FINANCE REPORT

2023-24

How this report is structured

The Architects Registration Board of Victoria (ARBV) presents its audited general purpose Financial Statements for the financial year ended 30 June 2024 providing users with information about the organisation's stewardship of resources entrusted to it. It is presented in the following structure:

Contents

Financial Statements declaration

The attached Financial Statements for the Architects Registration Borad of Victoria (ARBV) have been prepared in accordance with Standing Direction 5.2 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 2024 and the financial position of the ARBV as at 30 June 2024.

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 27 August 2024.

Dr Giorgio Marfella
Chairperson

Dr Glenice Fox
Chief Executive Officer

Rob Ewart
Chief Financial Officer

27 August 2024
Melbourne

Independent Auditor's Report

To the Board of Architects Registration Board of Victoria

Opinion	I have audited the financial report of Architects Registration Board of Victoria (the authority) which comprises the: • Balance sheet as at 30 June 2024 • Comprehensive operating statement for the year then ended • Statement of changes in equity for the year then ended • Cash flow statement for the year then ended • Notes to the financial statements, including material accounting policy information • Declaration in the financial statements. In my opinion the financial report presents fairly the financial position of the authority as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	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 *Financial Management Act 1994,* and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board • conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

BENDIGO
10 September 2024

Kathie Teasdale
As a delegate for the Auditor-General of Victoria

Comprehensive Operating Statement

for the financial year ended 30 June 2024

	Notes	2024 $	2023 $
Continuing operations			
Revenue and income from transactions			
Annual registration fees	2.1	2,963,539	2,331,156
Examinations	2.1	356,535	320,766
Interest	2.1	141,530	79,804
Other income	2.1	143,191	137,834
Total revenue and income from transactions		**3,604,795**	**2,869,560**
Expenses from transactions			
Employee benefit expenses	3.1.1	(1,601,594)	(1,450,333)
Depreciation and amortisation	4.4.1	(274,669)	(213,085)
Interest expense	6.2.2	(7,830)	(11,057)
Other operating expenses	3.1	(1,623,229)	(1,149,295)
Total expenses from transactions		**(3,507,322)**	**(2,823,770)**
Net result from transactions (net operating balance)		**97,473**	**45,790**
Other economic flows included in net result			
Net gain on revaluation long service leave liability		30,211	706
Total other economic flows included in net result		**30,211**	**706**
Net result from continuing operations		**127,684**	**46,496**
Other economic flows – other comprehensive income:			
Other gains/(losses) from other economic flows		-	-
Comprehensive result		**127,684**	**46,496**

The accompanying notes form part of these Financial Statements.

Balance Sheet

As at 30 June 2024

	Notes	2024 $	2023 $
Assets			
Financial assets			
Cash and deposits	6.1	3,974,846	3,674,627
Receivables	5.1	247,304	29,952
Total financial assets		**4,222,150**	**3,704,579**
Non-financial assets			
Property, plant and equipment	4.1	87,967	188,130
Right-of-use assets	4.2	167,083	260,339
Intangible assets	4.3	114,412	158,917
Other non-financial assets	5.3	32,116	12,419
Total non-financial assets		**401,578**	**619,805**
Total assets		**4,623,728**	**4,324,384**
Liabilities			
Payables	5.2	2,599,523	2,388,374
Lease liability	6.2	180,886	275,515
Employee related provisions	3.1.2	213,628	158,488
Total liabilities		**2,994,037**	**2,822,377**
Net assets		**1,629,691**	**1,502,007**
Equity			
Accumulated surplus		1,407,973	1,280,289
Contributed capital		221,718	221,718
Net worth		**1,629,691**	**1,502,007**

The accompanying notes form part of these Financial Statements.

Cash Flow Statement

for the financial year ended 30 June 2024

	Notes	2024 $	2023 $
Cash flows from operating activities			
Receipts			
Interest received		141,530	79,804
Receipts from registrations and examinations		3,258,954	3,139,929
GST receipts from Australian Tax Office		148,370	92,965
Other receipts (incl GST)		41,317	79,441
Total receipts		**3,590,171**	**3,392,139**
Payments			
Payments to suppliers and employees		(3,124,192)	(2,578,432)
Interest paid		(7,830)	(11,057)
Total payments		**(3,132,022)**	**(2,589,489)**
Net cash flows from operating activities	6.1	**458,149**	**802,650**
Cash flows from investing activities			
Purchases of non-financial assets		(63,301)	(37,836)
Net cash flows used in investing activities		**(63,301)**	**(37,836)**
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liability		(94,629)	(88,657)
Net cash flows used in financing activities		**(94,629)**	**(88,657)**
Net increase in cash and cash equivalents		300,219	676,157
Cash and cash equivalents at beginning of financial year		3,674,627	2,998,470
Cash and cash equivalents at end of financial year	**6.1**	**3,974,846**	**3,674,627**

The accompanying notes form part of these Financial Statements.

Statement of Changes in Equity
for the financial year ended 30 June 2024

	Accumulated surplus	Contributed capital $	Total $
Balance at 1 July 2022	1,233,793	221,718	1,455,511
Net result for 2022-23 year	46,496	-	46,496
Balance at 30 June 2023	**1,280,289**	**221,718**	**1,502,007**
Net result for 2023-24 year	127,684	-	127,684
Balance at 30 June 2024	**1,407,973**	**221,718**	**1,629,691**

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

These Financial Statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing 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.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these Financial Statements are disclosed in the notes where amounts affected by those judgements are disclosed. 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 applying Australian Accounting Standards (AAS) 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.

All amounts in the Financial Statements have been rounded to the nearest dollar.

Compliance information

These general-purpose Financial Statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable AAS, which include 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 selected and applied in these Financial Statements ensure 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 Financial Report, a glossary of terms and style conventions can be found in notes 8.8 and 8.9.

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 27 August 2024.

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.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

Established in 1923, the ARBV administers the *Architects Act 1991 (Vic)* and *Architects Regulations 2015 (Vic)*.

The Act establishes the framework for the regulation of architects in Victoria and has as its purposes to:

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

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

2.1 Summary of income that funds the delivery of our services

	2024 $	2023 $
Annual registration fees	2,963,539	2,331,156
Applications and revocations	101,874	58,394
Examinations	356,535	320,766
Interest income	141,530	79,804
Legal fees recovered	41,000	73,095
Other income	317	6,345
Total revenue and income from transactions	**3,604,795**	**2,869,560**

Revenue from contracts with customers

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

Interest

Interest income includes interest received on 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 cash holdings is recognised as it accrues.

3. THE COST OF DELIVERING SERVICES

Introduction

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 cost associated with provision of services are recorded.

3.1 Expenses incurred in delivery of services

	Notes	2024 $	2023 $
Employee benefit expenses			
Total employee benefit expenses	3.1.1	1,601,594	1,450,333
Other operating expenses			
Contractors		278,679	130,975
Legal expenses		329,545	201,959
Tribunal expenses		19,541	4,407
Professional services		89,989	113,245
Digital and Information technology		308,876	234,260
Examination expenses		258,070	212,783
Subscriptions (AACA)		75,714	76,820
Administration		129,204	83,421
Occupancy		78,358	52,121
Sponsorships and awards		25,000	13,091
Other operating expenses		30,253	26,213
Total other operating expenses		**1,623,229**	**1,149,295**
Total expenses incurred in delivery of services		**3,224,823**	**2,599,628**

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

3.1.1 Employee benefits in the Comprehensive Operating Statement

Employee expenses include all costs related to employment including wages and salaries, leave entitlements, termination payments, payroll tax and WorkCover premiums.

The amount recognised in the Comprehensive Operating Statement in relation to superannuation is employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment.

	Note	2024 $	2023 $
Salaries and wages, annual leave, long service leave and on-costs		1,434,767	1,320,938
Defined contribution superannuation expense		161,851	129,395
Termination benefits		4,976	-
Total employee benefit expenses		**1,601,594**	**1,450,333**

3.1.2 Employee benefits in the Balance Sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2024 $	2023 $
Current provisions:		
Annual leave		
Unconditional and expected to settle within 12 months	102,521	87,532
Long service leave		
Unconditional and expected to settle within 12 months	29,442	27,033
Provisions for on-costs		
Unconditional and expected to settle within 12 months	23,522	6,565
Total current provisions for employee benefits	**155,485**	**121,130**
Non-current provisions:		
Employee benefits	49,347	32,057
On-costs	8,796	5,301
Total non-current provisions for employee benefits	**58,143**	**37,358**
Total provisions for employee benefits	**213,628**	**158,488**

Wages and salaries, annual leave and sick leave: Liabilities for wages and salaries (including annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the ARBV does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the Balance Sheet at remuneration rates which are current at the reporting date. As the ARBV expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the ARBV does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Income Statement as it is taken.

Employment on-costs such as payroll tax, WorkCover premiums and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional LSL is disclosed as a current liability, even where the ARBV does not expect to settle the liability within 12 months because it will 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 either:

- undiscounted value – if the ARBV expects to wholly settle within 12 months; or
- present value – if the ARBV does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

3.1.3 Employee superannuation contributions

Employees of the ARBV are entitled to receive superannuation benefits and the ARBV contributes to defined contribution plans.

	Paid contribution for the year		Contribution outstanding at year-end	
	2024	2023	2024	2023
	$	$	$	$
Defined contribution plans				
Aware Super Future Saver	42,505	40,716	-	2,723
Other	129,508	90,090	-	8,768
Total	**172,013**	**130,806**	**-**	**11,491**

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

The ARBV controls property, plant and equipment 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 delivery of those outputs.

4.1 Property, plant and equipment

Initial recognition: Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

The cost of a leasehold improvements are capitalised.

Subsequent measurement

Items of property, plant and equipment are depreciated on a straight-line basis over their useful lives.

Leasehold improvements are capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2024	2023	2024	2023	2024	2023
	$	$	$	$	$	$
Office equipment at cost	15,400	82,647	(15,400)	(71,760)	-	10,887
Leasehold improvement at cost	245,512	263,714	(157,545)	(86,471)	87,967	177,243
Net carrying amount	**260,912**	**346,361**	**(172,945)**	**(158,231)**	**87,967**	**188,130**

All these assets are classified as public administration fixed assets.

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

2024	Office equipment	Leasehold improvements	Total
		$	$
Opening balance	**10,887**	**177,243**	**188,130**
Transferred to expenses [(a)]	(8,355)	(18,202)	(26,557)
Depreciation	(2,532)	(71,074)	(73,606)
Closing balance	**-**	**87,967**	**87,967**

2023	Office equipment	Leasehold improvements	Total
		$	$
Opening balance	**17,204**	**215,698**	**232,902**
Additions	-	18,202	18,202
Depreciation	(6,317)	(56,657)	(62,974)
Closing balance	**10,887**	**177,243**	**188,130**

Notes:

(a) Office equipment with a gross carrying value of $54,723 and net carry value of $8,355, was transferred to expenses during 2024.
Leasehold improvements with a net carry value of $18,802, was reclassified and transferred to expenses during 2024.

The ARBV's policy for recognising purchases as assets is $5,000. During 2024 reporting period the ARBV expensed the written down value of all remaining capitalised items with a purchase cost below $5,000. This resulted in a transfer from property, plant and equipment items with a net carrying value of $8,355 to expenditure in the Comprehensive Operating Statement.

4.2 Right-of-use assets: building

Right-of-use asset acquired by lessees – 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;
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use asset – subsequent measurement

The ARBV depreciates the 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.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2024	2023	2024	2023	2024	2023
	$	$	$	$	$	$
Building at fair value	466,279	466,279	(299,196)	(205,940)	167,083	260,339
Net carrying amount	**466,279**	**466,279**	**(299,196)**	**(205,940)**	**167,083**	**260,339**

4.2.1 Reconciliation of movements in carrying amounts for building

	$
Opening balance 1 July 2023	**260,339**
Depreciation	(93,256)
Closing balance 30 June 2024	**167,083**
Opening balance 1 July 2022	**417,387**
Depreciation	(93,256)
Prior year adjustment	(63,792)
Closing balance 30 June 2023	**260,339**

4.3 Intangible assets

Computer software	2024	2023
	$	$
Gross carrying amount		
Opening balance	**270,284**	**250,650**
Additions	63,301	19,634
Disposals	(39,060)	-
Closing balance	**294,525**	**270,284**
Accumulated depreciation, amortisation and impairment		
Opening balance	**(111,367)**	**(54,512)**
Amortisation	(107,806)	(56,855)
Disposals	39,060	-
Closing balance	**(180,113)**	**(111,367)**
Net book value at end of financial year	**114,412**	**158,917**

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 begin 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.

4.3 Intangible assets (continued)

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 three years.

4.4 Depreciation and amortisation

In line with ARBV policy, all property, plant and equipment with a purchase value of less than $5,000 is immediately expensed. All property, plant and equipment with a purchase value of greater than $5,000 with a finite useful life is depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value over its estimated useful life.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives 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	Useful life
Computers and office equipment	4 years
Intangible assets	3 - 5 years
Leasehold improvements	Lease term

4.4.1 Aggregate depreciation and amortisation recognised as an expense during the year

	2024 $	2023 $
Computers and office equipment	2,533	5,162
Furniture and fittings	-	1,155
Intangible assets	107,806	56,855
Leasehold improvements	71,074	56,657
Right-of-use assets	93,256	93,256
Total	**274,669**	**213,085**

5. OTHER ASSETS AND LIABILITIES

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

5.1 Receivables

	2024 $	2023 $
Contractual		
Trade receivables	19,100	11,263
Sundry debtors	208,494	-
	227,594	**11,263**
Statutory		
GST receivable	19,710	18,689
Total receivables	**247,304**	**29,952**
Represented by		
Current receivables	242,104	23,452
Non-current receivables	5,200	6,500

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs' (refer note 7.1 Financial instruments for recognition and measurement).

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes as 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.

Details about the ARBV's impairment policies, exposure to credit risk and the calculation of the loss allowance are set out in Note 7.

Ageing analysis of contractual financial assets

2024	Carrying amount $	Not past due and not impaired $	Less than 1 month $	Past due but not impaired $
Contractual financial assets				
Trade receivables	19,100	19,100	-	-
Sundry debtors	208,494	208,494	-	-
Total	**227,594**	**227,594**	**-**	**-**

2023	Carrying amount $	Not past due and not impaired $	Less than one month $	Past due but not impaired $
Contractual financial assets				
Trade receivables	11,263	11,263	-	-
Total	**11,263**	**11,263**	**-**	**-**

5.2 Payables

	2024 $	2023 $
Contractual		
Supplies and services	81,463	90,560
Accrued expenses	129,508	95,919
Unearned income	2,304,123	2,119,974
Other payables	5,053	9,196
Statutory		
PAYG	32,652	26,582
Payroll tax	46,376	34,206
Superannuation	-	11,937
WorkCover levy	348	-
Total payables	**2,599,523**	**2,388,374**
Represented by:		
Current payables	2,599,523	2,388,374

Payables consist of:

- **Contractual payables**: Classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the ARBV prior to the end of the financial year that are unpaid; and
- **Statutory payables**: Recognised and measured similarly to contractual payables, but not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Maturity analysis of contractual payables

			Maturity dates				
2024	Carrying amount $	Nominal amount $	Less than 1 month $	1 to 3 months $	3 months to I year $	1 - 5 years $	5+ years $
Supplies and services	81,463	81,463	81,463	-	-	-	-
Other payables	134,562	134,562	134,562	-	-	-	-
Total	**216,025**	**216,025**	**216,025**	**-**	**-**	**-**	**-**

			Maturity dates				
2023	Carrying amount $	Nominal amount $	Less than 1 month $	1 to 3 months $	3 months to I year $	1 - 5 years $	5+ years $
Supplies and services	124,766	124,766	124,766	-	-	-	-
Other payables	105,115	105,115	105,115	-	-	-	-
Total	**229,881**	**229,881**	**229,881**	**-**	**-**	**-**	**-**

Payables for supplies and services generally have settlement terms of 30 days.

5.3 Other non-financial assets

	2024 $	2023 $
Current other assets		
Prepayments	32,116	12,419
Total current other assets	**32,116**	**12,419**

Other non-financial assets include pre-payments, which represent payments in advance of receipt of goods or services or the payments made for services covering a term extending beyond that financial accounting period.

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.

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 that are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	2024 $	2023 $
Total cash and deposits disclosed in the Balance Sheet	3,974,846	3,674,627
Balance as per Cash Flow Statement	**3,974,846**	**3,674,627**

Reconciliation of net result for the period to cash flow from operating activities

	2024 $	2023 $
Net result for the period	**127,684**	**46,496**
Non-cash movements		
Depreciation and amortisation of non-current assets	274,669	213,085
Assets reclassified as expenses	26,556	-
Movements in assets and liabilities		
Decrease/(Increase) in receivables	(217,352)	10,620
Decrease/(Increase) in other non-financial assets	(19,696)	49,212
Increase/(Decrease) in payables	211,149	460,257
Increase/(Decrease) in provisions	55,139	22,980
Net cash flows from/(used in) operating activities	**458,149**	**802,650**

6.2 Leases

The ARBV leases office premises at Level 10, 533 Little Lonsdale Street, Melbourne. The three year lease expired in April 2024 and an option for a further term of two years was exercised. 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.

	2024 $	2023 $
Current liability	98,715	94,629
Non-current liability	82,171	180,886
Total lease liability	**180,886**	**275,515**

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:

	2024 $	2023 $
Interest expense on lease liabilities	7,830	11,057
Depreciation expense relating to right-of-use assets	93,256	93,256
Total amount recognised in the Comprehensive Operating Statement	**101,086**	**104,313**

6.2.3 Amounts recognised in the Cash Flow Statement

The following amounts relating to leases are recognised in the Cash Flow Statement:

	2024 $	2023 $
Total cash outflow for leases	**102,459**	**99,714**

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 evaluations:

- 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 department has the right to direct the use of the identified asset throughout the period of use; and
- whether the ARBV has the right to take decisions in respect of ‘how and for what purpose’ the asset is used throughout the period of use.

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

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required 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’s 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.

6.2.3 Amounts recognised in the Cash Flow Statement (continued)

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 separately in the Balance Sheet.

6.3 Commitments 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.

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 132 *Financial Instruments: Presentation*.

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); and
- certain debt securities.

Financial assets at fair value through other comprehensive income

The ARBV does not hold debt or equity investments.

Financial assets at fair value through net result

The ARBV does not hold equity investments for trading.

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

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

Categories of financial liabilities

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

- payables (excluding statutory payables).

Derivative financial instruments are not held by ARBV.

Offsetting financial instruments

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

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

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the ARBV retains the right to receive cash flows from the asset, but has assumed an obligation to pay 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:
    - has transferred substantially all the risks and rewards of the asset; or
    - has neither transferred nor retained substantially all the risks and rewards of the asset but has 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.

7.1.1 Financial risk management objectives and policies

The ARBV does not enter into derivative financial instruments to manage its exposure to interest rates.

The ARBV does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The ARBV’s principal financial instruments comprise:

- cash and cash equivalents:
- 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, financial liability and equity instrument above are disclosed in note 1 of the Financial Statements.

7.1.1 Financial risk management objectives and policies (continued)

The main purpose in holding financial instruments is to prudentially manage the ARBV's financial risks within the government policy expectations. The ARBV uses different methods to measure and manage the different risks to which it is exposed. The carrying amounts of the ARBV's contractual financial assets and financial liabilities by category are disclosed below:

Categorisation of financial instruments

	Notes	2024 $	2023 $
Contractual financial assets			
Cash and deposits	6.1	3,974,846	3,674,627
Trade receivables	5.1	227,594	11,263
Total contractual financial assets		**4,202,440**	**3,685,890**
Contractual financial liabilities			
Payables	5.2	216,025	229,881
Total contractual financial liabilities		**216,025**	**229,881**

7.1.2 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:

2024	Weighted average interest rate %	Carrying amount $	Fixed interest rate $	Variable interest rate $	Non interest bearing $
Contractual financial assets					
Cash and deposits	4.41	3,974,846	-	3,974,846	-
Trade receivables	-	227,594	-	-	227,594
Total contractual financial assets		**4,202,440**	**-**	**3,974,846**	**227,594**
Contractual financial liabilities					
Payables	-	216,025	-	-	216,025
Total contractual financial liabilities		**216,025**	**-**	**-**	**216,025**
Net contractual financial assets/liabilities		**3,986,415**	**-**	**3,974,846**	**11,569**

2023	Weighted average interest rate %	Carrying amount $	Fixed interest rate $	Variable interest rate $	Non interest bearing $
Contractual financial assets					
Cash and deposits	3.13	3,674,627	-	3,674,627	-
Trade receivables	-	11,263	-	-	11,263
Total contractual financial assets		**3,685,890**	**-**	**3,674,627**	**11,263**
Contractual financial liabilities					
Payables	-	229,881	-	-	229,881
Total contractual financial liabilities		**229,881**	**-**	**-**	**229,881**
Net contractual financial assets/liabilities		**3,456,009**	**-**	**3,674,627**	**(218,618)**

7.1.2 Interest rate risk (continued)

Contractual receivables at amortised cost

2024	Current	Less than 1 month	1 to 3 months $	3 months to 1 year $	1 to 5 years $	Total $
Expected loss rate	0%	4%	15%	50%	100%	
Gross carrying amount of contracted receivables	227,594	-	-	-	-	227,594
Loss allowance	-	-	-	-	-	-

2023	Current	Less than 1 month	1 to 3 months $	3 months to 1 year $	1 to 5 years $	Total $
Expected loss rate	0%	4%	15%	50%	100%	
Gross carrying amount of contracted receivables	11,263	-	-	-	-	11,263
Loss allowance	-	-	-	-	-	-

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

Credit loss allowance is classified as other economic flows in the net result, 2024 $nil (2023: $nil). 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 and debt investments 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.

The 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 of expected losses. No loss allowance has been recognised.

7.1.3 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 (Minimum triple B credit rating) $	Other (Not rated) $	Total $
2024			
Cash and deposits	3,974,846	-	3,974,846
Trade receivables	-	227,594	227,594
Total contractual financial assets	**3,974,846**	**227,594**	**4,202,440**
2023			
Cash and deposits	3,674,627	-	3,674,627
Trade receivables	-	11,263	11,263
Total contractual financial assets	**3,674,627**	**11,263**	**3,685,890**

Ageing analysis of contractual financial assets

	Carrying amount	Not past due and not impaired $	Less than 1 month $	Past due but not impaired $
2024				
Investments and other contractual financial assets				
Trade receivables	227,594	227,594	-	-
Total	**227,594**	**227,594**	**-**	**-**
2023				
Investments and other contractual financial assets				
Trade receivables	11,263	11,263	-	-
Total	**11,263**	**11,263**	**-**	**-**

7.1.4 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.

7.1.5 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

	Carrying amount	Nominal amount	Maturity dates: Less than 1 month	Maturity dates: 1 to 3 months
		$	$	$
2024				
Payables				
Supplies and services	81,463	81,463	81,463	-
Other payables	134,562	134,562	134,562	-
Total	**216,025**	**216,025**	**216,025**	**-**
2023				
Payables				
Supplies and services	124,766	124,766	124,766	-
Other payables	105,115	105,115	105,115	-
Total	**229,881**	**229,881**	**229,881**	**-**

7.1.6 Interest rate risk sensitivity

2024	Carrying amount	Interest rate -300 basis points Net result	Interest rate +300 basis points Net result
Contractual financial assets			
Cash and deposits [(a)]	3,974,846	(119,245)	119,245
Total impact	**3,974,846**	**(119,245)**	**119,245**

2023	Carrying amount	Interest rate -300 basis points Net result	Interest rate +300 basis points Net result
Contractual financial assets			
Cash and deposits [(a)]	3,674,627	(110,239)	110,239
Total impact	**3,674,627**	**(110,239)**	**110,239**

Note:

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

2024: $3,974,846 X (0.03) = ($119,245); $3,974,846 X 0.03 = $119,245; and

2023: $3,674,627 X (0.03) = ($110,239); $3,674,627 X 0.03 = $110,239.

7.2 Contingent assets and liabilities

As at 30 June 2024 there were no contingent assets or contingent liabilities in existence (2023 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 due to the short-term nature of the financial instruments and the expectation that they will be paid in full.

The table in note 7.3.1 shows that the fair values of the contractual financial assets and liabilities are the same as the carrying amounts.

7.3.1 Fair value of financial instruments

	Carrying value		Fair value	
	2024	2023	2024	2023
	$	$	$	$
Financial assets				
Cash and deposits	3,974,846	3,674,627	3,974,846	3,674,627
Trade receivables	227,594	11,263	227,594	11,263
Total financial assets	**4,202,440**	**3,685,890**	**4,202,440**	**3,685,890**
Financial liabilities				
Payables	216,025	229,881	216,025	229,881
Total financial liabilities	**216,025**	**229,881**	**216,025**	**229,881**

8. OTHER DISCLOSURES

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this Financial Report.

8.1 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
- reclassified amounts from the reserves to net result due to a disposal or derecognition of the financial instrument.

	2024 $	2023 $
Other gains from other economic flows		
Net gain arising from revaluation of long service liability [(a)]	30,211	706
Total other gains from other economic flows	**30,211**	**706**

(a) Revaluation gain due to changes in bond rates

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. Sonya Kilkenny MP	1 July 2023 to 30 June 2024
ARBV Board Chairperson	Dr Giorgio Marfella	1 July 2023 to 30 June 2024
ARBV Board Member	Mr Bruce Allen	1 July 2023 to 30 June 2024
ARBV Board Member	Ms Sophie Cleland	1 July 2023 to 30 June 2024
ARBV Board Member	Mr Mark Curry	1 July 2023 to 30 June 2024
ARBV Board Member	Mr Richard Drew	1 July 2023 to 30 June 2024
ARBV Board Member	Mr Stefan Preuss	1 July 2023 to 30 June 2024
ARBV Board Member	Ms Sally Wills	1 July 2023 to 30 June 2024
ARBV Accountable Officer	Dr Glenice Fox	1 July 2023 to 30 June 2024

Remuneration responsible persons

	2024 $	2023 $
Short term employee benefits	265,797	253,300
Post employment benefits	28,672	25,724
Other long-term employee benefits	7,920	5,057
Total remuneration of KMP	**302,389**	**284,081**

Remuneration includes all employee benefits which were paid or are payable during the financial year. The disclosure categories include:

- **short-term employee benefits:** salaries, paid leave and accrued leave entitlements
- **post-employment benefits:** superannuation entitlements
- **other long-term employee benefits:** provision for long service leave

Income band	Number	Number
< $10,000	6	8
$10,000 to $20,000	1	1
$250,000 to $260,000	-	1
$270,000 to $280,000	1	-

Compensation for the Minister is not included in the table above. Information on the Minister's remuneration can be referenced in the State's Annual Financial Report.

8.3 Remuneration of executives

Other than the Accountable Officer detailed in note 8.2 Responsible persons, there are no other ARBV executives that require disclosure.

8.4 Related parties

The ARBV is a self-funded agency of the Government of Victoria that is the statutory authority that regulates the architectural profession 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 note 8.2 Responsible persons.

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 Purchasing Board requirements.

The ARBV has assessed 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.

Architects Accreditation Council of Australia (AACA) is a related party of the ARBV. In 2023-24, ARBV responsible persons, Dr Giorgio Marfella and Dr Glenice Fox, both held the position of director for AACA (2023: Dr Giorgio Marfella).

The following transactions occurred with the AACA (inclusive of GST):

	2024 $	2023 $
Candidate examinations	176,047	112,760
ARBV contribution to AACA	75,713	76,821
Total remuneration of auditors	**251,760**	**189,581**
Unpaid transactions at 30 June	-	-

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

8.5 Remuneration of auditors

	2024 $	2023 $
Victorian Auditor-General's Office		
Audit of the financial statements	27,000	26,000
Total remuneration of auditors	**27,000**	**26,000**

8.6 Subsequent events

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the ARBV in the future financial years. As at the date of signing the annual Financial Statements there were no subsequent events requiring disclosure.

8.7 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2023-24 reporting period. These accounting standards have not been applied to the ARBV's Financial Statements. The ARBV is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

8.7 Australian Accounting Standards issued that are not yet effective (continued)

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.

The ARBV is currently in the process of assessing the potential impact of these standards and amendments.

A number of other standards and amendments have also been issued that apply to future reporting periods, however they are not expected to have any significant impact on the financial statements in the period *of* initial application.

8.8 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

Amortisation is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset.

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

Comprehensive result is the amount included in the Comprehensive Operating Statement representing total change in net worth.

Controlled item generally refers to the capacity of a department to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

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 include all costs related to employment including wages and salaries, leave entitlements, termination payments and defined contribution superannuation plans.

Financial asset is any asset that is either:

- cash
- 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.
- 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 is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability is any liability that is either:

- a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity
- 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 deliver 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. 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 in the Financial Report comprises:

- a Comprehensive Operating Statement for the period;
- a Balance Sheet as at the end of the period;
- a Cash Flow Statement for the period;
- a Statement of Changes in Equity for the period;
- notes, comprising a summary of significant accounting policies and other explanatory information;
- comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements; and*
- 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.

8.8 Glossary of technical terms (continued)

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

Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other economic flows – other comprehensive income'.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

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

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. They include gains and losses from disposals, revaluations and impairments of non-current 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 comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

Payables includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Receivables include amounts owing form 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 and fees from regulatory services.

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 into an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the ARBV.

8.9 Style conventions

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

The notation used in the tables is as follows:

-	zero, or rounded to zero
xxx,xxx	presentation of numbers
(xxx,xxx)	negative numbers
202x	year
202x-2x	year period

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