to be the Chairperson of the Tribunal.

REPORTS OF ARCHITECTS TRIBUNAL INQUIRIES

1 Architects Tribunal inquiry was completed during the reporting period.

5 complaints were made to the Board during the reporting period.

The Board did not find grounds for referral to inquiry in 5 cases. 1 complaint received in 2008-2009 has been referred to the Architects Tribunal, which has scheduled an inquiry for September 2010.

The incidence of complaints, as well as the proportion of complaints resulting in Tribunal inquiry, bears favourable comparison with the number of architects registered in Victoria (of whom approximately 3,200 are in practice).

| | <i>2007 - 2008</i> | <i>2008 - 2009</i> | <i>2009 - 2010</i> |
|---|--------------------|--------------------|--------------------|
| <i>Number of calls about services of architects</i> | 41 | 72 | 42 |
| <i>Number of formal complaints received</i> | 8 | 10 | 5 |
| <i>Matters pending</i> | 3 | 5 | 0 |
| <i>Number of Tribunal inquiries completed</i> | 2 | 1 | 1 |

PROHIBITED CONDUCT - TITLE PROTECTION

Section 46 (k) of the Architects Act 1991 enables the Board “to investigate and take proceedings for offences against [the] Act”. The Act (Sections 4, 5, 6, 7 & 8) controls the title of “architect”, as well as the expressions “architectural services”, “architectural design services” and “architectural design” in certain contexts. It also contains more general provisions against “holding out”.

Investigations of Title breach actions by the Board

The Board inquires into allegations of misuse of the title, as well as undertaking investigations on its own behalf. In the reporting period, 24 complaints of breaches of the Act were received, in addition to numerous telephone enquiries regarding registration status of individuals and firms.

If after investigation it appears that a breach of the Act has occurred, a letter from the Board requiring compliance is sent, and normally this is sufficient to achieve compliance with the Act. In cases where this purpose is not achieved, the matter is referred to the Board’s lawyers for advice regarding prosecution in the Magistrate’s Court.

During this reporting period, 19 letters of compliance were issued either to a person or firm representing themselves as an architect or using the protected terms, or to media outlets such as newspapers and magazines that have published the protected words in relation to persons or firms not registered or approved by the Board.

1 prosecution was completed during the reporting period (see *below*). 2 matters have been referred for prosecution.

Title breach actions - summary

| | 2007-2008 | 2008-2009 | 2009 - 2010 |
|---|-----------|-----------|-------------|
| <i>Number of Title breach investigations</i> | 41 | 36 | 24 |
| <i>Number of letters of compliance issued</i> | 37 | 31 | 19 |
| <i>Number of referrals for prosecution</i> | 1 | 1 | 2 |
| <i>Number of completed prosecutions</i> | 2 | 1 | 1 |

REGISTRATIONS AND APE STATISTICS

| | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|--------------------------|------------|------------|------------|------------|------------|
| NEW REGISTRATIONS | | | | | |
| Female | 65 | 61 | 76 | 98 | 61 |
| Male | 128 | 111 | 177 | 180 | 117 |
| Total | 193 | 172 | 253 | 278 | 178 |
| Company / Partnerships | 62 | 61 | 38 | 91 | 52 |

| | | | | | |
|--------------------------|------|------|------|------|------|
| Total on Register | 3360 | 3392 | 3527 | 4003 | 4385 |
|--------------------------|------|------|------|------|------|

| | | 2008-09 | 2009-10 |
|--------------------------------------|--|---------|---------|
| Total on Register as at 30/06 | | | |
| Retired | | 182 | 204 |
| Non-Practising | | 645 | 667 |
| Practising | | 3056 | 3200 |
| Non-Practising Exempt | | 96 | 90 |
| Practising Exempt | | 24 | 24 |
| Company / Partnership | | 765 | 788 |

| | | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|----------------------|--|------------|------------|------------|------------|
| APE (Part 3) | | | | | |
| Number of Candidates | | 214 | 210 | 224 | 230 |
| Number of Pass | | 188 | 187 | 196 | 204 |
| Number of Fail | | 26 | 23 | 28 | 26 |
| Female | | 74 | 66 | 83 | 79 |
| Male | | 140 | 144 | 141 | 151 |

DISCLOSURE INDEX

The Annual Report of the Architects Registration Board of Victoria is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of our compliance with statutory disclosure requirements.

| Legislation | Requirement | Page reference |
|--|---|----------------|
| Charter and purpose | | |
| FRD 22B | Manner of establishment and responsible Minister | 6 |
| FRD 22B | Objectives and functions | 6 |
| Management and Structure | | |
| FRD 22B | Organisational structure | 10 |
| Financial and other information | | |
| FRD 10 | Disclosure index | 10 |
| FRD 12A | Disclosure of major contracts | 17 |
| FRD 22B, SD4.2(k) | Operational and budgetary objectives and performance against objectives | 18 |
| FRD 22B | Employment and conduct principles | 19 |
| FRD 22B | Occupational health and safety policy | 19 |
| FRD 22B | Summary of financial results for the year | 22 |
| FRD 22B | Significant changes in financial position during the year | 26 |
| FRD 22B | Major changes or factors affecting performance | 18 |
| FRD 22B | Application and operation of the FOI Act | 20 |
| FRD 22B | Statement on National Competition Policy | 20 |
| FRD 22B | Application and operation of the Whistleblowers Protection Act 2001 | 20 |
| FRD 22B | Details of consultancies over \$100,000 | 17 |
| FRD 22B | Details of consultancies under \$100,000 | 17 |
| FRD 22B | Statement of availability of other information | 20 |

| | | |
|--|--|----|
| FRD 22B | Reporting on office based environmental impacts | 21 |
| FRD 24C | Victorian Industry Participation Policy disclosures | |
| FRD 25 | Workforce data disclosures | 51 |
| FRD 29 | Risk management compliance attestation | 44 |
| SD 4.5.5 | General information requirements | 29 |
| SD 4.2(g) | Sign off requirements | 24 |
| SD 4.2(j) | | |
| Legislation | | |
| | Freedom of Information Act 1982 | 20 |
| | Building Act 1993 | |
| | Whistleblowers Protection Act 2001 | 20 |
| | Victorian Industry Participation Policy Act 2003 | |
| | Financial Management Act 1994 | 29 |
| | Multicultural Victoria Act 2004 | |
| Financial statements required under Part 7 of the FMA | | |
| SD4.2(a) | Statement of Changes in Equity | 27 |
| SD4.2(b) | Operating Statement | 25 |
| SD4.2(b) | Balance Sheet | 26 |
| SD4.2(b) | Cash flow Statement | 28 |
| Other requirements under Standing Directions 4.2 | | |
| SD4.2(c) | Compliance with Australian accounting standards and other authoritative pronouncements | 23 |
| SD4.2(c) | Compliance with Ministerial Directions | 23 |
| SD4.2(d) | Rounding of amounts | 34 |
| SD4.2(c) | Accountable officer's declaration | 23 |
| SD4.2(f) | Compliance with Model Financial Report | 29 |

| Disclosures required by FRDs in notes to financial statements | | |
|--|---|----|
| FRD 9A | Disclosure of administered assets and liabilities (voluntary) | |
| FRD11 | Disclosure of ex-gratia payments | |
| FRD 21A | Responsible person and executive officer disclosures | 51 |
| FRD 102 | Inventories | 26 |
| FRD 103D | Non-current physical assets | 30 |
| FRD 104 | Foreign currency | |
| FRD 106 | Impairment of assets | 31 |
| FRD 109 | Intangible assets | |
| FRD 107 | Investment properties | |
| FRD 110 | Cash flow Statement | 28 |
| FRD 112B | Defined benefit superannuation obligations | 32 |
| FRD 113 | Investments in subsidiaries, jointly controlled entities and associates | |
| FRD 114A | Financial Instruments – General Government Entities and public non-financial corporations | 30 |
| FRD 119 | Contributions by owners | |

The ARBV has entered into no consultancies over \$100,000 or major contracts over \$10,000,000.

OPERATIONAL AND BUDGETARY OBJECTIVES AND PERFORMANCE AGAINST OBJECTIVES

| Objective | Actions taken | Status |
|---|--|--|
| Implement an Enterprise Agreement with staff | Staff consulted, Board approval sought, document approved by Fair Work Australia. | Completed |
| Implement a process of mandatory CPD in annual registration | Board sub-committee established. Meetings with key people. | Ongoing |
| Manage the risk profile of the ARBV | Risk register updated. Moore Stephens engaged to conduct audit. Secure document disposal is carried out monthly by Complete Document Disposal | Ongoing Projects 1 - 4 complete |
| Improve ARBV involvement in education standards | Improved APE process Provided feedback on RAE and NPrA | Ongoing |
| Undertake a review of the complaints process | Board working group established, recommendations to Board for approval. | Completed |
| Conduct a review of office procedures | Review of records management underway Logbook processes streamlined Regular staff meetings for training and discussion PI review carried out. | Ongoing Completed Ongoing Completed |
| Establish a Board induction process | Information pack compiled and updated New Board members provided feedback on induction | Completed Ongoing |
| Improve stakeholder communications | Rebuilt VARS database Hard copy Annual report designed and published, distributed. | Stage 1 complete Complete |

| | | |
|--|---------------------------------------|-------------------------------------|
| | Rebuilt and redesigned website | Completed |
| | Bulk email functionality implemented. | Completed |
| | Newsletter templates designed. | Completed, awaiting implementation. |

EMPLOYMENT AND CONDUCT PRINCIPLES

The ARBV is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of key selection criteria and other accountabilities without discrimination.

OCCUPATIONAL HEALTH AND SAFETY POLICY

The ARBV has continued its commitment to OH&S compliance as well as general staff health and wellbeing. An O.H&S policy is included in the employment manual, adopted by the Board after staff consultation. There is a first aid kit in the office, a record book for accidents and injuries at work, and staff meetings regularly assess workplace safety. There were a number of initiatives during the financial year:

- vaccinations for influenza are paid for by the ARBV
- Cash and cheques are picked up by courier instead of staff members delivering them in person to the bank.
- Times when staff are alone in the office are kept to a minimum.
- regular back and neck massages are supplied to staff who spend long hours at keyboards.
- staff are encouraged to monitor their sedentary hours, regularly move around the office, and practise yoga exercises.
- staff are encouraged to use sick leave when ill, and are required to take annual leave entitlements.

Job satisfaction levels are monitored as part of the annual appraisal cycle, and recorded for the financial year as higher than previously, with some staff reporting their satisfaction in the "high" category.

FREEDOM OF INFORMATION ACT 1982

The Freedom of Information Act 1982 allows public access to documents held by the ARBV. There were no requests for information received in the financial year.

The FOI Officer is Adrian Magee, contacted at the office by telephone (03) 9417 4444, by email at adrian.magee@arbv.vic.gov.au, or at Level 7, 372 Albert Street, East Melbourne, VIC 3002. The FOI Officer has attended courses on the Act during the year.

STATEMENT ON NATIONAL COMPETITION POLICY

Competitive neutrality seeks to enable fair competition between government and private sector businesses. The ARBV continues to apply implement and apply this principle in its business undertakings.

THE WHISTLEBLOWERS PROTECTION ACT 2001

The *Whistleblowers Protection Act 2001* (the Act) commenced operation on 1 January 2002. The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. The Act provides protection to whistleblowers 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.

No major disclosures were made under the Act during the reporting period. Disclosures may be made to the Compliance Officer, the Registrar, or the Chairperson of the Board.

A disclosure about improper conduct or detrimental action by the ARBV or its employees, may also be made directly to the Ombudsman:

The Ombudsman Victoria
Level 22, 459 Collins Street
Melbourne Victoria 3000
(DX 210174)

Internet: www.ombudsman.vic.gov.au

Email: ombudvic@ombudsman.vic.gov.au

AVAILABILITY OF FURTHER INFORMATION

Information relevant to Financial Reporting Direction 22B of the FMA 1994 is held at the ARBV's office and is available on request subject to the Freedom of Information Act 1982.

STATUTORY COMPLIANCE

The ARBV attests that it is compliant with The Victorian Industry Participation Policy Act 2003, the Multicultural Victoria Act 2004 and The Building Act 1993.

The landlord is asked to provide assurance of the building's compliance with The Building Act 1993 each year.

REPORTING ON OFFICE BASED ENVIRONMENTAL IMPACTS

Information on current data on water use, waste production, energy use and paper use will be collected as an ongoing goal.

Used printer cartridges are disposed of via Planet Ark.

Recycled paper is always used, and waste paper is binned for recycling. Carbon offsets are purchased with all air tickets. The tinting of the windows has reduced some of the need for air conditioning.

DISABILITY ACTION PLAN

The Compliance Officer attended a training session from the Office of Disability on this and is developing a plan for staff consultation and approval by the Board.

Annual Report 2009/2010 (Financials)

Five year financial summary

| | 2010 | 2009 | 2008 | 2007 | 2006 |
|--|-----------|-----------|-----------|-----------|-----------|
| | \$ | \$ | \$ | \$ | \$ |
| Total revenue | 986,087 | 1,016,398 | 974,436 | 752,670 | 712,416 |
| Operating expenses | 1,220,452 | 1,228,469 | 877,852 | 725,065 | 795,688 |
| Boyd Foundation grant | 50,000 | 50,000 | 260,000 | 0 | 0 |
| Sponsorships and Donations | 10,000 | 55,000 | 0 | 0 | 0 |
| Net result for the period | -234,365 | -212,071 | -163,416 | 27,605 | -83,272 |
| Net cashflow from operating activities | -125,603 | -343,578 | 133,202 | 128,514 | -37,874 |
| Total assets | 795,718 | 974,134 | 1,378,118 | 1,245,062 | 1,162,127 |
| Total liabilities | 676,822 | 620,873 | 812,786 | 516,314 | 460,984 |

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Architects Registration Board of Victoria

The Financial Report

The accompanying financial report for the year ended 30 June 2010 of the Architects Registration Board of Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the Accountable Officer's and Responsible Body's Declaration has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of the Architects Registration Board of Victoria are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report published in both the annual report and on the website of the Architects Registration Board of Victoria for the year ended 30 June 2010. The Board Members of the Architects Registration Board of Victoria are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Architects Registration Board of Victoria web site.


Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Architects Registration Board of Victoria as at 30 June 2010 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
22 September 2010


F D R Pearson
Auditor-General

Financial Statements and Certification

Statement by the Architects Registration Board of Victoria for the year ended 30 June 2010

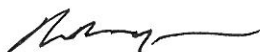
Accountable Officer's and Responsible Body's Declaration

We certify that the attached financial statements for the Architects Registration Board of Victoria have been prepared in accordance with Part 4.2 of the Standing Directions of the Minister for Finance under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, cash flow statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2010 and financial position of the Board as at 30 June 2010.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

This statement is signed for and on behalf of the Board by



Accountable Officer

Adrian Magee

Acting Registrar



Chairperson of the Board

Andrew Hutson

Dated this 21 day of SEPTEMBER 2010.

Comprehensive Operating Statement

for the financial year ended 30 June 2010

| | Notes | 2010 | 2009 |
|---|-------|-------------------------|-------------------------|
| | | \$ | \$ |
| Continuing operations | | | |
| Income from transactions | | | |
| Revenue from ordinary activities | 2 | 986,087 | 1,016,398 |
| Total income from transactions | | <u>986,087</u> | <u>1,016,398</u> |
| Expenses from transactions | | | |
| Application for registration | | 16,097 | 21,482 |
| Annual registration | | 10,790 | 10,721 |
| Employee expenses | | 326,025 | 276,452 |
| Professional services | | 176,304 | 228,482 |
| Administration | 3a | 287,901 | 234,461 |
| Registration examinations | | 138,883 | 137,391 |
| Occupancy | | 134,436 | 122,930 |
| Postage, printing & stationery | | 16,182 | 35,951 |
| Depreciation and amortisation | | 53,834 | 55,599 |
| Boyd Foundation grant | 3b | 50,000 | 50,000 |
| Sponsorships and Donations | 3b | 10,000 | 55,000 |
| Total expenses from transactions | | <u>1,220,452</u> | <u>1,228,469</u> |
| Net result from transactions (net operating balance) | | <u>(234,365)</u> | <u>(212,071)</u> |
| Other economic flows included in net result | | 0 | 0 |
| Net result for continuing operations | | <u>(234,365)</u> | <u>(212,071)</u> |
| Other economic flows - other non-owner changes in equity | | 0 | 0 |
| Comprehensive result | | <u>(234,365)</u> | <u>(212,071)</u> |

The accompanying notes form part of these financial statements

Balance Sheet

as at 30 June 2010

| | Notes | 2010 | 2009 |
|--|-------|-----------------------|-----------------------|
| | | \$ | \$ |
| Financial assets | | | |
| Cash assets and cash equivalents | 4 | 583,999 | 709,602 |
| Receivables | 5 | 57,697 | 66,231 |
| Prepayments | | 17,977 | 13,764 |
| Total financial assets | | <u>659,673</u> | <u>789,597</u> |
| Non-financial assets | | | |
| Inventories | | 0 | 650 |
| Property, plant and equipment | 6 | 136,045 | 183,887 |
| Total non-financial assets | | 136,045 | 184,537 |
| Total assets | | <u>795,718</u> | <u>974,134</u> |
| Liabilities | | | |
| Annual Registration Fees received in Advance | | 447,292 | 471,138 |
| Payables | 7a | 178,724 | 116,106 |
| Provisions | 7b | 50,806 | 33,629 |
| Total liabilities | | <u>676,822</u> | <u>620,873</u> |
| Net assets | | 118,896 | 353,261 |
| Equity | | | |
| Contributed Capital | 8 | 221,718 | 221,718 |
| Accumulated Surplus/(deficit) | 9 | (102,822) | 131,543 |
| Total Equity | | 118,896 | 353,261 |

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the financial year ended 30 June 2010

| 2010 | Equity at 1 July 2009 | Total Comprehensive result | Equity at 30 June 2010 |
|--|-----------------------------|----------------------------------|------------------------------|
| Accumulated surplus / (deficit) | 131,543 | (234,365) | (102,822) |
| Transfer from physical asset revaluation surplus | 0 | 0 | 0 |
| | <u>131,543</u> | <u>(234,365)</u> | <u>(102,822)</u> |
| Contribution by owners | 221,718 | 0 | 221,718 |
| Capital appropriations | 0 | 0 | 0 |
| | <u>221,718</u> | <u>0</u> | <u>221,718</u> |
| Total equity at end of the financial year | <u>353,261</u> | <u>(234,365)</u> | <u>118,896</u> |
| | | | |
| 2009 | Equity at 1 July 2008 | Total Comprehensive result | Equity at 30 June 2009 |
| Accumulated surplus / (deficit) | 343,614 | (212,071) | 131,543 |
| Transfer from physical asset revaluation surplus | 0 | 0 | 0 |
| | <u>343,614</u> | <u>(212,071)</u> | <u>131,543</u> |
| Contribution by owners | 221,718 | 0 | 221,718 |
| Capital appropriations | 0 | 0 | 0 |
| | <u>221,718</u> | <u>0</u> | <u>221,718</u> |
| Total equity at end of the financial year | <u>565,332</u> | <u>(212,071)</u> | <u>353,261</u> |

The accompanying notes form part of these financial statements.

Cash Flow Statement
for the financial year ended 30 June 2010

| | Notes | 2010 \$ Inflows (Outflows) | 2009 \$ Inflows (Outflows) |
|---|-------|-------------------------------------|-------------------------------------|
| CASHFLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts: | | | |
| Interest | | 15,957 | 26,274 |
| Receipts from Subscribers and Sundry Income | | 1,022,600 | 1,086,926 |
| Total receipts | | <u>1,038,557</u> | <u>1,113,200</u> |
| Payments: | | | |
| Payments to Suppliers and Employees | | (1,158,168) | (1,430,669) |
| Total payments | | <u>(1,158,168)</u> | <u>(1,430,669)</u> |
| NET CASH FROM / (USED IN) OPERATING ACTIVITIES | 10(b) | <u>(119,611)</u> | <u>(317,469)</u> |
| CASHFLOWS FROM INVESTING ACTIVITIES: | | | |
| Payments for Plant & Equipment | | (5,992) | (26,109) |
| NET CASH FROM / (USED IN) INVESTING ACTIVITIES | | <u>(5,992)</u> | <u>(26,109)</u> |
| Net increase / (decrease) in Cash and cash equivalents | | (125,603) | (343,578) |
| Cash and cash equivalents at beginning of financial year | | 709,602 | 1,053,180 |
| CASH and cash equivalents at end of financial year | 10(a) | <u>583,999</u> | <u>709,602</u> |

The accompanying notes form part of these financial statements

Notes to the financial statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies

(a) Statement of Compliance

This financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the Financial Management Act 1994 and applicable Australian Accounting Standards (AASs) and Australian Accounting Interpretation. AASs include Australian equivalents to International Financial Reporting Standards. In complying AASs, the ARBV has, where relevant, applied those paragraphs applicable to not-for-profit entities.

(b) Basis of Preparation

The financial report is prepared in accordance with the historical cost convention, except for the revaluation of certain non-financial assets and financial instruments, as noted. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AASs management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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.

The accounting policies set out below have been applied in preparing the financial report for the year ended 30 June 2010, and the comparative information presented in these financial statements for the year ended 30 June 2009.

(c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits at call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

(d) Receivables

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts, which are known to be uncollectible are written off. A provision for doubtful debts is raised where doubt as to collection exists. Bad debts are written off when identified.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

(e) Other Financial Assets

Other financial assets are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investments within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs. Other financial assets are classified between current and non current assets based on the ARBV Management's intention at balance date with respect to the timing of disposal of each asset.

The ARBV classifies its other financial assets as at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available for sale. They are initially stated at fair value. This classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

The ARBV assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Loans and receivables

Trade receivables, loans and other receivables are recorded at amortised cost, using the effective interest method, less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

(f) Income Recognition

Revenue is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent it is earned. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Revenues from registration fees and sundry income are recognised when they are earned. Registration fees received relating to the following year are recognised as fees received in advance at year end, as the service has not yet been provided. Legal Fees Recovery are recognised from the date of the Tribunal Determination.

Any fee revenue relating to periods beyond the current financial year in accordance with the above revenue recognition policies are carried forward in the Balance Sheet as Unearned Fees as a Current Liability.

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

(g) Creditors and Accruals

Payables represent the principle amounts outstanding at balance date plus, where applicable, any accrued interest. Terms of settlement are generally 30 days from date of invoice.

(h) Non-Current Physical Assets

Plant and equipment are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment.

Non-current physical assets measured at fair value are revalued in accordance with FRD 103D. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

(i) Depreciation

All plant and equipment that have a limited useful life are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Leasehold improvements are depreciated over the period of the lease using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

| | |
|------------------------|--------------|
| Computers | 4 Years |
| Furniture & Fittings | 5 – 13 Years |
| Leasehold Improvements | 7 Years |

All rates are consistent with the prior year.

(j) Net Gain/(Loss) on Non-Financial Assets

Net gain/(loss) on non-financial assets includes realised and unrealised gains and losses from revaluations, impairments and disposals of all physical assets.

Disposal of Non-Financial Assets

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

Impairment of Non-Financial Assets

Intangible assets with indefinite useful lives are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount, and so require write-downs) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for:

- financial assets;
- non-current physical assets held for sale.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an expense except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(k) Net Gain/(Loss) on Financial Instruments

Net gain/(loss) on financial instruments includes realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading, impairment and reversal of impairment for financial instruments at amortised cost, and disposals of financial assets.

Revaluations of Financial Instruments at Fair Value

The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets, which is reported as part of income from transactions.

Impairment of Financial Assets

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off are classified as a transaction expense.

Financial assets have been assessed for impairment in accordance with Australian Accounting Standards. Where a financial asset's fair value at balance date has reduced by 20 percent or more than its cost price or where its fair value has been less than its cost price for a period of 12 or more months, the financial asset is treated as impaired.

(I) Employee Benefits

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

Wages and Salaries, Annual Leave, Sick Leave and Accrued Days Off

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date, classified as current liabilities and measured at their nominal values.

Those liabilities that the entity does not expect to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long Service Leave

Provisions - Current Liability – unconditional LSL (representing 10 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 because it does not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

present value – component that the ARBV does not expect to settle within 12 months; and

nominal value – component that the ARBV expects to settle within 12 months.

Provisions - Non-Current Liability – conditional LSL (representing less than 10 years of continuous service) 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. Conditional LSL is required to be measured at present value.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates of Commonwealth Government guaranteed securities in Australia.

Superannuation

Defined Contribution Plans

Contributions are made by the Board to private employee superannuation funds and are charged as expenses when incurred. The Board contributed the required Superannuation Guarantee Levy, at 9% of salary in 2009-2010. Contributions for the year were \$23,624.

Defined Benefit Plans

The ARBV does not have a defined benefit plan.

The ARBV does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

On-costs

Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

(m) Leases

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The ARBV as lessee

Operating Leases

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold Improvements

The cost of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

(n) Income Taxes

Tax effect accounting has not been applied, as the Board is exempt from income tax under Section 50-25 of the *Income Tax Assessment Act 1997*.

(o) Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO are presented as operating cash flow.

Commitments and contingent assets and liabilities are presented on a gross basis.

(p) Corporate Structure

The ARBV is a statutory body established by the Architects Act 1991 and the Architects regulation 1994.

(q) Rounding of Amounts

Amounts in the financial statements have been rounded to the nearest dollar.

(r) Functional and Presentation Currency

The presentation currency of the ARBV is the Australian Dollar, which has also been identified as the functional currency of the entity.

(s) Comparative Information

There have been no changes to prior year's figures.

(t) Contributed Capital

Consistent with Australian Accounting Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and FRD 119 *Contributions to Owners*, appropriations for additions to the net asset base have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions, that have been designated as contributed capital are also treated as contributed capital.

(u) New Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for June 30 2010 reporting period. As at June 30 2010, the following standards and interpretations had been issued but were not mandatory for financial years ending 30 June 2010. ARBV has not and does not intend to adopt these standards early.

| Standard / Interpretation | Summary | Applicable for reporting periods beginning or ending on | Impact on Entities Annual Statements |
|---|---|---|---|
| AASB 2009-5 Further amendments to Australian Accounting Standards arising from the annual improvements project [AASB 5, 8, 101, 107, 117, 118, 136 and 139] | Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments will relate to terminology and editorial changes. | Beginning 1 Jan 2010 | Terminology and editorial changes. Impact minor. |
| AASB 2009-8 Amendments to Australian Accounting Standards – group cash-settled share-based payment transactions [AASB 2] | The amendments clarify the scope of AASB 2. | Beginning 1 Jan 2010 | No impact. AASB 2 does not apply to government departments or entities; consequently this standard does not apply. |
| AASB 2009-9 Amendments to Australian Accounting Standards – additional exemptions for first-time adopters [AASB 1] | Applies to entities adopting Australian Accounting Standards for the first time, to ensure entities will not face undue cost or effort in the transition process in particular | Beginning 1 Jan 2010 | No impact. Relates only to first time adopters of Australian Accounting Standards. |

| | | | |
|--|--|----------------------|---|
| | situations. | | |
| Erratum <i>General Terminology changes.</i> | Editorial amendments to a range of Australian Accounting Standards and Interpretations. | Beginning 1 Jan 2010 | Terminology and editorial changes. Impact minor. |
| AASB 2009-13 Amendments to Australian Accounting Standards arising from interpretation 19 [AASB 1] | Consequential amendment to AASB 1 arising from publication of Interpretation 19. | Beginning 1 Jul 2010 | Departments do not extinguish financial liabilities with equity instruments, therefore requirements of Interpretation 19 and related amendments have no impact. |
| AASB 124 Related party disclosures (Dec 2009) | Government related entities have been granted partial exemption with certain disclosure requirements. | Beginning 1 Jan 2011 | Preliminary assessment suggests that impact is insignificant. However, the Department is still assessing the detailed impact and whether to early adopt. |
| AASB 9 Financial instruments | This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial instruments: recognition and measurement</i> (AASB 139 <i>financial Instruments: recognition and measurement</i>). | Beginning 1 Jan 2013 | Detail of impact is still being assessed. |
| AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12] | This gives effect to consequential changes arising from the issuance of AASB 9. | Beginning 1 Jan 2013 | Detail of impact is still being assessed. |

Notes to the Financial Statements for the Year Ended 30 June 2010

NOTE 2. Net result from operations

| | 2010 | 2009 |
|---|-----------------------|-------------------------|
| | \$ | \$ |
| Income | | |
| Revenue from fees: | | |
| Annual Registration | 742,592 | 721,333 |
| Entrance, Reinstatement & Certificate | 55,801 | 82,687 |
| Revenue from examinations: | | |
| Examination | 167,550 | 154,350 |
| Log Book & Guide | 3,227 | 11,299 |
| Interest Received: | | |
| Variable Interest | 15,957 | 26,274 |
| Register Sales | 420 | 105 |
| Sundry Income | 1,262 | 859 |
| Legal Fees Recovery | -722 | 19,491 |
| Revenue from continuing operations | <u>986,087</u> | <u>1,016,398</u> |

NOTE 3a. Administration expenses

The Administration expenses comprise

| | 2010 | 2009 |
|---|-----------------------|-----------------------|
| | \$ | \$ |
| Finance and Bank Charges | 9,778 | 10,710 |
| Advertising | 9,511 | 9,613 |
| Travel and Accommodation | 10,317 | 15,346 |
| Awards | 13,940 | 12,716 |
| Service & Maintain Office Equipment | 34,526 | 31,467 |
| Other Expenses | 7,985 | 15,284 |
| Subscriptions | 18,050 | 18,971 |
| Project - Continuing Professional Development | 3,796 | 65,196 |
| Project - Server and database maintenance and development | 142,819 | 55,158 |
| Project - Graphic Design and Risk Management | 37,179 | 0 |
| Total administration expenses | <u>287,901</u> | <u>234,461</u> |

NOTE 3b. Boyd Foundation Grant, Sponsorships and Donations

| | | |
|----------------------------|----------------------|-----------------------|
| Boyd Foundation grant | 50,000 | 50,000 |
| Sponsorships and Donations | 10,000 | 55,000 |
| | <u>60,000</u> | <u>105,000</u> |

Sponsorship of the Melbourne Open Homes continued in 2010 with the ARBV agreeing to sponsor the speaker night at Federation Square.

NOTE 4. Cash and Cash Equivalents

| | | |
|--------------------------|-----------------------|-----------------------|
| Cash on Hand | 360 | 364 |
| Cash at Bank | 583,639 | 709,238 |
| Total cash assets | <u>583,999</u> | <u>709,602</u> |

NOTE 5. Receivables

| | | |
|--------------------------|----------------------|----------------------|
| Security Deposit Bond | 52,721 | 52,721 |
| GST Receivable | 4,976 | 9,510 |
| Trade Receivables | 0 | 4,000 |
| Total receivables | <u>57,697</u> | <u>66,231</u> |

Notes to the Financial Statements for the Year Ended 30 June 2010

NOTE 6. Property, plant and equipment

| | 2010 | 2009 |
|--------------------------------|----------------|----------------|
| Office Equipment at cost | 128,019 | 126,660 |
| Accumulated Depreciation | (65,632) | (55,657) |
| | <u>62,387</u> | <u>71,003</u> |
| Leasehold Improvements at cost | 274,301 | 274,301 |
| Accumulated Depreciation | (200,643) | (161,417) |
| | <u>73,658</u> | <u>112,884</u> |
| | <u>136,045</u> | <u>183,887</u> |

These assets are all classified as public administration fixed assets

Movements in carrying amounts for the purpose group

| 2010 | Office Equipment | Leasehold Improvements | Total |
|-----------------|---------------------|---------------------------|----------------|
| Opening balance | 71,003 | 112,884 | 183,887 |
| Additions | 5,992 | 0 | 5,992 |
| Disposals | (4,633) | 0 | (4,633) |
| Depreciation | (9,975) | (39,226) | (49,201) |
| Closing balance | <u>62,387</u> | <u>73,658</u> | <u>136,045</u> |
| | | | |
| 2009 | Office Equipment | Leasehold Improvements | Total |
| Opening balance | 65,330 | 148,047 | 213,377 |
| Additions | 22,045 | 4,064 | 26,109 |
| Disposals | (8,532) | 0 | (8,532) |
| Depreciation | (7,840) | (39,227) | (47,067) |
| Closing balance | <u>71,003</u> | <u>112,884</u> | <u>183,887</u> |

Notes to the Financial Statements for the Year Ended 30 June 2010

NOTE 7a. Payables

| | 2010 | 2009 |
|-----------------------|-----------------------|-----------------------|
| | \$ | \$ |
| Contractual | | |
| Accrued Expenses | 121,549 | 67,862 |
| Creditors | 41,328 | 37,089 |
| Other | 5,931 | 1,671 |
| | <u>168,808</u> | <u>106,622</u> |
| Statutory | | |
| PAYG Liability | 6,307 | 7,072 |
| Superannuation | 3,609 | 2,412 |
| | 9,916 | 9,484 |
| Total Payables | <u>178,724</u> | <u>116,106</u> |

The 2009 Accrued expenses included \$50,000 for the Boyd Foundation Grant. The 2010 Accrued expenses includes a \$100,000 accrual for the Boyd Foundation Grant

NOTE 7b. Provisions

| | 2010 | 2009 |
|---|----------------------|----------------------|
| | \$ | \$ |
| Current Provisions | | |
| Employee benefits (a) | | |
| Unconditional and expected to be settled within 12 months | 46,028 | 30,602 |
| Total current provisions | <u>46,028</u> | <u>30,602</u> |
| Non-current Provisions | | |
| Employee benefits (a) | | |
| Conditional long service leave entitlements | 4,778 | 3,027 |
| Total non-current provisions | 4,778 | 3,027 |
| Total provisions | <u>50,806</u> | <u>33,629</u> |
| (a) Employee benefits | | |
| Current employee benefits | | |
| Annual leave entitlements | 18,954 | 13,452 |
| Unconditional long service leave entitlements | 27,074 | 17,150 |
| Non-current employee benefits | | |
| Conditional long service leave entitlements | 4,778 | 3,027 |
| Total employee benefits | <u>50,806</u> | <u>33,629</u> |

NOTE 8. Contributed Capital

| | | |
|--|-----------------------|-----------------------|
| Contributed Capital – Balance as at 1/7/2009 | 221,718 | 221,718 |
| Balance as at 30/6/2010 | <u>221,718</u> | <u>221,718</u> |

NOTE 9. Retained Surplus

| | | |
|--|-------------------------|-----------------------|
| Retained surplus at the beginning of the year | 131,543 | 343,614 |
| Net result for the year | (234,365) | (212,071) |
| Retained surplus at the end of the year | <u>(102,822)</u> | <u>131,543</u> |

NOTE 10. Notes to the cash flow statement

| | 2010 | 2009 |
|--------------|----------------|----------------|
| | \$ | \$ |
| Cash on Hand | 360 | 364 |
| Cash at Bank | 583,639 | 709,238 |
| | <u>583,999</u> | <u>709,602</u> |

(b) Reconciliation of Net Cash provided by Operating Activities to Net Profit

| | | |
|---|------------------|------------------|
| Operating Result – Net Surplus/(Deficit) | (234,365) | (212,071) |
| Add non-cashflows | | |
| Depreciation | 53,834 | 55,599 |
| Loss on Assets Scrapped | 0 | 0 |
| Changes in Assets & Liabilities | | |
| (Increase)/decrease in current receivables | 8,534 | 32,988 |
| (Increase)/decrease in prepayments | (4,213) | (2,577) |
| (Increase)/decrease in inventories | 650 | 505 |
| (Decrease)/increase in current payables | 58,358 | (228,646) |
| (Decrease)/increase in annual fees in advance | (23,846) | 31,638 |
| (Decrease)/increase in Other Liabilities | 4,260 | (1,981) |
| (Decrease)/increase in Provisions | 17,177 | 7,076 |
| Net cash provided (used) by operating activities | (119,611) | (317,469) |

Notes to the Financial Statements for the Year Ended 30 June 2010

NOTE 11. Commitments

At 30 June 2010 there were no capital commitments.

The Board has committed to a grant of \$460,000 to the Boyd Foundation to be paid over time. The commitment of \$100,000 in less than one year has been agreed to, followed by \$100,000 in two to five years. Under the terms of the agreement these funds may be repayable if the conditions of the agreement are not met, as there is a contingent asset of a second mortgage held on the Boyd House by the Department of Planning and Community Development.

NOTE 12. Contingent liabilities

At 30 June 2010 there were no contingent liabilities in existence.

NOTE 13. Subsequent events

No material concerns/events have occurred subsequent to balance date.

NOTE 14. Financial Instruments

(a) Accounting policy, terms and conditions

| Recognised Financial Instruments | Accounting Policy | Terms and conditions |
|----------------------------------|--|---|
| Financial assets | | |
| Cash and cash equivalents | Cash on hand and at call bank accounts are valued at face value | On call deposits returned a weighted average floating rate of 2.54% (2.96% in 2008/2009). The weighted average interest rate at balance date was 1.64% (1.71% in 2008/2009) |
| Receivables | Receivables are carried at nominal amounts due less any provision for doubtful debts. Provisions for doubtful debt is recognised when collection of the full amount is no longer achievable. | Trade sales are generally on a cash basis. Other receivables are usually settled within 30 days from the end of the month. |
| Financial Liabilities | | |
| Payables | Liabilities are recognised for amounts to be paid in the future for goods and services received as at balance date whether or not invoices have been received | General creditors are unsecured and are usually settled within 30 days of the end of the month. As at 30 June 2010 100.0% were 0-30 days |

Categorisation of financial instruments

| | Carrying Amount 2010 | Carrying Amount 2009 |
|------------------------------------|-------------------------|-------------------------|
| | \$ | \$ |
| Financial Assets | | |
| Cash and cash equivalent | 583,999 | 709,602 |
| Loans and Receivables | 52,721 | 56,721 |
| Total Financial Assets | <u>636,720</u> | <u>766,323</u> |
| Financial Liabilities | | |
| Payables | 168,808 | 106,622 |
| Total Financial Liabilities | <u>168,808</u> | <u>106,622</u> |

(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:

2010

| | Floating Interest Rate | Fixed Interest Rate | Non Interest Bearing | Total |
|--|------------------------|---------------------|-------------------------|-----------------------|
| | \$ | \$ | \$ | \$ |
| Financial assets | | | | |
| Cash and cash equivalents | 583,639 | 0 | 360 | 583,999 |
| Loans and Receivables | 52,721 | 0 | 4,976 | 57,697 |
| Total Financial Assets | <u>636,360</u> | <u>0</u> | <u>5,336</u> | <u>641,696</u> |
| Weighted Average Interest Rate | 1.64% | 0% | 0% | |
| Financial Liabilities | | | | |
| Payables | 0 | 0 | 178,724 | 178,724 |
| Total Financial Liabilities | <u>0</u> | <u>0</u> | <u>178,724</u> | <u>178,724</u> |
| Weighted Average Interest Rate | 0% | 0% | 0% | |
| Net Financial Assets/ Liabilities | <u>636,360</u> | <u>0</u> | <u>(173,388)</u> | <u>462,972</u> |

2009

| | Floating Interest Rate | Fixed Interest Rate | Non Interest Bearing | Total |
|--|---------------------------|---------------------|-------------------------|-----------------------|
| | \$ | \$ | \$ | \$ |
| Financial assets | | | | |
| Cash and cash equivalents | 709,238 | 0 | 364 | 709,602 |
| Receivables | 52,721 | 0 | 13,510 | 66,231 |
| Total Financial Assets | <u>761,959</u> | <u>0</u> | <u>13,874</u> | <u>775,833</u> |
| Weighted Average Interest Rate | 1.71% | 0% | 0% | |
| Financial Liabilities | | | | |
| Payables | 0 | 0 | 116,106 | 116,106 |
| Total Financial Liabilities | <u>0</u> | <u>0</u> | <u>116,106</u> | <u>116,106</u> |
| Weighted Average Interest Rate | 0% | 0% | 0% | |
| Net Financial Assets/ Liabilities | <u>761,959</u> | <u>0</u> | <u>(102,232)</u> | <u>659,727</u> |

Net Market Value

(c) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised at balance date are as follows:

| Financial Instruments | Total Carrying amount as per Balance Sheet | | Aggregate Net fair Value | |
|------------------------------------|---|-----------------------|--------------------------|-----------------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$ | \$ | \$ | \$ |
| Financial Assets | | | | |
| Cash and cash equivalents | 583,999 | 709,602 | 583,999 | 709,602 |
| Receivables | 57,697 | 66,231 | 57,697 | 66,231 |
| Total Financial Assets | <u>641,696</u> | <u>775,833</u> | <u>641,696</u> | <u>775,833</u> |
| Financial Liabilities | | | | |
| Payables | 178,724 | 116,106 | 178,724 | 116,106 |
| Total Financial Liabilities | <u>178,724</u> | <u>116,106</u> | <u>178,724</u> | <u>116,106</u> |

(d) Credit risk

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

2010

| | Carrying Amount | Not past due and not impaired | Less than 1 month | Impaired financial assets |
|---|----------------------|-------------------------------|-------------------|---------------------------|
| | \$ | \$ | \$ | \$ |
| Receivables | | | | |
| Sale of goods and services | 0 | 0 | 0 | 0 |
| Investments and other contractual financial assets | | | | |
| Security Deposit bond | 52,721 | 52,721 | 0 | 0 |
| Total | <u>52,721</u> | <u>52,721</u> | <u>0</u> | <u>0</u> |

2009

| | Carrying Amount | Not past due and not impaired | Less than 1 month | Impaired financial assets |
|---|----------------------|-------------------------------|-------------------|---------------------------|
| | \$ | \$ | \$ | \$ |
| Receivables | | | | |
| Sale of goods and services | 4,000 | 4,000 | 0 | 0 |
| Investments and other contractual financial assets | | | | |
| Security Deposit bond | 52,721 | 52,721 | 0 | 0 |
| Total | <u>56,721</u> | <u>56,721</u> | <u>0</u> | <u>0</u> |

(e) Risks and mitigation

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

Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The ARBV is not exposed to any material interest rate risk.

Sensitivity analysis

A shift in the interest rates during the current year by + or - .5% (50 basis points) would have yielded a \$2813 difference to the operating result and equity (\$4100 for 2008/2009).

(f) 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.

| | Carrying Amount | Nominal Amount | Maturity Dates | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------|
| | | | Less than 1 month | 1-3 months |
| | \$ | \$ | \$ | \$ |
| Payables | | | | |
| Supplies and services | 62,877 | 62,877 | 62,877 | 0 |
| Other Payables | 115,847 | 115,847 | 115,847 | |
| Total | <u>178,724</u> | <u>178,724</u> | <u>178,724</u> | <u>0</u> |
| | | | | |
| | Carrying Amount | Nominal Amount | Maturity Dates | |
| | | | Less than 1 month | 1-3 months |
| | \$ | \$ | \$ | \$ |
| Payables | | | | |
| Supplies and services | 54,951 | 54,951 | 54,951 | 0 |
| Other Payables | 61,155 | 61,155 | 61,155 | 0 |
| Total | <u>116,106</u> | <u>116,106</u> | <u>116,106</u> | <u>0</u> |

NOTE 15. Responsible person – related party disclosures

(a) The names of the persons who were Responsible Persons at any time during the financial year were:

Minister The Hon. Justin Madden MLC (Minister for Planning)

Board Members:

| | |
|--------------------|-----------------|
| Chairperson | Andrew Hutson |
| Deputy Chairperson | Karen McWilliam |
| | Gary Crutchley |
| | Bernie Everett |
| | Vanessa Bleyer |
| | Shelley Penn |
| | Venise Reilly |
| | Glenn Eagles |
| | Alex Njoo |
| | Efy Karagiannis |

Accountable Officer Alison Ivey

(b) The number of Responsible Persons whose total remuneration fell within the following band:

| | 2010 | 2009 |
|---|-------------|-------------|
| \$0- \$9999 (Board Members) | 11 | 10 |
| \$100,000 - \$109,999 (Accountable Officer) | 0 | 1 |
| \$120,000 - \$129,999 (Accountable Officer) | 1 | 0 |

The remuneration of the Minister is disclosed in the Financial Statements of the Department of Premier and Cabinet

(c) The total remuneration paid to Responsible Persons during the year was \$152,667 (\$158,336 in 2008-09). Included are amounts paid to Board members for additional services i.e. Examiner Fees, Tribunal fees and Audit committee fees.

(d) No Responsible Person was in receipt of nor had any retirement benefits set aside during the current year or in the previous year.

(e) As at 30 June 2010 there were no loans in existence to any Responsible Person that have been made, guaranteed or secured by the Board.

- (f) No Responsible Person has, since the end of the previous financial year, received or become entitled to receive, a benefit by reason of a contract made by the Board or a related organisation with the Board or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Executive Officer Remuneration

No Executive Officer of the Board received remuneration in excess of \$130,000.

NOTE 16. Superannuation

- (a) The Board contributes to the REST and to HESTA, to accounts for each of the permanent staff.
- (b) Board members, examiners and tribunal members who are deemed casual staff, nominate their personal superannuation fund when their quarterly wage exceeds the requirements of the Superannuation Guarantee.
- (c) The amount of total contributions made by the Board pursuant to the 9% levy was \$23,624 (2008-09, \$22,672).
- (d) The employer's contribution is calculated at 9% of base salary, in the case of employees.
- (e) There are no loans from the employee superannuation fund.

NOTE 17. Commitments

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

| | 2010 | 2009 |
|---|-----------------------|----------------------|
| Not later than one year | 82,809 | 30,733 |
| Later than one, not later than five years | 282,930 | 0 |
| | <u>365,739</u> | <u>30,733</u> |

The lease relates to the Board's premises at 7/372-377 Albert Street East Melbourne. The board took up the option to extend the lease for a further 5 year period from December 2009. The lease commitments are subject to annual CPI increases.

© State of Victoria, ARBV 2010. This publication is copyright. No part may be reproduced by any process except in accordance with the provisions of the Copyright Act 1968.