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D25/130205

Stuart Moseley
Deputy Secretary, Housing, Building and Land Delivery
Department of Transport and Planning
1 Spring Street
Melbourne VIC 3000

24 December 2025

Dear Mr Moseley,

REGULATORY IMPACT STATEMENT FOR THE ARCHITECTS REGULATIONS 2025

I would like to thank your staff at the Department of Transport and Planning for working with the team at Better Regulation Victoria on the preparation of the Regulatory Impact Statement (RIS) for the Architects Regulations 2025 (the proposed Regulations).

The Commissioner for Better Regulation provides independent advice on the adequacy of the analysis provided in all RISs in Victoria. A RIS is deemed to be adequate when it contains analysis that is logical, draws on relevant evidence, is transparent about any assumptions made, and is proportionate to the proposal's expected effects. The RIS also needs to be clearly written so that it can be a suitable basis for public consultation.

I am pleased to advise that the final version of the RIS received on 23 December 2025 meets the adequacy requirements set out in the *Subordinate Legislation Act 1994*.

Background and problems

Architects are registered individuals who design buildings and spaces, playing a key role in the broader construction industry. There are approximately 8,000 architects and 1,500 architectural partnerships and companies registered in Victoria.

In Victoria, the legislative framework for the regulation of architects is provided for by the *Architects Act 1991* (the Act). The Act sets out requirements for the registration of architects, the approval of partnerships and companies, and standards of professional conduct, among other matters. The Act also establishes the Architects Registration Board of Victoria (ARBV), which is responsible for registering architects and approving partnerships and companies, managing complaints about architects, taking enforcement

action for breaches of the Act and low-level unprofessional conduct, and referring practitioners who may have engaged in more serious unprofessional conduct for inquiry by the Architects Tribunal.¹

The Architects Regulations 2015 (the current Regulations) prescribe further details to operationalise, clarify, and expand on the provisions in the Act. The current Regulations set out a Code of Professional Conduct for architects, specify processes for registration and disciplinary hearings, set fees for registration and other services, and prescribe various other matters, such as forms and qualifications.

In the RIS, the Department outlines the key problems that the current regulatory framework seeks to address. It highlights the significant risks, such as costly building defects and compromised building safety, associated with poor design-related decisions potentially arising from inadequate training, experience or understanding of building codes. The Department also discusses the consumer harms that can arise from misrepresentation, fraud, unfair billing practices, and professional misconduct. It notes that the number of complaints about architects has grown in recent years, with many relating to client-architect agreements that are non-compliant with the Code of Conduct.

The current Regulations are due to sunset in April 2026. The Department argues that in the absence of regulations, there would be a decline in the quality of architectural services and professional standards across the industry, which would erode public confidence in the profession and Victoria's building system. It also notes that without prescribed fees, ARBV would either not receive funding, or its funding would be drawn from general revenue, which would be inconsistent with the principle that fees should recover the costs of regulatory services (as set out in the Victorian Government's *Pricing for Value Guide*).

The Department also outlines specific issues with the current Regulations that it has identified through the sunset review process. It highlights the importance of continuing professional development (CPD) in ensuring that architects possess and maintain the necessary skills and knowledge to deliver safe, compliant and high-quality buildings. The current Regulations do not prescribe specific CPD requirements, meaning that ARBV cannot take disciplinary or enforcement action against architects who have not undertaken CPD beyond providing written advice. Audits undertaken by ARBV indicated that up to 50% of audited architects did not satisfactorily complete the recommended amount of CPD in 2024. The Department argues that low CPD uptake among architects undermines professional accountability, building quality, and consumer protection.

¹ In December 2025, the Government committed to establishing the Business and Professions Regulator, which would absorb ARBV and assume responsibility for the regulation of architects. These changes are yet to be formally implemented, and as such, are not contemplated in the context of this RIS.

Options and impact analysis

In the RIS, the Department considers options across three policy areas: CPD requirements, fees, and other areas of the regulations. The Department compares options against the base case, where the current Regulations sunset and are not remade. The Department uses multi-criteria analysis (MCA) to identify its preferred option for each policy area.

For options relating to CPD requirements and other areas of the regulations, the Department uses the following MCA criteria and weights:

- effectiveness (50 per cent)
- cost to businesses (25 per cent)
- cost to the regulator (25 per cent).

For options relating to fees, the Department uses the following MCA criteria and weights:

- cost recovery (33 per cent)
- encourages desired behaviour (33 per cent)
- easy to understand and administer (33 per cent).

Continuing professional development (CPD)

The Department considers the following options for continuing professional development:

- **Option 1: status quo** – CPD requirements are not prescribed in the Regulations. ARBV continues to recommend that architects complete 20 CPD units annually but is limited in its ability to enforce this recommendation.
- **Option 2: prescribe the status quo** – practising architects would be required to complete 20 CPD units annually, with at least 10 units of formal learning activities, enabling ARBV to take enforcement action against architects who fail to comply with CPD requirements.
- **Option 3: prescribe the status quo and enable ARBV to mandate specific CPD activities** – as per Option 2, with additional powers for ARBV to require architects to complete specific CPD activities to address critical knowledge gaps in the industry.

The Department outlines the key benefits of requiring architects to undertake CPD, including improving architects' technical and non-technical skills, reducing non-compliance and the risk of poor practices across the industry, and supporting career advancement for architects. These benefits are expected to accrue to architects as well as their clients and the broader community through higher-quality and safer buildings. It also notes that Options 2 and 3 would support a nationally consistent approach through aligning CPD requirements with other jurisdictions.

The Department argues that Option 3 will further improve the quality of CPD undertaken through enabling ARBV to mandate specific CPD activities to address priority industry needs. For example, architects could be required to complete 2 CPD units on waterproofing design if ARBV, in consultation with industry stakeholders, were to identify

this as a pressing issue. The Department assumes that ARBV will prescribe any specific CPD activities within the requirement to complete 20 CPD units, so Option 3 will not impose additional cost for architects relative to Option 2.

The Department estimates the cost per architect to complete 20 hours of CPD to be approximately \$5,250. Assuming full compliance with CPD requirements, it estimates the total cost to industry for Options 2 and 3 will be \$30 million annually, with a ten-year net present value of \$121 million.

Due to the significant benefits that it expects will arise from requiring all architects to complete CPD and from enabling ARBV to mandate specific CPD topics, the Department identifies Option 3 as its preferred option for CPD.

Fees

In the RIS, the Department explains that ARBV undertook a fee review in 2023, which recommended fee increases ranging from 25 to 35 per cent to achieve full cost recovery. These fee increases came into effect for the 2023-24 financial year. As such, the Department only considers two options for fees, which are based on the current fees:

- **Option 1: status quo** – remake the current fees with no changes
- **Option 2: prescription of new fees** – retain the current fee structure and levels, with ‘renewal fees’ renamed to ‘annual fees,’ and prescribe new fees for late registration renewal and reinstatement of registration.

In the RIS, the Department explains that Option 2 is its preferred option. The Department considers Option 1 to be a non-viable option, as recent amendments to the Act mean that the current fees are not legally enforceable. It expects that the new fees introduced by Option 2 will increase the timeliness of registration renewals and raise up to \$120,000 in additional revenue each year, based on the number of late payments in previous years. The Department estimates the proposed fees would raise approximately \$3.7 million in revenue annually, which would fully recover regulatory costs.

Other areas of the Regulations

Beyond CPD requirements and fees, the current Regulations also:

- set out a Code of Professional Conduct for Victorian architects
- specify processes for the registration of architects and the approval of companies and partnerships
- specify processes for disciplinary inquiries and hearings
- prescribe qualifications for registration, forms, and notice requirements.

The Department considers the following options relating to other areas of the Regulations:

- **Option 1: status quo** – the other areas of the current Regulations are remade without changes

- **Option 2: change option** – changes are made to the current Regulations, including:
 - clarifying and enhancing the obligations in the Code of Professional Conduct
 - clarifying that ARBV does not need to publish the insurance particulars of architects on the Register of Architects on its website
 - updating the prescribed list of courses and qualifications
 - making consequential amendments following recent amendments to the Act, such as referring to renewal of registration instead of annual registration, enabling ARBV to compel information from architects during investigations, and removing redundant provisions.

The Department identifies Option 2 as its preferred option for other areas of the Regulations. It explains that the proposed changes will promote stronger accountability and integrity for architects, improve administrative efficiency for ARBV, and ensure that the Regulations are aligned with the Act. The Department does not expect any of the proposed changes to impose significant additional burden on industry or the regulator.

Implementation and evaluation

The Department explains that the proposed Regulations will take effect from 26 April 2026. In the RIS, the Department outlines its plans to communicate the changes, particularly the new CPD requirements, to industry prior to their commencement. It outlines that compliance with the CPD requirements will be monitored by ARBV through declarations at renewal and random audits, which will be supported through ABRV's existing resources.

The Department commits to both a mid-term and sunsetting evaluation of the proposed Regulations. The mid-term evaluation will occur between 2029 and 2031, with the sunsetting evaluation to be undertaken before the proposed Regulations sunset in 2036. Future reviews of the proposed Regulations will assess architects' compliance with CPD requirements, the quality of CPD being undertaken by architects, practitioner capability and professional standards, and the level of cost recovery achieved by the proposed fees.

Should your team wish to discuss any issues raised in this letter, please do not hesitate to contact Better Regulation Victoria on (03) 7005 9772.

Yours sincerely,



Katrina McKenzie

Commissioner for Better Regulation