



# Annual Report

## 2011 2012

<b>Contents</b>	<b>Page</b>
Statement from the Board	2
Operational Report	3
Statement of Responsibility	17
Financial Statements for the Year ended 30 June 2012	18

New Zealand Registered Architects Board  
PO Box 11106  
Wellington 6142  
New Zealand

Ph +64 4 471 1336  
[info@nzrab.org.nz](mailto:info@nzrab.org.nz)  
[www.nzrab.org.nz](http://www.nzrab.org.nz)

## Statement from the Board

For the New Zealand Registered Architects Board (NZRAB), the highlight of the review period was the full utilisation for the first time of its continuing registration procedures.

The Registered Architects Act 2005 and the Registered Architects Rules 2006 require that architects are assessed every five years to make sure they continue to meet the applicable minimum standards for registration. The NZRAB began registering architects in 2006 and so a small number of architects were reviewed in 2011. However, the bulk of the architects currently registered came onto the NZRAB's books in early 2007, these being architects who were first registered by the entity that preceded the NZRAB. As a result, for over 1000 architects, their first five-yearly reviews took place in the first half of 2012.

Reviewing so many architects was a substantial challenge for the NZRAB's registration assessors and staff, but the work was done commendably well.

At the same time, some architects from this group cancelled their registrations, having decided that in reality their careers as practising architects were over. Previously registration was for life, but this is not the case now.

A great deal was learnt from the 2012 competence reviews and as a result some procedural improvements will be implemented in 2013.

The NZRAB's initial registration procedures continued as normal. However, in the background, significant policy work was underway. At year's end proposals were being considered for simplifying and streamlining the NZRAB's procedures for assessing registration applicants who do not have recognised qualifications or the required work experience. This was preceded by research into why many architectural graduates do not seek registration even though they are working in the building sector.

The NZRAB's financial viability has become an issue, as the NZRAB expects shortly to be running deficits, and this is not sustainable. During 2011 2012, the NZRAB reviewed its expenditure, and significant savings were incorporated in the 2012 2013 budget. At year's end, work was underway investigating options for reducing the cost of administering the NZRAB's continuing professional development framework.

All these activities are indicators of an entity that is focused and effective. The Board thanks its committee members, the Registration Assessors and the NZRAB's staff for their support, enthusiasm and effort.



Warwick Bell  
Chairperson  
23 October 2012



Callum McKenzie  
Deputy Chairperson  
23 October 2012

# Operational Report

## Executive Summary

- As at 30 June 2012, 1621 architects were registered in New Zealand.
- As at 30 June 2012, 207 architects were in voluntary suspension.
- During 2011 2012, 88 persons successfully applied for initial registration and 15 applications for registration were declined.
- On 13 July 2011, the NZRAB consulted architects about planned revisions of its continuing registration procedures.
- In late 2011 and early 2012, the NZRAB organised continuing registration competence reviews for 1061 architects. The majority of these architects were registered before 2007 with the former Architects Education and Registration Board. As a result, 1060 architects were granted a further 5 year's entitlement to annual registration on the basis that they had been reviewed and had met the minimum standard for continued registration as a Registered Architect. One architect was declined, his registration being suspended as a result.
- No architects were found wanting as a result of a discipline procedure.
- On 20 December 2011, the NZRAB made public its *Briefing to the Incoming Minister*.
- As a result of numerous complaints laid by the NZRAB, a substantial improvement in the behaviour of real estate agents was observed in terms of accuracy when advertising homes for sale as designed by architects.
- On 29 May 2012, the NZRAB consulted architects in regard to proposals for refining its initial registration procedures used by applicants who do not have recognised degrees or the required work experience.
- On 14 October 2011, the Minister for Building and Construction announced the appointment to the NZRAB Board of Sir Hugh Williams QC and the reappointment of Board member Anna-Marie Chin.

## NZRAB Numerical Performance Indicators

	2011/12	2010/11	2009/10	2008/09
<b>Governance</b>				
Board members as at 30 June	8	7 <sup>1</sup>	8	8
Board members appointed/reappointed	2	5	0	2
Board meetings <sup>2</sup>	16	9	9	7
<b>Initial Registration</b>				
Initial registration applications accepted	88	54	53	50
Initial registrations applications declined	15	13	9	14
Initial registration process reviews	0	1	0	2
Equivalency assessments	19	18	14	29
<b>Continuing Registration</b>				
Registered Architects at 30 June	1,621	1,606	1,574	1,577
NZ APEC Architects at 30 June	6 <sup>3</sup>	5	3	3
NZ APEC Architects applications accepted	2	2	2	0
Architects in voluntary suspension at 30 June	207	173	165	93
Architects granted a further 5-year continuing registration	1,060	172	121	37
Architects declined a further 5-years continuing registration	1	0	0	0
<b>Public Protection/Discipline</b>				
Complaints received	4	6 <sup>4</sup>	4	4
Complaints dismissed or withdrawn	4	4	3	4
Complaints upheld	0	0	0	1
Complaints not yet resolved at 30 June	3	3	1 <sup>5</sup>	0
<b>Protection of Title</b>				
Title breaches reported and acted on	13	46	40	28
Prosecutions <sup>6</sup>	0	0	0	0
<b>Communications</b>				
Newsletters	4	5	4	4
Consultations/surveys	2	2	0	2
<b>Administration</b>				
Staff at 30 June (full time equivalent)	2.5	2.5	2.5	2.5
Registration assessors at 30 June	44	43	44	44
<b>Finance</b>				
Net surplus/(deficit)	\$7,821	(\$3,056)	\$19,306.	\$64,700
Working Capital at 30 June	\$381,099	\$373,194	\$373,862	\$327,705
Equity at 30 June	\$396,699	\$388,878	\$391,934	\$372,628

<sup>1</sup> For most of the review period the Board had eight members.

<sup>2</sup> Includes decisions made by email resolutions and conference calls.

<sup>3</sup> During the period 1 APEC Architect passed away

<sup>4</sup> One case received was withdrawn prior to going to the Investigating Committee Chair

<sup>5</sup> Withdrawn 12 July 2010.

<sup>6</sup> The Act, section 7

## Overview

The government has in place a policy framework<sup>7</sup> for occupational regulation intended to ensure that professionals who provide services critical to the public are competent. This protects both the public and the reputations of the regulated occupations. The government has determined that occupational regulation is required in the building industry, given the industry's impact on the public's well-being. Architects are among the occupations included in this.

The architectural profession's current institutional arrangements are derived from the Registered Architects Act 2005 (the Act), which established the New Zealand Registered Architects Board (NZRAB), and the Registered Architects Rules 2006 (the Rules).

The Act<sup>8</sup> describes the NZRAB's functions as:

- making rules relating to architects
- registering architects, issuing certificates of registration and assessing whether architects meet the standard for continued registration
- maintaining a register
- investigating complaints and, if required, disciplining architects
- providing information to the public about the registration system for architects.

## Vision

The NZRAB has also expressed a wider vision of the significance of architecture to New Zealand and the NZRAB's role, as follows:

*The task of architecture is to lead the way in terms of what the built environment can and should be. This goes beyond designing for function, essential though that is. In so far as architecture articulates the national imagination, it contributes to nation building. If the built environment in New Zealand is the best that it can be, then it contributes to the realisation of this nation's potential.*

*The New Zealand Registered Architects Board determines who can be a Registered Architect. In doing this, the NZRAB is mindful of the broader contribution that the profession makes to New Zealand.*

## Initial Registration

During the review period the NZRAB's initial registration procedures continued as normal, there being two registration rounds. The total number of registration applications was significantly higher than usual. Of the applications received, 88 were successful and 15 were declined.

The NZRAB's registration procedures are dependent on the expertise of 44 registration assessors. The registration assessors are senior architects who provide case-by-case judgement when advising the Board on who should be permitted to enter and stay in the profession. For initial registration these judgements are made on the basis of a three hour

---

<sup>7</sup> [http://www.med.govt.nz/templates/MultipageDocumentPage\\_\\_\\_\\_9117.aspx](http://www.med.govt.nz/templates/MultipageDocumentPage____9117.aspx)

<sup>8</sup> Section 50

professional conversation between the applicant and two registration assessors, during which the applicant speaks to examples of his or her work. The registration assessors work to a series of competencies defining what architects must know and be able to do, which are enshrined in the Registered Architects Rules 2006, Rule 7. These rules were derived from a more detailed set of competencies for architects that the NZRAB shares with the Architects Accreditation Council of Australia (AACAA).

The majority of applicants for registration have a recognised five-year degree in architecture and in excess of three or four years' experience in practice. However, the NZRAB also allows for registration applications from persons with other backgrounds. These applicants are required to undertake preliminary assessments to ascertain whether their knowledge and experience are equivalent to the knowledge and experience of more typical applicants as described above.

For some time the NZRAB has had a concern that its preliminary procedures for assessing these applicants are unnecessarily complex, time consuming and expensive. During the review period a working party undertook a reassessment of these procedures and at year's end proposals for change were being considered.

## **Continued Registration**

Section 12 of the Act and Rule 22 require that every five years all architects must be reviewed in terms of whether or not they still meet the applicable minimum standard for continued registration. The standard that architects must meet is further defined in Rule 21 which says each architect being reviewed must demonstrate that:

- a. he or she still meets the minimum standard for registration set out in rule 7; and*
- b. he or she has taken reasonable steps to maintain the currency of his or her architectural knowledge and skills since the last assessment.*

In 2011 2012, 1061 architects were reviewed, the majority of these being experienced architects who were first registered with the Architects Education and Registration Board that preceded the NZRAB. By year's end, 1060 architects had been granted continuing registration and 1 had been declined. Some architects due for review decided instead to cancel their registration or to go into voluntary suspension. Often this reflected a pragmatic decision that in reality their architectural careers were over, the need to recognise this being new because prior to the NZRAB being established, registration was for life.

The 2012 competence reviews were a challenge for the NZRAB. Whenever standards-based assessments are implemented for the first time, a consensus among those doing the assessments as to what the standard is has to be identified and adhered to. Prior to assessments beginning the registration assessors met and talked through the issues. The assessments were all done in the same location and there was substantial discussion and review during the procedure. The NZRAB is confident that the standard was applied with a high degree of consistency. The debrief at the end did not reveal significant problems of interpretation. However, changes were agreed to which will provide the registration assessors with more of the information they need for the 2013 competence reviews.

Overall, the NZRAB can take particular satisfaction from the 2012 competence reviews. Their completion marks the NZRAB fully coming-of-age, in that its key operational obligations are now all being met.

### **Continued Professional Development**

One of the five-yearly competence review requirements is that each architect must demonstrate that *“he or she has taken reasonable steps to maintain the currency of his or her architectural knowledge and skills since the last assessment.”* (Rule 21b)

To assist architects do this, the NZRAB operates a Continuing Professional Development (CPD) framework. This allows architects to record online and quantify the relative value of their professional development activities via a points system. Then, when architects have their five-yearly competence reviews, their CPD records can be cited as evidence that they have *taken reasonable steps to maintain the currency of (their) architectural knowledge and skills.*

To encourage CPD participation, architects are given an aggregate CPD points target which if met entitles them to a rebate of a fee that otherwise must be paid when architects undertake their competence reviews.

The CPD framework is administered by the New Zealand Institute of Architects (NZIA) on the NZRAB’s behalf. The NZIA reports the following in regard to CPD provision and participation in the period 1 January 2011 to 31 December 2011.

#### **Participation**

Participating architects who achieved 200 CPD points or more during 2011	37%
--	-----

Two hundred CPD points on average per annum is required for architects to reach their CPD points targets.

#### **Architects on track to meet CPD participation target**

Participating architects with sufficient CPD points as at 31 December 2011 to be on track to reach their CPD points target	67%
--	-----

#### **Composition of CPD points awarded during 2011**

Scheduled events	75%
Individual activity	25%

#### **Provision of CPD scheduled events by provider during 2011**

New Zealand Institute of Architects (including branches)	83
Victoria University School of Architecture	20
New Zealand Green Building Council	10
Auckland School of Architecture	7
Dulux New Zealand	7
PrefabNZ	5
Resene Paints Limited	5

Thirty eight other providers offered between one and four scheduled events

### **Types of individual activities based on points accrued during 2011**

Individual events - attendee	35.6%
Books	5.5%
Movies and videos	1.5%
Research visits	4.8%
Individual events - presenter	5.7%
Professional journals	20.5%
Published work	1.8%
Site Safe	2.9%
Special individual activity	17.0%
Tutoring/lecturing/teaching	4.8%

The NZIA also reported a 383 per cent increase in points accumulated from online CPD, albeit starting from a low base.

### **New Zealand Architects Register**

The NZRAB is required to maintain an architects' register,<sup>9</sup> which it does so online at [www.architectsnz.org.nz](http://www.architectsnz.org.nz). The statutory purpose of the New Zealand Architects Register is to enable the public to:

- determine whether or not a person is a Registered Architect
- choose a suitable Registered Architect
- contact a Registered Architect, if the architect has consented to his or her contact details being made public
- know which architects if any been disciplined within the last three years.

The NZRAB's website provides an additional listing of former architects. During the review period this was extended back to architects who were first registered in 1914. This was done using New Zealand Institute of Architects records. Maintaining a comprehensive listing of former architects assists those wanting to check whether the designer of an older property was an architect. It is also a way of recognising those who contributed to the profession in the past.

Of the 1621 architects registered at 30 June 2012, 1,328 were male and 293 were female.

### **Public Protection (Complaints and Discipline)**

The NZRAB is required to hold architects accountable for having acted in a "negligent or incompetent manner" or for having "breached the code of ethics contained in the Rules."<sup>10</sup> During 2011 2012:

- three complaints were held over from before the review period
- four complaints were received
- one complaint was withdrawn

---

<sup>9</sup> The Act, sections 18 to 23

<sup>10</sup> The Act, section 25

- on the advice of the Chair of the Investigating Committee, the Board referred one complaint to an Investigating Committee and dismissed two complaints without an Investigating Committee inquiry being required
- two complaints were investigated by an Investigating Committee which recommended to the Board that one be dismissed and the other be referred to a Disciplinary Committee which was being organised at year's end
- at year's end, one complaint just received had yet to be investigated.

For some time, the NZRAB has been waiting for amending legislation which would allow the NZRAB to revise its complaints and discipline rules which at present are unnecessarily complex. At year's end the legislation was due for its third reading.

## **Protection of Title**

During the review period, the NZRAB scaled back its long-running campaign to encourage real estate agents to stop advertising houses as designed by architects when this was untrue. Over a two year period the NZRAB had laid numerous complaints against real estate agents. As a result, the Real Estate Agents Authority found a number of real estate agents wanting and some were fined. At year's end, it was clear that real estate agents as a group had become more aware of their obligations and the accuracy of their advertising was much improved.

## **APEC Architect**

New Zealand is a participant in the APEC Architect Project which is intended to facilitate the provision of architectural services between participating economies around the Pacific Rim. The participating economies currently are Australia, Canada, People's Republic of China, Hong Kong China, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Republic of the Philippines, Singapore, Chinese Taipei, Thailand, United States of America.

Each participating economy maintains its part of the APEC Architects Register which lists senior architects who have been assessed as meeting agreed criteria. At year's end New Zealand had six APEC Architects.

The APEC Architect framework allows for participating economies to enter into bilateral or multi-lateral mutual recognition agreements establishing specific procedures for their APEC Architects to seek registration as an architect in a host economy. Typically these agreements are based on the following:

- Participating economies agree to accept in good faith each other's judgement that their APEC Architects are senior experienced practitioners who are competent and have the generic knowledge and skills required to practice architecture safely at a senior level.
- Participating economies agree that when they receive an application for registration from an APEC Architect from the other participating economies, any registration assessment of that architect will cover only those aspects of the architectural process in the host economy that are unique to that economy, and nothing else.

New Zealand established a bilateral registration arrangement under the APEC Architect framework with Japan on 14 July 2009. New Zealand and Australia signed a trilateral agreement with Singapore on 10 October 2010. At the end of the review period New Zealand was in negotiations with Chinese Taipei.

The APEC Architect Project is administered by a Central Council made up of representatives from the participating economies. During 2011 and 2012, the NZRAB has been providing the Central Council with secretariat services and in October 2012 the Central Council will meet in Wellington.

## Governance

The NZRAB is a statutory entity.<sup>11</sup> It is accountable to the Minister for Building and Construction, the primary expression of that accountability being an annual *Accountability Agreement between the Minister for Building and Construction and the NZRAB's Annual Report*.

The NZRAB Board can have six to eight members. They are appointed by the Governor General on the advice of the Minister for Building and Construction. Half the Board members are nominated to the Minister by the NZIA.

As at 30 June 2012, the Board members were as follows:

Board members (* NZIA nominated)	Occupation	First appointed	Current term expires
Warwick Bell (Chairperson)	Architect	05/08/2010	04/08/2015
Callum McKenzie* (Deputy Chairperson)	Architect	03/10/2008	02/10/2013
Christina van Bohemen*	Architect	05/08/2010	04/08/2013
Anna-Marie Chin*	Architect	03/10/2008	13/10/2014
Marshall Cook*	Architect	19/12/2007	18/12/2013
Helen Tonkin	Chartered Accountant	30/06/2008	29/08/2012
Anthony van Raat	Architect/Academic	19/12/2010	18/12/2015
Sir Hugh Williams	Retired Judge	14/10/2011	13/10/2014

During the review period, the Minister for Building and Construction announced the appointment to the NZRAB Board of Sir Hugh Williams QC and the reappointment of Board member Anna-Marie Chin.

Board members, committee members and registration assessors are paid modest honoraria. These are described in detail in an attachment to the Board's Honoraria Policy. At each face-to-face Board meeting Board members are asked to declare any conflicts of interest. The Board's minutes once confirmed are available at [www.nzrab.org.nz](http://www.nzrab.org.nz).

The NZRAB has a committee system to undertake policy development and monitor performance. This allows the Board as a whole to spend more time resolving high level issues relating to the NZRAB's overall stance and direction. The Act requires that each committee includes at least two Board members.

<sup>11</sup> Technically the NZRAB is classified as being "an agency associated with a ministerial portfolio" and thus it is NOT covered by the Crown Entities Act.

As at 30 June 2012 these committees were as follows:

- **Strategy and Finance Committee**  
**Members:** Warwick Bell (Chair), Callum McKenzie (Deputy Chair), Helen Tonkin, Sir Hugh Williams
- **Registration Committee:**  
**Members:** Callum McKenzie (Chair), Christina van Bohemen (Deputy Chair), Tony van Raat, Tony Orgias, Alec McDonald, Denise Civil, Judith Taylor
- **Public Protection Committee**  
**Members:** Marsh Cook (Act Chair/Dep), Anna-Marie Chin, Helen Tonkin, Carolyn Bull, Sharon Cole.

The NZRAB also has an Investigating Committee(s) and a Disciplinary Committee for dealing with complaints. Their memberships change depending on circumstances and need.

The NZRAB also hosts the New Zealand APEC Architect Monitoring Committee which makes recommendations to the Board in regard to admissions to the New Zealand APEC Architect Register. At year's end, its members were Warwick Bell (Chair), David Sheppard (President NZIA), Gordon Moller, Callum McKenzie and Paul Jackman.

## Communications

Four email newsletters were issued to architects during 2011 2012. Architects were consulted in regard to proposed changes to some of the NZRAB's initial and continuing registration procedures.

## Income and Expenditure

The NZRAB receives no Crown funding, its income coming from:

- annual fees paid by Registered Architects
- fees for specific services or procedures paid by architects and registration applicants
- bank interest.

At 30 June 2012, the NZRAB's fees were as follows:

	<b>GST included</b>
Application for initial registration	\$2,081.50
Application for initial registration if no interactive assessment required or the applicant had been a New Zealand Registered Architect before	\$632.50
Qualification equivalency assessment	\$1,725.00
Qualification equivalency assessment if no interactive assessment required	\$517.50
Certificate of Registration July to June	\$563.50
Certificate of Registration January to June	\$281.75
Review of registration assessment procedures	\$862.50
Five year competence review desk top assessment	\$115.00
Five year competence review interactive assessment	\$517.50

In 2011 2012, the NZRAB achieved a surplus of \$7,821, relative to the \$128,864 deficit originally budgeted. As at 30 June 2012, the NZRAB had working capital of \$381,099.

At year's end, the NZRAB was preparing the information that would be required to seek ministerial approval for an increase in the annual Certificate of Registration fee that all Registered Architects must pay, should that be necessary.

## Secretariat

The NZRAB employs 2.5 full-time-equivalent staff, including the Chief Executive. During part of the reporting period a student was employed part-time to complete a documentation project.

The Act<sup>12</sup> requires that the NZRAB be a "good employer" and have an Equal Employment Opportunities Programme. These requirements are met by the deliberate creation of a family-friendly work place that accommodates diversity among staff. The key to this is flexible hours of work, so staff can meet their family or other obligations.

Care is taken that the workplace itself is congenial and safe. Employment decisions are always based on merit. The aims, aspirations and employment requirements of staff are always recognised and an inclusive, non-hierarchical work culture is encouraged.

## Key Performance Indicators

The NZRAB's Accountability Agreement with the Minister for Building and Construction includes agreed outcomes that the NZRAB is required to achieve and key performance indicators for this. For 2011/2012 these were as follows, with accompanying results.

Outcome	Key Performance Indicators
<b>Governance</b>	
1. Institutional arrangements that allow the NZRAB to work effectively and flexibly	<p>Advocate to the building sector occupational licensing review changes to the NZRAB's statutory and regulatory framework so that the NZRAB can have enabling, as opposed to prescriptive, institutional arrangements.</p> <p><b>Result: Achieved</b> This output was discussed in detail in the December 2011 <i>Briefing to the Incoming Minister (BIM)</i>. Specific changes to take the definition of a complex building, the required competencies and the architects' code of ethics out of the Rules were advocated. Also the broader need to have enabling institutional arrangements was canvassed.</p>
2. NZRAB Board procedures that accord with best practice and good governance principles	<p>NZRAB Board to undertake an annual assessment of its performance as a Board.</p> <p><b>Result: Achieved</b></p>

<sup>12</sup> The Schedule 38

**Service Delivery**

<p>3. Initial registration procedures which:          - ensure that those being registered for the first time meet the applicable minimum standards for registration with a high degree of consistency          - are perceived by applicants as being credible, efficient and fair</p>	<p>Complete research to ascertain the reasons why a significant proportion of architectural graduates with recognised qualifications have not become Registered Architects.</p> <p><b>Result: Achieved</b>          This research was completed and the results provided to the Registration Pathways Review.          .....</p> <p>Survey registration applicants after their applications have been completed against a benchmark that at least 90 per cent of respondents perceive the Board's initial registration procedures as being credible, efficient and fair.</p> <p><b>Result: Achieved</b>          Surveys of registration applicants from the August 2011 and April 2012 registration rounds indicated that the benchmark had been met.</p>
<p>4. Annual registration procedures and requirements that are efficient and fair</p>	<p>Review options for increased flexibility in registration arrangements to cover part timers.</p> <p><b>Result: Achieved</b>          This issue was examined and the conclusion reached that a separate arrangement for part-time architects was not practical.</p>
<p>5. Competence Review procedures that are credible, efficient and fair</p>	<p>Utilise any lessons learnt from the 2011 Competence Reviews to improve Competence Review procedures for 2012 and prepare the assessors for their role in the process.</p> <p><b>Result: Achieved</b>          Lessons learnt from the 2011 competence reviews were incorporated in the 2012 competence reviews and training was provided to the assessors who took part.</p>
<p>6. Effective protection of title</p>	<p>Continue to take appropriate actions to encourage real estate agents to understand their obligations when advertising properties as "architect designed".</p> <p><b>Result: Achieved</b>          A number of real estate agents were found wanting and fined as a result of complaints laid by the NZRA. By year's end, the numbers of incidents of this kind had declined sharply.</p>

<p>7. The NZRAB well connected with international stakeholders</p>	<p>Provide the APEC Architect Project secretariat, and commence planning for the 2012 APEC Architect Central Council meeting in New Zealand.</p> <p><b>Result: Achieved</b> Throughout the review period secretariat services were provided and the APEC Architect website<sup>13</sup> was upgraded. At year's end planning was underway for the APEC Architect Central Council Meeting scheduled for October 2012 in Wellington.</p> <p>.....</p> <p>Continue efforts to negotiate additional APEC Architect bilateral agreements</p> <p><b>Result: Achieved</b> At year's end the text of a draft APEC Architect bilateral with Chinese Taipei was being considered by the Chinese Taipei registration authorities.</p> <p>.....</p> <p>Promote becoming an APEC Architect to New Zealand Architects.</p> <p><b>Result: Achieved</b> At year's end there were six architects on the New Zealand APEC Architects Register</p>
<p><b>Strategy and Capability</b></p>	
<p>8. A building sector in which occupational licensing is organised so that all those who design buildings are demonstrably competent and excellence is encouraged.</p>	<p>Continue to advocate to the review of occupational licensing in the building sector that the NZRAB's mandate be extended to include the registration of designers, subject to appropriate institutional arrangements being in place.</p> <p><b>Result: Achieved.</b> The NZRAB advocated to the Department of Building and Housing that the NZRAB should register/license building designers as well as architects. This theme was also explored in the NZRAB BIM.</p>
<p>9. Applicable minimum standards for registration that are appropriate in terms of the public interest</p>	<p>Review the procedures by which providers of recognised two-year professional masters qualifications enrol students who have non-recognised three year bachelors architectural qualifications.</p>

<sup>13</sup> www.apecarchitects.org

	<p><b>Result: Achieved</b>  This issue is now one of the regular matters to be looked at when recognised qualifications are being quality assured every five years.  .....</p> <p>Establish a review group to monitor lessons learnt from the earthquakes in Christchurch and to provide the Board with advice as to how, if required, the applicable minimum standards for registration and the content of recognised qualifications need to be amended as a result.</p> <p><b>Result: Achieved</b>  A working party reviewed the issue and at year's end a report on its findings was being prepared.  .....</p> <p>Complete review of registration procedures for those without recognised academic qualifications or work experience.</p> <p><b>Result: Achieved</b>  By year's end proposals for substantially simplifying and making more flexible the procedures and criteria for these applicants had been developed and architects had been consulted, their feedback being positive.</p>
<p>10. A Continuing Professional Development framework that is fit for purpose</p>	<p>Complete the review the CPD framework and how it is working in practice, and implement any resultant changes.</p> <p><b>Result: Achieved</b>  The review was completed, leading to the introduction of the additional "Core" requirement for architects' CPD participation points targets.</p>
<p>11. Complaints and discipline procedures that accord with natural justice, are timely, and assist the profession to perform better</p>	<p>Remake the Rules as they apply to complaints and discipline procedures, once the Registered Architects Act 2005 section 67(2)(j) &amp; (k) have been amended so that specific rules in regard to investigating committees and disciplinary committees are no longer required.</p> <p><b>Result: Pending</b>  At year's end the amending legislation had yet to be passed.</p>

<p>12. The NZRAB financially viable</p>	<p>Review the NZRAB's financial status annually to determine if fee increases are required.</p> <p><b>Result: Achieved</b>  This is done annually. When the 2012 2017 Strategic Plan was being finalised earlier in 2012 an earlier decision was confirmed that a fee increase is needed given that the NZRAB is now close to running deficits. At year's end work was underway preparing the resources necessary for seeking ministerial support, should that be necessary.</p>
<p>13. Key-person and disaster recovery risks well managed</p>	<p>All important information about individual architects is retained electronically and backed up, so that it could be recovered in the event of a natural disaster including the complete loss of the NZRAB offices.</p> <p><b>Result: Achieved</b>  Every individual architect now has his/her own file in the NZRAB data base containing his or her key documents in regard to registration, continuing registration etc.</p>

23 October 2012

## Statement of Responsibility

In terms of the Registered Architects Act 2005, the New Zealand Registered Architects Board accepts responsibility for the preparation of the New Zealand Architects Board's financial statements and the judgements made in the process of producing those statements.

The Board has the responsibility of establishing and maintaining, and has established and maintained, a system of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Board, these financial statements fairly reflect the financial position and operations of the New Zealand Architects Board for the year ended 30 June 2012.



Warwick Bell

Chairperson



Callum McKenzie

Deputy Chairperson



## Financial Statements for the Year ended 30 June 2012

<b>Contents</b>	<b>Page</b>
Statement of Financial Performance	19
Statement of Financial Position	20
Statement of Movement in Equity	21
Statement of Cash Flows	22
Notes to the Accounts	23
Audit Report	27

## New Zealand Registered Architects Board Statement of Financial Performance for the Year Ended 30 June 2012

	Note	2012 Actual	2012 Budget	2011
<b><u>Income</u></b>				
Application for Registration		159,030	111,350	100,330
Certificate of Registration		802,500	788,900	781,307
Qualification Equivalency Assessment		15,300	10,950	12,900
Competence Reviews		42,350	51,750	-
APEC Architect Secretariat	10	6,985	-	2,680
Other Income		-	750	1,150
Interest Received		29,818	30,000	30,311
<b>Total Income</b>		1,055,983	993,700	928,678
<b><u>Less Expenses</u></b>				
Administration		41,174	38,491	38,193
Audit Fees		5,430	5,430	5,185
Communication		9,463	12,518	11,737
Protection of Title		12,700	20,000	2,400
Complaints and Discipline		6,607	59,010	10,487
Continuing Registration		370,835	389,113	332,423
Depreciation	9	2,980	2,615	3,572
Employment Expenses		303,363	289,613	299,627
Governance		61,590	70,449	49,111
Occupancy Costs		31,858	31,484	31,439
Registration		194,809	203,841	144,880
Foreign Exchange Loss		368	-	-
APEC Architect Secretariat		6,985	-	2,680
<b>Total Expenses</b>		1,048,162	1,122,564	931,734
<b><u>Net Surplus / (Deficit)</u></b>		\$7,821	(\$128,864)	(\$3,056)

The above must be read in conjunction with the accompanying Statement of Accounting Policies and Audit Report.

# New Zealand Registered Architects Board

## Statement of Financial Position

### as at Year Ended 30 June 2012

	Note	2012 Actual	2012 Budget	2011
<b><u>Current Assets</u></b>				
Bank	6	1,153,172	984,849	1,171,611
Prepayments		56,527	25,000	25,936
Accounts Receivable		48,627	-	4,544
<b>Total Current Assets</b>		1,258,326	1,009,849	1,202,091
<b><u>Current Liabilities</u></b>				
Creditors	7	164,865	97,904	163,939
Income in Advance	2	712,362	665,000	664,958
<b>Total Current Liabilities</b>		877,227	762,904	828,897
<b>Working Capital</b>		\$381,099	\$246,945	\$373,194
Fixed Assets	8	15,600	13,069	15,684
<b><u>NET ASSETS</u></b>		\$396,699	\$260,014	\$388,878
<b>Represented By:</b>				
Equity		\$396,699	\$260,014	\$388,878

Chairperson W. Bell

Date...23 October 2012

Board Member A. Jensen

Date...23 October 2012

The above must be read in conjunction with the accompanying Statement of Accounting Policies and Audit Report.



## New Zealand Registered Architects Board Statement of Movement in Equity for the Year Ended 30 June 2012

	Note	2012 Actual	2012 Budget	2011
Opening Balance		<u>388,878</u>	<u>388,878</u>	<u>391,934</u>
Net Surplus/(Deficit)		7,821	(128,864)	(3,056)
<b><u>Closing Balance</u></b>		<u>\$396,699</u>	<u>\$260,014</u>	<u>\$388,878</u>

The above must be read in conjunction with the accompanying Statement of Accounting Policies and Audit Report.

## New Zealand Registered Architects Board Statement of Cash Flows for the Year Ended 30 June 2012

	Note	2012 Actual	2012 Budget	2011
<b>Cash Flows from Operating Activities</b>				
Cash was provided from:				
Receipts		1,029,486	968,286	926,663
Interest Received		29,818	30,000	25,767
		<u>1,059,304</u>	<u>998,286</u>	<u>952,430</u>
Cash was disbursed to:				
Payments to suppliers and employees		1,042,989	1,153,564	888,441
Occupancy Costs		31,858	31,484	31,439
		<u>1,074,847</u>	<u>1,185,048</u>	<u>919,880</u>
<b>Net Cash Flows from Operating Activities</b>		<u>(15,543)</u>	<u>(186,762)</u>	<u>32,550</u>
<b>Cash Flows from Investing Activities</b>				
Purchase of fixed Assets		(2,896)	-	(1,184)
<b>Net Increase in Cash Flow</b>		<u>(\$18,439)</u>	<u>(\$186,762)</u>	<u>\$31,366</u>
Add Opening Bank Funds 01/07/11		1,171,611	1,171,611	1,140,245
<b>Closing Bank Funds 30/06/12</b>		<u>\$1,153,172</u>	<u>\$984,849</u>	<u>\$1,171,611</u>
<b><u>Cash Flow Reconciliation with Operating Result</u></b>				
Net Income / (Loss) for the year		7,821	(128,864)	(3,056)
<b>Add back items not involving the movement of cash:</b>				
Depreciation		2,980	2,615	3,572
		<u>10,801</u>	<u>(126,249)</u>	<u>516</u>
<b>Movements in Working Capital Items</b>				
Increase in Current Liabilities		48,330	(65,993)	38,124
(Increase) / Decrease in Current Assets	11	<u>(74,674)</u>	<u>5,480</u>	<u>(6,090)</u>
		<u>(26,344)</u>	<u>(60,513)</u>	<u>32,034</u>
<b>Net Cash Flows from Operating Activities</b>		<u>(\$15,543)</u>	<u>(\$186,762)</u>	<u>\$32,550</u>

The above must be read in conjunction with the accompanying Statement of Accounting Policies and Audit Report.

# New Zealand Registered Architects Board

## Notes to the Accounts

### Year Ended 30 June 2012

#### STATEMENT OF ACCOUNTING POLICIES

**A Reporting Entity**

The New Zealand Registered Architects Board (NZRAB) is a statutory board tasked with registering, monitoring and, if need be, disciplining architects. The NZRAB gains its authority from the Registered Architects Act 2005, its stated purpose being to protect the title "Registered Architect". The financial statements of the NZRAB have been prepared in accordance with generally accepted accounting practice in New Zealand, and the Registered Architects Act 2005.

**B Measurement Base**

The general principles recommended by the New Zealand Institute of Chartered Accountants for the measurement and reporting of financial operations on an historical cost basis have been followed. Accrual accounting has been applied to both Income and Expenditure. Items in the Financial Statements have been recognised exclusive of Goods and Services Tax (GST) with the exception of accounts payable and accounts receivable, which are stated with GST included.

**C Specific Accounting Policies**

The following specific accounting policies, which materially affect the measurement of the financial performance and financial position, have been applied:

***Changes in Accounting Policy***

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used in previous years.

***Valuation of Assets***

Fixed assets are valued at cost less aggregate depreciation.

***Depreciation***

Depreciation is provided on a diminishing value basis on all tangible fixed assets at rates calculated to allocate the assets' cost over their estimated useful lives.

Computers and Equipment 30%-60% D.V.

Furniture and Fittings 12%-30% D.V.

***Accounts Receivable***

Accounts Receivable are stated at their estimated realisable value.

***Employee Entitlements***

Provision is made in respect of the NZRAB's liability for any annual leave at balance date. Annual leave has been calculated on an actual entitlement basis at current rates of pay.

***Financial Instruments***

There are no financial instruments that expose the NZRAB to significant foreign exchange risk or off-balance-sheet risks. All financial instruments including bank accounts, short term investments, accounts receivable and accounts payable are disclosed at their fair value.

Revenue and expenses in relation to the financial instruments are recognised in the Statement of Financial Performance.

#### ***Taxation***

The NZRAB is exempt from income tax as it is classified as a public authority in terms of the Income Tax Act 2007.

#### ***Differential Reporting***

The NZRAB qualifies for differential reporting as it is not publicly accountable and is not large, under the criteria for the Differential Reporting Framework. The NZRAB has taken advantage of all differential reporting exemptions available to it, except for Statement of Cash Flows.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 Going Concern**

The NZRAB is required to ensure that all annual costs are covered from net annual income.

At this point in time, the NZRAB expects that the going concern assumption remains valid for the Financial Statements for the financial year ended 30 June 2012.

The financial viability of the NZRAB is dependent on the setting of appropriate fee levels so that the NZRAB can meet its future financial obligations. Fee setting is dependent on approval by the Minister and options and recommendations are formulated by the Board for the Minister's consideration.

The NZRAB has appropriate controls to ensure the continual review and monitoring of expenditure levels and it will, where and when required, revise expenditure budgets to ensure that annual costs are covered from the net annual income.

### **2 Income in Advance**

The NZRAB has received payment for Certificates of Registration for the period 1 July 2012 to 30 June 2013 prior to the commencement of the year to which they relate. The NZRAB is secretariat to the APEC Architect Central Council for the period 1 January 2011 to 31 December 2012. In this capacity, it has received payment from member economies for a contribution towards secretariat expenses for the period 1 July 2012 to 31 December 2012.

### **3 Related Party Transactions**

There have been no related party transactions during the financial year for which these financial statements are prepared.

### **4 Contingent Liabilities**

There are no contingent liabilities at balance date (2011: Nil).

5 **Statement of Commitments as at 30 June 2012**

**Capital Commitments**

As at 30 June 2012, there were no capital commitments entered into (2011: Nil).

**Operating Commitments**

*CPD Administration*

The NZRAB has an agreement in place with the New Zealand Institute of Architects to administer the NZRAB's CPD framework. This agreement expires on 1 July 2016. The cost of this agreement based on current numbers is:

	<b>2012</b>	<b>2011</b>
Less than 1 year	297,250	297,250
Between 1-2 years	297,250	297,250
Between 3-5 years	594,500	891,750
More than 5 years	-	-
<i>Premises</i>		
Less than 1 year	18,704	28,056
Between 1-2 years	-	18,704
Between 3-5 years	-	-
<i>Photocopier</i>		
Less than 1 year	3,428	3,428
Between 1-2 years	3,428	3,428
Between 3-5 years	2,000	5,428

6 **Bank**

	<b>2012</b>	<b>2011</b>
Bank	240,338	112,724
Cash on Hand	50	50
Short Term Deposits	912,784	1,058,837
Total Bank	<u>\$1,153,172</u>	<u>\$1,171,611</u>

The NZRAB has a total VISA credit card facility of \$45,000

7 **Creditors**

	<b>2012</b>	<b>2011</b>
Accounts Payable	30,289	31,399
GST Payable	70,455	74,984
Employee Entitlements	64,121	57,556
Total Creditors	<u>\$164,865</u>	<u>\$163,939</u>

8	<b>Fixed Assets</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Book Value</b>
	<b>2012</b>			
	Computers and Equipment	44,793	40,500	4,293
	Office Furniture and Fittings	20,442	9,135	11,307
	Total Fixed Assets	<u>\$65,235</u>	<u>\$49,635</u>	<u>\$15,600</u>
	<b>2011</b>			
	Computers and Equipment	42,128	39,286	2,842
	Office Furniture and Fittings	20,211	7,369	12,842
	Total Fixed Assets	<u>\$62,339</u>	<u>\$46,655</u>	<u>\$15,684</u>

9	<b>Depreciation</b>	<b>2012</b>	<b>2011</b>
	Computers and Equipment	1,214	1,534
	Office Furniture and Fittings	1,766	2,038
	Total Depreciation	<u>\$2,980</u>	<u>\$3,572</u>

10 **APEC Architect Secretariat**  
Income was received from member economies of the APEC Architect Project for the provision of secretariat services to the project, for the period 1 July 2011 to 30 June 2012.

11 **(Increase)/Decrease in Current Assets**  
On the Statement of Cash Flows current assets means total current assets less cash.

12 **Post-Balance-Date Events**  
There were no post-balance-date events that have a material impact on the results for the period.

**INDEPENDENT AUDITOR'S REPORT  
TO THE READERS OF  
NEW ZEALAND REGISTERED ARCHITECTS BOARD'S  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

The Auditor-General is the auditor of the New Zealand Registered Architects Board (the Board). The Auditor-General has appointed me, Robert Elms, using the staff and resources of PKF Martin Jarvie, to carry out the audit of the financial statements of the Board on her behalf.

We have audited the financial statements of the Board on pages 19 to 26, that comprise the statement of financial position as at 30 June 2012, the statement of financial performance, statement of movement in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

**Opinion**

In our opinion the financial statements of the Board on pages 19 to 26:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Board's:
  - financial position as at 30 June 2012; and
  - financial performance and cash flows for the year ended on that date.

Our audit was completed on 23 October 2012. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

**Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Board's preparation of financial statements that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Responsibilities of the Board**

The Board is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Board's financial position, financial performance and cash flows.

The Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board's responsibilities arise from the Registered Architects Act 2005.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 61 of the Registered Architects Act 2005.

### **Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements set out in Professional and Ethical Standard 2, issued by the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Board.



Robert Elms  
PKF Martin Jarvie  
On behalf of the Auditor-General  
Wellington, New Zealand



Accountants &  
Business Advisers

**Matters relating to the electronic presentation of the audited financial statements**

This audit report relates to the financial statements of the Registered Architects Board (the Board) for the year ended 30 June 2012 included on the Board's website. The Board is responsible for the maintenance and integrity of the Board's website. We have not been engaged to report on the integrity of the Board's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements as well as the related audit report dated 23 October 2012 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.