

ARCHITECTURAL PRACTICE BOARD

OF

SOUTH AUSTRALIA

ABN: 20 167 920 248

ANNUAL REPORT

FINANCIAL YEAR ENDED 30 JUNE 2016

June 2016

For copies of this document please contact:

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EXECUTIVE SUMMARY: 2015/16

2015-16 was a challenging year for the Board. Following the SA Government Review of all Boards and Committees in 2014, the Architectural Practice Board of SA's future was not determined, with the Review's Final Report noting the Board would be subject to further review. During 2015/16, the position of the Board remained undetermined. The Board welcomes the opportunity to provide assistance to the ongoing review process.

Additionally, the Board was inquorate for the months of February, March, April and May 2016. This came about because the terms of the 4 Ministerial nominees to the Board expired in February 2016. In May 2016, 3 of the 4 members were nominated by the Minister for Housing and Urban Development and subsequently appointed by Executive Council to the Board. Dimitty Andersen and Kirsteen Mackay were welcomed as Board Members for two year terms, along with the reappointment of James Hilditch, and the appointment of John Byleveld as a Deputy Member to Kirsteen Mackay. A final Board member is yet to be nominated by the Minister.

Despite these challenges, the Board was able to sign off on some important projects during the year. This included its new website, which was launched in January 2016. After a tender process, the Board contracted a South Australian based developer to construct its new website; and it obtained a license agreement with a software platform for an on-line 'membership' database, which was integrated into the website. The database now manages the SA Register electronically, and enables on-line renewal of registration and registration for candidates of the Architectural Practice Examination. It also enables better communication channels between architects and the Board, and the Board expects other features will be included in the future.

The Board's series of 15 short films 'What does an Architect do?' were also finalised and launched at the opening night of the Festival of Architecture and Design (FAD) in October 2015. The film series was shown throughout FAD (between 8 and 15 October 2015) at the Office of Design and Architecture South Australia (ODASA) and the University of South Australia. The films have also been posted on the Board's website, and on Vimeo, and have been made available for use by interested sectors, including Universities, schools, and the general community. The Board is continuing to further showcase the films through the use of social media.

The Board has also remained active at the national level, through its involvement with the Architects Accreditation Council of Australia (AACA). Two new (national) pathways to registration were approved by the Board in June 2016. Furthermore, the Presiding Member participated in the national AIA/AACA Liaison Committee established to review the recommendations of the review of ANZ APAP, along with the final completion of the National Standards of Competency in Architecture (NSCA) which were endorsed by all key bodies. The new Standards will significantly improve the training of architects through accredited courses of education, and the Architectural Practice Examination. Finally, the Registrar was elected as a Director of AACA for a period of two years, at the Annual Forum in October 2015.

In April 2016, the Board's Awards Event was held at ODASA. Over 50 members of the architectural profession attended the evening, when John Held, South Australian President of the Association of Consulting Architects presented the findings of the 2015 Research Fellowship titled "SA State of the Profession". The Presiding Member of the Board presented Certificates of Registration to new registrants who were successful in the Architectural Practice Examination during 2015. The following prizes were also awarded:

APBSA University Prizes:

University of Adelaide:	Charlotte Poulain
University of South Australia:	Marko Cubrillo

Operationally, registrations with the Board in 2015/16 increased from the total number on the register at the end of June in the previous year (from 917 to 941).

Six (6) complaints of unprofessional conduct were received and investigated during the year, with four matters informally resolved. The remaining two complaints remain under investigation. Sixteen (16) alleged breaches of the Architectural Practice Act were received, with twelve (12) finalised during the year to the end of June 2016. In addition, the Board issued a summons in the Magistrates Court against an unregistered person in breach of the Architectural Practice Act and was successful in its prosecution of the matter. A substantial fine and conviction was recorded. Four (4) breaches are still under investigation.

The Board accepted the resignation of Board Member, Maria Palumbo in June 2015. Thomas Masullo and Michael Deegan terms expired in February 2016, and I wish to thank these 3 members for their contributions. James Hilditch's term also expired and he was reappointed for a 2 year term. I acknowledge the commitment and contribution of all Board Members during the past year, as all Board Members generously provide their time, knowledge and expertise to the work of the Board; and on behalf of all Board Members, I also thank all APE Examiners and Assessors who assisted the Board during the 2015/16 year. Their role, which is both valuable and, to a significant extent, voluntary, is of great importance to the architectural profession.

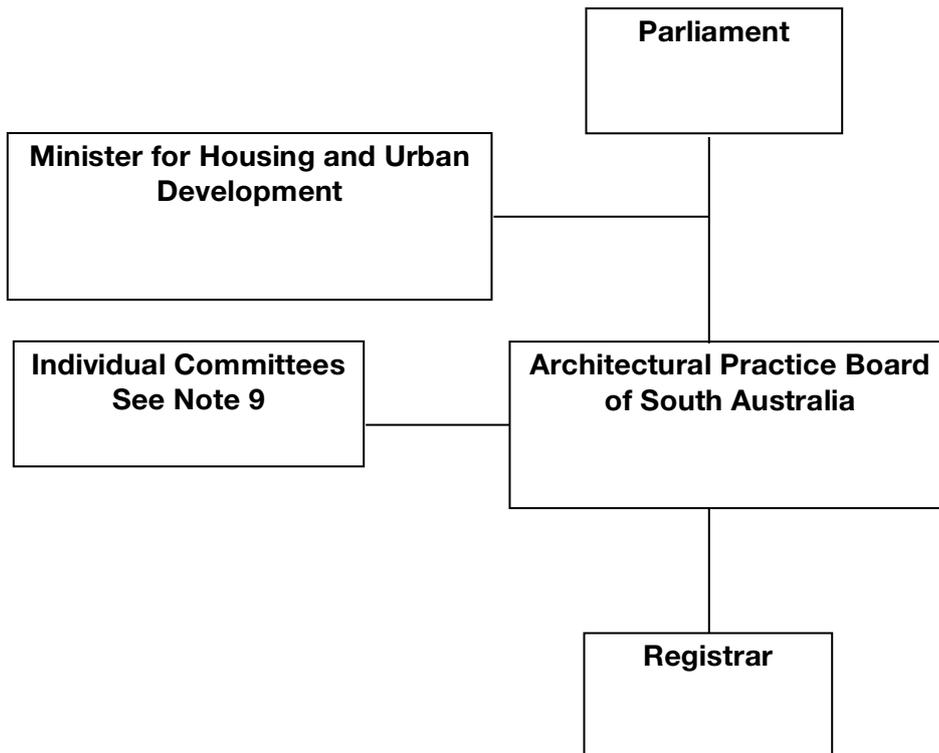
**GARY BONATO
PRESIDING MEMBER**

1 CHARTER

The Architectural Practice Board of South Australia (the Board) is the statutory authority responsible for administering the Architectural Practice Act 2009 (the Act), "to provide for the registration of architects and architectural businesses; to regulate architectural practice for the purpose of maintaining high standards of competence and conduct by registered architects and registered architectural businesses; and for purposes incidental thereto."

The purpose of limiting the use of the title "architect" to those properly qualified is to protect the public from the activities of unqualified persons or registered entities who may present themselves as having professional qualifications in architecture they do not possess.

2 ORGANISATION



3 FUNCTIONS OF THE BOARD

The Board is responsible for the protection of the interests of the public. Section 13 of the Act provides for the following functions of the Board:

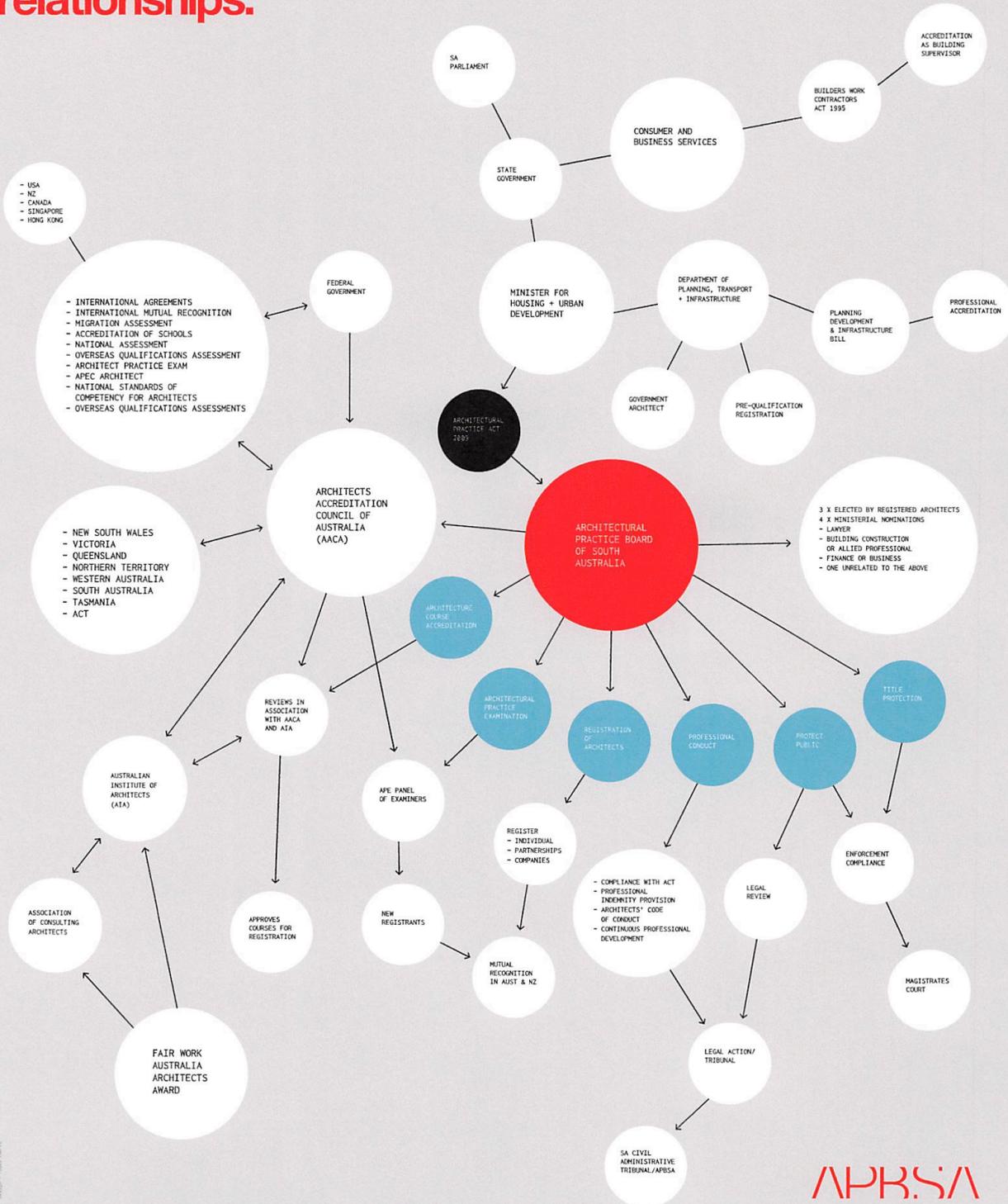
- (1)
 - (a) to oversee the practice of architecture by registered architects and registered
 - (b) to approve, after consultation with authorities considered appropriate by the Board, courses of education or training that provide qualifications for registration on the register of architects;
 - (c) to determine, after consultation with authorities considered appropriate by the Board, the requirements necessary for registration on the register of architects;
 - (d) to establish and maintain the registers contemplated by the Act;
 - (e) to prepare or endorse, subject to the approval of the Minister, codes of conduct or professional standards for registered architects or codes of conduct for registered architectural businesses;
 - (f) to prepare or endorse guidelines on continuing architectural education for registered architects;
 - (g) to take such measures as the Board considers appropriate to promote education in architecture, to assist students in architecture or to further knowledge of architecture among the public;
 - (h) to establish administrative processes for handling complaints received against registered architects and registered architectural businesses (which may include processes under which a person voluntarily enters into an undertaking);
 - (i) to provide advice to the Minister as the Board considers appropriate;
 - (j) to carry out other functions assigned to the Board by or under the Act, or by the Minister.

Architectural Practice Board of South Australia.

The Board regulates architects and architectural businesses, to maintain high professional standards and to protect the interests of the public.

archboardsa.org.au

Functions and relationships.



APBSA

4 BOARD MEMBERSHIP

The Architectural Practice Act 2009 provides that the Board is to consist of seven members. Three of these are to be registered architects elected by registered architects in accordance with Section 6 of the Act. The other four persons are to be nominated by the Minister in accordance with Section 5 (1) (b) of the Act. One ministerial nomination resigned on 18 June 2015. The remaining three of four ministerial nominations expired on 11 February 2016 and were replaced by three new ministerial nominations from 26 May 2016. It is noted that the ministerial nominations were not concurrent.

The membership of the Board from 1 July 2015 to 30 June 2016 was as follows:-

Ministerial nominations:

Mr Michael Deegan
Chief Executive Officer
Department for Planning, Transport and Infrastructure
Appointed: 12 February 2015 to 11 February 2016

Mr Thomas Masullo
Director
Woods Bagot Pty Ltd
Appointed: 12 February 2015 to 11 February 2016

Mr James Hilditch
Principal: Hilditch Lawyers
Appointed: 12 February 2015 to 11 February 2016. Reappointed 26 May 2016 to 25 May 2018

Ms Dimitty Andersen
Director: Grieve Gillett Dimitty Andersen Pty Ltd
Appointed: 26 May 2016 to 25 May 2018

Ms Kirsteen Mackay
Government Architect
Appointed: 26 May 2016 to 25 May 2018

Deputy Member

Mr John Byleveld (Deputy to Kirsteen Mackay)
Manager, Strategic Design, ODASA
Appointed: 26 May 2016 to 25 May 2018

One Ministerial nominee position remains vacant.

Elected registered architects:

Mr Gary Bonato (Presiding Member)
Director - Tectvs Pty Ltd
Appointed: 01 January 2011. Reappointed: 31 December 2013 to 31 December 2016
Appointed Presiding Member - 15 August 2012

Mr Paul Roger Willoughby Boyce
Director - Tridente Architects Pty Ltd
Appointed: 01 January 2011. Reappointed: 31 December 2013 to 31 December 2016

Mr David Benjamin Holland
Partner – Danvers Schulz Holland Architects Pty Ltd trading as DASH Architects
Appointed: 31 December 2013 to 31 December 2016

4 BOARD MEMBERSHIP (Continued)

Deputy Members of the Board may be appointed to the Board. Deputy Members attend Board meetings in place of the Board Member to whom they are Deputy who may not be able to attend for some reason.

The Board meets formally each month from July to June, excluding January, usually on the second Wednesday of the month. The Board may hold Special Meetings and appoints committees as may be required.

Meetings of the Board are attended by the Registrar.

5 BOARD MEETINGS

Quorum

Under the Architectural Practice Act 2009 a quorum of the Board is 4 members.

Meeting Attendance

Only six meetings were convened during the period 1 July 2015 to 30 June 2016 due to it being inquorate during February, March, April and May 2016. Attendance at meetings during the period 1 July 2015 to 30 June 2016 was as follows:

	Attendance	Maximum
Gary Bonato	6	6
Paul Boyce	6	6
David Holland	6	6
James Hilditch	6	6
Thomas Masullo	4	5
Michael Deegan	2	5
Dimitty Andersen	1	1
Kirsteen Mackay	0	1
John Byleveld	1	1

6 REMUNERATION OF BOARD MEMBERS AND EXAMINERS

In accordance with Section 10 of the Architectural Practice Act 2009, Board members are entitled to remuneration for their service to the Board as determined by the Governor. Government employees on the Board are not entitled to remuneration as per the Department of the Premier and Cabinet Circular 16 - Remuneration for Government Appointed Part-Time Boards and Committees.

The Board also contracts examiners to administer and conduct the AACA national architectural practice examinations in South Australia for persons seeking registration as an architect and a part time administrator.

The Board contributes superannuation for Board members where required under the Superannuation Guarantee (Administration) Act 1992.

Employee Numbers, Gender and Status:

Employees include part time Board members and a part time Registrar.

6 REMUNERATION OF BOARD MEMBERS AND EXAMINERS (Continued)

Employment statistics for the period 1 July 2015 to 30 June 2016 were as follows:

Number of Employees: 10 persons 0.5 Full Time Equivalents

Age Bracket	Male	Female	Total
<40	0	0	0
40-44	4	1	5
45-49	0	1	1
50-54	2	0	2
55-59	1	0	1
60-64	0	0	0
65+	0	1	1
Total	7	3	10

Salary Bracket	Male		Female	
	Part Time	Casual	Part Time	Casual
\$0-\$9,999 per annum	7	0	2	0
\$10,000-\$20,000 per annum	0	0	0	0
\$20,000-\$30,000 per annum	0	0	0	0
\$30,000-\$40,000 per annum	0	0	0	0
\$40,000-\$50,000 per annum	0	0	0	0
\$50,000-\$60,000 per annum	0	0	0	0
\$60,000-\$70,000 per annum	0	0	1	0

Annual leave was paid to the Registrar in the financial year ended 30 June 2016.

No board members or examiners were of Aboriginal or Torres Strait Islander descent.

No board members or examiners had disabilities of any kind as defined per the Disability Discrimination Act 1992.

No workers compensation claims were made in the financial year ended 30 June 2016.

No performance reviews were conducted by the Board for the financial year ended 30 June 2016.

No employees were involved in any overseas travel during the year.

As all employees were permanent part time, no training packages were offered.

7 REGISTRAR AND ADMINISTRATION

The Board's Registrar, Ms Sue Millbank continued permanent part time employment during 2015-2016.

The Registrar is responsible to the Board for the following services:

- maintaining up to date Registers and information
- assisting members of the public and profession about registration and professional matters
- acting on decisions of the Board
- providing advice to the Board
- undertaking preliminary investigations into complaints, and laying complaints against architects if warranted
- with the Notifications Committee, investigating alleged breaches of the Architectural Practice Act 2009
- accounting, administrative and secretarial support

Since February 2014, administrative services to the Board have been provided by Administration Overflow.

7 REGISTRAR AND ADMINISTRATION (Continued)

The Board's office is located in the legal firm Fenwick Elliott Grace. Board contact details are as follows:

C/- Fenwick Elliott Grace
Level 10, 431 King William Street
ADELAIDE SA 5000
Telephone: (08) 8373 2766
Email: registrar@archboardsa.org.au

8 WEBSITE

The Board has established a comprehensive website at the address: www.archboardsa.org.au

The Act and Regulations, application forms, annual report and other Board publications can be downloaded from this website. In January 2016 the Board launched a new website which incorporates a portal whereby registered architects can make changes to their registration details and renew their registrations electronically as well as submit payment by credit card. This portal also enables Architectural Practice Examination candidates to register to attend briefing sessions and lodge application forms to undertake the three part Architectural Practice Examination.

9 COMMITTEES

The Board maintained one 'standing' committee, being the Notifications Committee. Its role is to provide advice to the Registrar on complaints against architects; and with the Registrar, it considers alleged breaches of the Architectural Practice Act 2009.

10 FREEDOM OF INFORMATION ACT 1991

The Board has published an Information Statement as required by Section 9 of the *Freedom of Information Act 1991*.

The Information Statement contains advice on:

- structure and functions of the Board
- registration of architects
- public participation in policy formulation
- kinds of documents held
- access arrangements and procedures

The Statement is available from the offices of the Board or can be downloaded from the Board's website. Application and processing fees are in accordance with the *Freedom of Information Act (Fees & Charges) Regulations 1991*.

The Registrar, as the principal officer of the Board is the FOI Officer for the provisions of the *Freedom of Information Act 1991*.

No new FOI applications were received in the financial year end 30 June 2015.

11 EXAMINATIONS AND PRIZES

Examinations

Architectural Practice examinations were conducted in September 2015 and May 2016. The results were as follows:

	No. of Applicants	No. of Successful Candidates
September 2015	15	13
May 2016	12	12

The Board congratulates all successful candidates.

11 EXAMINATIONS AND PRIZES (Continued)

Prizes and Awards

In 2015/16, the APBSA Research Fellowship with an annual award of up to \$10,000.00 to an architect whose research project is directed towards enhancing professional practice and knowledge of architecture and which also encourages registered architects to contribute to the knowledge bank of contemporary professional practice. This prize was not offered in 2015/16. The APBSA University Prize continues to be an annual award of \$500 awarded to the student with the highest grade in "Professional Practice" subject nominated by the University of South Australia and the University of Adelaide.

The prizes presented by the Board on the basis of the 2014 university examinations were:

- 2 APBSA University Prize for University of South Australia student
Awarded to Marko Cubrillo
- 3 APBSA University Prize for University of Adelaide student
Awarded to Charlotte Poulain

12 REGISTRATION STATISTICS

Natural persons having the necessary qualifications and experience may apply to be registered pursuant to section 28 (1) of the Architectural Practice Act 2009. Under Section 28 (2) of the Architectural Practice Act 2009, the Board may register a natural person as having 'limited registration' if that person does not have the necessary qualifications or experience required for registration on the register.

Section 33 of the Architectural Practice Act 2009 requires companies and partnerships providing architectural services to be on the register of architectural businesses. The Act details the requirements on the number of directors of architectural businesses to be registered as architects in South Australia.

Registration statistics for the period were as follows:

(a) Total Number of Natural Persons registered:

Natural Persons Registered at 1 July 2015	
Male	646
Female	139
(includes one Limited Registration)	
Add: Approved Applications for Registration	
Male	52
Female	16
Less: Resignations and Removals	
Male	45
Female	8
Natural Persons Registered at 30 June 2016	
Male	653
Female	147
Total Natural Persons	<u>800</u>

(b) Total Number of Partnerships registered:

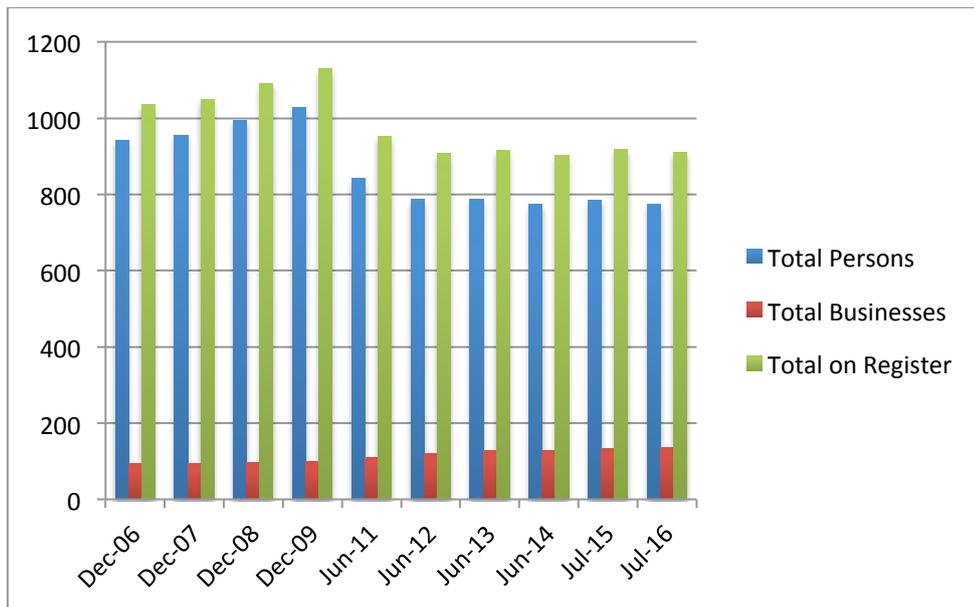
Partnerships Registered at 1 July 2015	7
Add: Approved Applications for Registration	2
Less: Resignations and Removals	<u>1</u>
Partnerships Registered at 30 June 2016	<u>8</u>

(c) Total Number of Companies registered:

Companies Registered at 1 July 2015	125
Add: Approved Applications for Registration	13
Less: Resignations and Removals	<u>5</u>
Companies Registered at 30 June 2016	<u>133</u>

12 REGISTRATION STATISTICS (Continued)

Registration statistics over the last 10 years (from 2006 – 2016) have been tabulated as follows:



Note: the Architectural Practice Act 2009 was proclaimed in January 2011 and included a change in the reporting year from calendar year to financial year.

13 COMPLAINTS AND INVESTIGATIONS

When a complaint is received the Registrar undertakes a preliminary investigation to gather evidence sufficient to assess whether there is cause to lay a complaint for unprofessional conduct. The Registrar receives advice and assistance from the Notifications Committee on the merits or otherwise of the complaint. If there is sufficient cause and the matter is considered to be a serious matter, the Registrar refers the matter to the Crown Solicitor’s Office for further investigation and legal advice. After considering the evidence and legal advice, the Registrar will consult with the Notifications Committee and may lay a complaint leading to a Board disciplinary inquiry.

The Board also receives notification of an alleged breach of the Architectural Practice Act 2009. Such notifications may concern a number of sections of the Act, but mainly allege a breach of section 38 and/or section 40. The Registrar and Notifications Committee will review the matter and conduct a preliminary investigation. Depending upon the level of seriousness and evidence available, the Notifications Committee may write to the party concerned informing them of the potential breach of the Act, requiring them to desist. In more serious matters, if sufficient evidence is available, and the matter is clearly in the public interest, the Notifications Committee will recommend the Board lay a charge alleging a breach of the Architectural Practice Act 2009. The matter is then prosecuted in the Adelaide Magistrates Court.

The Board considered a number of matters during the year and these matters are summarised below.

Complaints concerning professional conduct:

Six complaints to the Board concerning unprofessional conduct by an architect or architectural business were lodged with the Board during the year. After preliminary investigations, four matters were dismissed by the Board. The remaining two complaints remain under investigation.

Alleged Breaches of the Act:

Sixteen new allegations of persons or organisations holding out as registered architects or architectural businesses were considered during the 2015/16 year (pursuant to section 38 and/or section 40 of the Act).

12 of these matters were finalised by 30 June 2016 after appropriate corrective action and/or a satisfactory explanation on the allegation was received by the Board. One breach from 2014/15 was heard in the Adelaide Magistrates Court and a fine and conviction were recorded. The remaining matters were under review as at 30 June 2016.

No voluntary undertakings were given to the Board during the financial year ended 30 June 2016 (2015 - Nil).

14 FRAUD PREVENTION

The Board did not identify any fraudulent activities during the financial year ended 30 June 2016.

The Board adopted a number of procedures to assist in the prevention of fraudulent activities, including:

- Engaging an independent accountant to prepare quarterly financial reports for review by the Board, and preparation of Business Activity Statements
- Purchase and use of the Board's accounting package (MYOB)
- Authorising the Registrar to make payments of monthly accounts to a maximum amount
- Listing monthly expenditure at Board meetings for endorsement by the Board
- Requiring two authorised account signatories for payment made by cheque
- Segregation of duties for staff involved in payment of accounts, verifying invoices and recording expenditure in MYOB

15 FINANCES

The Board maintains a reserve of equity to ensure adequate funds are available to meet possible contingency needs, such as legal costs incurred in investigating and dealing with complaints and other administrative requirements that may arise in the continuing future operations of the Board.

The Board recorded a net surplus of \$63,547 for the financial year ended 30 June 2016 (financial year ended 30 June 2015 surplus \$119,216) and as at 30 June 2016 the Board had total equity of \$762,231 (as at 30 June 2015 total equity \$698,684).

The Board is not considered to be a "controlled entity" for the purposes of inclusion in the whole of Government Reporting.

The Board engaged a number of consultants during 2015/16. The consultancies are detailed below:

Consultants

Consultant	Number	Total (Ex GST)	Purpose of Consultancy
Value below \$10,000	4		
Simon Cecere	1	\$1,650.00	Website Graphic Design
Plastyk Studios	1	\$4,280.00	Website Redesign
Simon Fry & Associates	1	\$5,400.00	Auditor Fees
Value \$10,000-\$50,000	2		
Administration Overflow	1	\$44,565.00	Administrative services
Not for Profit Accounting Services	1	\$24,130.00	Accounting Services
Rodeo Creative	1	\$24,085.00	"What does an Architect do?" Project & Other Projects
Total	8	\$85,754.95	

Contractual Arrangements

Simon Cecere was engaged to provide graphic design advice to Plastyk Studios for the Board's redesigned website. This project is now finalised.

Plastyk Studios submitted and won the tender to redesign the Board's website in 2015 for a total fee of \$15,664.00 (ex GST) of which the remaining \$4,280.00 was expended in this financial year. This project is now finalised.

Rodeo were engaged to further develop appropriate strategies to promote the Board's "What Does an Architect Do?" project in 2015 for a total fee of \$28,960.00 (ex GST). Rodeo have continued to be involved in this project and other smaller projects and \$24,085 was expended in this financial year. This project is continuing and will be finalised in the 2016-2017 year.

Simon Fry & Associates were engaged to audit the 2015-16 financial year accounts.

Administration Overflow provided administrative services to the Board in accordance with an agreed contractual engagement. Administration Overflow was paid fees as agreed between the Board and Administration Overflow. These fees were progressively billed and expensed as incurred on a weekly basis.

Not For Profit Accounting Services (NFPAS) provided accounting services to the Board in accordance with an agreed contractual engagement. NFPAS was paid fees as agreed between the Board and NFPAS. These fees were progressively billed and expensed as incurred on a fortnightly basis.

The Crown Solicitor's Office provides legal assistance to the Board and was paid professional fees as they were incurred. Legal fees to the amount of \$30,308.80 were incurred in the financial year 2015-16.

Audit

The accounts of the board have been audited and the financial statements for the financial year ended 30 June 2016 follow, together with the accompanying notes, and the independent auditor's report.



Presiding Member



Board Member

Dated this 21st day of October 2016

ARCHITECTURAL PRACTICE BOARD OF SOUTH AUSTRALIA

ABN 20 167 920 248

FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2016**

ARCHITECTURAL PRACTICE BOARD OF SOUTH AUSTRALIA

A.B.N. 20 167 920 248

FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

		30 June 2016	30 June 2015
	Note	\$	\$
INCOME			
Application and Registration Fees	3	333,835	338,526
Interest		17,563	22,480
Other Income	4	22,245	26,965
Net Income		373,643	387,971
EXPENSES			
Administrative Expenses	5	160,001	213,681
Depreciation		739	721
Employee Costs		86,295	82,707
Legal Costs		32,908	8,852
Prizes		-	11,722
Rent		13,200	9,872
Other Expenses	4	16,953	24,628
Net Expenses		310,096	268,755
TOTAL COMPREHENSIVE SURPLUS FOR THE YEAR		63,547	119,216

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

		30 June 2016	30 June 2015
	Note	\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	6	986,131	912,466
Receivables	7	5,177	49,188
Total Current Assets		991,308	961,654
NON-CURRENT ASSETS			
Property, Plant & Equipment	8	2,199	2,937
Total Non-Current Assets		2,199	2,937
TOTAL ASSETS		993,507	964,591
CURRENT LIABILITIES			
Revenue in Advance	9	199,033	242,176
Trade and Other Payables	10	25,181	19,193
Provisions	11	7,062	4,538
Total Current Liabilities		231,276	265,907
TOTAL LIABILITIES		231,276	265,907
NET ASSETS		762,231	698,684
EQUITY			
Accumulated Surplus		762,231	698,684
Total Equity		762,231	698,684

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS AS AT 30 JUNE 2016

	Note	30 June 2016 \$	30 June 2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Income Received		356,948	394,421
Payments to Suppliers & Employees		(300,847)	(274,401)
Interest Received		17,563	22,480
NET CASH FLOWS FROM OPERATING ACTIVITIES		<u>73,665</u>	<u>142,500</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant and Equipment		-	(3,347)
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>-</u>	<u>(3,347)</u>
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		73,665	139,153
Cash & Cash Equivalents at the beginning of the year		912,466	773,313
Cash & Cash Equivalents at the end of the year	6	<u>986,131</u>	<u>912,466</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2016

	Note	Accumulated Funds \$	Total \$
BALANCE AT 1 JULY 2014		579,468	579,468
Total Comprehensive Surplus for the Year		119,216	119,216
BALANCE AT 30 JUNE 2015		<u>698,684</u>	<u>698,684</u>
BALANCE AT 1 JULY 2015		698,684	698,684
Total Comprehensive Surplus for the Year		63,547	63,547
BALANCE AT 30 JUNE 2016		<u>762,231</u>	<u>762,231</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

1. BOARD OBJECTIVES AND FUNDING

The Board exercises its functions under the *Architectural Practice Act 2009* with the objective of achieving and maintaining professional standards of competence and conduct in the practice of architecture in South Australia.

The Board does not receive Government funding and the principal source of funds consists of monies paid by registered architects as registration fees, annual registrations and renewals received.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, Architectural Practice Act 2009 and Australian Accounting Interpretations. Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board (AASB) has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The Board has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The Board is a not-for-profit entity, being an entity whose principal activity is not the generation of profit. As a result, the Board is exempt from applying the following AASBs:

- AASB 114 *Segment Reporting*
- AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Significant Accounting Judgements and Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

There are no estimates or judgements which have risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

(b) Income Tax

The company is exempt from income tax pursuant to the *Income Tax Assessment Act 1997*. Accordingly, Australian Accounting Standard AASB 112 has not been applied and no provision for income tax has been included in the financial reports.

(c) Revenue

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Registration renewals are recognised on receipt except renewals received for the ensuing financial year which are reported as Income Received In Advance.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less where the investment is convertible to known amounts of cash and is subject to insignificant risk of changes in value. For the purposes of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, plus term deposits with maturity dates of less than 12 months from balance date net of any outstanding bank overdrafts.

(f) Trade and Other Receivables

Trade receivables are recorded at amounts due less any allowance for doubtful debts. The carrying amount of the receivable is deemed to reflect fair value.

An allowance for doubtful debts is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

(g) Property, Plant and Equipment

Each class of plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated on a diminishing value or straight line basis over the useful lives of the assets to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate
Office Equipment	20% Straight line
Computers	30% Diminishing value

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or less is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amounts being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs of disposal and value in use. Depreciated replacement cost is used to determine value in use where the assets are not held principally for cash generating purpose and would be replaced if the company was deprived of it. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost. Value in use for all other assets is a discounted cash flow calculation.

An impairment of loss exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (Continued)

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

Derecognition and Disposal

An item of property, plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of it or when it has no sale value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income in the year the asset is derecognised.

(h) Impairment of Assets

At each reporting date, the Board reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

(i) Trade and Other Payables

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services. The carrying amount of the creditors and payables is deemed to reflect fair value.

(j) Employee Benefits

Provision is made for the Board's liability for employee benefits arising from services rendered by the employees to balance date. Employee benefits that are expected to be settled within 12 months of the reporting date have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(k) Provisions

A provision is recognised in the Statement of Financial Position when the company has a present, legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

(k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

3. APPLICATION AND REGISTRATION FEES

Revenues are recognised at the fair value of the consideration received.

	30 June 2016	30 June 2015
	\$	\$
Application Fees	9,985	12,775
Registrations	323,850	325,751
	<u>333,835</u>	<u>338,526</u>

4. OTHER INCOME & EXPENSES

Other Income		
- Income from Exams & APE Fees	20,795	26,685
- Fines and penalties	449	280
- Other Income	1,001	-
Total Other Income	<u>22,245</u>	<u>26,965</u>
Other Expenses		
- Exam related costs	16,953	24,628
Total Other Expenses	<u>16,953</u>	<u>24,628</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (Continued)

5. ADMINISTRATIVE EXPENSES

	30 June 2016	30 June 2015
	\$	\$
AACA Per Capita	4,817	5,165
Administration Costs	72,300	63,934
Auditor's Fees	4,145	7,500
Bank Charges	2,805	5
Board Fees	11,326	10,504
Entertainment Expenses	-	347
End of Year Function	4,967	5,200
Insurance	1,682	1,690
Printing, Postage & Stationery	4,645	3,415
Project Fund	33,762	14,709
Storage Fees	799	591
Sundry Expenses	11,774	1,161
Telephone	2,314	2,195
Travel & Conference Expense	4,665	4,902
Website & Logo	-	8,935
	<u>160,001</u>	<u>130,253</u>

6. CASH AND CASH EQUIVALENTS

	30 June 2016	30 June 2015
	\$	\$
Cash at Bank	403,691	337,334
Cash on Hand	50	50
Term Deposits	582,390	575,082
	<u>986,131</u>	<u>912,466</u>

7. TRADE AND OTHER RECEIVABLES

	30 June 2016	30 June 2015
	\$	\$
Trade Debtors	225	38,186
Accrued Interest	1,014	741
Fines Receivable	560	2,120
GST Receivable	3,378	8,141
	<u>5,177</u>	<u>49,188</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (Continued)

8. PROPERTY, PLANT & EQUIPMENT

Office Equipment at cost	3,443	3,442
Less: Accumulated Depreciation	(1,362)	(674)
	<u>2,081</u>	<u>2,768</u>

Computer Equipment – at cost	227	227
Less: Accumulated Depreciation	(109)	(58)
	<u>118</u>	<u>169</u>

Total Property, Plant and Equipment	<u>2,199</u>	<u>2,937</u>
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9. INCOME RECEIVED IN ADVANCE

Registration revenue received in advance	199,033	242,176
	<u>199,033</u>	<u>242,176</u>

10. TRADE AND OTHER PAYABLES

Trade Creditors and Accruals	19,564	9,004
PAYG Payable	5,617	10,189
	<u>25,181</u>	<u>19,193</u>

11. RECONCILIATION OF NET RESULT TO NET CASH FLOWS FROM OPERATING ACTIVITIES

For the purposes of the Statement of Cash Flows, cash includes cash on hand and deposits at call with banks. Cash held at 30 June as shown in the Statement of Cash Flows is reconciled to the relevant items in the Statement of Financial Position as follows:

Net Surplus/(Deficit) from Operations	63,547	119,216
Non-cash flows in surplus/(deficit) from ordinary activities		
Depreciation and Amortisation	739	721
Change in Assets & Liabilities		
Decrease/(Increase) in Trade and Other Receivables	44,010	(37,711)
(Decrease)/Increase in Income Received in Advance	(43,143)	66,641
(Decrease)/Increase in Trade and Other Payable	5,988	(8,875)
(Decrease)/Increase in Provisions	2,524	2,508
Net Cash Flows from Operating Activities	<u>73,665</u>	<u>142,500</u>

12. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

At 30 June 2016, all interest bearing financial assets were fixed interest investments. The effective weighted average interest rates on those financial assets is as follows:

	Weighted Average	
	%	
Cash at Bank and on Hand	1.27%	2.02%

Cash Term Deposits

2.30%

3.14%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (Continued)

12. FINANCIAL INSTRUMENTS (Cont)

(a) Interest Rate Risk (Cont)

Period Ended	Interest Bearing		Non Interest Bearing		Total	
	30/06/16	30/06/15	30/06/16	30/06/15	30/06/16	30/06/15
	\$	\$	\$	\$	\$	\$
Financial Assets						
Cash at Bank	403,691	337,334	50	50	403,741	337,384
Term Deposits	582,390	575,082	-	-	582,390	575,082
Receivables			5,177	49,188	5,177	49,188
Total	986,081	912,416	5,227	49,238	991,308	961,654
Financial Liabilities						
Revenue in Advance	-	-	199,033	242,176	199,033	242,176
Creditors & Accruals	-	-	19,564	9,004	19,564	9,004
PAYG Creditors	-	-	5,617	10,189	5,617	10,189
Total	-	-	224,214	261,369	224,214	261,369

(b) Financial Risk Management

The Board has non-interest bearing assets (cash on hand and receivables) and liabilities (sundry creditors and accruals); and significant interest bearing assets (held-to-maturity investments). However the Board's exposure to market risk and cash flow interest risk is minimal.

(c) Net Fair Values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

(d) Sensitivity Analysis

The Board has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk at 30 June, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	30 June 2016	30 June 2015
	\$	\$
Change in profit		
- Increase in interest rate by 2%	17,863	18,054
- Decrease in interest rate by 2%	(17,863)	(16,240)
Change in equity		
- Increase in interest rate by 2%	17,863	18,054
- Decrease in interest rate by 2%	(17,863)	(16,204)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed on foreign currency risk as the Board is not materially exposed to foreign currency fluctuations.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (Continued)

13. SUPPLIES AND SERVICES

Supplies and services provided by entities within the SA Government	Year Ended 30 June 2016 \$	Year Ended 30 June 2015 \$
- Legal Costs	32,908	8,852
- Insurance	1,682	1,690
- Workcover	645	815
Supplies and services provided by entities external to the SA Government		
- Administrative and Registrar functions	155,181	145,826
- Other	112,942	111,572
Total	303,357	268,755

14. AUDITOR'S REMUNERATION

Audit fees paid and payable	4,145	7,500
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15. CONTINGENT LIABILITIES

The Board is currently conducting one investigation of alleged holding out as an architect by a person and/or business not registered by the Board, with a view to a potential prosecution. The Board has committed approximately \$5,000 of investigation costs, as at 30 June 2016.

If prosecution action is commenced by the Board, the Board's legal advisers have indicated that the Board's costs are estimated to be \$10,000 for the matter. If the Board successfully prosecutes some costs may be recovered from the other party. If the Board is unsuccessful in prosecuting the matter the Board may be exposed to liability to the other party for their costs.

16. FUTURE COMMITMENTS AND CONSULTANTS

The Registrar is employed as a staff member of the Board. Other administration, accounting staff, Examiners, Assessors and Standing Panel Members are consultants to the Board.

Board Members receive sitting fees for their involvement in Board Meetings.

CERTIFICATE BY THE PRESIDING MEMBER, BOARD MEMBER AND REGISTRAR

- a. The foregoing Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity, and notes thereto of the Architectural Practice Board of South Australia, present fairly, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Board as at 30 June 2016 and the result of its operations and its cash flows for the financial year then ended; and
- b. internal controls over financial reporting have been effective throughout the period.

Signed in accordance to the resolution of the Board:



PRESIDING MEMBER



BOARD MEMBER



REGISTRAR

Date: 21 October 2016.