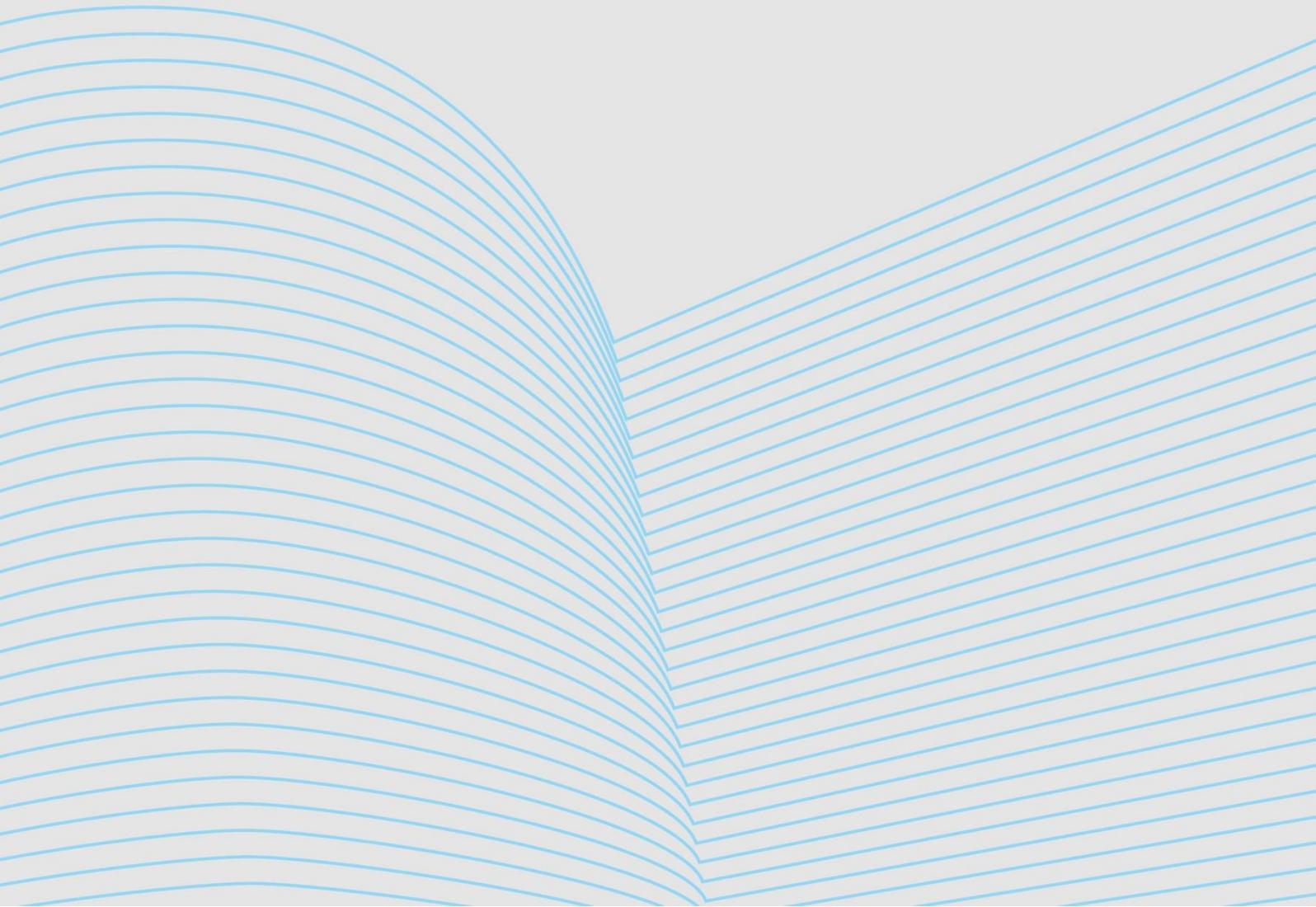




NSW
Architects
Registration
Board

ANNUAL REPORT 2022–2023



ACKNOWLEDGEMENT OF COUNTRY

The NSW Architects Registration Board acknowledges, respects and values Aboriginal peoples as the Traditional Custodians of the lands on which we live, walk and work.

We pay our respects to Elders past, present and future. We recognise and remain committed to honouring Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships, and continuing connection to their lands, waters and seas. We acknowledge their history here on these lands and their rich contribution to our society.

We also acknowledge our Aboriginal employees who are an integral part of our diverse workforce, and recognise the knowledge embedded forever in Aboriginal and Torres Strait Islander custodianship of Country and cultures.



31 October 2023

The Hon. Anoulack Chanthivong
Minister for Better Regulation and Fair Trading, Minister for Building
Level 15, 52 Martin Place
Sydney NSW 2000

By Email:

dlo.brdft@minister.nsw.gov.au

Dear Minister

Submission of the Annual Report for the NSW Architects Registration Board

I have the pleasure of submitting the Annual Report of the NSW Architects Registration Board for the year ending the 30 June 2023.

The report has been prepared in accordance with the provisions of the *Government Sector Finance Act 2018* as set out in the *Treasurer's Direction Annual Reporting Requirements TD23-11* (July 2023).

I trust that the Report clearly demonstrates the Board's commitment to the efficient and effective administration of the *Architects Act 2003*.

Yours sincerely

A handwritten signature in black ink that reads "Kirsten".

Dr Kirsten Orr
Registrar

E. Registrar@architects.nsw.gov.au

M. 0403 617 760

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OVERVIEW

Charter

The NSW Architects Registration Board (the 'NSW ARB') is constituted by, and operates under, the *Architects Act 2003* (the 'Act'), the legislation regulating architects in NSW.

The Act is the principal legislation administered within the NSW ARB.

Under section 61(1) the Board of the NSW ARB (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.

Objectives

The key objectives of the NSW ARB are:

- to ensure that architects provide services to the public in a professional and competent manner
- to provide mechanisms to discipline architects who are found to have acted unprofessionally or incompetently
- to ensure that the public is appropriately informed about the qualifications and competence of individuals or organisations holding themselves out as architects, and
- to promote a better understanding of architectural issues in the community.

The NSW ARB 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.

Board structure and meetings

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 6 members who are architects and 5 members who are not architects. Six of the members are appointed by the Minister. The Board is supported by the Registrar, which is a Senior Executive role. Figure 1 illustrates the organisational structure of the NSW ARB.

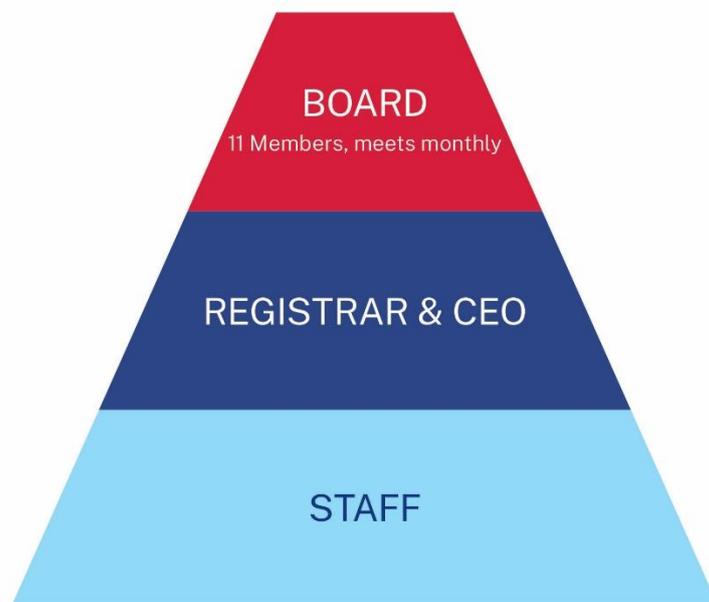


Figure 1. Organisational structure of the NSW ARB

The Board meets on the 4th Wednesday of each month. In addition, Board members participate on 1 or more of the Board's committees.

An honorarium is paid to each Board member (other than those holding Government positions) for attendance at Board meetings and other committee work. Fees paid to Board members are in line with the policies established by the Premier's Office for the 2022-2023 period.

Employees

As at 30 June 2023 the NSW ARB employed 7.4 FTE staff, with a total of 8 employees.

Controlled entities and subsidiaries

The NSW ARB has never had any controlled entities of the kind referred to in section 2.2 of the *Government Sector Finance Act 2018*. The NSW ARB has never had any public sector subsidiaries.

STRATEGY

Strategic objectives

The NSW ARB works to protect consumers and extend the integrity of a high-quality architecture profession through initiatives and regulation that provide for today, as well as considering the future.

There are 3 strategic objectives:

1. Understand and extend key collaborative relationships, ensuring they support NSW ARB work without challenging the agency’s integrity or independence as a respected, critical member of the community.

This objective supports the NSW ARB to meet its remit of administering the Act through relationships with key stakeholders across government, professional bodies, cultural institutions, universities, architectural practices, architects and other relevant stakeholders. These stakeholders may impose a variety of interpretations on the Act depending on their area of representation, different organisational perspectives and lived experiences. This raises the need for targeted initiatives, communicated well to each stakeholder group, ensuring that the NSW ARB is delivering deliberate and clear value to all.

2. Renew and promote the community’s trust in the profession of architecture across NSW by building greater awareness and understanding of the value of architects and architecture.

This objective focuses on improving community understanding of the role of architects, the specific contributions they make and the value they bring. The NSW ARB must clearly showcase the value of architect registration and, in the context of current regulatory challenges, contribute to rebuilding and enhancing public trust in the construction industry more broadly. A crucial component of this objective is the complaints process itself, ensuring that the Board’s investigation of complaints is conducted in a transparent and timely fashion; upholds the public interest view; and applies appropriate disciplinary mechanisms for architects who are found to have acted unprofessionally or incompetently.

3. Understand and inform the future of the profession and use the calm and considered voice of the NSW ARB to provide leadership in the shaping and equipping of the architect of the future.

This objective focuses on listening to, understanding, and acting upon national and international conversations around culture, climate, and diversity. As a small regulatory body, the NSW ARB does not have a formal advocacy role. Instead, its ability to influence the future of the profession will come from maintaining the *NSW Architects Code of Professional Conduct 2017* (the ‘Code’) and implementing the *2021 National Standard of Competency for Architects* (NSCA).

Current NSW ARB Strategic Plan 2020 – 2023

Operational priorities are identified in the NSW ARB Strategic Plan 2020-2023 (the ‘Strategic Plan’), which is reviewed on an annual basis. The Strategic Plan is publicly available on the NSW ARB website.

Measuring outcomes

Each of the strategic objectives identified in the Strategic Plan have 4-5 priorities with clearly identified deliverables and associated measures of success.

Resource allocation

The Strategic Plan orients the way NSW ARB Board members and employees work with each other and clarifies intent and organisational priorities. All work is constantly tied back to the Strategic Plan to deliver the greatest possible value as a small, self-funded regulatory body with limited resources.

OPERATIONS AND PERFORMANCE

Key services

The range of services provided by the NSW ARB includes:

- maintaining an accurate NSW Register of Architects and NSW List of Architect Corporations and Firms
- operating a fair, effective, and open procedure for investigating and hearing complaints made against architects
- disciplining architects who breach the Act and individuals or firms who represent themselves as an architect when they are not entitled to do so
- conducting examinations for registration as an architect
- accrediting NSW architecture programs that constitute pathways to registration as an architect
- managing a program of scholarships and awards
- providing information to consumers of architectural services with respect to the ethics and standards of professional competence that are generally expected of architects
- promoting a better understanding of architectural issues in the broader community, and
- providing accurate information to architects to maximise their understanding of their obligations under the Act and the Code.

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 5-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 Architects Accreditation Council of Australia (AACA).

Accredited academic qualifications

The accredited Master of Architecture, the academic qualification prescribed by the Act for registration as an architect, is offered by 5 universities in NSW:

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

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 (ARPs) provide recommendations to the Board regarding the accreditation of qualifications for a maximum period of 5 years.

No ARPs were conducted at NSW universities in the reporting year.

Architectural Practice Examination (APE)

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

In the reporting year, the NSW ARB continued the implementation of an audit process to cross-check Logbooks and Statements of Practical Experience submitted by NSW candidates. In Session 2, 2022 the NSW ARB undertook a random audit of 22% of applications received for the APE Parts 1 & 2. In Session 1, 2023 the NSW ARB undertook a random audit of 33% of applications received for the APE Parts 1 & 2. As a result of Part 1 assessments and audits, 23 candidates were found to have inaccurately recorded their hours/experience in the Logbook. The NSW ARB rejected the applications as they did not satisfy the minimum eligibility requirements and directed the candidates to obtain further experience before re-applying for Parts 1 & 2 in the future.

APE Part 2 National Examination Papers held in September 2022 and April 2023 were conducted as remote, proctored online examinations managed by the Australian Council for Educational Research (ACER) and delivered by Proctor U. Due to COVID-19, the APE Part 3 Interviews in November 2022 were conducted via Zoom video technology. The APE Part 3 Interviews in June 2023 returned to being face-to-face and were conducted in the NSW ARB offices

The NSW ARB provided 6 hours of free webinar events attended by 430 candidates to assist their preparation for the APE; and 2 hours of training events for APE assessors attended by 74 architects.

In the reporting year, 332 NSW applicants were admitted to the Part 2 National Examination Paper and 294 were successful, representing an 88.5% success rate. 321 NSW applicants were admitted to the Part 3 Examination by Interview and 291 were successful, representing a 90.5% success rate.

NSW Portfolio Program of Assessment (NSW PPA)

The NSW PPA is a competency-based assessment process that provides a pathway to the 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 3 to 4 'complex' architectural projects from the last 10 years for which they have experience as a primary decision maker for the conceptual and schematic design, and design development. At least 1 of the projects should have been built in Australia in the last 10 years, or overseas in the last 5 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 2021 NSCA to determine their equivalence with the threshold competencies expected of a graduate from an accredited architecture program in Australia.

In the reporting year, 1 application was received for the NSW PPA, but the candidate was deemed ineligible and did not proceed to the Stage 2 Eligibility Interview.

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, 85 interstate architects were admitted to the NSW Register of Architects under the terms of the *Mutual Recognition Act 1992*.

Automatic Mutual Recognition (AMR)

Automatic Mutual Recognition of Occupational Registrations (AMR) was commenced on 1 December 2022 for interstate architects providing services in NSW. Under this scheme, Automatic Deemed Registration (ADR) enables an architect registered in one Australian State or Territory to work in another State or Territory without completing a formal assessment or examination.

An interstate architect wishing to work in NSW under ADR has deemed registration in NSW and does not pay an individual registration fee in NSW. ADR allows such an architect to work in NSW because the architect is registered in the architect's home State. To be eligible to work in NSW under ADR an architect must, before commencing work as an architect in NSW, notify the NSW ARB via the notification process on the ServiceNSW platform. In the reporting year, 48 interstate architects notified the NSW ARB of their intention to provide architectural services in NSW under ADR including 2 pending notifications from architects who hold existing registration in NSW. 32 ADR architects had previously been registered in NSW.

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, 4 architects from New Zealand were admitted to the NSW Register of Architects under the terms of the TTMRA.

United States / Australia / New Zealand Mutual Recognition Arrangement (US/AUS/NZ MRA)

The Mutual Recognition Arrangement in place between the architectural licensing authorities of the United States of America (US), 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 APE. 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, 4 architects were admitted to the NSW Register of Architects under the terms of the US/AUS/NZ MRA.

United Kingdom / Australia / New Zealand Mutual Recognition Agreement (UK/AUS/NZ MRA)

In May 2023, a Mutual Recognition Agreement commenced between the architectural licensing authorities of the United Kingdom (UK), Australia and New Zealand. The UK/AUS/NZ MRA enables UK registered architects to bypass the APE. In the reporting year, there were no architects admitted to the NSW Register of Architects under the terms of the UK/AUS/NZ MRA.

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 World Trade Organization (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 currently has mutual recognition agreements under the APEC Architect Agreement with Canada, Japan, and Singapore.

In the reporting year, 1 architect was admitted to the NSW Register of Architects under the terms of the APEC Architect MRA.

Information sharing to support the licensing platform for the *Design and Building Practitioners Act 2020*

The NSW ARB has a Memorandum of Understanding with the Department of Customer Service (DCS) to share information from the NSW Register of Architects via an Application Programming Interface (API). The API minimises the administrative impact on architects of the requirements for registration under the *Design and Building Practitioners Act 2020* and facilitates the ‘fast tracking’ of registration of eligible architects in the ‘Design Practitioner-Architectural’ category. The API is only used to provide and update data from the NSW Register of Architects to the DCS licensing platform.

Profile of architects registered in NSW as of 23 August 2023

Total number of NSW registered architects						
2017	2018	2019	2020	2021	2022	2023
4984	5202	5459	5669	5803	5870	5997
Practicing/Non-Practicing 5348 / 649						

New enrolments						
2017	2018	2019	2020	2021	2022	2023
287	320	359	290	358	368	442

Qualifications of new registrants						
	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23
Qualified in NSW	148	174	99	154	143	205
Qualified in Interstate schools	36	46	28	27	25	48
National Program of Assessment/NSW PPA	6	4	3	14	12	13
NZ/Singapore/HK graduates	7	5	6	3	6	4
Qualified from overseas schools	14	25	23	30	31	50
Mutual Recognition Australia	90	68	97	97	108	85
TTMRA (New Zealand)	3	3	6	1	3	4
Temporary Registration (NSW)	0	1	0	0	0	0
APEC Architect	0	0	0	0	0	1
Experience Practitioners Assessment Overseas/Local	12	29	26	29	36	28
US Mutual Recognition Arrangement	4	4	2	3	4	4
Total	320	359	290	358	368	442

Location of registrants									
	NSW	ACT	NT	QLD	SA	TAS	VIC	WA	O'SEAS
Practicing	4575	78	2	248	31	21	234	23	136
Non-Practicing	496	2	2	32	5	5	18	3	86

Age and gender of registrants									
Age range	Practicing					Non-Practicing			
	M	F	I	%	Total	M	F	I	Total
90 +	1	0	0		1	7	0	0	7
80 to 89	36	2	0		38	56	5	0	61
70 to 79	246	22	0		268	160	21	0	181
60 to 69	646	120	0		766	112	31	0	143
50 to 59	766	357	2		1125	45	40	0	85
40 to 49	952	520	4		1476	42	45	1	88
30 to 39	862	677	0		1539	26	55	0	81
20 to 29	65	70	0		135	0	3	0	3
Total	3574	1768	6	33%	5348	448	200	1	649

Gender M Male F Female I Indeterminate / Intersex / Unspecified

Architect corporations and firms

Section 11 of the Act provides that a corporation or firm must have a nominated architect responsible for the provision of architectural services to be considered as an architect corporation or firm. Corporations and firms are active if there is at least one nominated architect on the 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 NSW ARB.

In the reporting year the NSW ARB delivered 3 hours of free CPD to 203 architects to improve professional understanding and compliance with the provisions of the Act relating to Architect Corporations and Firms and the roles and responsibilities of Nominated Architects.

The number of active architect corporations and firms in NSW as at 23 August 2023 was 2067.

Protecting consumers

Complaints against the professional conduct of architects

Thirteen new complaints were received by the Board in the reporting year. Four were determined as unsatisfactory professional conduct by the Board following an investigation.

As at 30 June 2023, 2 complaints were proceeding with determinations to be finalised, and 4 complaints were awaiting information from parties. One complaint was scheduled for an alternative dispute resolution. Two complaints were withdrawn by the complainants.

Complaints from the previous reporting year 1 July 2021 to 30 June 2022

Three complaints from the previous reporting year (2021-22) were finalised in the reporting year and were determined as unsatisfactory professional conduct by the Board following an investigation. One complaint from the previous reporting year (2021-22) was stayed. One complaint from the previous reporting year (2021-22) was scheduled for an alternative dispute resolution.

Details of actions following the determination of complaints are published on the NSW register of Disciplinary Actions on the NSW ARB website:

<https://www.architects.nsw.gov.au/download/Register%20of%20Disciplinary%20Action.pdf>

Alternative dispute resolution

The NSW ARB regularly receives calls from consumers seeking advice on issues that may be currently unfolding with their architect or on site 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. For this reason, the NSW ARB may facilitate alternative dispute resolution with agreement from the parties. In the reporting year, the Board facilitated 2 mediation sessions.

Internal monitoring of enforcement procedures

Appropriate case management may assist in improved outcomes for all parties involved in complaints matters. 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. In the reporting year, 46 enquiries were recorded on the *Triage Register*: Four of these proceeded to a complaint; and 42 complaints were avoided or resolved by early advice and action.

- 26 enquiries (57%) related to a potential breach of clause 4 of the Code - Provision of architectural services generally
- 22 enquiries (48%) related to a potential breach of clause 6 of the Code - Provision of information to clients and prospective clients
- 4 enquiries (9%) related to a potential breach of clause 7 of the Code - Client agreements
- 4 enquiries (9%) related to a potential breach of the other clauses of the Code and/or the Act
- 9 enquiries (20%) related to other matters that do not constitute a breach of the Code
- 19 enquiries (11%) related to Development Applications, and
- 1 enquiry (2%) related to copyright.

Note that some enquiries related to breaches of multiple clauses of the Code and/or matters.

A *Mediation Register* records application for mediation and the outcomes of the mediation undertaken.

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

Offences relating to the practice of architecture: Breaches of 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 architect who is responsible for the architectural services provided.

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 sections 9, 10 and 11 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 162 investigations of alleged offences relating to the practice of architecture. As at 30 June 2023, 108 cases were closed with the breaches rectified, 19 cases were closed with no breaches found upon investigation, 23 cases had been actioned and were awaiting a response, and 1 case was still pending investigation.

- 116 investigations related to a potential breach of section 9 of the Act, relating to an individual representing, or being represented, as an architect
- 110 investigations 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
- 18 investigations related to an architect corporation or firm not having a nominated architect listed on all correspondence and displays, as required by section 11(2) of the Act, and
- 18 investigations related to breaches of the Code.

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

Legal action

In the reporting year, the Board was not involved in any legal action.

Monitoring architects' compliance with continuing professional development (CPD) requirements

Under section 24(2)(g) of the Act, the Board may remove an architect's name from the NSW Register of Architects or under section 43(4) find the architect guilty of unsatisfactory professional conduct if the architect has failed to comply with continuing professional development (CPD) requirements.

Under clause 16 of the Code, architects must annually demonstrate to the NSW ARB 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. They are required to undertake a minimum of 20 hours of CPD annually, of which at least 10 hours must be Formal CPD activity. An effective CPD regime for architects is expected to have as its basis the 2021 NSCA.

Every year architects are randomly selected by the NSW ARB for a CPD audit. In the reporting year, 99 architects were selected for CPD audit. Of those audited architects, 69 (70%) were found to have complied with the CPD requirements. Thirty architects (30%) were deemed to have not complied with the annual CPD requirements. Upon review by the Registrar and CPD Auditor, 26 of these matters were resolved, with conditions being imposed on some architects relating to their future CPD reporting. Of those remaining 4 who were deemed to have not complied, the Board initiated complaints against 4 architects for failing to demonstrate CPD compliance. The Board found 3 architects guilty of unsatisfactory professional conduct and removed 1 architect's name from the NSW Register of Architects.

Details of actions taken by the Board where architects are found to have failed to demonstrate CPD compliance are published on the NSW register of Disciplinary Actions on the NSW ARB website:

<https://www.architects.nsw.gov.au/download/Register%20of%20Disciplinary%20Action.pdf>

Following a comprehensive review of CPD requirements for architects in FY 2021-2022, the NSW ARB implemented changes to CPD for architects effective from 1 July 2022. Changes include:

1. *New mandatory content requirements for Formal CPD:* At least 3 hours of the 10 hours of Formal CPD an architect completes each year must address mandatory topics. An architect must complete at least 1 hour annually for each of the mandatory topics: Understanding and respecting Country; Sustainability, life cycle assessment and whole life carbon; and National Construction Code.
2. *Changes to when and how often CPD reporting is required:* An architect must report on their CPD at the time of their registration renewal and their CPD report is submitted as part of the renewal process. Architects who have selected a 1-year registration term, report their CPD activities annually. Architects who have selected a 3-or 5-year registration term report their CPD activities at the end of that registration term.
3. *Changes to how CPD is recorded:* Architects should progressively record their CPD activities as they complete them in the My CPD portal in the My Account facility on the NSW ARB website.

To support architects to meet their CPD requirements and to uplift understanding of the Act and Code, the NSW ARB delivers free Formal CPD webinars that focus on key aspects of the regulation of architects, including:

- Continuing Professional Development requirements for NSW architects
- How architects are regulated in NSW
- Introduction to the 2021 National Standard of Competency for Architects (since May 2022)
- Nominating a responsible architect
- Pathways to registration
- Systemic risks in the Australian architecture sector (new from May 2023)
- What you need to know about being an architect in NSW
- Working with your client - how to avoid complaints

In the reporting year, the Registrar and employees delivered 44.5 hours of free webinars attended by a total of 3,028 architects.

Monitoring architects' compliance with Profession Indemnity Insurance (PII) requirements

Under section 24(2)(h) of the Act the Board may remove an architect's name from the NSW Register of Architects they have not met a requirement relating to Professional Indemnity Insurance (PII). Under clause 15 of the Code, an architect must maintain a policy of PII appropriate for the architectural services they are providing or apply to the Board for a PII exemption. They must give their clients information about the PII they hold for the architectural services they are providing.

Architects are required to annually make a declaration relating to PII and to upload a copy of their PII Certificate of Currency.

In the reporting year, there were no architects removed from the NSW Register of Architects for failing to meet a requirement relating to PII.

NSW ARB Short Form Architect Client Contract

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 *2019 NSW ARB Short Form Architect Client Contract (SFACC)* is a free online resource developed by the NSW ARB to assist consumers who intend to contract with architects, and to support architects to meet their obligations under the Code. It comprises a covering letter, services schedule and standard terms of agreement. The SFACC is currently being reviewed to ensure it continues to be up-to-date and fit-for-purpose.

In the reporting year, there were 782 downloads of the covering letter and services schedule (Word doc) and 895 downloads of the standard terms (PDF) for the SFACC.

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

As a statutory, regulatory body, the NSW ARB 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.

In the reporting year, the NSW ARB participated in many interagency meetings relating to implementation of AMR and regulatory reforms in the NSW construction sector.

The Registrar meets monthly with the NSW Chapter President of the Australian Institute of Architects and on an as-needs basis with the NSW/ACT President of the Association of Consulting Architects.

Informing the public

The NSW ARB provides general advice to the public and consumers of architectural services to inform them about the ethics and professional standards that are generally expected of registered architects. The NSW ARB always seeks to use plain English and contemporary communication platforms to provide greater accessibility and ensure better understanding of complex professional and regulatory processes.

Monitoring the NSW ARB engagement strategy

The Engagement Committee is responsible for monitoring the ways in which the NSW ARB engages with the public and consumers of architectural services. A co-design process is used to better understand the service design of the NSW ARB, and a holistic approach is taken to strategically map and understand audience needs, NSW ARB services, and interactions with consumers.

NSW ARB website

The NSW ARB website provides a “one-stop-shop” for consumer and architect resources. A strong emphasis is placed on easily downloadable pdf factsheets and other publications. The NSW ARB database of architects and architect corporations is searchable from the homepage and can be used by the public to confirm the status of a person or corporation or firm.

In the reporting year the current structure and functionality of the website was reviewed. A complete re-design of the website is underway, including a re-design of menu functionality, search functionality, landing page sequencing, search engine optimisation for content and colour accessibility. It is anticipated that the new website will be launched in Quarter 3 of FY2024.

In the reporting year, the existing NSW ARB website was re-skinned to reflect the NSW ARB visual identity and had 1,701,504 page views, 225,178 visits and 30,583 unique visitors (*noting that unique visitors may not be actual number as the introduction of Cloudflare firewall service masks the count*).

NSW Architects Code of Professional Conduct 2017

The Code is schedule 2 of the Architects Regulation 2017. It provides architects and their clients with a statement of the standards required of architects when engaged to provide architectural services. A failure to comply with the Code may constitute unsatisfactory professional conduct for the purposes of the Act and may be grounds for disciplinary action under Part 4 of the Act.

The Code is also a useful informational document for consumers that clearly articulates the high professional standards delivered by architects and reconfirms the value of engaging an architect over a less qualified and possibly less experienced draftsman or building designer. The NSW ARB continues to pursue strategies for better leveraging the Code as an informational document for consumers in its current work to rebuild its engagement strategy.

Working with your Architect resource

Working with your Architect is a resource published by the NSW ARB to guide consumers about the architect’s role and obligations to clients and, vice versa, the client’s role to assist their architect in the realisation of their project. The NSW ARB 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.

Lectures to architecture students

To support the development of professional education that ‘bridges’ competency between tertiary architectural education and registration, in the reporting year the Registrar delivered 6 hours of lectures to students in accredited architecture programs at the University of Newcastle, University of New South Wales, University of Sydney, and Western Sydney University. Lecture content covered the education-practice-regulation context, the 2021 NSCA, pathways to register as an architect, the APE, the Act and the Code.

Lectures to architects

Beyond the provision of CPD for architects, the NSW ARB is committed to contributing to events offered to architects by other providers. In the reporting year, the Registrar regularly contributed to events hosted by the Australian Institute of Architects (NSW Chapter) and small practice networks.

Promoting architecture

The NSW ARB promotes architectural issues in the community to ensure consumers of architectural services are better informed so their rights can be better protected. To do this, the NSW ARB 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.

Sydney Architecture Festival (SAF)

The Sydney Architecture Festival (SAF) was presented annually by the NSW ARB in partnership with key stakeholders until it was disrupted by COVID in 2020.

In the reporting year, the NSW ARB focused on re-framing the SAF. A comprehensive review of the post-COVID event and festival landscape raised serious questions about the event’s viability in a more competitive environment, particularly given the limited resources of the NSW ARB. The Board decided not to relaunch the SAF as a standalone event in 2023 and that it should be archived, with key learnings used to inform new initiatives that will have greater public outreach.

Resources have been allocated to support the NSW ARB to partner or collaborate in other events and festivals aligned to the celebration of architecture that will reach the target public audience. Guidelines are being developed to define the values, strategic objectives, funding model, programming principles and framework for these new partnerships and collaborations with other cultural institutions, which may include the Sydney Opera House, Museums of History NSW and NSW Chapter of the Australian Institute of Architects.

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 the Sydney Opera House and the Royal Danish Academy of Fine Arts Schools of Architecture, Design & Conservation, supported by the NSW ARB, Arup, Steensen Varming, AMP Capital and 3 Danish foundations: the Bikuben Foundation, Dreyer Foundation and 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 time of 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 2022 were:

- Anna FOGH M.Arts in Architecture (Royal Danish Academy of Fine Arts)
- Christina KJAER M.Sc in Architectural Engineering (Technical University of Denmark)
- Filip HEDE B.Design in Product+ (Royal Danish Academy of Fine Arts)
- Mads PRIMDAHL ROKKJAER M.Arts in Architecture (Royal Danish Academy of Fine Arts)
- Natalia NAWROCKA M.Science in Building Energy Design (Aalborg University)

The 5 Australian students selected to visit Denmark in January-February 2023 were:

- Mia EVANS-LIAUW B.Civil Engineering / B.Design in Architecture (University of Sydney)
- Katherine LEWER M.Urban and Regional Planning (University of Sydney)
- Rachel Liang M.Architecture (University of Technology Sydney)
- Paris PERRY B.Design (Architecture) (University of Newcastle)
- Anastasia URICHER M.Architecture (Social Agency) (University of New South Wales)

Architect's Medallion

The Architect's Medallion is awarded annually by the NSW ARB 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 2 years of the course. The Medallion is presented, along with a \$5,000 prize.

In 2023, the following 5 candidates were nominated by their universities:

- Grace McLEAN The University of Newcastle
- Samantha RICH The University of New South Wales
- Jeffrey LIU The University of Sydney
- Martin WRZOS The University of Technology Sydney
- Christopher TEO Western Sydney University

Samantha Rich of the University of New South Wales was awarded the 2023 Architect's Medallion. The jury citation reads:

Samantha Rich is a proud Wiradjuri woman, dedicated to embedding a First Nations worldview in the built environment. She is driven by a genuine belief in the ability to make positive change and committed to listening and engaging with community to effectively do so. She believes in the need to "go slowly, thoughtfully, carefully and respectfully".

For her graduation design studio Samantha initiated a community-partnered approach to address systemic housing needs with and for Aboriginal people in regional and remote NSW. Working closely with Yuwaya Ngarra-li (a partnership between the Dharriwaa Elders Group and UNSW) she responded to the urgent priority of creating Elders' housing that can enable Walgett Elders to age well with family and community on Country. The project involved co-developing culturally led housing design principles and fostering reciprocal relationships embedded in Indigenous culture between people, communities, and Country. Samantha's proposal demonstrates an interconnected approach to housing that addresses human and more-than-human needs. Modular and adaptable home units that sensitively consider aging on Country, environmental comfort and socio-cultural connection are situated within existing waterways, re-wilding initiatives, and support programs.

The jury was impressed by Samantha's mature approach to listening and developing briefs, her great empathy and respect for the people and communities she is working with and for, and her ability to facilitate authentic outcomes. There is a sophistication in her realisation that a series of 'small' moves addressing practical issues such as adaptability, change, expansion, and robustness can create architecture with significant impact. It is notable that the integrity, rigour, and respect demonstrated by Samantha in her graduation project has led the Dharriwaa Elders Group to seek funding for its construction.

Beyond her university studies, Samantha is a passionate advocate and agent for change in furthering First Nations' perspectives, culture, and history in the built environment. At UNSW her work with Yuwaya Ngarra-li has led to funding for ongoing housing research and she has been appointed as a researcher and adjunct lecturer. Samantha has a clear vision for the future of architectural pedagogy led by Indigenous voices and driven by a community-centred approach grounded in caring for Country. She is already instilling this pedagogical vision in her role as architectural and cultural mentor in First Nations Professional Placement coursework.

Within the wider profession, Samantha has been the Reconciliation Action Plan (RAP) External Advisor for Frasers Property since 2018 and was on the RAP Taskforce for the NSW Chapter of the Australian Institute of Architects from 2018 to 2020. She has given national talks and lectures and has been involved in panel discussions and workshops relating to Country-centred relationships of reciprocity, as well as contributing to the professional press on these topics.

Samantha is a true change-maker. Now working with First Nations communities in a range of contexts and in association with numerous design consultancies and architectural firms, her practice is focussed on community-led design. She is committed to the knowledge transfer that occurs through sharing and learning from others irrespective of age or experience and strives to reconcile different opinions, perspectives, and skillsets. Mindful of the significant cultural responsibility that she carries, Samantha understands that urgency does not justify reactive decision-making. Importantly, Samantha is sophisticated in her re-imagining of what design could be when it interweaves cultural knowledge and a deeply collaborative mindset. She is a fearless advocate for a built environment that has Indigenous voice at the fore.

Byera Hadley Travelling Scholarships (BHTS) program

The NSW ARB has awarded Byera Hadley Travelling Scholarships (BHTS) since 1951. The BHTS is bequeathed by the Estate of the late Byera Hadley and the Trust is managed by Perpetual Limited. The NSW ARB manages the BHTS program to enable winners to undertake an approved course of study, research or other activity that contributes 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.

In the reporting year a total of \$103,500 was awarded for BHTS to:

Emma Justine ANDERSON

Project title: *Increasing rates of incarceration of women – understanding and communicating design approaches for holistic trauma-informed prison models and emergent alternative facility solutions to incarceration.*

\$29,500

Sarah LAWLOR

Project title: *Leave no-one behind – sustainability is an equality issue*

\$29,500

Brooke LAZARUS

Project title: *In absence of – methods of minimal intervention*

\$15,000

Jordan SILVER

Project title: *Rest stops and viewpoints – a case for a small public architecture program in regional NSW*

\$29,500

STEAM Futures: Building Connections program

The NSW ARB has developed a range of education resources to promote a better understanding of architectural issues in local communities and schools.

Exhibitions of NSW graduating students

The NSW ARB is a major supporter annually of the exhibitions of graduating students mounted at the accredited programs of architecture in NSW. In the reporting year, a sum of \$5,000 was donated to the University of Newcastle, University of New South Wales, and University of Sydney. No funding was provided to the University of Technology Sydney or Western Sydney University because no exhibition took place.

Research and development

Architectural Work Cultures: professional identity, education and wellbeing

The NSW ARB is in the final year of a partnership with Monash University on a project funded under the Australian Research Council's Linkage Projects scheme (September 2020-September 2023), titled *Architectural Work Cultures: professional identity, education and wellbeing*. Dr Kirsten Orr (Registrar of the NSW ARB) is a Partner Investigator on the project.

This is 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. The research has resulted in events, forums, actions and interventions, and will also produce toolkits to improve the work- and study-related wellbeing of architects and architecture students and support cultural change across education, workplace and institutional settings. The NSW ARB anticipates that flow-on impacts of the project will benefit consumers of architecture and the quality of the built environment more broadly.

Systemic risks in the Australian architecture sector

In the reporting year, the NSW ARB partnered with the Architects Registration Board of Victoria (ARBV) on research to identify current and future systemic compliance issues and associated risks affecting regulation of the architecture profession in Australia. The project was initiated in light of a range of recent developments affecting the profession, including high-profile cases here and abroad alleging negligence of architects, reviews of the Australian construction sector that have raised questions about the role of architects in sectoral outcomes, and various emerging disruptive forces that may have an impact upon the provision of architectural services by architects.

The findings of the research are assisting the NSW ARB and ARBV to target proactive regulatory activity so that systemic risks can be mitigated. This type of regulatory activity is designed to pre-empt and prevent regulatory non-compliance by architects and, in turn, avoid harm to clients and end-users of architectural services.

A key finding is the critical importance of regulation in delivering positive outcomes for the sector. Compliance by architects with professional standards and their broader regulatory obligations will help architects to thrive notwithstanding the challenges that current market conditions create and, in turn, will ensure that the interests of clients and end-users are protected. The findings intersect with a broad spectrum of issues that concern the current state and future of the Australian architecture profession, and highlight the need for a collaborative and coherent approach across the sector to manage and, ideally, avert systemic risks.

The report provides an unprecedented perspective on the implications of systemic risks for the two largest regulators of the Australian architecture profession and identifies the role that other stakeholders can also play to address risk, including architects, industry bodies, education providers, and government. The report is informing existing discussions and provides the basis for further research and joint initiatives among regulators and other stakeholders, including industry bodies and academia.

The report is published on the NSW ARB website:

<https://www.architects.nsw.gov.au/download/Report%20on%20Systemic%20Risks%20for%20the%20Architecture%20Sector%20in%20Australia.pdf>

Land disposal

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

MANAGEMENT AND ACCOUNTABILITY

Leadership and organisation structure

Leadership skills and diversity

As at 30 June 2023 the eleven-person Board comprised 7 women (64%). The President and Deputy President are women.

Remuneration of senior executives

The NSW ARB complies with the Senior Executive reporting requirements of *Public Service Commissioner Circular PSCC 2014-09 Changes to annual reporting for senior executives and workforce diversity*.

As at 30 June 2023 the NSW ARB employed one female staff member in a Senior Executive role equating to Band 1 of Public Sector Senior Executive salary (PSSE) with remuneration package of \$272,259.36, compared to \$258,790.78 in 2021/2022. The number of senior executives remains the same as for 2021/2022.

24.98% of the total employee-related expenditure for the reporting year was related to the Senior Executive position, compared with 30.06% in 2021/2022.

Organisational chart

Figure 2 is the organisational chart.



Figure 2. Organisational chart

Officers and employees

Board members

Name	Description	Term
Current Board members as at 30 June 2023		
Dr Deborah Dearing*	Board President, architect representing interests of practising architects	2017 – Nov 2023
Prof Helen Lochhead	Deputy President, architect elected member	2020 – 2024
Sara Jinga*	Representing the public interest in architectural matters	2020 – 2024
Dr Tim Williams*	Representing the property development industry	2020 – 2024
Tim Moore*	Representing local government in respect of the quality of building	2020 – Nov 2023
Paul Lalich	Australian legal practitioner expert in building and construction law	Dec 2022 – 2024
Michael Grant*	Representing the building industry	2020 – Nov 2023
Laura Cockburn	Immediate Past President of the Australian Institute of Architects NSW Chapter	Feb 2023 –Ex-officio
Abbie Galvin	NSW Government Architect	2020 – Ex-officio
Dr Rebecca McLaughlan	Architect academic from relevant educational institution (The University of Sydney)	Feb 2023 – 2025
Jocelyn Jackson	Architect elected member	Dec 2022 – 2024

Retired Board members

Rod Cameron*	Deputy President, Australian legal practitioner expert in building and construction law	2018 – Nov 2022
Andrew Nimmo	Immediate Past President of the Australian Institute of Architects NSW Chapter	2019 – Jan 2023
A/Prof Melonie Bayl-Smith	Architect academic from relevant education institution (The University of New South Wales)	2021 – Feb 2023
Glenn Scott	Architect elected member	2020 – Dec 2022

* *Appointed by the Minister*

Board meeting attendance to 30 June 2023

NAME	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022	DEC 2022	JAN 2023	FEB 2023	MAR 2023	APR 2023	MAY 2023	JUN 2023	TOTAL
D DEARING (M)	√	√	A	√	A	√	N/M	√	A	A	√	A	7/11
H LOCHHEAD (E)	√	√	√	A	√	√	N/M	√	√	√	A	√	9/11
S JINGA (M)	√	√	√	√	√	A	N/M	√	√	A	√	√	9/11
T WILLIAMS (M)	√	√	A	√	√	A	N/M	√	A	√	A	√	7/11
T MOORE (M)	√	√	√	√	A	√	N/M	A	√	A	√	√	8/11
P LALICH (M)	N/A	N/A	N/A	N/A	N/A	√		√	√	√	√	√	6/6
M GRANT (M)	√	A	A	√	√	√	N/M	A	√	√	√	A	7/11
L COCKBURN (ExO)	N/A	√	√	√	√	A	4/5						
A GALVIN (ExO)	A	A	√	√	√	√	N/M	√	√	√	√	√	9/11
R MCLAUGHLAN (AM)	N/A	√	√	√	√	4/4							
J JACKSON (E)	N/A	√	√	√	√	√	5/5						
R CAMERON (M)	√	√	√	√	√	N/A	5/5						
A NIMMO (ExO)	√	√	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	6/6
M BAYL-SMITH (AM)	A	√	A	√	√	√	N/M	√	N/A	N/A	N/A	N/A	5/7
G SCOTT (E)	√	√	A	A	A	√	N/A	N/A	N/A	N/A	N/A	N/A	3/6

M Appointed by Minister

O Observer

A Absent

E Elected

AM Academic Member

N/M No meeting

ExO Ex officio

LOA Leave of absence

N/A Not appointed

Employees

Employees as at 30 June 2023

Dr Kirsten Orr Registrar (PhD (UNSW), BArch (Hons) (UTS), Registered Architect NSW 6236)

Nadine Roberts Deputy Registrar

Kylie Chow Finance Compliance and Risk Officer

Melissa Hollis Engagement and Communications Officer

Zion Jeong Legal Assistant

Candy Luan Design Officer (commenced July 2022)

Jessica Smith Senior Lawyer, Regulation and Compliance (commenced July 2022)

Daniela Taylor Administration Officer

Assessors

The NSW ARB draws upon the services of architects who serve as assessors for the Architectural Practice Examination (APE) and NSW Portfolio Program of Assessment (NSW PPA) registration pathways. The NSW ARB also nominates NSW representatives to the Accreditation Standing Panel for the *AACA Architecture Program Accreditation Procedure in Australia and New Zealand*.

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

Associate Professor Melonie Bayl-Smith currently holds the role of NSW State Convenor for the APE.

Architectural Practice Examination (APE) Assessors

J R Barr	L N Chandiok	B Dragas	A Greenway
J Bastian	M Chao	V A Dudman	C A Grennan
J A Bilmon	A K C Cheah	J El-Sabbagh	C S R Gunton
J E Blake	L Chiu	J F English	M Hashemi
M G Boffa	J G Cockings	J Ezer	M K Helms
N Brcar	J E Connor	P Fung	T M Helyar
W J Brindle	S Crawford	P F Gallagher	D G Holm
T A G Browne	K M Datu	B Giles	S Hsu
M C Bullen	J Debek-Kozyra	G P Gonzalez	R J Hudson
G A Cameron	G Dix	L Gosling	J L Jackson
W Ji	C J McCann	M B Pullinger	E Teicher Gertel
T L Johnson	B J McHarg	R Ratcliffe	H I Ten Brummelaar
M E Jones	D G McKendry-Hunt	P J Reed	C M Trevor-Jones
A E Kaplun	P A McLeod	M P Roberts	D van der Breggen
T E Keyes	M C McNeil	S Rofail	V M van Dijk
M Kitmiridis	K Mills	J Rowe	V L Waller
K Klinger	D Moon	J Sarkis	X L Wang
A Kouzmin	A K Oates	F Segabinazzi Siqueira	T G M Wetherill
B N Kugan	R P O'Brien	C W Sheeran	H Whattam
V A Lane	V Olivar Alcami	I O Sheridan-Miller	D M Wilson
G Lekosis	M Orellana Romero	B Sonter	M Y Xu
L J Lesslie	K A Pearce	E D B Springett	D Yong
F Lewis	I M Pearson	R S Stevens	C Zuza
G J Luscombe	M S Pellen	S P Stewart	
C C Macdonald	T-K Phung	M Strangas	
C M Matheson	E Prineas	P J Sullivan	

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 AACA Accreditation Standing Panel

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

NSW ARB governance

The work of the NSW ARB derives from the objects and functions set out in the Act. There are specific Board delegations outlined in the Act. Authority for making decisions rests with the Board unless specifically delegated to a committee or the Registrar. The Board has a committee structure in place with defined responsibilities.

Board committees

Under the provisions of section 62 of the Act

1. The Board may establish committees to assist it with the exercise of any of its functions.
2. It does not matter that any or all of the members of a committee are not members of the Board.

[Note: these provisions do not apply to the Complaints Committee.]

Board committees are supported by the Registrar and other employees as appropriate. As at 30 June 2023 the Complaints Committee, Finance and Risk Committee and Engagement 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 2023: Paul Lalich (Legal member and Chair), Laura Cockburn (Architect member) and Michael Grant. Tim Williams is the alternate committee member.

Finance and Risk Committee

The Finance and Risk Committee meets quarterly to consider financial matters, cyber security risk management issues, information privacy concerns and compliance with legislative changes and government policies. The Committee makes recommendations to the Board for adoption.

Terms of reference include oversight of

- Governance, risk and control frameworks, internal financial planning, and external accountability requirements
- Annual budget planning, human resources; staff welfare and remuneration
- Cyber security controls and risk management processes
- Workplace Health and Safety responsibilities.

In the current reporting year, the Finance and Risk Committee reviewed the

- Assessment of the likely impact of COVID-19 on the financial position and operation of the NSW ARB
- Assessment of the likely financial impact of Automatic Mutual Recognition
- Draft 2023 – 2024 budget
- Financial statements for the year ended 30 June 2023
- Cyber security annual reporting and annual attestation statement
- Other internal policies necessary to ensure legislative compliance.

Members as at 30 June 2023: Dr Deborah Dearing (Chair), Prof Helen Lochhead and Tim Moore.

Engagement Committee

The Engagement Committee provides oversight for the functions of the Board set out in section 61(h-i) of the Act, including the promotion of community discussion about architectural issues and the provision of general advice to consumers of architectural services.

Terms of reference include oversight of

- Strategies to enable the NSW ARB to engage dynamically, creatively and intelligently with the public and stakeholders and communicate the role of the NSW ARB and how design and architecture shape the environment we build around us
- Programs and resources for the public that are relevant, accessible, accurate and informative about what to expect when working with an architect, and the ethics and standards of professional competence that are required of architects
- NSW ARB digital platforms to ensure that information and resources are accessible, relevant, and appropriately designed
- Platforms for NSW ARB engagement with the broader community to communicate the value and role played by architects in the built environment
- Programs and resources for primary and secondary schools to promote a better understanding by pupils and teachers of architectural issues
- Partnerships with stakeholders and architects.

Members as at 30 June 2023: Sara Jinga (Chair), Dr Rebecca McLaughlan and Andrew Nimmo.

Architects Accreditation Council of Australia

The 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 NSW ARB Board President and NSW ARB Registrar are ex-officio members of the AACA. The Registrar is currently also a Director of the AACA.

The AACA:

- maintains the 2021 NSCA – which underpins all assessment processes on the path to registration as an architect in Australia
- administers the national 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
- negotiates international mutual recognition agreements.

A Registrars' network comprises the Registrars from each architect registration board in each state and territory in 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.

Human resources

Consultants

The NSW ARB contracts on an ongoing basis the services of external contractors to maintain plant (a separate air conditioning system in the Board room) and consultants to manage its IT system and necessary upgrades. These services are provided under Service Agreements.

In the reporting year, the NSW ARB engaged 1 consultant with a total cost of \$38,461.

Promotion

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

Legislation

Architects Act 2003

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

Legal changes to the Act and subordinate legislation

There were no changes to the Act in the reporting year. The NSW ARB continues to work with the Department of Customer Service regarding to changes to the Act to enhance its alignment with the *Design & Building Practitioners Act 2020* and to reduce red tape in the interests of putting consumers first.

Additional statutory reporting obligations

Privacy and Personal Information Protection Act 1998 (PPIPA)

The NSW ARB collects information about architects for the purposes of registration as allowed under the provisions of the Act. In doing so, the NSW ARB implements its Privacy Management Plan in compliance with the requirements of the *Privacy and Personal Information Protection Act 1998*. There were no requests for privacy reviews in the reporting year.

Government Information (Public Access) Act 2009

The *Government Information (Public Access) Act 2009* (GIPA Act) applies to all NSW Government agencies, including the NSW ARB. The GIPA Act encourages the proactive release of information about the NSW ARB as well as facilitating requests from the public for specific information held by the NSW ARB.

The section below aims to meet the NSW ARB's obligations under section 125 of the GIPA Act.

Review of authorised release of public information

Under section 7(3) of the GIPA Act, an agency must review its program for the release of government information annually. The NSW ARB has an agency access guide as required by section 20 of the GIPA Act and makes government information publicly available as provided by this guide.

The NSW ARB releases a significant amount of information under section 7 of the GIPA Act, including the NSW Register of Architects, the NSW List of Architect Corporations and Firms and numerous policy documents, factsheets and other publications. Such releases are facilitated through publication on the NSW ARB website or through written and verbal correspondence from the Registrar and employees.

The NSW ARB releases, on an informal basis, historical information from the NSW Register of Architects to persons the subject of the information. The NSW ARB also releases, on an informal basis, certain historical information from the NSW Register of Architects at the request of members of the public. Such releases are carried out under the GIPA Act, having regard to relevant NSW personal information legislation.

Informal Releases

In the reporting year, 5 informal access requests were granted to members of the public by the NSW ARB and the Registrar under section 9 of the GIPA Act. The releases related to requests by individuals who sought information regarding registration details of architects and former architects.

Formal Access Applications

In the reporting year, the NSW ARB and the Registrar received 4 formal access applications under Part 4 of the GIPA Act. Three applications were granted in full, with irrelevant information redacted pursuant to section 74 of the GIPA Act. One application was not provided with information pursuant to section 58(1)(b) of the GIPA Act as the information requested was not held by the Board. Three applications related to the NSW ARB's CPD requirements, and 1 application related to an investigation of a breach of Part 2 of the Act.

Schedule 2 tables

Below are the completed tables contained in schedule 2 to the Government Information (Public Access) Regulation 2018 (NSW) (GIPA Regulation) as required under section 125 of the GIPA Act and regulation 8 of the GIPA Regulation.

Table A: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media								
Members of Parliament								
Private sector business								
Not for profit organisations or community groups								
Members of the public (application by legal representative)								
Members of the public (other)	3			1				

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*								
Access applications (other than personal information applications)	2			1				
Access applications that are partly personal information applications and partly other	1							

* A *personal information application* is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of Act)	0
Application is for excluded information of the agency (section 43 of Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	0
Information about authorised transaction under <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i>	0

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act

	Number of applications
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	4
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	4

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review			0
Review by Information Commissioner*			0
Internal review following recommendation under section 93 of Act			0
Review by NCAT			0
Total			0

* The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	0
Applications by person to whom information the subject of access application relates (see section 54 of the Act)	0

Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

	Number of applications transferred
Agency-initiated transfers	0
Applicant-initiated transfers	0

Public Interest Disclosures Act 1994

There were no disclosures received from any officer of the Board for the reporting year. No reports were received in relation to corrupt conduct, maladministration, serious and substantial waste of public money, government information or local government pecuniary contraventions.

The following information is provided in accordance with section 31 the *Public Interest Disclosures Act 1994* (PID Act) for the reporting year.

- a. Number of public officials who have made a PID to the NSW ARB ZERO
- b. Total number of PIDs received by the NSW ARB ZERO
- c. Breakdown of PIDs received by the NSW ARB
 - i. Corrupt conduct ZERO
 - ii. Maladministration ZERO
 - iii. Serious and substantial waste of public money ZERO
 - iv. Government information contraventions ZERO
 - v. Local government pecuniary interest contraventions ZERO
- d. Number of PIDs finalised by the NSW ARB ZERO
- e. PID policy in place
The PID policy was approved by the Board at the September 2021 Board meeting.
- f. Action taken by the Registrar to ensure that staff are aware of, and have met, their responsibilities under section 6E(1)(b) of the PID Act
All employees are provided with a copy of the policy and receive training in the PID regime. Board members are provided with a copy of the policy and are informed of their rights and obligations under the PID Act.
- g. State government requirements
The Premier's Memorandum *M2011–22 Public Interest Disclosures – New Reporting Requirements* states that heads of government agencies should nominate officers who will be responsible for preparing the annual and 6-monthly reports and ensuring that the required information is collected. The Registrar has nominated the Senior Lawyer, Regulation and Compliance (currently Jessica Smith) to fulfil this role.
- h. PID online reporting
The NSW ARB has nominated the Senior Lawyer to access the PID portal and input data 6-monthly.

Economic or other factors

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

Exemptions

The NSW ARB had no exemptions for the reporting year.

Website for publication of annual report

This annual report is published on the NSW ARB website: <https://www.architects.nsw.gov.au/publications>

There were no external costs incurred in the production of this report.

Internal audit and risk management (compliance with TPP20-08)

Risk management and insurance activities

The NSW ARB 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 NSW ARB 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.

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 NSW ARB 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. *Refer* MANAGEMENT AND ACCOUNTABILITY – NSW ARB Governance above for more detail about the objectivities and activities of this committee in the reporting year.

Internal audit and risk management policy attestation

The NSW ARB is awaiting confirmation from Treasury of the continuation of the small agency exemption of the Internal Audit and Risk Management Policy *TPP 20-08 Internal Audit and Risk Management Policy for the General Government Sector*.

The NSW ARB completed its internal assessment for 30 June 2023 against the relevant criteria in August 2023 and advised NSW Treasury that its small agency exemption under *TPP 20-08* had changed by more than 20%. The NSW ARB is waiting for Treasury's response in relation to continuation of this exemption.

The NSW ARB has internal risk management processes in place that are, in all material respects, compliant with the core requirements set out in *TPP 20-08*. These processes provide a level of assurance that enables the senior management to understand, manage and satisfactorily control risk exposures.

Cyber Security Policy (CSP) attestation

The NSW ARB continues to assess its cyber security risks and to improve the maturity of its cyber security reporting requirements. Employees and Board Members participated in training in the reporting period to increase awareness of cyber security risks. *Refer* Annexure A – *NSW Architects Registration Board Cyber Security Annual Attestation Statement for the 2022-2023 Financial Year*.

SUSTAINABILITY

Environmental matters

There were no sustainability or climate-related matters material to the NSW ARB operations or financial statements for the reporting year.

The net lettable area of the NSW ARB office premises is 217m². The NSW ARB seeks to make resource efficiency standard practice. Since 2017, a 'digital only' policy has been in place to reduce paper waste. All new electrical equipment purchased is at least the market average star rating and/or recognised as high efficiency. No vehicles are owned or leased by the NSW ARB.

Social matters

Workforce diversity

The Government policy of workforce diversity is observed by the NSW ARB in the recruitment and management of employees and voluntary appointments to committees and working groups, including the representation of Aboriginal and Torres Strait Islanders, women, people from culturally and linguistically diverse backgrounds, people with a disability and young people. The NSW ARB is proactive in endeavouring to improve the gender balance of employees.

The NSW ARB employs 7.4FTE staff from across a range of backgrounds, age and gender. As of 30 June 2023, employees included 3 people whose language first spoken as a child was not English; one person with a disability; and one woman in Senior Leadership.

Work health and safety

The NSW ARB Work Health and Safety policy and procedures are updated in line with relevant legislative procedures every three years and reviewed annually. 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*.

Disability inclusion

The NSW ARB office premises were upgraded in 2022 to comply with accessibility requirements specific to the agency's obligations as a Lessee and Government agency.

Supply chain impacts and procurement practices

There were no supply chain impacts on the NSW ARB for the reporting year. No procurement activities for the acquisition of goods and services were undertaken for the reporting year.

Modern Slavery Act 2018

The NSW ARB does not have an annual consolidated revenue of more than \$100 million and is not required to report on the risks of modern slavery in its operations and supply chains, and actions to address those risks.

Indigenous engagement

The NSW ARB did not undertake any indigenous engagement in the reporting year.

FINANCIAL PERFORMANCE

Income

The NSW ARB is entirely funded by fees levied upon NSW architects and architect corporations and firms, APE fees, and fines as determined by the Board arising from disciplinary procedures. The fees collected fund NSW ARB operations and include contingencies for legal costs, development of information for consumers and general administration. The Board has determined that at least 9 months' operational funds should be kept in reserve. The Board manages 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.

NSW ARB financial management framework

The NSW ARB Financial Management Framework outlines financial policies and procedures for handling all financial matters, as well as internal controls for cyber security. The Framework is regularly reviewed and updated to reflect Government policies, directives and memoranda, Board decisions, NSW ARB policies, and appropriate improvements proposed by employees.



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 by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, 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:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Board's financial position, financial performance and cash flows.

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).

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

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

The Board's Responsibilities for the Financial Statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Board's responsibility also includes such internal control as the Board determines 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 Board is 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.



Weini Liao
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

25 October 2023
SYDNEY

NSW Architects Registration Board

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT BY BOARD MEMBERS

Pursuant to section 7.6 (4) of the *Government Sector Finance Act 2018* ("the Act"), we state that these financial statements:

- a) have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions, and
- b) present fairly the NSW Architects Registration Board's financial position, financial performance, and cash flows.



Deborah Dearing
President



Helen Lochhead
Deputy President

25 October 2023

Start of the audited financial statements

NSW Architects Registration Board
Financial Statements
for the year ended 30 June 2023

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**NSW Architects Registration Board
Statement of Comprehensive Income
for the year ended 30 June 2023**

	Notes	2023 \$	2022 \$
Expenses excluding losses			
Operating expenses			
Employee related expenses	2(a)	1,089,967	783,113
Other operating expenses	2(b)	739,154	561,067
Depreciation	2(c)	178,014	142,946
Grants and subsidies	2(d)	13,636	9,545
Finance Costs	2(e)	35,261	35,146
Total expenses excluding losses		2,056,032	1,531,817
Revenue			
Fees	3(a)	2,173,392	2,125,296
Investment revenue	3(b)	149,622	8,001
Architects Accreditation Council of Australia Examination / NSWARB Portfolio Program of Assessment	3(c)	349,346	211,216
Other revenue	3(d)	33,921	24,355
Total Revenue		2,706,281	2,368,868
Operating result			
Losses on disposal	4	(74)	(6,117)
Net result		650,176	830,934
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		650,176	830,934

The accompanying notes form part of these financial statements.

NSW Architects Registration Board
Statement of Financial Position
as at 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	6,029,036	5,539,702
Receivables	7	49,586	97,498
Other financial assets	8	57,806	56,405
Total Current Assets		6,136,428	5,693,605
Non-Current Assets			
Property, Plant and Equipment			
Office equipment	9	60,510	20,967
Office fitout	9	541,715	445,410
Leasehold improvements	9	15,845	30,472
Total Property, Plant and Equipment		618,070	496,849
Right-of-use assets	10	1,160,547	1,266,821
Total Non-Current Assets		1,778,617	1,763,670
Total Assets		7,915,045	7,457,275
LIABILITIES			
Current Liabilities			
Payables	12	245,315	406,934
Contract liabilities	13	1,718,050	1,662,869
Lease liabilities	14	103,690	96,934
Provisions	15	164,624	146,033
Other Current Liabilities	16	-	3,858
Total Current Liabilities		2,231,679	2,316,628
Non-Current Liabilities			
Contract liabilities	13	606,050	611,088
Lease liabilities	14	1,111,190	1,214,880
Provisions	15	90,803	89,532
Total Non-Current Liabilities		1,808,043	1,915,500
Total Liabilities		4,039,722	4,232,128
Net Assets		3,875,323	3,225,147
EQUITY			
Accumulated funds		3,875,323	3,225,147
Total Equity		3,875,323	3,225,147

The accompanying notes form part of these financial statements.

**NSW Architects Registration Board
Statement of Changes in Equity
for the year ended 30 June 2023**

	Accumulated funds	Total
	\$	\$
Balance at 1 July 2022	3,225,147	3,225,147
Net result for the year	650,176	650,176
Total other comprehensive income	-	-
Total comprehensive income for the year	650,176	650,176
Balance at 30 June 2023	3,875,323	3,875,323
Balance at 1 July 2021	2,394,213	2,394,213
Net result for the year	830,934	830,934
Total other comprehensive income	-	-
Total comprehensive income for the year	830,934	830,934
Balance at 30 June 2022	3,225,147	3,225,147

The accompanying notes form part of these financial statements.

**NSW Architects Registration Board
Statement of Cash Flows
for the year ended 30 June 2023**

	Notes	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related		(1,089,967)	(757,602)
Grants and subsidies		(13,636)	(9,545)
Suppliers for goods and services		(861,690)	(464,676)
Byera Hadley Travelling Scholarships		(120,127)	(41,350)
Finance Costs		(35,261)	(35,146)
Total Payments		(2,120,681)	(1,308,319)
Receipts			
Fees received		2,748,644	2,876,622
Interest received		149,787	7,840
Total Receipts		2,898,431	2,884,462
NET CASH FLOWS FROM OPERATING ACTIVITIES	19	777,750	1,576,143
CASH FLOWS FROM INVESTING ACTIVITIES			
Short term investments top up for Bank Guarantee		1,400	(230)
Purchases of Office Equipment		(192,882)	(460,687)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(191,481)	(460,917)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		(96,934)	(94,244)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(96,934)	(94,244)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		489,334	1,020,982
Opening cash and cash equivalents		5,539,702	4,518,720
CLOSING CASH AND CASH EQUIVALENTS	6	6,029,036	5,539,702

The accompanying notes form part of these financial statements.

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

1 Statement 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. The Board is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

These financial statements for the year ended 30 June 2023 have been authorised for issue by the Board on 25 October 2023.

(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 *Government Sector Finance Act 2018* (GSF Act); and
- Treasurer's Directions issued under the GSF Act.

Financial assets are measured at fair value. Plant and equipment are measured and depreciated at 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.

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

The activities of the Board are exempt from income taxation.

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

(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 Board 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.

(e) Comparative information

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

(f) Changes in accounting policies, including new or revised Australian Accounting Standards

(i) Effective for the first time in FY2022-2023

There are no changes in accounting policies and new and revised Australian Accounting Standards that apply to the Board.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards unless Treasury determines otherwise.

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

1 Statement of Significant Accounting Policies (Cont'd)

The following new Australian Accounting Standards have not been applied and are not yet effective.

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

There is no material impact of these accounting standards that are issued but not yet effective on the Board's financial statements.

(g) Impact of Going Concern on Financial Reporting for 2022-2023

The Board has maintained assessments of the areas that may be impacted and require increased disclosure, including fair value of property, plant and equipment, impairment of non-financial assets, financial instruments, expected credit losses, superannuation and long-term provisions (including employee provisions) and events after the reporting period.

The Board has identified and quantified the impacts of Automatic Mutual Recognition (AMR) to the Board's revenue as material. AMR is effective from 1 December 2022 and will impact future revenue from interstate architects working in NSW who do not pay an individual registration fee under AMR. The heightened risk of reduction in cash flows in 2023-24 as AMR is implemented is being managed through future year forecast analysis to ensure the Board's ability to operate on a going concern basis or to pay its obligations when they fall due.

The Board has maintained an assessment of the fair value of the following accounts, taking into account the relevant judgments, assumptions, and estimates. There is no impact or insignificant impact identified on:

- Receivables and estimates on expected credit loss – Note 7
- Lease – Note 10
- Lease liabilities – Note 14
- Superannuation and long-term provisions (including employee provisions) – Note 15
- Financial instruments – Note 20
- Event after the reporting period – Note 22
-

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 2023.

There is no uncertainty about the Board's ability to continue as a going concern at 30 June 2023. 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 there are no indicators, events or conditions that may cast significant doubt on the ability to continue as a going concern.

(h) Superannuation on Annual Leave Loading

The Board has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: Finance Sector Union of Australia v Commonwealth Bank of Australia [2022] FedCFamC2G 409. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period. This position will be re-assessed in future reporting periods as new information comes to light on this matter.

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

2 Expenses Excluding Losses

	2023	2022
	\$	\$
(a) Employee related expenses		
Salaries and wages (including annual leave)	943,762	682,066
Superannuation - defined contribution plans	134,678	87,767
Long service leave	5,542	8,253
Workers Compensation Insurance	5,985	5,027
	1,089,967	783,113

Refer to Note 15 for recognition and measurement policies on employee related expenses.

(b) Other operating expenses include the following:		
Auditor's remuneration - audit of the financial statements	33,200	27,550
Insurance	9,822	7,091
Computer expenses	15,181	11,355
Architects Accreditation Council of Australia Expenses	305,637	217,782
Consultancy Fees	38,461	11,392
Other contractors	28,829	57,269
Cleaning	3,134	3,078
Expenses relating to lease of low-value asset	8,806	1,492
Legal Costs	(3,200)	20,764
Advertising and promotions	60,893	26,633
Bank charges	11,173	13,400
Printing and stationery	5,741	3,171
Travel	735	76
Board and committee fees	68,905	68,272
Telephone	4,039	3,855
Other	18,462	22,835
Posting and Freight	2,521	3,061
Election costs	5,900	-
Governance costs	-	5,039
Monash ARC Linkage	6,794	22,418
Staff training	22,333	19,683
Byera Hadley Travelling Scholarships – BHTS projects	1,241	17
Part 4 discipline expenses	88,967	200
Removal expenses	309	10,830
NSW ARB Portfolio Program of Assessment	-	2,550
Maintenance expenses	1,271	1,254
	739,154	561,067

Recognition and measurement

Expenses are presented on the basis of their nature.

Architects Accreditation Council of Australia Expenses

The Architects Accreditation Council of Australia (AACA) is constituted of nominees from all the state and territory architect registration boards in Australia. The AACA administers the national Architectural Practice Examination (APE) and various other competency-based assessment processes leading to registration as an architect in Australia, including the National Program of Assessment (NPA) and the Local/Overseas Experienced Practitioner Assessment. Candidates apply for the 3 stages of the APE via the Board's website and the Board passes through to the AACA an agreed amount per candidate.

Contractors

The Board engaged with two IT providers to maintain the Board's network and database system.

Maintenance expenses

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.

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

2 Expenses Excluding Losses (Cont'd)

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.

Lease expenses

The Board recognises the lease payments associate with the lease of assets that are valued at \$10,000 or under when new on a straight-line basis. Leases that meet definition of short-term ie. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option. Leases of assets that are valued at \$10,000 or under when new.

	2023	2022
(c) Depreciation expenses	\$	\$
Office equipment	12,419	8,605
Office fitout	44,694	1,929
Leasehold Improvement	14,627	14,626
Right-of-use asset	106,274	117,786
	<u>178,014</u>	<u>142,946</u>

Refer to Note 9 and 10 for recognition and measurement policies on depreciation and amortisation.

(d) Grants to Universities – end of year exhibition	13,636	9,545
	<u>13,636</u>	<u>9,545</u>

(e) Finance costs

Interest Expense – lease liabilities	35,261	35,146
	<u>35,261</u>	<u>35,146</u>

Recognition and measurement

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW GGS entities.

3 Revenue

Recognition and measurement

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.

(a) Fees from Contracts with Customers

Annual fees - Practising Architects	1,718,818	1,573,777
Annual fees - Non-Practising Architects	33,727	40,745
Registration fee - Practising Architects	46,500	39,750
Registration fee - Non-Practising Architects	2,944	6,426
Reinstatement fee - Practising Architects	15,150	22,950
Reinstatement fee - Non-Practising Architects	938	2,119
Corporation listing fees	70,760	228,010
Corporations change of details	3,405	4,840
Corporations publication fee	281,150	202,047
Recoveries	-	4,632
	<u>2,173,392</u>	<u>2,125,296</u>

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

3 Revenue (Cont'd)

Recognition and measurement

Rendering of services

Revenue from rendering of services is recognised when the Board satisfies the performance obligation by transferring the promised services.

Type of Service	Nature of Timing of Satisfaction of Performance Obligation, Including Significant Payment Terms	Revenue Recognition Policies
Registration – Licensing for Architects	The performance obligations in relation to registration for architects are typically satisfied over the term of the registration – whether it is one, three or five years. Payments from Architects are typically received in advance.	The revenue is recognised when the registration period commences. For registration terms of more than a year, the remaining balance of the receipts is carried across the relevant years under contract liabilities. The registration is on a rolling basis. Depending on when the registration commences, the revenue is recognised for the portion in the financial year for cut off purposes. The balance relevant to future financial year is carried over in contract liabilities.
Registration – Licensing for Corporations	The performance obligations in relation to registration for corporations are typically satisfied over the annual terms of registration. Payments from Corporations are typically received in advance.	The revenue is recognised when the registration period commences. The registration is on a rolling basis. Depending on when the registration commences, the revenue is recognised for the portion in the financial year for cut off purposes. The balance relevant to future financial year is carried over in contract liabilities.
AACA Examination Fees and other assessment program fees	The performance obligations in relation to Examination Fees and assessment programs are typically satisfied at a point in time when the services are performed in the same financial year as the Board received the fees.	The revenue is recognised when the payment is received with the service being provided in the same financial year.
Other Revenue – Reinstatement fees and enrolment fees	The performance obligations in relation to one-off reinstatement fees and initial application fees are typically satisfied at a point in time when the services are performed and assessed.	The revenue is recognised when the payment is received with the services being provided in the same financial year.

Refer to Note 13 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of reporting period, and when the Board expects to recognise the unsatisfied proportion as revenue.

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.

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

3 Revenue (Cont'd)

2023	Registration, Reinstatement & Enrolment Fees \$	Corporation Publication & Listing Fees \$	AACA Examination Fees \$	Other Revenue \$	Total \$
Revenue from contracts with customers	1,818,077	355,315	349,346	-	2,522,738
Other revenue (not covered by AASB 15)	-	-	-	183,469	183,469
Total	1,818,077	355,315	349,346	183,469	2,706,207

Timing of revenue recognition	Registration, Reinstatement & Enrolment Fees \$	Corporation Publication & Listing Fees \$	AACA Examination Fees \$	Other Revenue \$	Total \$
Point in time	65,532	74,165	349,346	181,903	670,946
Over time	1,752,545	281,150	-	1,566	2,035,261
Total	1,818,077	355,315	349,346	183,469	2,706,207

2022	Registration, Reinstatement & Enrolment Fees \$	Corporation Publication & Listing Fees \$	AACA Examination Fees \$	Other Revenue \$	Total \$
Revenue from contracts with customers	1,685,767	434,897	211,216	-	2,331,880
Other revenue (not covered by AASB 15)	-	-	-	32,588	32,588
Total	1,685,767	434,897	211,216	32,588	2,364,468

Timing of revenue recognition	Registration, Reinstatement & Enrolment Fees \$	Corporation Publication & Listing Fees \$	AACA Examination Fees \$	Other Revenue \$	Total \$
Point in time	71,245	232,850	211,216	27,565	542,876
Over time	1,614,522	202,047	-	5,023	1,821,592
Total	1,685,767	434,897	211,216	32,588	2,364,468

(b) Investment revenue	2023	2022
	\$	\$
	148,056	7,610
Interest income from financial assets at fair value through other comprehensive income		
Interest on deposits	1,566	391
	149,622	8,001

Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (ie. after deducting the loss allowance for expected credit losses). There were no financial assets that were credit impaired.

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

3 Revenue (Cont'd)

(c) Architects Accreditation Council of Australia Examination / NSWARB Portfolio Program of Assessment	2023	2022
	\$	\$
Examination fees	347,760	205,955
Assessment fees	1,586	5,261
	<u>349,346</u>	<u>211,216</u>
(d) Other revenue	2023	2022
	\$	\$
Byera Hadley Travelling Scholarships Promotion Monies Received/Projects	10,350	6,000
Other revenue (CPD Fees, Merchant Fees, SAF Contributions and etc)	23,571	18,355
	<u>33,921</u>	<u>24,355</u>

Other Revenue

Other revenue includes income arising from statutory requirements (ie. 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 guilty of Unsatisfactory Professional Conduct for failing to comply with the *Architects Act 2003*.

4 Gains / (Losses) on Disposal

	2023	2022
	\$	\$
Losses on disposal of office equipment	(74)	(1,236)
Losses on disposal of office fit out	-	(4,881)
	<u>(74)</u>	<u>(6,117)</u>

The losses on disposal of office equipment and office fit out were recognised as the Board has undertaken a refurbishment of its office premises. Some of the existing office equipment is no longer fitted in the new office layout. The carrying value of the work previously done to the office fit out was reduced to zero balance when demolition works commenced. Refer to Note 10 for more office refurbishment disclosure notes.

5 Other Gains / (Losses)

	2023	2022
	\$	\$
Impairment losses on financial assets		
- Statutory receivables (eg. fines)	-	-

Recognition and Measurement

Impairment losses on non-financial assets

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 7.

6 Current Assets - Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and on hand	6,029,036	5,539,702
	<u>6,029,036</u>	<u>5,539,702</u>

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes 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.

The Byera Hadley Travelling Scholarships (BHTS) bank account and the Sydney Architecture Festival (SAF) bank account are restricted assets. Refer to Note 11 Restricted Assets for more information.

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

6 Current Assets - Cash and Cash Equivalents (Cont'd)

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)	6,029,036	5,539,702
	6,029,036	5,539,702

Refer to Note 20 for details regarding credit risk and market risk arising from financial instruments.

7 Current Assets – Receivables

	2023	2022
	\$	\$
Goods and Services Tax recoverable from ATO	17,236	59,386
Interest receivable	350	185
Trade receivables from contracts with customers	-	-
Other receivables – fines receivable	-	-
Less: Allowance for expected credit losses* - Statutory/Fines receivables	-	-
Prepayments	32,000	37,927
	49,586	97,498
 Non Current receivables – fines receivable	 -	 -

*** Movement in the allowance for expected credit losses**

	2023	2022
	\$	\$
Balance at the beginning of the year	-	38,564
Amounts written off during the year	-	(36,589)
Amounts recovered during the year	-	(1,975)
Increase / (decrease) in allowance recognised in net results	-	-
Balance at the end of the year	-	-

Details regarding credit risk of trade receivables that are neither past due nor impaired, are disclosed in Note 20.

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.

For trade receivables, the Board applies a simplified approach in calculating ECLs. The Board recognises a loss allowance based on lifetime ECLs at each reporting date. The Board has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

8 Current Assets - Other Financial Assets

	2023	2022
	\$	\$
Fixed term deposits	57,806	56,405
	57,806	56,405

Refer to Note 20 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.

Classification and measurement

The Board's financial assets at fair value are classified, at initial recognition, as subsequently measured at either fair value through other comprehensive income or fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are expensed in net results. Interest income from these financial assets is included in investment revenue using the effective interest method.

9 Non-Current Assets – Property, Plant & Equipment

	Office Equipment \$	Office Fit out \$	Leasehold Improvement \$	Total \$
At 1 July 2021 - fair value				
Gross carrying amount	159,858	191,734	88,278	439,870
Accumulated depreciation and impairment	(144,325)	(184,926)	(43,179)	(372,430)
Net carrying Amount	15,533	6,808	45,099	67,440
Year ended 30 June 2022				
Net carrying amount at beginning of year	15,533	6,808	45,099	67,440
Purchase of assets	15,275	445,412	-	460,687
Disposals	(1,236)	(4,881)	-	(6,117)
Depreciation expense	(8,605)	(1,929)	(14,627)	(25,161)
Net carrying amount at end of year	20,967	445,410	30,472	496,849
At 1 July 2022 - fair value				
Gross carrying amount	127,131	445,411	88,278	660,820
Accumulated depreciation and impairment	(106,164)	(1)	(57,806)	(163,971)
Net carrying amount	20,967	445,410	30,472	496,849
Year ended 30 June 2023				
Net carrying amount at beginning of year	20,967	445,410	30,472	496,849
Purchase of assets	52,035	140,999	-	193,034
Disposals	(74)	-	-	(74)
Depreciation expense	(12,418)	(44,694)	(14,627)	(71,739)
Net carrying amount at end of year	60,510	541,715	15,845	618,070
At 30 June 2023 - fair value				
Gross carrying amount	179,597	586,409	88,278	854,284
Accumulated depreciation and impairment	(119,087)	(44,694)	(72,433)	(236,214)
Net carrying amount	60,510	541,715	15,845	618,070

Recognition and measurement

(i) Acquisitions of plant and equipment

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

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

9 Non-Current Assets – Property, Plant & Equipment (Cont'd)

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

The Board has entered into an agreement for construction work to the office premises to comply with accessibility requirements. The Board has extended its lease terms to achieve the most cost-effective outcome for this construction work. Refer to Note 10 Leases for detailed information.

(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) Major inspection costs

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

(iv) Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

(v) Depreciation of plant and equipment

Except for certain non-depreciable assets, depreciation is provided for 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 rates are used:

Depreciation rates	2023 % Rate	2022 % Rate
Telephone system	33	33
Computers	25-50	25-50
Furniture	20	20
Major software	50	50
Leasehold improvement	Depreciated over the shorter of assets' useful lives and lease term.	
Office fit out	10-12	10-25

(vi) Right-of-use assets acquired by lessees

The Board has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on leases is contained at Note 10.

(vii) Revaluation of 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 21-09) and Treasurer's Direction *Valuation of Physical Non-Current Assets at Fair Value* (TD21-05). TPP21-09 and TD21-05 adopt 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, which for these assets approximates fair value. The Board has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

(viii) 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. Since plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material. The Board assesses at the reporting date that there is no indication that an asset may be impaired.

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

10 Leases

The Board entered a 5 years' term office lease agreement as a lessee, commencing 1 August 2019 and with a termination date of 31 July 2024. There was no option lease included to extend at the end of the contract.

In December 2020, the Board commenced negotiation with the landlord, with a variation of office lease signed on 31 March 2022. The new term has increased to 9 years with a termination date of 31 July 2028. The option to renew has been modified to 5 years, with the lease term expiring 31 July 2033 if the option is exercised.

The aim of the variation of office lease was to provide an extended term for the amortisation of construction works to the Board's office premises necessary to comply with accessibility requirements.

The variation of lease provides the Board with greater security of tenure and will allow the current construction works to comply with accessibility requirements to be amortised over an extended lease term. Management has considered all facts and circumstances that create an economic incentive, and the Board is reasonably certain that the option will be exercised. 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 determined the lessee's incremental borrowing rate based on Treasury Corporation (TCorp rates). Under AASB 16 section 18(a), lease term is defined as "the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option." The Board is likely to exercise the option lease with the remaining terms of 12 years hence the Board is applying the rate set for leases over 10 years at 2.79% (previously the rate set was at 1.42% for a 5 years' term).

A revision to the terms of the Board's existing bank guarantee to reflect the rent payable under the variation of lease was imposed and the new amount has been approved by Treasury. Refer to Note 18 Contingent liabilities for further detail.

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 properties during the financial year.

	Land and Buildings	Total
	\$	\$
Balance at 1 July 2022	1,266,821	1,266,821
Depreciation expense	(106,274)	(106,274)
Balance at 30 June 2023	1,160,547	1,160,547
Balance at 1 July 2021	425,928	425,928
Additions	958,679	958,679
Depreciation expense	(117,786)	(117,786)
Balance at 30 June 2022	1,266,821	1,266,821

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the Board is the lessee:

	2023	2022
	\$	\$
Depreciation expense of right-of-use assets	106,274	117,786
Interest expense on lease liabilities (Note 14)	35,261	35,146
Expense relating to leases of low-value assets	-	1,492
Total amount recognised in the statement of comprehensive income	141,535	154,424

The Board has total cash outflows for leases of \$132,195 in FY2022-2023 (FY2021-2022: \$130,882).

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

10 Leases (Cont'd)

Recognition and measurement

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 (ie. 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 - 12 years
- Office Equipment and machinery 2 - 5 years

The right-of-use assets are also subject to impairment. The Board 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 Board 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.

(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 (eg. 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. Refer to Note 14.

(iii) Short-term leases and leases of low-value assets

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. The Board currently has an office equipment lease agreement for 5 years from November 2021 to 2026. The leased asset is a low value asset with fair value of \$10,000 or less.

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

11 Restricted Assets

	2023	2022
	\$	\$
Byera Hadley Travelling Scholarship Account	104,948	114,075
Sydney Architecture Festival Account	21,764	21,138
	126,712	135,213

The above funds which are included in the total cash amount are restricted assets. These funds are limited by externally imposed restrictions and not available for normal operational expenditure by the Board.

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. Refer to Note 12.

	2023	2022
	\$	\$
Reconciliation of Sydney Architecture Festival (SAF) account		
Opening Balance	21,138	21,102
Income from SAF ticket sales	-	-
Income from SAF ticket sales & transfer to trading account	-	-
Income from SAF contributions	-	-
Interest earned during year net of account activity fees	626	36
Closing balance	21,764	21,138

12 Current Liabilities - Payables

	2023	2022
	\$	\$
Accrued salaries, wages and on-costs	21,414	10,068
Creditors	35,581	239,540
Scholarships *	104,948	114,075
PAYG Withholding Tax payable	20,713	14,279
Credit Cards	6,953	-
Board Members Contributions toward scholarship	15,467	9,667
Bank charges, Medallion, Audit and Finance fees	40,239	19,305
	245,315	406,934

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 20.

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 manages the 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.

	2023	2022
	\$	\$
Reconciliation of BHTS liability		
Opening Balance	114,075	95,425
Scholarship funding received from Trustee	103,500	60,000
Scholarship funds to be distributed	217,575	155,425
Payments made to scholarship recipients	(112,627)	(41,350)
Payments returned from scholarship recipients	-	-
Closing Balance	104,948	114,075

**NSW Architects Registration Board
Notes to the Financial Statements
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13 Contract Liabilities

	2023	2022
	\$	\$
Current liabilities		
Architects' Registration Fees	1,598,222	1,544,217
Annual Publication Fees	119,828	107,557
AACA – APE Examination Fees	-	11,095
Total Contract Liabilities - Current	1,718,050	1,662,869
Non-current liabilities		
Architects' Registration Fees	606,050	611,088

Contract liabilities relate to consideration received in advance from customers in respect of annual registration fees, annual publication fees and APE Examination Fees. All payments to the Board are paid in advance of the services. The balance of contract liabilities at 30 June 2023 was impacted by the timing of payment received at this financial year for which the satisfaction of performance obligations of the service will be delivered in the following financial year.

The current contract liabilities are related to annual registration that will be delivered in the financial year ending 30 June 2024. The amounts received are not expected to be refunded in financial year 2024 and will be recognised as revenue in the financial year from 1 July 2023.

The non-current contract liabilities are related to registrations that opt for 3- and 5-year 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.

	2023	2022
	\$	\$
Revenue recognised that was included in the contract liability balance at the beginning of the year	1,662,869	1,523,379
Revenue recognised from performance obligations satisfied in previous periods	-	-
Transaction price allocated to the remaining performance obligations from contracts with customers	2,324,100	2,273,957

The transaction price allocated to the remaining performance obligations relates to the financial year 2024 to the financial year 2028. It is expected that 74% will be recognised as revenue in the 2023-24 financial year, 13% in the 2024-25 financial year, 8% in the 2025-2026 financial year, 4% in the 2026-2027 financial year, and 1% in the 2027-2028 financial year.

14 Lease Liabilities

Lease Liabilities – Current and Non-current

The following table presents liabilities under leases:

	2023	2022
	\$	\$
Balance at 1 July	1,311,814	447,379
Modification	-	958,679
Interest Expenses	35,261	35,146
Lease Payments	(132,195)	(129,390)
Balance at 30 June	1,214,880	1,311,814

The current lease liabilities at 30 June 2023 are \$103,690 and the non-current lease liabilities are \$1,111,190. The Board is required to use the rate implicit in the lease for initial recognition of the lease liability in the first instance. Where this cannot be determined, the incremental borrowing rate (IBR) should be used. The historical Treasury and Treasury Corp (TCorp) rate used was previously 1.42%. This rate has increased to 2.79% after the variation of lease was signed to reflect a lease term greater than 10 years if the Board exercises its lease option.

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

15 Current / Non-Current Liabilities – Provisions

	2023 \$	2022 \$
Current Provisions		
Employee benefits and related on-costs		
Annual leave	67,921	54,871
Long service leave	96,703	91,162
Total current provisions	164,624	146,033
Annual leave obligations expected to be settled within 12 months	16,980	13,718
Long service leave obligations expected to be settled within 12 months	4,572	4,572
	21,552	18,290
Current annual leave obligations expected to be settled after 12 months	50,941	41,153
Current long service leave obligations expected to be settled after 12 months	92,132	86,590
	143,073	127,743
Aggregate employee benefits and related on-costs		
Provisions - current	164,624	146,033
Accrued salaries, wages and on-costs (Note 12)	21,414	10,068
	186,038	156,101
Non-Current Liabilities		
Leasehold improvement obligations	90,803	89,532
Total non-current liabilities	90,803	89,532
Total Provision	255,427	235,565

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 2022	89,532	89,532
Additional provisions recognised	1,271	1,271
Amount used	-	-
Carrying amount at 30 June 2023	90,803	90,803

Recognition and measurement

Employee benefits and related on-costs

Salaries and wages, annual leave and sick leave

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).

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 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.

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

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

Long service leave and superannuation

For employee benefit liabilities that are not assumed by the Crown Entity, such as certain long service leave related on-costs and additional employee benefit costs that arise on incurring long service leave, including workers compensation insurance, annual leave accrued while on long service leave taken in service, a liability must be recognised as per TC21-03 Accounting for Long Service Leave and Annual Leave.

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 the Commonwealth Government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (ie. Basic Benefit and First State Super) is calculated as a percentage of the employee's salary.

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 amounts of workers' compensation insurance premiums.

Other Provisions

Provisions are recognised when the Board has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The Leasehold Improvement Provision is to reinstate the office premise when the lease expires. The terms to reinstate to its original condition have not changed despite the new variation of lease signed 31 March 2022. An independent contractor has reassessed the dismantling and restoration cost set out in the lease contract in financial year 2021 and this is to remain unchanged. The effect of the increase in the provision in financial year 2021 for leasehold improvement will continue to depreciate by \$14,626 each year for the next 2 years, when a revision of the provision costs will be assessed.

When the Board expects some or all of a provision to be reimbursed, for example, under the insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income. As at 30 June 2023, there is no reimbursement expected for the provision.

16 Other Current Liabilities

	2023	2022
	\$	\$
Unearned revenue – Byera Hadley Travelling Scholarship (BHTS)	-	3,858
	-	3,858

17 Commitments

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

18 Contingent Liabilities and Contingent Assets

On 15 August 2019, the Board carried forward a bank guarantee amount of \$40,219 in relation to the office lease agreement. Before signing the variation of lease, this bank guarantee was revised as requested by the landlord to reflect on the new rent payable. The new bank guarantee, which has been approved by NSW Treasury, is in the amount of \$42,554. This is an increase of \$2,335 to the old bank guarantee. At the reporting date, it is unlikely that the Board will be required to settle the guarantee.

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

19 Reconciliation of Cash Flows from Operating Activities to Net Result

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income is as follows:

	2023	2022
	\$	\$
Net cash used on operating activities	777,750	1,576,143
Depreciation	(178,013)	(142,946)
Decrease / (increase) in provisions	(19,863)	(24,698)
Decrease / (increase) in other liabilities	-	-
Increase / (decrease) in prepayments and other assets	(6,453)	28,648
Decrease / (increase) in payables	126,972	(195,106)
Decrease / (increase) in contract liabilities	(50,143)	(404,991)
Net gain/ (loss) on sale of property, plant and equipment	(74)	(6,116)
Net result	650,176	830,934

20 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 members have overall responsibility for the establishment and oversight of risk management and reviews and agree policies for managing each of risk. 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

Class	Note	Category	Carrying Amount	
			2023	2022
			\$	\$
Financial Assets				
Cash and cash equivalents	6	Amortised cost	6,029,036	5,539,702
Receivables ¹	7	Amortised cost	350	185
Other financial assets	8	Amortised cost	57,806	56,405
Financial Liabilities				
Payables ²	12	Amortised cost	199,167	382,587
Lease liabilities	14	Amortised cost	1,214,880	1,311,814

Notes

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

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

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.

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

20 Financial Instruments (Cont'd)

(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 passthrough 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 retains.

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) Financial 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.

Cash or cash equivalents

Cash comprises cash on hand and 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.

Accounting policy for impairment of trade receivables and other financial assets

Receivables - trade receivables

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.

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

20 Financial Instruments (Cont'd)

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 customers 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.

There was no allowance for expected credit losses from trade receivables which excludes statutory receivables as these are not within scope of AASB 7.

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 2023.

(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.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. There were no overdue payment to small business suppliers.

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 interest rate %	Nominal amount \$	Interest rate exposure			Maturity dates		
			Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$	<1 year \$	1 - 5 years \$	>5 years \$
2023								
Payables	0.00%	199,167	-	-	199,167	199,167	-	-
Lease liabilities	2.79%	1,393,827	1,393,827	-	-	136,161	677,124	580,542
2022								
Payables	0.00%	382,587	-	-	382,587	382,587	-	-
Lease liabilities	2.79%	1,526,023	1,526,023	-	-	132,195	680,279	713,549

**NSW Architects Registration Board
Notes to the Financial Statements
for the year ended 30 June 2023**

20 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 borrowings and 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 (ie. 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 2023. 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 the carrying value or interest paid/earned. A reasonably possible change of +/- 1% 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 following table demonstrates the sensitivity to a reasonably possible change in interest rates:

	2023		2022	
	-1%	+1%	-1%	+1%
Net result	(6,502)	6,502	(8,309)	8,309
Equity	(38,754)	38,754	(32,251)	32,251

(e) Fair Value Measurement

(i) Fair value compared to carrying the 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.

The table below details the financial instruments, by class, where fair value differs from the carrying amount

	2023		2022	
	Fair Value \$	Carrying Amount \$	Fair Value \$	Carrying Amount \$
Financial Assets	6,087,191	6,087,191	5,595,742	5,595,742
Financial Liabilities	1,414,047	1,414,047	1,694,401	1,694,401

(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 2023**

21 Related Party Disclosure

The Board's key management personnel compensation is as follows:

	2023	2022
	\$	\$
Short term employee benefits		
Salaries	292,352	298,811
Non-monetary benefits	1,188	1,188
Post-employment benefits	34,538	27,692
Total remuneration	328,078	327,691

The Board entered 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:

	2023		2022	
	\$		\$	
	Transaction	Net	Transaction	Net
	value	receivable/ (payable)	value	receivable/ (payable)
State convenor fees	6,040	5,491	4,500	4,091

22 Events After the Reporting Period

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

End of audited financial statements

Cyber Security Annual Attestation Statement for Financial Year 2022-2023 for NSW Architects Registration Board

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

The NSW ARB 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 NSW ARB cyber security maturity, appropriate to the size of the agency, the scale and nature of its information technology (IT) operations, and the information processed, stored and communicated through its IT systems. Risks to the information and systems of the NSW ARB have been assessed and are managed. The Finance and Risk Committee addresses cyber security at its quarterly meetings and makes recommendations to the Board of the NSW ARB.

The NSW ARB has a Cyber Security Incident Response Plan, which has been tested over the last 12 months with senior executive involvement and is integrated with components of the Business Continuity Plan and Risk Management Schedule.

For Financial Year 2022-2023 there are target maturity levels below level 3 and some of the Essential Eight maturity is at level 1. The Board accepts the risk of target maturity levels at these low thresholds.

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 IT service providers,
- ii) aligning with the Department of Customer Service (DCS) cluster cyber incident response plan,
- 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



Dr Kirsten Orr
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27 September 2023

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NSW
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