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**Architects Registration Board of
Victoria**

Annual Report 2016-2017

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Chairperson's Foreword

This year has continued to be very positive for the Board. We have appreciated having a full and stable complement of Board members. Our financial position is sound and it has allowed us to initiate a number of projects to the benefit of consumers, architects and students of architecture.

We are very pleased that our website has been renewed and with the appointment of August, our communication consultants, we intend to have a far more interactive line of communication with all of our stakeholders.

We are very pleased that we have been able to increase our sponsorship to Melbourne Open House and in particular to support a series of workshops specifically targeted to assisting potential consumers about the provision of architectural services and what to expect.

The Board has committed funding to all the Victorian schools of architecture for student research in relation to projects that specifically consider the involvement of architects in projects and the benefits that brings to the quality of design and to consumers.

Late last year the ARBV negotiated an agreement with the Australian Institute of Architects to pay for the provision of access to Acumen for those architects recently registered. Acumen is the name given to the on-line practice notes that have been produced by the AIA for many years. Typically Acumen is only available to AIA members and many recently registered architects cannot afford AIA membership.

The National Examination Paper (NEP) is Part 2 of the architect registration process. The objective of the National Examination Paper (NEP) is to provide a reliable and valid test of knowledge and application of the National Standard of Competency for Architects (NSCA). The ARBV has been instrumental in initiating a national review of the paper which is being undertaken by the AACA with assistance from ACER (Australian Council for Educational Research Ltd). The revised NEP is to be introduced in 2018.

The number of registrants in Victoria is steadily increasing with the average number of applicants for the APE each year well in excess of 250. Application for registration via two new pathways is becoming more popular. Over the last 2 years the AACA has introduced a pathway to registration for locally experienced practitioners with at least 7 years in practice after having completed an accredited 5-year architectural qualification. There is a similar pathway for those who have completed an architectural qualification overseas, who are registered overseas and have completed a minimum period of practical experience.

We are pleased to report that the number of complaints to the ARBV continues to be low and the number referred to tribunal over the course of 2016/2017 totalled 4.

I thank all Board Members who have provided very positive and constructive support over the year. The Board is particularly appreciative of our registrar Alison Ivey and the administration team who continue to be very efficient and enthusiastic in relation to the new initiatives being undertaken by the ARBV.

David Sainsbery
Chairperson

Registrar's Report:

For the office, the year has been one of consolidation and development. The improvements to our online processes have continued, there are now faster registration approval times, and the implementation of continuing professional development (CPD) for architects has progressed. We are moving into developing a social media profile and presence, and improving our IT systems. There is a very positive effect in being able to plan a certain future.

New pathways have been adopted for registration and new relationships have been made with overseas jurisdictions. It is constructive for regulatory authorities such as the ARBV to have reviews of procedures in order to remove unnecessary barriers to registration and open the door to practitioners who have until now not taken the conventional registration process. We live in a global economy and architects are in the forefront of Australian professionals who work across borders. The role of the ARBV is to enable this to happen while protecting the rights of consumers, a balance that must always be subject to scrutiny.

As I said last year, there is a need for the introduction of online assessment of the national examination paper for the Architectural Practice Exam to replace the time bound, expensive and unwieldy paper with its outmoded graphic reader marking technology. The ARBV is committed to working in step with other jurisdictions in Australia, but the large numbers of candidates in Victoria give us a keen desire for reform of the examination. It is encouraging to see the progress that has been made by the Architects Accreditation Council of Australia in this area.

The Victorian Chapter of the Australian Institute of Architects CEO Alison Cleary has continued the positive relationship with the ARBV, and planning is well underway for some joint CPD and other initiatives. I thank her for enabling this and for all she has done in support of the continued regulation of the profession and support of the ARBV. Her resignation from the AIA is regrettable from our point of view.

The staff continue to demonstrate the qualities of good public servants and are proud of the efficiency, effectiveness and ethical behaviour of the ARBV since 1923. They have served the Victorian community, consumers, and architects very well. Karl Augustin has been the Board's Chief Financial Officer and accountant for many years and continues to do an outstanding job. Adrian Magee, responsible for compliance matters has extensive experience and skills, and is responsive to the public and to architects. Erin Gibb continues the excellent standard of work in all she does, and her management of the APE process in particular is second to none. During this year she has continued to lead in Board's entry to social media and has provided excellent support and guidance to other staff involved with it. Amy Ryan is the first point of contact for the Board, her comprehensive knowledge, and her calm, professional manner, do us proud. She is meticulous and thorough in everything she does. Louisa Abt has made a positive impact as the CPD Manager and has developed easy online recording and engagement with CPD activities. A welcome addition to the staff has been Bronwyn Wolfaardt who is an exceptionally quick learner and conscientious worker. I regard myself as very fortunate to work with such a team.

The Board has enjoyed making the most of opportunities to lead improvement via the strategic plan. Members are nominated from a variety of organisations and are both architects and non-architects which enriches conversations around the table and strengthens decision making. It would be constructive if their terms of office were extended from two to three years.

I am grateful to our Chairperson David Sainsbery for his work this year, his increased involvement in Board matters, and his commitment to the ARBV. We have all enjoyed the future of the ARBV being planned and made better.

Alison Ivey

Registrar

The Hon Richard Wynne MLC
Minister for Planning
Level 7, 1 Spring Street
Melbourne, VIC 3000

6th October 2017

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 2016-2017 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 also addresses initiatives undertaken by the Board to meet the Statement of Expectations agreed to for 2016-2017.

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

Yours faithfully,



David Sainsbery
Chairperson

THE ARBV OVERVIEW

The Architects Registration Board of Victoria (ARBV) has existed since 1923 when it was established to carry out the duties set out in the Architects Registration Act 1922. The current Board was established under the Architects Act 1991. The Act defines the Board's purpose and the Architects Regulations 2004, replaced by the Architects Regulations 2015 in May, are made under the Act to prescribe procedures and other matters to give effect to the Act.

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

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

The Hon. Richard Wynne MP, Minister for Planning, is the responsible Minister for the Architects Act 1991.

Purpose:

The present Board was established by the Architects Act 1991 (the Act).

The purpose of the Architects Registration Board of Victoria (ARBV) is to regulate the profession of architecture on behalf of the public. In doing so, it recognises its overriding responsibility to act honestly, fairly and in accordance with the law, and to serve the State of Victoria in pursuing the objectives of the ARBV using its resources efficiently, effectively and with due propriety to comply with statutory requirements that govern public sector entities in Victoria.

Board Responsibilities:

The Board is responsible for:

- a) overseeing the management of the ARBV;
- b) providing strategic direction through approving and periodically reviewing the strategic plan;
- c) approving management's policies, strategy and performance objectives;
- d) approving the annual budget;
- e) appointing the Registrar and determining the terms and conditions of appointment, including remuneration;
- f) monitoring the performance of the Registrar;
- g) determining and approving the levels of authority to be given to the Registrar;
- h) approving the appointment of the external auditor;
- i) approving terms of reference of Board committees;
- j) approving and monitoring financial and other reporting;
- k) monitoring the identification of risks, reviewing and ratifying systems of risk management, internal compliance and control, legal compliance, and compliance with the ARBV's standards and policies, to ensure appropriate compliance frameworks and controls and an appropriate culture of risk management are in place; and monitoring compliance with best practice governance requirements;
- l) reviewing the performance of the Board, and from time to time seeking independent review.

Management Responsibilities:

The day to day management of the ARBV is the responsibility of the Registrar. The Registrar is to act in accordance with the strategy approved by the Board, and has responsibility for:

- i. financial and capital management and reporting;
- ii. operations;
- iii. information technology;
- iv. delegated authority to approve the registration of architects and approval of companies and partnerships;
- v. human resources including workplace health and safety.

The Registrar will:

- a) report regularly to the Board on the performance of the ARBV;
- b) consulting with the Board regarding the appointment, and where appropriate, the removal of the chief financial officer;
- c) such other duties as are from time-to-time delegated by the Board.

Composition of the Board:

The Board consists of ten members appointed by the Governor in Council, in compliance with Section 47 of the Act. The appointment of the Chairperson and Deputy Chairperson is determined by Sections 52 and 53 of the Act. The Chairperson is the spokesperson for the Board.

Collectively the Board endeavours to have a broad range of skills, experience and knowledge to carry out its responsibilities.

Board meetings:

The Board meets monthly on every second Tuesday except in January. A quorum is six members. Agendas and minutes are circulated by email and/or Dropbox.

A meeting may be held by the Board face to face, or via email or other technological means determined by the Board. Conflicts of interest are recorded at each Board meeting, and the register of interests is maintained by the DELWP.

Board Committees:

The Board has established the Audit and Risk Committee (ARC) that meets quarterly, and the Human Resources Committee (HR) that meets at least once annually. The ARC is appointed from the Board and has an independent Chairperson. The HR Committee members are the Board Chairperson and Deputy Chairperson.

The Board establishes working groups from time to time.

Review of Board effectiveness:

Board members participate in an annual review of the Board's effectiveness in carrying out its responsibilities.

The Chair has implemented an appropriate review system which, subject to consultation with the Board, may include:

- a. a collective review of effectiveness undertaken by the Board;
- b. individual performance reviews for Board members;
- c. opportunities for Board members to give private feedback to the Chair on Board effectiveness; or
- d. such other review mechanisms as the Board decides.

Charter Review:

The Board reviews the Charter every two years or as required, following the annual Board performance assessment.

Any modifications to or replacements of the Charter must be approved by the Board.

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 is to consist of ten people appointed following nomination by the Minister for Consumer Affairs, the profession, architecture schools and the building and allied industries.

ARCHITECTS REGISTRATION BOARD MEMBERS 2016-2017	
Mr David Sainsbery (Chairperson) Nomination: architects Meeting attendance: 10 /11 First appointed 2011	Mr Ian Sutter Nomination: AIA, Meeting attendance: 9/11 First appointed 2012
Ms Venise Reilly Nomination: Building industry HIA Meeting attendance: 9/11 First appointed 2009	Ms Debra Low Choy Nomination: allied industries (MBAV) Meeting attendance: 1/11 First appointed 2012
Ms Helen Mathew Nomination: architects Meeting attendance: 11/11 First appointed 2015	Mr David Islip (Deputy Chair) Nomination: Government Architect Meeting attendance: 9/11 First appointed 2013
Ms Dionne Wright Nomination: Minister Consumer Affairs Meeting attendance: 9/11 First appointed 2015	Ms Arianne Rose Nomination: Minister Consumer Affairs Meeting attendance: 9/11 First appointed 2012
Mr Peter Bowtell Nomination: Allied Professions Meeting attendance: 6/11 First appointed 2015	Ass. Prof. Clare Newton Nomination: Architecture Schools Meeting attendance: 8/11 First appointed 2015

ARBV Purpose

The purpose of the ARBV is to regulate the profession of architecture in Victoria on behalf of the public.

ARBV Mission

The mission of the Architects Registration Board of Victoria is to discharge its duties as empowered under the Act efficiently, effectively and with fairness, impartiality and transparency embodying the values of the Victorian Public Sector.
The ARBV will act in the public interest, working collaboratively, promoting good practice, improved education and exemplary professional service.

Long term, core objectives:

1. To provide advice to the Minister to improve the legislative and regulatory framework for the profession
2. Maintain standards of professional conduct and practice
3. Provide consumer protection for the public
4. Improve communications

Goals supporting the long-term objectives:

1. Provide a briefing for the Minister on updating and improving the Architects Act
2. Develop a communications and digital strategy plan
3. Provide and manage recording of CPD
4. Promote good professional practice and conduct
5. Extend the pathways to registration to include overseas architects and local experienced practitioners.
6. Improve the National Examination Paper of the APE
7. Review and improve ways of advancing architectural education S59(b)

The ARBV upholds the quality of architectural service through

- Acting with independence
- Setting standards of architectural education
- Governing through innovative processes
- Celebrating and promoting architecture

Progress on each goal 2016-2017

Meet the requirements in the Statement of Expectations and report on progress. The Statement of Expectations is on the website.

Improve communications via electronic means

The website has been modernised with improvements in navigation and ease of use for consumers. A communications plan is underway.

CPD

The Board has continued to develop and provide activities that can be completed online free of charge. During the year new CPD activities on the Code of Professional Conduct and the Act have been added to the website.

Promote good professional practice and conduct

The Architectural Services Award (ASA) continued in 2016 with members of the Board working with guest judge Justin Madden and the winner was Delia Teschendorff who received a certificate and \$10,000. The prize and certificates for the ASA were presented along with professional practice awards to four recipients at the Certificate Conferring Ceremony in December 2016 held at The Deakin Edge in Federation Square. The Board continued to support the increasingly successful Melbourne Open House as one of the sponsors of the Speaker Series.

Extend the pathways to registration to include overseas architects and local experienced practitioners.

The overseas architects' and the locally experienced architect pathways to registration were implemented nationally and already have generated applicants. In addition, an agreement now exists between Australia and a number of jurisdictions in the USA for mutual recognition.

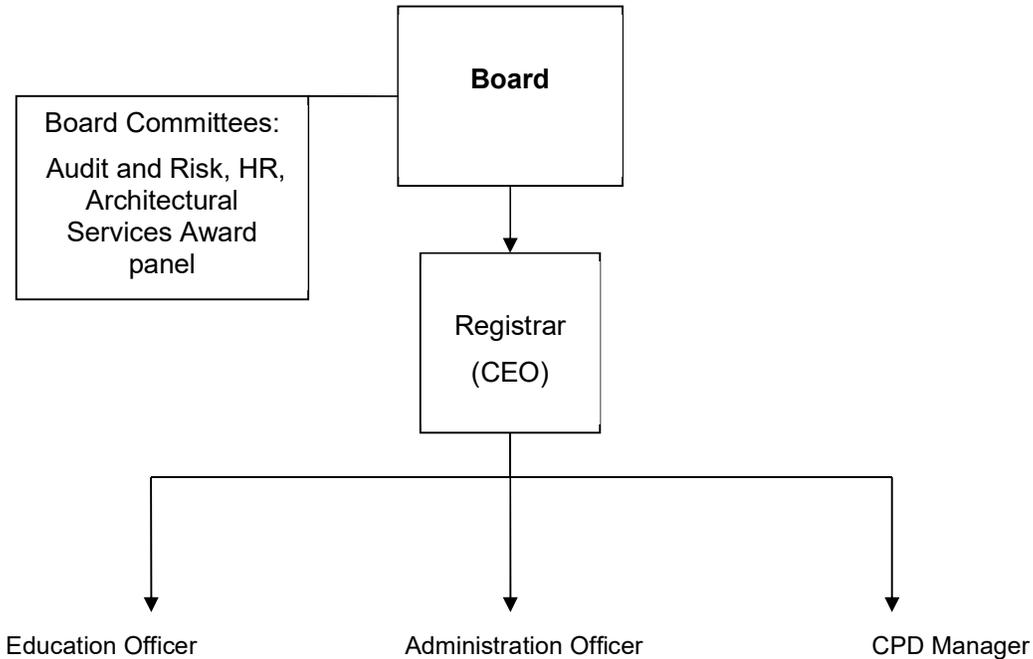
Improve the National Examination Paper of the APE

The ARBV led an initiative taken to the AACA Conference in September 2016 to reform the NEP based on accepted best assessment practice in partnership with the Australian Centre for Educational Research (ACER). National agreement was obtained and the project is well underway for implementation in 2018.

Review and improve ways of advancing architectural education S59(b)

Discussions have been held and are ongoing with the four schools of architecture on research and travelling grants proposals with implementation planned in 2017. There are a number of initiatives being considered with very positive feedback from the schools.

ARBV Organisational Chart



The Board has contracted Karl Augustin of August Consulting Services to provide financial and accountancy services and contracted Adrian Magee of Magee Consulting Services to manage compliance matters. A casual employee has been employed for the year.

Other ARBV bodies and groups:

- Architects Tribunal Panel
- Examiners
- Interim Review Panels and National Review Panels for accreditation of the schools of architecture

The Audit and Risk Committee: Board members on the committee are Venise Reilly, Arianne Rose and David Islip. The independent Chairperson is David Nairn. The Board Chairperson is entitled to attend meetings.

The Human Resources Committee is chaired by David Sainsbery. The other member is David Islip.

COMPLIANCE WITH THE ARCHITECTS ACT 1991

The purpose of the Architects Act 1991 is consumer protection. The Act:

- controls the title “architect” so consumers can be confident that a person so described actually is an architect;
- requires practising architects to have compliant professional indemnity insurance; and
- regulates the professional conduct of architects and provides for investigations and inquiries into the professional conduct of architects.

Administration of compliance measures is carried out by the Compliance Consultant. This involves investigative and legal services, provision of hearing space, and other administrative costs.

Offences against the Act – Title Breaches

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 preventing persons who are not architects from “holding out” as architects.

The Board investigates allegations of misuse of the title, as well as undertaking investigations on its own behalf. In the reporting period, 72 possible breaches of the Act were investigated, and numerous telephone enquiries regarding registration status of individuals and firms were received and responded to.

If after investigation it appears that there is or has been a breach of the Act, 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 for legal advice regarding prosecution in the Magistrates Court.

During this reporting period, 46 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.

Eight prosecutions were completed during the reporting period (*see below*). Twelve matters have been referred for advice regarding prosecution.

Title breach actions - summary

	2014 - 2015	2015-2016	2016 - 2017
Number of Title breach investigations	50	51	72
Number of letters of compliance issued	34	37	46
Number of referrals for advice re prosecution	7	3	12
Number of completed prosecutions	3	3	8

Compliance with Professional Indemnity Insurance requirements

The Act (Section 8B and 8C) requires practising architects to have professional indemnity insurance that complies with requirements set out in the *Architects Insurance Ministerial Order*. Practising architects are required to provide proof to the Board that they hold such insurance. The Board audits compliance with this requirement and suspends the registration of architects who fail to comply.

Complaints against Architects

The Act (Section 18) provides that the Board, on its own initiative or the complaint of any person, may determine whether an inquiry into an architect's fitness to practise or professional conduct should be held. The professional conduct of architects is governed by the "Victorian Architects Code of Professional Conduct", which is part of the *Architects Regulations 2015*. The Board has developed a strategy to monitor and report on compliance with the Code and targeted enforcement that is proportionate to risk category. As part of this, the Board has implemented a Guideline to the Code, and consulted with business and the broader community as appropriate. Amongst other strategies for monitoring Code compliance are:

- assessment of issues arising from enquiries from the public;
- assessment of issues arising from formal complaints against architects;
- assessment of issues forming Architects Tribunal inquiries.

Amongst strategies for encouraging familiarity with the Code are the Board's ongoing communication with the public and the profession via CPD, its website, Twitter and other social media.

Each year the Board receives enquiries related to the services of architects. In many cases, the caller is not intending to lodge a complaint but is seeking information or clarification of rights and responsibilities, normal practice and reasonable expectations of architects. 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 are able 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 appear to be grounds for further inquiry, it refers the matter to a separate body called the Architects Tribunal, which conducts the inquiry. The Tribunal operates independently of the Board.

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.

Architects Tribunals

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. The Panel members are:

Bruce Allen, Margaret Pitt, Peter McEwan, Tony Mussen, 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, Bronwyn Naylor, Peter Harkness.

Membership of Tribunal

- (1) A Tribunal must consist of—
 - (a) one person who is a practising architect;
 - (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.

Number of Complaints & Architects Tribunal Inquiries

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.

The Board received 14 complaints. The Board did not find grounds for referral to inquiry in 8 cases; 4 have been referred to Tribunal inquiry; and 2 complaints are still under review.

2 Architects Tribunal inquiries were concluded during the reporting period.

In the previous reporting period (2015-2016) an architect found against by a Tribunal inquiry applied to VCAT for a review of the Architects Tribunal decision. VCAT upheld the Architects Tribunal's decision. The architect then applied to the Supreme Court for leave to appeal the VCAT decision. In May 2017 the Court dismissed the application.

	2014 - 2015	2015 - 2016	2016 - 2017
Number of complaints received	10	13	14
Complaint reviews pending	3	3	4
Number of complaints referred to Tribunal	0	2	4
Number of Tribunal inquiries completed	1	2	2

Registrations and Architectural Practice Examination Statistics

NEW REGISTRATIONS	2012-13	2013-14	2014-15	2015-16	2016-17
Female	116	87	93	95	127
Male	165	141	152	176	177
Total	281	228	245	271	304
Company / Partnerships	56	78	76	82	73
Total on Register	4718	4735	4885	5145	5187
Total on Register as at 30/06	2012-13	2013-14	2014-15	2015-16	2016-17
Retired*	225	231	N/A*	N/A	N/A
Non-Practising	840	767	1204	1227	1141
Practising	3558	3642	3681	3918	4046
Non-Practising Exempt*	90	0	N/A*	N/A	N/A
Practising Exempt*	5	95	N/A*	N/A	N/A
Company / Partnership	881	908	936	986	1001
APE (Part 3)	2012-13	2013-14	2014-15	2015-16	2016-17
Number of Candidates	273	233	224	250	248
Number of Pass	241	207	199	226	224
Number of Fail	32	26	25	24	24
Female	101	104	89	104	97
Male	172	129	135	146	151

*The Architects Regulations 2015 abolished the retired class of registration

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.

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Legislation	Requirement	Page reference
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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

<p><u>Goal 1</u></p> <p>Report on the Statement of Expectations</p> <p>Review of the Act</p>	<p>Main tasks:</p> <p>Adopt a reporting procedure</p> <p>Obtain Minister's consent to a revision.</p>	<p>Strategy:</p> <p>Work with the assistance of the DELWP following the SoE report.</p>	<p>Outcome:</p> <p>Work in progress</p>
<p><u>Goal 2</u></p> <p>Improve Communications</p>	<p>Main tasks:</p> <p>Redevelop the website, build a social media profile, support sponsorships.</p>	<p>Strategy:</p> <p>Engage website developers to rebrand the website and improve functionality.</p>	<p>Outcome:</p> <p>Completed</p>
<p><u>Goal 3</u></p> <p>CPD</p>	<p>Main tasks:</p> <p>Provide online and face to face activities funded by the ARBV</p>	<p>Strategy:</p> <p>Communication</p>	<p>Outcome:</p> <p>Architects increasing CPD engagement</p>
<p><u>Goal 4</u></p> <p>Promote Good Professional Practice and Conduct through the Code</p>	<p>Main tasks:</p> <p>1 Professional Practice Awards</p> <p>2. Architectural Services Award</p>	<p>Strategy:</p> <p>Communication and CPD</p>	<p>Outcome:</p> <p>Code adhered to by architects</p>
<p><u>Goal 5</u></p> <p>Extend pathways to registration</p>	<p>Main tasks:</p> <p>Include ways for overseas registered and locally experienced practitioners to be registered.</p>	<p>Strategy:</p> <p>Work with AACA to implement nationally agreed pathways</p>	<p>Outcome:</p> <p>Complete and underway.</p>
<p><u>Goal 6</u></p> <p>Improve the NEP</p>	<p>Main tasks:</p> <p>Prepare proposal for presentation to the AACA Conference in September.</p>	<p>Strategy:</p> <p>Work with ACER</p>	<p>Outcome:</p> <p>Approved and underway for implementation 2018.</p>
<p><u>Goal 7</u></p> <p>Review and improve ways of advancing architectural education.</p>	<p>Main tasks:</p> <p>Collaboration with the four schools of architecture</p>	<p>Strategy:</p> <p>Develop proposals for research grants</p>	<p>Outcome:</p> <p>Meetings held November and March.</p>

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 OH&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. OH&S procedures include:

- vaccinations for influenza, 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.
- staff are encouraged to monitor their sedentary hours, regularly move around the office, address back and shoulder strain caused by computer work, 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 with staff reporting their satisfaction in the “high” category. Regular OH&S reports are made to the Board meeting.

FREEDOM OF INFORMATION ACT 1982

The *Freedom of Information Act 1982* allows public access to documents held by the ARBV. There was 1 FOI application processed in the reporting period.

The FOI Officer is the Administration Officer who reports regularly to the Board, and if required, the Registrar reviews FOI decisions.

STATEMENT ON NATIONAL COMPETITION POLICY

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

COMPLIANCE WITH THE PROTECTED DISCLOSURES ACT 2012

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

The ARBV does not tolerate improper conduct by employees, or the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

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

Reporting procedures

Disclosures of improper conduct or detrimental action by the ARBV or any of its employees and/or officers may be made to any of the following ARBV personnel:

- the Protected Disclosure Coordinator
- the Registrar
- the Chairperson of the Board

Alternatively, disclosures of improper conduct or detrimental action by the ARBV or any of its employees and/or officers may also be made directly to the Independent Broad-based Anti-Corruption Commission:

Level 1, North Tower, 459 Collins Street
Melbourne, VIC 3000
Phone: 1300 735 135
Internet: www.ibac.vic.gov.au

Further information

The Protected Disclosure Policy and Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by the ARBV or any of its employees and/or officers, are available from the ARBV.

COMPLIANCE WITH THE MINISTERIAL STANDING DIRECTION 4.5.5 RISK MANAGEMENT

The ARBV is AS/NZS ISO 31000: Risk Management-Principles and Guidelines compliant and an appropriate financial risk management framework is in place. The Board has a financial risk management policy and internal systems in place to address key risks. The internal auditor for the ARBV is LDAssurance who report directly to the Audit and Risk Committee.

Disclosures under the Protected Disclosure Act 2012

	2015-16	2016-17
	Number	Number
The number of disclosures made by an individual to the ARBV and notified to the Independent Broad-based Anti-corruption Commission from 30 June 2014- 1st July 2016:		
Assessable disclosures	0	0

AVAILABILITY OF FURTHER INFORMATION

Information relevant to Financial Reporting Direction 22D of the *Financial Management Act 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

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 and the installation of blinds has reduced some of the need for air conditioning.

Secure bins are used to dispose of confidential documents, which are collected regularly.

The ARBV office has transferred the majority of paper records to electronic storage in the cloud and on offsite servers. Board agenda and minute papers are now distributed via Dropbox.

Parking fees in parking buildings are no longer a claimable expense for examiners, to encourage the use of public transport.

DISABILITY ACTION PLAN

The ARBV has a Disability Action Plan approved by the Board.

List of ARBV Chairpersons and Registrars since 1923

1. Edward Bates	1923-1931	1. William Campbell	1923-1929
2. William Godfrey	1931-1934	2. John Islip	1929-1970
	Plus a period 1924-1925 as acting chair		Charles Serpell was acting registrar 1942-1946 while John Islip was on leave having enlisted in the Royal Australian Air Force.
3. Kingsley Henderson	1934-1939	3. John Janicke	1970-1971
4. John Gawler	1939-1946	4. Tom Cranston	1971-1972
5. Stanley Parkes	1946-1966	5. Raymond Wilson	1972-1972
6. Harry Winbush	1966-1971	6. Noel Bewley	1972-1986
7. Ronald Lyon	1971-1975	7. Mary Mauthoor	1986-1992
8. R.J.Gibson	1975-1983	8. Jeffrey Keddie	1992-1998
9. J.F.Swan	1983-1985	9. Michael Kimberley	1998-2008
10. A.Rodger	1985-1988	10. Alison Ivey	2008-
11. Peter Williams	1988-1997		
12. Robert McGauran	1997-2000		
13. Andrew Hutson	2000-2012		
14. David Sainsbery	2012-		

Mandatory Requirements of the Victorian Government Risk Management Framework

Statement by the Architects Registration Board of Victoria for the year ended 30 June 2017

Accountable Officer's and Responsible Body's attestation

I, Alison Ivey certify that the Architects Registration Board of Victoria has complied with the *Ministerial Standing Direction 4.5.5 –Risk Management Framework and Processes*. The ARBV Audit and Risk Committee verifies this.



Accountable Officer

Alison Ivey

Registrar

Annual Report 2016/2017 (Financials)

ARBV five year financial summary

	2017	2016	2015	2014	2013
	\$	\$	\$	\$	\$
Total income from transactions	1,975,946	1,810,632	1,655,000	1,562,960	1,260,102
Total expenses from transactions	1,805,602	1,478,554	1,291,077	1,308,601	1,073,398
Sponsorships and donations (i)	70,000	31,500	17,000	17,000	10,000
Net result for the period	171,000	331,761	363,923	254,359	186,704
Net cash flows from operating activities	152,876	460,271	469,288	236,324	280,993
Total assets	2,494,405	2,340,591	1,854,870	1,432,493	1,198,514
Total liabilities	1,199,563	1,216,749	1,062,789	1,004,335	1,024,715

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

DECLARATION IN THE FINANCIAL STATEMENTS

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2017 and financial position of the ARBV at 30 June 2017.

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 6th October 2017.



K Augustin

Chief Finance Officer
ARBV

Melbourne
6th October 2017



A Ivey

Registrar
ARBV

Melbourne
6th October 2017



D Sainsbery

Chairman of the Board
ARBV

Melbourne
6th October 2017.



Independent Auditor's Report

To the Board Members of the Architects Registration Board of Victoria

Opinion	<p>I have audited the financial report of the Architects Registration Board of Victoria (the board) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2017 • 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 a summary of significant accounting policies • declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the board as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the board in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board Members's responsibilities for the financial report	<p>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 and the <i>Financial Management Act 1994</i>, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board Members are responsible for assessing the board's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the board's **internal control**
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members
- conclude on the appropriateness of the Board Members' **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 board'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** board 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 Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
11 October 2017



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement
for the financial year ended 30 June 2017

	Notes	2017	2016
		\$	\$
Continuing operations			
Income from transactions			
Revenue from continuing operations	2	1,975,946	1,810,632
Total income from transactions		1,975,946	1,810,632
Expenses from transactions			
Application for registration		5,377	6,228
Annual registration		4,930	4,915
Employee and contractor expenses		535,033	497,622
Professional services		451,765	378,475
Administration	3(a)	403,534	226,498
Registration examinations		158,903	155,310
Occupancy		167,585	163,319
Depreciation	6	8,475	14,687
Sponsorships and donations	3(b)	70,000	31,500
Total expenses from transactions		1,805,602	1,478,554
Net result from transactions (net operating balance)		170,344	332,078
Other economic flows included in net result			
Other gains/(losses) from other economic flows	3(c)	656	(317)
Comprehensive result		171,000	331,761

The comprehensive operating statement should be read in conjunction with the notes to the financial statements

Balance Sheet
as at 30 June 2017

	Notes	2017	2016
Assets		\$	\$
Financial assets			
Cash and deposits	4(a)	781,911	1,351,624
Receivables	5	85,244	81,423
Investments and other financial assets	4(b)	1,560,000	850,000
Total financial assets		2,427,155	2,283,047
Non-financial assets			
Prepayments		42,659	36,487
Plant and equipment	6	24,591	21,057
Total non-financial assets		67,250	57,544
Total assets		2,494,405	2,340,591
Liabilities			
Annual registration fees received in advance	7(c)	1,055,059	1,002,423
Payables	7(a)	88,399	161,270
Provisions	7(b)	56,105	53,056
Total liabilities		1,199,563	1,216,749
Net assets		1,294,842	1,123,842
Equity			
Contributed capital	8	221,718	221,718
Accumulated surplus / (deficit)	9	1,073,124	902,124
Net worth		1,294,842	1,123,842

The balance sheet should be read in conjunction with the notes to the financial statements.

Commitments	11
Contingent assets and contingent liabilities	12

Statement of Changes in Equity
for the financial year ended 30 June 2017

	<i>Notes</i>	<i>Accumulated Surplus</i>	<i>Contributed Capital</i>	<i>Total</i>
		\$	\$	\$
Balance at 1 July 2015		570,363	221,718	792,081
Net result for the year		331,761	0	331,761
Balance at 30 June 2016		902,124	221,718	1,123,842
Net result for the year		171,000	0	171,000
Balance at 30 June 2017		1,073,124	221,718	1,294,842

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

Cash Flow Statement
for the financial year ended 30 June 2017

		2017	2016
	Notes	\$ Inflows (Outflows)	\$ Inflows (Outflows)
Cash flows from operating activities			
Receipts:			
Interest		30,082	32,435
Receipts from subscribers and sundry income		2,107,215	1,934,909
Total receipts		2,137,297	1,967,344
Payments:			
Payments to suppliers and employees		(1,984,421)	(1,507,073)
Total payments		(1,984,421)	(1,507,073)
Net cash flows from / (used in) operating activities	10	152,876	460,271
Cash flows from investing activities:			
Investment in term deposits		(710,000)	0
Payments for plant and equipment		(12,589)	(8,147)
Net cash flows from / (used in) investing activities		(722,589)	(8,147)
Net increase (decrease) in cash and cash equivalents		(569,713)	452,124
Cash and cash equivalents at beginning of financial year		1,351,624	899,500
Cash and cash equivalents at end of financial year	4(a)	781,911	1,351,624

The above cash flow statement should be read in conjunction with the notes to the financial statements.

Notes to the financial statements for the financial year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies

These annual financial statements represent the general purpose financial statements for the Architects Registration Board of Victoria (ARBV) for the financial year ended 30 June 2017. The purpose of the report is to provide users with information about the ARBV's stewardship of resources entrusted to it.

(a) Statement of compliance

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

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

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 19.

These annual financial statements were authorised for issue by the Chairperson of the ARBV on the 6th October 2017.

(b) Basis of accounting preparation and measurement

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

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

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

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

Reporting entity

The financial statements cover the ARBV as an individual reporting entity.

Its principal address is:

The Architects Registration Board of Victoria

Level 7, 372 Albert Street

East Melbourne VIC 3002

Note 1. Summary of Significant Accounting Policies (continued)

(c) Scope and presentation of financial statements

Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, represents the net result.

The net result is equivalent to profit or loss derived in accordance with AASs.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

Refer to Note 19 Glossary for the definitions of 'transactions included in net result', 'other economic flows included in net result' and 'other economic flows – other comprehensive income'.

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities (non-current being those assets or liabilities expected to be recovered or settled more than 12 months after the reporting period) are disclosed in the notes, where relevant.

Statement of changes in equity

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'comprehensive result' and amounts recognised in 'transactions with owners in its capacity as owner'.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements of AASB 107 *Statement of Cash Flows*.

Rounding

Amounts in the financial statements have been rounded to the nearest dollar, unless otherwise stated. Figures in the financial statements may not equate due to rounding. Please refer to the end of Note 19 for a style convention for explanations of minor discrepancies resulting from rounding.

Note 1. Summary of Significant Accounting Policies (continued)

(d) Financial Assets

Cash and deposits

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

Receivables

Receivables consist of:

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

Contractual receivables are classified as financial instruments and categorised as receivables (refer to Note 14 Financial Instruments for recognition and measurement). Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

Investments and other financial assets

Investments are classified as loans and receivables.

Any interest earned on the financial asset is recognised as a transaction.

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 bad and doubtful debts 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 doubtful receivables are classified as other economic flows in the net result.

(e) Other non-financial assets

Prepayments

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

Note 1. Summary of Significant Accounting Policies (continued)

(f) Liabilities

Payables

Payables consist of:

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

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

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

Provisions

Provisions are recognised when the ARBV has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using discount rate that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee benefits

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

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave are recognised in the provision for employee benefits as “current liabilities” because the ARBV does not have an unconditional right to defer settlement of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, and annual leave are measured at:

- nominal 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.

(ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements 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.

Note 1. Summary of Significant Accounting Policies (continued)

Employee benefit provisions (continued)

The components of this current LSL liability are measured at:

- nominal value if the ARBV expects to wholly settle within 12 months; and
- present value if the ARBV does not expect to wholly settle within 12 months.

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

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

(iii) Termination benefits

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

(iv) Employee benefits on-costs

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

(g) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the ARBV and the income can be reliably measured at fair value.

Revenue is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent it is earned.

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 registration year are recognised as fees received in advance at year end, as the service has not yet been provided.

Interest

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

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

(h) Expenses from transactions

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

Note 1. Summary of Significant Accounting Policies (continued)

Employee expenses

Refer to Note 1(f) regarding provisions - employee benefits.

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

Superannuation

Defined Contribution Plans

The amount recognised as an expense is the employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period.

Defined Benefit Plans

The ARBV does not have a defined benefit plan.

Depreciation

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

Leasehold improvements are depreciated over the period of the lease using the straight-line method.

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

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

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

Other operating expenses

Other operating expenses generally represent the day to day running costs incurred in normal operations and include:

Supplies and services

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

Note 1. Summary of Significant Accounting Policies (continued)

(i) Other economic flows included in the net result

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets includes realised and unrealised gains and losses from:

Revaluation gain/(loss) of non-financial physical assets

Refer to Note 1(e) Other non-financial assets.

Net gain/(loss) on disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is the difference between the proceeds and the carrying value of the asset at the time.

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from:

The revaluation of the present value of the long service leaves liability due to changes due to changes in inflation factors and discount rates.

Note 1. Summary of Significant Accounting Policies (continued)

Impairment of non-financial assets

All assets are assessed annually for indications of impairment, except for non-current physical assets held for sale.

If there is an indication of impairment, the asset concerned is tested as to whether its carrying value exceeds its 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 applicable to that class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction 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.

(j) Financial instruments

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. Such financial assets and financial liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Receivables

Receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. The receivables category includes cash and deposits, term deposits with maturity greater than three months, trade and other receivables, but not statutory receivables.

Financial instrument liabilities measured at amortised cost include all of the ARBV's contractual payables, deposits held and advances received, and interest bearing arrangements.

(k) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

The ARBV as lessee

Operating Leases

Operating lease payments, including any contingent rentals, are recognised as an expense 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. The leased asset is not recognised in the balance sheet.

Note 1. Summary of Significant Accounting Policies (continued)

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight line basis, unless 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 is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

(l) Income taxes

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

(m) Accounting for the goods and services tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, except where GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, the GST payable 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 also stated inclusive of GST.

(n) Corporate structure

The ARBV is a statutory body established by the *Architects Act 1991*.

(o) Equity

Contributed capital

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

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

(p) Australian Accounting Standards issued that are not yet effective

Certain Australian Accounting Standards (AAS) have been published that are not mandatory for the 30 June 2017 reporting period. DTF assesses the impact of these standards and advises the ARBV of their applicability and early adoption where applicable. Please refer to Appendix 2 for the detailed list of the AASs issued but are not yet effective for the 2016/17 reporting period.

Notes to the financial statements for the financial year ended 30 June 2017

NOTE 2. Income from transactions

	2017	2016
	\$	\$
Income		
Revenue from fees:		
Annual registration	1,550,546	1,469,317
Application and revocation	72,342	64,846
Revenue from examinations:		
Examination	218,410	202,250
Interest received:		
Interest on bank deposits	34,583	32,531
Sundry income	465	170
Legal fees recovery	99,600	41,518
Total income from transactions	1,975,946	1,810,632

NOTE 3(a). Administration expenses

The Administration expenses comprise

	2017	2016
	\$	\$
Finance and bank charges	42,945	41,506
Advertising	2,951	3,131
Travel and accommodation	10,416	7,170
Awards	28,358	9,580
Service and maintain office equipment	7,147	6,261
IT and computer services	102,264	81,351
Other expenses	13,948	11,603
Loss on disposal of non-financial assets	580	0
Subscriptions	29,535	30,195
Postage	3,311	4,881
Board initiative - Acumen	30,593	0
Board initiative - Communications	73,574	12,600
Board initiative - CPD	14,730	0
Board initiative - Research	43,182	0
Board initiative - Other	0	18,220
Total administration expenses	403,534	226,498

NOTE 3(b). Sponsorships and Donations

	2017	2016
	\$	\$
Sponsorships and donations	70,000	31,500
Total sponsorships and donations	70,000	31,500

In 2017 the ARBV board agreed to continue the sponsorship of the Melbourne Open House speaker series and provided a donation to the Robin Boyd Foundation.

Notes to the financial statements for the financial year ended 30 June 2017

Note 3(c). Other economic flows included in net result

	2017	2016
Other gains/(losses) from other economic flows	\$	\$
Net gain/(loss) arising from revaluation of long service liability ⁽ⁱ⁾	656	(317)
Total other gains/(losses) from other economic flows	656	(317)

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

NOTE 4(a). Cash and deposits

	2017	2016
	\$	\$
Cash on hand	360	360
Cash at bank	781,551	1,351,264
Total Cash and cash equivalents	781,911	1,351,624

NOTE 4(b). Investments and other financial assets

	2017	2016
	\$	\$
Term deposits	1,560,000	850,000
Total Investments and other financial assets	1,560,000	850,000

NOTE 5. Receivables

	2017	2016
	\$	\$
Contractual		
Security deposit bond	68,861	68,861
Interest receivable	5,361	860
	74,222	69,721
Statutory		
GST receivable	11,022	11,702
	11,022	11,702
Total Receivables	85,244	81,423

Notes to the financial statements for the financial year ended 30 June 2017

NOTE 6. Plant and equipment

	2017	2016
	\$	\$
Office equipment at fair value	95,755	89,878
Accumulated depreciation	(75,244)	(74,261)
	20,511	15,617
Leasehold improvements at fair value	35,955	306,191
Accumulated depreciation	(31,875)	(300,751)
	4,080	5,440
	24,591	21,057

These assets are all classified as public administration fixed assets.

Movements in carrying amounts

	2017	Office Equipment	Leasehold Improvements	Total
		\$	\$	\$
Opening balance		15,617	5,440	21,057
Additions		12,589	0	12,589
Disposals		(580)	0	(580)
Depreciation		(7,115)	(1,360)	(8,475)
Closing balance		20,511	4,080	24,591

	2016	Office Equipment	Leasehold Improvements	Total
		\$	\$	\$
Opening balance		20,848	6,749	27,597
Additions		1,346	6,801	8,147
Disposals		0	0	0
Depreciation		(6,577)	(8,110)	(14,687)
Closing balance		15,617	5,440	21,057

Aggregate depreciation recognised as an expense during the year

	2017	2016
	\$	\$
Office equipment at fair value	7,115	6,577
Leasehold improvements at fair value	1,360	8,110
	8,475	14,687

Note 1. Summary of Significant Accounting Policies (continued)

Plant and equipment

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

Fair value measurement hierarchy for assets as at 30 June 2017

	Carrying amount as at 30 June 2017	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
Property, plant and equipment at fair value				
Leasehold Improvements	4,080			4,080
Office equipment	20,511			20,511
Total plant and equipment at fair value	24,591			24,591

Description of significant unobservable inputs into level 3 valuations

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

Plant and equipment

Plant and equipment is held at fair value. Fair value is determined using the depreciated replacement cost method. For all assets measured at fair value, the current use is considered the highest and best use.

Notes to the financial statements for the financial year ended 30 June 2017

NOTE 7(a). Payables

	2017	2016
	\$	\$
Contractual		
Accrued expenses	20,914	53,247
Creditors	57,217	94,458
Other	1,299	1,313
	79,430	149,018
Statutory		
PAYG liability	7,882	6,540
Superannuation	136	4,773
FBT	951	939
	8,969	12,252
Total Payables	88,399	161,270

NOTE 7(b). Provisions

	2017	2016
	\$	\$
Current provisions		
Employee benefits – annual leave:		
Unconditional and expected to settle within 12 months (i)	864	(4,843)
Employee benefits – long service leave:		
Unconditional and expected to be settled within 12 months	42,618	44,695
Provisions related to employee benefit on-cost:		
Unconditional and expected to be settled within 12 months	4,350	4,438
Total current provisions	47,832	44,290
Non-current provisions		
Employee benefits	7,521	7,888
Employee benefits on costs	752	878
Total non-current provisions	8,273	8,766
Total provisions	56,105	53,056

Employee benefits and related on-costs

Current employee benefits		
Annual leave entitlements(i)	864	(4,843)
Long service leave entitlements	42,618	44,695
Non-current employee benefits		
Long service leave entitlements	7,521	7,888
Total employee benefits	51,003	47,740
Current on-costs	4,350	4,438
Non-current on-costs	752	878
Total on-costs	5,102	5,316
Total employee benefits and related on-costs	56,105	53,056

(i) The negative value in the prior year represents annual leave taken in advance.

Notes to the financial statements for the financial year ended 30 June 2017

NOTE 7(c). Annual registration fees received in advance

	2017	2016
	\$	\$
Practising	757,636	712,566
Company	269,608	255,816
Partnership	6,755	5,933
New applications for board approval	21,060	28,108
Total annual registration fees received in advance	1,055,059	1,002,423

NOTE 8. Contributed Capital

	2017	2016
	\$	\$
Balance at beginning of the year	221,718	221,718
Balance at end of the year	221,718	221,718

NOTE 9. Retained surplus / (Accumulated losses)

	2017	2016
	\$	\$
Opening balance	902,124	570,363
Net surplus / loss for the year	171,000	331,761
Closing balance	1,073,124	902,124

NOTE 10. Reconciliation of net result for the year to net cash flows provided (used) in operating activities

	2017	2016
	\$	\$
Operating result for the period	171,000	331,761
Add non-cashflows		
Depreciation	8,475	14,687
Loss on disposal of non-financial assets	580	0
Changes in Assets & Liabilities		
(Increase)/decrease in current receivables	(3,821)	(22,153)
(Increase)/decrease in prepayments	(6,172)	(17,984)
(Decrease)/increase in current payables	(72,871)	71,481
(Decrease)/increase in annual registration fees received in advance	52,636	86,273
(Decrease)/increase in provisions	3,049	(3,794)
Net cash flows provided (used) by operating activities	152,876	460,271

NOTE 11. Commitments

As at 30 June 2017 there were no capital or expenditure commitments (2016 nil).

NOTE 12. Contingent assets and contingent liabilities

As at 30 June 2017 there were no contingent assets and contingent liabilities in existence (2016 nil).

NOTE 13. Subsequent events

As at 30 June 2017 there were no subsequent events.

Notes to the financial statements for the financial year ended 30 June 2017

Note 14. Financial Instruments

(a) Financial risk management objectives and policies

The ARBV's principal financial instruments comprise:

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

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

The ARBV's main financial risks include credit risk, liquidity risk and interest rate risk.

The ARBV manages these financial risks in accordance with its financial risk management policy.

The ARBV uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Audit and Risk Committee of the Board.

Categorisation of financial instruments

	Note	Carrying Amount 2017	Carrying Amount 2016
		\$	\$
Contractual Financial Assets			
Cash and deposits	4(a)	781,911	1,351,624
Receivables	5	74,222	69,721
Term deposits	4(b)	1,560,000	850,000
Total Contractual Financial Assets		2,416,133	2,271,345
Financial Contractual Liabilities			
Payables	7(a)	79,430	149,018
Total Contractual Financial Liabilities		79,430	149,018

Notes to the financial statements for the financial year ended 30 June 2017

NOTE 14. Financial Instruments (continued)

(b) Interest rate risk

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

2017

	Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	\$	\$	\$	\$
Contractual Financial Assets				
Cash and deposits	781,911	0	781,551	360
Receivables	74,222	0	68,861	5,361
Term deposits	1,560,000	1,560,000	0	0
Total Contractual Financial Assets	2,416,133	1,560,000	850,412	5,721
Weighted Average Interest Rate		2.37%	0.20%	0%
Contractual Financial Liabilities				
Payables	79,430	0	0	79,430
Total Contractual Financial Liabilities	79,430	0	0	79,430
Weighted Average Interest Rate		0%	0%	0%
Net Contractual Financial Assets/ Liabilities	2,336,703	1,560,000	850,412	-73,709

2016

	Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	\$	\$	\$	\$
Contractual Financial Assets				
Cash and deposits	1,351,624	0	1,351,264	360
Receivables	69,721	0	68,861	860
Term deposits	850,000	850,000	0	0
Total Contractual Financial Assets	2,271,345	850,000	1,420,125	1,220
Weighted Average Interest Rate		2.56%	0.60%	0%
Contractual Financial Liabilities				
Payables	149,018	0	0	149,018
Total Contractual Financial Liabilities	149,018	0	0	149,018
Weighted Average Interest Rate		0%	0%	0%
Net Contractual Financial Assets/ Liabilities	2,122,327	850,000	1,420,125	-147,798

Notes to the financial statements for the financial year ended 30 June 2017

NOTE 14. Financial Instruments (continued)

(c) Fair Value

The ARBV considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

The following table shows that the fair values of most of the contractual financial assets and liabilities are the same as the carrying amounts:

Financial Instruments	Carrying amount		Fair value	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial Assets				
Cash and deposits	781,911	1,351,624	781,911	1,351,624
Receivables	74,222	69,721	74,222	69,721
Term deposits	1,560,000	850,000	1,560,000	850,000
Total Financial Assets	2,416,133	2,271,345	2,416,133	2,271,345
Financial Liabilities				
Payables	79,430	149,018	79,430	149,018
Total Financial Liabilities	79,430	149,018	79,430	149,018

Notes to the financial statements for the financial year ended 30 June 2017

NOTE 14. Financial Instruments (continued)

(d) Credit risk

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

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

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

	Other (min triple-B credit rating)	Other (not rated)	Total
	\$	\$	\$
2017			
Cash and deposits	781,551	360	781,551
Security deposit bond	0	68,861	68,861
Term deposits	1,560,000	0	1,560,000
Total contractual financial assets	2,341,551	69,221	2,410,412
2016			
Cash and deposits	1,351,264	360	1,351,264
Security deposit bond	0	68,861	68,861
Term deposits	850,000	0	850,000
Total contractual financial assets	2,201,264	69,221	2,270,125

Notes to the financial statements for the financial year ended 30 June 2017

NOTE 14. Financial Instruments (continued)

Ageing analysis of contractual financial assets 2017

	Carrying Amount	Not past due and not impaired	Less than 1 month	Past due but not Impaired
	\$	\$	\$	\$
Investments and other contractual financial assets				
Australian dollar term deposits > 3 months	1,560,000	1,560,000		
Security deposit bond	68,861	68,861	0	0
Total	1,628,861	1,628,861	0	0

2016

	Carrying Amount	Not past due and not impaired	Less than 1 month	Past due but not Impaired
	\$	\$	\$	\$
Investments and other contractual financial assets				
Australian dollar term deposits > 3 months	850,000	850,000		
Security deposit bond	68,861	68,861	0	0
Total	918,861	918,861	0	0

(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

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.

Notes to the financial statements for the financial year ended 30 June 2017

NOTE 14. Financial Instruments (continued)

(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.

Maturity Analysis of contractual liabilities

2017	Carrying Amount	Nominal Amount	Maturity Dates	
			Less than 1 month	1-3 months
	\$	\$	\$	\$
Payables				
Supplies and services	57,217	57,217	57,217	0
Other payables	22,213	22,213	22,213	0
Total	79,430	79,430	79,430	0

2016	Carrying Amount	Nominal Amount	Maturity Dates	
			Less than 1 month	1-3 months
	\$	\$	\$	\$
Payables				
Supplies and services	94,458	94,458	94,458	0
Other payables	54,560	54,560	54,560	0
Total	149,018	149,018	149,018	0

(g) Interest rate risk sensitivity

	Carrying amount	Interest rate			
		-100 basis points		+100 basis points	
		Net result	Available-for-sale revaluation surplus	Net result	Available-for-sale revaluation surplus
2017					
Contractual financial assets	\$	\$		\$	
Cash and deposits ⁽ⁱ⁾	781,911	(7,819)	..	7,819	..
Total impact		(7,819)	..	7,819	..
2016		-100 basis points		+100 basis points	
Contractual financial assets					
Cash and deposits ⁽ⁱ⁾	1,351,624	(13,516)	..	13,516	..
Total impact		(13,516)	..	13,516	..

Notes:

(i) Cash and deposits includes a deposit of \$781,911 (2016: \$1,351,624 that is exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

2017: $\$781,911 \times -0.01 = -\$7,819$; and $\$781,911 \times 0.01 = \$7,819$; and

2016: $\$1,351,624 \times -0.01 = -\$13,516$; and $\$1,351,624 \times 0.01 = \$13,516$.

Notes to the financial statements for the financial year ended 30 June 2017

NOTE 15(a). Responsible persons

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

(a) The persons who held the positions of minister and accountable officers in the ARBV are as follows:

Names

Minister for Planning	The Hon Richard Wynne, MLA	(1 July 2016 to 30 June 2017)
Chairperson	Mr David Sainsbery	(1 July 2016 to 30 June 2017)
Deputy Chairperson	Mr David Islip	(1 July 2016 to 30 June 2017)
ARBV member	Ms Venise Reilly	(1 July 2016 to 30 June 2017)
ARBV member	Mr Ian Sutter	(1 July 2016 to 30 June 2017)
ARBV member	Ms Debra Low Choy	(1 July 2016 to 30 June 2017)
ARBV member	Ms Helen Mathew	(1 July 2016 to 30 June 2017)
ARBV member	Ms Arianne Rose	(1 July 2016 to 30 June 2017)
ARBV member	Ms Dione Wright	(1 July 2016 to 30 June 2017)
ARBV member	Mr Peter Bowtell	(1 July 2016 to 30 June 2017)
ARBV member	Ass. Prof. Clare Newton	(1 July 2016 to 30 June 2017)
ARBV Accountable Officer	Ms Alison Ivey	(1 July 2016 to 30 June 2017)

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

Income Band	Number	
	2017	2016
\$0- \$9,999 (Board Members)	9	10
\$10,000- \$19,999 (Board Members)	1	1
Total number of executives	10	11
\$160,000 - \$169,999 (Accountable Officer)	1	1
Total annualised employee equivalents	1	1
Total remuneration	\$216,081	\$203,226

Notes to the financial statements for the financial year ended 30 June 2017

Note 15(b). Remuneration of Executives

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

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

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

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

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

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

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

Remuneration	2017
	\$
Short term employee benefits	198,333
Post-employment benefits	14,051
Other long-term employee benefits	3,698
Termination benefits	0
Total remuneration	216,081
Total number of executives (b)	11
Total annualised employee equivalents (c)	1

(a) No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration for the 2015-16 reporting period.

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

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

Notes to the financial statements for the financial year ended 30 June 2017

Note 15(c). Related Parties

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

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

Significant transactions with government-related entities

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

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

KMP of the ARBV includes the Portfolio minister, the Hon Richard Wynne MP, Minister for Planning, ARBV members and the ARBV Executive Officer (listed below):

Chairperson	Mr David Sainsbery	(1 July 2016 to 30 June 2017)
Deputy Chairperson	Mr David Islip	(1 July 2016 to 30 June 2017)
ARBV member	Ms Venise Reilly	(1 July 2016 to 30 June 2017)
ARBV member	Mr Ian Sutter	(1 July 2016 to 30 June 2017)
ARBV member	Ms Debra Low Choy	(1 July 2016 to 30 June 2017)
ARBV member	Ms Helen Mathew	(1 July 2016 to 30 June 2017)
ARBV member	Ms Arianne Rose	(1 July 2016 to 30 June 2017)
ARBV member	Ms Dione Wright	(1 July 2016 to 30 June 2017)
ARBV member	Mr Peter Bowtell	(1 July 2016 to 30 June 2017)
ARBV member	Ass. Prof. Clare Newton	(1 July 2016 to 30 June 2017)
ARBV Accountable Officer	Ms Alison Ivey	(1 July 2016 to 30 June 2017)

Compensation of KMP	2017
	\$
Short term employee benefits	198,333
Post-employment benefits	14,051
Other long-term employee benefits	3,698
Termination benefits	0
Total	216,081

Notes to the financial statements for the financial year ended 30 June 2017

Transactions with key management personnel and other related parties

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

Related party transactions with the members of the ARBV and their related parties, which occurred during the normal course of business, apart from remuneration of Board directors which is disclosed in Note 15(b) are listed below:

David Sainsbery, chairperson of the board, received payments from the ARBV for activities other than board fees as follows:

	2017	2016
	\$	\$
Examiner fees	6,970	4,080

David Hallet, board member, received payments from the ARBV for activities other than board fees as follows:

	2017	2016
	\$	\$
Consulting fees	0	2,000

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

NOTE 16. Remuneration of auditors

	2017	2016
	\$	\$
Victorian Auditor-General's Office		
Audit or review of the financial statements	14,645	13,800
LD Assurance Chartered Accountants		
Internal audit services	4,500	10,000

Notes to the financial statements for the financial year ended 30 June 2017

NOTE 17. Superannuation

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

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the ARBV.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the ARBV are as follows:

Fund	Paid Contribution for the Year		Contribution outstanding at year end	
	2017	2016	2017	2016
	\$	\$	\$	\$
Defined contribution plans				
Hesta	21,237	20,140	0	3,740
Retail Employees Superannuation Trust	11,090	9,287	0	861
Other	0	107	0	0
	32,327	29,534	0	4,601

NOTE 18. Commitments

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

	2017	2016
	\$	\$
Not later than one year	102,467	102,467
Later than one, not later than five years	149,431	251,898
	251,898	354,365

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 four years to December 2019.

Notes to the financial statements for the financial year ended 30 June 2017

Note 19. Glossary of terms and style conventions

Comprehensive result

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

Commitments

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

Depreciation

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

Employee benefits expenses

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

Financial instrument

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

Financial liability

A financial liability is any liability that is:

- (a) A contractual obligation:
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

A complete set of financial statements comprises:

- (a) a statement of financial position as at the end of the period;
- (b) a statement of profit or loss and other comprehensive income for the period;
- (c) a statement of changes in equity for the period;
- (d) a statement of cash flows for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*; and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Notes to the financial statements for the financial year ended 30 June 2017

Interest income

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

Other economic flows included in net result

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. It includes:

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

Other economic flows other comprehensive income

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

The components of other economic flows other comprehensive income include:

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

Net result

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

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to ARBV policies.

Non-financial assets

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

Other economic flows included in net result

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. It includes:

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

Other economic flows – other comprehensive income

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

Notes to the financial statements for the financial year ended 30 June 2017

The components of other economic flows other comprehensive income include:

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

Payables

Includes accounts payable, grants and taxes.

Receivables

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

Sales of goods and services

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

Supplies and services

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

Transactions

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

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)	negative numbers
20xx	year period
20xx/20xx	year period

Appendix 1 – Summary of new/revised accounting standards effective for current and future reporting periods

Current reporting period

The following accounting pronouncements effective from the 2016-17 reporting period are considered to have insignificant impacts on public sector reporting:

- AASB 1057 *Application of Australian Accounting Standards*
- AASB 2014-1 *Amendments to Australian Accounting Standards [Part D – Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts only]*
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]*
- AASB 2015-9 *Amendments to Australian Accounting Standards – Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]*
- AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*

Future reporting periods

Topic	Key requirements	Effective date
AASB 9 <i>Financial Instruments</i>	The key changes introduced by AASB 9 include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]</i>	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: the change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and other fair value changes are presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 January 2018

Topic	Key requirements	Effective date
AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018; as a consequence of Chapter 6; and to amend reduced disclosure requirements.	1 January 2018
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 January 2018
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i> has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	1 January 2018
AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	Amends the measurement of trade receivables and the recognition of dividends. Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. Dividends are recognised in the profit and loss only when: the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount can be measured reliably.	1 January 2017, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply 1 January 2018.
AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	This standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 January 2018
AASB 2016-7 <i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	This standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 January 2019
AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	This Standard amends AASB 15 to clarify requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: a promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; for items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and for licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access).	1 January 2018

Topic	Key requirements	Effective date
AASB 2016-4 <i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	The standard amends AASB 136 Impairment of Assets to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.	1 January 2017
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 January 2019
AASB 1058 <i>Income of Not-for-Profit Entities</i>	This Standard will replace AASB 1004 <i>Contributions</i> and establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objectives.	1 January 2019
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	This Standard amends AASB 9 and AASB 15 to include requirements and implementation guidance to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1 January 2019

The following accounting pronouncements are also issued but not effective for the 2016-17 reporting period. At this stage, the preliminary assessment suggests they may have insignificant impacts on public sector reporting.

- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
- AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-2 Amendments to Australian Accounting Standards

Notes:

For the current year, given the number of consequential amendments to AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*, the standards/interpretations have been grouped together to provide a more relevant view of the upcoming changes.

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