



BOARD OF ARCHITECTS
OF QUEENSLAND

ANNUAL REPORT

2017 – 2018



This Annual Report provides information about the Board of Architects of Queensland's financial and non-financial performance for the 2017-18 financial year.

This report has been prepared for the Minister for Housing and Public Works to submit to Parliament. It has also been prepared to meet the needs of stakeholders including the Commonwealth and Local Governments, industry and business associations, community groups, and staff.



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Public availability note

Further copies of this report are available by contacting the Board on (07) 3069 2397, or on the Board's website at www.boaq.qld.gov.au.

The following information is also available online at www.boaq.qld.gov.au and on the Queensland Government Open Data website at <https://data.qld.gov.au>:

- Register of Architects (Pdf) as at 30 June 2018
- Register of Architects (csv) as at 30 June 2018

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Letter of Compliance

19 September 2018

The Honourable Mick de Brenni, MP
Minister for Housing and Public Works
PO Box 2457
BRISBANE QLD 4001

Dear Minister

I am pleased to present the Annual Report and Financial Statements for the Board of Architects of Queensland relating to the Board's administration of the *Architects Act 2002* for the 2017-2018 financial year.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the *Annual Report Requirements for Queensland Government Agencies*.

The Compliance Checklist providing references to the relevant sections of the 2017-2018 Annual Report, where each disclosure requirement has been addressed can be found at pages 20 - 21 of this report.

Yours faithfully



B R Medek
Chairperson

PART A

ANNUAL REPORT

THE BOARD OF ARCHITECTS OF QUEENSLAND

2017-2018



OVERVIEW OF BOARD'S OPERATIONS

Role & Objectives

The Board of Architects of Queensland (the Board) is a Statutory Authority constituted under the *Architects Act 2002* (the Act). The Act commenced on 1 January 2003, superseding the *Architects Act 1985*.

The main objects of the Act are:

- a) to protect the public by ensuring architectural services of an architect are provided in a professional and competent way;
- b) to maintain public confidence in the standard of services provided by architects; and
- c) to uphold the standards of practice of architects.

These objects are principally achieved by:

- a) providing for the registration of individuals as architects under the Act;
- b) providing for the monitoring and enforcement of compliance with the Act;
- c) imposing obligations on persons about the practice of architecture; and
- d) establishing the Board of Architects of Queensland.

Board Members

The *Architects Act 2002* provides for seven Board Members, including a Chairperson and Deputy Chairperson. Six Members are nominated by the Minister for Housing and Public Works. The seventh Member is elected by Queensland architects, by confidential ballot.

All Board appointments are made by the Governor in Council for three year terms.

The Board Members from 1 July 2017 to 31 March 2018 were:

- Professor Susan Savage (Chairperson) (*academic representative from a prescribed school of architecture, who is an architect or eligible for registration*);
- Mr Bruce Medek (Deputy Chairperson) (*elected architect*);
- Ms Alice Hampson (*representative of Queensland Chapter of the Australian Institute of Architects, who is an architect or eligible for registration*);
- Mr Miles Blucher (Townsville) (*architect who resides and undertakes architectural services in regional Queensland*);
- Mr Christopher Douglas (*lawyer with at least 10 years standing with experience in building and construction law*);
- Ms Bridget Taylor (*person who has at least 10 years' experience as a construction contractor in the building and construction industry*); and
- Ms Debra Johnson (*person who is not an architect who the Minister reasonable believes will represent community interests*).

On 1 April 2018, Mr Bruce Medek (previously Deputy Chairperson) was appointed Chairperson, upon the resignation of Professor Susan Savage who had served as the Board's Chairperson for 15 years.

The Board takes this opportunity to thank Professor Savage for her significant contribution to the work of the Board and to upholding the standards of the profession.

Other Board appointments which took effect on 1 April 2018 were:

- Ms Jennifer McVeigh was appointed Deputy Chairperson and Member replacing Mr Christopher Douglas (*lawyer with at least 10 years standing with experience in building and construction law*);

- Ms Tania Dennis (Townsville) replaced Mr Miles Blucher as Member (*architect who resides and undertakes architectural services in regional Queensland*);
- Dr Lindy Osborne Burton, (Queensland University of Technology) replaced Professor Savage as Member (*academic representative from a prescribed school of architecture, who is an architect or eligible for registration*).

Board Registry

The Board’s administrative affairs are managed by the Registrar, Ms Anita Nikolaou, assisted by an Assistant Registrar and Administration Officer.

These positions are full-time positions.

Board Functions and Powers

The *Architects Act 2002* empowers the Board to:

- assess applications made to it;
- register individuals who are eligible for registration and issue certificates of registration;
- conduct, or authorise investigations about the professional conduct of architects and contraventions of the Act;
- keep the register;
- advise the Minister for Housing and Public Works about the operation of the Act in its application to the practice of architecture;
- arrange or approve examinations in the practice of architecture for the purpose of registration under the Act;
- advance education in architecture and professional standards of architects;
- perform other functions given to the Board under the *Architects Act 2002* or another Act;
- perform a function incidental to one of the above functions.

How the Board Affects the Community

Architects contribute significantly to the quality of the built environment and fundamentally impact the way people live and work.

Architects provide professional services in connection with the planning and the design, construction, conservation, restoration and/or alteration of buildings.

These professional services include, but are not limited to: planning, strategic and land-use planning, urban design, provision of preliminary studies, design, models, drawings, specifications and technical documentation, coordination of technical documentation prepared by others as appropriate and without limitation (consulting engineers, landscape architects and other specialist consultants), construction economics, contract administration, monitoring of construction and project management (*Architects Accreditation Council of Australia*).

Architects using the title “architect” or offering “architectural design” or other “architectural services” in Queensland must be registered with the Board which regulates their activities under the Act.

Architects are required to comply with the requirements of the *Architects Act 2002*, the *Architects Regulation 2003*, and the Board’s *Code of Practice* which provides guidance to architects and consumers as to expected professional conduct and practice standards.

The Board undertakes various examination, registration, assessment and accreditation processes throughout the year, to ensure that only persons who hold prescribed qualifications and have clearly demonstrated skills and experience across all the competencies in the *National Standard of Competency for Architects* can attain

registration and practice as an architect in Queensland.

This includes managing the accreditation processes for University architectural design courses which can lead to registration as an architect.

The Board also considers and acts on complaints received from the public about the services provided by architects, to uphold the standard of the profession. To this end, the Board also requires architects to undertake annual continuing professional development requirements, as a condition of re-registration, and conducts a range of other proactive educational, communication and auditing activities.

Another important part of the Board's responsibilities under the Act is to undertake ongoing monitoring, compliance and enforcement activities to ensure that persons who are not architects do not misrepresent themselves to the public as 'architects' or offer or provide architectural services.

Through its activities, the Board protects the public by ensuring that architectural services are provided in a professional and competent way; that public confidence in the standard of architectural services is maintained; and that the standards of practice of architects are upheld.

Public Participation

The *Architects Act 2002* provides the grounds and processes by which members of the public or other persons who are "aggrieved by an architect's conduct in carrying out architectural services" may make a complaint to the Board.

The Act also provides the mechanisms for the Board to consider and investigate complaints, and take a range of compliance, enforcement and

disciplinary actions, as appropriate, in response to complaints made by the public.

The Board also considers and acts on evidence submitted by the public about persons who are not registered architects holding themselves out as architects or offering architectural services; about persons holding others out as architects when they are not; and about businesses offering architectural services without a registered architect being responsible for those services, which are all circumstances which could amount to being breaches of the Act.

Misrepresentations can include statements in print, digital sources, social media, newspapers, magazines, business directories, websites, other marketing and promotional materials, and verbal statements.

The Board encourages the public to search its free online Register of Architects, prior to engaging an "architect" to ensure they are registered to practise in Queensland, at https://www.boaq.qld.gov.au/BOAQ/Search_Register/Architect_Search.aspx.

The Board also encourages this practice by others prior to referring to someone in the public domain as being an "architect" or providing "architectural services", or that a building or structure was "architecturally designed", as this is an easy way to avoid potential breaches of the Act.

Section 140(2) of the Act further protects the public by negating any obligation for monetary or other consideration to be paid for services which have been held out to them as being architectural services if the services are not actually carried out by or under the supervision of an architect (ie. a person registered with the Board under the *Architects Act 2002*).

The Board undertakes public and other stakeholder consultation, as appropriate, in relation to reviews of its legislative and regulatory

framework prior to making recommendations to Government.

Strategic Direction

The Board's strategic direction is set out in its *Strategic Plan 2016-2020*, and reflects the objects of the *Architects Act 2002*.

The Board's main strategic goals are to:

- ensure that the Board meets its statutory obligations to act independently, impartially and in the community interest;
- ensure the independent sustainability of the Board; and
- maintain community confidence in the architects of Queensland and the operations of the Board and its officers.

Performance Agreement

The Board has in place a current Performance Agreement with the Minister, as required under Section 99 of the Act, which identifies the Board's strategic direction for the current financial year and the two following financial years.

The Board's activities during the year were consistent with its Performance Agreement.

Legislative Review

One of the Board's functions is to provide advice to the Minister about the operation of the *Architects Act 2002*.

The Board is committed to improving the legislative framework that underpins its operations and is continuously seeking to identify opportunities to improve the *Architects Act 2002* and *Architects Regulation 2003*.

The Board's objective in this process is to improve the operation of its legislative framework, to enable the Board to more efficiently and effectively discharge its

responsibilities, in order to protect the public and uphold the standard of practice of the architectural profession in Queensland.

The Board is, therefore, closely examining inter-jurisdictional legislative frameworks with a view to identifying better practices for adoption in Queensland, and to more closely align Queensland's legislation with that of other jurisdictions where appropriate.

Relevant stakeholders are consulted as part of this process and the Board provides recommendations to the Minister based on research, analysis of inter-jurisdictional approaches and learnings, and the results of stakeholder consultation.

Code of Practice

The Board's *Code of Practice*, approved under Regulation on 9 June 2005, provides guidance to architects and their clients about appropriate professional conduct and practice.

The Queensland *Code of Practice* is based on the National *Architects' Model Statutory Code of Professional Standards and Conduct*, which was developed jointly by the Architects Accreditation Council of Australia and the Royal Australian Institute of Architects with the intention of ensuring harmony in the regulation of architects throughout Australia.

The Board's current *Code of Practice* is available on the Board's website: www.boaq.qld.gov.au.

Under the Act, the Board's *Code of Practice* is required to be reviewed at least every three years.

The Board undertook a review of the Code of Practice during the 2017-2018 year, and is working with the Minister and the Department of Housing and Public Works to improve clarity around various practice issues facing architects.

Architects Accreditation Council of Australia (AACA)

The Architects Accreditation Council of Australia (AACA), is a corporate entity wholly owned by the Architect Registration Boards from each Australian State/Territory jurisdiction, including Queensland.

The AACA provides a forum for the discussion of matters of common interest, particularly the various aspects of registration, architectural education, and national standards setting.

The AACA also coordinates a National Assessment Panel which provisionally assesses the architectural academic qualifications of overseas persons wishing to register to practise architecture in Australia, in terms of their equivalence with the Australian academic accreditation standards. During the year, the Board, on behalf of AACA, arranged assessment interviews for overseas candidates wishing to register in Queensland to confirm their eligibility.

The AACA meets annually. The Board's representatives on the AACA are the Chairperson and the Registrar.

The AACA remains committed to the national recognition of registered architects. The Board will continue to enter into dialogue with the AACA and the other State and Territory Boards to promote further harmonisation across practices and procedures, as well as on the issue of national recognition of registration of architects.

PERFORMANCE OF FUNCTIONS

Maintaining the Register - Architect Registration Renewals

During 2017-18, the Board considered applications from 2540 Practising and 294 Non-

Practising architects seeking renewal of registration to practise in Queensland.

The Board successfully developed and implemented its Online Renewal Project during the year, with automated renewal of registration applications, electronic transactions for invoicing and issuing of receipts and practising certificates replacing manual printed processes.

As well as delivering significantly enhanced and responsive service delivery for architects registered with the Board, this initiative achieved a significant financial savings for the Board, in postage, stationery and mail house expenses and manual processing time for staff.

As at 30 June 2018, there were 2,857 architects registered with the Board, comprising 2,545 practising architects and 312 non-practising architects.

Maintaining the Register - New Architect Registrations

During the 2017-18 year, the Board considered 139 applications from individuals seeking registration as architects, all of which were approved.

Ninety-five (97) of these were new registrations under the *Architects Act 2002*. Thirty-eight (38) were applications under the *Mutual Recognition (Qld) Act 1992*. Two (2) were applications made under the *Trans-Tasman Mutual Recognition Agreement (Qld) Act 2003*. The remaining two (2) applications were made under the *US/Australia/New Zealand Mutual Recognition of Registration Arrangement*.

A further 28 individuals who had previously been registered as architects in Queensland were restored to the Register during the year.

Notifications of Businesses offering Architectural Services

Annual registration of architectural companies in Queensland ceased with the introduction of the *Architects Act 2002*.

However, effective 1 July 2003, amendments to the Act allowed architectural companies to use the word “architect” or “architectural services” in their title without offending against the Act if they submitted an approved notice to the Board.

Further amendments to the Act effective 21 April 2010 provided for all architectural businesses to be able to notify the Board (under Section 141A) of their intention to offer architectural services and nominate the “architect/s” who can be held responsible for the architectural services at each place the business provides the services, to protect them from potentially being in breach of the Act.

As at 30 June 2018, 546 architectural business entities have voluntarily submitted notices to the Board under Section 141A of the Act nominating the architect/s responsible for the architectural services offered. These notices are held at the Board’s office for inspection by the public upon request.

Most Australian jurisdictions (except for Queensland and Tasmania) register businesses and/or companies providing architectural services, to ensure a searchable public register is maintained to facilitate monitoring, compliance and enforcement activities to uphold practice standards.

Architectural Practice Examinations

The Board is responsible, under the Act, for holding examinations in the practice of architecture for the purpose of registration.

Twice-yearly, the Board conducts the Queensland sessions of the three-part Architectural Practice Examination (APE), coordinated nationally

through the AACA. The APE is a nationally uniform system of assessment for candidates seeking registration as architects, based on the agreed *National Standard of Competency for Architects*.

Successful completion of this three-part examination (after having first achieved a recognised qualification in architecture), makes candidates eligible to apply for registration as architects, subject to other requirements of the Act.

Part 1 of the APE involves an assessment of a candidate’s Logbook and Statement of Practical Experience against a minimum standard of 3,300 hours of logged experience across the 15 prescribed Performance Criteria of the *National Standard of Competency for Architects*.

Part 2 of the APE, the written National Examination Paper (NEP), is developed each year by the AACA on behalf of the State/Territory Boards, and the timing of its sitting is synchronised nationally. A comprehensive review of the NEP was finalised during the year, resulting in improvements to the structure and design of the questions, and the successful implementation of an online delivery format. The April 2018 session was successfully undertaken online for the first time, at centralised locations in each jurisdiction.

Part 3 of APE is an interview examination conducted by two Board Examiners.

In the September 2017 Session of the APE, 60 candidates applied for admission to sit Parts 1 and 2. Forty-seven (47) candidates sat the written NEP, with 43 being successful. Fifty-three (53) candidates applied to sit the Part 3 interview examination, with 43 being successful.

In the April 2018 Session of the APE, 69 candidates applied for admission to sit Parts 1 and 2. Fifty-three (53) candidates sat the written NEP,

with 51 being successful. Sixty-one (61) candidates applied to sit the Part 3 interview examination, with 51 being successful.

During the year, Mr Ian Hamilton continued in the position of State Convenor for the APE in Queensland. He was first appointed to this role in August 2011. The Board acknowledges Mr Hamilton's contribution.

The Board also records its continued appreciation of the support and assistance of the members of the architectural profession who serve as Board Examiners, as well as members of the profession more generally for mentoring candidates, assisting them to gain the experience needed, and otherwise supporting them to prepare for the APE and through their careers, which contributes to upholding the profession.

Accreditation of Architectural Schools

Only Australian architectural qualifications recognised by the AACA, or overseas architectural qualifications assessed by the AACA as equivalent, meet the eligibility requirement for registration under the *Architects Act 2002*.

The Board is a joint owner in the process of accreditation of Queensland architectural courses.

The review, accreditation and recognition processes for architectural courses are prescribed in the Trans-Tasman *Architecture Program Accreditation Procedure in Australia and New Zealand* (APAPANZ). This new revised procedure launched by AACA in December 2017 replaces the former *Australian and New Zealand Architecture Program Accreditation Procedure* (ANZAPAP), after an extensive review of the ANZAPAP.

The Board is responsible for the accreditation of architectural courses offered in Queensland which can lead to registration as an architect. On

the advice from the AACA, and after considering the results of the APAPANZ evaluation and accreditation processes, the Board has provided accreditation for four Masters of Architecture courses currently delivered in Queensland which can lead to registration as an architect. These courses are offered by the University of Queensland, the Queensland University of Technology, Griffith University and Bond University.

During the year, the Board's Registry acted as Panel Manager for three (3) Accreditation Panels: the Interim Report Panel to the University of Queensland (10 October 2017); the Interim Report Panel to the Queensland University of Technology (20 October 2017); and the Interim Report Panel to Griffith University (9 November 2017). Queensland Assessors also participated in the National Visiting Panel Report for Bond University (23-25 October 2017).

Course Assessors were selected from a Standing Panel of experts nominated by Architect Registration Boards, professional associations and the AACA.

Board Student Prizes

This was the 78th year the Board has awarded Board of Architects of Queensland Student Prizes to the student from each accredited Queensland architectural course identified as having shown the greatest proficiency across the whole course.

The recipients of the Board Prizes for 2017 were:

Bond University

Ms Samara Hayes

Griffith University

Ms Courtney Villegas

Queensland University of Technology

Ms Catherine Hua

The University of Queensland

Mr Hamish Lonergan

With the recent accreditation of the Bond University architectural course, this was the first year that a Board Prize was awarded to a student from Bond University.

COMPLIANCE & ENFORCEMENT

Continuing Registration Requirements

The *Architects Act 2002* (Section 16) requires the Board to be satisfied that an architect has maintained competency in the practice of architecture as a requirement of continuing registration each year.

Accordingly, the Board requires registered practising architects to demonstrate this by undertaking a minimum of 20 hours of continuing professional development (CPD) activities each year, of which 10 hours must be formal CPD activities.

The Board's CPD policy is based on a joint policy developed by the AACA and the Australian Institute of Architects.

In September 2017, the Board undertook its Annual CPD Audit. The CPD records of 133 practising architects randomly selected from the Queensland Register were audited. The compliance rate was 92 per cent. The Board also audited the CPD records of six additional architects who had previously been found to have been CPD non-compliant. The compliance rate was 100 per cent.

As a result of the Audit, follow up compliance and enforcement and education activities were undertaken by the Board involving 11 architects whose records did not meet the Board's requirements.

The Board decided to investigate six architects for conduct relating to their failure to undertake the required CPD hours to demonstrate ongoing competency in the practice of architecture, and for making false statements to the Board about their having undertaken the required CPD, in breach of the Act and the Code of Practice. As a result of these investigations, the Board decided to issue formal reprimands to two architects; a formal caution to one architect; to cancel the registration of one architect; and to take no further action against the remaining two architects, these architects having provided notice to the Board of the surrender of their registration.

During the year, the Board developed an online CPD recording template *MyArch CPD* to assist architects with this reporting requirement, and to streamline auditing and reporting processes. It will be used as a key tool for the 2018 CPD Audit.

Complaints against Architects

Part 3 Division 2 of the Act provides for complaints to be made to the Board by persons who are "aggrieved by an architect's conduct in carrying out architectural services".

Nine new complaints against architects were considered by the Board during 2017-18.

The Board undertook formal investigations of two of these complaints, against two architects and one company providing architectural services, with the outcome that one of the architects was formally cautioned under Section 73(2)(c) of the Act; one architect was reprimanded under Section 73(2)(c), and the architectural company was reprimanded under Section 75(2)(c) of the Act.

In another matter, the Board required an architect to undertake several actions, including submitting himself to a practice review at his own cost, with the result that the matter is now fully resolved.

In four matters, the Board decided not to undertake an investigation on the basis that the evidence did not disclose any grounds upon which it was reasonably open to the Board to conclude that a ground for disciplinary action might be established against the architect.

Two of these new complaints are still being considered by the Board: one against an architect, and another against an architectural company.

In addition, two complaint matters carried forward from the previous year were finalised during 2017-18 year. The Board conducted formal investigations in both cases. The Board decided to issue a formal caution to one architect, pursuant to Section 73(2)(c) of the Act. It decided to issue a formal reprimand to the second architect, pursuant to section 73(2)(c) of the Act, together with a requirement that the architect undertake to complete a specific action at the direction of the Board in order that the architect did not continue to offend against the Act and Code of Practice.

Part 7 Offences under the Act

Part 7 of the *Architects Act 2002* contains various offence provisions against persons (including companies) who are not registered with the Board but who are discovered to be holding themselves out/being held out by others as architects or offering architectural services.

It is an offence for a person to use the term “architect” or otherwise hold themselves out to be an architect, or to offer “architectural services” or “architectural design services”, unless they are registered with the Board and comply with the requirements of the Act.

The Board considered 64 matters during 2017-18 concerning potential breaches of Part 7 of the Act by persons who are not architects but who were discovered to be potentially holding themselves out/being held out as architects or offering architectural services.

Investigations – carried forward

The Board investigated five matters carried forward from the previous year.

One of these matters resulted in the Board deciding to commence proceedings in the Brisbane Magistrates Court to prosecute Mr Michael King (alias Petrascu) and Nova Design Group Pty Ltd (of which Mr King is company secretary) for multiple offences under Sections 113-115 of the Act.

Both Nova Design Group Pty Ltd and Mr King pleaded guilty to all charges at a Court hearing on 24 January 2018. Nova Design Group Pty Ltd was fined \$30,000 and ordered to pay legal and investigative costs of \$20,000 to the Board, with a conviction recorded. Mr King was fined \$12,000 and ordered to pay legal and investigative costs of \$10,000 to the Board, with a conviction recorded. The Judge referred the matter of payment of the two total amounts (\$50,000, and \$22,000) to the State Penalties Enforcement Registry. As yet no payment has been received by the Board.

The Board also decided to commence proceedings in the Brisbane Magistrates Court to prosecute Mr Christopher Clout and Chris Clout Designs Pty Ltd for a range of potential offences under Part 7 of the Act. This matter is still underway.

A third investigation was able to be terminated at an early stage due to the matter having been resolved to the Board’s satisfaction by the parties concerned.

As a result of the fourth investigation, the Board took administrative action under Section 80 of the Act, in respect of alleged offences relating to entry to the Architectural Practice Examinations.

The fifth matter is still ongoing.

Investigations – new

During the 2017-218 year, the Board decided to authorise the commencement of investigations in relation to two new matters.

Both investigations are still underway.

Warnings

The Board decided to send warning letters to 64 persons the Board considered to have been holding themselves out as architects or offering architectural services when they are not architects.

The Board also decided to send warning letters to 18 other parties identified as having held out persons as architects or as offering architectural services in contravention of Part 7 of the Act.

As at 30 June 2018, the Board was continuing to work with persons in 18 matters to resolve potential breaches of Part 7 of the Act.

In addition, during 2017-18 the Registry undertook administrative compliance and enforcement actions to resolve an additional 29 potential minor breaches of the Act in respect of holding out offences.

Review of Board Decisions

No applications were made to the Queensland Civil and Administrative Tribunal (QCAT) for a review of a Board decision during the reporting year, under Part 8 Division 2 of the Act.

No reviews of Board decisions in respect of disciplinary proceedings were conducted during the year.

CORPORATE GOVERNANCE

Machinery of Government Changes

No machinery of government changes occurred during the reporting period which directly impacted the Board's operations.

Risk Management

The Board has established a risk management program consistent with the principles set out in *AS/NZS ISO 31000:2009*.

Risk management was addressed as part of the Board's June meeting, where the Board discussed and revised its Risk Register.

Recordkeeping

In accordance with the *Public Records Act 2002 (Qld)*, the Board uses record keeping best practices to identify, capture and maintain complete and accurate records which are retained in an accessible and usable format that preserves the evidential integrity of those records for as long as they are required.

The Board is committed to continuing implementation of its digital transformation strategy across its operations. These initiatives include building an enhanced digital record keeping, access and functionality capability to support the Board's operations.

Information Management & Privacy

The Board maintains the following categories of documents:

- register of persons who are or who have been architects;
- documents relating to the review and accreditation of architectural courses in Queensland;
- notices and forms given to the Board by corporations or other prescribed entities using

the title “architect” or offering “architectural services” or “architectural design services”;

- documents relating to complaints against architects;
- documents lodged in respect of allegations relating to offences committed under the Act;
- documents lodged in support of applications by candidates for entry to the Architectural Practice Examinations;
- Board papers; and
- general files.

Board documents in the above categories are subject to the requirements of the *Public Records Act 2002* and the *Information Privacy Act 2009* copies of which may be accessed from www.legislation.qld.gov.au.

Access to Documents and Right to Information

Facilities for examining accessible documents and obtaining copies of those documents are available at the Board’s office at Level 3, 87 Wickham Terrace, Spring Hill.

The Registrar of the Board is the contact person for Right to Information (RTI) matters and is available to assist applicants to submit an application to comply with the Act.

No RTI applications were received during the year.

RTI applications should be addressed to:

The Registrar
Board of Architects of Queensland
GPO Box 316
Brisbane QLD 4001

or delivered in person to:

The Registrar
Board of Architects of Queensland
Level 3, 87 Wickham Terrace

Spring Hill
Brisbane QLD 4000

Board Meetings & Remuneration

The Board met 10 times during the year. The number of meetings attended and total remuneration received by Board Members is listed below.

Board Member	Meetings Attended	Eligible to attend	Fees
B Medek	7	10	\$2,150
J McVeigh	2	3	\$600
A Hampson	9	10	\$2,000
B Taylor	9	10	\$2,000
D Johnson	10	10	\$2,000
T Dennis	3	3	\$600
L Burton	3	3	\$600
S Savage	7	7	\$1,750
M Blucher	7	7	\$1,400
C Douglas	4	7	\$1,400

Overseas Travel

No overseas travel was undertaken by Board Members or Registry staff during the year.

Internal Audit

The Board received no direction from the Minister for Housing and Public Works to establish an internal audit function, nor did the Board consider it appropriate or necessary to do so due to the small size of the organisation (three employees) and the Board’s limited resources.

External Audit

An independent external audit of the Board’s financial affairs was conducted during the year by the Queensland Audit Office.

The Independent Auditor's Report is included at the end of this Annual Report.

Code of Conduct

The Board Members and Registry staff maintain the highest standards of conduct, integrity and accountability reflecting the principles and values underlying good administration as expected by the public.

All Board Members, and Registry staff (whether employed under the *Public Service Act 2008* or Board appointed staff), are bound by the *Public Service Ethics Act 1994* and adhere to the *Queensland Public Service Code of Conduct*.

Learning and development activities are undertaken by staff and Board Members to enhance understanding of the Code of Conduct and its application in practice.

The administrative procedures and management practices of the Board during the reporting period operated in accordance with the requirements of Sections 22-23 of the *Public Sector Ethics Act 1994*.

Ministerial Directions

No Ministerial direction was given to the Board under Section 98(1) of the Act.

Finance

The Board is a non-profit, self-funding Statutory Authority which operates independently, impartially and in the public interest, to discharge its responsibilities under the *Architects Act 2002*.

All costs associated with the regulation of architects, including the Board's costs for administration of the Act, are met by fees levied on architects registered under the Act.

All Board fees and charges are set by Statute, scheduled in the *Architects Regulation 2003*.

A significant issue impacting on the Board's budget is that the high expense items of investigation and legal costs are unpredictable, being largely a factor of the number of complaints received by the Board each year requiring investigation and disciplinary or prosecution action. Also, the fines and penalties awarded to the Board from successful prosecution actions are generally referred to SPER, and generally take many years to be recouped by the Board.

This issue has affected this year's accounts, with \$72,000 from fines and penalties awarded to the Board by the Magistrates Court in January 2018, but with the debtors still not having entered into a payment plan with SPER as at 30 June 2018 and with no indication that the two parties were likely to do so in the foreseeable future.

The Board's audited annual financial statements have been prepared pursuant to Section 62(1) of the *Financial Accountability Act 2009*, relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements.

The Board's full financial statements are included in Part B of this Annual Report.

Acknowledgements

The Board places on record its appreciation for the cooperation and assistance received from officers of the Architect Registration Boards in Inter-State and Territory jurisdictions, the AACA, and the Department of Housing and Public Works during the year.

Compliance Checklist 2017 - 2018

Summary of requirement	Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7 5
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1 3 - 4 n/a
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2 2
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 9.3 2
	<ul style="list-style-type: none"> Copyright notice 	Copyright Act 1968 ARRs – section 9.4 2
	<ul style="list-style-type: none"> Information Licensing 	QGEA – Information Licensing ARRs – section 9.5 2
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10.1 8 - 11
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2 8-9
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 31 and 32 n/a
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3 12
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs – section 11.1 8 - 10
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 11.2 n/a
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3 8, 11
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4 8, 12-17
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1 Part B – Financial Statements
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1 8 - 9
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2 8 - 9
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3 n/a
	<ul style="list-style-type: none"> Public Sector Ethics Act 1994 	Public Sector Ethics Act 1994 ARRs – section 13.4 18 - 19
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.5 n/a
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1 17
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2 18
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3 18
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4 11, 17, 18, 19
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5 17

Compliance Checklist 2017 - 2018

Summary of requirement	Basis for requirement	Annual report reference
Governance – human resources <ul style="list-style-type: none"> • Strategic workforce planning and performance 	ARRs – section 15.1	n/a
	<ul style="list-style-type: none"> • Early retirement, redundancy and retrenchment Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> Directive No.16/16 <i>Early Retirement, Redundancy and Retrenchment</i> (from 20 May 2016) ARRs – section 15.2	n/a
Open Data <ul style="list-style-type: none"> • Statement advising publication of information • Consultancies • Overseas travel • Queensland Language Services Policy 	ARRs – section 16	2
	ARRs – section 33.1	n/a
	ARRs – section 33.2	18
	ARRs – section 33.3	2
Financial statements <ul style="list-style-type: none"> • Certification of financial statements • Independent Auditor’s Report 	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	Part B Financial Statements
	FAA – section 62 FPMS – section 50 ARRs – section 17.2	

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2009*

ARRs *Annual report requirements for Queensland Government agencies*

PART B –
2017-2018 FINANCIAL STATEMENTS

THE BOARD OF ARCHITECTS OF QUEENSLAND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

THE BOARD OF ARCHITECTS OF QUEENSLAND FINANCIAL STATEMENTS 2017-18

Contents

Statement of Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
Statement of Cash Flows
Notes To and Forming Part of the Financial Statements
Management Certificate

General Information

These financial statements cover the Board of Architects of Queensland.

The Board of Architects of Queensland is a Queensland Government Statutory Body established under the *Architects Act 2002*.

The head office and principal place of business of the Board is:

Level 3
87 Wickham Terrace
Spring Hill QLD 4001

A description of the nature of the Board's operations and its principal activities is included in the notes to the financial statements.

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

THE BOARD OF ARCHITECTS OF QUEENSLAND
Statement of Comprehensive Income
for the year ended 30 June 2018

	Notes	2018	2017
		\$	\$
Income from Continuing Operations			
Fees and Other Receipts	2	647,182	605,935
Interest Revenue		11,624	16,029
Penalties and Costs		22,240	5,660
Other Revenue		90	-
Total Income from Continuing Operations		681,136	627,624
Expenses from Continuing Operations			
Employee Expenses	3	291,455	291,661
Administration Expenses	4	397,246	227,131
Examination Expenses		68,174	65,789
Board Member Expenses		27,102	25,611
Total Expenses from Continuing Operations		783,977	610,192
Operating Result from Continuing Operations		(102,841)	17,432
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss)		(102,841)	17,432

The accompanying notes form part of these statements.

THE BOARD OF ARCHITECTS OF QUEENSLAND
Statement of Financial Position
as at 30 June 2018

	Notes	2018 \$	2017 \$
Current Assets			
Cash and Cash Equivalents	5	655,113	744,349
Trade and Other Receivables	6	33,116	17,724
Prepayments	7	25,019	21,046
Total Current Assets		713,248	783,119
Non-Current Assets			
Property, Plant & Equipment	8	-	-
Total Non-Current Assets		-	-
Total Assets		713,248	783,119
Current Liabilities			
Trade and Other Payables	9	64,253	65,418
Unearned Revenue		497,661	474,221
Accrued Employee Benefits	10	64,898	51,694
Total Current Liabilities		626,812	591,333
Non-Current Liabilities			
Accrued Employee Benefits	10	4,222	6,731
Total Non-Current Liabilities		4,222	6,731
Total Liabilities		631,034	598,064
Net Assets		82,214	185,055
Equity			
Accumulated Surpluses		82,214	185,055
Total Equity		82,214	185,055

The accompanying notes form part of these statements.

THE BOARD OF ARCHITECTS OF QUEENSLAND
Statement of Changes in Equity
for the year ended 30 June 2018

	Notes	\$
		Accumulated Surplus
Balance as at 1 July 2016		167,623
Operating Result from Continuing Operations		17,432
Other Comprehensive Income		-
Total Comprehensive Income/(Loss)		<u>17,432</u>
Balance as at 30 June 2017		<u>185,055</u>
Balance as at 1 July 2017		185,055
Operating Result from Continuing Operations		(102,841)
Other Comprehensive Income		-
Total Comprehensive Income/(Loss)		<u>(102,841)</u>
Balance as at 30 June 2018		<u>82,214</u>

The accompanying notes form part of these statements.

THE BOARD OF ARCHITECTS OF QUEENSLAND
Statement of Cash Flows
for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
<i>Inflows:</i>			
Fees and other receipts		720,963	602,609
Penalties and Costs		5,460	5,660
Interest Earned		13,616	12,913
 <i>Outflows:</i>			
Employee expenses		(260,539)	(217,890)
Superannuation		(31,358)	(40,622)
Board Member Expenses		(28,362)	(27,035)
Examination Expenses		(74,595)	(66,510)
Administrative Expenses		(206,284)	(197,719)
Investigations/Hearings/Legal Expenses		(228,137)	(45,028)
Net cash provided by (used in) operating activities	11	<u>(89,236)</u>	<u>26,380</u>
 Cash flows from investing activities			
<i>Outflows:</i>			
Acquisition of Assets		-	-
Net cash provided by (used in) investing activities		<u>-</u>	<u>-</u>
 Cash flows from financing activities			
<i>Outflows:</i>			
Acquisition of Assets		-	-
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
 Net increase (decrease) in cash and cash equivalents			
		(89,236)	26,380
Cash and cash equivalents at beginning of financial year		744,349	717,969
Cash and cash equivalents at end of financial year	5	<u>655,113</u>	<u>744,349</u>

The accompanying notes form part of these statements.

THE BOARD OF ARCHITECTS OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Objectives of the Board

- Note 1 Summary of Significant Accounting Policies
- Note 2 Fees and Other Receipts
- Note 3 Employee Expenses
- Note 4 Administrative Expenses
- Note 5 Cash and Cash Equivalents
- Note 6 Trade and Other Receivables
- Note 7 Prepayments
- Note 8 Property, Plant and Equipment
- Note 9 Trade and Other Payables
- Note 10 Provision for Employee Benefits
- Note 11 Reconciliation of Operating Result to Net Cash from Operating Activities
- Note 12 Contingent Assets and Liabilities
- Note 13 Events Occurring after Reporting Date
- Note 14 Commitments for Expenditure
- Note 15 Financial Risk Management

**THE BOARD OF ARCHITECTS OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

Objectives and Principal Activities of the Board

The objectives of the Board of Architects of Queensland (the Board) are to protect the public by ensuring architectural services of an architect are provided in a professional and competent way, to maintain public confidence in the standard of services provided by architects and to uphold the standards of practice of architects.

1 Summary of Significant Accounting Policies

(a) Statement of Compliance

The Board of Architects of Queensland has prepared these financial statements in compliance with section 43 of the Financial and Performance Management Standard 2009.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2018, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, The Board has applied those requirements applicable to not-for-profit entities, as the Board is a not-for-profit Statutory Body. Except where stated, the historical cost convention is used.

(b) The Reporting Entity

The financial report covers the Board of Architects of Queensland as an individual entity.

(c) Revenue Recognition

Revenue from renewal fees is recognised on an accrual basis.

Under the Architects Act 2002, the registration period finishes at 30 June each year. Registrants who do not renew their registration are removed from the Board's Register.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

(d) Cash and Cash Equivalents

For financial reporting purposes, cash includes all cash at bank, on hand and deposits at call with financial institutions.

(e) Receivables

Receivables are recognised at the amounts due at the time of sale or service delivery. The collectability of receivables is assessed periodically with an allowance being made for impairment.

No debts were written off this financial year.

(f) Acquisition of Assets

Cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use.

(g) Property, Plant and Equipment

All items of plant and equipment with a cost or other value in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition.

Items with a lesser value are expensed in the year of acquisition.

**THE BOARD OF ARCHITECTS OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

1 Summary of Significant Accounting Policies (continued)

(h) Depreciation of Property, Plant and Equipment

Property, plant and equipment have been recorded in the financial report at cost less accumulated depreciation. Depreciation on all property, plant and equipment has been calculated on a straight-line basis so as to allocate the cost of each asset progressively over its estimated useful life to the Board.

For each class of depreciable asset the following depreciation rates are used:

Class	Rate
Plant and Equipment	
- Computer Equipment	33%

(i) Taxation

The Board is a State Body as defined under the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax. The Board's income from fees is exempt from Goods and Services Tax (GST) in accordance with Division 81 Written Determination. Input tax credits receivable and GST payable on income from sources other than fees from/to the Australian Tax Office (ATO) are recognised.

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.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Trade and Other Payables

Trade creditors are recognised upon receipt of the goods and services ordered at the agreed purchase price. The amounts are non-interest bearing and are normally paid within the terms stated on the creditor's invoice.

(k) Employee Benefits

Employer superannuation contributions, annual leave and long service leave are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages, Salaries and Sick Leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

The Registrar is employed by the Board on a full time basis. The position is paid by the Department of Housing & Public Works, therefore all benefits specific to this positions are recognised in the Department of Housing & Public Works' financial statements, with all expenses being reimbursed by the Board on a quarterly basis.

As sick leave in non-vesting, an expense is recognised for this leave as it is taken.

**THE BOARD OF ARCHITECTS OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

1 Summary of Significant Accounting Policies (continued)

(k) Employee Benefits (continued)

Annual Leave and Long Service Leave

Provision is made for the Board's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employees may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Provision for employee benefits represents amounts accrued for annual leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Board does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Board does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement. The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The Board's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-Government basis and reported in those financial statements prepared pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury and Trade. Refer to Note 3 for the disclosures on Executive Remuneration.

The Registrar is employed by the Board on a full-time basis. However, this position is paid by the Department of Housing and Public Works (therefore, all benefits are recognised in the Department of Housing and Public Works' financial statements), with all positions being reimbursed by the Board on a quarterly basis.

(l) Prepayments and Insurance

Professional Indemnity Insurance and Insurance for Directors and Officers is paid annually in advance in April each year. The pre-paid component is recorded as a current asset. Postage is also pre-paid and the credit remaining from postage unspent is recorded as a current asset.

(m) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Board becomes party to the contractual provisions of the financial instrument.

**THE BOARD OF ARCHITECTS OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

1 Summary of Significant Accounting Policies (continued)

(m) Financial Instruments (continued)

Classification and subsequent measurement

Financial instruments are classified and measured as follows:

- Cash and Cash equivalents – held at fair value through profit and loss
- Receivables – held at amortised cost
- Payables – held at amortised cost

The Board does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Board holds no financial assets classified at fair value through profit and loss.

(n) Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(o) Going Concern

This financial report has been prepared on a going concern basis and the Board will be able to meet its debts as and when they fall due.

(p) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(q) Critical Accounting Estimates and Judgements

The Board evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

(r) Unearned Revenue

Annual Renewal Fees received during April, May and June 2018 for the registration year commencing 1 July 2018 are recognised as Unearned Revenue in 2017-2018.

(s) New and Revised Accounting Standards

The Board did not voluntarily change any of its accounting policies during 2017-18.

The Board applies Australian Accounting Standards and Interpretations in accordance with their respective commencement dates. At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below:

THE BOARD OF ARCHITECTS OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1 Summary of Significant Accounting Policies (continued)

(s) New and Revised Accounting Standards (continued)

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contract with Customers will first apply to the Board from its financial statements from 1 January 2018, and AASB 1058 Income of Not-for-Profit Entities will first apply to the Board from its financial statements from 1 January 2019.

The new Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations, as such transactions are accounted for in accordance with AASB 15. AASB 1058 requires an entity to recognise:

- income immediately in profit or loss for the excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue. For this purpose, the assets, liabilities and revenue are to be measured in accordance with the relevant Accounting Standards;
- liabilities for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the relevant Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer; and
- volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services shall be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

AASB 1058 mandatorily applies to annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted, provided AASB 15 is applied for the same period.

Although the Board anticipates that the adoption of AASB 1058 and AASB 15 may have an impact on the Board's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16 Leases

This standard will first apply to the Board from its financial statements for 2019-20. When applied, the standard supersedes AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases – Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Impact for Lessees

Unlike AASB 117 Leases, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position under AASB 16. There will be a significant increase in assets and liabilities for agencies that lease assets. The impact on the reported assets and liabilities would be largely in proportion to the scale of the agency's leasing activities.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

**THE BOARD OF ARCHITECTS OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

1 Summary of Significant Accounting Policies (continued)

(s) New and Revised Accounting Standards (continued)

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. If a lessee chooses to apply the 'cumulative approach', it does not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application. The Board will await further guidance from Queensland Treasury on the transitional accounting method to be applied.

The Board anticipates that the adoption of AASB 16 in 2019-2020 will impact on the Board's statement of financial position with the effect of a right of use asset and lease liability being recognised for an estimated \$83,000.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the Board's activities, or have no material impact on the Board.

	2018	2017
	\$	\$
2 Fees and Other Receipts		
Application Fees	40,887	35,139
Registration Fees	24,077	20,867
Restoration and Processing Fees	4,783	3,661
Renewal Fees	474,220	453,198
Examination Fees	103,215	93,070
Total	<u>647,182</u>	<u>605,935</u>

3 Employee Expenses

Wages	130,857	130,777
Reimbursement of Registrar's Salary and Expense	129,834	132,798
Superannuation	13,547	15,400
Long Service Leave	7,199	8,592
Annual Leave	3,495	(1,334)
Other	6,523	5,428
Total	<u>291,455</u>	<u>291,661</u>

Key Management Personnel

	2018	2017
Number of employees including both full-time employees and part-time employees measured on a full time equivalent basis	3	3
Number of Board members paid wages during the year:	10	7

The names of current Board members are:

Bruce Medek (Chairperson)	Alice Hampson	Debra Johnson
Bridget Taylor	Jennifer McVeigh (Deputy Chairperson)	Tania Dennis
Lindy Osborne Burton		

Board members appointed during the year are:

Jennifer McVeigh (Deputy Chairperson)	Tania Dennis	Lindy Osborne Burton
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Board members that have retired during the year are:

Prof Susan Savage (ex chairperson)	Miles Blucher	Christopher Douglas
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**THE BOARD OF ARCHITECTS OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

3 Employee Expenses (Continued)

Key Management Personnel (continued)

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Board during 2017-18.

Position	Responsibilities	Current incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Anita Nikolaou	The Registrar is responsible for managing the business requirements of the Board. This includes keeping a register of Architects.	AO7 Public Service Act 1996	January 2017
Prof Susan Savage	The Chairperson is responsible for the oversight, management and leadership of the Board. The role provides direction as to the economic and operational goals of the Board.	Board Member (Chairperson)	January 2015 (March 2018)
Bruce Medek	The Chairperson is responsible for the oversight, management and leadership of the Board. The role provides direction as to the economic and operational goals of the Board.	Board Member (Chairperson)	April 2018
Bruce Medek	The Deputy Chairperson is responsible for the oversight, management and leadership of the Board. The role provides direction as to the economic and operational goals of the Board.	Board Member (Deputy Chairperson)	July 2016 (April 2018)
Jennifer McVeigh	The Deputy Chairperson is responsible for the oversight, management and leadership of the Board. The role provides direction as to the economic and operational goals of the Board.	Board Member (Deputy Chairperson)	April 2018

Executive Remuneration 1 July 2017 – 30 June 2018

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$	Non- Monetary Benefits \$	\$	\$	\$	\$
Registrar (Anita)	111,862	-	2,206	13,202	-	127,270
Chairperson (Susan)	1,750	-	-	-	-	1,750
Chairperson (Bruce)	2,150	-	-	-	-	2,150
Deputy Chairperson (Jennifer)	600	-	-	-	-	600
Total Remuneration	116,362	-	2,206	13,202	-	131,770

Executive Remuneration 1 July 2016 – 30 June 2017

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$	Non- Monetary Benefits \$	\$	\$	\$	\$
Registrar (Denis)	50,885	-	493	5,299	-	56,677
Acting Registrar	9,588	-	-	815	-	10,403
Acting Registrar (Gary)	43,215	-	664	4,359	-	48,238
Registrar (Anita)	55,823	-	955	1,929	-	58,707
Chairperson (Susan)	2,500	-	-	-	-	2,500
Deputy Chairperson (Richard)	2,000	-	-	-	-	2,000
Total Remuneration	164,011	-	2,112	12,402	-	178,525

THE BOARD OF ARCHITECTS OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
4 Administrative Expenses	\$	\$
Accounting	9,894	4,015
Audit Fees	7,100	7,100
Bank Charges	5,385	5,908
Accommodation Expenses	50,838	46,552
Office Expenses	23,528	32,968
Investigations, Hearings, Legals	209,968	44,145
Legislation Workshops	-	2,863
Office Systems (includes computer maintenance)	21,414	24,799
Online Registration	36,867	39,769
Memberships (AACA)	32,252	19,012
Total	397,246	227,131
5 Cash and Cash Equivalents		
Cash at Bank	54,543	39,865
Petty Cash	190	118
QTC Investment Account	585,030	689,016
CBA Term Deposit	15,350	15,350
Total	655,113	744,349
6 Trade and Other Receivables		
Trade Receivables	16,780	22,240
Allowance for Impairment	-	(22,240)
Net Receivables	16,780	-
Accrued Interest	1,124	3,117
GST Receivables	15,212	14,607
Total	33,116	17,724
7 Prepayments		
Prepaid Insurance	4,523	4,521
Other Prepayments	20,496	16,525
Total	25,019	21,046
8 Property, Plant and Equipment		
Computer Equipment	6,937	6,937
Accumulated Depreciation - Computer Equipment	(6,937)	(6,937)
Total	-	-
Movements Schedule		
Computer Equipment		
Carrying amount at 1 July	-	-
Acquisitions	-	-
Depreciation	-	-
Carrying amount at 30 June	-	-
9 Trade and Other Payables		
Trade Creditors	8,687	34,859
Accrued Expenses	47,387	16,689
Franking Machine	(6)	590
Other Payable	8,185	13,280
Total	64,253	65,418

THE BOARD OF ARCHITECTS OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
10 Provision for Employee Benefits		
Current		
Annual Leave Payable	10,122	6,627
Long Service Leave Payable	54,776	45,067
Total	<u>64,898</u>	<u>51,694</u>
Non-Current		
Annual Leave Payable	-	-
Long Service Leave Payable	4,222	6,731
Total	<u>4,222</u>	<u>6,731</u>
Analysis of Provisions		
Opening Balance at 1 July	58,425	51,167
Additional Provisions raised during the year	17,780	21,438
Amounts Used	7,085	14,180
Balance at 30 June 2018	<u>69,120</u>	<u>58,425</u>

11 Reconciliation of Operating Result to Net Cash from Operating Activities

Operating Result	(102,841)	17,432
Depreciation	-	-
Changes in Assets and Liabilities		
Decrease (increase) in Receivables	(17,385)	(4,956)
Decrease (increase) in Prepayments	(3,973)	(10,503)
Increase (decrease) in Trade & Other Payables	828	(3,694)
Increase (decrease) in Unearned Revenue	23,440	20,843
Increase (decrease) in Accrued Employee Benefits	10,695	7,258
Net cash from operating activities	<u>(89,236)</u>	<u>26,380</u>

12 Contingent Assets and Liabilities

As at 30 June 2018, there was a contingent liability of \$15,340 (2017: \$15,340) in relation to a bank guarantee which was a requirement of the office lease agreement.

13 Events Occurring after Reporting Date

There are no events occurring after the balance date that materially affect the financial statements at 30 June 2018.

14 Commitments for Expenditure

The Board had no capital commitments of a material nature at 30 June 2018.

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

	2018	2017
	\$	\$
Not later than one year	41,335	36,909
Later than one year and not later than five years	83,497	121,725
Later than five years	-	-
Total	<u>124,832</u>	<u>158,634</u>

The lease is for the business premises and is a non-cancellable lease with a 5 year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments can be increased by the CPI once a year during the rent review period on 18 July. An option exists to renew the lease at the end of the term for one additional term of five years.

**THE BOARD OF ARCHITECTS OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

15 Financial Risk Management

Categorisation of Financial Instruments

The Board's financial instruments consist mainly of deposits with financial institutions, receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Category	Note	2018	2017
		\$	\$
Financial assets			
Cash and cash equivalents	5	655,113	744,349
Receivables	6	16,780	-
Total		<u><u>671,893</u></u>	<u><u>744,349</u></u>
Financial liabilities			
Financial liabilities measured at amortised cost:			
Payables	9	63,129	62,301
Total		<u><u>63,129</u></u>	<u><u>62,301</u></u>

Risk Management Strategy

The Board's overall risk management strategy is designed to meet its financial targets, whilst minimising potential effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Board is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Board. The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowances for impairment.

The following table represents the Board's maximum exposure to credit risk based on contractual amounts net of any allowances:

Maximum Exposure to Credit Risk	2018	2017
	\$	\$
Financial assets		
Receivables	16,780	14,607
Total	<u><u>16,780</u></u>	<u><u>14,607</u></u>

No collateral is held as security and no credit enhancements relate to financial assets held by the Board.

The Board manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the Board invests in secure assets, and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The method for calculating any allowance for impairment is based on past experience, current and expected changes in economic conditions and changes in client credit ratings.

Impairment loss expense on trade receivables for the current year is nil. There have been no court orders requiring repayment during the 2018 year.

**THE BOARD OF ARCHITECTS OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

15 Financial Risk Management (continued)

Categorisation of Financial Instruments (continued)

The Board has impaired all assets that are past due. Ageing of impaired financial assets is disclosed in the following tables:

2018	Individually Impaired Financial Assets				
	Less than 30 days \$	30 days + \$	Overdue		Total \$
			60 days + \$	90 days + \$	
Financial Assets					
Trade Receivables				16,780	16,780
Allowance for Impairment				-	-
				16,780	16,780

2017	Individually Impaired Financial Assets				
	Less than 30 days \$	30 days + \$	Overdue		Total \$
			60 days + \$	90 days + \$	
Financial Assets					
Trade Receivables				22,240	22,240
Allowance for Impairment				(22,240)	(22,240)
				-	-

Movements in the Allowance for Impairment

	2018 \$	2017 \$
Balance at 1 July	22,240	35,350
Increase / (decrease) in allowance recognised in operating result	(22,240)	(13,110)
Balance at 30 June	<u><u>-</u></u>	<u><u>22,240</u></u>

(b) Liquidity risk

The Board manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the Board has sufficient funds available to meet employee and supplier obligations at all times. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following tables sets out the liquidity risk of financial liabilities held by the Board. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the payment of the principal amount outstanding at balance date.

Financial liabilities	2018 \$	2017 \$
Payables		
Less than 1 year	63,129	62,301
Total	<u><u>63,129</u></u>	<u><u>62,301</u></u>
Total financial liabilities		
Less than 1 year	63,129	62,301
Total	<u><u>63,129</u></u>	<u><u>62,301</u></u>

(c) Interest rate risk

Exposure to interest rate risk arises on cash and cash equivalents. A 1% increase/decrease in current interest rates will result in a \$5,850 increase/decrease in profit and equity respectively.

(d) Fair value

Cash, cash equivalents, receivables and payables are short-term in nature and their carrying value approximates their fair values so are not disclosed separately. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

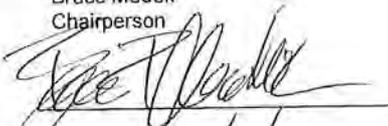
CERTIFICATE OF THE BOARD OF ARCHITECTS OF QUEENSLAND

These general purpose financial statements have been prepared pursuant to section 62(1) of the Financial Accountability Act 2009 (the Act), section 43 of the Financial and Performance Management Standard 2009 and other prescribed requirements.

In accordance with section 62(1)(b) of the Act we certify that in our opinion:

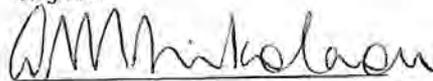
- (a) the prescribed requirements for establishing and keeping the accounts have been compiled with in material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Board of Architects of Queensland for the financial year ended 30 June 2018 and of the financial position of the Board at the end of that year;
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

Bruce Medek
Chairperson



Date 22/8/18

Anita Nikolaou
Registrar



Date 22/8/18

INDEPENDENT AUDITOR'S REPORT

To the Board of Board of Architects of Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Board of Architects of Queensland.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2018, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and *Auditor-General of Queensland Auditing Standards*.

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

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's Responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2018:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material aspects



Bhavik Deoji
as Delegate of the Auditor-General



Queensland Audit Office
Brisbane