

**ARCHITECTURAL PRACTICE BOARD**

**OF**

**SOUTH AUSTRALIA**

**ABN: 20 167 920 248**

**ANNUAL REPORT**

**FINANCIAL YEAR ENDED 30 JUNE 2017**

June 2017

For copies of this document please contact:

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## TABLE OF CONTENTS

	Page No.
Executive Summary	4
1 Charter	5
2 Organisation	5
3 Functions of the Board	5
4 Board Membership	7
5 Board Meetings	8
6 Remuneration of Board Members and Examiners	8
7 Registrar and Administration	9
8 Website	10
9 Committees	10
10 Freedom of Information	10
11 Examinations and Prizes	10
12 Registration Statistics	11
13 Complaints and Investigations	12
14 Fraud Prevention	13
15 Finances	13
Statement of Comprehensive Income for Financial Year Ended 30 June 2017	17
Statement of Financial Position as at 30 June 2017	17
Statement of Cash Flows for Financial Year Ended 30 June 2017	18
Statement of Changes in Equity for Financial Year Ended 30 June 2017	18
Notes To and Forming Part of the Financial Statements	19
Certificate by the Presiding Member, Board Member and Registrar	26
Independent Audit Report	27

## **EXECUTIVE SUMMARY: 2016/17**

2016-17 continued to be 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. In June 2017, the Minister for Housing and Urban Development confirmed the Board would remain. At that time, the Minister also informed the Board that an additional function was assigned to its role – to 'promote equity, fairness and safety within the architectural profession'.

The Board also moved its premises to its current location on 28 Greenhill Road, Wayville, during the financial year. The Board was informed the sub-lease of its previous premises would be terminated before June 2016, because the lessor, Fenwick Elliott and Grace, were renegotiating their lease and contracting their office space. The move to new premises was completed in April 2017, with minimal disruption to the business of the Board.

With the terms of the 3 elected members of the Board expiring in December 2016, an election was held for three members of the profession in October/November, as required by the Architectural Practice Act 2009. The Electoral Commission conducted the election, and in December 2016 informed the Minister that Paul Boyce, Danielle O'Dea and Gary Bonato had been elected, each for a 3 year term. Unfortunately, the Board was inquorate from February to April 2017 – this was due to delays in the appointments of the 3 elected members to the Board, and one Ministerial appointment to a (then) vacant position. At its meeting in May 2017, Paul Boyce was nominated as Presiding Member, and the Board's recommendation was presented to the Minister for the appointment.

The Board held a strategic planning workshop in September 2016, and this enabled the Board to identify its priorities. Introducing Continuing Professional Education (CPE), and promoting the role of architects and education in architecture were agreed as key directions. The new Board reaffirmed these directions in May, and it now reviews its progress on these priorities at each meeting.

The Board has also remained active at the national level, through its involvement with the Architects Accreditation Council of Australia (AACA). From July 2016, the Presiding Member (Gary Bonato) participated in the national AIA/AACA Liaison Committee and the Development Group, which was established to review the recommendations of the review of ANZ APAP. The Registrar continued her two year term as a Director of the Board, AACA.

In February 2017, the Board's Awards Event was held at Electra House. Over 70 members of the architectural profession attended the evening, which was addressed by Catherine Townsend, Chair of the AACA. The Registrar of the Board presented Certificates of Registration to new registrants who were successful in the Architectural Practice Examination during 2016. The following prizes were also awarded:

### **APBSA University Prizes:**

University of Adelaide:	Samuel Toole
University of South Australia:	Christopher Pongrac

Operationally, registrations with the Board in 2016/17 remained static with the total number on the register at the end of June in the previous year (from 941 to 940).

Three complaints to the Board concerning unprofessional conduct by an architect or architectural business were lodged with the Board during the year. Two of these complaints have been held in abeyance pending the outcome from other legal proceedings, and the other matter has been investigated and advice provided for the Notifications Committee. Three complaints from previous years were informally resolved during the year, and investigations are continuing into one other matter from 2015/16.

Two alleged breaches of the Architectural Practice Act from last financial year were resolved this year, and a further ten received this year were resolved. Four (4) breaches are still under investigation.

I acknowledge the commitment and contribution of all past and present 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 2016/17 year. Their role, which is both valuable and, to a significant extent, voluntary, is of great importance to the architectural profession.



**PAUL BOYCE  
PRESIDING MEMBER**

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## 1 CHARTER

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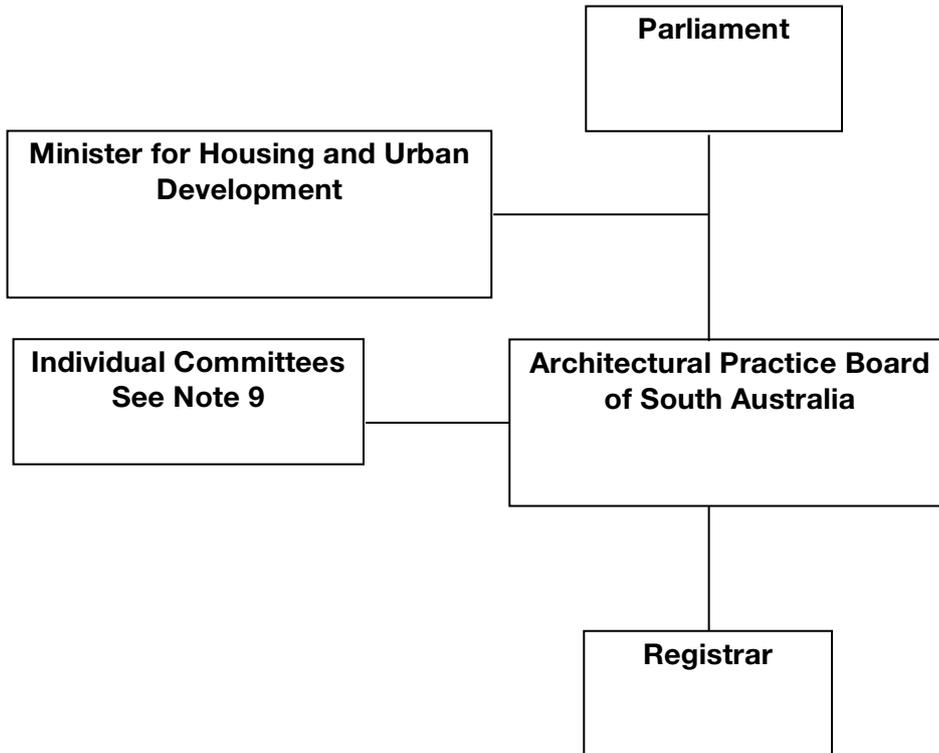
The Architectural Practice Board of South Australia (the Board) is the statutory authority responsible for administering the Architectural Practice Act 2009 (the Act), "to provide for the registration of architects and architectural businesses; to regulate architectural practice for the purpose of maintaining 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.

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## 2 ORGANISATION

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## 3 FUNCTIONS OF THE BOARD

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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:

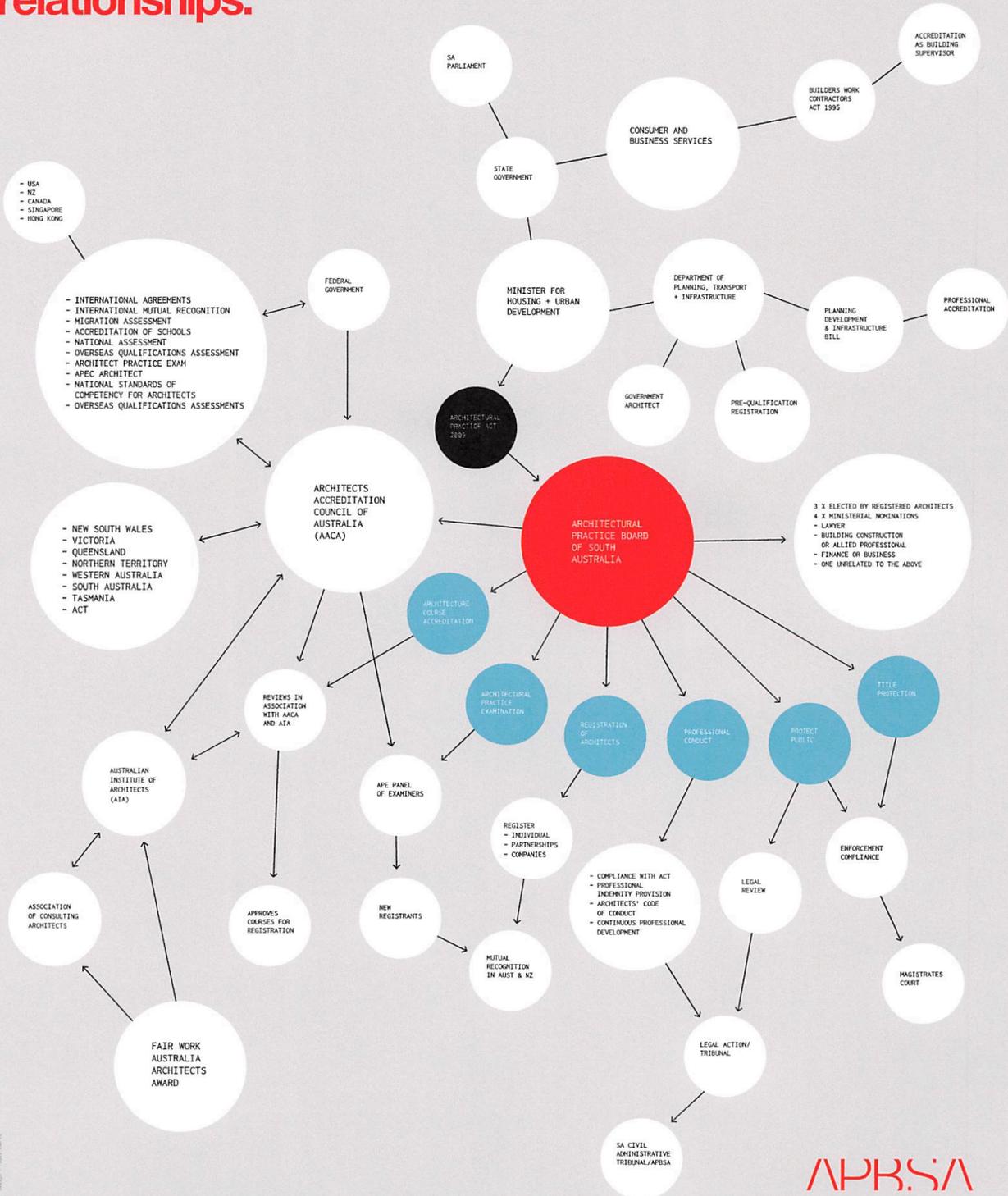
- (1)
  - (a) to oversee the practice of architecture by registered architects and registered
  - (b) to approve, after consultation with authorities considered appropriate by the Board, courses of education or training that provide qualifications for registration on the register of architects;
  - (c) 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

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## 4 BOARD MEMBERSHIP

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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. Elections were held in November 2016. Paul Boyce and Gary Bonato were re-elected and Danielle O'Dea was elected to replace David Holland who had served as a Board member since January 2014.

The membership of the Board from 1 July 2016 to 30 June 2017 was as follows:-

### **Ministerial nominations:**

Dimitty Marie 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

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

Mr Mariano DeDuonni  
Principal: Hassell Pty Ltd  
Appointed: 5 April 2017 to 4 April 2020

### **Deputy Member**

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

### **Elected registered architects:**

Mr Paul Roger Willoughby Boyce (Presiding Member)  
Director - Tridente Architects Pty Ltd  
Appointed: 01 January 2011. Reappointed: 31 December 2013 to 31 December 2016. Reappointed: 5 April 2017 to 4 April 2020  
Appointed Presiding Member: 19 April 2017

Mr Gary Bonato  
Director - Tectvs Pty Ltd  
Appointed: 01 January 2011. Reappointed: 31 December 2013 to 31 December 2016. Reappointed: 5 April 2017 to 4 April 2020  
Presiding Member: 15 August 2012 to 31 December 2016

Ms Danielle O'Dea  
Practice Manager, Bell Architecture Pty Ltd  
Appointed: 5 April 2017 to 4 April 2020

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**4 BOARD MEMBERSHIP (Continued)**

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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.

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**5 BOARD MEETINGS**

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**Quorum**

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

**Meeting Attendance**

The Board met seven times during the period 1 July 2016 to 30 June 2017. Attendance at meetings during the period 1 July 2016 to 30 June 2017 was as follows:

	<b>Attendance</b>	<b>Maximum</b>
Gary Bonato	7	7
Paul Boyce	6	7
David Holland	5	5
James Hilditch	7	7
Dimitty Andersen	6	7
Kirsteen Mackay	6	7
John Byleveld	1	7
Danielle O'Dea	2	2
Mariano DeDuonni	2	2

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**6 REMUNERATION OF BOARD MEMBERS AND EXAMINERS**

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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.

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**6 REMUNERATION OF BOARD MEMBERS AND EXAMINERS (Continued)**

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Employment statistics for the period 1 July 2016 to 30 June 2017 were as follows:

Number of Employees: 10 persons 0.5 Full Time Equivalents

Age Bracket	Male	Female	Total
<40	0	0	0
40-44	3	2	5
45-49	0	1	1
50-54	1	0	1
55-59	2	0	2
60-64	0	0	0
65+	0	1	1
Total	6	4	10

Salary Bracket	Male		Female	
	Part Time	Casual	Part Time	Casual
\$0-\$9,999 per annum	6	0	3	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 2017.

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 2017.

No performance reviews were conducted by the Board for the financial year ended 30 June 2017.

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

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

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**7 REGISTRAR AND ADMINISTRATION**

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The Board's Registrar, Ms Sue Millbank continued permanent part time employment during 2016-2017.

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 with the Notifications Committee, 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.

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**7 REGISTRAR AND ADMINISTRATION (Continued)**

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The Board's office is located in serviced offices in Wayville. Board contact details are as follows:

C/- Level 1, 28 Greenhill Road  
WAYVILLE SA 5034  
Telephone: (08) 8373 2766  
Email: [registrar@archboardsa.org.au](mailto:registrar@archboardsa.org.au)

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**8 WEBSITE**

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The Board has established a comprehensive website at the address: [www.archboardsa.org.au](http://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.

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**9 COMMITTEES**

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The Board maintained one 'standing' committee, which is 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.

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**10 FREEDOM OF INFORMATION ACT 1991**

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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 2017.

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**11 EXAMINATIONS AND PRIZES**

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**Examinations**

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

	<b>No. of Applicants</b>	<b>No. of Successful Candidates</b>
September 2016	9	6
May 2017	12	6

The Board congratulates all successful candidates.

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**11 EXAMINATIONS AND PRIZES (Continued)**

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**Prizes and Awards**

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 2016 university examinations were:

- 1 APBSA University Prize for University of South Australia student  
Awarded to Christopher Prongrac
- 2 APBSA University Prize for University of Adelaide student  
Awarded to Samuel Toole

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**12 REGISTRATION STATISTICS**

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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 2017	
Male	653
Female	147
(includes one Limited Registration)	
Add: Approved Applications for Registration	
Male	49
Female	15
Less: Resignations and Removals	
Male	45
Female	8
Natural Persons Registered at 30 June 2017	
Male	657
Female	<u>154</u>
Total Natural Persons	<u>811</u>

(b) Total Number of Partnerships registered:

Partnerships Registered at 1 July 2016	8
Add: Approved Applications for Registration	0
Less: Resignations and Removals	<u>0</u>
Partnerships Registered at 30 June 2017	<u>8</u>

(c) Total Number of Companies registered:

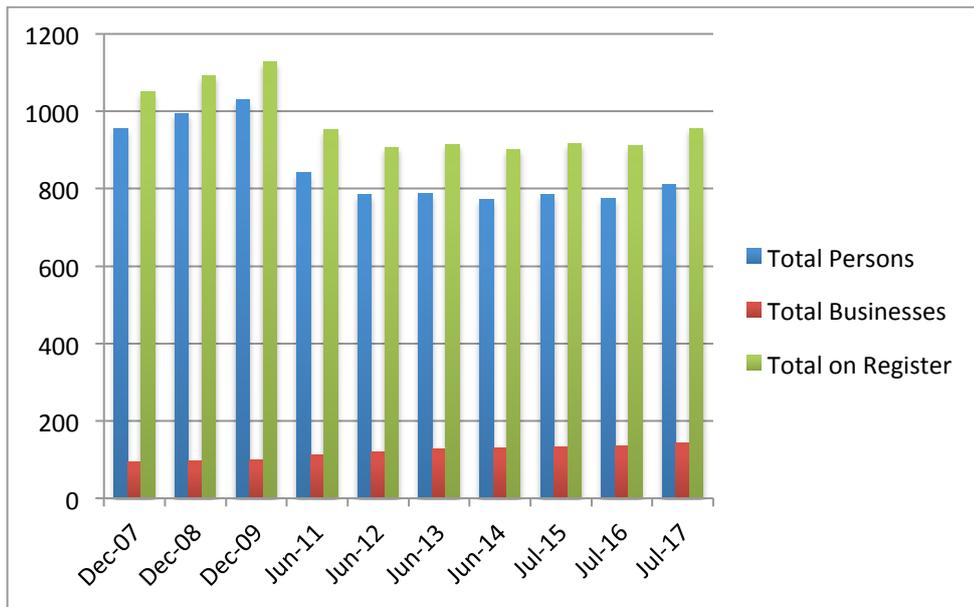
Companies Registered at 1 July 2016	133
Add: Approved Applications for Registration	10
Less: Resignations and Removals	<u>7</u>
Companies Registered at 30 June 2017	<u>136</u>

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**12 REGISTRATION STATISTICS (Continued)**

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Registration statistics over the last 10 years (from 2007 – 2017) 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.

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**13 COMPLAINTS AND INVESTIGATIONS**

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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:**

Three complaints to the Board concerning unprofessional conduct by an architect or architectural business were lodged with the Board during the year. Two of these complaints have been held in abeyance pending the outcome from other legal proceedings, and the other matter has been investigated and advice provided for the Notifications Committee. Three complaints from the previous years were informally resolved during the year, and investigations are continuing into one other matter from 2015/16.

**Alleged Breaches of the Act:**

Ten new alleged breaches of the Architectural Practice Act were received, with seven finalised during the year to the end of June 2016. Four (4) breaches are still under investigation, including one from 2015/16.

All breaches of the Act concern section 38 and/or section 40 of the Act – that is, using the word ‘architect’ or its derivatives by a unregistered person or business, and ‘holding out’ another person or business to be an architect or architectural business.

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**14 FRAUD PREVENTION**

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The Board did not identify any fraudulent activities during the financial year ended 30 June 2017.

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
- 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.

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**15 FINANCES**

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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 for the Board to undertake its role.

The Board recorded a net surplus of \$118,357 for the financial year ended 30 June 2017 (financial year ended 30 June 2016 surplus \$63,547) and as at 30 June 2017 the Board had total equity of \$880,588 (as at 30 June 2016 total equity \$762,231).

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 2016/17. The consultancies are detailed below:

**Consultants**

Consultant	Number	Total (Ex GST)	Purpose of Consultancy
<b>Value below \$10,000</b>	4		
Governance Matters	1	\$5,000.00	Strategic Planning
Rodeo Creative	1	\$5,281.70	"What does an Architect do?" Project & Other Projects
Plastyk Studios	1	\$800.00	Website Maintenance
Simon Fry & Associates	1	\$5,390.00	Auditor Fees
<b>Value \$10,000-\$50,000</b>	2		
Administration Overflow	1	\$44,892.00	Administrative services
Not for Profit Accounting Services	1	\$18,312.91	Accounting Services
<b>Total</b>	6	\$79,676.61	

**Contractual Arrangements**

Governance Matters was engaged to facilitate a strategic planning meeting of the Board held in September 2016. The outcomes from the planning session receive ongoing review by Board Members.

Rodeo were engaged to further develop appropriate strategies to promote the Board's "What Does an Architect Do?" project in 2016. Rodeo have continued to be involved in this project and other smaller projects and \$5,281.70 was expended in this financial year.

Plastyk Studios continues to provide maintenance of the Board's website and \$800.00 was expended in this financial year and will continue.

Simon Fry & Associates were engaged to audit the 2016-17 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 \$7,591.60 were incurred in the financial year 2016-17.

**Audit**

The accounts of the board have been audited and the financial statements for the financial year ended 30 June 2017 follow, together with the accompanying notes, and the independent auditor's report.



Presiding Member



Board Member

Dated this 27<sup>th</sup> day of September 2017

**ARCHITECTURAL PRACTICE BOARD OF SOUTH AUSTRALIA**

**ABN 20 167 920 248**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED  
30 JUNE 2017**

**ARCHITECTURAL PRACTICE BOARD OF SOUTH AUSTRALIA**

**A.B.N. 20 167 920 248**

**FINANCIAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**CONTENTS**

	Page
Statement of Comprehensive Income	17
Statement of Financial Position	17
Statement of Cash Flows	18
Statement of Changes in Equity	18
Notes to the Financial Statements	19
Certificate by Presiding Member, Board Member & Registrar	26
Independent Auditor's Report	27

**STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

		30 June 2017	30 June 2016
		\$	\$
<b>INCOME</b>	<b>Note</b>		
Application and Registration Fees	3	326,621	333,835
Interest		16,482	17,563
Other Income	4	25,482	22,245
<b>Net Income</b>		<b>368,585</b>	<b>373,643</b>
<b>EXPENSES</b>			
Administrative Expenses	5	126,974	160,001
Depreciation		1,300	739
Employee Costs		93,355	86,295
Legal Costs		5,083	32,908
Other Expenses	4	8,110	-
Prizes		1,000	13,200
Rent		14,406	16,953
<b>Net Expenses</b>		<b>250,228</b>	<b>310,096</b>
<b>TOTAL COMPREHENSIVE SURPLUS FOR THE YEAR</b>		<b>118,357</b>	<b>63,547</b>

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

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017**

		30 June 2017	30 June 2016
		\$	\$
<b>CURRENT ASSETS</b>	<b>Note</b>		
Cash and Cash Equivalents	6	1,097,649	986,131
Receivables	7	14,643	5,177
		<b>1,112,292</b>	<b>991,308</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	8	8,357	2,199
<b>TOTAL ASSETS</b>		<b>1,120,649</b>	<b>993,507</b>
<b>CURRENT LIABILITIES</b>			
Revenue in Advance	9	218,846	199,033
Trade and Other Payables	10	12,803	25,181
Provisions		8,411	7,062
		<b>240,061</b>	<b>231,276</b>
<b>TOTAL LIABILITIES</b>		<b>240,061</b>	<b>231,276</b>
<b>NET ASSETS</b>		<b>880,588</b>	<b>762,231</b>
<b>EQUITY</b>			
Accumulated Surplus		880,588	762,231
<b>Total Equity</b>		<b>880,588</b>	<b>762,231</b>

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

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**STATEMENT OF CASH FLOWS AS AT 30 JUNE 2017**

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	Note	30 June 2017 \$	30 June 2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income Received		362,448	356,948
Payments to Suppliers & Employees		(261,255)	(300,847)
Interest Received		16,482	17,563
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<u><b>117,675</b></u>	<u><b>73,665</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of Property, Plant and Equipment		(6,157)	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<u><b>(6,157)</b></u>	<u><b>-</b></u>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>			
		111,518	73,665
Cash & Cash Equivalents at the beginning of the year		986,131	912,466
<b>Cash &amp; Cash Equivalents at the end of the year</b>	6	<u><b>1,097,649</b></u>	<u><b>986,131</b></u>

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

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**STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2017**

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	Note	Accumulated Funds \$	Total \$
<b>BALANCE AT 1 JULY 2015</b>		698,684	698,684
Total Comprehensive Surplus for the Year		63,547	63,547
<b>BALANCE AT 30 JUNE 2016</b>		<u>762,231</u>	<u>762,231</u>
<b>BALANCE AT 1 JULY 2016</b>		762,231	762,231
Total Comprehensive Surplus for the Year		118,357	118,357
<b>BALANCE AT 30 JUNE 2017</b>		<u><b>880,588</b></u>	<u><b>880,588</b></u>

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

**1. BOARD OBJECTIVES AND FUNDING**

The Architectural Practice Board of South Australia ("Board") exercises its functions under the *Architectural Practice Act 2009 (SA)* 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, the Australian Accounting Interpretations and the *Architectural Practice Act 2009 (SA)*. The Australian Accounting Standards Board (AASB) has concluded 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 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 Australian Accounting Standards:

- *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:

<b>Class of Fixed Assets</b>	<b>Depreciation Rate</b>
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 loss 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 2017 (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.

	<b>30 June 2017</b>	<b>30 June 2016</b>
	<b>\$</b>	<b>\$</b>
Application Fees	7,840	9,985
Registrations	318,781	323,850
	<u><b>326,621</b></u>	<u><b>333,835</b></u>

**4. OTHER INCOME & EXPENSES**

Other Income		
- Income from Exams & APE Fees	17,444	20,795
- Fines and penalties	6,900	449
- Other Income	1,138	1,001
Total Other Income	<u><b>25,482</b></u>	<u><b>22,245</b></u>
Other Expenses		
- Exam related costs	8,110	16,953
Total Other Expenses	<u><b>8,110</b></u>	<u><b>16,953</b></u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (Continued)**

**5. ADMINISTRATIVE EXPENSES**

	<b>30 June 2017</b>	<b>30 June 2016</b>
	<b>\$</b>	<b>\$</b>
AACA Per Capita	6,176	4,817
Administration Costs	64,308	72,300
Auditor's Fees	4,890	4,145
Bank Charges	1,360	2,805
Board Fees	5,810	11,326
Entertainment Expenses	225	-
Prizes & Certificates Function	6,195	4,967
Insurance	3,165	1,682
Printing, Postage & Stationery	4,622	4,645
Project Fund	4,065	33,762
Storage Fees	965	799
Sundry Expenses	17,031	11,774
Telephone	3,050	2,314
Travel & Conference Expense	4,312	4,665
Website & Logo	800	-
	<b><u>126,974</u></b>	<b><u>160,001</u></b>

**6. CASH AND CASH EQUIVALENTS**

	<b>30 June 2017</b>	<b>30 June 2016</b>
	<b>\$</b>	<b>\$</b>
Cash at Bank	507,506	403,691
Cash on Hand	50	50
Term Deposits	590,093	582,131
	<b><u>1,097,649</u></b>	<b><u>986,131</u></b>

**7. TRADE AND OTHER RECEIVABLES**

	<b>30 June 2017</b>	<b>30 June 2016</b>
	<b>\$</b>	<b>\$</b>
Trade Debtors	-	225
Accrued Interest	288	1,014
Fines Receivable	6,000	560
Prepayments	4,654	-
GST Receivable	3,701	3,378
	<b><u>14,643</u></b>	<b><u>5,177</u></b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (Continued)**

**8. PROPERTY, PLANT & EQUIPMENT**

Office Equipment at cost	9,334	3,443
Less: Accumulated Depreciation	<u>(2,197)</u>	<u>(1,362)</u>
	<u>7,137</u>	<u>2,081</u>

Computer Equipment – at cost	1,793	227
Less: Accumulated Depreciation	<u>(573)</u>	<u>(109)</u>
	<u>1,220</u>	<u>118</u>

<b>Total Property, Plant and Equipment</b>	<b><u>8,357</u></b>	<b><u>2,199</u></b>
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**9. INCOME RECEIVED IN ADVANCE**

Registration revenue received in advance	<u>218,846</u>	<u>199,033</u>
	<b><u>218,846</u></b>	<b><u>199,033</u></b>

**10. TRADE AND OTHER PAYABLES**

Trade Creditors and Accruals	7,112	19,564
PAYG Payable	<u>5,691</u>	<u>5,617</u>
	<b><u>12,803</u></b>	<b><u>25,181</u></b>

**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:

<b>Net Surplus/(Deficit) from Operations</b>	118,357	63,547
<b>Non-cash flows in surplus/(deficit) from ordinary activities</b>		
Depreciation and Amortisation	1,300	739
<b>Change in Assets &amp; Liabilities</b>		
Decrease/(Increase) in Trade and Other Receivables	(9,466)	44,010
Decrease/(Increase) in Other Assets	(7,459)	-
(Decrease)/Increase in Income Received in Advance	19,814	(43,143)
(Decrease)/Increase in Trade and Other Payable	(12,377)	5,988
(Decrease)/Increase in Provisions	<u>1,349</u>	<u>2,524</u>
<b>Net Cash Flows from Operating Activities</b>	<b><u>111,518</u></b>	<b><u>73,665</u></b>

**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:

	<b>Weighted Average</b>	
	%	
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 2017 (Continued)**

**12. FINANCIAL INSTRUMENTS (Cont)**

**(a) Interest Rate Risk (Cont)**

Period Ended	Interest Bearing		Non Interest Bearing		Total	
	30/06/17	30/06/16	30/06/17	30/06/16	30/06/17	30/06/16
	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>						
Cash at Bank	507,506	403,691	50	50	507,556	403,741
Term Deposits	590,093	582,390	-	-	590,093	582,390
Receivables	-	-	14,643	5,177	14,643	5,177
<b>Total</b>	<b>1,097,599</b>	<b>986,081</b>	<b>14,693</b>	<b>5,227</b>	<b>1,112,291</b>	<b>991,308</b>
<b>Financial Liabilities</b>						
Revenue in Advance	-	-	218,845	199,033	218,845	199,033
Creditors & Accruals	-	-	7,122	19,564	7,112	19,564
PAYG Creditors	-	-	5,691	5,617	5,691	5,617
<b>Total</b>	<b>-</b>	<b>-</b>	<b>231,649</b>	<b>224,214</b>	<b>231,649</b>	<b>224,214</b>

**(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 2017	30 June 2016
	\$	\$
<b>Change in profit</b>		
- Increase in interest rate by 2%	16,922	17,863
- Decrease in interest rate by 2%	(16,922)	(17,863)
<b>Change in equity</b>		
- Increase in interest rate by 2%	16,922	17,863
- Decrease in interest rate by 2%	(16,922)	(17,863)

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 2017 (Continued)**

**13. SUPPLIES AND SERVICES**

<b>Supplies and services provided by entities within the SA Government</b>	<b>Year Ended 30 June 2017 \$</b>	<b>Year Ended 30 June 2016 \$</b>
- Legal Costs	5,083	32,908
- Insurance	3,165	1,682
- Workcover	912	645
<b>Supplies and services provided by entities external to the SA Government</b>		
- Administrative and Registrar functions	157,663	155,181
- Other	83,405	112,942
<b>Total</b>	<b>250,228</b>	<b>303,357</b>

**14. AUDITOR'S REMUNERATION**

Audit fees paid and payable	4,890	4,145
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**15. CONTINGENT LIABILITIES**

The Board currently holds 3 complaints against architects in abeyance, pending other legal proceedings. Should these legal proceedings conclude, a preliminary investigation will be conducted into two of the complaints; the third complaint may be referred for formal investigation, with a view to a potential prosecution. The Board has committed to approximately \$10,000 of investigation costs, as at 30 June 2017. The Board is currently conducting an investigation into one allegation of holding out as an architect by a person not registered by the Board, with a view to a potential prosecution. The Board has committed to approximately \$5,000 of investigation costs, as at 30 June 2017.

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 each of the two matters to be prosecuted. If the Board successfully prosecutes some costs may be recovered from the other party. If the Board is unsuccessful in prosecuting the matters 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.

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**CERTIFICATE BY THE PRESIDING MEMBER, BOARD MEMBER AND REGISTRAR**

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- 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 2017 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: 27 September 2017.