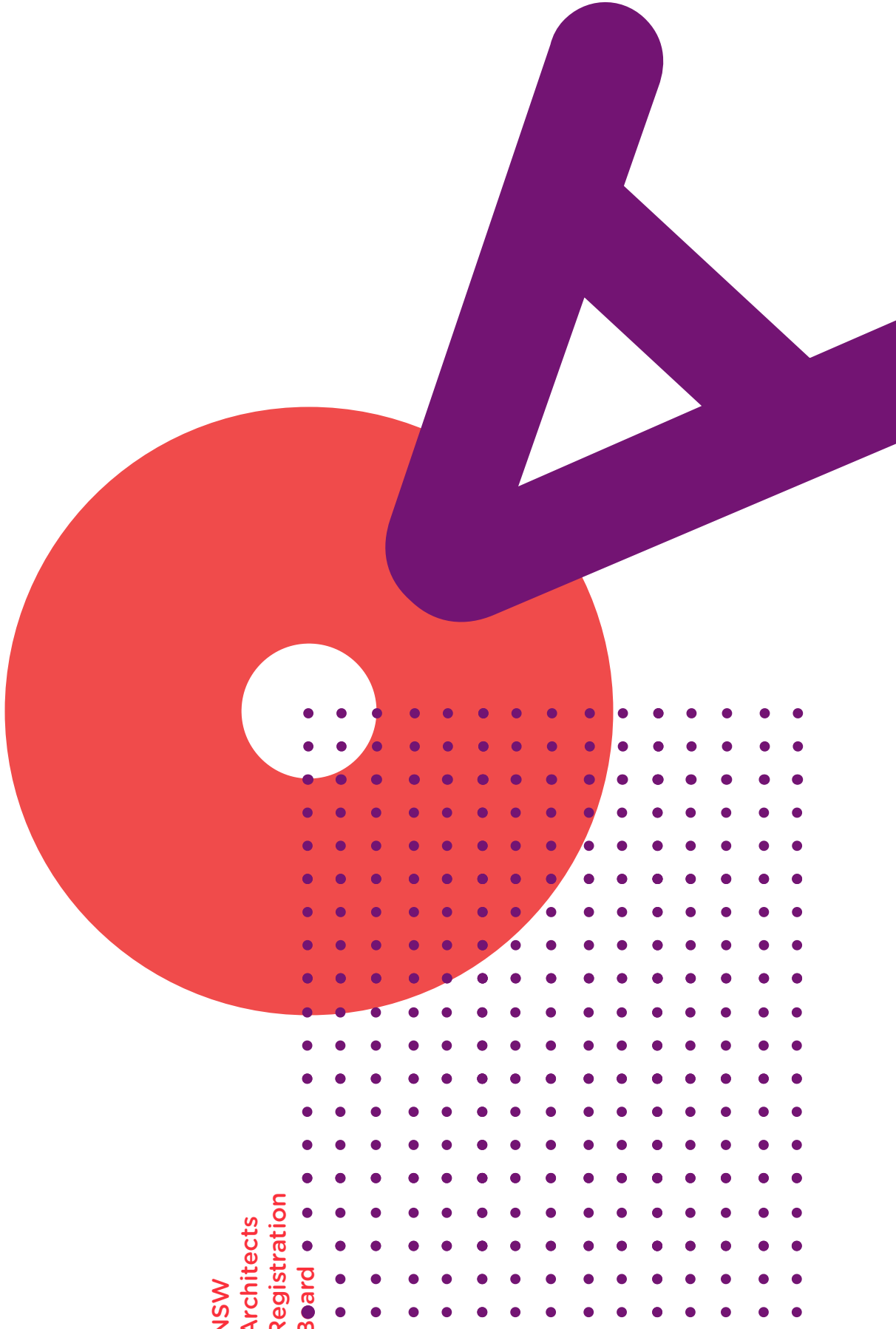


Annual Report
2019-2020

A

NSW
Architects
Registration
Board



NSW
Architects
Registration
Board

Address
Level 2 156 Gloucester St
Sydney, NSW 2000

T 02 9241 4033
mail@architects.nsw.gov.au
www.architects.nsw.gov.au
[@ArchInsights](#)

Hours of business
9am to 5pm
Monday to Friday

Annual Report 2019-2020

CONTENTS

Charter	4
Aims and objectives	5
Management and structure	
Board members	6
Board meetings	7
Board staff	8
Board assessors	9
Board governance	10
Operations and activities	
Registering architects	13
Protecting consumers	19
Informing the public	25
Promoting architecture	28
COVID-19	32
Statutory reporting obligations	
Funds granted to non-government community organisations	33
Social programs	
Legal amendments to the Act	
Economic or other factors	
Research and development	34
Human resources	
Consultants	
Workforce diversity	
Disability inclusion	
Land disposal	35
Promotion	
Consumer response	
Payment of accounts and time for payment	
Risk management and insurances	37
Internal audit and risk management policy attestation	
Controlled entities	
Subsidiaries	
Multicultural policies and services	
Multicultural activities planned for the next reporting year	39
Agreements with Multicultural NSW	
Work health and safety	
Senior executive reporting	40
<i>Government Information (Public Access) Act 2009</i>	
Digital information security policy attestation	
Public interest disclosures	
Privacy report	
<i>Annual Reports (Statutory Bodies) Regulation 2015</i>	

Financial Management

Independent Auditors Report	41
Statement by Board Members	44
Financial Statements for Period ended 30 June 2020	45

Budget 2020-2021	76
-------------------------	-----------

ANNEXURE A

NSW Architects Registration Board	79
Cyber Security Annual Attestation Statement	
for the 2019-2020 Financial Year	

Charter

The NSW Architects Registration Board (the Board) is constituted by the *Architects Act 2003* (the 'Act').

The Board has the following functions:

- (a) the registration of architects,
- (b) the investigation of complaints against architects,
- (c) the taking of disciplinary action against architects,
- (d) the investigation of matters referred to it by the Minister for advice and report in relation to the practice of architecture (including codes of professional conduct),
- (e) co-operation with neighbouring jurisdictions to further a common and harmonious approach to the administration of legislation relating to architects,
- (f) the accreditation of courses of study in architecture,
- (g) the maintenance and operation of the Architects Fund,
- (h) the promotion of community discussion about architectural issues,
- (i) the provision of general advice to consumers of architectural services with respect to the ethics and standards of professional competence that are generally expected of architects,
- (j) the provision of advice to the Minister with respect to any other matter in connection with the administration of the Act,
- (k) such other functions as are conferred or imposed on the Board by or under the Act or any other legislation.

The Act is the principal legislation administered by the Board.

Aims and objectives

The NSW Architects Registration Board administers the *Architects Act 2003* (the 'Act'), the legislation regulating architects in NSW.

The Board's key objectives are:

- to engage dynamically, creatively and intelligently with architects, the public, educators, policymakers and the broader built environment sector to communicate how design and architecture shape the environment we build around us;
- to develop engaging programs and resources that are accessible, rigorous and respected; and
- to foster relationships with organisations to promote a wider understanding of architectural issues in the community.

The range of services provided by the Board includes the:

- maintenance of an accurate NSW Register of Architects and a List of Architect Corporations and Firms;
- operation of a fair, effective, and open procedure for investigating and hearing complaints made against architects;
- sanctioning of architects who breach the Act and individuals or firms who represent themselves as an architect when they are not entitled to do so;
- conducting of examinations for registration as an architect;
- accreditation of architecture programs that constitute pathways to registration as an architect;
- administration of scholarships and awards;
- provision of information to consumers about the qualifications and competence of architects;
- promotion of a better understanding of architectural issues in the broader community; and
- provision of accurate information to architects to maximise their understanding of their obligations under the Act.

The Board serves the following community:

- consumers of architectural services;
- architects;
- graduates of accredited architecture programs and building designers who wish to become registered architects;
- other stakeholder groups including professional organisations, consumer organisations, policy makers and educational institutions.

Management and structure - Board members

Board Members 1 July 2019 - 30 June 2020

Part 5, Section 60 of the Act stipulates the membership of the Board and the qualifications to be held by the various Board members. The Board includes six members who are architects and five members who are not architects. Six of the members are appointed by the Minister.

<i>Name</i>	<i>Description</i>	<i>Term</i>
Current Members as at 30 June 2020		
Dr Deborah Dearing*	Board President , architect representing interests of architects	2017 - 2020
Sue Weatherley*	Deputy President , knowledge of local government	2016 - 2020
Peter Salhani*	Represents the public interest in architectural matters	2017 - 2020
Milly Brigden*	Expertise in the property development industry	2017 - 2020
Rod Cameron*	Legal practitioner expert in building & construction law	2018 - 2020
Sarah Marshall*	Expertise in the building industry	2017 - 2020
Andrew Nimmo	Immediate Past President of the Australian Institute of Architects NSW Chapter	2019 - Ex-officio
Abbie Galvin**	NSW Government Architect	2020 - Ex-officio
Prof Michael Chapman	Architect academic from relevant educational institution	2019 - 2021
Fabricio Siqueira	Architect elected member	2018 - 2020
Melonie Bayl-Smith	Architect elected member	2016 - 2020

Retired Members

N/A

* *Appointed by the Minister*

** *Prior to Abbie Galvin's ex-officio appointment as NSW Government Architect in 2020, Olivia Hyde was an observer for the office of the Government Architect NSW from 2018 to December 2019.*

Management and structure - Board meetings

The Board meets on the fourth Wednesday of each month. In addition, Board members participate on one or more of the Board's standing committees or work groups to oversee projects

An honorarium is paid to each Board member for their attendance at Board meetings and other related committee work, apart from those members who hold Government positions. Fees paid to Board members are in line with the policies established by the Premier's Office for the 2019/2020 period.

Meeting Attendance to 30 June 2020

NAME	JUL 2019	AUG 2019	SEP 2019	OCT 2019	NOV 2019	DEC 2019	JAN 2020	FEB 2020	MAR 2020	APR 2020	MAY 2020	JUN 2020	TOTAL
D DEARING (M)	√	√	A	√	√	√	N/M	√	√	√	√	√	10
S WEATHERLEY (M)	√	√	√	√	√	A	N/M	√	√	√	√	√	10
P SALHANI (M)	A	√	√	A	√	A	N/M	√	√	√	√	√	8
M BRIGDEN (M)	A	A	√	A	√	√	N/M	A	√	√	√	A	6
R CAMERON (M)	√	√	√	√	√	√	N/M	√	A	√	√	√	10
S MARSHALL (M)	A	√	A	√	√	√	N/M	A	A	√	√	√	7
A NIMMO (ExO)	√	A	√	√	√	√	N/M	√	√	√	A	√	9
A GALVIN (ExO)	N/A	N/A	N/A	N/A	N/A	N/A	N/M	√	√	A	√	√	4
M CHAPMAN (A)	√	A	√	√	A	√	N/M	√	√	√	√	√	9
F SIQUEIRA (E)	√	√	√	√	√	√	N/M	√	√	√	√	√	11
M BAYL SMITH (E)	√	√	√	√	√	√	N/M	√	√	√	√	√	11
O HYDE (O)	A	O	A	O	O	A	N/M	N/A	N/A	N/A	N/A	N/A	3

M Appointed by Minister *O* Observer *LOA* Leave of Absence *N/M* No Meeting
E Elected *A* Academic Member *A* Absent *N/A* Not Appointed
ExO Ex Officio

Management and structure - Board staff

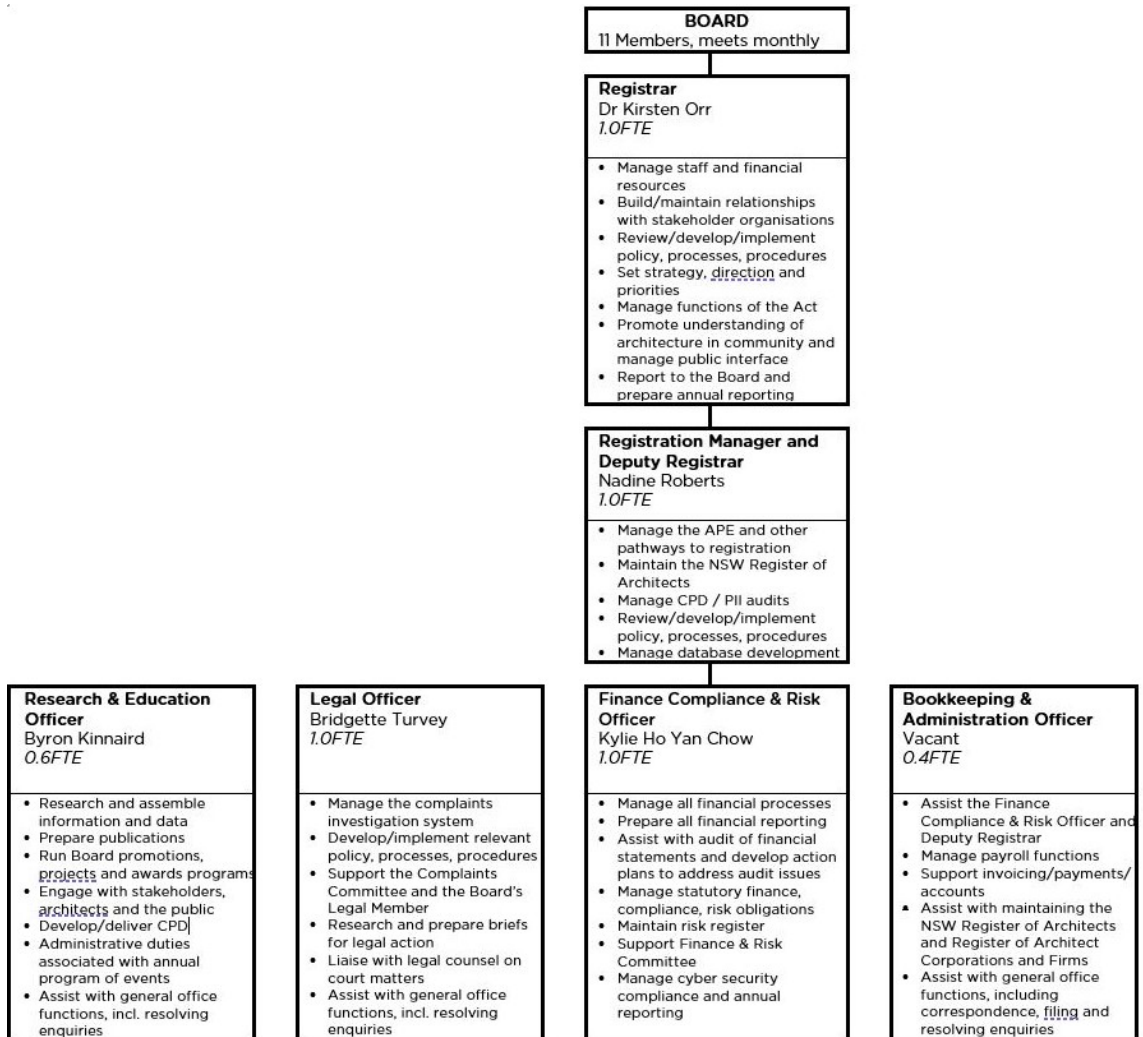
Board Staff 1 July 2019 – 30 June 2020

Dr Kirsten Orr	Registrar
Nadine Roberts	Registration Manager and Deputy Registrar
Kylie Chow	Finance Compliance and Risk Officer (commenced October 2019)
Byron Kinnaird	Research and Education Officer
Bridgette Turvey	Legal Officer

Former Staff

Debbie Wood	Bookkeeping and Administration Officer (retired March 2020)
Jesse Matheson	Executive Assistant/Workplace Safety/Digital Information Security Officer (ended November 2019)
Mae Cruz	Registration and Education Lead (retired July 2019)

Board Structure as at 30 June 2020



Management and structure - Board assessors

The Board draws upon the services of architects to serve as assessors for the pathways it administers to registration as an architect. These include the Architects Accreditation Council of Australia (ACA) Architectural Practice Examination (APE) and the Board's NSW Portfolio Program of Assessment (NSW PPA). The Board also nominates NSW representatives to the Accreditation Standing Panel for the ACA Architecture Program Accreditation Procedure in Australia and New Zealand (APAPANZ).

Fees are paid by the Board to assessors for the APE and NSW PPA.

Board Member, Melonie Bayl-Smith, currently holds the role of NSW State Convenor for the APE.

Architectural Practice Examination (APE) Assessors

J Bastian	G Gonzalez	L Lesslie	I Sheridan-Miller
S Bathgate	L Gosling	F Lewis	M Shoolman
J Bilmon	P Gosling	K Loseby	S Sikder
J Blake	A Greenway	G Luscombe	S Simonian
M Boffa	C Gunton	K Macdonald	B Smale
W Brindle	M Hashemi	C Matheson	B Sonter
T Browne	M. Helms	B McHarg	D Springett
M Bullen	T Helyar	D McKendry-Hunt	R Stevens
G Cameron	D Holm	P McLeod	S Stewart
L Chandiook	R Hudson	M McNeil	M Strangas
A Cheah	S Ivanovich	K Mills	E Teicher Gertel
A Chistiakoff	J Jackson	D Moon	H ten Brummelaar
L Cockburn	H Jennings	R O'Brien	D van der Breggen
J Cockings	W Ji	I Pearson	V van Dijk
J Connor	M Jones	E Prineas	H Whattam
S Crawford	M E Jones	M Pullinger	T Wetherill
C Dawson	A Kaplun	T Quinton	D Wilson
J Debek-Kozyra	K Klinger	R Ratcliffe	M Xu
V Dudman	F Koegelenberg	P Reed	D Yong
J Ezer	A Kouzmin	M Roberts	C Zuza
P Fung	B Kugan	S Rofail	
P Gallagher	V Lane	J Sarkis	
B Giles	G Lekosis	C Sheeran	

NSW Portfolio Program of Assessment (NSW PPA) Assessors

D Alic	B Giles	L Matthews	P Reed
D Barnstone	B Jackson	R McLaughlan	D Reinhardt
P Berkemeier	D Jones	P Oldfield	T Schork
T Browne	C Lassen	M Ostwald	D Van der Breggen
A Burke	F Lewis	E Prineas	
M Chapman	G Luscombe	M Pullinger	
B George	C Matheson	R Ratcliffe	

NSW Representatives to ACA Australian Accreditation Standing Panel

D Alic	D Jones	M Mossman	F Siqueira
D Barnstone	U Komac	P Oldfield	M Tawa
P Berkemeier	C Lassen	M Ostwald	D Van der Breggen
M Chapman	F Lewis	M Pullinger	
D Clarke	S Loschke	P Reed	
L Cockburn	H Moline	G Reinmuth	

Management and structure – Board governance

The work of the Board derives from the objects and functions of the Board as set out in the Act. There are specific Board delegations outlined in the Act. Specific delegations and operational priorities are identified in the Corporate Plan, which is reviewed and renewed on an annual basis. The Board has a committee structure in place with defined responsibilities.

Authority for making decisions rests with the Board unless specifically delegated to a committee or the Registrar, as outlined in the Board’s Delegations Framework. There is a financial delegation of \$5,000 in place in relation to expenditure by the Registrar without referral to the Board. Board recommendations and decisions are minuted at each Board meeting. The Board seeks independent legal advice and other professional advice on an as-needs basis.

Income

The Board is entirely funded by fees levied upon NSW architects and architect corporations and firms, Architectural Practice Examination (APE) fees, and fines as determined by the Board arising from disciplinary procedures. The fees collected fund the administration of the Board and include contingencies for legal costs, development of information for consumers and general administration. The Board has determined that at least nine months’ of operational funds should be kept in reserve. The Board administers any reserves in the “Architects Fund” to meet the fourth objective identified in the Act – to promote a better understanding of architectural issues in the community.

Board Financial Management Framework

The Board’s Financial Management Framework outlines financial policies and procedures for handling all financial matters. The Framework is regularly reviewed and updated to reflect Government policies, directives and memoranda, Board decisions, Board policies, and appropriate improvements proposed by Board staff.

Committees and workgroups

Under the provisions of Section 62 (1) of the Act

the Board may establish committees to assist it in connection of any of its functions. And (2) it does not matter that any or all of the members of the committee are not members of the Board.

[Note: this provision does not apply to the Complaints Committee established by the Board].

Board committees are supported by the Registrar and staff as appropriate. As at 30 June 2020 the Complaints Committee, Finance and Risk Committee and Multicultural Committee were in operation.

Complaints Committee

The Complaints Committee oversees the statutory obligations imposed upon the Board relating to disciplinary complaints against the conduct of architects, and complaints about individuals, corporations and firms representing themselves to be architects.

Under Section 45 (3) of the Act, the Complaints Committee must be constituted by 3 members of the Board, of whom one must be an Australian legal practitioner (and the Chair), one must be an architect, and one must be a member who is neither an Australian legal practitioner nor an architect.

Members as at 30 June 2020: Rod Cameron (Legal member and Chair), Melonie Bayl-Smith (Architect member) and Sarah Marshall.

Finance and Risk Committee

In April 2020, the Finance and Risk Committee reviewed the assessment of the impact of COVID-19 on the financial position and operation of the Board, and detailed assessment of the impact of the new accounting standards, *AASB 15 Revenue from Contracts with Customers* and *AASB 16 Leases*.

The Finance and Risk Committee reviewed the draft 2020-2021 budget, the financial statements for the year ended 30 June 2020, the Cybersecurity Reporting and Annual Attestation Statement, and recommend them for adoption by the Board.

A new 3-year Strategic Plan, incorporating a review of the Boards Corporate Plan (2020-2023) will commence from 1 July 2020.

Members as at 30 June 2020: Dr Deborah Dearing (Chair), Sue Weatherley and Fabricio Siqueira.

Multicultural Committee

In the reporting year, the Board established for the first time a Multicultural Committee to develop and provide oversight for the implementation of a Multicultural Plan.

Members as at 30 June 2020: Kirsten Orr (Registrar/Chair), Milly Brigden, Fabricio Siqueira and Sue Weatherley.

Board Strategic Plan 2020 - 2023

In the reporting year, a number of facilitated workshops were held with Board members and staff to inform the development of a new Strategic Plan. The Board's existing strategic direction and its strengths, opportunities and weakness were reviewed, and high level imperatives for future strategy identified.

The new Board Strategic Plan 2020 - 2023 will come into effect from 1 July 2020.

Architects Accreditation Council of Australia

The Architects Accreditation Council of Australia (AACA) is constituted of nominees from all the state and territory architect registration boards in Australia. It is a not-for-profit company limited by guarantee that works in collaboration with the architect registration boards on matters of national interest to the profession, industry and the public. The Members of the AACA include the Chair and Registrar of each Architect Registration Board in each State and Territory in Australia.

The President and Registrar of the NSW Architects Registration Board are ex-officio members of the AACA. Currently, the NSW Registrar, Dr Kirsten Orr, is a Director of the AACA (term ends October 2020).

The AACA:

- maintains the National Standard of Competency for Architects - which underpins all assessment processes on the path to registration as an architect in Australia;
- administers the national Architectural Practice Examination (APE);
- administers the Architecture Program Accreditation Procedure in Australia and New Zealand;
- administers various competency-based assessment processes leading to registration as an architect in Australia, including the National Program of Assessment (NPrA) and the Local/Overseas Experienced Practitioner Assessment;
- assesses overseas architectural qualifications through the Overseas Qualifications Assessment process; and
- negotiates international mutual recognition agreements.

Key priorities of the AACA in the reporting period included

- ***Architectural Education and the Profession in Australia and New Zealand*** - research report published in December 2019. This is the first wide-scale study of architectural education and the profession involving all Australasian stakeholders and examining the relationship of

education to the architectural practice environment. It builds upon the 2008 seminal research on architectural education conducted by Michael J Ostwald and Anthony Williams.

<https://www.aaca.org.au/wp-content/uploads/Architectural-Education-and-The-Profession-in-Australia-and-New-Zealand.pdf>

- Implementation of ***Model Continuing Professional Development Policy for Architects in Australia*** - accepted by architect registration boards around Australia at the November 2019 Annual General Meeting.
- Review of the Architectural Practice Examination (APE), with a particular focus on the Part 3 Interview and mechanisms to support graduates in gaining relevant practical and training experiences in readiness for registration as an architect in Australia - work continues in 2020.
- Review of the ***National Standard of Competency for Architects*** - work continues in 2020.

A Registrars' network comprises the Registrars from the state and territory architect registration boards from around Australia. Within the constraints of respective state and territory legislation, the network shares information and facilitates the streamlining of administrative procedures that must be followed by architects and architect corporations around Australia.

Operations and activities – Registering architects

Qualifications for admission to the Register

Uniform minimum standards of education and training have been adopted by all states and territories in Australia for registration as an architect. These are five-years of study from an accredited Australian architecture program or its equivalent, an approved period of practical experience and successful completion of the Architectural Practice Examination (APE). These standards are agreed nationally and administered by the AACA.

Accredited academic qualifications

The accredited Master of Architecture, the academic qualification prescribed by the Act for registration as an architect, is offered by four universities in New South Wales:

- University of Newcastle
- University of New South Wales
- University of Sydney
- University of Technology Sydney

Architecture programs offered by the above NSW universities are accredited and monitored under the *Architecture Program Accreditation Procedure in Australia and New Zealand* owned and administered by the AACA. Under this process, national Accreditation Review Panels provide recommendations to the Board regarding the accreditation of qualifications for a maximum period of five years.

Western Sydney University (WSU) commenced a new architecture program in 2018. It currently has students enrolled in the Bachelor of Architectural Design and commenced enrolments in the Master of Architecture (Urban Transformation) in 2020. WSU will be eligible to undergo accreditation of its architecture program in the final teaching semester of the first graduating cohort from its Master of Architecture degree (anticipated in 2021).

Due to COVID-19 the AACA recommended, and the Board approved, the application of a 12-month “pause” on all formal accreditation activity for accredited architecture programs during 2020, with the following implications:

- The accreditation period for all accredited programs as at 1 April 2020 will be extended by one year, with consequent deferral of all Accreditation Review Panels by one year.
- 2020 Provider Annual Reporting requirements were amended, with the submission of annual reports deferred from 15 April to 30 June 2020 and a reduction in provider reporting requirements.

Architectural Practice Examination (APE)

The final qualification for registration as an architect in NSW is the successful completion of the Architectural Practice Examination, administered by the AACA and delivered by the state and territory architect registration boards.

In the reporting year, the Board implemented a new audit process to cross-check Logbooks and Statements of Practical Experience submitted by NSW candidates. In Session 1, 2020 the Board undertook a random audit of 39 of 151 applications received for the APE Parts 1 & 2. As a result of the audit, one candidate was found to have inaccurately recorded hours/experience in the Logbook. The Board rejected the candidate’s application and requires the candidate to apply de-novo in Session 1, 2021, following the completion of a suitable preparatory program of study, and with a revised

Logbook and Statement of Practical Experience that have been reviewed by the candidate's supervising architects for accuracy and legibility prior to submission.

Due to COVID-19, the APE Part 2 National Examination Paper in April 2020 was postponed to 18 August 2020 and was conducted as a remote, proctored online examination managed by the Australian Council for Educational Research (ACER) and delivered by Proctor U, instead of being held at a physical examination centre. The APE Part 3 Interviews due to take place in May-June 2020 were postponed to October 2020 and will be conducted via Zoom video technology instead of being held face-to-face in the Board's offices.

The Board provided 7 hours of free webinar events attended by 447 candidates to assist preparation for the APE; and 3 hours of training events for APE assessors attended by 107 architects.

In the reporting year in New South Wales, 156 applications were received, 154 candidates were admitted to the examination and 138 were successful. This represents an 89.6% success rate.

Built Work Program of Assessment (BWPrA)

The Board undertook a review of the Built Work Program of Assessment (BWPrA) in the 2019-2020 year. This was the program's second review since its introduction in 2002 and was considered timely in light of the Government's introduction of regulatory reforms in the construction sector, which may increase the numbers of practitioners seeking to become registered as an architect.

The BWPrA provides an alternative pathway to registration in NSW in accordance with the Act Part 3 Division 1 Section 16 (1) (c). It is one of two pathways to registration as an architect in NSW for those with industry experience but no recognised architectural qualification. The other comparable pathway is the National Program of Assessment (NPrA) offered by the AACA.

The Board's review particularly sought to address declining BWPrA application rates and declining success rates, and to address significant concerns raised by experienced BWPrA assessors, including that:

- projects nominated by candidates for assessment are often of an insufficient level of complexity to qualify for this pathway;
- authorship of the nominated projects can be difficult to verify;
- reports submitted by candidates often lack sufficient detail in addressing the required Performance Criteria; and
- assessors perceive the BWPrA to lack the rigor of the AACA's NPrA process.

The terms of reference for the review were to:

1. Benchmark the Board's BWPrA process against the AACA's NPrA process;
2. Review the BWPrA assessment process, including the internal Board procedure, to confirm whether it is rigorous and conducted in accordance with procedural fairness;
3. Identify whether additional information could be sought from BWPrA applicants to assist the assessment process;
4. Review information provided to BWPrA applicants for clarity and consistency against the assessment process;
5. Identify any changes, including additional training and/or the development of resources, that might increase the effectiveness of the BWPrA assessment process; and
6. Assess whether the fee charged to applicants is sufficient to cover Board costs of operating the BWPrA assessment process.

The review was undertaken from November 2019 - March 2020 by Board staff with the assistance of an Expert Advisory Group comprising architects Tim Browne, Claire Matheson, Matthew Pullinger and Darlene van der Breggen. During the review, the BWPrA was comprehensively examined and recast to establish a new assessment procedure that addresses identified issues and is more rigorous and procedurally fair. Key features of the new assessment procedure include:

- re-focused scope of the competency-based assessment to consider only the Performance Criteria most essential in determining an applicant's equivalence with the threshold

competencies expected of a graduate from an accredited architecture program in Australia (resulting in an overall reduction in the number of PCs assessed);

- the Stage 1 submission facilitates assessment of the candidate's eligibility with a focus on the six critical Performance Criteria that are expected to be delivered to students by accredited university providers, and which are not re-assessed by the Architectural Practice Examination;
- Provisions are built in to better ensure that projects nominated by candidates are of a sufficient level of complexity and to better verify candidates' involvement in the nominated projects;
- Submission requirements are reframed to place greater emphasis on areas of weakness previously identified in the BWPrA. This includes requiring candidates to provide descriptive diagrams and sketches indicating how ideas and values have informed the design; and providing graphic material to evidence design thinking and articulate design philosophy, architectural principles and aesthetic judgement.

As a result of the Board's review the BWPrA was withdrawn in March 2020 and replaced by the NSW Portfolio Program of Assessment (NSW PPA).

NSW Portfolio Program of Assessment (NSW PPA)

At the March 2020 meeting, the Board approved the implementation of the NSW Portfolio Program of Assessment (NSW PPA) to replace the previous BWPrA.

The NSW PPA is a competency based assessment process that provides a pathway to the Architectural Practice Examination (APE) for those who have substantial skills and experience in the architectural services profession but do not have the approved architecture qualification or overseas equivalent.

Candidates submit a portfolio of three to four 'complex architectural projects from the last ten years for which they have 'Executive' level experience as a primary decision maker for the conceptual and schematic design, and design development. At least one of the projects should have been built in Australia in the last ten years, or overseas in the last five years. In addition to the portfolio submission, candidates submit supporting written material and are interviewed about their skills and experience in the architectural services profession. Candidate submissions are assessed against the relevant Performance Criteria from the National Standard of Competency for Architects to determine their equivalence with the threshold competencies expected of a graduate from an accredited architecture program in Australia.

The first round of applications for the NSW PPA will open in July 2020.

Mutual Recognition

The Act facilitates freedom of movement of architects registered in other Australian states and territories between the respective jurisdictions. The Board normally approves an applicant for registration in NSW on completion of the prescribed application form and payment of the annual registration fee. In the reporting year, 97 interstate architects were admitted to the NSW Register under the terms of the *Mutual Recognition Act*.

The Board continues to be a strong supporter of automatic mutual recognition for architects to improve labour mobility, reduce regulatory burden and costs for architects, and provide the foundation for improved compliance with national building standards. In the reporting year, the Board placed the matter of automatic mutual recognition on the agendas for the National Registrars' Forum and Annual General Meeting of Architect Registration Boards, both held in November 2019. It was the view of the registrars from architect registration boards in other jurisdictions that any proposal for automatic mutual recognition is best navigated by the relevant ministers around Australia and through an officer-level inter-jurisdictional work group that can liaise and consult with the profession and architect registration boards to develop options for consideration.

Trans Tasman Mutual Recognition Agreement (TTMRA)

As a result of the Federal Government's passage of legislation mirroring that of the New Zealand Government, the TTMRA allows mutual recognition of registration between Australia and New Zealand. In the reporting year, 6 architects from New Zealand were admitted to the NSW Register under the terms of the TTMRA.

US/AUS/NZ Mutual Recognition Arrangement (US/AUS/NZ MRA)

The Mutual Recognition Arrangement in place between the architectural licensing authorities of the United States, Australia and New Zealand enables US architects registered in one of the 30 US jurisdictions that have agreed thus far to these arrangements to bypass the Architectural Practice Examination. US signatories include Alabama, Alaska, Arizona, California, Colorado, Connecticut, Iowa, Kansas, Louisiana, Maryland, Missouri, Montana, Nebraska, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia and Wisconsin. In the reporting year, 2 architects were admitted to the NSW Register of Architects under the terms of the US/AUS/NZ MRA.

APEC Architect (APEC Architect MRA)

Asia Pacific Economic Cooperation (APEC) is a cooperative association between 21 regional economies, founded to promote economic and technical cooperation in the Asia-Pacific region. APEC builds on the WTO General Agreement on Trade and Services (GATS) principles for the progressive liberalisation of trade in services through the reduction of regulatory restrictions, leading to reciprocal agreements between member economies where appropriate.

Australia, along with other APEC member economies, has agreed to participate in the APEC Architect framework, which aims to facilitate the access of APEC Architects to independent practice within the Region. Those economies who are participating in the framework are Australia, Canada, People's Republic of China, Hong Kong China, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Republic of the Philippines, Singapore, Thailand, and the United States of America. A Central Council has been established by the participating economies. Each participating economy has established a Monitoring Committee to take responsibility for administration of the APEC Architect framework in that economy.

Australia now has mutual recognition agreements under the APEC Architect Agreement with Canada, Japan and Singapore.

In the reporting year, no architects were admitted to the NSW Register of Architects under the terms of the APEC Architect MRA.

Profile of architects registered in NSW as of 10 November 2020

Total number of NSW registered architects

2014	2015	2016	2017	2018	2019	2020
4487	4762	4898	4984	5202	5459	5669
Practising /Non-Practising						4662/1007

New enrolments

2014	2015	2016	2017	2018	2019	2020
319	296	300	287	320	359	290

Qualifications of new registrants

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Qualified in NSW	167	159	146	148	174	99
Qualified in Interstate schools	36	23	35	36	46	28
National Program of Assessment	1	1	3	6	4	3
NZ/Singapore/HK graduates	8	9	1	7	5	6
Qualified from overseas schools	13	17	29	14	25	23
Mutual Recognition Australia	67	89	72	90	68	97
TTMRA (New Zealand)	1	2	1	3	3	6
Temporary Registration (NSW)	3	0	0	0	1	0
APEC Architect	0	0	0	0	0	0
Experience Practitioners Assessment Overseas/Local	0	0	0	12	29	26
US Mutual Recognition Arrangement	0	0	0	4	4	2
Total	296	300	287	320	359	290

Location of registrants

	NSW	ACT	NT	QLD	SA	TAS	VIC	WA	O'SEAS
Practising	3956	60	4	235	27	18	203	19	140
NonPractising	794	11	1	46	7	5	37	6	100

Age and gender of registrants

Age range	Full Registration					Non-Practising			
	M	F	I	%	Total	M	F	I	Total
90 +	1	0	0		1	9	1	0	10
80 to 89	22	2	0		24	80	4	0	84
70 to 79	236	14	0		250	253	20	0	273
60 to 69	662	101	0		763	186	40	1	227
50 to 59	728	272	0		1000	71	44	0	115
40 to 49	811	432	0		1243	73	76	0	149
30 to 39	705	553	3		1261	64	81	0	145
20 to 29	55	65	0		120	1	3	0	4
Total	3220	1439	3	30.9%	4662	737	269	1	1007

Architect Corporations and Firms

The Act Part 2 Division 2 Section 11 provides that a corporation or firm must have a nominated architect responsible for the provision of architectural services in order to be considered as an architect corporation or firm. Corporations and firms are active if there is at least one nominated architect on the current NSW List of Architect Corporations and Firms. A corporation or firm that does not have a nominated architect is considered inactive until a new nomination is received by the Board.

The Board has identified that provisions of the Act relating to Architect Corporations and Firms and Nominated Architects are poorly understood by architects. In the reporting year, the Board delivered 10 hours of free CPD to 683 architects to facilitate better understanding in the profession of the roles and responsibilities of Nominated Architects under the Act.

This was supplemented by an email to all architects in October 2019 titled "Nominating a Responsible Architect: What are your business obligations and are you doing the right thing?". The email included links to the relevant information sheet, sections of the Act and Code, and application forms under the following sub-headings:

- Who is a Nominated Architect?
- When is a Nominated Architect required?
- What is a Nominated Architect responsible for?
- Where must the Nominated Architect's details be made public?
- Why do corporations and firms need to have a Nominated Architect?

Additionally, the Board circulated a News Bulletin to all architects following its successful prosecution of the Tecton Group and Director, Tania Pappas, for failing to have a registered architect supervising the provision of architectural services on a multi-residential apartment development. *Refer* Legal Action below. The News Bulletin included details of the court decision and summarised the lessons for architects, including the:

- requirement for companies who offer architectural services to ensure that there is at least one nominated architect present and responsible for the provision of architectural services at all times those services are offered, or relied upon, by clients and consumers;
- standards and expectations of nominated architects;
- requirements for companies to notify the Board within 7 days of changes to particulars; and
- liability of directors under Section 83 of the Act.

The number of active Architect Corporations/Firms in NSW as at 10 November 2020 was 1501.

Continuing Professional Development for Architects (CPD)

The *NSW Architects Code of Professional Conduct* (the 'Code') requires architects to undertake appropriate Continuing Professional Development (CPD). Part 5, Clause 16 of the Code requires that architects must annually demonstrate to the Board that they have taken all reasonable steps to maintain and improve their knowledge and skills relevant to their architectural practice and their provision of architectural services. Architects are required to undertake a minimum of 20 hours of CPD each year, of which at least 10 hours must be in the Formal category. Pursuant to section 23 (2)(g) of the Act, architects who fail to comply with annual CPD requirements may be removed from the Register.

On 1 July 2019 the Board implemented changes to its CPD Policy and published an updated Information Sheet for architects. Changes included:

- re-categorisation of Formal CPD activities and clarification of what activities may be recognised as Formal CPD;
- clarification of what activities may be recognised as Informal CPD;
- clarification of record keeping requirements for Formal CPD, including retention by the architect of a certificate of completion for every Formal CPD activity and evidence of structured assessment or evidence of significant interaction between the presenter and participant;
- clarification of the grounds for exemptions from CPD.

In the reporting year, there was an increase in direct contact between Board staff and CPD providers as the Board sought to reaffirm its position as the authority regulating CPD requirements for architects.

In response to COVID-19, the Board implemented a one-off reduction in CPD requirements for all architects, equivalent to a pro-rata exemption for the 3-months of COVID-19 disruption. Architects were required to undertake a minimum of 15 hours of CPD (instead of 20 hours), of which at least 10 hours must be Formal CPD activity.

Additionally, to reduce the cost burden and support architects to meet their CPD requirements during COVID-19 the Board developed a suite of free Formal CPD webinars for architects. Topics focus on key aspects of the regulation of architects, including:

- Managing Continuing Professional Development
- What you need to know about being an architect in NSW
- Nominating a responsible architect
- The regulatory context of architecture & changes to the Act
- Pathways to registration
- Working with your client - how to avoid complaints

In the reporting year, the Registrar and Board staff delivered

- 24 hours of free webinars attended by total 2,792 architects;
- 4 x 1 hour In-house lunchtime seminars attended by total 80 architects; and
- 1.5 hour public lecture targeting newly registered architects attended by 115 architects.

Operations and activities – Protecting consumers

Complaints against the professional conduct of architects

Ten new matters were received in the reporting period. Two were dismissed by the Board following investigation. As at 30 June 2020, 4 matters were awaiting further information from the complainant and 4 matters were proceeding, with determinations still to be finalised. The Board determined 3 findings of unsatisfactory professional conduct for complaints received in the previous reporting year.

In addition, the Board initiated 14 complaints in relation to failure by architects to undertake Continuing Professional Development but did not proceed with the investigation of 11 of these following receipt of further information that demonstrated compliance. The Board determined 3 findings of unsatisfactory professional conduct related to Continuing Professional Development.

In the reporting year a total of 6 matters were determined by the Board as representing unsatisfactory professional conduct.

Lydia Farah

Pursuant to section 43 of the Act, the architect is found to have engaged in unsatisfactory professional conduct for:

- (a) Failing, without reasonable cause, to properly supervise the provision of architectural services by Tecton while being the nominated architect for Tecton between 31 March 2017 and 11 December 2017.

Pursuant to section 43(4)(a) of the Act, the Board reprimands the architect in respect of the conduct above.

John Adrian Lewis

Pursuant to section 43 of the Act, the architect is found to have engaged in unsatisfactory professional conduct for:

- (a) Failing to act with integrity in providing architectural services, in breach of clause 4(1)(a) of the Code.
- (b) Failing to provide architectural services in a manner that (at the time the services are provided) is widely accepted in Australia by peer professional opinion as competent professional architectural practice, in breach of clause 4(1)(b)(i) of the Code.
- (c) Failing to take all reasonable steps to provide a client with sufficient information to enable the client to make decisions about the provision of the architectural services, including information that clearly identifies the implications of various decisions that could be made in breach of clause 6(2)(b) of the Code.

Pursuant to section 43(4)(a) of the Act, the Board reprimands the architect in respect of the unsatisfactory professional conduct set out at (a) to (c) above.

Bradley Inwood

Pursuant to section 43 of the Act, the architect is found to have engaged in unsatisfactory professional conduct for:

- (a) Failing to act with reasonable care in providing architectural services, and therefore failing to comply with clause 4(1) of the NSW Architects Code of Professional Conduct ('the Code').

- (b) Failing to provide architectural services to a client with reasonable promptness and in accordance with any agreed time frame and thereby failing to comply with clause 4(2) of the Code.
- (c) Failing to provide sufficient relevant information with reasonable promptness to enable a client to make an informed decision in relation to the provision of the architectural services, and thereby failing to comply with to clause 6(1) of the Code.
- (d) Failing to advise a client of the likelihood of achieving the client's stated objectives having regard to the client's stated budget and time requirements for the architectural services concerned, and thereby failing to comply with clause 6(4) of the Code.
- (e) Failing to discharge the architect's obligations diligently and promptly when administering a building contract on behalf of a client, and thereby failing to comply with clause 8(2)(b) of the Code.
- (f) Failing to provide the client with relevant information in a timely manner when administering the building contract on behalf of the client, and thereby failing to comply with clause 8(2)(c).
- (g) Failing to keep records of client instructions and meetings held with the client, and thereby failing to comply with clause 10(1)(c) of the Code.

Pursuant to section 43(4)(g) of the Act, the Board orders the architect to pay a fine in the amount of \$1650 in respect of the unsatisfactory professional conduct set out at clauses (a) to (g) above.

Pursuant to section 43(4)(d) of the Act, the Board orders the architect to complete a minimum of three hours of formal Continuing Professional Development relating to contract administration by 30 June 2020.

Garry Stanley

Pursuant to section 43 of the Act, the architect is found to have engaged in unsatisfactory professional conduct in:

- (a) Failing to take all reasonable steps to maintain and improve the skills and knowledge necessary for the provision of architectural services that the architect normally provides by failing to satisfy the Board that he had undertaken activities that demonstrate the maintenance and improvement of the architect's skill and knowledge as required by Part 5, Section 16(1)(a) of the Code.
- (b) Failing to report to the Board on all steps taken by the architect during the relevant annual registration period as required by Part 5, Section 16(2) of the Code.

Pursuant to section 43(4)(a) of the Act, the Board reprimands the architect in respect of the conduct set out at clauses (a) to (b) above.

Mark Sydney

Pursuant to section 43 of the Act, the architect is found to have engaged in unsatisfactory professional conduct in:

- (a) Failing to take all reasonable steps to maintain and improve the skills and knowledge necessary for the provision of architectural services that the architect normally provides by failing to satisfy the Board that he had undertaken activities that demonstrate the maintenance and improvement of the architect's skill and knowledge as required by Part 5, Section 16(1)(a) of the Code.
- (b) Failing to report to the Board on all steps taken by the architect during the relevant annual registration period as required by Part 5, Section 16(2) of the Code.

Pursuant to section 43(4)(a) of the Act, the Board reprimands the architect in respect of the conduct set out at clauses (a) to (b) above.

Michelle Bull

Pursuant to section 43 of the Act, the architect is found to have engaged in unsatisfactory professional conduct in:

- (a) Failing to take all reasonable steps to maintain and improve the skills and knowledge necessary for the provision of architectural services that the architect normally provides by failing to satisfy the Board that she had undertaken activities that demonstrate the maintenance and improvement of the architect's skill and knowledge as required by Part 5, Section 16(1)(a) of the Code.
- (b) Failing to report to the Board on all steps taken by the architect during the relevant annual registration period as required by Part 5, Section 16(2) of the Code.

Pursuant to section 43(4)(a) of Act, the Board reprimands the architect in respect of the conduct set out at clauses (a) to (b) above.

Alternative dispute resolution

The Board regularly receives calls from the public seeking advice on issues that may be currently unfolding on site, or at a critical phase where early intervention can assist.

The Board's Complaints process is an effective mechanism to discipline architects who are found to have acted unprofessionally or incompetently. However, the complaints process can take time to afford procedural fairness to parties and reach a determination, so developing a more responsive pathway is desirable to provide choice where resolution of the issue may deliver greater value to the consumer sooner and avoid a complaint altogether.

The Board is permitted to engage in mediation or alternative dispute resolution to resolve a complaint. In the Board's experience, early intervention and appropriate case management often assists in improved outcomes for all parties involved. The Board monitors the timeliness of its enforcement procedures in the following ways:

A **Triage Register** documents initial enquiries from consumers, recording the nature of their concerns/complaints. When enquiries are received from consumers they are advised of their rights under the Act including the right to make a formal complaint.

The Triage Register recorded 85 enquiries in the reporting year: 4 of these proceeded to a complaint; and 46 complaints were avoided or resolved by early advice and action.

- 26 enquiries (31%) related to a potential breach of Clause 4 of the Code and the provision of architectural services generally;
- 16 enquiries (19%) related to a potential breach of Clause 6 of the Code and the provision of information to clients and prospective clients;
- 2 enquiries (2%) related to a potential breach of Clause 7 of the Code and the client architect agreement;
- 2 enquiries (2%) related to the Development Application;
- 33 enquiries (39%) related to other matters that do not constitute a breach of the Code; and
- 6 enquiries (7%) related to copyright

A **Mediation Register** records application for mediation and the outcomes of the mediation undertaken. In the reporting period there were no mediations.

A **Complaints Register** complements the Register of Disciplinary Actions and records and provides a means to measure the life cycle of the enforcement process.

Offences relating to the practice of architecture: Breaches of Part 2, Sections 9, 10 and 11 of the Act

The use of the title 'architect' is protected by the Act and can only be used by persons who are on the NSW Register of Architects. If architectural services are provided by a corporation or firm, then the entity must have nominated at least one person who is responsible for the architectural services provided. This person or persons (known as the 'nominated architect/s') must be on the NSW Register of Architects.

The Board has no jurisdiction over investigating the conduct of persons providing design services if they are not architects.

The Board investigates reports of persons or entities illegally representing themselves or others as architects and monitors classified advertising, social media and websites to check compliance with Section 9 and 10 of the Act. In cases where a potential breach is identified, the individual or entity is given the opportunity to remedy the matter. Where the representation is not remedied, the Board may take action against the individual or entity in the Local Court.

In the reporting year, there were 129 investigations of alleged offences relating to the practice of architecture. As at 30 June 2020, 77 cases were closed with the breaches rectified, 35 cases had been actioned and were awaiting response, and 17 cases were still pending investigation.

Of the 129 investigations of Part 2 of the Act that were received,

- 30 related to a potential breach of section 9 of the Act, relating to an individual representing, or being represented as an architect;
- 86 related to a potential breach of section 10 of the Act, relating to a corporation or firm representing, or being represented as an architect corporation or firm
- 13 related to an architect corporation or firm not having a nominated architect listed on all correspondence and displays, as required by subsection 11(2) of the Act;
- 1 related to a registered architect not displaying their registration number on documents, as required by Clause 17(1)(c) of the Code;
- 3 related to architects in the non-practising category of registration providing architectural services.

Note that some investigations related to breaches of multiple sections of the Act, for example where an individual is representing both themselves and their corporation or firm to be an architect and an architect corporation or firm.

In the reporting year, the Board undertook multiple letter-writing campaigns to maximise its efficacy in enforcing Section 9 and 10 of the Act. In each case correspondence informed the recipients of the provisions of the Act, the protection of the title 'architect' and its derivatives, and the availability of the NSW Architects Register. Campaigns included correspondence with:

- architectural recruitment agencies;
- Directors of Planning and Directors of Development Assessment in all local government areas in NSW;
- editors of architectural media publications – encouraging them to brief staff / include information in style guides for journalists and writers. Additionally, suggesting they ask individuals for their Architect Registration Number as part of information gathering for stories;
- operators of service provider websites such as Hipages, One Flare, Service Seeking, Sensis and Yelp – encouraging them to
 - require evidence of registration before an individual or business can be categorised as an architect or use the title on their website;
 - remove listings of any individuals or businesses if they are not on the NSW Register or List of Corporations or Firms; and
 - include the Architect Registration Number of any architect/nominated architect advertising their services on the website.

Legal action

ARB v Tecton and Tania Pappas

In June 2018, the Board endorsed legal action against a company, Tecton and that company's director, Tania Pappas. The matter was found in the Board's favour on 9 December 2019 with Tecton having breached the following sections of the Act:

Subsection 11(1)

An architect corporation or architect firm must ensure that at all times there is at least one nominated architect who is nominated by the corporation or firm and responsible for the provision of architectural services by the corporation or firm.

Maximum penalty: 200 penalty units

Subsection 12(1)

If a person (other than an architect) provides an architectural service that the person has offered to provide using an architect or that the person has represented will be provided using an architect, the person is guilty of an offence if the architectural service is not provided by, or under the supervision of, an architect.

Maximum penalty: 100 penalty units (in the case of an individual) or 200 penalty units (in the case of a corporation)

Subsection 29(2)

If a nominated architect ceases to be responsible for the provision of architectural services by the corporation or firm concerned, the corporation or firm must notify the Board of that fact within 7 days of that cessation.

Maximum penalty: 50 penalty units.

The company's director was convicted for the same conduct, pursuant to section 83 of the Act. The conviction saw Tecton fined \$17,000 (with costs), and the company's director, Tania Pappas, fined \$4,500.

Manfredini and McCrae v NSW ARB

On 15 May 2019, registered architects Luisa Manfredini (reg no 6666) and David McCrae (reg no 8352) filed an appeal against the Board's finding of unsatisfactory professional conduct at the NSW Civil and Administrative Tribunal (NCAT). As at 30 June 2020, the matter was ongoing.

Annual audit of architects' compliance with Continuing Professional Development (CPD) requirements

Every year 5% of architects are randomly selected by the Board for a CPD audit and required to provide their record of CPD activity and supporting evidence for the previous registration year. Where an architect is not able to satisfy the Board that they have met their CPD obligations and where it is the Board's view that no extenuating circumstances apply, this may be grounds for characterising the architect's behaviour as unsatisfactory professional conduct, as defined by the Act.

In the reporting year, 271 architects were selected for CPD audit. 255 architects (94%) were found to have complied with the CPD requirements. The Board initiated complaints against 14 architects (5%) for failing to demonstrate CPD compliance. *Refer* Complaints against the professional conduct of architects above.

Publication of NSW ARB Short Form Architect Client Contract

The ***NSW ARB Short Form Architect Client Contract*** (SFACC) was launched on 1 November 2019. It is a free online resource to assist architects to meet their obligations under the Code and to provide information to consumers of architectural services who intend to contract with registered architects. It comprises a covering letter, services schedule and standard terms of agreement.

The Board developed the SFACC in response to the significant number of complaints against architects made to the Board relating to situations where the architect had failed to enter into a compliant, written client agreement at the start of the project. Evidence shows that a concise client agreement protects consumers by providing them with a better understanding of the basis of their agreement with their architect.

The launch of the SFACC was accompanied by an email to all architects that included links to the Code and other relevant documents under the following sub-headings:

- When is a Client Agreement required in NSW?
- What is the NSW ARB Short Form Architect Client Contract?
- Why has the Board developed the SFACC?
- How to use the SFACC?
- Who can use the SFACC?
- Where can I find other proforma Client Agreements relevant to NSW architects?

In the first two days, the email announcement was opened and read by at least 3,300 architects and approximately 764 clicked the link through to the webpage. As at 30 June 2020, there had been 3,308 downloads of the covering letter and services schedule (Word doc) and 2,937 downloads the standard terms (PDF).

Contributions to inter-agency initiatives related to the regulation of architects

As a statutory, regulatory body, the Board works within government structures to inform inter-agency discussion on matters directly related to the regulation of architects, regularly participating in government taskforces and roundtable discussions.

The Registrar meets monthly with the NSW Chapter President of the Australian Institute of Architects and quarterly with the NSW/ACT President of the Association of Consulting Architects.

In the reporting year, the Board participated in many interagency meetings contributing to the development of proposed regulatory reforms and was active across the breadth of consultation informing the development of the *Design and Building Practitioners Act 2020* and the draft *Regulation*. In addition to the Board's submission of written feedback to consultation concept papers, the Registrar is an active member on a number of the Building Reform Expert Panels established by the NSW Building Commissioner, including Pillar 1 – Regulation and Legislation; Pillar 3 – Education; and Pillar 6 – Research.

The Board hosted a Regulation Forum on 14 November 2019 in conjunction with the AACA Annual General Meeting, attended by 33 participants from around Australia. The panel included the NSW Building Commissioner, David Chandler OAM; NSW Chapter President Australian Institute of Architects, Kathlyn Loseby; Commissioner of the NSW Land & Environment Court, Tim Horton; and designer/artist and Saltwater woman of the Budawang tribe of the Yuin nation, Danièle Hromek. The forum discussed emerging trends in the construction sector that shape the risk environment generally; the value of increasing regulation of the construction sector nationally; the existing regulation of architects and whether it sufficiently addresses the contemporary risk environment; and the scope of changes to regulation of the construction sector that could most significantly manage strategic risks.

Operations and activities – Informing the public

The Board has an obligation to provide general advice to the public and consumers of architectural services with respect to the ethics and standards of professional competence that are generally expected of architects. The Board uses plain English, common terms and contemporary communication platforms to ensure better understanding of complex professional and regulatory processes.

Lectures to architecture students

To support the development of professional education that ‘bridges’ competency between tertiary architectural education and registration, the Registrar delivered five hours of lectures to students in the accredited architecture programs at University of New South Wales, University of Sydney, and University of Technology Sydney. Lecture content covered the education-practice-regulation context, the *National Standard of Competency for Architects*, pathways to register as an architect, the Architectural Practice Examination, the *Architects Act 2003* and *NSW Architects’ Code of Professional Conduct*. The lecture offer was not taken up by University of Newcastle or Western Sydney University.

Lectures to architects and building designers

Beyond the provision of CPD for architects, the Board is committed to contributing to events offered by other providers. In the reporting period, the Registrar presented lectures to the Lower North Shore Architects Network (LOWAN); Women in Design and Construction (WIDAC); InHouse Group; and a number of large architectural practices. A lunchtime briefing session on Continuing Professional Development was also provided for all chairs of the 7 small practice networks in Sydney (significant CPD providers).

ARB OPEN – App

In February 2018, the Board launched a free smartphone App intended to streamline how architects record Continuing Professional Development. The App allows an architect to log hours against the Units of Competency from the *National Standards of Competency for Architects*. Logged information is synced with the NSW Register of Architects to create a dynamic record.

For homeowners the App provides free access to video resources on working with an architect, the Code and what to do if things get difficult. In the reporting year, the App attracted 7,967 impressions on the iTunes App Store (3% increase on the previous reporting year), resulting in 350 new downloads of the App and 3,722 sessions on iTunes (10% increase on the previous reporting year). The App was downloaded 93 times on Googleplay this year (499 since launch).

Working with your Architect resource

Working with your Architect is a resource published by the Board to guide consumers on an architect’s role and their obligations to clients, and vice versa, the role of clients to assist the realisation of their project. The Board expresses no view about the quality of design services provided by architects and others, but endeavours to ensure that consumers’ choices on providers of building design services are based upon accurate information about the registration status of the service provider. The Board’s online searchable database of architects and architect corporations is also used by the public to confirm the status of a person or corporation or firm.

Research and development – Workplace Culture and Wellbeing

The Board seeks to inform the public by understanding current and emerging issues in the sector. As a statutory authority, the Board aims to leverage evidence as the basis for communicating highly technical and specialist knowledge in a way that is accessible to a public audience.

In 2016 the Board commissioned a literature review on ‘Architects and Mental Health’. In 2019, the Board joined as a Partner Investigator with Monash University to capitalise on its earlier work and other international research supporting the negative effect that aspects of architectural work culture can have on the wellbeing of students and practitioners.

Architectural Work Cultures: professional identity, education and wellbeing is a ground-breaking research project investigating the work-related wellbeing of architects and architecture students. The project secured funding from Australian Research Council’s Linkage Projects scheme in May 2020.

It will be the first major study to use interdisciplinary, qualitative and quantitative methods to examine how workplace cultures and professional identity affect the wellbeing of practitioners and students of architecture. No research of this scope has been done in Australia, so the research project will provide a snapshot in time, and lay foundations to improve architecture’s workplace and education cultures.

As a profession, architecture is highly unusual in that it stands at the intersection of the creative and construction industries, making it both a cultural and technical practice. The research project will cover all stages of the career continuum, from the first year of architecture school until retirement, through the lens of architects working in small, medium and large practices. The aim is to determine exactly what effects – both positive and negative – result from work cultures and professional identity in architecture. The project will go beyond knowledge generation, to action in the profession and cultural change.

The research project will be an interdisciplinary collaboration between researchers in the Monash University Department of Architecture (Faculty of Art, Design and Architecture) and Department of Management (Faculty of Business and Economics). Led by Professor Naomi Stead, who is also the Head of Architecture at Monash, the project team includes Professor Julie Wolfram-Cox, Associate Professor Maryam Gusheh, Dr Brian Cooper. Dr Kirsten Orr (Registrar of the Board) is a Partner Investigator on the project. Also collaborating on the project is Justine Clark, founder of the award-winning advocacy group Parlour (working towards greater gender equity and improved working conditions in architecture) and Byron Kinnaird, a postdoctoral research fellow co-appointed by Monash and the Board. The research project also includes a PhD scholarship.

The interdisciplinary collaboration between scholars in architecture and management is significant because, as a profession, architects do not always make great businesspeople.

In addition to the Board, the project has several industry-based and education partners including:

- Australian Institute of Architects – peak industry body representing architects;
- Association of Consulting Architects – the peak industry body representing business; and
- Association of Australasian Schools of Architecture – the peak body representing architecture schools.

In addition, the project is partnering with six architecture practices, all committed to improving their employees’ wellbeing for the benefit of community and culture, including (in alphabetic order): BVN, DesignInc, Elenberg Fraser, The Fulcrum Agency, Hassell, and SJB.

Ultimately, the project proposes a series of events, forums, discussions, actions and interventions to improve the work- and study-related wellbeing of architects and architecture students. It will produce two toolkits in support of cultural change across education, workplace and institutional settings. The Board anticipates that the resources generated by this project will fundamentally support the architecture profession into the future – encouraging old work cultures to be replaced by those with a new focus on occupational wellbeing. The Board expects there to be flow-on impacts from this transformation that will benefit consumers of architecture and the quality of the built environment more broadly.

Digital platforms

The Board maintains a comprehensive web presence to ensure information and resources can be accessed at any time. A strong emphasis is placed on easily downloadable material in the form of pdf publications found on the website. The Board maintains the following digital platforms;

Board website:	967,534 page views
Facebook:	1,325 followers
Twitter (@ArchInsights):	3,493 followers
Soundcloud	3,212 plays (FY2019-20)
Instagram	2,134 followers

Regional showcases

In the reporting year the Board committed to participating in a 2020 program of Regional Showcases curated by the NSW Chapter of the Australian Institute of Architects to bring together the professional community of architects and building designers across regional NSW to network and address issues of current interest to regional communities.

Regional centres to be visited included Bathurst, Coffs Harbour, Newcastle, Byron Bay and Nowra. Due to COVID-19, the program was cut short and Bathurst was the only component of the Regional showcase program to be delivered. This was an all-day event held on 13 March 2020. It was attended by 49 participants and included presentations by the Board, Government Architect NSW, Planned Cover and Australian Institute of Architects. Also included was a Town Hall Forum facilitated by Bathurst Regional Council and attended by members of the public.

Operations and activities – Promoting architecture

The Board provides information to the NSW public in order to promote architectural issues in the community, and to ensure consumers of architectural services are better informed so their rights can be better protected. To do this, the Board partners with industry, not for profit organisations and professional peak bodies to deliver public programs that inform, engage and educate, including the following programs detailed below.

World Architecture Day 2019

The Board hosted the World Architecture Day Oration on 7 October 2019 at the Memorial Hall at the Anzac Memorial in Hyde Park. The theme was “**Calling Australia Home**”. A panel of speakers was invited to reflect on the way that architecture and place play into questions of national and local identity and our complex relationships with home. Panellists included:

- Tim Williams (Architect for Sir John Monash Centre at Villers Bretonneux)
- Fiona Hall (Artist for Memorial Hall installation)
- Linda Kennedy (Dharawal designer)

The event included a tour of the new spaces by veterans and a short introduction to the design of the renovation by the architect Richard Johnson AO.

Sydney Architecture Festival (SAF) 2019

The Sydney Architecture Festival (SAF) is presented annually by the Board in partnership with key cultural institutions and event producers across the city in the annual celebration of architecture. In the reporting year, SAF ran from 11-17 November 2019 and included 23 events with around 85 speakers curated around the theme of “**Making. Housing. Affordable.**” The theme resonated with the community and public and aligned well with the Board’s objective of promoting a better understanding of architectural issues.

The SAF program of talks, panel sessions, tours, films and other activities were well-attended and many sold out, with over 2,000 people participating across the program. The festival culminated in the “**Better Housing Now**” symposium, which was supported by a large number of partners, including City of Sydney, Committee for Sydney, Shelter NSW, Government Architect NSW, Women’s Housing Company, Capella Capital, NSW Land and Housing Corporation, St George Community Housing, Tenants’ Union of NSW, Bridge Housing Limited, Urban Apostles, and Realm Studios.

The SAF website had 18,673 unique visitors and 112,328 page views during the festival period. The social media campaign (Instagram and Facebook) reached 368,640 users with 1,180,460 impressions. SAF received significant print, radio and online coverage.

Due to COVID-19, the Board resolved to cancel SAF in 2020 and redirect staff time to re-developing the **Working with your Architect** resources for consumers.

MADE by the Opera House

Established in 2013 to mark the Sydney Opera House’s 40th birthday celebrations, the Multidisciplinary Australian Danish Exchange, or MADE by the Opera House, celebrates the special connection between Australia and Denmark first forged by Jørn Utzon’s masterpiece building. It is a collaboration between Sydney Opera House and the Royal Danish Academy of Fine Arts Schools of Architecture, Design & Conservation, supported by the NSW Architects Registration Board, Arup, Steensen Varming, AMP Capital and three Danish foundations: The Bikuben Foundation, The Dreyer Foundation and The Henrik Frode Obel Foundation.

Each year until 2023, 5 Australian and 5 Danish students selected from the disciplines of architecture, design and engineering will be funded to spend 6 weeks collaborating on a multidisciplinary project in Denmark and Australia respectively. This exchange extends the cross-disciplinary collaboration that gave birth to Australia's most celebrated building into new generations, creating by the Opera House's 50th Anniversary in 2023 a living legacy of 100 MADE alumni with a deeper understanding of international practice across disciplines and hemispheres.

The 5 Danish students selected to visit Sydney in July-August 2019 included;

- Asbjørn Eriknaer
- Andreas Sommer Kjærgaard
- Signe Skytte Madsen
- Stefan Ekelund Perriard
- Morten Juhl Stistrup Nielsen

The 5 Australian students selected to visit Denmark in January 2020 included;

- Bobbie Bayley (M.Architecture, University of Newcastle)
- Irene Clark (B.Engineering (Civil)/B.Design in Architecture, University of Sydney)
- Aislinn King (M.Fine Arts (Design for Performance), National Institute of Dramatic Art)
- Muthu Kumaran (B.Engineering (Hons) (Mechatronics), Western Sydney University)
- Stephanie Palmer (B.Engineering (Hons), Dip. Professional Engineering Practice (Major in Civil and Environmental), University of Technology Sydney)

Architect's Medallion

The Architect's Medallion is awarded annually by the Board to a NSW graduate of an accredited Master of Architecture course who has achieved distinction both in a particular subject area at the final level and generally throughout the two years of the course. The Medallion is presented, along with a \$5,000 prize.

In 2020 4 candidates were nominated by the respective Heads of the 4 accredited architecture programs in NSW, including;

- Thomas Byard, The University of Newcastle
- Jincheng Jiang, The University of New South
- Gloria Ngoc Tran Ha, The University of Sydney
- Yvette Salmon, The University of Technology Sydney

The 2020 Architect's Medallion was awarded to Jincheng Jiang of the University of New South Wales. The Jury Citation reads:

The Jury was impressed by the project that Jincheng submitted –titled “A Place to Share Our Hands Together”.

Jincheng's project explores the creation of community through architectural and urban interventions that are designed to overcome various barriers including culture, language, ethnicity, age, and physical ability. At the heart is an investigation of how social interaction can be built between people from diverse backgrounds.

This was clearly a very personal project for Jincheng – who arrived in Australia 8 years ago as an international student. In the interview, Jincheng spoke of the language barriers he has had to overcome and his discovery of the importance of the hands in their ability to gesture for clearer communication, their ability to draw and to make things.

Jincheng's proposal is an exploration of how observation of the hands – observation of their movements and activities – can help people to connect with others and can create a shared culture at the scale of an urban precinct. His proposal features various unexpected and opportunistic views into buildings without the possibility of direct eye contact – forcing a focus on stolen glimpses and framed views of peoples' hands at work and in motion.

His project presents a concept that is both meaningful and poetic. It is illustrated with exquisite hand drawn renders. In this regard, the jury was impressed by Jincheng's approaches to hand drawing as an explorative tool and a way of thinking, which reflects the influence of two of his teachers – Renzo Piano and Glenn Murcutt.

But the jury was most impressed by the maturity of Jincheng's approach to putting people first in design, which as he explained in the interview means that you actually have to communicate with them. Jincheng explained his belief that what your hand produces is actually more convincing than what you say and can provide the basis for mutual understanding to the extent that sometimes you don't need to say anything at all, but simply let the drawings do the talking. The Jury thought Jincheng brought a unique cultural perspective to his architectural approach, showed a clear enthusiasm for learning, had a sophisticated understanding of structure and material, and was deeply immersed in the experience of the spaces he was trying to create as much as being concerned with the physicality of the building itself.

The jury congratulates Jincheng.

STEAM Futures: Building Connections program

The Board has developed a range of education resources to promote a better understanding of architectural issues in local communities and schools. In 2018-2019 a program was piloted in partnership with STEAMpop to expand the Board's education outreach by training a cohort of architects that can be ambassadors for architecture in the community. Architects and teachers collaborated to develop site-specific programs for students that explored the potential for 'STEAM' initiatives in four NSW high schools.

In the reporting year, STEAM Futures was suspended due to COVID-19. Board staff identified key objectives for the development of the program in future years, including:

- broadening take-up of the program by schools with low Social Economic Status (SES) scores;
- growing the number of architects involved in working with schools and establishing a more agile mechanism for connecting architects with schools;
- pursuing NSW Education Standards Authority (NESA) accreditation for teachers who undertake the Building Connections program; and
- delivering information sessions for teachers and architects to clarify the expectations for the program and facilitate planning activities.

Exhibitions of NSW graduating students

The Board is a major supporter annually of the exhibitions of graduating students in each of the 4 accredited programs of architecture in NSW universities. In the reporting year, a sum of \$5,000 was donated to each University.

Byera Hadley Travelling Scholarships (BHTS)

The Board has awarded the Byera Hadley Travelling Scholarships since 1951. The BHTS is bequeathed by the Estate of the late Byera Hadley. The Trust is managed by Perpetual Limited and administered by the Board to enable winners to undertake a course of study, research or other activity approved by the Board as contributing to the advancement of architecture. The scholarship program must include travel, which may be overseas or within Australia. Scholarships are open to graduates and students of an accredited architecture program offered by a NSW university.

The 2019 Byera Hadley Travelling Scholarships were awarded to:

Natalie Andersen (student)

Verandah's and Promises: A study on 'Architecture of Necessity' within remote Aboriginal Communities in Australia

Jonathan Donnelly (graduate)

Timber Buildings Artistically Considered

Jake Kellow (graduate)

Tracing the Amber Road: A survey of architectural trade across Central and Eastern Europe

Sophie Lanigan (student)

On Horizontal Architecture: Exploring the Polykatoikia Housing Model as an example of economic infrastructure

Stewart Monti (graduate)

Renaturing for Resilience

Pete Murray (graduate)

Thinking outside the School: How can we design the spaces around primary schools to encourage more children to walk to school

Joseph O'Meara (graduate)

Agriecture: Transforming cities into part of our agricultural system.

Bianca Pineda (graduate)

Six Streets: Validating Jacobs and Gehl in Asia

Celeste Raanoja (graduate)

Physical Value: Reinstating the cultural value of the architectural model

Jeffrey Tighe (graduate)

In Search of Fine Grain

Due to COVID-19, 9 of the 10 scholars from the cohort of 2019 recipients were forced to place their scholarships on hold due to travel restrictions. The Board resolved to suspend awarding future BHTS scholarships until international borders re-open, and international travel resumes and is deemed safe.

In the reporting year, Board staff reviewed the BHTS Conditions of Award and Application Form.

Changes will be implemented when the next round of scholarships are awarded, including:

- greater clarity in the definitions of 'student' and 'graduate';
- increased value of scholarships to keep pace with inflation and the real costs associated with a substantial international travel itinerary;
- 'How to Apply' re-written to clarify the requirements of the Applicant Statement; and
- new 'Conditions of Award' added requiring a declaration from scholars who wish to travel to region(s) with DFAT travel advice in place.

Operations and activities – COVID-19

Board operations during COVID-19

To manage the spread of the coronavirus disease (COVID-19), the Board office was closed and all staff were directed to work from home from 23 March 2020. As at 30 June 2020, this situation was continuing.

There was no disruption to the Board's operations and activities arising from the office closure. All incoming phone calls were re-directed to staff mobiles, email accounts continued to be regularly monitored, and staff were equipped with remote access to the Board's server and databases. All face-to-face interactions, including Board meetings, were moved online using the Zoom video communications platform. The website continued to provide a 'one-stop-shop' for most things, including forms, payment processes and information sheets. Appropriate messages advising of the office closure were placed on the answering machine and website.

As the work environment has shifted from office to working remotely, the Board has strengthened controls over remote access and user access to ensure all information is secure and safe. Staff participated in training to increase their awareness of potential cyber threats that have been seen to rise as a result of COVID-19.

There was no interruption to the audit process of the financial statements despite the need for it to be conducted remotely. Electronic copies of all documentation were provided. Communication of the audit process was performed over email and over phone.

Other impacts of COVID-19 on Board operations and activities are noted elsewhere in this report, where relevant.

Statutory reporting obligations

Funds granted to non-government community organisations

The Board did not grant any funds to non-government community organisations in the reporting year.

Social programs

The Board did not provide any social programs determined by the Secretary of the Treasury for the reporting year.

Legal amendments to the Act

As at 30 June 2020, the Act has been amended. The Board now has the capacity to remove architects from the Register for failing to comply with Continuing Professional Development or Professional Indemnity Insurance requirements, pursuant to sections 24(g) and 24(h) of the Act. This amendment commenced on 1 July 2019.

There are a number of proposed amendments to the Act that as of 30 June 2020 had not yet commenced. These amendments are found in Schedule 2 to the *Fair Trading Legislation Amendment (Reforms) Act 2018*. As of 1 July 2020, the following changes will be made to the Act:

- After section 17 of the Act, section 17A will be inserted to allow architects to register for a period of 1, 3 or 5 years in duration. The registration period can commence at any point in time and will not expire until 1, 3 or 5 years later.
- Section 20(3) of the Act will be amended to remove the words 'the duration of registration'.
- Section 22(2) of the Act will be amended to insert the words "other than section 39" after the words "Part 3".
- Section 24(1)(e) will be inserted into the Act to allow the removal of an architect's name from the Register in the event that their registration has expired and the registration has not yet been renewed or restored.
- Section 28(1) of the Act will be replaced to align with rolling renewals and registrations of longer than 1 year in duration.
- Section 28(2A) will be inserted to provide for restoration of registration.
- Section 28(7A) will be inserted to allow the Board to refuse an application for restoration in circumstances prescribed by the Regulations.
- Section 84(2)(i) will be inserted to allow the Regulations to make provision for the waiver or refund of the whole or any part of a fee for any service provided by the Board.

Schedule 2 to the *Fair Trading Legislation Amendment (Reforms) Act 2018* also provides that the *NSW Architects Code of Professional Conduct* will be amended to remove the words 'during the current registration period' from clause 16(2).

Economic or other factors

The Board had no economic or other factors affecting achievement of operational objectives for the reporting year.

Research and development

The Board did not undertake any research and development activities in the reporting year. The Board partnered with Monash University in an application for funding under the Australian Research Council's Linkage Projects scheme. The project ***Architectural Work Cultures: professional identity, education and wellbeing*** secured funding in May 2020, with work to commence in the next reporting year. Refer Research and development - Workplace Culture and Wellbeing above.

Human resources

The number of Board employees has remained relatively stable. As at 30 June 2020 there were 4.6FTE staff.

There were no exceptional movements in wages, salaries or allowances in the reporting year. The Board benchmarks salaries against the *Crown Employees (Public Sector - Salaries 2019) Award* and refers to *The Public Service Industrial Relations Guide* for staff employment conditions. Leave entitlements, long service leave and parental leave are all provided in accordance with the applicable legislation. All Board staff hold continuing employment contracts that comply with the laws in force in New South Wales.

COVID-19 prevented the recruitment of a Bookkeeping and Administration Officer (0.4FTE).

Consultants

The Board did not engage any consultant during the reporting year that cost \$50,000 or more.

The Board contracts the services of external contractors to maintain plant (the separate air conditioning system) and IT equipment and software. These services are provided as part of a Service Agreement.

Workforce diversity

As a small statutory body, the Board employs 4.6FTE staff from across a range of backgrounds, age and gender. The Board is committed to the Government policy of workforce diversity and ensures that this policy is observed in the recruitment and management of staff and dealings with the public. As of 30 June 2020, the Board staff comprised;

- Dr Kirsten Orr, Registrar (Full time)
- Nadine Roberts, Registration Manager and Deputy Registrar (Full time)
- Kylie Chow, Finance Compliance and Risk Officer (Full time)
- Byron Kinnaird, Research and Education Officer (Part time)
- Bridgette Turvey, Legal Officer (Full Time)

Disability inclusion

In June 2019, the Board engaged the architect, Harry Seidler & Associates to provide design services for a refit of the existing tenancy premises to comply with accessibility requirements. Access consultant, Morris Goding Accessibility Consulting was engaged to undertake an accessibility audit and provide a report specific to the Board's obligations as a Lessee and Government agency.

The Accessibility Report makes recommendations in accordance with the mandatory requirements of

- Disability Access to Premises Standards 2010 (DDA Access Code);
- Building Code of Australia 2019 - Part D3, #3, F2;
- Accessibility Standards: AS1428. 1:2009, AS1428.4. 1:2009, AS1732. 12; and
- advisory issues in line with the intent and objects of the *Disability Discrimination Act 1992*.

The Report includes a risk rating on a scale of 3 to 1 in order to assist the Board with prioritising which non-compliances pose greater risks than others. The Report is informing the project scope and design brief for the design of the tenancy refit, with construction work anticipated to occur in 2021.

As at 30 June 2020 documentation describing works associated with a refit of the existing tenancy premises to comply with accessibility requirements was almost complete for consideration and approval by the Board prior to seeking tenders.

Land disposal

The Board did not own or dispose of any properties during the reporting year.

Promotion

There were no overseas visits undertaken by Board members or Board staff during the reporting year.

Consumer response

“Your Feedback” functionality is enabled for the Board’s website. In the reporting year the Board received 74 feedback cases (29 Compliments, 39 Complaints and 6 Suggestions). 78% of feedback cases were received in one month during the major annual renewal period for architect registrations from 1-30 June 2020, when 57 feedback cases were received (21 Compliments, 33 Complaints and 3 Suggestions).

20 complaints (50% of the total Complaints for the reporting year) were received in a single 12-hour period, overnight on 29-30 June 2020. These Complaints were triggered by a simple programming error in the new dynamically controlled software implemented to manage the 2020 introduction of rolling renewal dates. The programming error resulted in some architects who left their registration renewal to the final day being unable to access the online renewal form when they logged into their account. The problem was fixed within 3 hours of being identified and had an insignificant impact on registration renewals.

All feedback cases received in the reporting year have been responded to and are closed.

Payment of accounts and time for payment

In accordance with Clause 13 of the *Public Finance and Audit Regulation 2015*, the *Annual Reports Legislation* and the *NSW Treasury Circular (TC 11/12)*, the Board has a statutory obligation to report on the prompt payment of accounts, including disclosure of payment performance as outlined in *Treasury Circular 11/21 January 2012*, and the following information is provided in relation to payment of accounts:

Aged analysis at the end of each quarter

QUARTER	CURRENT (i.e. within due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	More than 90 days overdue
	\$	\$	\$	\$	\$
All suppliers					
September 2019	\$316,417.43	-	-	-	-
December 2019	\$445,988.37	-	-	-	-
March 2020	\$148,493.84	-	-	-	-
June 2020	\$124,978.10	\$8.80	-	-	-
Small business suppliers					
September 2019	\$165,122.49	-	-	-	-
December 2019	\$329,772.40	-	-	-	-
March 2020	\$70,596.69	-	-	-	-
June 2020	\$22,497.55	-	-	-	-

Accounts due or paid within each quarter (including refunds, overpayments, scholarship monies etc)

Measure	September 2019	December 2019	March 2020	June 2020
All suppliers				
Number of accounts due for payment	98	184	70	57
Number of accounts paid on time	98	184	70	56
Actual percentage of accounts paid on time (based on no. of accounts)	100%	100%	100%	98.25%
Dollar amount of accounts due for payment	\$316,417.43	\$445,988.37	\$148,493.84	\$124,986.90
Dollar amount of accounts paid on time	\$316,417.43	\$445,988.37	\$148,493.84	\$124,978.10
Actual percentage of accounts paid on time (based on \$)	100%	100%	100%	99.99%
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-

The single payment made outside the payment terms was due to the invoice not being forwarded on time for payment during the period when office was closed and staff were in transition to working from home arrangements because of COVID-19.

Accounts due or paid within each quarter (including refunds, overpayments, scholarship monies etc)

Measure	September 2019	December 2019	March 2020	June 2020
Small business suppliers				
Number of accounts due for payment	45	141	34	23
Number of accounts paid on time	45	141	34	23
Actual percentage of accounts paid on time	100%	100%	100%	100%
Dollar amount of accounts due for payment	\$165,122.49	\$329,772.40	\$70,596.69	\$22,497.55
Dollar amount of accounts paid on time	\$165,122.49	\$329,772.40	\$70,596.69	\$22,497.55
Actual percentage of accounts paid on time (based on \$)	100%	100%	100%	100%
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-

Risk management and insurances

The Board maintains appropriate insurances including Workers' Compensation, Public Liability and Contents insurance and Association Liability insurance for the protection of Board Members. These insurances are reviewed annually to ensure appropriate cover.

The Board maintains and updates an asset register on an annual basis.

Authority for making decisions rests with the Board unless specifically delegated to a committee or the Registrar as outlined in the Board's Delegations Framework. There is a financial delegation of \$5,000 in place in relation to expenditure by the Registrar without referral to the Board. Specific delegations are identified in the Board's Annual Corporate Plan and the Board's Financial Management Framework. Recommendations and decisions are minuted at each Board meeting. Independent legal advice is sought as required.

The Board has a Finance and Risk Committee. The Committee objectives are to:

- Provide oversight of the Board's governance, risk and control frameworks, internal financial planning, and its external accountability requirements
- Provide oversight to annual budget planning, human resources; staff welfare and remuneration
- Monitor the Board's Workplace Health and Safety responsibilities

Refer Management and Structure: Board Governance for more detail about the activities of this committee in the reporting year.

Internal audit and risk management policy attestation

The Board has an exemption from compliance with the NSW Treasury TPP 15-03 *Internal Audit and Risk Management Policy*.

The Board has internal risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TPP 15-03 *Internal Audit and Risk Management Policy*. These processes provide a level of assurance that enables the senior management of the Board to understand, manage and satisfactorily control risk exposures.

Controlled entities

The Board has never had any controlled entities of the kind referred to in section 39 (1A) of the *Public Finance and Audit Act 1983*.

Subsidiaries

The Board has never had any public sector subsidiaries.

Multicultural policies and services

In the reporting year, the Board established for the first time a Multicultural Committee to

- develop and provide oversight for the implementation of a Multicultural Plan;
- establish a Multicultural Advisory Group of registered architects from culturally diverse backgrounds to provide meaningful advice and support to the Multicultural Committee in the development and implementation of the Board's Multicultural Plan 2020-2023;
- build a culture amongst staff and Board members that promotes diversity and culturally inclusive practices;
- identify, develop and provide oversight for the implementation of Board initiatives to serve the needs of people from culturally diverse backgrounds; and
- evaluate the effectiveness of the Board's initiatives for engaging with people from diverse backgrounds.

The Multicultural Plan 2020-2023 was adopted by the Board at its December 2019 meeting. COVID-19 delayed the establishment of a Multicultural Advisory Group and implementation of the Multicultural Plan.

The Board is a partner in the Droga Indigenous Architecture Scholarship awarded by the University of Technology Sydney (UTS) to support Indigenous students through the Bachelor and Master's course requirements for professional recognition as an architect. The first recipients of the Droga Scholarship were announced by UTS in July 2019, and Mitchel Moxey completed a four-week internship with the Board in January 2020. Mitchell's internship focused on promoting a better understanding of architectural issues. He developed concepts for the 2020 Sydney Architectural Festival around the theme of climate change and its impact on how we live in the city and its suburbs. He also defined a project brief for the existing STEAMpop program in secondary schools that would challenge students to investigate their local river system, its surrounding community and natural and built environments and then design, model, create or theorise proposals for new possibilities.

The 2020 Architects Medallion was awarded to Jincheng Jiang, a graduate from the University of New South Wales, whose work has focused on exploring how architecture and urban design can overcome various barriers including culture, language, ethnicity, age, and physical ability. At the heart of Jincheng's graduation project, "A Place to Share Our Hands Together," was an investigation of how social interaction can be built between people from diverse backgrounds.

In 2019, Byera Hadley Travelling Scholarships were awarded to support research into aspects of multiculturalism in the built environment, including:

- Natalie Andersen, *Verandah's and Promises: A study on 'Architecture of Necessity' within remote Aboriginal Communities in Australia.*
- Jake Kellow, *Tracing the Amber Road: A survey of architectural trade across Central and Eastern Europe.*
- Bianca Pineda, *Six Streets: Validating Jacobs and Gehl in Asia.*

The Board agreed to sponsor the Australian exhibition at the Venice Architecture Biennale 2020, titled "In | Between" and showcasing Indigenous and non-Indigenous collaboration with the aim of building greater cultural understanding. The Board's investment was to be directed to the Australia-based post-Venice touring of the exhibition in 2021, allowing the Board to best reach its target audience in NSW and demonstrate leadership in culturally inclusive practices and the recognition of the value of cultural diversity, as well as offering a structured opportunity for the Board to collaborate with diverse communities. Unfortunately, COVID-19 prevented the Venice Architecture Biennale, and hence the Australian touring exhibition, from proceeding.

The Board made two submissions to the AACA related to multicultural issues within the architecture profession:

- Submission 1 encouraged the inclusion of English as a Second Language (ESL) provisions in the various components of the Architectural Practice Examination (APE) leading to registration as an architect. As a result of the Board's submission, ACER was asked to provide advice to the AACA on the framing of questions to avoid inadvertently disadvantaging candidates from non-English speaking backgrounds.
- Submission 2 encouraged consideration and implementation of strategies to increase representation on the national Accreditation Standing Panel of architects and academics drawn from culturally and linguistically diverse backgrounds.

The Registrar collaborated with the Bower Media Group to develop a CPD activity targeting architects from ESL backgrounds (predominantly Mandarin-speaking). "What you need to know as a NSW Architect" was delivered at the Museum of Contemporary Art on 5 March 2020.

In the reporting year the Board made recommendations to the Minister for Better Regulation and Innovation for new ministerial appointments to the Board, to commence in September – November 2020. The principle of diversity was considered, including the representation of Aboriginal and Torres Strait Islanders, women, people from culturally and linguistically diverse backgrounds, people with a disability and young people.

As at 30 June 2020 the eleven-person Board comprised one member whose language first spoken as a child was not English and 6 women (55%). The President and Deputy President are both women.

Board staff (4.6FTE) included one person whose language first spoken as a child was not English and one woman in Senior Leadership.

Multicultural activities planned for the next reporting year

The Board has the following multicultural activities planned for the next reporting year:

- Establish a Multicultural Advisory Group of registered architects from culturally diverse backgrounds to provide advice and support to the Multicultural Committee and the Board (by 31 December 2020).

Service Delivery

- Provide training to the Multicultural Advisory Group on the background to the Board (by 28 February 2021)
- Staff and Board members are trained in culturally inclusive practices (by 30 June 2021)
- Engage a translation/interpreting service provider to provide access to translation and interpreting services to consumers and architects on a user-pays basis (by 30 June 2021)
- Update the Board website to provide information about available translation/interpreting services and bi-lingual support (by 30 June 2021)
- Multicultural Advisory Group reviews and makes recommendations for the revision of *Working with your Architect* (revisions completed and relaunch by 31 December 2021)

Planning

- Establish a database of appropriate agencies and stakeholder organisations holding multicultural data relevant to architecture and the built environment (by 30 June 2021)
- Commence collection of multicultural data relevant to architecture and the built environment (to coincide with major renewal period 1-30 June 2021)

Leadership

- Continue to prioritise initiatives such as MADE by the Opera House, UTS Droga Indigenous Scholarship, Byera Hadley Travelling Scholarship (BHTS) and World Architecture Day Oration to increase recognition of the value of cultural diversity and the value of culturally diverse experiences amongst NSW architecture students and architects

Engagement

- Identify baseline opportunities for collaboration and information sharing with diverse communities (by 31 December 2021)
- Establish qualitative and quantitative key performance indicators for measuring the effectiveness of the Board's multicultural and diversity initiatives (by 31 December 2021).

Agreements with Multicultural NSW

The Board had no agreements with Multicultural NSW under the *Multicultural NSW Act 2000* for the reporting year.

Work health and safety

The Board's Work Health and Safety policy and procedures are updated in line with relevant legislative procedures every three years and reviewed annually.

In the reporting year, Board staff undertook fire training, including building evacuation procedures and training in the use of fire extinguishers.

There were no reportable incidents for the reporting year, and no work-related injuries, illnesses or prosecutions under the *Work Health and Safety Act 2011*.

Senior executive reporting

The NSW Architects Registration Board does not employ any staff that require reporting under the Senior Executive reporting requirements of Treasury Circular PSCC 2014-09.

At the end of the reporting year, the Board employed one female staff member in a Senior Executive role equating to Band 1 of Public Sector Senior Executive salary (PSSE) with remuneration of \$222,276.

33% of the NSW Architects Registration Board's total employee-related expenditure for the reporting year was related to the Senior Executive position, compared with 38% in 2017/2018.

Government Information (Public Access) Act 2009

The Board provides information to the public in compliance with the *Government Information (Public Access) (GIPA) Act 2009*. The *GIPA Act* applies to all NSW Government agencies and encourages the proactive release of information. The system makes it easier for individuals to access government and personal information from government agencies. A review of information proactively released under the *GIPA Act* is regularly undertaken by the Board and a Publication Guide has been prepared that lists the information and guides available on the website.

Policies and publications can be accessed directly from the Board's website or by contacting the Registrar. The Board also maintains an active social media presence to share information and decisions. Applications for access to documents under the provisions of the *GIPA Act* must be in writing, either on an application form or by letter, accompanied by a \$30 application fee.

In the reporting year, information pertaining to the Board was captured in a single application to the University of Sydney for access to information under the *GIPA Act*. No direct applications were made to the Board.

Digital information security policy attestation

The Board continues to assess its Cyber Security risks and improves the maturity of cyber security reporting requirements. The Board has implemented and tested the cyber incident response plan during the reporting period. Staff have also participated in training to increase awareness of cyber security risks. Refer Annexure A – *NSW Architects Registration Board Cyber Security Annual Attestation Statement for the 2019-2020 Financial Year*.

Public Interest Disclosures

There were no disclosures received from any officer of the Board for the reporting year. No reports were received in reference to corrupt conduct, maladministration, government information or local government pecuniary contraventions.

Privacy report

The Board collects information about architects for the purposes of registration as allowed under the provisions of the Act. In doing so, the Board complies with the *Privacy and Personal Information Protection Act*. There were no requests for privacy reviews in the reporting year.

Annual Reports (Statutory Bodies) Regulation 2015

In accordance with the *Annual Reports (Statutory Bodies) Regulation 2015 (493)*, Clause 8(2)(b) the following information is provided in relation to the production of this Annual Report:

Hard copies of the Annual Report are printed only for reporting obligations to government agencies. The Report is published on the Board's website.



INDEPENDENT AUDITOR'S REPORT

NSW Architects Registration Board

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of NSW Architects Registration Board (the Board), which comprise the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Board as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Board in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Other Information

The Board's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The members of the Board of the Board are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by Board Members under the PF&A Act.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Board's Responsibilities for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Board are responsible for assessing the Board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Board carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in blue ink, appearing to be 'W. Liao', written in a cursive style.

Weini Liao
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

26 November 2020
SYDNEY

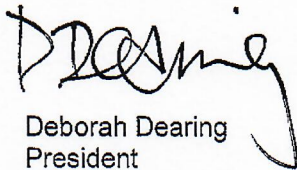
NSW Architects Registration Board


FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

STATEMENT BY BOARD MEMBERS

Under Section 41C of the *Public Finance and Audit Act 1983*, we state that, in our opinion:

- (a) The accompanying financial statements and notes thereto have been prepared in accordance with:
- the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the Treasurer's Directions; and
 - applicable Australian Accounting Standards (which include Australian Accounting Interpretations).
- (b) The financial statements and notes exhibit a true and fair view of the financial position of the Board as at 30 June 2020 and financial performance of the Board for the year ended 30 June 2020;
- (c) At the date of this statement, we are not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.


Deborah Dearing
President


Rod Cameron
Deputy President

26th November 2020

NSW Architects Registration Board
Financial Statements
for the year ended 30 June 2020

Index to the Financial Statements

	Page
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4

Index to the Notes to the financial statements

	Page
1. Summary of Significant Accounting Policies	5-8
2. Expenses Excluding Losses	9-10
3. Revenue	10-12
4. Other Gains / (Losses)	13
5. Current Assets - Cash and Cash Equivalents	13
6. Current Assets - Receivables	13-14
7. Current Assets - Other Financial Assets	14-15
8. Non - Current Assets - Plant and Equipment	15-17
9. Leases	17-19
10. Restricted Assets	19
11. Current Liabilities - Payables	20
12. Contract Liabilities	20
13. Lease Liabilities	21
14. Current / Non - Current Liabilities - Provisions	21-22
15. Current Liabilities – Other Liabilities	22
16. Commitments	22
17. Contingent Liabilities and Contingent Assets	22
18. Reconciliation of Cash Flows from Operating Activities to Net Result	22
19. Financial Instruments	23-27
20. Related Party Disclosure	28
21. Events after the Reporting Period	28
22. Impact of COVID-19 and Bushfire to the Board	28-29

**NSW Architects Registration Board
Statement of Comprehensive Income
for the year ended 30 June 2020**

	Notes	2020 \$	2019 \$
Expenses excluding losses			
Operating expenses			
Employee related expenses	2(a)	750,085	684,434
Other operating expenses	2(b)	566,452	747,388
Depreciation	2(c)	166,964	22,240
Grants and subsidies	2(d)	20,000	20,000
Finance Costs	2(e)	<u>7,561</u>	<u>-</u>
Total expenses excluding losses		<u>1,511,062</u>	<u>1,474,062</u>
Revenue			
Fees	3(a)	1,484,903	1,554,252
Investment revenue	3(b)	20,009	37,471
Architects Accreditation Council of Australia Examination / Built Work Program of Assessment fees	3(c)	142,922	244,455
Other revenue	3(d)	<u>23,936</u>	<u>23,390</u>
Total Revenue		<u>1,671,770</u>	<u>1,859,568</u>
Operating result			
Other losses	4	<u>(592)</u>	<u>-</u>
Net result		<u>160,116</u>	<u>385,506</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		<u>160,116</u>	<u>385,506</u>

The accompanying notes form part of these financial statements.

NSW Architects Registration Board
Statement of Financial Position
as at 30 June 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	3,643,565	3,170,589
Receivables	6	26,097	24,702
Other financial assets	7	55,995	55,000
Total Current Assets		3,725,657	3,250,291
Non-Current Assets			
Receivables	6	15,110	-
Property, Plant and Equipment			
Office equipment	8	23,065	44,367
Office fitout	8	10,215	13,623
Leasehold improvements	8	-	-
Total Property, Plant and Equipment		33,280	57,990
Right-of-use assets	9	566,467	-
Total Non-Current Assets		614,857	57,990
Total Assets		4,340,514	3,308,281
LIABILITIES			
Current Liabilities			
Payables	11	170,708	156,860
Contract liabilities	12	1,390,037	-
Lease liabilities	13	132,040	-
Provisions	14	103,028	121,961
Other Current Liabilities	15	3,858	1,883
Total Current Liabilities		1,799,671	280,704
Non-Current Liabilities			
Contract liabilities	12	173,502	-
Lease liabilities	13	447,518	-
Provisions	14	15,145	15,145
Total Non-Current Liabilities		636,165	15,145
Total Liabilities		2,435,836	295,849
Net Assets		1,904,678	3,012,432
EQUITY			
Accumulated funds		1,904,678	3,012,432
Total Equity		1,904,678	3,012,432

The accompanying notes form part of these financial statements.

**NSW Architects Registration Board
Statement of Changes in Equity
for the year ended 30 June 2020**

	Accumulated Funds	Total
	\$	\$
Balance at 1 July 2019	3,012,432	3,012,432
Changes in accounting policy AASB 15 – Note 1	<u>(1,267,870)</u>	<u>(1,267,870)</u>
Restated balance at 1 July 2019	<u>1,744,562</u>	<u>1,744,562</u>
Net result for the year	<u>160,116</u>	<u>162,803</u>
Total other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>160,116</u>	<u>162,803</u>
Balance at 30 June 2020	<u>1,904,678</u>	<u>1,907,365</u>
Balance at 1 July 2018	2,626,926	2,626,926
Net result for the year	<u>385,506</u>	<u>385,506</u>
Total other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>385,506</u>	<u>385,506</u>
Balance at 30 June 2019	<u>3,012,432</u>	<u>3,012,432</u>

The accompanying notes form part of these financial statements.

**NSW Architects Registration Board
Statement of Cash Flows
for the year ended 30 June 2020**

	2020	2019
Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee related	(756,991)	(693,290)
Grants and subsidies	(20,000)	(20,000)
Other	(785,656)	(968,733)
Byera Hadley Travelling Scholarships	(95,691)	(133,219)
Interest portion of lease liabilities	(7,561)	-
Total Payments	<u>(1,665,899)</u>	<u>(1,815,242)</u>
Receipts		
Fees received	2,127,902	1,986,609
Interest received	20,123	37,485
Byera Hadley Travelling Scholarships	121,199	131,172
Total Receipts	<u>2,269,224</u>	<u>2,155,266</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	18 <u>603,325</u>	340,024
CASH FLOWS FROM INVESTING ACTIVITIES		
Short term investments top up for Bank Guarantee	(995)	(11,594)
Purchases of Office Equipment	(2,783)	(33,011)
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(3,778)</u>	<u>(44,605)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of principal portion of lease liabilities	(126,571)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>(126,571)</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	472,976	295,419
Opening cash and cash equivalents	<u>3,170,589</u>	<u>2,875,170</u>
CLOSING CASH AND CASH EQUIVALENTS	5 <u>3,643,565</u>	<u>3,170,589</u>

The accompanying notes form part of these financial statements.

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

1 Summary of Significant Accounting Policies

(a) *Reporting entity*

The NSW Architects Registration Board (the Board) is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. Effective from 30 June 2004, the Board and its functions operate under *the Architects Act 2003*. The Board is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The Board's role is protecting consumers of architectural services by ensuring that architects provide services to the public in a professional and competent manner, disciplining architects who have acted unprofessionally or incompetently, accrediting architectural qualifications for the purpose of registration, informing the public about the qualifications and competence of individuals or organisations holding themselves out as architects and promoting a better understanding of architectural issues in the community.

These financial statements for the year ended 30 June 2020 have been authorised for issue by the Board on 26 November 2020.

(b) *Basis of preparation*

The Board's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983 (the Act)* and *Public Finance and Audit Regulation 2015*; and
- Treasurer's Directions issued under the Act.

Financial assets and plant and equipment are measured at fair value and depreciated historical cost as an approximation of fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

The Statement of Cash Flows has been prepared on a cash basis using the direct method, and includes all receipts and payments made during the year.

The activities of the Board are exempt from income taxation.

All amounts are rounded to the nearest dollars and are expressed in Australian currency, which is the Board's presentation and functional currency.

Where applicable, accounting policy notes will appear after the relevant note to the financial statements.

(c) *Statement of compliance*

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) *Accounting for the Goods and Services Tax*

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- amount of GST incurred by the entity as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

1 Summary of Significant Accounting Policies (Cont'd)

(e) *Fair Value Hierarchy*

AASB 13 Fair Value Measurement hierarchy disclosure is not required as the Board's non-specialised assets with short useful lives are measured at depreciated historical cost as an approximation of fair value.

(f) *Equity*

(i) *Accumulated Funds*

The category 'Accumulated Funds' includes all current and prior period retained funds.

(g) *Comparative information*

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(i) *Changes in accounting policy, including new or revised Australian Accounting Standards*

(i) Effective for the first time in FY2019-2020

The Board applied AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities*, and AASB 16 *Leases* for the first time in FY2020. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

AASB 15 Revenue from Contracts with Customers

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which the Board expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires the Board to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transition provisions in AASB 15, the Board has adopted the modified retrospective option in AASB 15.C3(b) and AASB 1058.C3(b), i.e. apply AASB 15 and AASB 1058 retrospectively with the cumulative effect of initially applying AASB 15 and AASB 1058 recognised at the date of initial application i.e 1 July 2019. The practical expedients under this approach means the comparatives for the year ended 30 June 2019 (for not-for-profit entities) shall not be restated.

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

1. Summary of Significant Accounting Policies (Cont'd)

The effect of adopting AASB 15 is as follows:

Impact on the Statement of Comprehensive Income (increase/(decrease)):

	30 June 2020 AASB 15	30 June 2020 Without adoption of AASB 15	30 June 2020 Impact of AASB 15
	\$	\$	\$
Revenue	1,484,903	1,607,070	(122,167)
Total Comprehensive Surplus	160,116	282,283	(122,167)

Impact of Statement of Financial Position (increase/(decrease)):

	30 June 2020 AASB 15	30 June 2020 Without adoption of AASB 15	30 June 2020 Impact of AASB 15
	\$	\$	\$
Contract Liabilities	1,563,539	275,142	(1,288,397)
Net Assets	1,904,678	3,193,076	(1,288,397)

Accumulated Funds

	\$
As reported 30 June 2019	3,012,432
Architect's Registration Fees	(1,261,390)
Annual Publication Fees	(5,640)
ACA – APE Examination Fees	(840)
Accumulated Funds under AASB 15 as at 1 July 2019	<u>1,744,562</u>

AASB 15 *Revenue from Contracts with Customers* resulted in changes in timing of recognition of revenue, particularly in relation to annual registration fee and annual publication revenue. Registration fees are now deferred and recognised over the life of registration period, rather than when the fee is received. This deferred revenue recognition increases deferred revenue as stated under contract liabilities under current liabilities and non-current liabilities in Note 12.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 replaces most of the existing requirements in AASB 1004 *Contributions*. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of a contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15). As at the end of the reporting date, the Board has not received a donation component.

AASB 16 Leases

AASB 16 supersedes AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases – Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

1. Summary of Significant Accounting Policies (Cont'd)

Lessee accounting

AASB 16 requires the entity to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee, the entity recognises a lease liability and right-of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The corresponding right-of-use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives, initial direct costs and estimates of costs for dismantling and removing the asset or restoring the site on which it is located.

The entity has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

In relation to leases that had previously been classified as 'operating leases' under AASB 117, a lease liability is recognised at 1 July 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 1.42%.

The corresponding right-of-use asset is initially recorded on transition at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 30 June 2019.

In applying AASB 16 for the first time, the Board has used the practical expedient to not reassess whether a contract is a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and Interpretation 4.

The effect of adoption AASB 16 as at 1 July 2019 (increase/ (decrease) is as follows:

	\$
Right-of-use assets	
Land and Building	701,328
Plant and Equipment	4,800
Total Right-of-use assets	706,128

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	\$
Operating lease commitments as at 30 June 2019 (GST included)	15,150
Less: GST included in operating lease commitments	1,377
Operating lease commitments as at 30 June 2019 (GST excluded)	13,773
Less: Other adjustments	1,661
Add: Lease payments relating to renewal periods not included in operating lease commitments as at 30 June 2019	690,694
Lease liabilities as at 1 July 2019	706,128

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. The following new Australian Accounting Standards have not been applied and are not yet effective.

AASB 1059 Service Concession Arrangements: Grantors
AASB 2018-5 *Amendments to Australian Accounting Standards* – Deferral of AASB 1059
AASB 2018-6 *Amendments to Australian Accounting Standards* – Definition of a Business
AASB 2018-7 *Amendments to Australian Accounting Standards* – Definition of Material
AASB 2019-1 *Amendments to Australian Accounting Standards* – References to the Conceptual Framework
AASB 2019-2 *Amendments to Australian Accounting Standards* – Implementation of AASB 1059

The adoption of these standards does not have a significant effect on the Board's financial performance or position. During the year, the *COVID-19 Legislation Amendment Act 2020* and *Better Regulation and Customer Service Legislation Amendment (Bushfire Relief) Bill 2020* are implemented yet there are no impact to the Board's financial performance or position.

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

2 Expenses Excluding Losses

	2020	2019
	\$	\$
(a) Employee related expenses		
Salaries and wages (including annual leave)	691,082	600,481
Superannuation - defined contribution plans	72,870	68,221
Long service leave	(18,427)	11,183
Workers Compensation Insurance	4,560	4,549
	750,085	684,434

Refer to Note 14 for recognition and measurement policies on employee related expenses.

(b) Other operating expenses include the following:

Auditor's remuneration - audit of the financial reports	20,450	18,000
Insurance	6,703	6,064
Computer expenses	66,528	49,007
Corporate services	12,465	17,875
Architects Accreditation Council of Australia Expenses	185,831	215,921
Operating lease rental and fitout expense - minimum lease payments	-	122,759
Consultancy Fees – lease contract review and advice	6,144	-
Cleaning	4,199	4,097
Legal Costs	6,298	6,625
Advertising and promotions	104,658	190,612
Postage and freight	1,920	2,015
Bank charges	10,639	8,656
Printing and stationery	1,892	2,193
Travel	1,684	1,544
Board expenses	1,304	6,318
Telephone	4,148	3,907
Other	23,524	43,037
Election costs	-	5,490
Governance costs	40,745	7,020
Byera Hadley Travelling Scholarships	955	5,827
Byera Hadley Travelling Scholarships – accrued payments	-	-
Part 4 discipline expenses	791	11,110
Part 2 Divison 2 s9/10 discipline expenses	37,911	8,956
NCAT and Court Reporting and Transcript Fee	8,004	-
Built Work Program of Assessment	5,894	7,355
Maintenance expenses	13,765	3,000
	566,452	747,388
<i>* Reconciliation - Total Maintenance</i>		
Maintenance expense - contracted labour and other (non-employee related), as above	13,765	3,000
Total Maintenance Expenses included in (a) + (b)	13,765	3,000

Recognition and Measurement
Maintenance expense

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

Insurance

The Board's Workers Compensation Cover is with Icare Workers Insurance (Insurance and Care NSW). Professional Indemnity & Association Liability Insurance is underwritten at Lloyds under Binding Agreement UMR through Planned Cover Sydney, and Business Insurance with Berkley Insurance Australia via Focus Underwriting Agency through Planned Cover Sydney. The expense (premium) is determined by the Fund Manager based on past claims experience.

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

2 Expenses Excluding Losses (Cont'd)

c) Depreciation expense	2020	2019
	\$	\$
Office equipment	23,907	18,545
Office fitout	3,408	3,408
Leasehold	-	287
Right-of-use asset	139,649	-
	<u>166,964</u>	<u>22,240</u>

Refer to Note 8 for recognition and measurement policies on depreciation and amortisation.

(d) Grants to Universities – end of year exhibition	<u>20,000</u>	20,000
	<u>20,000</u>	<u>20,000</u>

(e) Finance Costs		
Interest Expense – lease liabilities	<u>7,561</u>	-
	<u>7,561</u>	-

3 Revenue

(a) Fees	2020	2019
	\$	\$
Annual fees - Practising Architects	1,320,711	1,367,688
Annual fees - Non-Practising Architects	39,250	39,600
Registration fee - Practising Architects	27,900	43,100
Registration fee - Non-Practising Architects	7,683	7,950
Re registration fee - Practising Architects	20,400	29,800
Re registration fee - Non-Practising Architects	1,745	2,650
Corporation listing fees	7,920	4,920
Corporations change of details	2,380	1,540
Corporations publication fee	34,082	50,520
Recoveries	22,832	6,484
	<u>1,484,903</u>	<u>1,554,252</u>
(b) Investment revenue		
Interest revenue from financial assets not at fair value through other comprehensive income	19,128	36,369
Interest on deposits	881	1,102
	<u>20,009</u>	<u>37,471</u>
(c) Architects Accreditation Council of Australia Examination / Built Work Program of Assessment fees		
Examination fees	139,922	233,055
Assessment fees	3,000	11,400
	<u>142,922</u>	<u>244,455</u>
(d) Other revenue		
Byera Hadley Travelling Scholarships Promotion Monies Received	12,120	13,117
Other revenue (CPD Fees, Merchant Fees, SAF Contributions and etc)	11,816	10,273
	<u>23,936</u>	<u>23,390</u>

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

3 Revenue (Cont'd)

Recognition and Measurement

Until 30 June 2019, income is recognised in accordance with AASB 111 *Construction Contracts*, AASB 118 *Revenue* and AASB 1004 *Contributions*.

From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*.

	2020	2019
	\$	\$
Movement of Section 4.7 GSF Act – deemed appropriations:		
Opening balance	-	-
Adjusted for appropriations deemed on commencement of s.4.7	3,170,589	-
Add: additions of deemed appropriations	2,269,224	1,859,847
Less: expenditure charged against deemed appropriations	(1,796,248)	(1,859,847)
Closing balance	3,643,565	-

Recognition and Measurement
Parliamentary appropriations

Until 30 June 2019, except as specified below, appropriations are recognised as income when the entity obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

After AASB 15 and AASB 1058 became effective on 1 July 2019, the treatment of appropriations remains the same, because appropriations do not contain an enforceable sufficiently specific performance obligation as defined by AASB 15.

Recognition and Measurement
Rendering of Services

Until 30 June 2019, revenue from rendering of services is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

From 1 July 2019, revenue from rendering of services is recognised when the Board satisfies the performance obligation by transferring the promised services. The revenue is measured at the transaction price agreed under the contract.

Registration, Re-registration and Enrolment Fees

AASB 15 *Revenue from Contracts with Customers* resulted in changes in timing of recognition of revenue, particularly in relation to registration fee and annual publication revenue. Registration fees are now deferred and recognised over the life of registration period, when the Board satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when the customer obtains control of that asset, which is the registration for the period.

Prior to 1 July 2019, the Board's registration period is between 1 July to 30 June only, with fees payable annually in advance. Only those members fee receipts that are attributable to the current financial year where goods or services are transferred to the customer are recognised as revenue. On 1st July 2019, the Board has implemented the 1,3,5 years registration terms for architects to opt for when they renew their registration. A new rolling registration system is also implemented from 1st July 2019. Fee receipts for the periods beyond the current financial year are shown in the Statement of Financial Position, under the heading Current liabilities and Non-Current liabilities as Contract Liabilities.

Re-registration fee and enrolment fee are considered a promised goods or service as it is part of the procedure for granting registration.

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

3 Revenue (Cont'd)

Corporation Publication and Listing Fee

The Board's publication fee is continuous during the year with various annual registration period. The Board transfers control of a good or service over time. Fee receipts for the periods beyond the current financial year are shown in the Statement of Financial Position, under the heading Current liabilities as Contract Liabilities.

Listing fee is considered a promised goods or service as it is part of the procedure for granting registration.

Other revenue-generating activities

The Board undertakes certain revenue generating activities which are accounted for when the performance obligation is satisfied at a point in time, including:

- AACA Examination and Assessment programs
- Other member services fees including professional development courses

For each performance obligation identified in a contract, the Board determine at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time.

Investment revenue

Interest revenue is recognised using the effective interest method as set out in *AASB 139 Financial Instruments: Recognition and Measurement*.

Other Revenue

Other revenue includes income arising from statutory requirements (i.e. fines) recognised during the period. The fine recovery is from the positive outcome of a court matter in which the director of an architecture firm was found to have failed to comply with their professional conduct under *the Architects Act 2003*.

Disaggregation of revenue

The Board disaggregates revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

2020	Registration, Re-registration and Enrolment Fees	Corporation Publication and Listing Fees	AACA Examination Fees	Other member services fees	Other Revenue	Total
	\$		\$	\$	\$	\$
Revenue from contracts with Customers	1,417,690	44,382	142,922	6,525	-	1,611,519
Other revenue (not covered by AASB 15)	-	-	-	-	60,251	60,251
Total	1,417,690	44,382	142,922	6,525	60,251	1,671,770

Timing of revenue recognition

	Registration, Re-registration and Enrolment Fees	Corporation Publication and Listing Fees	AACA Examination Fees	Other member services fees	Other Revenue	Total
	\$		\$	\$	\$	\$
Point in time	57,729	10,300	142,922	6,525	40,242	257,718
Over time	1,359,961	34,082	-	-	20,009	1,414,052
Total	1,417,690	44,382	142,922	6,525	60,251	1,671,770

Recognition and Measurement
Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

4 Other Gains / (Losses)

	2020	2019
	\$	\$
Impairment losses on non-financial assets		
- Statutory receivables (e.g. fines)	(592)	-

Recognition and Measurement

Impairment losses may arise on non-financial assets held by the Board from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in Note 6.

5 Current Assets - Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and on hand	<u>3,643,565</u>	<u>3,170,589</u>
	<u>3,643,565</u>	<u>3,170,589</u>

For the purposes of the Statement of cash flows, cash and cash equivalents include cash at bank and cash on hand. Cash at bank comprises the Board's Cash Management and Trading bank accounts, Byera Hadley Travelling Scholarships (BHTS) fund and Sydney Architecture Festival (SAF) accounts.

Cash and cash equivalent assets recognised in the Statement of financial position are reconciled at the end of the financial year as shown in the Statement of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	<u>3,643,565</u>	<u>3,170,589</u>
Closing cash and cash equivalents (per statement of cash flows)	<u>3,643,565</u>	<u>3,170,589</u>

Refer Note 19 for details regarding credit risk and market risk arising from financial instruments.

6 Current Assets – Receivables

	2020	2019
	\$	\$
Goods and Services Tax recoverable from ATO	5,719	7,543
Interest receivable	24	138
Trade and other receivables	-	2,200
Other receivables – fines receivable	7,071	1,870
Less: Allowance for expected credit losses* - Statutory/Fines receivables	(592)	-
Prepayments	<u>13,875</u>	<u>12,951</u>
	<u>26,097</u>	<u>24,702</u>
Non Current receivables – fines receivable	<u>15,110</u>	-

**Movement in the allowance for expected credit losses*

	2020	2019
Balance at the beginning of the year	-	-
Amounts written off during the year	-	-
Amounts recovered during the year	-	-
Increase/(decrease) in allowance recognised in net results	<u>592</u>	-
Balance at the end of the year	<u>592</u>	-

Details regarding credit risk of trade receivables that are neither past due nor impaired, are disclosed in Note 19.

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

6 Current Assets – Receivables (Cont'd)

Recognition and Measurement

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

The Board holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

The Board recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Board expects to receive, discounted at the original effective interest rate.

7 Current Assets - Other Financial Assets

	2020	2019
	\$	\$
Fixed term deposits	<u>55,995</u>	<u>55,000</u>
	<u>55,995</u>	<u>55,000</u>

Refer to Note 19 for further information regarding fair value measurement, credit risk and market risk arising from financial instruments.

Recognition and Measurement

All 'regular way' purchases or sales of other financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of other financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Other financial assets are initially measured at fair value plus any transaction cost.

Subsequent measurement

Other financial assets are classified and subsequently measured at amortised cost as they are held for collection of contractual cash flows solely representing payments of principal and interest. Impairment losses are presented as a separate line item in the statement of comprehensive income. Any gain or loss arising on derecognition is recognised directly in net results and presented in other gains/(losses) together with foreign exchange gains and losses.

Impairment

The Board recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Board expects to receive, discounted at the original effective interest rate.

ECLs are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECLs are based on default events possible within the next 12-months (i.e. a 12-month ECL). If there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (i.e. a lifetime ECL). In addition, the Board considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

7 Current Assets - Other Financial Assets (Cont'd)

The Board's term deposits are issued by financial institutions that have strong credit ratings and therefore considered to be low credit risk investments. Hence the Board measures the loss allowance for term deposits at an amount equal to 12-month ECL. However, when there is a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Board uses the ratings from external credit rating agencies both to determine whether there has been a significant increase in credit risk on the deposits and to estimate ECLs. These estimates are performed at every reporting date.

8 Non-Current Assets – Property, Plant and Equipment

	Office Equipment \$	Office Fitout	Leasehold Improvement \$	Total \$
At 1 July 2019 - fair value				
Gross carrying amount	157,351	191,734	13,740	362,825
Accumulated depreciation and impairment	(112,984)	(178,111)	(13,740)	(304,835)
Net carrying Amount	44,367	13,623	-	57,990
At 30 June 2020 - fair value				
Gross carrying amount	153,071	191,734	13,740	358,545
Accumulated depreciation and impairment	(130,006)	(181,519)	(13,740)	(325,265)
Net carrying amount	23,065	10,215	-	33,280

The net carrying amount of PPE assets included in office equipment, office fitout and leasehold improvements is \$33,280 as at 30 June 2020 (30 June 2019: \$57,990)

Reconciliation

A reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the current reporting period is set out below

	Office Equipment \$	Office Fitout \$	Leasehold Improvement \$	Total \$
Year ended 30 June 2020				
Net carrying amount at beginning of year	44,367	13,623	-	57,990
Additions	2,783	-	-	2,783
Disposals	(178)	-	-	(178)
Depreciation expense	(23,907)	(3,408)	-	(27,315)
Net carrying amount at end of year	23,065	10,215	-	33,280

	Office Equipment \$	Office Fitout \$	Leasehold Improvement \$	Total \$
At 1 July 2018 - fair value				
Gross carrying amount	131,144	191,734	13,740	336,618
Accumulated depreciation and impairment	(100,539)	(174,703)	(13,453)	(288,695)
Net Carrying Amount	30,605	17,031	287	47,923
At 30 June 2019 - fair value				
Gross carrying amount	157,351	191,734	13,740	362,825
Accumulated depreciation and impairment	(112,984)	(178,111)	(13,740)	(304,835)
Net carrying amount	44,367	13,623	-	57,990

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

8 Non-Current Assets - Plant and Equipment (Cont'd)

Reconciliation

A reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the current reporting period is set out below.

	Office Equipment	Office Fitout	Leasehold Improvement	Total
	\$	\$	\$	\$
Year ended 30 June 2019				
Net carrying amount at beginning of year	30,605	17,031	287	47,923
Additions	33,011	-	-	33,011
Disposals	(704)	-	-	(704)
Depreciation expense	(18,545)	(3,408)	(287)	(22,240)
Net carrying amount at end of year	44,367	13,623	-	57,990

Recognition and measurement

(i) **Acquisitions of plant and equipment assets**

Plant and equipment assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

(ii) **Capitalisation thresholds**

Plant and equipment costing \$1,000 and above individually, or forming part of a network costing more than \$1,000 are capitalised.

(iii) **Maintenance**

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(iv) **Depreciation of plant and equipment**

Depreciation is provided on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Board. All material identifiable components of assets are depreciated separately over their useful lives.

The following depreciation rate are used:

Depreciation rates	2020 % Rate	2019 % Rate
Telephone System*	33	25
Computers*	25-50	25
Furniture	20	20
Major Software	50	20
Leasehold improvement	Depreciated over the period of lease	Depreciated over the period of lease
Office Fitout	10-25	10-25

*The Computer and Telephone systems depreciation rates have increased for new additions to reflect the current assessment of useful life of the assets.

8 Non-Current Assets - Plant and Equipment (Cont'd)

Right-of-Use Assets acquired by lessees (under AASB 16 Leases from 1 July 2019)

(v)

From 1 July 2019, AASB 16 *Leases* requires a lessee to recognise a right-of-use asset for most leases. The entity has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on leases is contained at Note 9.

(vi) **Revaluation of property, plant and equipment**

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with *AASB 13 Fair Value Measurements and AASB 116 – Property Plant and Equipment*.

Non-specialised assets with short useful lives are measured at depreciated historical cost as an approximation of fair value. The Board has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

(vii) **Impairment of plant and equipment**

As a not-for-profit entity with no cash generating units, impairment under *AASB 136 Impairment of Assets* is unlikely to arise. As plant and equipment is carried at depreciated historical cost as a surrogate for fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. The Board assesses at the reporting date, there is no indication that an asset may be impaired.

9 Leases

The Board has entered into two leasing arrangements as lessee. The Board has renewed the 5 years term office lease agreement with commencement date of 1 August 2019, with no option lease included to extend lease terms at the end of the contract.

From 1 July 2019, AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases. The Board has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new and comprise mainly office equipment. There are no short-term and low value assets in the year 2020.

Right-of-use assets under leases

The following table presents right-of-use assets that do not meet the definition of investment property. There are no investment property during the financial year.

Operating lease commitments as at 30 June 2019 (GST included)	15,150
Less: GST included in operating lease commitments	1,377
Operating lease commitments as at 30 June 2019 (GST excluded)	13,773
Less: Other adjustments	1,661
Add: Lease payments relating to renewal periods not included in operating lease commitments as at 30 June 2019	690,694
Lease liabilities as at 1 July 2019	706,128

	Land and Buildings	Plant and Equipment	Total
	\$	\$	\$
Balance at 1 July 2019	701,328	4,800	706,128
Additions	-	-	-
Depreciation expense	(137,261)	(2,400)	(139,661)
Balance at 30 June 2020	564,067	2,400	566,467

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

9 Leases (Cont'd)

Lease liabilities – Current and Non-Current

The following table presents liabilities under leases:

	Lease liabilities
	\$
Balance at 1 July 2019	15,434
Additions	690,694
Interest Expenses	7,561
Lease Payments	<u>(134,131)</u>
Balance at 30 June 2020	<u>579,558</u>

The following amounts were recognised in the statement of comprehensive income for the year ending 30 June 2020 in respect of leases where the Board is the lessee:

Depreciation expense of right-of-use assets	\$139,649
Interest expense on lease liabilities	\$ 7,561
Total amount recognised in the statement of comprehensive income	<u>\$147,210</u>

The Board has total cash outflows for leases of \$134,131 in FY2019-20.

Future minimum lease payments under non-cancellable leases as at 30 June 2019 are as follows:

	Operating lease
Within one year	\$145,244
Later than one year and not later than five years	<u>\$654,179</u>
Total (including GST)	<u>\$799,423</u>
Less: GST recoverable from the Australian Tax Office	<u>\$(72,675)</u>
Total (excluding GST)	<u>\$726,748</u>

Recognition and measurement (under AASB 16 from 1 July 2019)

The Board assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Board recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

i. Right-of use assets

The Board recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land and buildings 5 years
- Office Equipment and machinery 2 – 5 years

The right-of-use assets are also subject to impairment. The entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

**NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020**

9 Leases (Cont'd)

ii. Lease liabilities

At the commencement date of the lease, the Board recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by the Board; and
- payments of penalties for terminating the lease, if the lease term reflects the Board exercising the option to terminate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Board's leases, the lessee's incremental borrowing rate (IBR) is used, being the rate that the Board would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Recognition and measurement (under AASB 117 until 30 June 2019)

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset (or assets), even if that asset (or those assets) is not explicitly specified in an arrangement.

Until 30 June 2019, a lease was classified at the inception date as a finance lease or an operating lease. A lease that transferred substantially all the risks and rewards incidental to ownership to the Board was classified as a finance lease.

10 Restricted Assets

	2020	2019
	\$	\$
Byera Hadley Travelling Scholarship Monies Outstanding	98,638	76,790
Sydney Architecture Festival Account	21,070	10,717
	<u>119,708</u>	<u>87,507</u>

The above funds which are included in the total cash amount are restricted assets. Funds received for the Byera Hadley Travelling Scholarships are to be exclusively used to fund architects, students and graduates of architecture in NSW, to undertake further studies and research for the advancement of architecture. Funds received for Sydney Architecture Festival are to be solely used to cover any expense that is incurred for this yearly festival. These funds are not available for normal operational expenditure by the Board.

	2020	2019
Reconciliation of Sydney Architecture Festival (SAF) account		
	\$	\$
Opening Balance	10,717	7,821
Income from SAF ticket sales	5,532	2,706
Income from SAF ticket sales & transfer to trading account	(5,532)	(2,706)
Income from SAF contributions	10,250	2,750
Interest earned during year net of account activity fees	103	146
Closing balance	<u>21,070</u>	<u>10,717</u>

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

11 Current Liabilities - Payables	2020	2019
	\$	\$
Accrued salaries, wages and on-costs	13,431	3,378
Creditors	28,858	50,752
Scholarships *	98,638	76,790
Goods and Services Tax payable	-	-
PAYG Withholding Tax payable	13,331	14,540
Audit fees	16,450	11,400
	<u>170,708</u>	<u>156,860</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 19.

Recognition and Measurement

Payables represent liabilities for goods and services provided to the Board and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised net result when the liabilities are derecognised as well as through the amortisation process.

* Byera Hadley Travelling Scholarships:

The NSW Architects Registration Board administers trust funds provided annually under the provisions of the bequest from the late Byera Hadley. Perpetual Limited manages the fund and provides funding for promotion of the Scholarships. This money is not available for normal operational expenditure by the Board.

Reconciliation of BHTS liability	2020	2019
	\$	\$
Opening Balance	76,790	78,837
Scholarship funding received from Trustee	121,199	131,172
Scholarship funds to be distributed	<u>197,989</u>	<u>210,009</u>
Payments made to scholarship recipients	(95,691)	(133,219)
Payments returned from scholarship recipients	(3,660)	-
Closing Balance	<u>98,638</u>	76,790

12 Contract Liabilities

	2020	2019
	\$	\$
Current liabilities		
Architects' Registration Fees	1,266,841	-
Annual Publication Fees	21,556	-
AACA – APE Examination Fees	<u>101,640</u>	-
Total Contract Liabilities – Current	<u>1,390,037</u>	-
Non-current liabilities		
Architect's Registration Fees	173,502	-

Contract liabilities relate to consideration received in advance from customers in respect of annual registration fees, annual publication fees and APE Examination Fees. The balance of contract liabilities at 30 June 2020 was impacted by the timing of payment received at this financial year which the satisfaction of performance obligations of the service will be delivered in the following financial year. The contact liability balance has increased significantly during the year because of the new introduction of one, three and five years terms for renewal of registration under the *Fair Trading Legislation Amendment (Reform) Act 2018 No 65*. The legislation was introduced from 1 July 2019.

The current contract liabilities are related to annual registration that will be delivered in the financial year ending 30 June 2021. The amounts received are not expected to be refunded and will be recognised as revenue in the financial year ending 30 June 2021.

The non-current contract liabilities are related to registration that are opted for three and five years registration terms. The non-current liabilities will amortise the liability over the registration period on a systematic basis, fees are recognised as revenue in the period when the service is transferred to the customers.

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

13 Lease Liabilities

The current lease liabilities as at 30 June 2020 are \$132,040 and the non current lease liabilities is \$447,518.

The Board is required to use the rate implicit in the lease for initial recognition of the lease liability in the first instance. Where it cannot be determined, the incremental borrowing rate (IBR) should be used.

Treasury and Treasury Corp (TCorp) will monitor rates and publish updated IBRs as required throughout the year. At a minimum, it is expected the IBR will be updated biannually. When the IBR changes the current lease liabilities should not be updated, but should reflect the cost of borrowing at a point in time and should be used for the remainder on the lease term.

14 Current / Non-Current Liabilities - Provisions

	2020	2019
Current	\$	\$
Employee Benefits and Related On-Costs		
Annual leave	22,603	17,185
Long service leave	80,425	104,776
Total Current Provisions	103,028	121,961
Non-Current Liabilities	2020	2019
	\$	\$
Leasehold Obligations	15,145	15,145
Total non-current liabilities	15,145	15,145
Total Provisions	118,173	137,106
Movements in provisions (other than employee benefits)		
Movements in each class of provision during the financial year, other than employee benefits, are set out below	Leasehold Improvement	Total
	\$	\$
Carrying amount at 1 July 2019	15,145	15,145
Additional provisions recognised	-	-
Amount used	-	-
Carrying amount at 30 June 2020	15,145	15,145
Aggregate Employee Benefits and Related On-Costs	2020	2019
	\$	\$
Provisions – current	103,028	121,961
Accrued salaries, wages and on-costs (Note 11)	13,431	3,378
	116,459	125,339
Employee benefits expected to be settled no more than 12 months after the reporting date:		
Annual leave	22,603	17,185
Long service leave	8,463	27,608
	31,066	44,793
Employee benefits expected to be settled in more than 12 months of the reporting date:		
Long service leave	71,962	77,168

Recognition and Measurement

Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

14 Current / Non-Current Liabilities – Provisions (Cont'd)

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Board has assessed the actuarial advice based on the Board's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the Board does not expect to settle the liability within 12 months as the Board does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

Long Service leave and superannuation

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

The Board does not have a deferred liability in respect of defined contributions for employees' superannuation. Benefits derived by members of the superannuation fund are entirely dependent on the contributions made during their working life. Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

15 Current Liabilities - Other Liabilities

	2020	2019
	\$	\$
Unearned revenue – BHTS	<u>3,858</u>	<u>1,883</u>
	<u>3,858</u>	<u>1,883</u>

Note: BHTS payments to be allocated to administration cost income in 2021 year.

16 Commitments

There were no capital commitments during the year and at the reporting date.

17 Contingent Liabilities and Contingent Assets

On 15 August 2019, the Board has a bank guarantee amount of \$40,219 in relation to the building lease agreement for office premises. At the reporting date, it is unlikely that the Board will be required to settle the guarantee.

18 Reconciliation of Cash Flows from Operating Activities to Net Result

	2020	2019
	\$	\$
Net cash flows from operating activities	603,325	340,024
Depreciation	(166,964)	(22,240)
Decrease / (increase) in provisions	18,933	11,507
Decrease / (increase) in other liabilities	(1,975)	(1,883)
Increase / (decrease) in prepayments and other assets	16,492	2,416
Decrease / (increase) in creditors	(14,026)	55,682
Decrease / (increase) in contract liabilities	(295,669)	-
Net result	160,116	385,506

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

19 Financial Instruments

The Board's principal financial instruments are outlined below. These financial instruments arise directly from the Board's operations or are required to finance the Board's operations. The Board does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board's main risks arising from financial instruments are outlined below, together with the Board's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Board, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Board on a continuous basis.

The Board's principal financial instruments are Held-to-maturity term deposits, along with cash at bank. The main purpose of these financial instruments is to finance the Board's operations.

The Board has various other financial instruments such as receivables and creditors, which arise directly from its operations.

(a) Financial Instrument Categories

Financial Assets	Note	Category	Carrying Amount
Class:			2020
			\$
Cash and cash equivalents	5	Amortised cost	3,643,565
Receivables ¹	6	Amortised cost	24
Other financial assets	7	Amortised cost	55,995
Financial Liabilities	Note	Category	Carrying Amount
Class:			2020
			\$
Payables ²	11	Amortised cost	143,946
Lease liabilities	13	Amortised Costs	579,558

Notes:

1 Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

2 Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

(ii) As at 30 June 2019 under AASB 9 (comparative period)

Financial Assets	Note	Category	Carrying Amount
Class:			2019
			\$
Cash and cash equivalents	5	Amortised cost	3,170,589
Receivables ¹	6	Amortised cost	4,208
Other financial assets	7	Amortised cost	55,000

19 Financial Instruments (Cont'd)

Financial Liabilities	Note	Category	Carrying Amount
Class:			2019 \$
Payables ²	11	Amortised cost	138,942

The Board determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(b) De-recognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Board transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the Board has transferred substantially all the risks and rewards of the asset; or
- the Board has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

When the Board has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Board has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Board's continuing involvement in the asset. In that case, the Board also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Board has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Board could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Finance risks

(i) Credit Risk

Credit risk arises when there is the possibility of the Board's debtors defaulting on their contractual obligations, resulting in a financial loss to the Board. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

Credit risk arises from the financial assets of the Board, including cash, receivables and authority deposits. No collateral is held by the Board.

The Board considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Board may also consider a financial asset to be in default when internal or external information indicates that the Board is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Board.

19 Financial Instruments (Cont'd)

Cash of cash equivalents

Cash comprises cash on hand and cash at bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

The Board's credit risk exposure is limited mainly to Westpac Banking Corporation. This risk is assessed to be nil due to the fact that the company is one of the four pillars of the Australian banking system and as at 30 June 2020, has an AA minus credit rating.

Accounting policy for impairment of trade debtors and other financial assets

Receivables - trade debtors

Receivables comprise GST receivables, interest accrued and general prepayments. No collateral is held by the Board. The Board has not granted any financial guarantees.

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The Board applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables. The Board has identified the GDP and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than Board determined days past due.

The loss allowance for trade receivables as at 30 June 2020 and 1 July 2019 was determined as follows:

	30 June 2020				Total
	Current <10 days	10-60 days	60-90 days	>91 Days	
Expected credit loss rate	0%	-	-	-	0%
Estimated total gross carrying amount at default	-	-	-	-	-
Expected credit loss	-	-	-	-	-
	30 June 2019				
	Current <10 days	10-60 days	60-90 days	>91 Days	Total
Expected credit loss rate	0%	-	-	-	0%
Estimated total gross carrying amount at default	\$1,870	-	-	-	\$1,870
Expected credit loss	-	-	-	-	-

Notes: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 6. The Board is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2020 and 2019. Most of the Board debtors have a AA minus credit rating.

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

19 Financial Instruments (Cont'd)

Other financial assets – Authority Deposits

The Board has placed funds on deposit with Westpac Bank. These deposits are considered to be low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. The Board assessed that no provision for expected credit losses on its other financial assets for the period ending 30 June 2020.

The Board has placed funds in a fixed term deposit with Westpac Banking Corporation. The deposit interest rate is 0.32% per annum (was 1.8% in 2018/2019).

(ii) Liquidity Risk

Liquidity risk is the risk that the Board will be unable to meet its payment obligations when they fall due. The Board continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior year, there were no borrowings, hence no default on borrowings. No assets have been pledged as collateral. The Board's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in TC11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

The table below summarises the maturity profile of the Board's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure

	Weighted Average Effective in Rate %	Nominal Amount \$	Interest rate exposure			Maturity dates		
			Fixed Interest Rate	Variable Interest Rate	Non- interest bearing \$	<1 year \$	1 to 5 years \$	>5 years \$
2020								
Payables	0.00%	143,946	-	-	143,946	143,946	-	-
Lease liabilities	1.42%	597,108	597,108	-	-	139,414	457,694	-

	Weighted Average Effective in Rate %	Nominal Amount \$	Interest rate exposure			Maturity dates		
			Fixed Interest Rate	Variable Interest Rate	Non- interest bearing \$	<1 year \$	1 to 5 years \$	>5 years \$
2019								
Payables	0.00%	138,942	-	-	138,942	138,942	-	-

19 Financial Instruments (Cont'd)

(iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Board has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Board operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position reporting date. The analysis is performed on the same basis for 2019. The analysis assumes that all other variables remain constant.

(iv) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the Board's interest-bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. The Board does not account for any fixed rate financial instruments at fair value through profit or loss or as at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- X% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Board's exposure to interest rate risk is set out below:

		Impact of 1% Profit	Increase in Equity	Impact of -1% Profit	Decrease in Equity
2020					
<i>Financial Assets</i>					
Cash and cash equivalents	3,643,565	36,436	36,436	(36,436)	(36,436)
Other financial assets	55,995	560	560	(560)	(560)
Total	3,699,560	36,996	36,996	(36,996)	(36,996)
2019					
<i>Financial Assets</i>					
Cash and cash equivalents	3,170,589	31,706	31,706	(31,706)	(31,706)
Other financial assets	55,000	550	550	(550)	(550)
Total	3,225,589	32,256	32,256	(32,256)	(32,256)

19 Financial Instruments (Cont'd)

(e) Fair Value Measurement

(i) Fair value compared to carrying amount

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short term nature of many of the financial instruments.

ii) Fair value recognised in the Statement of Financial Position

Management assessed that cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their fair values, largely due to the short-term maturities of these instruments.

NSW Architects Registration Board
Notes to the financial statements
for the year ended 30 June 2020

20 Related Party Disclosure

The Board's key management personnel compensation details for the period ending 30 June 2020 are as follows:

Short term employee benefits:

	2020	2019
	\$	\$
Salaries	284,426	240,477
Non-monetary benefits	1,404	320
Other long-term employee benefits	-	-
Post-employment benefits	21,819	16,148
Total remuneration	307,649	256,945

The Board entered into transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof. The aggregate value of the material transactions and related outstanding balances are as follows:

Other Payments:

	2020		2019	
	Transaction Value	Net Amount (ex GST)	Transaction Value	Net Amount(ex GST)
State convenor fees	2,250	2,045	4,500	4,091

The Board is a party to MADE (Multidisciplinary Australia Danish Exchange) by the Opera House. Under the Principles of Cooperation the Board contributes \$100,000 in total over a ten year period by funding \$10,000 per year (subject to CPI adjustment on 30 June each year).

The term is from 1 January 2013 to 31 December 2023. The amount contributed in 2020 was \$13,727.78 inclusive of GST (2019 \$13,353.87).

21 Events After the Reporting Period

There are no subsequent events after the reporting date which materially affect the financial statements.

22 Impact of COVID-19 and Bushfire to the Board

The natural disasters in the financial year, primarily coronavirus ("COVID-19") and the bushfires, have had major impacts on individuals, businesses and the government sector. There are no known impact to the Board from bushfires as our office is located within Sydney CBD and most of the architects are not located in areas where bushfires occurred.

The primary area of heightened risk from COVID-19 is to the Board's workforce, in both public-facing and office-based roles. All office-based staff have moved to working from home arrangements, and the Board has acted to reduce any adverse impact on staff arising from these work arrangements. The Board continues to support the health and safety of its staff.

The Board has identified and quantified the impacts of COVID-19 to the Board's revenue as follow:

* Revenue relating to the Architectural Practice Examination was disrupted because of COVID-19. Part 2 of National Examination Paper was postponed from April to 18 August 2020 and was delivered online as a proctored examination. The Part 3 Interviews in May were postponed to October 2020 and was delivered via Zoom instead of a face-to-face interview in the Board's offices. As a result, income from APE Examination Fees has decreased by \$101,640 and increased contract liabilities.

* There is a slight reduction in annual registration fees by approximately 5%, the Board assessed this 5% as reasonable as architects can move between practising to non-practising category at their discretion.

22 Impact of COVID-19 and Bushfire to the Board (Cont'd)

On account of COVID-19, a further assessment has taken place on the fair value of the following accounts, taking into account of the relevant judgements, assumptions and estimates. There are no impact or insignificant impact being identified on:

- Receivables and Estimates on expected credit loss – Note 6
- Lease on Note 9 and Lease liabilities on Note 13
- Financial instruments – Note 19

Other than the above, it has not come to the Board's attention that there would be any other significant impact on the financial statements for the financial year ended 30 June 2020.

There is no uncertainty about the Board's ability to continue as a going concern at 30 June 2020. There are reasonable grounds to believe that the Board will be able to pay its debts as and when they become due and payable. The Board prepares its financial statements on a going concern basis and that there are no indicators, events or conditions that may cast significant doubt on the ability to continue as a going concern.

End of audited financial statements

FINANCIAL MANAGEMENT

INCOME BUDGET

Acct No	INCOME	BUDGET 2019-2020	REVISED BUDGET 2019-2020	BUDGET 2020-2021
ADMINISTRATION – DEPT 01				
4-1000	ENROLMENT FEE	33,000	28,950	52,200
4-1001	RE-REGISTRATION FEES	31,500	18,900	45,150
4-1002	ANNUAL REGISTRATION FEE FOR ARCHITECTS	1,293,900	1,064,569	1,151,400
4-1003	TEMPORARY REGISTRATION FOR O/SEAS ARCHITECTS	0	0	0
4-1004	REGISTRATION/RE-REGISTRATION INTERVIEW FEES	1,800	1,800	1,500
4-1006	REGISTRATION FEE FOR NON PRACTISING ARCHITECTS	6,500	1,450	5,000
4-1007	NON PRACTISING ARCHITECTS - ANNUAL REGISTRATION FEES	35,500	51,100	46,800
4-1009	NON PRACTISING ARCHITECTS RE-REGISTRATIONS	3,500	3,500	3,250
4-1100	LISTING OF "NOMINATED ARCHITECT"/PRACTICE REGISTRATION	4,800	4,800	12,000
4-1101	ANNUAL PUBLICATION FEE FOR NOMINATED ARCHITECT	48,600	48,600	168,000
4-1102	"NOMINATED ARCHITECT" CHANGE OF DETAILS FEE	1,400	1,855	7,000
4-1300	ARCHITECTS REGISTER PURCHASES	0	0	0
4-1302	CERTIFICATION TO THIRD PARTIES	0	0	0
4-1306/1303	MISCELLANEOUS RECEIPTS & REGISTRATION CERTIFICATE	0	10	0
4-1307	MERCHANT CHARGES	3,500	2,000	5,000
		1,464,000	1,227,534	1,497,300
AACA – DEPT 03				
4-3000	AACA AP EXAMINATION FEES	224,675	208,355	345,925
4-3005	AACA LOCALLY EXPERIENCED PRACTITIONER (LEP) PATHWAY	0	0	0
4-3006	MISCELLANEOUS RECEIPTS - AACA	1,500	0	0
		226,175	208,355	345,925
NSWPPA – DEPT 04				
4-3100	NSW Portfolio Program of Assessment (NSWPPA)	8,400	3,000	37,600
		8,400	3,000	37,600
DISCIPLINE – DEPT 05				
4-1700	FINES	8,000	8,000	1,224
4-1800	DISCIPLINARY HEARINGS RECOVERY	0	0	0
4-1802	ALTERNATIVE DISPUTE RESOLUTION	3,000	3,000	3,000
		11,000	11,000	4,224
OTHER INCOME – DEPT 02/07				
8-.2000-2004	INTEREST	38,000	18,500	4,500
8-1401	BHTS PROMOTION MONIES	13,000	13,000	0
8-.1600	CPD EVENT INCOME	19,000	6,526	0
8-1980	PROMOTIONS PARTNERSHIP CONTRIBUTIONS/TICKET SALES	8,400	3,364	0
		78,400	41,390	4,500
TOTAL		1,787,975	1,491,279	1,889,549

EXPENDITURE BUDGET

Acct No	EXPENDITURE	BUDGET	REVISED	BUDGET
		2019-2020	2019-2020	2020-2021
EMPLOYMENT – DEPT 01				
6-5000/5005	SALARIES AND CASUAL WAGES	600,100	600,159	606,065
6-5001	ANNUAL LEAVE	64,650	36,708	66,308
6-5003	SUPERANNUATION	85,500	85,500	74,986
6-5011	LONG SERVICE LEAVE	24,060	28,882	4,500
		774,310	751,249	751,859
STATUTORY – DEPT 07				
6-5402	BOARD MEMBERS HONORARIA	60,000	60,000	60,000
6-5401	ELECTION COSTS	0	0	6,100
6-8016	BOARD MEETING EXPENSES	1,500	1,500	1,200
6-5404	BOARD MISCELLANEOUS EXPENSES	7,000	1,000	4,105
		68,500	62,500	71,405
NSWPPA - DEPT 04				
6-5350	NSWPPA EXAMINERS FEES	14,800	3,150	18,900
6-5351	TRAVEL EXPENSES FOR EXAMINERS	0	40	0
6-5352	NSWPPA ROOM HIRE/CATERING EXPENSES	100	36	0
		14,900	3,226	18,900
DISCIPLINE - DEPT 05				
6-5500	PART 4 DIV 4 LEGAL FEES/COMPLAINTS AGAINST ARCHITECTS	10,000	791	15,000
6-5501	PART 2, DIV 2 S9/10 LEGAL FEES/ILLEGAL USE OF TITLE	12,000	37,911	0
6-5506	NCAT EXPENSES	5,000	0	15,000
6-5502	CATERING/ROOM HIRE EXPENSES	0	0	0
6-5503	COURT REPORTING AND TRANSCRIPTS	500	1,835	2,000
6-5504	ALTERNATIVE DISPUTE RESOLUTION	3,000	0	0
		30,500	40,537	32,000
DEPRECIATION				
6-5050-5054	DEPRECIATION	20,000	25,000	27,600
6-5053	DEPRECIATION (OFFICE FITOUT)	-	0	50,000
		20,000	25,000	77,600
EDUCATION, PRIZES AND GRANTS - DEPT 06				
6-5610	GRADUATING STUDENT EXHIBITIONS	20,000	20,000	20,000
6-5611	ARCHITECTS MEDALLION COSTS	6,250	8,910	8,255
		26,250	28,910	28,255
BHTS – DEPT 02				
9-5609	BHTS BOARD COMMITTEE COSTS	0	46	0
9-5608	BHTS PROMOTION	2,000	909	0
		2,000	955	0
PRINTING AND STATIONERY – DEPT 01				
6-8018	STATIONERY	2,500	478	500
6-5722	MAILOUT	1,000	0	0
6-5851	PRINTING BOARD	0	1,415	2,000
		3,500	1,893	2,500

Acct No	EXPENDITURE	BUDGET	REVISED	BUDGET
		2019-2020	BUDGET 2019-2020	2020-2021
GENERAL EXPENSES - DEPT 01				
6-8011	ACCOUNTANT FEES	30,000	12,465	0
6-8012	AUDIT FEES	18,500	20,450	20,450
6-4100	BANK ADMINISTRATION FEES	8,000	5,635	12,000
6-5651	BOARD ADVERTISING	23,000	0	2,000
6-5652	ADVERTISING – ADMIN/EMPLOYMENT	-	1,800	2,000
6-8020	COURIERS	500	500	1,000
6-8038	STAFF TRAINING	7,500	3,500	5,000
6-8022	STORAGE	4,000	6,000	7,450
6-8023	CABCHARGE	1,500	1,800	900
6-8021	STAFF AMENITIES	1,500	1,000	1,500
6-5700/5701	IT SYSTEMS	90,000	90,000	106,750
6-8024	ELECTRICITY	3,000	3,000	3,200
6-8025	INSURANCE D & O/OFFICE CONTENTS	10,000	10,000	9,000
6-8026	GENERAL LEGAL EXPENSES	5,000	5,000	5,000
6-8027	POSTAGE	1,500	855	1,000
6-8029	TELEPHONE/MOBILE	4,500	4,500	4,500
6-8031	WORKERS COMPENSATION	5,000	5,000	5,500
6-5055	DEPRECIATION (OFFICE LEASE)/ RENT IN 2019	145,000	126,637	138,600
6-8040	INTEREST EXPENSE (OFFICE LEASE)	-	7,520	7,355
6-8033	OFFICE EXPENSES	5,000	0	5,000
6-8036	REPAIRS AND MAINTENANCE	37,000	0	37,000
6-5056	DEPRECIATION (PHOTOCOPIER)	-	2,400	2,400
6-8041	INTEREST EXPENSE (PHOTOCOPIER)	-	20	20
6-8034	PHOTOCOPIER PRINTING	4,000	5,000	2,600
6-6210-6242	REFUNDS	0	64	0
6-5703	GOVERNANCE COSTS	33,000	40,865	23,250
		437,500	354,011	403,475
A A C A - DEPT 03				
6-6000/6011-				
6012	AACA - APE EXPENSES	158,500	100,000	254,700
6-6002	AACA - PER CAPITA CONTRIBUTIONS	33,500	31,610	37,000
6-6009	AACA – MEETING EXPENSES	6,700	2,598	1,000
6-6004	AACA – ACCREDITATION REVIEW PANEL (ARP)	23,000	23,125	19,000
6-6013	LOCALLY EXPERIENCED PRACTITIONER EXPENSES	1,800	1,368	1,800
		223,500	158,701	313,500
PROMOTIONS – DEPT 08				
9-5957	PROMOTIONS GENERAL	103,000	40,000	43,600
9-5950	SYDNEY ARCHITECTURE FESTIVAL	65,000	85,000	5,135
9-5965	MADE – STUDENT INTERNSHIPS	13,000	0	13,000
9-5965	CPD EVENT COSTS	6,000	3,607	0
		187,000	128,607	61,735
TOTAL		1,787,960	1,555,589	1,761,229

NSW

Architects Registration Board

L2, 156 Gloucester Street
Sydney NSW 2000

T. +61 2 9241 4033

mail@architects.nsw.gov.au / www.architects.nsw.gov.au
ABN 63-092-097-847

Cyber Security Annual Attestation Statement for 2019 -2020 Financial Year for the NSW Architects Registration Board

I, Dr Kirsten Orr, am of the opinion that the NSW Architects Registration Board (the 'Board'), has managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy (CSP).

The Board is a very small government agency that is entirely funded by the registration fees paid by architects. It does not receive any government funding.

Governance is in place to manage and improve the Board's cyber security maturity, appropriate to the size of the agency, the scale and nature of its IT operations, and the information processed, stored and communicated through its IT systems

Risks to the information and systems of the Board have been assessed and are managed.

There exists a current Cyber Incident Response Plan for the Board which has been tested during the reporting period.

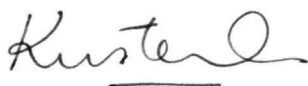
The Board has an Information Security Management System (ISMS) or Cyber Security Framework (CSF) in place.

The Board is continuously improving the management of cyber security governance and resilience by:

- i) managing risks to information and systems with the on-going support of ICT service providers;
- ii) aligning with the Department of Customer Service (DCS) cluster cyber incident response plan, which has been exercised during the reporting period;
- iii) undertaking regular reviews of the effectiveness of controls or reporting against the mandatory requirements of the CSP, which have found controls and reporting to be adequate; and
- iv) conducting regular staff training to maintain understanding and knowledge of cyber security risks and strategies for their management.

Enhancements are in progress to appropriately manage the cyber security maturity and initiatives of the Board to meet the requirements of this policy.

Yours sincerely



Name: Dr Kirsten Orr

Position: Registrar, NSW Architects Registration Board

Date: 29 October 2020



