



Architects Regulations 2015 Regulatory Impact Statement

December 2025



Department
of Transport
and Planning



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Acknowledgements and limitations

We proudly acknowledge Victoria's First Peoples. We acknowledge their ongoing strength in practising the world's oldest living culture. We acknowledge the Traditional Owners' lands, waters and skies on which we live and work. We also pay our respects to their Elders past and present.

The Department of Transport and Planning acknowledges its responsibility for this regulatory impact statement (RIS) which reviewed the Architects Regulations 2015.

This RIS has been prepared for the express purpose of considering the costs, benefits and alternatives to regulatory proposals. Other potential uses of the information contained in the RIS has not been a consideration in its development. No reliance should be placed on this document for any other purpose. The information contained in this RIS has not been subjected to an audit or any form of independent verification.

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Important note on the announced abolition of the ARBV

The Government's Response to the Independent Review of the Victorian Public Service led by Helen Silver - Ensuring the public sector is focused on what matters most (December 2025) – committed to the establishment of a Business and Professions Regulator by expanding the role of the Business Licensing Authority to cover architects, surveyors, and veterinarians. This means that the Architects Registration Board of Victoria will be absorbed by the Business and Professions Regulator. The timing for this is being developed and is not being contemplated in the context of this RIS. Regardless of the impending change in regulatory oversight for the architect profession, the RIS seeks to ensure that the regulations are fit for purpose and support the Business and Professions Regulator to oversee the profession into the future.

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Glossary

Acronym	Full name
AACA	Architects Accreditation Council of Australia
ABS	Australian Bureau of Statistics
ACA	Association of Consulting Architects
ACCC	Australian Competition and Consumer Commission
ADR	Automatic Deemed Registration
AIA	Australian Institute of Architects
APE	Architectural Practice Examination
ARBV	Architects Registration Board of Victoria
AMR	Automatic Mutual Recognition
BLAOM Act	<i>Building Legislation Amendment and Other Matters Act 2024</i>
BPC	Building and Plumbing Commission
BRV	Better Regulation Victoria
CPD	Continuing Professional Development
D&C	Design and Construct contracts
DTP	Department of Transport and Planning (Victoria)
GDP	Gross Domestic Product
MCA	Multicriteria Analysis
NCC	National Construction Code
NSCA	National Standard of Competency for Architects
NSW	New South Wales
NSW ARB	NSW Architects Registration Board
PII	Professional Indemnity Insurance
RIS	Regulatory Impact Statement
VBA	Victorian Building Authority
VCAT	Victorian Civil and Administrative Tribunal



Executive summary

Sunset Review

In Victoria, all regulations automatically expire on their tenth anniversary under the *Subordinate Legislation Act 1994*. Before expiry, a review (known as a “sunset review”) is conducted to assess the regulations’ effectiveness, ensure it remains fit for purpose, and identify any necessary updates. This process helps maintain a relevant and efficient regulatory framework without imposing unnecessary burdens.

Under the *Subordinate Legislation Act 1994*, if the remaking of a statutory rule (even if it is to be remade without changes) is likely to impose a significant economic or social burden on a sector of the public, a Regulatory Impact Statement (RIS) must be prepared, along with a period of public consultation.

The architectural profession in Victoria is regulated under the *Architects Act 1991* (the Act), the *Architects Regulations 2015* (the Regulations) and the Victorian Architects Code of Professional Conduct (the Code of Conduct), which is a schedule to the Regulations. The Act forms the foundation for the regulation of architects in Victoria, and the Regulations set standards and requirements for practical enforcement of the provisions in the Act. The Act establishes the Architects Registration Board of Victoria (ARBV) as the independent statutory body responsible for maintaining a register of architects, regulating architects and upholding standards in professional practice.

The current Regulations are scheduled to lapse on 26 April 2026, following a 12-month extension. The Department of Transport and Planning (DTP or the Department) is undertaking a sunset review to ensure that the regulatory framework governing the architectural profession in Victoria remains current, effective, and proportionate to its intended purpose. The objectives of the sunset review are to ensure that:

- architects are well-equipped to deliver architectural services in an evolving industry;
- architects are skilled and operate competently and with integrity;
- the ARBV is effective, focused on protecting consumers and has a strong presence;
- administrative burden on the ARBV is reduced, improving efficiency so it can be more focused on consumer protection and practitioner compliance; and
- provisions introduced by the *Building Legislation Amendment and Other Matters Act 2024* (BLAOM Act), and other amendment Acts, are enabled.

Problem Analysis

Building design and construction plays a critical role in ensuring safe, compliant, and sustainable buildings. However, widespread building defects across Australia highlight persistent quality issues that carry substantial economic, social, and safety costs. While architects are not the sole cause of these defects, international and domestic studies consistently show that design-related decisions account for around half of all building defects.

The core problems the Regulations were designed to address (specifically, risks to professional competency, ongoing skills maintenance, and consumer protection) remain present and significant. Evidence from sector reviews, regulatory reports, and stakeholder consultation confirms that, despite improvements in the broader building system, the architectural profession continues to face persistent challenges related to building quality, professional standards, and regulatory compliance.

Maintaining professional competency is central to protecting consumers and ensuring high-quality outcomes. However, current arrangements for Continuing Professional Development (CPD) of architects are



inconsistently applied. ARBV audits show that the number of audited professionals who are not completing the recommended amount of CPD increased from 40% in 2023 to 50% in 2024, reflecting significant gaps. Stakeholders consulted for this RIS also emphasised the need for a more structured, competency-based, and mandatory CPD system, particularly in areas such as NCC compliance. The lack of prescribed CPD in the current Regulations is seen as a key weakness that undermines professional accountability and public protection.

Consumers remain at risk of harm where architectural services are delivered without sufficient oversight or where unregistered individuals falsely present themselves as architects. Common complaints to the ARBV involve poor communication, inadequate contracts, and failure to act with due skill or diligence. Although most matters are resolved through regulatory action short of disciplinary hearings, the number and complexity of complaints have grown, reflecting both an increased administrative burden for the regulator and persistent systemic weaknesses.

Without the Regulations, the incidence of poor-quality architectural services, disputes, and misconduct would likely increase, eroding public confidence in the profession and the building system more broadly. Stakeholders consulted broadly agreed that the Regulations remain necessary but identified opportunities to enhance their effectiveness, particularly through clearer CPD requirements, stronger consumer protections, and improved coordination with broader building reforms. Overall, the Regulations continue to serve an essential role in safeguarding public interest but require refinement to respond to emerging risks and evolving professional practice.

Case for government action

There remains a need for continued government intervention in the regulation of architectural services. Architectural design operates in a market characterised by significant information asymmetries, split incentives, and externalities. Consumers often lack the technical expertise to assess design quality or professional competence, while architects may face commercial pressures to prioritise short-term or client-specific outcomes over long-term building performance and public safety. Poor design decisions can have enduring consequences for building users, neighbouring properties, and community confidence in the built environment.

Non-regulatory approaches such as self-regulation, quasi-regulation, and co-regulation were assessed but found unsuitable. The architectural profession is highly fragmented, with many small practices and limited capacity for collective self-regulation. Market forces alone do not create sufficient incentives to uphold consistent quality and safety standards, and the potential consequences of building defects, safety risks, and consumer harm are too significant to rely on voluntary compliance. While information and education campaigns can support consumer awareness, they cannot overcome the inherent technical complexity of architectural services.

Accordingly, government regulation remains the most effective mechanism for ensuring that architectural services are delivered to appropriate standards of competence, integrity, and accountability, and for protecting consumers and the broader public interest.

Objectives of government action

The objectives of government action are to ensure that architectural services in Victoria are delivered to high professional standards and that consumers are protected from poor-quality or unsafe design.

The Government's broader policy objectives are to promote a safe, sustainable, and high-quality built environment through strong consumer protections, skilled practitioners, and effective regulatory oversight. Consistent with these aims, the proposed Regulations seek to:

- maintain professional standards by ensuring that architectural services are delivered with competence, integrity, and accountability, and that architects keep their skills current;
- protect consumers by minimising risks associated with poor design, inadequate documentation, and building defects; and
- ensure efficient and effective regulation by setting fees that are fair, transparent, and sufficient to enable the ARBV to fulfil its statutory responsibilities.

Areas of focus and policy options

As a first step of the sunset review, the Department engaged with industry peak bodies which informed the scope of the RIS. The focus areas of early stakeholder engagement were:

1. CPD requirements;
2. fees collected by ARBV;
3. the Code of Conduct;
4. the ARBV's disciplinary, compliance, and enforcement powers;
5. the scope of information published on the publicly available Register of Architects on ARBV website; and
6. updates arising from the BLAOM Act and other amendment Acts.

From this process, several areas of potential change were identified and compared to the base case scenario where the Regulations expire and are not remade.

The following tables outline the proposed options for each area of change.

Table ES 1 Policy options related to CPD requirements

Option	Description
Option 1: Status Quo	<p>CPD is recognised and authorised under the Act, and the Code requires ongoing professional development. However, CPD requirements are not explicitly prescribed in either the Regulations or the Code.</p> <p>ARBV requires architects to report annually on their CPD activities under Section 15B of the Act. This involves a declaration at their annual registration/renewal that the architect has met the requirements of the CPD framework (or used other processes) to meet the Code of Conduct requirement to maintain their skills and knowledge. However, the ARBV's ability to take enforcement or disciplinary action for non-compliance is limited.</p>
Option 2: Prescribe the Status Quo	<p>This option would entail prescribing the ARBV's currently recommended CPD framework in the Regulations, which includes:</p> <p>20 CPD units annually (equivalent to 20 hours of learning)</p> <p>a minimum of 10 CPD units in formal learning activities aligned with at least two performance criteria listed in the National Standard of Competency for Architects (NSCA).</p>

Option	Description
Option 3: Prescribe the Status Quo and enable ARBV to mandate specific CPD activities	<p>This option would entail prescribing the ARBV's currently recommended CPD framework in the Regulations (as per Option 2) and making changes in the Regulations to grant powers to the ARBV to make determinations about specific CPD activities to be completed in a specified timeframe, to fill critical knowledge gaps in the industry.</p> <p>This determination will require consultation with industry representatives to ensure the need is significant. For instance, if the ARBV became aware of a growing trend in the number of complaints made against architects concerning waterproofing design, under this option the Board could then mandate that all architects to complete 2 CPD units with a focus on waterproofing within the CPD cycles in FY27-28 and FY28-29.</p>

Source: ACIL Allen

Table ES 2 *Policy options related to fees in the Regulations*

Option	Description
Option 1: status quo	<p>This option involves remaking the existing Regulations with no changes to the current structure and levels of fees. It represents a continuation of the status quo.</p> <p>To meet the Victorian requirements for better regulation, the RIS assessed the appropriateness of the current fee structure and levels to justify their continuation. However, given that the changes introduced by the BLAOM Act are already in effect, the status quo is not considered a viable option. Its inclusion in the RIS is therefore as a useful point of comparison for the change option.</p>
Option 2: prescription of BLAOM's fees	<p>This option involves remaking the Regulations with the following provisions:</p> <ol style="list-style-type: none"> 1. retention of the existing fee structure and levels (as outlined in Table 17); 2. incorporation of new fees introduced under the BLAOM Act, specifically: <ol style="list-style-type: none"> a) late fees for overdue renewals (where requirements are not met by the 30 June deadline) b) reinstatement fees for lapsed registrations; and 3. replacement of annual fees with renewal fees to align with the new annual renewal process introduced by the BLAOM Act.

Source: ACIL Allen

Table ES 3 *Policy options for other areas of the Regulations*

Area of change	Option	Description
Code of Conduct	Option 1: Status Quo	Regulations are remade without changes, that is, without amendments to the Code of Conduct as specified in Part 2 of the Regulations.

Area of change	Option	Description
	Option 2: Change option	<p>This option would entail changing the Code of Conduct in the Regulations to improve its clarity and comprehension (without imposing additional obligations to architects). Additional details of the proposed changes are provided in Appendix C. Broadly, the proposed changes aim to:</p> <ul style="list-style-type: none"> - Simplify the Code of Conduct's clauses, clearly defining referenced terms and scope, providing greater specificity, and expanding certain provisions to enhance clarity and transparency. - Strengthen the requirements for architects to keep both the regulator and their clients appropriately informed. - Clarify architects' obligations with respect to communications and acting with integrity. - Reinforce the obligations of approved partnerships and companies under the Act including the provision of architectural services by a registered architect that is a Director of that partnership or company, and to ensure employees who are not registered architects are supervised in the provision of services.
Publication of information contained in the Register of Architects on the ARBV website	Option 1: Status Quo	Regulations are remade without changes. There would be no information prescribed under Section 16C of the Act, leaving ambiguity or uncertainty about what information must or may be published on the publicly available Register of Architects.
	Option 2: Change option	<p>The <i>Building and Planning Legislation Amendment Act 2023</i> introduced Section 16C into the Act, enabling the Regulations to prescribe the information on the Register of Architects that must or may be published on the ARBV website. Consistent with the new provision in Section 16C of the Act, under this option:</p> <ul style="list-style-type: none"> - the Regulations would be amended to prescribe the information on the Register that must or may be published on the ARBV website; and - the insurance particulars in regulation 17(e) of the Regulations would not be information that is prescribed for the purposes of Section 16C.
Updating the prescribed list of courses and qualifications	Option 1: Status quo	Regulations are remade without changes. Regulation 15 lists prescribed courses of study and Schedule 2 lists the prescribed qualifications.
	Option 2: Change option	<p>The change option proposes to update these lists, by:</p> <ul style="list-style-type: none"> - removing references to any outdated qualifications; and - updating regulation 15 and Schedule 2 with new qualifications and courses that have been accredited by the ARBV and also under the Architecture Program Accreditation Procedure, which came into effect from 1st January 2018.¹
Updates from the	Option 1: Status quo	<p>Regulations are remade without changes, that is without amendments to reflect the BLAOM Act 2024.</p> <p>This is not considered a viable option given the changes already made to the Act as a result of the BLAOM Act.</p>

¹ The Architecture Program Accreditation Procedure in Australia and New Zealand sets out the peer review process through which all architecture programs in Australia are assessed against the accreditation standard. The eight state and territory architect registration boards have statutory responsibility for the accreditation of architectural programs of study within their jurisdictions. Programs accredited in one jurisdiction are recognised in other jurisdictions in Australia and New Zealand. For the purposes of accreditation, architecture programs are required to demonstrate that graduates meet the Performance Criteria in the 2021 NSCA.

Area of change	Option	Description
BLAOM Act 2024	Option 2: Change option	<p>This option would entail changing the Regulations to enact the provisions introduced in the Act by the BLAOM Act 2024 (refer Section 1.3.6), including:</p> <ul style="list-style-type: none"> - adding references to the newly introduced terms - proof of CPD, proof of insurance, and fit and proper person statement; - replacing all references to annual fees with renewal fees; - progressing formal requirements for registration, renewal and reinstatement; - prescribing the three new fees for renewal, late renewal, and reinstatement of registration (as discussed in Chapter 7); - adding references to new regulatory powers for ARBV: <ol style="list-style-type: none"> (1) new grounds for disciplinary action if an architect ceases to be a fit and proper person (enables immediate suspension of registration on these grounds); (2) ARBV's discretion to refuse renewals if eligibility requirements are not met is clarified for partnerships and companies; and (3) adding new ground for disciplinary action by the Architects Tribunal if an architect ceases to be a fit and proper person.
Updates arising from the <i>Building and Environment Protection Legislation Amendment Act 2020</i> (2020 Amendment Act)	Option 1: Status quo	Regulations are remade without changes, that is without amendments to reflect the 2020 Amendment Act.
	Option 2: Change option	<p>The 2020 Amendment Act introduced Section 17C to the Act to address situations where individuals fail to comply with information requests made by the ARBV.</p> <p>A breach of Section 17C may constitute a disciplinary offence under Section 36A(1)(a) because it involves non-compliance with regulatory obligations. Under this option, Section 17C would be prescribed as grounds for immediate suspension.</p> <p>This would provide the basis for establishing grounds under Section 36A(1)(a) to discipline or suspend an architect.</p>
Updates arising from the <i>Building Legislation Amendment Act 2023</i> (2023 Amendment Act)	Option 1: Status quo	Regulations are remade without changes, that is without amendments to reflect the 2023 Amendment Act.
	Option 2: Change option	<p>The 2023 Amendment Act amended the Act and resulted in significant restructure to the governance of the ARBV. This change aligns the ARBV's appointment processes with best practice standards for skills-based boards. Consistent with amendments to the Act, under this option:</p> <ul style="list-style-type: none"> - the Regulations would be amended to remove redundant regulations on elections to the Board which no longer occur.

Preferred options and impacts

As noted above, the base case scenario where the Regulations expire and are not remade is not considered appropriate or realistic, as this would create a regulatory vacuum. Provisions in the Act would become unworkable or unenforceable, consumers would be exposed to greater risks of harm, and the integrity of the profession would be compromised. The cost to consumers and the construction industry attributable to less competent/up to date architects would likely be substantial.



The preferred option would make the following changes to the Regulations:

- The preferred CPD approach is Option 3. The Regulations would prescribe 20 CPD units to be completed by registered architects annually (equivalent to 20 hours of learning), with a minimum of 10 CPD units in formal learning activities, and grant powers to the ARBV to prescribe specific CPD activities within the prescribed CPD framework.
- The Code of Conduct would be revised to improve clarity of the duties of registered architects and approved companies or partnerships (without imposing additional obligations to architects or companies).
- The Regulations would be amended to:
 - Prescribe the information on the Register of Architects that must or may be published on the ARBV website, such information not to include the insurance particulars in regulation 17(e) of the Regulations.
 - Enact the provision introduced by the BLAOM Act 2024 and other amendment Acts, including:
 - adding references to new terms (e.g. proof of CPD, proof of insurance, and fit and proper person statement);
 - progressing formal requirements for registration, renewal and reinstatement of architects;
 - updating the Regulations to empower the ARBV to compel information from architects during investigations; and
 - removal of redundant references to elections to the Board at the ARBV.

The preferred fees option is Option 2. The fees in the Regulations would be remade as follows:

- new fees introduced under the BLAOM Act would be prescribed, specifically:
 - 12 fee units late fee for overdue renewals (where requirements are not met by the 30 June deadline);
 - 18 fee units reinstatement fee for lapsed registrations;
- all references to annual fees would be replaced by references to renewal fees to align with the new annual renewal process introduced by the BLAOM Act; and
- existing fees structure and levels for all other fees would be retained (as outlined in Table 17).

The incremental costs to industry related to the preferred option are:

- The costs of meeting the prescribed CPD requirements are estimated to be around \$19.9 million per year (annualised), or a net present value over the next 10 years of \$161.2 million (using a real discount rate of 4%). This reflects uptake in the quantity and quality CPD undertake when comparing the change option to the base case.
- Additional costs to industry associated with the late registration renewal and reinstatement of registration fee are in the order of \$100,000 to \$120,000. Although these fees are avoidable and attributable to non-timely renewal of registration, an indicative estimate of their potential impact on industry has been developed in Section 8.2.2.
- The additional costs of the preferred option to the regulator (ARBV) are estimated to be \$135,000 per year (annualised) and reflect the additional administrative burden of monitoring CPD, increased legal expenses, and one-off costs.

The preferred option is expected to deliver a range of benefits for the profession, government, and the broader community. In particular, it will:



-
- Contribute to upholding professional standards by supporting the delivery of architectural services at appropriate levels of competence, integrity, and accountability.
 - Strengthen assurance to government and the community that registered architects maintain up-to-date skills and knowledge in line with evolving industry, regulatory, and societal needs, and provide benefits to practitioners themselves from reduced costs of dispute resolution and improved reputation.
 - Reduce risks for clients and building users by lowering the likelihood of poor-quality design, inadequate documentation, and building defects linked to architectural services.
 - Secure the sustainability of the regulatory framework by ensuring it is resourced appropriately and supported by a fee structure that promotes timely compliance, improves efficiency, and encourages positive behaviours across the profession.



1 Introduction

This section provides an overview of the regulation governing architects in Victoria, and an explanation and structure for this report.

1.1. Policy background and context

1.2. Sunset review

In Victoria, all regulations automatically expire on their tenth anniversary under the *Subordinate Legislation Act 1994*. Before expiry, a review (known as a “sunset review”) is conducted to assess the regulation’s effectiveness, ensure it remains fit for purpose, and identify any necessary updates. This process helps maintain a relevant and efficient regulatory framework without imposing unnecessary burdens.

Under the *Subordinate Legislation Act 1994*, if the remaking of a statutory rule (even if it is to be remade without changes) is likely to impose a significant economic or social burden on a sector of the public, a Regulatory Impact Statement (RIS) must be prepared, along with a period of public consultation.

The current Regulations are scheduled to lapse on 26 April 2026, following a 12-month extension. The Department of Transport and Planning (DTP or the Department) is undertaking a sunset review to ensure that the regulatory framework governing the architectural profession in Victoria remains current, effective, and proportionate to its intended purpose. The objectives of the sunset review are to ensure that:

- architects are well-equipped to deliver architectural services with integrity in an evolving industry;
- architects are skilled and operate competently and with integrity;
- the ARBV is effective, focused on protecting consumers and has a strong presence;
- administrative burden on the ARBV is reduced, improving efficiency so it can be more focused on consumer protection and practitioner compliance; and
- enforcement of the provisions introduced by the *Building Legislation Amendment and Other Matters Act 2024* (BLAOM Act), and other amendment Acts, is enabled.

As a first step of the sunset review, the Department engaged with industry peak bodies (see Appendix B which informed the scope of the RIS. The proposed focus areas of this early stakeholder engagement were:

1. CPD requirements
2. the Code of Conduct
3. the ARBV’s disciplinary, compliance, and enforcement powers
4. the scope of information published on the publicly available Register of Architects on the ARBV website
5. fees collected by ARBV
6. updates arising from the BLAOM and other amendment Acts.

Additional information about the current regulatory arrangements across these six areas are provided in Section 1.3.

Consultation as part of this early targeted engagement with stakeholders took place during June and July 2025. The Department received submissions from a range of stakeholders, which informed the development of this RIS and the broader public consultation on the proposed new Regulations.



As part of this process, DTP engaged ACIL Allen to support the development of the RIS for the remaking of the Regulations.

1.1 Current regulatory arrangements across the focus areas of the sunset review

1.1.1 CPD requirements

CPD plays an important role in ensuring that architects keep their expertise current and adapt their capabilities to meet the changing demands of the industry and the community.

In Victoria, the Act requires that:

Every architect must comply with any prescribed continuing professional development requirements and give written proof of such compliance in the prescribed manner to the Board by the end of each financial year in which the architect's registration is granted or renewed.

Architects Act 1991, Section 15B

Furthermore, in the Act, the ARBV may take disciplinary action against a registered architect if the Tribunal finds that:

The architect has not completed the relevant prescribed continuing professional development requirements (if any)

Architects Act 1991, Section 32(dc)

While CPD is recognised and authorised under the Act, CPD requirements are not explicitly prescribed in the Regulations. The Code of Conduct, however, requires architects to maintain their professional skills and knowledge. As regulating the professional conduct of Victorian Architects is a key function of the ARBV, it has published a guideline under Regulation 7. This guideline directs Victorian architects to undertake CPD activities so that their professional skills remain consistent with the expectations set by the AACA under the National Standards of Competencies for Architects (NSCA). Non-compliance with the Code of Conduct constitutes unprofessional conduct under Regulation 9(1) and is a ground for disciplinary action under the Act. Failure to comply with guidelines prepared under Regulation 7 may result in written advice on compliance being issued to the architect, pursuant to Regulation 8.


In current practice, the ARBV recommends CPD in alignment with the national CPD framework, which includes:

- 20 CPD units annually (equivalent to 20 hours of learning)
- a minimum of 10 CPD units in formal learning activities
- learning activities mapped to the performance criteria in the NSCA.

The ARBV also undertakes audits to assess compliance with these recommendations. However, due to the absence of prescribed CPD requirements in the Regulations, the Board's ability to take enforcement or disciplinary action for non-compliance is limited, including when assessing an architect's registration renewal.

1.1.2 Architects Code of Professional Conduct

The Code of Conduct, established under Part 2 and prescribed in Schedule 1 of the Regulations, outlines the professional and ethical standards expected of registered architects. It requires architects to act with integrity, competence, and in the public interest, thereby fostering trust and accountability within the



profession. The Code of Conduct also reinforces high standards of practice by setting clear responsibilities to clients, the public, and peers. Breaches of the Code of Conduct may result in disciplinary action, helping to safeguard public confidence in the architectural profession.

The Code of Conduct sets out professional responsibilities across five key areas:

1. Architectural services

- Act honestly and with reasonable care.
- Maintain appropriate skills and knowledge relevant to the projects undertaken.
- Deliver services with reasonable promptness.
- Only sign documents that have been properly reviewed, approved, or supervised.

2. Client relations

- Enter into written agreements that clearly outline the scope of services, fees, timeframes, and responsibilities.
- Act with integrity, fairness, and impartiality when administering building contracts.
- Issue regular fee statements and ensure charges do not exceed the agreed fee structure.
- Keep clients informed of decisions required and provide timely, accurate information.
- Maintain client confidentiality unless consent is given or disclosure is required by law.
- Disclose any referral arrangements or paid endorsements.
- Avoid conflicts of interest; where unavoidable, obtain the client's informed written consent.
- Withdraw services if continuing would breach the Act, Regulations, or Code of Conduct.

3. Record keeping

- Maintain complete and accurate project records for at least 10 years or for the duration specified under the Building Act, whichever is longer.

4. Professional practice

- Accurately represent qualifications, experience, and contact details.
- Ensure architectural partnerships or companies comply with professional obligations.

5. Public and professional duties

- Conduct themselves in a manner that upholds public confidence, professional integrity, and the reputation of the architectural profession.

The Code of Conduct sets benchmarks for professional standards expected of architects working in Victoria. It emphasises transparency, competence, integrity, client protection, and high professional standards across all aspects of architectural practice.

1.1.3 Information published on the publicly available Register of Architects on the ARBV website

The Act provides for the maintenance of a Register of Architects:

There shall be a Register of Architects in the prescribed form (if any) containing the names and addresses of every architect, approved partnership, approved company and any other prescribed particulars.

Architects Act 1991, Section 16(1)

Box 1 Regulation 17 of the Architects Regulations - Contents of the Register of Architects outlines these "prescribed particulars" as set out in the Regulations.

Box 1 Regulation 17 of the Architects Regulations - Contents of the Register of Architects

For the purposes of Section 16 of the Act, the following are the prescribed particulars—

- (a) in the case of any architect—
 - (i) the date of registration; and
 - (ii) the registration number; and
 - (iii) the class of registration; and
 - (iv) if the architect holds a specialist qualification, the nature of that qualification;
- (b) in the case of an architect who is a member of an approved partnership or a director of an approved company—
 - (i) the name and approval number of the approved partnership or approved company; and
 - (ii) when the architect becomes a member or director and, if applicable, ceases to be a member or director;
- (c) in the case of an approved partnership—
 - (i) the date of approval; and
 - (ii) the approval number; and
 - (iii) the name and address of each member of the partnership; and
 - (iv) the name and registration number of each architect member;
- (d) in the case of an approved company—
 - (i) the date of approval; and
 - (ii) the approval number; and
 - (iii) the name and registration number of each architect director;
- (e) details of the required insurance by which each practising architect is covered, including the following—
 - (i) the name and ABN, ACN or ARBN of the insurer;
 - (ii) the name of the policy holder;
 - (iii) the policy number;
 - (iv) the date of issue and the expiry date of the policy;

Source: Architects Regulations 2015, Section 17

The *Building and Planning Legislation Amendment Act 2023* introduced Section 16C into the Act, enabling the Regulations to prescribe the information on the Register that must or may be published on the ARBV website.


(1) The Board must publish on its website the information on the Register of Architects that is required by the regulations to be published.

(2) The Board may publish on its website the information on the Register of Architects that is permitted by the regulations to be published.

Architects Act 1991, Section 16C

1.1.4 Fees collected by ARBV

The ARBV is fully funded through fees prescribed under the Regulations, collected from individuals and entities seeking to register or maintain registration to practise architecture in Victoria. It does not receive any government funding.



To recover the costs of fulfilling its regulatory functions, the ARBV charges fees to practising architects, as well as to companies and partnerships registering under the Act.

These prescribed fees cover a range of services, including registration and approval, requests for information from the Register, and the renewal or reinstatement of registration or approval. Applicants must also pay an initial application fee and an annual fee to maintain their status as a registered architect or as an approved company or partnership operating in Victoria.

The Regulations currently prescribe 9 fee types:

- application fee for first registration as a practising architect
- change from non-practising to practising architect (if non-practising for more than two years)
- application for approval of a partnership
- application for approval of a company
- certified extract of Register
- annual fee – practising architect
- annual fee – approved partnership
- annual fee – approved company
- revocation of suspension fee where the annual fee is late, and suspension occurs.

In addition to the regulatory fees, the ARBV also charges fees for administering the APE.¹³

Additional information and discussion of the current fees charged under the Regulations is provided in Chapter 7.

1.1.5 Prescribed courses

Schedule 2 of the Regulations outlines the prescribed qualifications in architecture. It lists the approved qualifications from bodies (that is, universities and education providers), the qualifications offered by these providers, and any conditions.

1.1.6 Building and Legislation Amendment and Other Matters Act 2024


The BLAOM Act 2024 was enacted on 13 November 2024 to amend the *Building Act 1993* (the Building Act), the *Architects Act 1991*, the *Victorian Planning Authority Act 2017* and for other purposes.

The BLAOM Act 2024 introduced significant changes to architect regulation in Victoria, primarily establishing an annual renewal system for architect registration and approvals. The key changes to the regulatory framework for architects are outlined in the points below.

Annual renewal system

The previous ongoing registration was changed for a requirement to renew the registration (for architects) and approval (for partnerships and companies) annually. Previously, the registration of an architect or the

¹³ Individuals seeking registration as an architect in Australia are required to successfully complete a pathway to registration. This most commonly the APE. Alternative pathways include mutual recognition arrangements or the or the Architects Accreditation Council of Australia (AACA) Experienced Practitioner Assessment.



approval of a company or partnership was ongoing, with no set expiry. Registrants were required to pay an annual fee, and the ARBV had to suspend a registration or approval if this fee was not paid. The BLAOM Act changed this process, in which registrations and approvals automatically expire if not renewed. This change effectively shifts responsibility to architects to meet registration deadlines to avoid penalties or removal from Register.

Registration renewal requirements (i.e., the date at which payment is required) must now be completed by 30 June, previously 1 July).

Registration automatically expires after 1 month if renewal requirements remain unmet and architect details will be removed from the Register.

Fit and proper person requirement

A new requirement to give a fit and proper person statement was introduced as part of annual renewal probity checks that registered architects must provide to the ARBV.

New definitions

Adding references to the newly introduced terms (i.e. proof of CPD, proof of insurance, and fit and proper person statement).

New fees – the Act:

- created a head of power for late fees for overdue renewals (if requirements not met by 30 June deadline) and reinstatement fees for lapsed registrations
- replaced references to annual fees for renewal fees to reflect the insertion of the new annual renewal scheme.

ARBV's regulatory powers

New grounds for disciplinary action if an architect ceases to be a fit and proper person (enables immediate suspension of registration on these grounds).

The ARBV's discretion to refuse renewals if eligibility requirements are not met was clarified for partnerships and companies.

Tribunal's grounds for disciplinary action against registered architect

New ground for disciplinary action if an architect ceases to be a fit and proper person.

1.1.7 Building and Environment Protection Legislation Amendment Act 2020

The *Building and Environment Protection Legislation Amendment Act 2020* (the 2020 Amendment Act) introduced Section 17C to the Act to address situations where individuals fail to comply with information requests made by the ARBV.

A person must not, without reasonable excuse, refuse or fail to comply with a requirement of the Board or an appointed person under section 17B.

Penalty: 60 penalty units, in the case of a natural person; 300 penalty units, in the case of a corporate body

Building and Environment Protection Legislation Amendment Act 2020, Section 6

Section 17C makes it an offence for a person to refuse or fail, without reasonable excuse, to comply with a requirement of the ARBV under Section 17B. Section 17C was introduced to address situations where individuals fail to comply with information requests made by the ARBV under Section 17B.

Section 36A(1)(a) of the Act was also introduced as part of the 2020 Amendment Act. This section empowers the ARBV to immediately suspend an architect's registration if they are satisfied that the architect has committed an offence under the Act.

A breach of Section 17C may constitute a disciplinary offence under Section 36A(1)(a) because it involves non-compliance with regulatory obligations. Section 17C provides the basis for establishing grounds under Section 36A(1)(a) to discipline or suspend an architect.

1.1.8 Building Legislation Amendment Act 2023

The *Building Legislation Amendment Act 2023* (2023 Amendment Act) amended the Act and restructured the governance of the ARBV. The amendments replace the previous nomination-based approach to appoint the Board, with an open, merit-based recruitment procedure overseen by the Minister for Housing and Building.

These amendments make Part 4 and Schedule 3 of the Regulations redundant.

1.2 RIS requirements

This RIS has been developed in accordance with the best practice regulatory principles administered by Better Regulation Victoria (BRV) and set out in the Victorian Guide to Regulation (the Guide).¹⁴

The Guide outlines regulatory best practice principles and sets out the seven key questions to be answered when developing an impact assessment.

Table 2 Victorian Guide to Regulation – impact assessment steps


Step	Key question
Problem analysis	Why is the Government considering action?
Objectives of action	What outcomes does the Government aim to achieve?
Identify feasible options	What different courses of action could be taken?
Impact analysis	What are the expected impacts of options and what is the preferred option?
Preferred option	How will the preferred option work?
Implement action plan	How will the preferred option be put in place?
Evaluation strategy	When and how will the effectiveness of the preferred option be tested?

Source: Victorian Government 2024, Victorian Guide to Regulation

1.2.1 Scope of this RIS

The scope of the sunset review and this RIS is limited to changes to the Regulations that are made under the Act. Proposed changes that are not authorised under the Act, or changes to the Act itself or any other legislation, are outside the scope of the sunset review and the RIS.

¹⁴ Victorian Government 2024, *Victorian Guide to Regulation*. <https://www.vic.gov.au/sites/default/files/2025-04/2024-Victorian-Guide-to-Regulation.pdf>



Insights gained while preparing for and delivering the sunset review may, however, help to inform future legislative reform opportunities and priorities.

1.3 Structure of this report

The chapters in this report are structured around the seven key questions to be answered when developing an impact assessment. As such, the remainder of this report is structured as follows:

Chapter 2 explores the problems and effectiveness of the Regulations

Chapter 3 makes the case for continued government intervention

Chapter 4 explains the objectives of government action

Chapter 5 explains the methodology undertaken for the impact analysis approach

Chapter 6 outlines and analyses the impacts of the options for changes to CPD requirements

Chapter 7 outlines and analyses the impacts of the options for changes to fees

Chapter 8 outlines and analyses the impacts of the options for changes to other areas of the Regulations

Chapter 9 summarises the preferred options for each set of changes

Chapter 10 explores the impacts of the changes on competition and small business

Chapter 11 outlines the implementation and evaluation plan for enacting and monitoring the changes.



2 Problem analysis

This chapter examines the nature and extent of the problem that the Regulations aim to address.

When conducting a RIS of regulations scheduled for repeal, it is essential to demonstrate their continued relevance through a two-step analytical process. First, the RIS must establish that identifiable problems persist which the regulations are designed to address. Second, it must demonstrate that these problems warrant government intervention and that a regulatory response remains the most appropriate policy tool.

This chapter addresses the first step by examining whether the original policy rationale for the Architects Regulations 2015 remains valid and identifying the limitations and challenges that have emerged within the current regulatory framework. The analysis draws on evidence from multiple sources including sector reviews, stakeholder feedback, and insights from the ARBV. Chapter 3 assesses the case for government intervention.

2.1 What is the nature and extent of the problem?

The problems being addressed by the proposed Regulations can be characterised as follows.

Professional competency risks – the risks associated with buildings designed by architects who lack appropriate training, experience, or understanding of building codes and safety requirements.

Ongoing competency risks – the risk that registered architects are not maintaining or developing their skills after initial registration.

Consumer protection risks – the risk of consumer harm from unethical conduct, fraud, or poor service by architects operating without sufficient oversight or accountability.

These are discussed in more detail below.


2.1.1 Risks of inadequate qualifications and professional standards

Buildings represent critical infrastructure that directly impacts economic productivity and community wellbeing. Safe, accessible, and sustainable buildings enhance both individual and community outcomes, while the building industry contributes significantly to national output and employment. However, persistent concerns about rising building defects in Australia highlight ongoing quality and safety challenges across the construction sector.¹⁵

The evidence summarised in Appendix O indicates that approximately 50% of buildings experience defects, with the most common issues occurring in waterproofing, structural integrity, and fire safety systems. These problems span across building types and regions, indicating a systemic issue within the construction industry rather than isolated incidents.

The financial implications of building defects are substantial. Analysis undertaken to support the Australian Building Codes Board's implementation of the Building Confidence Report recommendations estimated that the total direct costs of problems associated with defects due to non-compliance of building work amount to

¹⁵ Architects Registration Board of Victoria (ARBV) and NSW Architects Registration Board (NSW ARB) 2022, *Systemic Risks in the Australian Architecture Sector*, https://content.vic.gov.au/sites/default/files/2022-12/Report-on-Systemic-Risks-for-the-Architecture-Sector-in-Australia_0.pdf.



approximately \$2.5 billion per year nationally across all building classes.¹⁶ Victoria's share of these costs, based on potential scope for improvement, was estimated at around \$900 million annually.^{17,18}

The impacts of building defects extend far beyond immediate repair costs, affecting both the economy and community through direct financial costs (rectification, maintenance, legal disputes, and temporary accommodation), market and insurance impacts (higher premiums, limited coverage, reduced property values, lower investor confidence) and human and social costs (health and safety risks, stress, and anxiety for occupants).

While direct evidence linking architects as the primary cause of defects remains limited, available research demonstrates that design decisions are a material factor in building failures. Although comprehensive Australian data isolating architects' specific responsibility is not available, both international and domestic studies indicate that design-related decisions can significantly influence defect incidence rates across all building classes:^{19,20}

Analysis by ACIL Allen for the NCC 2025 waterproofing requirements suggests that:²¹

- In apartments (Class 2 buildings), 5% of waterproofing defects are caused by design, 12% by workmanship and 83% are due to a combination of design and workmanship issues.
- In non-residential buildings (Class 3-9), the main cause of waterproofing defects in balconies/podiums and roofs is a combination of workmanship and design.

The Building Confidence Report: A case for intervention indicates that the share of defects caused by initial build factors (encompassing design, engineering, approval, and construction phases) is around:²²

- 52% for Class 1 detached houses
- 59% for Class 1 townhouses
- 52% for Class 2 apartments
- The remainder of defects were caused by maintenance and other factors.

¹⁶ Centre for International Economics (CIE) 2021, *Building Confidence Report: a case for intervention*, prepared for the ABCB, July.

¹⁷ Regulatory Impact Solutions 2024, *Continuing Professional Development for Building and Plumbing Practitioners Regulatory Impact Statement*.


¹⁸ This cost estimate included rectification costs, additional time costs, and property damage, but excluded other costs associated with poor quality work, such as evacuation costs, higher insurance costs, impacts on property values, legal costs, and occupant stress and anxiety.

¹⁹ Additional details of these studies are provided in Appendix A.

²⁰ See Figure 1 for a split of the typical architectural client base. As shown in this figure, around 28% of architects clients are multi-unit residential building.

²¹ ACIL Allen 2024, *Waterproofing provisions in NCC 2025 Decision Regulatory Impact Statement*, September.

²² CIE 2021, *Building Confidence Report: a case for intervention*, p. 30.



A comprehensive Singapore study of 18,704 defects across 74 buildings found 60% were preventable through better design (including architectural, civil, and consultant design errors), 33% through better workmanship, 24% through better materials, and 4% through better maintenance.²³

Johnston and Reid notes that studies have shown 50 to 60% of building defects are attributed to design issues or would have been preventable with better design.²⁴

Chew and De Silva's study of water leakage defects in 1,500 high-rise residential buildings in Singapore found design accounted for 37% of defects, construction 38%, and materials 25%.²⁵

Taken together, these studies suggest design accounts for roughly half of building defects. Importantly, the extent to which these defects are directly attributable to architects (as opposed to other designers, engineers, contractors, or subcontractors) is less clear.

The 2022 ARBV and NSW Architects Registration Board (ARB) systemic risk report²⁶ and its 2024 Deep Dive Report²⁷ provide key insights into how architectural decisions influence building quality. These reports note that building defects often arise from problems in interpretation and implementation rather than original design flaws. They highlight 3 interrelated risk areas for architects:

Documentation quality gaps – ‘Insufficiently detailed documentation can lead to misunderstanding or misinterpretation’ resulting in ‘errors, omissions or substitutions during the construction process and can, in turn, lead to building defects’.²⁸

Compliance challenges – while architects must ensure designs comply with the National Construction Code (NCC) minimum safety standards, the Deep Dive Report found that ‘The NCC may be a challenging document for some architects to read, interpret and apply in practice’²⁹, leading to compliance risks.

Inadequate coordination – architects typically serve as ‘the “glue” that holds all these [other design] professionals together’ and bear responsibility for ‘coordinating other design disciplines and documentation’.³⁰ Failure to do so effectively can amplify risks created by others.

²³ Chong, Wai-Kiong and Sui-Pheng Low 2006, “Latent Building Defects: Causes and Design Strategies to Prevent Them”, *Journal of Performance of Construction Facilities*, 20(3), pp.215.

²⁴ Johnston, N. and Reid, S. (2019), *An examination of building defects in residential multi-owned properties*, Deakin University, Melbourne, June, p. 11.

²⁵ M. Y.L. Chew & Nayanthara De Silva (2002) Factors Affecting Water-Tightness in Wet Areas of High-Rise Residential Buildings, *Architectural Science Review*, 45:4, 375–383, DOI: 10.1080/00038628.2002.9696953.


²⁶ ARBV and NSW Architects Registration Board (NSW ARB) 2022, *Systemic Risks in the Australian Architecture Sector*.

²⁷ ARBV and NSW ARB 2024, *Deep Dive into Systemic Risks in the Australian Architecture Sector*.

²⁸ Ibid, p.71.

²⁹ Ibid, p.14.

³⁰ Ibid, p.52



These findings indicate that while architects may not be the sole or predominant source of building defects, their role in coordinating and documenting designs means that lapses in competence or oversight can amplify risks from other practitioners, potentially compromising building quality and safety.

A landmark legal case illustrates how liability can attach directly to architects. The 2014 Lacrosse apartment fire in Melbourne's Docklands resulted in VCAT allocating liability across consultants: 25% to the architect, 33% to the building surveyor, and 39% to the fire engineer. The tribunal found the architect had breached its duty of care by specifying non-compliant cladding and failing to ensure that installed products met safety standards. This case underscores how architectural decisions can directly contribute to defects with significant safety and financial consequences. Box 2 provides additional details.

Box 2 Case Study: the Lacrosse building - architectural liability for building defects

The Lacrosse apartment fire occurred in November 2014 at a 23-storey residential tower in Melbourne's Docklands. The blaze began when a cigarette butt, discarded on a balcony, ignited combustible materials. However, the fire's rapid vertical spread was significantly worsened by non-compliant aluminium composite panels (ACPs) with combustible polyethylene cores used in the cladding system.

In 2017, the building's owners initiated civil proceedings against builder LU Simon. In February 2019, VCAT handed down its judgment, finding the builder primarily liable but also ruling that the architect, building surveyor, and fire engineer had each breached their consultant agreements. VCAT apportioned liability as follows: 25% (over \$1.4 million in damages) to architect Elenberg Fraser, 33% to the building surveyor, and 39% to the fire engineer.

Elenberg Fraser was originally engaged by the developer in June 2007 and novated to LU Simon in August 2010 under a design and construct contract. VCAT found the architect had failed to exercise due care and skill in two key areas: specifying non-compliant cladding that breached the Building Code, and failing (despite its role as lead design consultant) to ensure installed materials matched both the approved design and relevant safety standards. Crucially, the architect had specified "Alucobond" without clarifying the requirement for a non-combustible variant and later approved a non-compliant alternative during construction. The judge remarked that the architect's failure to act on its own fire safety concerns "amplifies Elenberg Fraser's culpability."

This case is among the first in Australia to allocate liability percentages to individual design professionals for building defects. It underscores how architectural decisions can directly contribute to serious safety risks and costly legal outcomes. The Lacrosse fire became a landmark incident, prompting nationwide scrutiny of building standards and cladding compliance.


Source: Cheng, Linda (2019), Judge finds architect proportionately liable for Lacrosse fire damages, Architecture, AU, March.

2.1.2 Skills and knowledge gaps among architects

As outlined in Section 1.3.1, under the Act and the Code of Conduct, architects must maintain their skills and knowledge. The ARBV recommends that this is achieved by complying with the national CPD framework and undertakes audits to assess compliance with these recommendations. However, CPD requirements are not explicitly prescribed in either the Regulations or the Code of Conduct.

Ensuring that architects possess, and maintain, the necessary skills and knowledge to deliver safe, compliant and high-quality buildings is central to public protection. This was highlighted by the ARBV/NSW ARB systemic risks report which highlights that:

University curricula and training programs for architects need to be responsive to... [recent and future disruptive] changes to ensure that practitioners are ready to realise opportunities, overcome challenges and mitigate the risks that these changes are likely to



entail. Equally, compliance with CPD requirements – particularly components relevant to the sectoral changes faced by architects – needs to improve.³¹

This reinforces the view that professional competence must be maintained and updated, particularly in critical areas such as NCC compliance, building product knowledge, and coordination practices. However, audits of compliance undertaken by ARBV indicate that uptake of CPD in the sector is inconsistent, with those not satisfactorily completing CPD increasing from 40% (2023) to 50% (2024) in ARBV audits.³² This highlights that a significant proportion of registered architects may not be satisfactorily completing the ARBV's recommended CPD requirements.

Stakeholders consulted for this RIS (see Appendix B) strongly support the need for CPD. This is consistent with the findings from the ARBV and NSW ARB systemic risks report and the ARBV compliance culture report, which note that:

CPD is critically important to ensure that architects are equipped on an ongoing basis to deal with the challenges and risks associated with the provision of architectural services... The ARBV considers that CPD compliance would be enhanced if specific requirements were prescribed in the Victorian Architects Regulation.³³

And that:

[Focus group participants] expressed strong support for enhancing CPD, particularly in relation to the NCC. The following key points were made.

- CPD needs to be more targeted and competency-based, not just time-based.
- CPD should include case studies about real-world application of compliance requirements.
- CPD on NCC compliance should be mandatory.³⁴

2.1.3 Risk of consumer harm

Consumers engaging architectural services in Australia can be at risk of harm where architects, or those presenting themselves as architects, operate without sufficient oversight or accountability. The Regulations aim to pre-empt and prevent these risks and, in turn, avoid harm to clients and end-users of architectural services.

Evidence from the ARBV and NSW ARB systemic risks report and the Deep Dive Report highlight recurring problems across client relationships, contracts, procurement, and professional conduct.


Misrepresentation and fraud – some practitioners present themselves as architects without being registered and consumers are sometimes misled by titles. The systemic risks report notes that:

³¹ ARBV and NSW ARB 2022, *Systemic Risks in the Australian Architecture Sector*, p.82

³² ARBV 2025, *Strengthening compliance culture in the architecture sector*, June 2025. The audits were of 5% of architects in the practising class

³³ ARBV and NSW ARB 2022, *Systemic Risks in the Australian Architecture Sector*, p.82

³⁴ ARBV 2025, *Strengthening compliance culture in the architecture sector*, p. 66.



complaints data indicates that there is variability in levels of professionalism within the sector, ranging from high to very low levels. Some architects do not manage time and costs well. Some architects even commit fraud, such as submission of false information to the regulator.³⁵

And that

the ARBV and NSW ARB have been receiving an increasing number of complaints about building designers. It is apparent from those complaints that clients may not be able to easily discern the difference between architects and building designers, nor to understand the differences in the way they are respectively regulated.³⁶

Service failures – this relates to the risks of failure of the services provided by architects due to, for instance, non-compliant client–architect agreements, poor communication or an architect’s lack of understanding about their role and responsibilities. Some of these issues are highlighted in the ARBV and NSW ARB reports, which noted, for instance, that:

There isn’t a clear and common understanding of architects’ role, responsibilities and main obligations to clients among sectoral participants.³⁷

That:

even though communication is core to a successful client-architect relationship, there is evidence to indicate that poor communication between architects and clients is common.³⁸

And that:

ARBV’s complaints data indicates that non-compliant client-architect agreements, and the absence of such agreements, are a common thread in many complaints received by the regulator. Despite the obligation to have a client-architect agreement in place for the provision of architectural services, the ARBV has encountered cases where architects have not entered into such an agreement or, when one is in place, it is not compliant with the detailed requirements set out in the Victorian Code.³⁹

The extent of issues related to consumer protection and professional accountability in Victoria can be illustrated by the number of complaints and investigations for non-compliance with the Act and Regulations. In Victoria, the ARBV monitors 2 key areas of non-compliance with the Act and Regulations:

Professional conduct, which refers to the standards and behaviours required of registered architects, as set out in the Victorian Architects Code of Professional Conduct. These standards cover competence,


³⁵ ARBV and NSW ARB 2022, *Systemic Risks in the Australian Architecture Sector*, p.57.

³⁶ Ibid, p.23-24.

³⁷ ARBV and NSW ARB 2024, *Deep Dive into Systemic Risks in the Australian Architecture Sector*, p.30.

³⁸ Ibid, p.35.

³⁹ ARBV and NSW ARB 2022, *Systemic Risks in the Australian Architecture Sector*, p.42-43.



ethical practice, client communication, confidentiality, and contract administration. Allegations of breaches may lead to ARBV investigations.

Prohibited conduct, which involves unregistered individuals or entities falsely claiming to be architects, in violation of the Act. Such breaches can result in legal action, as they compromise the integrity of the profession and consumer protection.

In 2024-25, the ARBV initiated 59 professional conduct investigations (mostly from consumer complaints). Common complaints leading to professional conduct investigations include:

- incompetent or misleading advice, including inaccurate cost estimates or documentation not capable of securing a building permit
- failure to act with due skill, care and diligence
- failing to disclose conflicts of interest
- failure to comply with planning or regulatory approvals
- poor communication and lack of transparency with clients
- inadequate contract or fee arrangements.

Of these, 7 matters were referred to the Architects Tribunal.

In the same year, the ARBV also investigated 46 prohibited conduct cases with voluntary compliance being achieved in all cases where prohibited conduct was identified. Examples of prohibited conduct in recent years include:

- unregistered individuals holding themselves out as architects – one individual appearing in 14 media publications while never having been registered
- non-practising architects continuing to represent themselves as being registered in the practising class.

In early engagement with stakeholders, concerns were raised about the adequacy of current systems to uphold consumer protection and professional standards with regards to CPD. The inability to mandate specific CPD topics, and the dominance of time-based rather than competency-based CPD frameworks, risk insufficient professional development and gaps in knowledge (like alignment with the NCC). Issues with design and construct (D&C)⁴⁰ contracts can compromise an architect's professional independence, weakening their ability to act in the public interest and uphold ethical standards.

The number and severity of the issues outlined above would be expected to increase significantly in the absence of the Regulations. Without a clear framework to set, monitor, and enforce standards of competence, issues of professional conduct and consumer complaints would likely rise. Without these safeguards, consumers would face higher risks of poor-quality services, disputes, and building defects, undermining confidence in the profession and the broader building system. This is discussed further in Section 5.1.1.

⁴⁰ In traditional contracts, architects act as independent advisors, ensuring design integrity and compliance throughout a project. Under D&C contracts, their role is reduced and controlled by the builder, creating blurred accountability, weaker compliance checks, and increased risks of defects and consumer harm. These structural differences are central to the systemic risks identified by ARBV and NSW ARB.

Trends in non-compliance

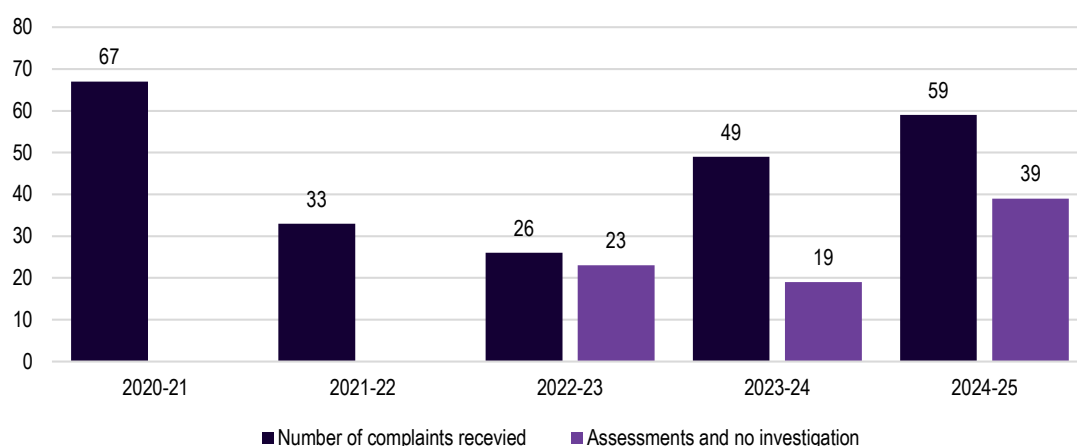
The number of complaints received peaked in 2020-21, before declining to 2022-23. From a low in 2022-23, the number of complaints made to the ARBV has more than doubled in 2024-25 (Figure 2). Since then, due to an increase in proactive regulatory action, the number of complaints has increased to present levels.

When complaints are received, the ARBV conducts an initial assessment and applies a risk-based approach to triage the complaints. Some assessments can be extensive and may involve the ARBV exercising information gathering powers to gather information to facilitate an assessment. In complex cases, the ARBV may involve external lawyers to assist and make recommendations. In recent years, several assessments and investigations involved high complexity and cross-agency collaboration, such as with Fire Rescue Victoria, Cladding Safety Victoria, and the Victorian Building Authority. These cases reflect the growing complexity of architectural practice and the serious consequences of regulatory breaches.

Some complaints do not progress to a more fulsome investigation after initial assessment. Reasons for this may include the lapse of time after the alleged conduct, which may create legal issues. For example, documents or information may no longer be available, witnesses may no longer be available or have unclear recollections, which may lead to evidentiary issues for the ARBV and/or impact the ability to afford procedural fairness.

While not every complaint received by the ARBV is progressed to investigation, the growth in the number and complexity of complaints received and handled by the ARBV has resulted in an increased administrative burden for the ARBV.

Figure 2 Number of complaints received by ARBV, 2020-2025



Note: Data on the number of complaints that did not proceed to investigation before 2022-23 is not available.

It should be noted that the figures reported for 2020–21 are not directly comparable with those in subsequent years. In 2019–20 and 2020–21, the higher number of recorded complaints may reflect the inclusion, at that time, of general enquiries about alleged breaches of the Act that did not result in a formal complaint being made to the ARBV. General enquiries regarding alleged breaches of professional conduct are not counted as “investigations initiated” unless a complaint is assessed as meeting the requirements to progress to investigation. Some matters do not proceed to investigation, while others may be referred to alternative regulators or agencies.

The most common professional conduct complaints in 2024-25 relate to the following issues:

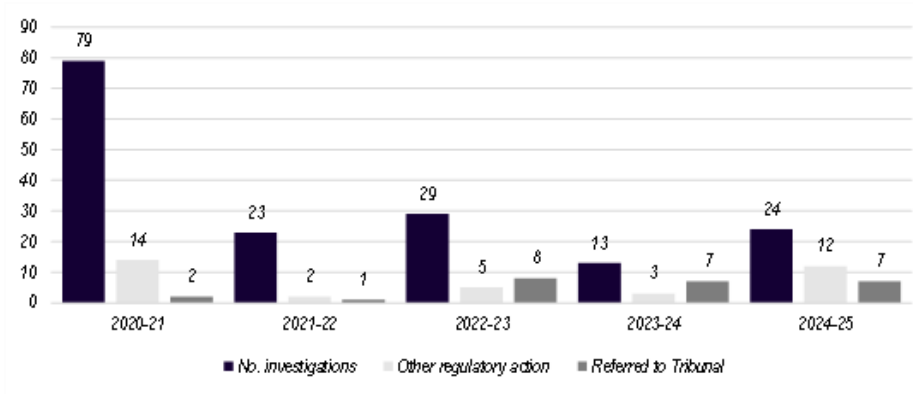
- careless or incompetent design
- undue delay in provision of services
- failure to perform with due skill, care or diligence
- copyright or licensing issues
- false statements
- unfair billing practices
- wrong or misleading information.

Once a complaint is investigated, there are several possible courses of action. The ARBV can either:


- refer the matter to the Architects Tribunal
- implement other regulatory action as decided by the ARBV (i.e. issuing of written advice to architects regarding compliance).

Very few of the complaints received by the ARBV result in referrals to the Architects Tribunal (Figure 3).

Figure 3 Disciplinary outcomes of investigation



Source: ACIL Allen



Note: the total number of investigations may not align with total numbers of complaints due to timing (i.e., a complaint made in 2019-20 may be resolved in 2020-21).

Of the 24 complaints investigated in 2024-25, 7 (29%) were referred to the Tribunal. The number of complaints referred to the tribunal over the last 3 years has been consistent. Following an inquiry, the Tribunal may make disciplinary determinations including to:

- caution the architect
- reprimand the architect
- require the architect to undertake further education of a kind, to be completed within a period stated
- impose a condition or limitation on the architect's registration that relates to their practice
- impose a financial penalty
- suspend their registration
- cancel their registration.

In the last 5 years, 1 architect has had their registration suspended and 1 architect has had their registration cancelled.

Since 2020-21, the Tribunal has made 11 adverse determinations against architects following an inquiry into their professional conduct and/or fitness to practice. As of 30 June 2025, there were 14 matters awaiting hearing or decision by the Tribunal. It should be noted that a small number of cases (5) since 2020-21 have not proceeded to a Tribunal hearing due to further evidence being submitted by the architect that was not submitted earlier and in some cases because of the architect's death.

2.2 Effectiveness of the current Regulations

The assessment of the effectiveness of current regulations poses inherent challenges, mostly notable the lack of a counterfactual. Specifically, this means that there is no data available to compare the current regulatory framework with a scenario in which it does not exist.


However, it is possible to form a view of effectiveness by drawing on multiple evidence sources, including stakeholder feedback, research, and trend analysis within the sector (e.g. changes in the number of registered architects and patterns in complaints data as outlined in the section above). The following section brings these sources together to provide an assessment of the current regulatory framework.

2.2.1 Systemic risks for the architecture sector

The ARBV and NSW ARB reports on the systemic risks in the Australian architecture sector provide insight into how the current regulatory framework is operating in practice. While the framework establishes important obligations for architects, the evidence suggests it is not consistently effective in managing systemic risks, protecting consumers, or ensuring professional standards.

Client-Architect relationships and agreements

Both Boards identify persistent weaknesses in the regulation of client-architect agreements. In Victoria, the ARBV has observed cases where agreements are non-compliant with the detailed requirements of the Victorian Code of Conduct, despite being mandated under regulation. In 2022, an architect was found guilty of two allegations of being careless and incompetent in their practice in that they failed to identify that a glass balustrade along an internal balcony that did not comply with the requirements of the NCC. In some cases, architects were found providing services where agreements were absent, reducing safeguards against



potential disputes. For example, in 2023 and 2024, an architect was found to have provided architectural services to a client without having entered a written agreement with that client. Even where agreements are in place, architects and clients often fail to understand the terms, limiting their ability to prevent disputes or clarify responsibilities.⁴¹

Fee structures are another source of issues. The widespread use of percentage-based fee models (calculated as a proportion of construction costs) has been criticised for lacking transparency and predictability.⁴² These models often bundle design and documentation phases, creating misaligned expectations about the scope and value of services.⁴³ Clients also report frustration with a perceived gap between creative design and a technical understanding of the construction process and materials used, which can lead to inefficiencies (e.g. time delays and increased construction costs due to poor understanding of the durability of materials and buildability details) and disputes.⁴⁴ While both Boards acknowledge the link between fee structures and poor client relationships, they have no authority to prescribe or restrict how architects set fees.

Regulators also have limited enforcement mechanisms. They can investigate and refer matters for disciplinary action but have very limited authority to order refunds, rectify defective work, or award compensation. This lack of enforceable remedies, combined with low public awareness of the Boards' roles, deters clients from lodging complaints and reduces the deterrent effect of regulation.⁴⁵

Building defects, professional standards and compliance culture

The ARBV and NSW ARB reports also highlight systemic gaps in how regulation addresses technical compliance. Currently, architects are not explicitly required to demonstrate compliance with the NCC in their design documentation. This omission increases the risk of downstream non-compliance in construction. Compliance is further hindered by the NCC's complexity, the inaccessibility of referenced Australian Standards, and gaps in both initial education and ongoing training.⁴⁶

Regulators across the construction sector lack clarity about the core risk factors and entities responsible for building defects (including a lack of understanding of the most common defects attributable to poor design by architects), making accountability difficult to assign.⁴⁷ At the same time, cultural attitudes in the profession exacerbate these gaps, with some architects viewing compliance as peripheral to design work. Tight deadlines, reduced fees, and D&C procurement models create additional pressures that lead to poor documentation and higher defect risks.

Enforcement is largely limited to assessing whether an architect acted "reasonably"⁴⁸, rather than verifying technical compliance. Meanwhile, education and CPD are not adequately aligned with the NCC's complexity. The reports identify fragmented training, limited CPD content on compliance, and a lack of coordination among regulators, educators, and industry bodies.⁴⁹ These weaknesses are mirrored in the Code of Conduct, which is embedded in regulation, making it difficult to update or interpret in line with emerging risks.

CPD issues

The effectiveness of CPD regulation is another area of concern. As noted in Section 1.2, in Victoria, CPD is mandated under the Act but not prescribed in the Regulations, creating ambiguity and inconsistent compliance. Current requirements lack clarity, make enforceability complex, and provide insufficient focus on critical issues such as climate-responsive design and NCC compliance.⁵⁰

The ambiguity and lack of clarity regarding CPD requirements may have been a contributing factor in a significant proportion of architects not completing CPD (as noted in Section 2.1, around 40% of architects audited in 2023 had not satisfactorily completed their CPD obligations, and this rose to 50% in 2024).



2.2.2 Stakeholder views

Stakeholders consulted for this RIS generally agreed that the current Regulations are operating largely as intended. The framework is seen as providing an effective baseline for professional standards and accountability. However, stakeholders also emphasised that certain limitations and gaps reduce the overall effectiveness of the system and create opportunities for improvement.

One recurring theme was the lack of alignment between the Act and the Regulations in relation to CPD which creates ambiguity and leads to inconsistent compliance and reduced professional accountability, which in turn diminishes consumer protection.

Stakeholders also pointed to other broader concerns about the framework's effectiveness: The regulatory system is sometimes perceived as siloed and less consumer-focused than the broader building reforms underway in Victoria. This raises risks that defective buildings may be designed by practitioners who lack the necessary training or knowledge.

Overall, while stakeholders acknowledged that the Regulations are fundamentally sound, they identified several areas where their effectiveness could be enhanced.

2.2.3 Summing up

The evidence above indicates that the current Regulations are broadly effective in setting professional obligations and providing a foundation for accountability. However, the ARBV and the NSW ARB reports also highlight several areas where the regulatory framework could be strengthened to better support consumers and uphold consistent professional standards. Challenges in client–architect agreements, fee transparency, dispute resolution, compliance with the NCC, professional culture, and CPD point to emerging systemic risks that may not be fully addressed under existing arrangements.

3 The case for government intervention

The case for government intervention

This chapter establishes the need for a government response to the problems identified in Chapter 2.

Identifying that a problem exists is not, in itself, sufficient to justify government intervention. The case for action must be underpinned by evidence of market failure, regulatory failure, or the need to achieve social or environmental objectives that are unlikely to be met by market forces alone.



This chapter examines the forms of market failure relevant to architectural services and considers whether these can be addressed through non-legislative means.

3.1 Market failure

In general, competitive markets are the most efficient way to allocate resources, enabling the production of goods and services that reflect consumer demand, while encouraging innovation and choice. However, markets can fail to produce efficient or equitable outcomes.

Market failure occurs when the free market does not allocate resources optimally. In such cases, government intervention may improve outcomes for consumers, businesses, and society. Nonetheless, intervention should be carefully assessed, as poorly designed regulations can create further inefficiencies and impose undue administrative burdens.

Common types of market failure include public goods, externalities, information asymmetries, split incentives, bounded rationality, and natural monopolies. The market failures that are related to architectural services are discussed in the following sections.

3.1.1 Information asymmetries

Because architectural services are complex and highly technical, most consumers cannot evaluate provider competence before or even after services are delivered. Unlike purchasing consumer electronics where functionality can be immediately tested, architectural design quality often becomes apparent only years later through building performance, maintenance costs, or structural issues.


This information asymmetry manifests in several ways. For instance, a homeowner commissioning a house extension cannot easily determine whether proposed design solutions are optimal, unnecessarily expensive, or potentially inadequate. Similarly, a small business owner seeking office renovation may lack the expertise to assess whether space planning decisions will support operational efficiency or whether specified materials will perform as promised over time.

The lack of transparent, comparable information makes it difficult for consumers to judge value, select appropriate providers, or understand what constitutes good design.⁴¹ This increases search costs and creates market conditions where low-cost, low-quality service offerings can flourish at the expense of higher-quality alternatives. The problem is particularly acute for individuals and small-scale clients, who tend to be infrequent purchasers of architectural services and lack the expertise to assess provider competence or foresee long-term consequences of design decisions.

The situation is exacerbated by the prevalence of small practices and sole traders in the architectural profession who may struggle to build strong reputational signals of quality. Without reliable quality indicators, consumers often make poorly informed decisions, potentially at risk of engaging unqualified or unregistered practitioners, or choosing to underinvest in quality design without understanding its long-term value.

The Building Confidence Report highlighted this problem, noting that building projects frequently lack clear decision trails or visibility over who was responsible for critical design decisions. This lack of clarity compounds the information asymmetry problem, making it difficult for consumers to understand what

⁴¹ Australian Productivity Commission. (2004). *Architects and their role in the built environment* (Inquiry Report No. 35). Canberra, ACT. <https://www.pc.gov.au/inquiries/completed/architects/report/architects.pdf>



decisions have been made on their behalf, assess the full impact of these decisions on building safety and operational costs, or seek redress through the legal system for subsequent defects given the significant transaction costs involved.

From an efficiency perspective, these information asymmetries create a classic 'lemons market' problem where high-quality architectural services struggle to compete effectively, potentially leading to an overall decline in market quality standards.

3.1.2 Split incentives

Split incentives arise when the costs and benefits of a decision are borne by different parties. In architectural practice, this often occurs when architects make design decisions for one party (e.g., developers or property owners) while different parties (e.g., occupants, facility managers) bear the long-term consequences.

The core issue arises when the party commissioning architectural services (bearing capital expenses) differs from the party who will benefit from the building's use (bearing operational expenses). Architects hired by developers, for instance, may face pressure to prioritise designs that minimise upfront construction costs and maximise immediate market appeal, since their clients will not bear the long-term operational consequences of design choices. This misalignment can result in architects making design decisions that appear cost-effective initially but prove more costly over the building's lifecycle.

Together with information asymmetry, split incentives can discourage architects from adopting optimal design practices. Specifically:

- End users cannot easily identify or value quality architectural design features, limiting market rewards for superior design decisions.
- Architects may lack incentives to invest time in long-term performance optimisation when their clients prioritise short-term outcomes and fee minimisation.

3.1.3 Externalities

Externalities are defined as costs and benefits of an activity that are experienced by people or organisations other than those directly involved in the activity. They exist when the welfare of some agent, or group of agents, is affected by the actions of another and this is not reflected in market prices. When the effects of one agent on another are not taken into account, market prices will not reflect the true marginal cost/benefit of the good or service traded.

In architectural services, negative externalities may include:

- harm to building occupants due to poor design or defects
- reduced property values for neighbouring buildings (e.g. from contextually inappropriate design, overshadowing from poorly considered building placement, reduced urban amenity from poorly designed public spaces, etc.)
- erosion of public confidence in the broader profession and the construction industry.

When these impacts are not internalised by those making design decisions, the market fails to account for the true social cost, leading to suboptimal outcomes.



3.2 Can the problem be addressed by non-regulatory means?

Having established that there are market failures associated with the architectural services market, the next critical question is whether these problems can be addressed through non-regulatory means. This analysis is essential because government regulation should be considered only when market-based solutions and lighter forms of intervention have been evaluated and found inadequate.

3.2.1 Is there scope for self-regulation, quasi-regulation or co-regulation?

Government intervention can be conceptualised along a continuum, from self-regulation (where there is little or no government involvement), through quasi-regulation and co-regulation (which refers to a range of rules, instruments or standards that government expects businesses to comply with), to explicit government regulation (see Figure 3).

Self-regulation represents the lightest form of intervention, where industry formulates and enforces its own rules, codes of conduct, service charters, guidelines, standards, and complaint handling schemes with minimal government involvement.⁴² This approach relies entirely on industry motivation and capacity to address problems.

Quasi-regulation encompasses arrangements where government influences business behaviour without formal regulatory requirements.⁴³ Examples include government-endorsed voluntary codes, accreditation schemes developed with government input, and industry standards that receive official recognition without a legal mandate.

Co-regulation typically refers to situations where industry develops and administers its own arrangements, but government provides legislative backing to enable the arrangements to be enforced.⁴⁴ This hybrid approach combines industry expertise and ownership with government authority.

Direct regulation represents the most intensive intervention, where government directly establishes, administers, and enforces mandatory requirements through legislation and regulatory agencies.

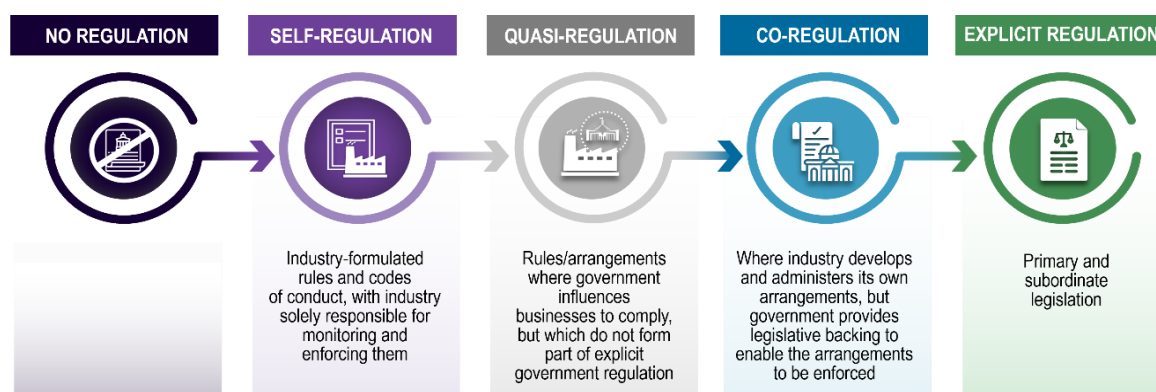
The choice of approach is determined by the severity of market failures, the capacity of industry to self-correct, and the public interest significance of the problems being addressed.

Figure 3 *Continuum of government intervention*

⁴² Taskforce on Industry Self-regulation (2000) *Industry self-regulation in consumer markets*. Accessed at: https://treasury.gov.au/sites/default/files/2019-03/final_report.pdf

⁴³ Commonwealth of Australia 2007, *Best Practice Regulation Handbook*.

⁴⁴ Australian Law Reform Commission 2012, *Classification—Content Regulation and Convergent Media*, Final Report, February, https://www.alrc.gov.au/wp-content/uploads/2019/08/final_report_118_for_web.pdf, accessed 8 December 2022.




ACIL Allen based on Commonwealth of Australia 2007, Best Practice Regulation Handbook.

Table 3 outlines the circumstances in which self, quasi, or co-regulation may be appropriate.

Table 3 Considerations for application of self, quasi, and co-regulation

Approach	Application considerations
Self-regulation	<p>The Australian Treasury's Taskforce on Industry Self-regulation notes that self-regulation should be considered where:</p> <ul style="list-style-type: none"> – <i>there is no strong public interest concern, in particular, no major public health and safety concern;</i> – <i>the problem is a low risk event, of low impact/significance, in other words the consequences of self-regulation failing to resolve a specific problem are small; and</i> – <i>the problem can be fixed by the market itself, in other words there is an incentive for individuals and groups to develop and comply with self-regulatory arrangements (e.g. for industry survival, or to gain a market advantage).</i> <p><i>Taskforce on Industry Self-regulation 2020, Industry Self-Regulation in Consumer Markets, p. 43.</i></p>



Approach	Application considerations
Quasi-regulation	<p>Advice from the Commonwealth Office of Impact Analysis (then the Office of Best Practice Regulation) suggests that quasi-regulation should be considered where:⁴⁵</p> <p>there is a public interest in some government involvement in addressing a community concern and the issue is unlikely to be addressed by self-regulation</p> <p>there is a need for an urgent, interim response to a problem in the short term, while a long-term regulatory solution is being developed</p> <p>government is not convinced of the need to develop or mandate a code for the whole industry</p> <p>there are cost advantages from flexible, tailor-made solutions and less formal mechanisms</p> <p>there are advantages in the government engaging in a collaborative approach with industry, with industry having substantial ownership of the scheme. For this to be successful, there needs to be:</p> <ul style="list-style-type: none"> – a specific industry solution rather than regulation of general application – a cohesive industry with like-minded participants, motivated to achieve the goals – a viable industry association with the resources necessary to develop and/or enforce the scheme – effective sanctions or incentives to achieve the required level of compliance, with low scope for benefits being shared by non-participants – effective external pressure from industry itself (survival factors), or threat of consumer or government action.
Co-regulation	<p>Co-regulation should be considered when:</p> <p>there is a unified, cohesive industry with a history of successful collective action and industry-wide initiatives</p> <p>industries' technical complexity exceeds government regulatory capacity (i.e. industries for which government regulators may lack the specialised expertise/nuanced understanding)</p> <p>industry has the ability and resources to develop, implement, and monitor compliance systems</p> <p>the problem relates to issues where risks that can be effectively monitored and measured and industry self-monitoring can be effective.</p>

In the case of architectural services, the conditions for relying on self-regulation, quasi-regulation, or co-regulation are not met:

High-impact consequences related to failures – poor architectural design decisions can create significant public health and safety risks. For instance, inadequate space planning can impede emergency egress, poor ventilation design can cause serious health problems, and inappropriate structural design approaches can compromise building safety. Furthermore, the consequences of poor architectural design can be severe and long-lasting. Unlike many service industries where poor performance primarily affects individual transactions, architectural failures can affect building occupants for decades, impose costs on surrounding communities, and can undermine public confidence in the built environment.

Strong public interest – as discussed in Section 2.1.1, there is a strong public interest concern in the quality and safety of buildings.

Absence of market incentives – the information asymmetries and split incentives identified earlier mean that market forces alone are unlikely to create sufficient incentives for maintaining high-design standards. Architects working in competitive fee environments may face pressure to reduce service levels, while

⁴⁵ Commonwealth of Australia 2007, Best Practice Regulation Handbook.



clients often cannot evaluate design quality effectively. Firms lack compelling financial or reputational reasons to self-regulate.

Industry fragmentation – as discussed in Section 2.1.1, the architectural profession is characterised by numerous small practices with diverse interests. This fragmentation makes it difficult to achieve the cohesive industry response necessary for effective self-regulation. Professional associations, while important, represent varying interests and lack the authority to enforce meaningful standards across the entire profession.

3.2.2 Provision of information

A possible non-regulatory response by government to problems arising from information asymmetry could be to provide more information to consumers so that they are more informed (e.g. governments could undertake education campaigns or facilitate access to relevant information regarding what to look for in relation to architectural services and poor designs). However, this approach (in its own) is unlikely to be effective in relation to risks related to defective building designs due to a number of factors, for instance⁴⁶:

- information programs may not reach everyone
- some individuals may be unable to absorb or act on information provided
- a significant number of people 'do not know what they do not know'
- the cause of building defects may not be visible to those not involved with the design or construction of the building.

In light of this, while an education campaign (both for consumers and industry) should form part of a broader regulatory strategy, it is insufficient on its own to address the risks associated with defective architectural designs.

⁴⁶ Productivity Commission 2004, *Reform of building regulation*, p. XXIV.



4 Objectives of government action

This chapter sets out the legislative and policy objectives of the Government to support the proposed regulations.

4.1 Legislative objectives

The purposes of the Act are:⁴⁷

- a) to provide for the registration of architects.
- b) to provide for the approval of partnerships and companies providing architectural services.
- c) to regulate the professional conduct of architects.
- d) to provide a procedure for handling complaints against architects.
- e) to regulate the use of the terms "architect", "architectural services", "architectural design services" and "architectural design".
- f) to establish the Architects Registration Board of Victoria.

4.2 Policy objectives

The Department is responsible for ensuring the effective and efficient operation of Victoria's building system. The Government is committed to continuously strengthening this system to enhance the safety, liveability, and sustainability of the built environment.

In fulfilling this role, the Department aims to deliver safe, high-quality buildings supported by strong consumer protections and a resilient, sustainable building industry. Its key policy objectives are to:

- promote housing and buildings that are safe, compliant, durable, affordable, and sustainable
- safeguard consumers and build greater confidence in the industry and its regulators
- ensure practitioners are skilled and experienced to uphold compliant and safe practices
- provide regulators with the support needed to enforce compliance effectively and efficiently.

4.3 Objectives of the proposed Regulations

A key purpose of a RIS is to set out clearly the objectives of regulatory intervention. Building on the nature and extent of the problems identified in Chapter 2, and aligning with the legislative and policy objectives outlined above, the Regulations seek to achieve the following objectives:

- **Maintain and improve professional standards** by ensuring that:
 - architectural services are delivered to appropriate standards of competence, integrity, and accountability
 - registered architects keep their skills and knowledge current and aligned with evolving industry, regulatory, and community needs.
- **Protect consumers** – minimise costs and risks to clients and building users arising from poor-quality design, inadequate documentation, or building defects linked to architectural services.

⁴⁷ Architects Act 1991 Part 1



4.4 Objectives of the fees prescribed in the Regulations

The fees prescribed in the Regulations seek to ensure that effective and efficient regulation of architects in Victoria is promoted. Within this broader objective, specific objectives include:

Efficiency – the fees are reflective of the costs of regulatory services and generate sufficient revenue to enable the ARBV to effectively perform its regulatory duties and meet statutory obligations. They also encourage the efficient consumption of regulatory services, avoiding any unintended consequences. This objective is in line with Pricing Principle 1 of the *Pricing for Value Principles* (additional detail of these principles and their application is provided in Chapter 7).

Effectiveness – the fees are designed to promote timely compliance and incentivise positive behaviour among architects. This objective supports Pricing Principle 8.

Simplicity – fees are simple for users to understand and for fee collecting entities to administer. This aligns with Pricing Principle 11.



5 Options design and analysis methodology

This chapter outlines the approach taken to develop and assess options for remaking the sunset Regulations. It describes both the options development process and the methodology applied to their analysis.

5.1 Options development

As part of the RIS process, it is necessary to consider different options that could achieve the government objectives outlined in Chapter 4. The *Subordinate Legislation Act 1994* requires a RIS to consider “other practicable means of achieving [the] objectives, including other regulatory as well as non-regulatory options.” This includes consideration of a range of approaches, including co-regulation and non-regulatory approaches, and those that reduce the burden imposed on businesses and/or the community.

Non-regulatory options to address the problems were discussed in Chapter 3 and considered to neither be appropriate, nor effective, in addressing the market failures identified in relation to architectural services.

The process used to identify feasible regulatory options for this RIS involved:

- reviewing the policy problem and regulatory objectives
- conducting initial stakeholder consultations to understand views on the current regulations and potential amendments, leading to a long list of options. This initial consultation process was undertaken by the Department
- testing the feasibility of these options through stakeholder consultations (undertaken by ACIL Allen)
- developing a short list of feasible options based on research and consultation outcomes (noting that some of the proposals involved legislative change which is out of scope for this RIS).

From this process, several areas of potential change were identified. Given the complexity of trying to assess multiple policy options within each area in the Regulations, we have structured the following chapters around 3 main areas of change:

- CPD (Chapter 6)
- fees in the regulations (Chapter 7)
- other areas in the Regulations (Chapter 8), which include options related to the other areas of assessment under the sunset review (discussed in Section 1.2), namely:
 - the Code of Conduct
 - the scope of information published on the publicly available Register on the ARBV website
 - updates to the prescribed courses of study and qualifications
 - updates arising from the BLAOM Act.
 - updates arising from the Building and Environment Protection Legislation Amendment Act 2020 and the Building Legislation Amendment Act 2023

Each chapter outlines the relevant policy options, including those considered but not taken forward, and assesses the impacts of the selected feasible options in line with RIS requirements.



5.1.1 The Base Case

The Victorian Guide for Regulation requires that for sunseting regulations the base case involves the regulations expiring and not being remade. As such, the Base Case for this RIS is to let the existing Regulations sunset, which means that the Regulations would lapse and not be replaced.

In considering this option it is useful to outline a view of the likely general implications of such a regulatory change.

If the Regulations were discontinued, the *Architects Act 1991* would be unable to fully operate in the absence of legislative detail, as the Regulations are required to specify some parts of how the Act operates. As noted in previous chapters, there is a need for regulation to ensure architectural services in Victoria are delivered to appropriate standards of competence, integrity, and accountability and protect consumers. The Architects Act sets out broad obligations and responsibilities for architects, but many of these rely on the Regulations to give them practical effect. Without the Regulations:

- Registration or approval requirements could not be implemented effectively, leaving no mechanism to verify architect qualifications and eligibility for registration or approval for companies and partnerships, and for registered architects to change their class of registration
- CPD obligations, referenced in the Act, would lack prescribed requirements and there would be no power for the ARBV to publish guidelines to address this gap
- the Code of Conduct, which underpins standards of behaviour and accountability, would lapse, leaving no enforceable framework for ethical or professional conduct and practice
- the absence of enforceable professional standards would limit the ARBV's ability to investigate professional conduct and/or fitness to practise and discipline practitioners, leaving consumers and the broader public at risk of substandard outcomes
- fee-setting powers would be absent, removing the financial base needed to fund the ARBV operations. Without fees, regulatory services would be funded from general (or consolidated) revenue, which is inconsistent with Victoria's Pricing Principles.

Overall, letting the Regulations sunset is not considered appropriate as this would create a regulatory vacuum. Provisions in the Act would become unworkable or unenforceable, consumers would be exposed to greater risks of harm, and the integrity of the profession would be compromised. The cost to consumers and the construction industry attributable to less competent/up to date architects would likely be substantial.

It is noted that all stakeholders consulted for the RIS agreed that letting the Regulations sunset is not an appropriate option, as the Regulations are central to maintaining adequate professional standards, ensuring accountability, and promoting confidence in the built environment.

While this scenario serves as a reference point for assessing the impacts of alternative options, it is not considered a viable or recommended option.

5.2 Impact analysis approach

The following chapters assess the impacts of the policy options for the Regulations. The approach used to assess the impacts of the alternative options is a multicriteria analysis (MCA). MCA involves structuring the decision problem, identifying relevant assessment criteria, assigning weights to them, scoring the performance of alternatives against these criteria, and synthesising the results to make informed decisions.

5.2.1 MCA criteria for CPD options

The MCA criteria used for the assessment of CPD options are outlined in Table 4. These three criteria are used to compare the different policy options for CPD.

In accordance with BRV's guidance note on multi-criteria analysis, benefit-related criteria and cost-related criteria have been equally weighted at 50 per cent. Accordingly, effectiveness is weighted at 50 per cent, while costs to business and cost to the regulator have been equally weighted at 25 per cent.

Table 4 MCA criteria description for CPD options

Criteria	Description	MCA Weighting
Effectiveness	Measures the extent to which the option contributes towards achieving the policy's intended goals of: ensuring that registered architects keep their skills and knowledge current supporting ongoing competency aligned with evolving industry, regulatory, and community needs.	50%
Cost to businesses	The extent to which the option imposes costs on architectural practices/practitioners, including financial costs for CPD activities, the cost of time taken to undertake CPD activities and other compliance costs (e.g. time spent record keeping). Costs are scored on a \$10 million scale. That is, a cost of \$20 million scores -2.	25%
Cost to the regulator	The extent to which the option imposes costs on the ARBV. As above, costs are scored on a \$10 million scale.	25%

Source: ACIL Allen

5.2.2 MCA scale

Each of the options were scored against each of the individual criterion on a Likert scale of 1 to 10 (see Figure 4) using a structured approach of positive and negative points against an initial starting position of '0' out of 10, with '0' reflecting the Base Case, and a score of 10 being the maximum benefit/cost of the options assessed. Negative points indicate a negative impact (e.g. a cost, deterioration or decrease in the criterion) compared to the Base Case. The differences in magnitudes capture the difference in the scale of benefits/costs, but the ultimate outcome of the MCA is an ordinal ranking of options. The option that receives the highest weighted score on all the criteria is then selected as the preferred option.

Figure 4 MCA scoring scale

Negative					Neutral	Positive				
-10	-7	-5	-3	-1	0	1	3	5	7	10
VERY HIGH	HIGH	MEDIUM	LOW	VERY LOW	NIL	VERY LOW	LOW	MEDIUM	HIGH	VERY HIGH

Source: ACIL Allen

5.2.3 MCA criteria for fee options

In line with the objectives of the Regulations to promote in-time compliance (effectiveness), efficiency, and support positive behaviours, the Victorian Government's Pricing for Value Principles (see section below) have been applied in this RIS to assess options for changes to the current fee settings.

Pricing for value principles

In July 2021, the Victorian Government introduced a new framework for pricing government services, known as the *Pricing for Value Principles*. The pricing principles build upon the previous Cost Recovery Guidelines. While cost recovery remains one principle, a broader range of principles encourage decision-makers to look beyond simple cost recovery and focus on pricing for value. The pricing principles are shown in Table 5.

Under the pricing for value framework, cost recovery remains an important principle but is now considered alongside other factors. It recognises that, in some cases, it may be appropriate to set prices above or below the actual cost of providing a service. For example, pricing above cost may signal higher risk associated with certain activities, while pricing below cost may be justified to avoid creating barriers to entry or other unintended consequences.

The principles are designed to be flexible and are applicable across a wide range of contexts. They have been carefully considered in the selection of criteria for the MCA of fee options.

Table 5 Pricing for value principles

Question	Principle
How much does the service cost?	1. Agencies should aim to recover the full costs of service provision to promote efficient consumption
Who benefits from the service?	2. The cost of service provision should be borne by those who benefit from the service 3. Services creating broad benefits for the community should be priced to support efficient consumption 4. The cost of interagency services should be borne by the user agency 5. The price of services should not limit access to those with a lower ability to pay
How do different users value the service?	6. Users should pay for differentiated service based on the value created by that differentiation 7. The public should share in the value generated by pricing based on user differentiation
How will the price of the service impact behaviour?	8. Pricing should support positive behaviours 9. Pricing should ensure sustainable usage of public services and reflect the value of natural resources
Are there alternatives to this service?	10. Where services are in competition with the private sector, pricing should be relative to market prices
How many different prices are there?	11. Pricing structures should be easy to understand and simple to administer
Are prices up to date?	12. Pricing arrangements should be monitored annually and reviewed periodically

Source: Department of Treasury and Finance n.d., *Pricing for value, A guide for government services, Pricing principles*.

Criteria for evaluating fee options

The key pricing principles which underpin the analysis of fee options in this RIS are the following:



- **Principle 1: prices should reflect costs** – fees should aim to recover the full costs associated with providing the regulatory services for which they are collected. Full cost recovery promotes the efficient consumption and provision of these regulatory services.
- **Principle 8: pricing should support positive behaviours** – in pricing the regulatory activities associated with the fees prescribed in the Regulations, the fees must encourage positive behaviour or actions from the regulated parties, such as compliance. This is particularly relevant to some of the proposed new fees in the Regulations which aim to increase in-time compliance.
- **Principle 11: pricing structures should be easy to understand and simple to administer** – the fee structure should be easy for architects to understand and simple for the ARBV to administer. Where possible, simple and clear schedules of fee types can reduce complexity.

Using these guiding principles, we defined the criteria for the MCA of fee options as per Table 6.

Table 6 MCA criteria description for fee options

Criteria	Description	Weighting
Cost recovery	The extent to which each option sets fees at a level which allow ARBV to recover the costs associated with fee-incurring activities and carry out their regulatory functions (i.e., that the fees are reflective of the regulatory services provided). This criteria also covers an assessment of equity, where costs are allocated to those who create them.	33%
Encourages desired behaviour	Assesses the extent to which options set fees that encourage architects to improve timeliness and compliance.	33%
Easy to understand and administer	Assesses the extent to which options set fees that are easy for architects to understand and simple for the ARBV to administer.	33%


Source: ACIL Allen

5.2.4 MCA criteria for other provisions in the Regulations

The MCA criteria used to assess the options for all other provisions in the Regulation are outlined in **Table 7**. These criteria are used to compare the different policy options and are scored in the manner as outlined in **Figure 4**.

Table 7 MCA criteria description for other provisions in the Regulations

Criteria	Description	MCA Weighting
Effectiveness	Measures the extent to which the option contributes towards achieving the policy's intended goals of: ensuring that architectural services are delivered to appropriate standards of competence, integrity, and accountability protecting consumers by minimising costs and risks to clients and building users arising from poor-quality design, inadequate documentation, or building defects linked to architectural services.	50%



Criteria	Description	MCA Weighting
Cost to businesses	The extent to which the option imposes costs and burdens on architectural practices/practitioners.	25%
Cost to the regulator	The extent to which the option imposes costs on the ARBV.	25%

Source: ACIL Allen

6 Options for CPD requirements


This section outlines and analyses the impacts of several proposed options for changes to the Regulations regarding CPD.

6.1 Policy options

As noted in earlier chapters, CPD plays an important role in ensuring that architects keep their expertise current and adapt their capabilities to meet the changing demands of the industry and the community.

However, given that the requirements for CPD are not prescribed in the Regulations, the ARBV's capacity to enforce disciplinary action for architects who have not completed CPD is constrained. As noted in section 2.1.2, only 50% of audited architects are satisfactorily completing the recommended amount of CPD. Thus, there is an opportunity to consider prescribing CPD requirements in the Regulations to strengthen the current CPD framework by, inter alia, addressing priority professional competences, reducing any ambiguity around requirements and strengthening enforceability.

The feasible regulatory options shortlisted for assessment in the RIS are summarised in Table 8. In addition to the options in this table, the initial long list of options included an additional option which involved aligning the architects' CPD framework with that of building and plumbing practitioners in Victoria. Under this model, practitioners would be required to complete a minimum of 12 CPD units annually (equivalent to 12 hours of learning) through one of two pathways: Pathway A, where architects would self-select eligible activities and report annually, or Pathway B, where CPD programs would be delivered by ARBV-approved providers.



This option was considered in consultations with stakeholders and received limited support, with concerns raised about the reduction in the required number of units and the administrative burden on the ARBV to approve providers. As a result, this approach was not taken forward for further consideration.

Table 8 Policy options for changes to CPD requirements

Option	Description
Option 1: Status Quo	<p>CPD is recognised and authorised under the Act, and the Code requires ongoing professional development. However, CPD requirements are not explicitly prescribed in either the Regulations or the Code.</p> <p>ARBV requires architects to report annually on their CPD activities under Section 15B of the Act. This involves a declaration at the end of each financial year that the architect has met the requirements of the CPD framework (or used other processes) to meet the Code requirement to maintain their skills and knowledge. However, the ARBV's ability to take enforcement or disciplinary action for non-compliance is limited to providing written advice as per regulation 8.</p> <p>Under this option, other regulatory provisions would be remade, but CPD requirements would continue to be addressed outside the Regulations through non-regulatory, guidance-based mechanisms. This differs from the base case (where the Regulations lapse entirely) because the ARBV would retain its limited ability to issue written advice for non-compliance. If the Regulations were allowed to lapse, this guidance mechanism would no longer exist.</p>

Option	Description
Option 2: Prescribe the Status Quo	<p>This option would entail prescribing the ARBV's currently recommended CPD framework in the Regulations, which includes:</p> <ul style="list-style-type: none"> 20 CPD units annually (equivalent to 20 hours of learning) a minimum of 10 CPD units in formal learning activities aligned with performance criteria across at least two units of competency listed in the NSCA calculating CPD requirements on a proportional basis for architects who practice for only part of a CPD cycle. provisions allowing the Board to grant full or partial exemptions from CPD requirements in specific circumstances. A CPD waiver or exemption (including a full or partial reduction in CPD requirement) may be granted in the following circumstances: <ul style="list-style-type: none"> - serious illness or accident affecting the architects or an immediate family member; - significant changes to employment arrangements (including unemployment, redundancy or extended leave); - parental leave; - extended overseas relocation or travel resulting in temporary cessation of architectural practice in Victoria; and - other exceptional circumstances determined by the Board. - requirements for practising architects to retain evidence of completed CPD activities for five years, including details of the activity, provider, points claimed, and any supporting documentation to demonstrate learning outcomes <p>As in the Status Quo, architects will be required to make a declaration that they have met their CPD requirements, which would now be included in the Regulations.</p> <p>With CPD prescribed in the Regulations, it would enable existing enforcement powers, allowable under the Act, to be used with respect to CPD compliance (which was not possible under the Status Quo). Powers under section 32(dc) and section 36A(1)(g) of the Act will be able to be exercised as follows:</p> <p>A ground for disciplinary action in an inquiry by the Architects Tribunal against an architect is that the architect has not completed the relevant prescribed continuing professional development requirements (if any). By prescribing CPD requirements in the Regulations, Option 2 will enable non-completion of CPD to become a ground for disciplinary action in matters before the Tribunal.</p> <p>Section 36A(1)(g) of the Act gives the ARBV the power to immediately suspend an architect for failure to comply with CPD requirements. Under the Status Quo, the ARBV has not been able to exercise this power in the absence of CPD requirements being prescribed in the Regulations. Again, this will change under Option 2 through prescribing CPD requirements in the Regulations.</p> <p>Option 2 allows the ARBV to enforce compliance using power available under the Act by prescribing CPD requirements in the Regulations.</p>

Option	Description
Option 3: Prescribe the Status Quo and enable ARBV to mandate specific CPD activities	<p>This option would entail prescribing the ARBV's currently recommended CPD framework in the Regulations (as per Option 2) and making changes in the Regulations to grant powers to the ARBV to make determinations about specific CPD activities to be completed in a specified timeframe, to fill critical knowledge gaps in the industry. . This determination will require consultation with industry representatives to ensure the need is significant. For instance, if the ARBV became aware of a growing trend in the number of complaints made against architects concerning waterproofing design, under this option the Board could then mandate that all architects to complete 2 CPD units with a focus on waterproofing within the CPD cycles in FY27-28 and FY28-29. It is assumed that the ARBV will prescribe any such specific CPD activities within the 20-hour requirement noting in certain circumstances, and in consultation with industry, the prescribed activities may be an addition to the 20 hours.</p> <p>As with Option 2, architects will be required to make a declaration that they have met their CPD requirements. Under Option 3, this declaration would include an attestation that the architect has also met their obligations with regards to the specific CPD activities as determined by the ARBV.</p> <p>As with option 2, the proposed change includes:</p> <p>calculating CPD requirements on a proportional basis for architects who practise for only part of a CPD cycle.</p> <p>provisions allowing the Board to grant full or partial exemptions from CPD requirements in specific circumstances. A CPD waiver or exemption (including a full or partial reduction in CPD requirement) may be granted in the following circumstances:</p> <ul style="list-style-type: none"> Serious illness affecting the architect or an immediate family member; Significant changes to the employment arrangements (including unemployment, redundancy or extended leave); Parental leave; Extended overseas relocation or travel resulting in temporary cessation of architectural practice in Victoria; and Other exceptional circumstances determined by the Board. <p>provisions allowing the Board to grant full or partial exemptions from CPD requirements in specific circumstances</p> <p>requirements for practising architects to retain evidence of completed CPD activities for five years, including details of the activity, provider, points claimed, and any supporting documentation to demonstrate learning outcomes</p> <p>As with option 2, option 3 also allows the ARBV to enforce compliance using power available under the Act by prescribing CPD requirements in the Regulations. Additionally, it provides ARBV with the power to utilise CPD for filling critical knowledge gaps in consultation with industry.</p>

Source: ACIL Allen

6.2 Options analysis

As discussed in Section 5.2.1, CPD options are assessed against three criteria:

- Effectiveness – the extent to which an option supports the policy's goals of:
 - ensuring registered architects maintain up-to-date skills and knowledge (CPD quantity)
 - supporting ongoing competency in line with changing industry, regulatory, and community needs (CPD quality).
- Cost to businesses.
- Costs to the regulator (ARBV).



The assessment of policy options using these criteria is provided in the sections below.

6.2.1 Effectiveness

As noted in earlier chapters, CPD delivers benefits not only for individual architects but also for the wider community and the construction industry as a whole. By ensuring practitioners remain up to date with evolving practices, technologies, and regulatory requirements, CPD strengthens both professional capability and public trust in the architectural profession. The benefits can be considered at two levels: those that accrue directly to individual practitioners, and those that enhance outcomes for clients, the industry, and society more broadly.

For individual architects, CPD supports career progression by ensuring their knowledge and skills remain current in a rapidly changing industry. By engaging in structured learning, practitioners are better informed about new design approaches, construction techniques, and regulatory requirements. CPD also provides valuable networking opportunities.


At the broader industry and societal level, CPD contributes to better construction outcomes by reducing the risks of building defects and contributing towards ensuring that buildings are safe, durable, and sustainable (as outlined in above in sections 2.1.2 and 2.1.3). Noting this, the ability to directly attribute CPD and CPD schemes to improved building outcomes is limited. There is a lack of quantifiable data to enable an empirical study of similar schemes in other Australian jurisdictions, with benefits of CPD relying on case studies and qualitative assessment.

Anecdotal evidence from the ARBV's complaints data and information shared with the ARBV by other regulators (e.g. Building Plumbing Commission (BPC), Cladding Safety Victoria (CSV)) suggests that there is strong correlation between an architect's failure to comply with their CPD requirements and complaints about building defects or projects not progressing. It is apparent that the architects who are the subject of some complaints have not maintained their skills and knowledge sufficiently (technical competence). These architects are often unaware of some of their professional standards obligations or have a poor understanding of them which contributes to or may be the root cause of the complaints about them.

There are a number of case studies referred to in the practical guidance booklet released recently by the ARBV as part of its report on strengthening compliance culture in the architecture sector.⁴⁸ While these are fictitious, they draw on elements from real cases. Undertaking targeted CPD would educate architects and assist them to avoid committing the breaches identified. The research report itself contains an evaluation of compliance culture in the Victorian architecture sector, and participation in CPD is discussed as an indicator.

Raising awareness and furthering architects' education in relation to deficiencies in skills and knowledge is critical to maintaining professional standards. The ARBV and BPC, interstate regulators and other industry bodies (e.g. Australian Institute of Architects, ArchiTeam, and the Association of Consulting Architects) offer CPD for architects. These opportunities are generally in relation to current and emerging issues or key regulatory changes within the building industry (identified by complaints data and other research). Architects who complete their CPD requirements (by drawing upon these and other opportunities) have a heightened awareness and understanding of these issues and are better equipped to act proactively to modify or improve their practice or upskill to achieve compliance. This minimises the risk of harms or poor outcomes.

⁴⁸ ARBV (2025). Strengthening compliance culture in the architecture sector. <https://www.arbv.vic.gov.au/sites/default/files/2025-07/Strengthening-Compliance-Culture-in-the-Architecture-Sector-30-June-2025.pdf>



Stakeholders consulted for the RIS consistently agreed that a well-designed CPD program delivers clear benefits for both practitioners and consumers. They highlighted that CPD:

- enhances both technical and non-technical skills, including areas such as risk management and client communication
- supports career advancement by enabling architects to specialise and broaden their expertise
- demonstrates a visible commitment to professionalism and adherence to ethical practice
- reduces professional liability by equipping practitioners to make informed decisions
- builds greater trust in architects' capability to deliver safe, compliant, and high-quality outcomes
- strengthens consumer protection by lowering the risk of poor or outdated practices.

Despite its benefits, some architects may choose not to undertake CPD to competing professional and personal demands, limited time or financial resources, or a perception that existing experience and knowledge are sufficient to meet professional obligations. The absence of strong enforcement or immediate consequences may further reduce the incentive to engage in CPD activities.

Stakeholders also noted that prescribing the CPD requirements clearly in the Regulations, would create additional benefits when compared to the status quo. They emphasised that this approach would:

- establish a nationally consistent framework for CPD, supporting comparability across jurisdictions
- increase uptake of CPD activity across the profession, helping to ensure architects' knowledge remains current with evolving codes, technologies, materials, and legislation.

The relative benefits of the options (i.e. their effectiveness) are assessed in more detail in **Table 9**.


The relative benefits of the options in this RIS are differentiated by the extent to which they support overall practitioner competency. This is assessed across two variables:

- **Quantity of CPD:** As the amount of CPD increases, so too does practitioner competency (potentially with diminishing returns).
- **Quality and targeting of CPD activities:** Competency gains are greater when CPD is high-quality and directed toward actual competency gaps. However, not all practitioners have an accurate understanding of their competency gaps, and providing guidance on learning topics can therefore increase aggregate competency across the sector.

Notably, the difference in effectiveness scores between Options 1 and 2 is solely due to the increased number of architects undertaking CPD. Moving from Option 1 to Option 2 effectively doubles participation, and the effectiveness score rises accordingly. Under Option 3, the quality of CPD is also enhanced through alignment with industry needs, and the effectiveness score increases further to reflect this improvement.

Table 9 Effectiveness scores for CPD options

Option	CPD quantity (number of architects that maintain up-to-date skills and knowledge)	Quality of CPD (improved competency by ensuring CPD activities are of a high quality, and match industry, regulatory and community needs)	Effectiveness Score
Option 1: Status Quo	<p>Under this option: the number of CPD hours is not prescribed in the Regulations</p> <p>ARBV's recommended number of CPD hours remains unchanged (20 hours, 10 of which are formal CPD hours)</p> <p>the proportion of registered architects who satisfactorily complete CPD remains unchanged (estimated to be 50% based on the 5% of registrants audited) as discussed in Section 2.1. This reflects the fact that CPD is not presently prescribed in the Regulations, leading to complexity enforcing disciplinary action for non-compliance. While many practitioners undertake CPD to maintain professional standards, engagement is inconsistent across the industry, leaving a proportion of architects not participating in any formal or informal CPD activities.</p> <p>This option scores better than the Base Case because, in the case where the Regulations remain in place, the ARBV can continue to issue written guidance to those not completing the recommended CPD units. If the Regulations were to lapse, this guidance mechanism would no longer exist, and it is likely that fewer architects would complete the recommended amount of CPD.</p>	<p>Stakeholders consulted for the RIS noted that the CPD undertaken voluntarily by architects is generally of good quality, but engagement across the profession is inconsistent, and there is limited assurance that all practitioners are maintaining current skills and knowledge.</p> <p>The status quo provides flexibility for practitioners to identify their own knowledge gaps and select learning methods that best suit their needs. However, stakeholders consulted raised a concern that some practitioners would meet only the minimum requirements by relying on low-cost, low-value activities, which reduces confidence in how effectively CPD translates into continuous competency (maintaining up-to-date skills and knowledge).</p>	2/10
Option 2: Prescribe the Status Quo	<p>This option retains the same CPD hours as the current ARBV's recommendation. However, once CPD is prescribed in the Regulations, architects would be legally required to meet CPD obligations as a condition of maintaining registration, which will lead to higher levels of participation across the profession (assumed as 100% of practising architects).</p> <p>Moving from Option 1 to Option 2 effectively doubles participation, and the effectiveness score rises accordingly.</p>	<p>There is expected to be little change in the overall quality of CPD between Option 1 (status quo) and Option 2. Under both options, architects retain flexibility to select their own learning activities, which allows practitioners to tailor CPD to their professional interests and knowledge gaps. As such, the change in effectiveness is entirely driven by the change in quantity of CPD being undertaken, not a change in its quality.</p>	8/10



Option	CPD quantity (number of architects that maintain up-to-date skills and knowledge)	Quality of CPD (improved competency by ensuring CPD activities are of a high quality, and match industry, regulatory and community needs)	Effectiveness Score
Option 3: Prescribe the Status Quo and enable ARBV to mandate specific CPD activities	<p>This option maintains the same CPD hours, and results in the same improvement in the number of architects undertaking CPD as Option 2.</p> <p>There is no difference in compliance rates expected between Options 2 and 3. In both cases, the act of prescribing CPD in the Regulations creates the same obligation on practitioners, resulting in full compliance across the profession</p>	<p>This option would improve the quality and relevance of CPD by ensuring it addresses priority or emerging industry needs. It is more responsive to change and provides a stronger link between CPD activities and professional competency, keeping architects better informed and up to date. As a result, architects are better educated and more equipped to meet the evolving challenges of the profession.</p> <p>While a more targeted approach could require some architects to undertake CPD in areas where they already have strong capability, this risk can be managed by providing the ARBV with flexibility to tailor or refine required activities, including the ability to adjust requirements or provide exemptions where an architect can demonstrate equivalent, recent, or otherwise sufficient competency.</p> <p>The change in effectiveness score between Option 2 and 3 is entirely driven by improvements in the quality of the CPD that will be undertaken.</p>	9/10

6.2.2 Costs to industry

The total cost to the industry for each of the CPD options is a product of the number of additional architects undertaking CPD, the costs to architects of completing CPD, and any increase in administrative burden for the ARBV. In this section we assume that all practising architects are full time.

Quantifiable costs of CPD per architect

As noted above, the ARBV currently recommends CPD in alignment with the national CPD framework, which includes 20 CPD units annually, with a minimum of 10 CPD units in formal learning activities and learning activities mapped to the NSCA performance criteria.

Formal CPD involves structured education with defined learning outcomes, typically assessed at the end of the activity. These activities usually include interaction between architects and a presenter, trainer, or instructor, and must map to relevant units of competency or performance criteria from the NSCA. Formal CPD occurs outside an architect's day-to-day work, and participants are issued with a certificate of completion as proof of attendance.

Informal CPD may include self-directed learning such as reading journals or listening to podcasts, attending tours, events or conferences, participating in mentoring, teaching architecture at a tertiary level, or contributing to the profession through roles such as examiner or assessor for the APE.

The costs to architects for CPD are therefore the direct costs of undertaking formal learning (e.g. course fees, conference attendance), and the opportunity costs of time spent completing both formal and informal activities. Some formal CPD opportunities are free, including ARBV's CPD webinar program, the ArchiBuild Expo, and certain product-provider sessions. Membership organisations such as the AIA, ACA and ArchiTeam also deliver CPD, with subject-specific sessions charging between \$30–\$75 per CPD hour. Other CPD hours, like the AIA annual conference for example, cost around \$900 for members or \$1,500 for non-members, and provides 9–10 formal hours. As such, the direct cost of completing 10 formal CPD hours can range from no cost to between \$1,000 and \$1,500. For the purposes of this RIS, we assume a cost of \$1,250 for the direct costs of 10 formal hours of CPD.

Informal CPD, by contrast, can generally be undertaken at little or no direct cost.

In order to price the opportunity costs of an architect's time, it is necessary to approximate the hourly cost for which an architect is paid (their opportunity cost). For the purposes of this RIS, the hourly cost of an architect's time is estimated at \$200 per hour. This figure reflects industry benchmarks indicating that architects in Australia typically charge between \$150 and \$250 per hour, depending on seniority, firm size and project complexity. The estimate also accounts for the fact that registered architects are highly qualified professionals who must complete extensive tertiary education, and that their fees must cover both wages and practice overheads such as insurance and compliance costs.

It is estimated that the costs for an architect to comply with the national CPD framework is approximately \$5,250 (see **Table 10**). It is assumed that all CPD, regardless of focus, can be offered at similar costs. That is, should an area of focus be prescribed by the ARBV as per Option 3, it is assumed that the ARBV will prescribe the requirement as formal learning and that the CPD units for this area of focus would be offered at the same rates as other CPD topics.

Table 10 Costs to an individual architect associated with CPD

	Direct costs	Opportunity costs	Total
Formal hours (10 hours)	\$1,250	\$2,000	\$3,250
Informal hours (10 hours)	-	\$2,000	\$2,000
Total			\$5,250

Source: ACIL Allen

Indirect costs

Requiring architects to undertake CPD may also create broader, indirect impacts on the profession. For some practitioners, particularly those working part-time, in small practices, in regional areas, or nearing retirement, the time and financial costs of meeting CPD obligations may be more burdensome. This may potentially influence decisions to reduce practice hours or exit the profession at the margin. CPD requirements may similarly raise barriers for new or returning entrants, who must allocate time and resources to meeting these obligations in addition to re-establishing their practice.

These impacts are not expected to be widespread and are considered negligible. Therefore, they have not been scored as part of the MCA.

Additional number of architects undertaking CPD

If the Regulations were to lapse, it is expected that approximate a third of practising architects would still undertake CPD. Even without regulatory requirements, CPD would enhance an architect's professional

capability and strengthen their competitiveness in the market, and hence remain a useful activity for many in the sector.

As discussed in Section 2.1, the current proportion of audited architects who satisfactorily complete CPD is approximately 50%. Once CPD is prescribed in the Regulations, standard regulatory practice is to assume full compliance. In this context, compliance is expected to increase to 100% under Options 2 and 3. This assumption reflects the broader expectation that regulated professionals adhere to mandatory requirements in order to continue practising.

The approximate number of architects satisfactorily completing CPD under each option is outlined in Table 11.

Table 11 Number of architects satisfactorily completing CPD under each option

Option	Total number of architects undertaken CPD
Option 1: Status Quo	2,838 ⁴⁹
Option 2: Prescribe the Status Quo	5,675
Option 3: Prescribe the Status Quo and enable ARBV to mandate specific CPD activities	5,675

Source: ACIL Allen

6.2.3 ARBV costs

There are no additional administrative costs for the ARBV associated with Option 1.

ARBV currently undertakes compliance checks for formal and informal CPD annually, and it is not expected that resource allocation would change as a result of either Option 2 or 3. It should be noted that there would be costs associated with suspension of registration for non-compliance. However, once CPD is prescribed in the Regulations, standard regulatory practice is to assume full compliance, and therefore these costs are not included here.

Option 3 allows for the ARBV to mandate specific CPD activities to address critical industry needs, which implies a possible increase in administrative costs. In identifying which areas of practice require particular focus, this increase was assumed to be relatively small given the ARBV's existing involvement in the creation of CPD offerings, engagement with membership organisations and relationships with industry more broadly. This additional cost was assumed to be \$10,000 annually.

The total additional cost to the ARBV for the implementation of Option 3 is assumed to be approximately \$10,000 per year.

Table 12 Cost summary of CPD options (\$/per annum)

Option	CPD compliance rates & number of architects undertaking CPD	Cost to industry (\$ per architect)	Costs for ARBV	Total cost (\$m)
Option 1: Status Quo	50% (2,838)	\$5,250	-	\$14,899,500

⁴⁹ This figure is 50% of the 5,675 architects registered in the practising class. This figure has been extrapolated from audits of 5% of registrants in the practising class which indicate that 50% do not satisfactorily complete CPD. Non-practising architects are not required to complete CPD.

Option	CPD compliance rates & number of architects undertaking CPD	Cost to industry (\$ per architect)	Costs for ARBV	Total cost (\$m)
Option 2: Prescribe the Status Quo	100% (5,675)	\$5,250	-	\$29,793,750
Option 3: Prescribe the Status Quo and enable ARBV to mandate specific CPD activities	100% (5,675)	\$5,250	\$10,000	\$29,803,750

Source: ACIL Allen

6.2.4 Comparing CPD options

The options are compared using an MCA as described above in section 5.2.1.

The weighted effectiveness scores of the options are summarised in the table below.

Table 13 Weighted effectiveness score of CPD options

Option	Effectiveness score	Weighting	Weighted effectiveness score
Option 1:	2	50%	1
Option 2	8	50%	4
Option 3:	9	50%	4.5

Source: ACIL Allen

The weighted costs to industry are summarised below. The score costs are summarised in the table below

Table 14 Weighted industry cost scores

Option	Total industry costs	Industry cost score	Weighting	Weighted industry cost score
Option 1	\$14,899,500	-0.5	25%	-0.1
Option 2	\$29,793,750	-2	25%	-0.5
Option 3	\$29,793,750	-2	25%	-0.5

Source: ACIL Allen

The weighted costs to the ARBV are summarised below.

Table 15 Weighted ARBV cost scores

Option	Total ARBV costs	ARBV cost score	Weighting	Weighted industry cost score
Option 1	0	0	25%	0
Option 2	0	0	25%	0
Option 3	\$10,000	-0.001	25%	-0.0003

Source: ACIL Allen

Table 16 Comparison of CPD options



Option	Weighted effectiveness score	Weighted industry cost score	Weighted ARBV cost score	Total (rounded)
Option 1	1	-0.1	0	0.9
Option 2	4	-0.5	0	3.5
Option 3	4.5	-0.5	-0.0003	4.0

Source: ACIL Allen

Option 3, where CPD requirements are prescribed in the Regulations, and where ARBV is enabled to mandate specific CPD activities, delivers an increase in CPD quality alongside a higher effectiveness score. There is a marginal increase in cost for Option 3 compared to Option 2, but this is offset by the increase in effectiveness. On this basis, Option 3 is the preferred CPD option.



7 Options for remaking fees

This section outlines and analyses the impacts of the proposed options for changes regarding fees in the Regulations.

7.1 ARBV funding model and current fees

As discussed in Section 1.3.4, the Regulations currently prescribe 9 fee types (outlined in Table 17). These fees were recently reviewed. A summary of the 2023 fee review is provided in the section below.

In addition to the regulatory fees in Table 17, the ARBV also charges fees for administering the APE. These fees are discussed in more detail in Section 7.1.2.

7.1.1 2023 Fee Review

The 2023 Fee Review was undertaken by the ARBV to assess the effectiveness, adequacy, and structure of the ARBV's registration and examination fees. The overarching aim was to address barriers to achieving the ARBV's strategic and regulatory objectives by ensuring that fees:

- support effective regulation of the architecture profession
- enable delivery of government policy objectives for the building sector
- reflect the efficient cost of services under the Act
- minimise unnecessary burden on industry and the public
- align with the Victorian Government's Pricing for Value principles and cost recovery frameworks
- remain simple for practitioners to understand and for the ARBV to administer.


The review found that the ARBV's fees, which had remained largely unchanged since 2015, were no longer adequate to support its functions or strategic priorities. As the ARBV receives no direct government funding and has no other means to generate revenue under the Act, its ability to regulate effectively depends on full cost recovery through fees.

Despite growing demand for services such as registrations, examinations, renewals, and compliance monitoring, fees had not kept pace with operational costs. A cost analysis in 2019-20 showed that operational costs to perform several of ARBV's regulatory activities significantly outweigh the corresponding fee income received, and the 2023 Fee Review noted that⁵⁰:

Current fees are not able to cover the range and volume of services and activities being undertaken by the ARBV to the extent these relate to the registration fees. For example, the time taken for officers to assess and approve applications for registration is greatly disproportionate to the revenue received.

The same 2019-20 analysis showed that a minimum annual income of \$2.57 million was required for the ARBV to operate at break-even. In the two years that followed, modest surpluses were only achieved through strict expenditure controls, temporary staffing vacancies, and deferred projects, with annual income of

⁵⁰ ARBV n.d. *Analysis supporting the review of architects' registration fees*, p. 10.



approximately \$2.5–\$2.6 million.⁵¹ These outcomes confirmed that break-even operations require revenue at or above this level, and that additional resourcing was needed to sustainably meet the ARBV's regulatory obligations.

The review also found:

- That a contributing factor to the ARBV's resource pressures was the significantly higher volume of complaints and disciplinary matters it handles compared to its interstate counterparts⁵²:

At a Registrars' National Forum meeting in March 2022, State and Territory ARBs compared the number of complaints and disciplinary matters they handled per year. Apart from NSW, other State and Territory ARBs that were present reported that they typically handle between 0-5 complaints and investigations per year ... The NSW ARB reported that they typically handle between 5-10 complaints and investigations per year. In Victoria, the numbers handled per year are substantially greater. Over the last five years the ARBV has on average conducted 45 professional conduct investigations per year and 70 prohibited conduct investigations per year with some matters referred for inquiry to the Architects Tribunal.

- That the "ARBV operates efficiently in comparison to other regulators".⁵³
- No concerns of inefficiencies or unnecessary costs in the form of 'gold plating', cost padding, or over regulation. Rather, the review confirmed the need to increase fees to maintain viability and deliver services at expected standards.
- That the existing fee structure (with different rates for individuals, partnerships and companies) remained appropriate.
- That existing fees had not kept pace with changes in the regulatory environment, including the Victoria Government's desire to deliver stronger regulatory outcomes in the built environment.

In light of the review findings, ARBV adjusted its fee levels, retaining all existing fee types but increasing them proportionally across categories. These changes were made to:

- improve cost recovery;
- ensure fairness among registrant types, with higher fees for companies and partnerships reflecting their greater risk profile and capacity to pay; and
- support the delivery of strategic priorities, including proactive compliance activities, consumer protection, and system improvements.

Table 17 compares the current fees charged by ARBV with those in place prior to the 2023 Fees Review, showing changes in unit allocations and monetary amounts. Fees increase ranged from 18%–35% across all fee types and were expected to generate an additional \$460,000 in annual revenue. In addition to the regulatory fees, in late 2023 there was an amendment to the fees associated with the APE to ensure ARBV could continue administering the APE while recovering its costs.

⁵¹ Ibid.

⁵² Ibid, p.11.

⁵³ Ibid, p. 13.

The revised fees were implemented in mid-2023, aligned with ARBV's annual cycle.

Table 17 Changes to ARBV fees before and after the 2023 Fees Review

Fee type	Units 2022-23	Fees in 2022-23	Units 2023-24	Fees in 2023-24	% difference between fees
First registration as a practising architect	9	\$137.61	11	\$174.90	27%
Change from non-practising to practising	6.5	\$99.38	8	\$127.20	28%
Approval of a partnership	5	\$76.45	6.5	\$103.35	35%
Approval of a company	9	\$137.61	11	\$174.90	27%
Certified Extract of Register	4	\$61.16	5	\$79.50	30%
Annual fee – practising architect	20	\$305.80	24	\$381.60	25%
Annual fee – approved partnership	25	\$382.25	29	\$461.10	21%
Annual fee – approved company	30	\$458.70	34	\$540.60	18%
Revocation of suspension fee	6	\$91.74	7	\$111.30	21%

Source: ACIL Allen based on ARBV Fee changes for 2023-24. <https://www.vic.gov.au/sites/default/files/2023-05/ARBV-Fee-changes-for-2023-24.pdf>

7.1.2 APE fees

Individuals seeking registration as an architect in Australia are required to successfully complete the APE or an alternative registration pathway. The APE follows the 2021 NSCA and is delivered with the assistance of the Architects Accreditation Council of Australia (AACA):

- AACA develops and maintains the common national assessment framework, exam content, and national standards
- the ARBV administers the APE in Victoria. It oversees candidate applications, eligibility checks, interview arrangements, and registration once candidates pass.

The APE comprises 3 parts:

- Part 1: Logbook and Statement of Practical Experience.
- Part 2: National Examination Paper.
- Part 3: Examination by interview.

Parts 1 and 2 can be completed in any state, but candidates must complete both parts in the same state. Part 3 can be completed in a different state than parts 1 and 2. Current APE fees across Australia's states and territories are outlined in Table 18.

Table 18 Current APE fees across Australia

	Part 1 and 2	Part 2 (re-sit)	Part 3	Total for Part 1 to 3 (no re-sit)
Victoria	\$670	\$265	\$510	\$1,180
NSW	\$660	\$245	\$470	\$1,130
Queensland	\$740	-	\$510	\$1,250
Western Australia	\$665	-	\$565	\$1,230
South Australia	\$670	\$265	\$510	\$1,180

	Part 1 and 2	Part 2 (re-sit)	Part 3	Total for Part 1 to 3 (no re-sit)
Tasmania	\$675	-	\$510	\$1,185
Northern Territory	\$525	-	\$395	\$920
ACT	\$465	\$245	\$395	\$860

^aAs of 19 September 2025.

Source: Architects Boards in each jurisdiction.

The APE fee-setting mechanism operates through a dual structure: AACA sets the APE contribution fee after consulting state registration boards, while individual state registration boards set their own registration, examination and administrative fees through their respective legislative frameworks. The state registration boards endeavour to ensure APE fees are nationally consistent.

Victoria's fee setting framework is different to other jurisdictions (for instance, NSW). The fundamental difference is that NSW gives the board more direct fee-setting autonomy within legislative constraints, while Victoria requires higher-level government involvement through formal regulations to change fees (see Table 19).

Table 19 Comparison of APE fee setting framework in NSW and Victoria

NSW Model Board Autonomy with Ministerial Oversight	Victoria Model Regulatory Instrument Approach
Board has direct authority to set and approve fees annually	Fees set through formal regulations
Built-in ministerial intervention power for excessive fees	ARBV proposes fee structures through consultation process
Regulatory caps on maximum fees can be prescribed	Higher level of government involvement in fee determination
Board discretion for waivers and reductions	More formal regulatory process for fee changes

Source: ACIL Allen

During initial stakeholder consultation, the option for removal of the prescriptive detail of APE fees from the Regulations and introducing wording that gives ARBV direct authority to set and approve fees annually (similar to the NSW model summarised in Table 19) was discussed. While this option received strong support, its legality, specifically whether it was permitted under the Act and Regulations, was uncertain and it was therefore not progressed to the stage of option appraisal.

7.2 Current cost recovery levels

The cost recovery for the ARBV costs over the last 3 financial years is shown in Table 20. As shown in this table, the ARBV is currently recovering most of its regulator costs though the regulatory revenue they collect. When other non-regulatory revenue is included, the ARBV achieved a surplus of \$153,700 in 2024-25.

Table 20 Cost recovery for ARBV regulatory activities

	FY 2022/23	FY 2023/24	FY 2024/25
Revenue (\$ 000's)			
Registration (renewal) fees	2,389.5	2,963.5	3,109.2
Penalty revenue	10.0	-	8.6
Examination fees	320.8	356.5	352.0

Architects Regulations 2015
Regulatory Impact Statement

	FY 2022/23	FY 2023/24	FY 2024/25
Other non- regulatory revenue (including interest earned and recovery of Tribunal legal costs)	149.4	284.8	263.0
Total regulatory revenue	2,720.3	3,320.0	3,469.8
Total revenue	2,869.7	3,604.8	3,732.8
Costs (\$ 000's)			
Admin, governance, architect & communications	574.4	739.5	763.9
Corporate services (finance)	321.3	209.7	200.1
Registration	335.5	405.6	564.5
Complaints & Investigation (excludes Tribunal costs)	356.0	240.0	326.0
Legal (including Tribunal costs) ^a	202.0	329.5	452.8
Other	1,033.9	1,552.8	1,271.8
Total costs	2,823.1	3,477.1	3,579.1
Cost recovery (%)			
Excluding non-regulatory revenue	96%	95%	97%
Including non-regulatory revenue	102%	104%	104%

^aLegal/expert advice is sometimes obtained in the assessment and investigation phases before a decision is made by the ARBV Board under Section 18 of the Act. Similarly, legal advice is sometimes obtained in relation to Registration matters. These legal costs and the Tribunal costs are included in the row 'Legal'. Tribunal costs incurred in 2024-25 by the ARBV were \$338,400.

Source: ARBV

7.3 Policy options

The fee options shortlisted for assessment in the RIS to ensure that the ARBV can deliver its regulatory services to meet the objectives described in Chapter 4 effectively are summarised in Table 21. In addition to the options in this table, the initial long list of options included:

- As noted above, the option to allow ARBV direct authority to set and approve APE fees annually. While initially considered, this option was not progressed to the options appraisal due its uncertain legality.
- An option to structure fees relative to the size of the firm. Under this approach, the cost burden on practitioners, particularly those required to pay both individual registration and company fees, could be reduced through a sliding fee scale. This model would mirror the approach taken by the Australian Institute of Architects. The legality of this option, specifically whether it was permitted under the Act and Regulations, was uncertain and it was therefore not progressed to the stage of option appraisal.

The changes introduced by the BLAOM Act mean the requirement for the introduction of fees is necessary. As such, comparisons of the fees' prescription in the Regulations against the status quo, in which the Regulations are remade in their current form, is not viable. It remains, however, a useful point of comparison when discussing the change option, and is therefore included as part of the analysis on this basis.

Table 21 Fees policy options

Option	Description
Option 1: status quo	<p>This option involves remaking the existing Regulations with no changes to the current structure and levels of fees. It represents a continuation of the status quo.</p> <p>However, this is not considered a viable option given the changes introduced by the BLAOM Act are already in effect. That is, given that annual fees no longer exist in the Act, prescribing annual fees in the Regulations would not be legally enforceable. This would mean that the ARBV would not receive the funding required for its regulatory work, or that funding would come from consolidated revenue (which is inconsistent with Victoria's Pricing Principles). As such, the status quo is not considered a viable option.</p>
Option 2: prescription of BLAOM's fees	<p>This option involves remaking the Regulations with the following provisions:</p> <ol style="list-style-type: none"> 1. retention of the existing fee structure and levels (as outlined in Table 17) 2. incorporation of new fees introduced under the BLAOM Act, specifically: <ol style="list-style-type: none"> a) 12 fee units (\$201.72 in 2025-26)⁵⁴ late fees for overdue renewals (where requirements are not met by the 30 June deadline) b) 18 fee units (\$302.58 in 2025-26)⁵⁵ reinstatement fees for lapsed registrations 3. replacement of annual fees with renewal fees to align with the new annual renewal process introduced by the BLAOM Act. 4. enabling the ARBV to issue a fee waiver, refund or reduction in whole or in part if they are satisfied that payment of the fee will cause a person to suffer financial hardship.

Table 22 shows a comparison of the existing (status quo) and proposed fees.

Table 22 *Proposed fees comparison*

Fee type	Option 1: Status quo		Option 2: prescription of BLAOM Act fees		\$ and % difference between fee options
	Units 2024-25	Fees in 2024-25	Units 2024-25	Fees in 2023-24	
First registration as a practising architect	11	\$184.91	11	\$184.91	\$0.00 (0%)
Change from non-practising to practising	8	\$134.48	8	\$134.48	\$0.00 (0%)
Approval of a partnership	6.5	\$109.27	6.5	\$109.27	\$0.00 (0%)
Approval of a company	11	\$184.91	11	\$184.91	\$0.00 (0%)
Certified Extract of Register	5	\$84.05	5	\$84.05	\$0.00 (0%)
Annual fee – practising architect	24	\$403.44	0	\$-	-\$403.44 (N/A)
Annual fee – approved partnership	29	\$487.49	0	\$-	-\$487.49 (N/A)
Annual fee – approved company	34	\$571.54	0	\$-	-\$571.54 (N/A)
Renewal fee – practising architect	0	\$-	24	\$403.44	\$403.44 (N/A)
Renewal fee – approved partnership	0	\$-	29	\$487.49	\$487.49 (N/A)
Renewal fee – approved company	0	\$-	34	\$571.54	\$571.54 (N/A)
Revocation of suspension fee	7	\$117.67	7	\$117.67	\$0.00 (0%)

⁵⁴ Department of Treasury and Finance (2025). *Indexation of fees and penalties 1 July 2025 – 30 June 2026*

⁵⁵ Ibid.

Fee type	Option 1: Status quo		Option 2: prescription of BLAOM Act fees		\$ and % difference between fee options
	Units 2024-25	Fees in 2024-25	Units 2024-25	Fees in 2023-24	
Late fee for overdue renewals	0	\$-	12	\$201.72	\$201.72 (N/A)
Reinstatement fee for lapsed registrations	0	\$-	18	\$302.58	\$302.58 (N/A)
Architectural Practice Examination ⁵⁶	N/A	\$1180 (Parts1-3)	N/A	\$1180 (Parts1-3)	\$0.00 (0%)

7.4 Options analysis

As discussed in Section 5.2.3, the fee options are assessed against 3 criteria:

- the extent of cost recovery
- the effectiveness of the option to encourage architects to improve timeliness and compliance
- the simplicity of understanding and administering the fees.

The assessment of policy options using these criteria is provided in Table 23.

Table 23 Fee options assessment

Criteria	Assessment	Score
Cost recovery		
Option 1: status quo	Given the changes introduced by the BLAOM Act are already in effect, the status quo is not a fiscally viable option With references to annual fees no longer in the Act, this would mean that the ARBV would not receive the funding required for its regulatory work, or that funding would come from consolidated revenue (which is inconsistent with Victoria's Pricing Principles). As such, it receives an effectiveness score of 0.	0

⁵⁶ Examination fees are for Parts 1–3 and assume a first-time pass; total costs may be higher if re-sits are required.

Criteria	Assessment	Score
Option 2: prescription of BLAOM's fees	<p>In the case where the Regulations were to lapse, the ARBV would no longer have the statutory basis to charge registration/renewal, approval, or other regulatory fees. Without these revenue streams, the ARBV would be unable to recover the costs associated with performing its core regulatory functions. In the absence of a replacement funding mechanism, this would create a substantial funding shortfall and compromise the ARBV's ability to operate effectively. The ARBV would either require funding from consolidated revenue to maintain essential services or face a reduction in regulatory activity.</p> <p>This option introduces late payment and reinstatement fees. Although it is difficult to predict with certainty how architects might respond to these charges, their purpose is to reduce both the administrative resources currently devoted to chasing late payments and the incidence of suspensions and late renewals.</p> <p>At present, the ARBV incurs an administrative burden following up late renewals. Using registration expenses, the ARBV have calculated the costs incurred by ARBV for administrative staff and overheads involved in late renewals to be approximately \$67,000 per year.</p> <p>Based on prior renewal cycles, ARBV estimates the additional revenue generated from these fees could reasonably fall within the range of \$100,000 to \$120,000 annually, decreasing over time as the changes improve compliance. This estimate accounts for the likely reduction in non-compliance rates once late fees and reinstatement fees are prescribed in the Regulations.</p> <p>This option introduces a power enabling the ARBV to issue a fee waiver, refund or reduction in whole or in part if they are satisfied that payment of the fee will cause a person to suffer financial hardship. The use of this power may impact cost recovery levels, however this impact is expected to be minor as ARBV does not expect to use this power frequently.</p> <p>This option is more equitable regulatory solution, whereby those who are driving the administrative cost burden for the ARBV are those responsible for paying the fees. As outlined in table 7.4, ARBV currently recovers 97 per cent of its regulatory costs through existing fee revenue. Additional revenue from the newly prescribed late renewal and reinstatement fee would therefore move ARBV closer to achieving full cost recovery than under the status quo, as well as being more equitable. This would improve alignment between regulatory revenue and regulatory costs, consistent with cost-recovery principles, while ensuring the ongoing financial stability of the Board's regulatory functions. Accordingly, Option 2 receives a strong score of score of 8.5.</p>	8.5
Encourages desired behaviour		
Option 1: status quo	<p>Given the changes introduced by the BLAOM Act are already in effect, the status quo is not a fiscally viable option. As such, it receives score of 0.</p>	0

Criteria	Assessment	Score
Option 2: prescription of BLAOM's fees	<p>Compared to a Base Case of no regulation, the fees proposed under Option 2 provide a financial mechanism that supports professional accountability by requiring architects to maintain registration. The current fees function as a baseline incentive for architects to remain engaged with the profession and uphold their obligations under the Act and Regulations.</p> <p>By introducing late and reinstatement fees, Option 2 significantly strengthens the incentives for architects to comply with their renewal obligations in a timely manner. The shift towards annual renewals for architects, partnerships, and companies places responsibility squarely on practitioners to manage their obligations, with clear financial consequences for non-compliance.</p> <p>This change is expected to reduce both the number of late renewals and the resources ARBV must devote to chasing unpaid fees. In turn, this should lead to a more efficient and responsive registration system. The incentives created under Option 2 justify a score of 3.</p>	3
Easy to understand and administer		
Option 1: status quo	Given the changes introduced by the BLAOM Act are already in effect, the status quo is not a fiscally viable option. As such, it cannot receive a score for this criterion.	0
Option 2: prescription of BLAOM's fees	<p>Relative to the base case (in which no fees would exist), the current system is more complex to administer, as it requires ARBV to set, monitor, and collect fees across a range of regulatory activities.</p> <p>While the additional fees introduced as part of Option 2 can reduce the administrative workload of ARBV by discouraging late payment and cutting down the volume of reminders and follow-ups, this option introduces 2 new fees compared with the status quo. This would therefore marginally increase the complexity of the fee structure for practitioners. Compared the base case, it is therefore slightly more difficult to administer and understand, and receives a score of -2.</p>	-2

Source: ACIL Allen

As discussed in Table 23, Option 2 performs the useful function of providing a structured regulatory cost framework that enables ARBV to recover its costs, reflect user benefits, promote compliance, and administer the system effectively. The base case would undermine the objectives of the Act by eliminating ARBV's capacity to recover costs from practitioners.

Given changes already enacted by the BLAOM Act, status quo (Option 1) the is not a fiscally viable option as it would no longer raise revenue for the ARBV to undertake its regulatory responsibilities.

Option 2 improves substantially on both the base case and the status quo. By introducing late and reinstatement fees, it strengthens equity (by allocating costs to those who create them), enhances behavioural incentives for timely compliance, and generates additional income estimated at between \$100,000 and \$120,000 annually. This would move ARBV to full cost recovery and reduce administrative inefficiencies. The only trade-off is a modest increase in fee complexity, which is likely to be offset by administrative savings.

7.4.1 Comparing fee options

A summary of the MCA results is provided in

Table 24. This comparative assessment shows that:



- Overall, Option 1 (status quo) achieves a total weighted score of 0 given its non-viability as an option to raise revenue for the ARBV.
- Option 2 (prescription of BLAOM's fees) represents a significant improvement from the base line and the status quo, with a total weighted score of 3.1. The introduction of late and reinstatement fees strengthens equity by allocating costs to those who create additional regulatory burden, significantly improves incentives for timely compliance, and enhances ARBV's overall cost recovery. These benefits outweigh the modest complexity introduced by the additional fees.

Overall, the analysis shows that Option 2 is the preferred option as it provides the most effective balance across the assessment criteria. It achieves the highest outcomes in cost recovery, equity, and behavioural incentives while also improving administrative flexibility, making it the preferred option.

Table 24 MCA scoring for all fee options

Criteria	Option 1 Status quo	Option 2 Prescription of BLAOM's fees (rounded)
Cost recovery		
Score	0	8.5
Weighting	33%	33%
Weighted score	0	2.8
Encourages desired behaviour		
Score	0	3
Weighting	33%	33%
Weighted score	0	1.0
Easy to understand and administer		
Score	0	-2
Weighting	33%	33%
Weighted score	0	-0.7
Total weighted score	0	3.1

Source: ACIL Allen

8 Options for other areas of the Regulations

This chapter outlines and analyses the impacts of the proposed options for changes to other areas of the Regulations.

8.1 Policy options

As discussed in Section 5.1, this chapter assesses the options related to the other areas of the Regulations reviewed as part of the sunset review, namely:

- the Code of Conduct
- the scope of information published on the publicly available Register on the ARBV website.
- updating the prescribed list of courses and qualifications
- updates arising from the BLAOM Act 2024
- updates arising from the Building and Environment Protection Legislation Amendment Act 2020
- updates arising from the Building Legislation Amendment Act 2023

For each of these areas, there are only 2 policy options (in addition to the Base Case) – the status quo and a change option. These are summarised in

Table 25. No other relevant options were identified during the development of the policy options.

Table 25 *Policy options for other areas of the Regulations*

Area of Change	Option	Description
	Option 1: Status quo	Regulations are remade without changes, that is, without amendments to the Code of Conduct as specified in Part 2 of the Regulations (see section 1.3.2).

Code of Conduct	Option 2: Change option	<p>This option would entail changing the Code of Conduct in the Regulations to improve its clarity and comprehension (without imposing additional obligations to architects). Specific details of the proposed changes are provided in Appendix C. Broadly, the proposed changes aim to:</p> <ul style="list-style-type: none"> - simplify the Code of Conduct's clauses, clearly defining referenced terms and scope, providing greater specificity, and expanding certain provisions to enhance clarity and transparency - strengthen the requirements for architects to keep both the regulator and their clients appropriately informed when issued requests for information and/or documentation (see Appendix C for more details). - clarify architects' obligations with respect to communications and acting with integrity, including, for example, the provision of regular updates to client on the current status of the work. (see Appendix C for more details). - reinforce the obligations of approved partnerships and companies under the Act including the provision of architectural services by a registered architect that is a Director of that partnership or company, and to ensure employees who are not registered architects are supervised in the provision of services.
	Option 1: Status quo	Regulations are remade without changes. There would be no information prescribed under section 16C of the Architects Act leaving ambiguity or uncertainty about what information must or may be published on the publicly available Register of Architects.
Publication of information contained in the Register of Architects on the ARBV website	Option 2: Change option	<p>The <i>Building and Planning Legislation Amendment Act 2023</i> introduced Section 16C into the Act, enabling the Regulations to prescribe the information on the Register of Architects that must or may be published on the ARBV website. Consistent with the new provision in Section 16C of the Act, under this option:</p> <p>the Regulations would be amended to prescribe the information on the Register that must or may be published on the ARBV website</p> <p>the insurance particulars in regulation 17(e) of the Regulations would not be information that is prescribed for the purposes of section 16C.</p>
	Option 1: Status quo	Regulations are remade without changes. Regulation 15 lists prescribed courses of study and Schedule 2 lists the prescribed qualifications.

Updating the prescribed list of courses and qualifications	Option 2: Change option	<p>The change option proposes to update these lists, by: removing references to any outdated qualifications, and updating regulation 15 and Schedule 2 with new qualifications and courses that have been accredited by the ARBV and also under the Architecture Program Accreditation Procedure, which came into effect from 1st January 2018.⁵⁷</p> <p>These changes would not impose additional obligations to architects.</p>
Updates from the BLAOM Act 2024	Option 1: Status quo	<p>Regulations are remade without changes, that is without amendments to reflect the BLAOM Act 2024.</p> <p>This is not considered a viable option given the changes introduced by the BLAOM Act are already in effect.</p>
	Option 2: Change option	<p>This option would entail changing the Regulations to enact the provisions introduced in the Act by the BLAOM Act 2024 (refer Section 1.3.6), including:</p> <p>adding references to the newly introduced terms - proof of CPD, proof of insurance, and fit and proper person statement</p> <p>replacing all references to annual fees with renewal fees</p> <p>prescribing the new fees for renewal, late renewal, and reinstatement of registration and approval (as discussed in Chapter 7)</p> <p>adding references to new regulatory powers for ARBV:</p> <ul style="list-style-type: none"> – new grounds for disciplinary action if an architect ceases to be a fit and proper person (enables immediate suspension of registration on these grounds) – ARBV's discretion to refuse renewals if eligibility requirements are not met is clarified for partnerships and companies – adding new ground for disciplinary action by the Architects Tribunal if an architect ceases to be a fit and proper person.
Updates arising from the 2020 Amendment Act (grounds for immediate suspension)	Option 1: Status quo	<p>Regulations are remade without changes. That is, remade without amendments to reflect the 2020 Amendment Act.</p>
	Option 2: Change option	<p>The 2020 Amendment Act introduced Section 17C to the Act to address situations where individuals fail to comply with information requests made by the ARBV. A breach of Section 17C may constitute a disciplinary offence under Section 36A(1)(a) because it involves non-compliance with regulatory obligations. Under this option, Section 17C would be prescribed as grounds for immediate suspension.</p> <p>This would provide the ARBV power to suspend an architect for failure to respond to a request for information made under section 17C.</p>

⁵⁷ The Architecture Program Accreditation Procedure in Australia and New Zealand sets out the peer review process through which all architecture programs in Australia are assessed against the accreditation standard. The eight state and territory architect registration boards have statutory responsibility for the accreditation of architectural programs of study within their jurisdictions. Programs accredited in one jurisdiction are recognised in other jurisdictions in Australia and New Zealand. For the purposes of accreditation, architecture programs are required to demonstrate that graduates meet the Performance Criteria in the 2021 NSCA.

Updates arising from the 2023 Amendment Act (removing redundant regulations for elections to the Board)	Option 1: Status quo	Regulations are remade without changes. That is, remade without amendments to reflect the 2023 Amendment Act. This would imply that elections to the Board remain in place, even though the provisions have been removed from the Act.
	Option 2: Change option	The 2023 Amendment Act amended the Architects Act and resulted in significant restructure to the governance of the ARBV. This change aligns the ARBV's appointment processes with best practice standards for skills-based boards. Consistent with amendments to the Act, under this option: the Regulations would be amended to remove redundant regulations on elections to the Board which no longer occur (Part 4 and Schedule 3).

Source: ACIL Allen

8.2 Options analysis

As discussed in Section 5.2.4, the options related to the other areas of the Regulations are assessed against three criteria:

- Effectiveness – the extent to which an option supports the policy goals of:
 - ensuring that architectural services are delivered to appropriate standards of competence, integrity, and accountability
 - protecting consumers by minimising costs and risks to clients and building users arising from poor-quality design, inadequate documentation, or building defects linked to architectural services.
- Cost to businesses.
- Costs to the regulator (ARBV).

The assessment of policy options using these criteria is provided in the sections below.

8.2.1 Effectiveness

The relative benefits of the options (i.e. their effectiveness), compared to the Base Case, are assessed in more detail in Table 26.

Table 26 Effectiveness scores for options related to other areas of the Regulations



Area of change	Status quo	Change option
Code of Conduct	<p>Stakeholders observed that the Code of Conduct is, in its current form, generally clear and well-structured. They emphasised that it is a critical mechanism for safeguarding the public interest by setting out the ethical obligations of architects.</p> <p>For consumers, it provides assurance by promoting accountability, transparency, and trust in the profession. For architects, it establishes a defined framework for professional conduct that supports consistent decision-making and reinforces the core values of integrity, independence, and responsibility to the public.</p> <p>In addition, the Code underpins the ARBV's compliance and enforcement functions by providing explicit, enforceable standards against which conduct can be assessed. This clarity enables the ARBV to respond proportionately to breaches, supports consistent disciplinary outcomes, and helps deter misconduct by making expectations and consequences easily understood.</p> <p>If the Code of Conduct were to lapse, architects would lose a framework that ensures standardised requirements for client agreements, record-keeping, disclosure, and contract administration. This would increase the risk of inconsistent practices that could expose consumers to confusion, poor information, and reduced transparency in service delivery. The Code of Conduct currently consolidates these expectations into a single, mandated framework (e.g., written agreements, specified contract information, record-keeping obligations, fee disclosures, and conflict-of-interest requirements), reducing the time architects must spend creating firm-specific policies or seeking legal advice on minimum compliance standards.</p> <p>Without it, smaller practices, in particular, would face greater challenges in maintaining these standards. In the absence of a clear, mandated framework, professional standards such as client agreements, record-keeping, disclosure, and conflict-of-interest management are more likely to decline, increasing the risk of inconsistent practices and reduced transparency compared with larger firms that have more robust internal systems.</p> <p>Therefore, relative to the scenario in which the Regulations (and therefore the Code of Conduct) lapse, the status quo achieves a relatively high effectiveness score.</p>	<p>The proposed changes to the Code of Conduct would enhance regulatory effectiveness by making obligations clearer, more specific, and easier to enforce.</p> <p>Stronger requirements for keeping both the regulator and clients informed promote accountability and integrity, improving client relationships and reducing risks linked to miscommunication. For example, one adjustment is the inclusion that architects must provide regular updates to clients about the provision of services, including the current status of the work. This will help outline clearer expectations about cost changes, and maintain more transparent communication where delays, risks, or scope variations arise, improving the relationship an architect has with their clients.</p> <p>Clarifying obligations around communication, supervision of unregistered staff, and acting with integrity helps ensure architectural services are delivered to appropriate professional standards, with clear lines of responsibility within practices.</p> <p>Collectively, these reforms strengthen professional standards and reduce the likelihood of defects linked to architectural services, inadequate documentation, or costly disputes by setting out clearer requirements for competence, integrity, accountability, transparency in client agreements and fees, conflict-of-interest management, diligent contract administration, record-keeping, confidentiality, and withdrawal from services where compliance cannot be maintained.</p>
	Effectiveness score: 7	Effectiveness score: 9

Area of change	Status quo	Change option
Publication of information contained in the Register of Architects on the ARBV website	<p>There would be no information prescribed under section 16C of the Architects Act, leaving ambiguity or uncertainty about what information must or may be published on the publicly available Register of Architects.</p> <p>If the Regulations were to lapse, the ambiguity and uncertainty about whether the ARBV is required to publish in the insurance particulars in regulation 17(e) would remain. Should the Regulations lapse, administrative uncertainty would persist, maintaining the status quo.</p> <p>As a result, in relation to this particular matter, the status quo is assessed as having an equivalent effectiveness score to the Base Case scenario.</p>	<p>The proposed changes would not alter the level of insurance architects are required to hold, but would clarify whether there is an obligation to publish insurance particulars on the Register.</p> <p>The proposed changes would provide certainty about what information the ARBV must or may publish on its publicly available Register of Architects on its website, including insurance particulars. Clarifying that the ARBV is not required to publish insurance particulars will improve ARBV's administrative efficiency by reducing the resource burden of continually updating information that expires on varying dates, enabling the ARBV to focus more effectively on its core regulatory functions.</p> <p>Stakeholders also noted that publishing insurance particulars is inconsistent with national practice, where alignment on public register information is essential to support registration portability across jurisdictions.</p> <p>Importantly, under this option consumers would still be able to obtain insurance details for individual practitioners directly from the ARBV if required.</p>
	Effectiveness score: 0	Effectiveness score: 2
Updating the prescribed list of courses and qualifications	<p>The current list of prescribed courses and qualifications contains several courses that are now out of date. If remade, these sections of the Regulations have the possibility of creating confusion and administrative issues for the ARBV if not rectified.</p>	<p>Updating the prescribed list of courses and qualifications in the Regulations enhances the effectiveness of the regulatory framework by ensuring that recognised pathways to registration remain current and aligned with contemporary education standards.</p> <p>By updating these references, the Regulations will provide clearer guidance to prospective architects, reduce administrative uncertainty for the ARBV, and ensure that only appropriately qualified graduates enter the profession. This supports the delivery of competent, high-quality architectural services and strengthens consumer confidence in the registration system.</p>
	Effectiveness score: 2	Effectiveness score: 4



Area of change	Status quo	Change option
Updates from the BLAOM Act 2024	<p>This is not considered a viable option given the changes introduced by the BLAOM Act are already in effect. The ARBV will not be able to collect annual or additional fee from 1 July 2026 as the transitional arrangements end on 30 June and authorising provisions for these fees will be revoked from the Act.</p>	<p>Aligning the Regulations with the BLAOM Act 2024 would deliver important improvements to the regulation of architects in Victoria, strengthening public protection, professional accountability, and regulatory effectiveness.</p> <p>Moving from ongoing registration to annual renewal shifts responsibility onto architects to meet renewal deadlines, reducing the administrative burden on the ARBV to follow up non-compliant practitioners. This allows the ARBV to redirect resources to broader regulatory functions while maintaining a clean, up-to-date register of practising architects. The automatic expiry of registrations after one month from renewal date further ensures the register reflects only active practitioners.</p> <p>Requiring architects to declare their fitness to practise at renewal ensures probity is assessed on an ongoing basis, not just at initial registration. This helps protect consumers by ensuring only individuals of appropriate integrity and character remain in practice. Furthermore, the new provisions strengthen consumer safeguards by:</p> <ul style="list-style-type: none">– requiring architects to make annual probity declarations that they are a fit and proper person to be registered;– giving the ARBV clear authority to take immediate action where an architect is assessed as being no longer fit and proper, ensuring problematic practitioners can be addressed promptly; and– expanding grounds to disciplinary action by the tribunal to include an architects ceasing to be a fit and proper person. <p>The reforms provide the ARBV with enhanced powers and clearer discretion to refuse renewals when eligibility requirements are not met, particularly for partnerships and companies. This creates more consistent and transparent decision-making processes.</p>
	Effectiveness score: 0	Effectiveness score: 5

Area of change	Status quo	Change option
Updates arising from the 2020 Amendment Act (grounds for immediate suspension)	<p>Regulations are remade without changes. This would imply that the Regulations have no grounds prescribed for immediate suspension under Section 36A(1)(a) of the Act. Instead, non-compliance with providing ARBV requested information would remain as a monetary penalty.</p> <p>Relative to the base case, the ARBV retains some regulatory power to compel architects to provide requested information. Hence, it receives an effectiveness score of 4.</p>	<p>Prescribing Section 17C of the Act as grounds for immediate suspension significantly strengthens the effectiveness of the regulatory framework.</p> <p>Prior to these amendments, the ARBV had limited power to compel information from architects during investigations and restricted ability to act swiftly in cases of non-compliance or potential misconduct. By prescribing Section 17C as a ground for immediate suspension under Section 36A(1)(a), the ARBV gains the authority to take prompt disciplinary action, including suspension, where an architect fails to comply with an information request.</p> <p>This ensures faster and more decisive responses in situations where an architect's conduct poses risks to clients, the public, or the integrity of the profession, thereby improving accountability and consumer protection.</p>
	Effectiveness score: 4	Effectiveness score: 6
Updates arising from the 2023 Amendment Act (removing redundant regulations for elections to the Board)	<p>Under this option, the Regulations would include a number of redundant sections which can cause ambiguity, inaccuracy, and comprehension issues. While marginal, this confusion could lead to a reduction in public trust and greater administrative burdens for the ARBV and industry in producing guidelines for clarity.</p> <p>However, relative the base case in which the Regulations lapse, this option would remain relatively effective, as members would be appointed to the Board as outlined in the Act.</p>	<p>The amendments introduced by the Amendment Act 2023 enhance the effectiveness of the regulatory framework by strengthening the governance of the ARBV.</p> <p>By restructuring the Board's composition and adopting a skills-based appointment process, the changes align the ARBV's governance arrangements with contemporary best practice for professional regulators</p> <p>These changes ensure that the Board comprises members with the appropriate knowledge, qualifications, and expertise to provide effective oversight of the profession. Compared with the previous election-based system, the new framework delivers stronger governance, improved transparency, and greater independence in the selection of Board members.</p>
	Effectiveness score: 4	Effectiveness score: 6

Source: ACIL Allen

8.2.2 Costs

Table 27 summarises the estimated costs to industry and the ARBV associated with the proposed change options. The costs are presented as average annual figures over a 10-year period.



Table 27 *Costs associated with the change options for different areas of the Regulations*

Area of change	Costs to industry	Costs to ARBV
Code of Conduct	<p>Many of the proposed changes to the Code of Conduct (see Appendix C) are changes of clarity and precision. The amendments primarily provide greater clarity by simplifying language, defining terms, and expanding provisions to improve transparency</p> <p>The requirements of the Code of Conduct certainly impose costs to architects relative to the base case in which the Regulations lapse. The Code of Conduct requires detailed written agreements, prescribed contract information, and regular statements of account to clients, all of which must be prepared, monitored, and updated in line with clauses on client agreements, professional fees, and obligations to inform clients.</p> <p>Architects must also maintain extensive records (such as correspondence, financial documents, project diaries, and instructions) which increases the time and effort needed to manage each commission. Additional administrative burdens arise from the mandatory disclosure requirements, including conflicts of interest, paid referrals, paid endorsements, and any changes in circumstances that affect service delivery. Collectively, these requirements standardise good practice but also create ongoing compliance tasks that add to the day-to-day administrative workload for architects and architectural practices. These means that, under the status quo option where the Code of Conduct remains in its current form, there are costs imposed on architects. Thus the status quo receives an industry cost score of -1.</p> <p>Some of the proposed changes to the Code of Conduct introduced as part of this option are expected to impose slight additional material costs on industry above this.</p> <p>For example, one proposed change relates to client agreements, where, under the changes, an architects will be required to provide a clear and unambiguous statement of how professional fees and costs of the services will be calculated, and how and why the professional fees may escalate. While many architects will already be providing this information in some form, this new wording may impose additional administrative costs to industry.</p>	<p>The status quo would not impose any additional costs to the ARBV.</p> <p>Similarly, the changes to the Code of Conduct are not expected to result in any material costs for the ARBV. The amendments primarily improve clarity and transparency without introducing new regulatory obligations, meaning they can be administered within existing processes and resources.</p>
	Cost score: -2	Cost score: 0

Area of change	Costs to industry	Costs to ARBV
Publication of information in the Register of Architects on the ARBV website	<p>The status quo would not impose any additional costs to industry.</p> <p>The proposed changes would not make any adjustments to the level of insurance required to be held by architects. If this particular section of the Regulations were to lapse, there would be no changes to the administrative burden for architects, as this section relates only to the publishing requirements of the ARBV. As such, this option poses no incremental costs to industry.</p>	<p>Should the Regulations lapse, the ARBV would not have to publish any information on the publicly available Register of Architects. This is currently an administrative cost to the ARBV, and therefore under the status quo option in which the Regulations are remade in their current form, the status quo option receives a score of -0.5.</p> <p>If the change option were implemented, the ARBV would not incur any additional costs by not publishing insurance information on the publicly available Register of Architects. As the ARBV operates within a fixed budget, clarifying this requirement does not result in new costs or direct savings. However, it will improve ARBV's administrative efficiency by avoiding the potential obligation of publishing insurance particulars and resource burden of continually updating information that expires on varying dates and enables the reallocation of resources to other regulatory priorities increasing their effectiveness (as outlined above).</p>
	Cost score: 0	Cost score: -0.5
Updating the prescribed list of courses and qualifications	<p>The status quo would not impose any additional costs to industry.</p> <p>Updating the list of courses and qualifications is not expected to impose any material costs on industry.</p>	<p>The status quo would not impose any additional costs to the ARBV.</p> <p>The ARBV already maintains a list of approved architecture courses and qualifications. Therefore, updating the courses and qualifications in Regulations does not impose any administrative costs to the ARBV above the status quo.</p> <p>Should the Regulations lapse, the ARBV may incur additional administrative costs in assisting architects understand which courses are currently prescribed. These costs are expected to be marginal.</p>
	Cost score: 0	Cost score: 0
Updates from the BLAOM Act 2024	<p>The status quo would not impose any additional costs to industry.</p> <p>The costs associated with changes to fees in the Regulations as a result of updates from the BLAOM Act were considered in Section 7.3.</p> <p>The inclusion of references to new terms and the addition of a fit and proper person declaration impose no material cost to industry.</p>	<p>The status quo would not impose any additional costs to the ARBV.</p> <p>The ARBV expects some administrative costs as a result of the BLAOM Act 2024.</p> <p>There will be one-off costs to update the Customer Relationship Management (CRM) system, estimated at \$80,000, and minor costs of less than \$5,000 to update the website, communicate changes, and undertake related activities.</p> <p>Thus, a one-off yearly cost of \$85,000 results in a 10-year average cost of \$8,500.⁵⁸</p>

⁵⁸ Annualised cost is the annual recurrent costs plus the initial set-up costs spread evenly over 10 years (being the time to the next sunset of the Regulations).

Area of change	Costs to industry	Costs to ARBV
	Cost score: 0	Cost score: -0.1
Updates arising from the 2020 Amendment Act (grounds for immediate suspension)	<p>The status quo would not impose any additional costs to industry.</p> <p>The change option may lead to a slight increase in the ARBV's use of Section 36A to immediately suspend architects for non-compliance. This in turn will have associated legal costs for architects.</p> <p>However, it is expected that the ARBV's use of this provision will be limited, and, based on advice from the ARBV, the legal costs for architects are assumed to be approximately \$35,000 per year.</p>	<p>The status quo would not impose any additional costs to the ARBV.</p> <p>The ARBV is expected to incur legal costs as a result of these changes to the Act.</p> <p>It is anticipated that the rectification of a legal technicality will result in increased use of the ARBV's powers to immediately suspend architects under Section 36A, which may in turn increase the number of matters referred to the Tribunal (and hence the legal expenses).</p> <p>For this analysis, based on ARBV advice, it has been assumed that these legal costs would be approximately \$35,000 per year.</p>
	Cost score: -0.4	Cost: -0.4
Updates arising from the 2023 Amendment Act (removing redundant regulations for elections to the Board)	<p>The status quo would not impose any additional costs to industry.</p> <p>The proposed changes do not impose any additional cost on the industry.</p>	<p>The changes to the recruitment process have already been implemented by the ARBV, and therefore no additional cost is imposed on the regulator.</p>
	Cost score: 0	Cost score: 0

8.3 Comparing options

A summary of the results of the options analysis for the additional areas of the Regulations reviewed as part of the sunset review is shown in Table 28. The key findings from this option analysis are as follows:

Code of Conduct – with only slight additional costs to the industry and improved effectiveness, the preferred option is that the changes are made to the Code of Conduct.

Scope of information published on the publicly available Register of Architects on the ARBV website – with a clear improvement in effectiveness and no additional costs to industry or the regulator, the change option is the preferred option for information published on the Register of Architects.

Updating the prescribed list of courses and qualifications – with no additional costs to the industry and slight additional costs to regulator, the preferred option of updating the prescribed list of courses is the preferred option given its uplift in effectiveness.

Updates arising from the BLAOM Act – given that the status quo for the updates is not a viable option, the preferred option is simply the implementation of the updates arising from the BLAOM Act (i.e. the change option).

Updates arising from the Amendment Act 2020 (grounds for immediate suspension) –the preferred option is the implementation of the updates (i.e. the change option), as the effectiveness of the changes outweigh the costs.

Updates arising from the Amendment Act 2023 (removing redundant regulations for elections to the Board) – with no additional costs and improved effectiveness, the preferred option is the change option.

Table 28 Options summary for the additional areas of the Regulations reviewed as part of the sunset review

Area of change	Effectiveness score	Costs to industry score	Costs to ARBV score	Total weighted score
Code of Conduct				
Status quo	7	-1	0	3.3
Change option	9	-2	0	4.0
Information published on the publicly available Register of Architects on the ARBV website				
Status quo	0	0	-0.5	-0.25
Change option	2	0	-0.5	0.9
Updating the prescribed list of courses and qualifications				
Status quo	2	0	0	1.0
Change option	4	0	0	2.0
Updates from the BLAOM Act				
Status quo	0.0	0	0	0.0
Change option	5	0	-0.03	2.5
Updates arising from the 2020 Amendment Act (grounds for immediate suspension)				
Status quo	4	0	0	2.0
Change option	6	-0.4	-0.4	2.8
Updates arising from the 2020 Amendment Act (removing redundant regulations for elections to the Board)				
Status quo	4	0	0	2.0
Change option	6	0	0	3.0

9 Preferred option

This chapter summarises the preferred policy options based on the analysis presented in the previous chapters

9.1 Preferred CPD option

Option 3, where CPD requirements are prescribed in the Regulations, and where ARBV is enabled to mandate specific CPD activities, delivers an increase in CPD quality alongside a higher effectiveness score. There is a marginal increase in cost for Option 3 compared to Option 2, but this is offset by the increase in effectiveness. On this basis, Option 3 is the preferred CPD option.

Table 29 Comparison of CPD options

Option	Weighted effectiveness score	Weighted industry cost score	Weighted ARBV cost score	Total (rounded)
Option 1: Status Quo	1.1	-0.6	0	0.5
Option 2: Prescribe the Status Quo	4	-1.0	0	3.1
Option 3: Prescribe the Status Quo and enable ARBV to mandate specific CPD activities	4.5	-1.0	-0.0003	3.5

9.2 Preferred option for remaking fees

Table 3030 summarises the MCA results for remaking the fees in the Regulations. The assessment identifies Option 2 as the strongest overall.

Overall, the analysis shows Option 2 is the preferred option as it provides the most effective balance across the assessment criteria. It achieves the highest outcomes in cost recovery, equity, and behavioural incentives while also improving administrative flexibility, making it the preferred option.

Table 30 MCA scoring for all fee options

Change option	Cost recovery	Encourages desired behaviour	Easy to understand and administer	Total weighted score
Option 1: status quo	0	0	0	0
Option 2: Prescription of BLAOM's fees (rounded)	2.8	1.0	-0.7	3.1

Source: ACIL Allen

9.3 Preferred option for other areas of the Regulations

Table 31 summarises the outcomes of the options analysis for the additional areas of the Regulations reviewed as part of the sunset review. The key findings from this analysis are outlined below.

Code of Conduct – with only slight additional costs to the industry and improved effectiveness, the preferred option is that the changes are made to the Code of Conduct.

Scope of information published on the Register – with a clear improvement in effectiveness and no additional costs to industry or the regulator, the change option is the preferred option for information published on the Register of Architects.

Updating the prescribed list of courses and qualifications – with no additional costs to the industry and slight additional costs to regulator, the preferred option of updating the prescribed list of courses is the preferred option given its uplift in effectiveness

Updates arising from the BLAOM Act – given that the status quo for the updates is not a viable option, the preferred option is simply the implementation of the updates arising from the BLAOM Act (i.e. the change option).

Updates arising from the Amendment Act 2020 (grounds for immediate suspension) – the preferred option is the implementation of the updates (i.e. the change option), as the effectiveness of the changes outweigh the costs.

Updates arising from the Amendment Act 2023 (removing redundant regulations for elections to the Board) – with no additional costs and improved effectiveness, the preferred option is the change option.

Table 31 Options summary for the additional areas of the Regulations reviewed as part of the sunset review

Area of change	Weighted effectiveness score	Weighted costs to industry score	Weighted costs to ARBV score	Total score
Code of Conduct				
Status quo	7	-1	0	3.3
Change option	9	-2	0	4.0
Information published on the publicly available Register of Architects on the ARBV website				
Status quo	0	0	-0.5	-1.1
Change option	2	0	0	1.0
Updating the prescribed list of courses and qualifications				
Status quo	2	0	0	1.0
Change option	4	0	-0.03	2.0
Updates from the BLAOM Act				
Status quo	0.0	0	0	0.0
Change option	5	0	-0.03	2.5
Updates arising from the 2020 Amendment Act (grounds for immediate suspension)				
Status quo	4	0	0	2.0
Change option	6	-0.4	-0.4	2.8
Updates arising from the 2020 Amendment Act (removing redundant regulations for elections to the Board)				
Status quo	4	0	0	2.0
Change option	6	0	0	3.0

9.4 Summing up: characteristics of the preferred option


The preferred option for the Regulations has the following characteristics when compared to Option 1 (status quo):



- The proposed scheme incorporates national CPD guidance as set by the AACA aligning CPD outcomes with the NSCA. The Regulations prescribe 20 CPD units to be completed by registered practising architects annually, with a minimum of 10 CPD units in formal learning activities. CPD outcomes for each cycle will be linked to the performance criteria of at least two units of competency as set by the NSCA. One CPD point will equate to 1 hour of learning unless otherwise specified by the ARBV on their website. This approach is consistent with the ARBV's current guidance on CPD. Additionally, the proposed Regulations will grant powers to the ARBV to direct architects to do additional CPD activities for addressing critical knowledge and skills gaps in the industry. This power will be tied to a requirement for industry consultation to ensure it is exercised only for critical matters.
- A revised Code of Conduct that improves clarity of the duties of registered architects and approved companies or partnerships (without imposing additional obligations to architects or companies). The proposed changes to the code:
 - provide an updated structure that is better aligned with underpinning principles
 - strengthen clauses related to communication and transparency
 - clarify regulatory obligations for architects, companies and partnerships; and
 - underscore client safety and confidence.
- The Regulations are amended to:
 - Prescribe the information on the Register of Architects that must or may be published on the ARBV website, such information not to include the insurance particulars in regulation 17(e) of the Regulations.
 - Enact the provision introduced by the BLAOM Act 2024 and other Amendment Acts, including:
 - adding references to the newly introduced terms - proof of CPD, proof of insurance, and fit and proper person statement
 - progressing formal requirements for registration, renewal and reinstatement
 - updating the Regulations to empower the ARBV to compel information from architects during investigations
 - removal of redundant references to elections to the Board at the ARBV.
- The fees in the Regulations are remade with the following provisions:
 - retention of the existing fees structure and levels (as outlined in Table 17)
 - incorporation of new fees introduced under the BLAOM Act, specifically:
 - late fees for overdue renewals (where requirements are not met by the 30 June deadline)
 - reinstatement fees for lapsed registrations
 - replacement of all references to annual fees with renewal fees to align with the new annual renewal process introduced by the BLAOM Act.

The incremental costs to industry related to the preferred option are:

- The costs of meeting the prescribed CPD requirements are estimated to be around \$19.9 million per year (annualised), or a net present value over the next 10 years of \$161.2 million (using a real discount rate of 4%). This reflects uptake in the quantity and quality CPD undertake when comparing the change option to the base case.
- Additional costs to industry associated with the late registration renewal and reinstatement of registration fee are in the order of \$100,000 to \$120,000. Although these fees are avoidable and



attributable to non-timely renewal of registration, an indicative estimate of their potential impact on industry has been developed in Section 8.2.2.

The additional costs of the preferred option to the regulator (ARBV) are estimated to be \$135,000 per year (annualised) and reflect the additional administrative burden of monitoring CPD, increased legal expenses, and one-off costs.

The preferred option is expected to deliver a range of benefits for the profession, government, and the broader community. In particular, it will:

- Contribute to upholding professional standards by supporting the delivery of architectural services at appropriate levels of competence, integrity, and accountability.
- Strengthen assurance to government and the community that registered architects maintain up-to-date skills and knowledge in line with evolving industry, regulatory, and societal needs, and provide benefits to practitioners themselves from reduced costs of dispute resolution and improved reputation.
- Reduce risks for clients and building users by lowering the likelihood of poor-quality design, inadequate documentation, and building defects linked to architectural services.
- Secure the sustainability of the regulatory framework by ensuring it is resourced appropriately and supported by a fee structure that promotes timely compliance, improves efficiency, and encourages positive behaviours across the profession.

10 Competition and small business impacts

This chapter describes the competition and small business impacts associated with the preferred option.

10.1 Competition assessment

Regulatory measures may restrict market competition by limiting business entry or competitive capacity, potentially resulting in higher consumer prices, reduced choice, and decreased economic investment and innovation.

The Intergovernmental Agreement on National Competition Policy requires that all regulatory proposals assess potential competition impacts. When restrictions are necessary, policymakers must demonstrate that policy objectives cannot be achieved through less restrictive means and that benefits outweigh costs.

The Victorian Guide for Regulation recommends consideration of whether the proposed policy will:

- limit the number or range of suppliers
- limit the ability of suppliers to compete
- reduce the incentive of suppliers to compete
- limit the choices and information available to customers.


Table 32 provides an assessment of the identified preferred option against these.

The architectural services market in Australia is already highly competitive, characterised by a large number of small practices with low barriers to entry. The ARBV and NSW ARB systemic risks report note that around 98% of firms employ fewer than 20 people, and even the largest practices hold less than 2% of industry revenue.⁵⁹ Given this structure and the assessment in Table 32, the proposed Regulations are not expected to restrict competition or materially alter the architectural services market.

Table 32 *Competition assessment questions*

Competition test question	Answer	Explanation
Would the preferred option limit the number or range of suppliers?	No	The proposed CPD requirements apply to all registered architects but do not create a barrier to market entry. They are a condition of ongoing participation, imposing only minor additional costs that are not expected to alter market structure or restrict new entrants. New fees under the BLAOM Act are not an additional regulatory burden, as they are avoidable and apply only in cases of late or lapsed registration. Other proposed changes do not affect the number or range of service providers.
Would the preferred option limit the ability of suppliers to compete?	No	The proposed Regulations do not restrict how architectural services are supplied, and therefore do not limit the ability of suppliers to compete.
Would the preferred option reduce the incentive of suppliers to compete?	No	The preferred option is not expected to discourage new entry or encourage exit by existing providers, and thus does not reduce competitive incentives.

⁵⁹ ARBV and NSW ARB 2022, *Systemic Risks in the Australian Architecture Sector*, p.22.



Competition test question	Answer	Explanation
Would the preferred option limit the choices and information available to customers?	No	The proposed Regulations do not introduce measures that affect consumers' ability to choose their service providers.

Source: ACIL Allen

10.2 Small business impacts

Small businesses may experience disproportionate effects from regulatory requirements for a range of reasons, including limited resources to interpret compliance requirements, or to keep pace with regulatory changes and the cumulative effect of different requirements.

The Victorian Guide to Regulation requires that RISs document explicitly how the preferred option will affect small business.

The ARBV and NSW ARB systemic risks report notes that around 98% of architectural firms are small businesses that employ less than 20 people⁶⁰, and many practitioners are sole traders. Accordingly, the impact of the Regulations will fall almost entirely on small business. However, the Regulations would not *disproportionally* impact small businesses because:

- The Regulations impose registration requirements on both individuals and organisations:
 - to work as an architect in Victoria, individual practitioners must be registered with the ARBV
 - architectural companies and partnerships need approval from the ARBV to provide architectural services.
- The costs of time associated with CPD requirements primarily fall on individual practitioners, not organisations.
- Competencies, qualification and insurance requirements apply equally to architects from small or larger businesses.

While it is acknowledged that a practitioner being off site for CPD training may have a larger impact on a small business than a larger business, the requirements allow for both formal and informal activities and there are also several CPD options that can be undertaken online outside normal work hours.

⁶⁰ ARBV and NSW ARB 2022, *Systemic Risks in the Australian Architecture Sector*, p.22.

11 Implementation and evaluation

This section outlines the implementation and evaluation plans for the proposed changes to the Regulations.

11.1 Implementation

11.1.1 Stakeholder engagement and communication

A public submission process will be conducted in response to this RIS. DTP will encourage all key stakeholders to participate in the public submission process by providing feedback on how the proposed regulations may affect them or their industry. This provides stakeholders and members of the public with the opportunity to examine the recommended options and submit their views.

The proposed Regulations and this RIS are being released for a minimum 28-day public consultation period. At the close of the consultation period, DTP will consider all feedback on both the proposed Regulations and the RIS before finalising the Regulations. DTP will prepare a formal response to public comment document, outlining the issues raised in submissions and DTP's responses to them.

The ARBV will communicate changes to the Architects Regulations 2015, including CPD updates, through newsletters and direct messaging. A communications strategy will be implemented to inform architects of the new requirements. While the ARBV has historically expected architects to complete CPD, compliance will now be formally monitored through declarations at renewal and random audits. Non-compliance will result in enforcement action, including suspension or referral to the Architects Tribunal. Implementation will be supported by existing resources, with additional expertise sought as needed. No transitional arrangements are required because architects are already expected to complete CPD under existing guidance. The update formalises these expectations in the Regulations and introduces enforceable compliance mechanisms.

The table below (Table 33) outlines the target dates for key milestones.

Table 33 *Timeline for key milestones*

Milestone	Description	Target Date
RIS drafting	Development of this RIS	June 25- Dec 25
Consultation period for the Regulations and the RIS	Consultation with key stakeholders on the proposed changes to the Regulations	Dec 25-Feb 26
Feedback consideration	Consider feedback on the Regulations and this RIS	Feb 26
Approval of Regulations	Finalisation and approval of Regulations	April 2026
Regulations commencement		26 April 2026

Source: ACIL Allen

11.2 Evaluation plan

11.2.1 Mid-term and sunset review

Mid-term evaluations are conducted three to five years after commencement. For these Regulations, this means a mid-term evaluation will be required between 2029 and 2031. A further sunset review must be undertaken prior to their expiry in 2035–2036. Both evaluations will assess the effectiveness of the Regulations, confirm their continued suitability, and identify any need for amendment.

DTP will engage with the ARBV during the mid-term and sunset review to gather qualitative and quantitative data on the effectiveness of the changes to the Regulations and their impact on the community. Given the changes proposed in this RIS, focus areas of evaluation would likely include:

- CPD compliance rates
- Quality of CPD being undertaken by architects
- Fees and effective cost recovery
- Number and severity of complaints made against architects

The review will enable DTP to assess whether the objectives of the proposed changes are being met, or whether there is a need to make amendments to meet the desired outcomes. DTP will also consider whether there is a need to make amendments to address any unintended consequences.

Table 34 below, proposes a set of key questions that can be used to guide the future mid-term evaluation and sunset review.

Table 34 Possible key evaluation questions for future mid-term and sunset review

Area	Possible key evaluation questions
Problem	<p>Have changes in professional practice (e.g., digital design tools, AI-assisted drafting) created new regulatory risks or compliance challenges for architects?</p> <p>Has the profile of architectural practices in Victoria shifted since the Regulations were amended?</p>
Objectives of action	<p>To what extent have the Regulations strengthened consumer protections in practice in Victoria?</p> <p>Has there been a measurable reduction in complaints or disputes involving architects since the changes were introduced?</p> <p>Have the revised CPD requirements demonstrably improved practitioner capability and professional standards?</p> <p>Do consumers and stakeholders perceive an improvement in confidence and trust in the profession as a result of the regulatory changes?</p>
Options	<p>With hindsight, did the chosen regulatory option achieve the intended balance between consumer protection and minimising regulatory burden?</p> <p>Have there been calls from stakeholders to revisit or adopt any of the options that were originally rejected?</p>
Impact analysis	<p>Were the main drivers of benefits (i.e., improved compliance, higher professional standards, greater consumer protection) realised in practice?</p> <p>Have the assumptions about practitioner behaviour (such as uptake of CPD or responsiveness to probity checks) proven accurate?</p> <p>Have the estimated administrative costs/benefits to ARBV been in line with expectations, or higher/lower than forecast?</p> <p>Have practitioners experienced higher compliance costs than anticipated (e.g., CPD expenses, annual renewals)?</p> <p>Have there been any unintended impacts?</p> <p>In retrospect, were there better data sources or methodologies that could have improved the original RIS impact analysis?</p>

Source: ACIL Allen and BRV (Victorian Guide to Regulation: Evaluation Toolkit)

Appendices

A Existing studies of prevalence and cost of building defects

Numerous national and international studies have examined building defect prevalence across different building types and jurisdictions. Table A.1 summarises key findings from studies reviewed for this analysis and recent research conducted for a RIS for the NCC 2025 waterproofing requirements.⁶¹


Table A.1 Summary of estimates of prevalence and costs of building defects in the literature

Study	Estimated prevalence & cost of defects	Summary of findings
PREVALENCE OF BUILDING DEFECTS (% OF BUILDINGS WITH DEFECTS)		
Easthope et al., 2012 ⁶²	72%-85% (apartments, NSW)	Project focused on residential strata properties with 3 or more lots in NSW. Research conducted between 2009 and 2012 involved surveys and interviews with strata owners, committee members, and managing agents, along with analysis of the NSW strata database, legislation, and consultations with national peak bodies. 72% of all schemes had had one or more defects at some stage, rising to 85% for schemes built since 2000. Internal water leaks are the most common defect (42%), followed by cracking (42%) and water penetration from outside (40%).
Mozo, 2019 ⁶³	N.A.	Study estimates the prevalence and cost of building defects based on a nationally representative survey of 1,222 Australians, of which 506 had purchased a property in the last 10 years. It found that most apartment and house owners who purchased a new property in the past 10 years have experienced building defects.

⁶¹ Acil Allen (2024), *Waterproofing provisions in NCC 2025 Decision Regulatory Impact Statement*, September.

⁶² Easthope, H., Randolph, B. & Judd, S. (2012), *Governing the Compact City: The role and effectiveness of strata management*, City Futures Research Centre, UNSW.

⁶³ Mozo (2019), *Property Pain: Building Defects Report 2019*, August, [https://mozo.com.au/home-loans/articles/property-pain-building-defects-report-2019#:~:text=Leaks%20and%20cracks%20causing%20stress%20for%20buyers&text=For%20houses%2C%20cracking%20to%20internal,%25\)%20were%20also%20major%20problems.](https://mozo.com.au/home-loans/articles/property-pain-building-defects-report-2019#:~:text=Leaks%20and%20cracks%20causing%20stress%20for%20buyers&text=For%20houses%2C%20cracking%20to%20internal,%25)%20were%20also%20major%20problems.)




Study	Estimated prevalence & cost of defects	Summary of findings
		<p>Most common defects for apartments:</p> <ul style="list-style-type: none"> – Internal water leaks (48%) – Cracking to internal or external structures (39%) – Water penetration from the outside (30%) – Tiling problems (27%) – Defective plumbing (21%) – Guttering faults (19%) – Inappropriately installed items (19%). <p>Most common defects for houses:</p> <ul style="list-style-type: none"> – Cracking to internal or external structures (42%) – Guttering faults (33%) – Defective plumbing (28%) – Internal water leaks (25%) – Water penetration from the outside (24%) – Tiling problems (25%).
Johnston & Reid, 2019 ⁶⁴	74%-97% (Apartments - NSW 97%, Queensland 71%, Victoria 74%)	<p>The report examines common defects in multi-owned residential buildings and their impacts, drawing on 11 stakeholder interviews and analysis of 212 defect audit reports from NSW, Queensland, and Victoria. It concludes that defects are widespread and cause significant financial, physical, and psychological harm to owners and occupiers.</p> <p>85% of all buildings in the sample had at least one defect (NSW 97%, Queensland 71%, Victoria 74%), with an average number of defects per building at 14 (NSW 16, Queensland 12, Victoria 11).</p> <p>The most impacted construction systems were building fabric and cladding (40% of defects identified), fire protection (13%), waterproofing (11.5%), roof and rainwater disposal (8.5%) and structural (7%).</p>

⁶⁴ Johnston, N. and Reid, S. (2019), *An examination of building defects in residential multi-owned properties*, Deakin University, Melbourne, June.

Study	Estimated prevalence & cost of defects	Summary of findings	
Australian Apartment Advocacy 2021 (cited in Law et. al., 2021 ⁶⁵)	52% (apartments, Victoria)	Defects experienced	Percentage (Victoria)
		Water penetration from outside	35%
		Structural cracking i.e. cracks appearing in the wall	30%
		Poor waterproofing within the apartment (e.g. in bathroom, kitchen, etc.)	28%
		Defective plumbing	26%
		Tiling problems i.e. cracks, uneven surface, grout	25%
		Too much noise coming in from outside	24%
		Other	23%
		Problems with the lifts / elevators	20%
		Problems with doors (warping, locks not working, doors not hung properly, etc.)	19%
		External cladding is not fireproof	15%
		Windows/sliding doors not closing properly	15%
		Defects experienced	Percentage (Victoria)
		Faulty guttering	12%
		Air conditioning systems – not installed properly	12%
		Problems with electrical works / connections	12%
		Defective roofing	11%
		Defective balustrades on the balcony	9%
		Concrete cancer	8%
		Wooden flooring warping	5%
		Defective fire protection system	4%
		Asphalt / car park floor lifting	4%
		Lack of fire safety system	3%
		Brick growth – no plan to allow for expansion	1%

⁶⁵ Law, T., Sorrentino, G., Barry, R. and Ronngard, P. (2021), *Scoping study on the nature and extent of moisture damage in houses & apartments in Victoria*, December.



Study	Estimated prevalence & cost of defects	Summary of findings
<i>Source: Australian Apartment Advocacy 2021, 2021 Apartment Survey Research Results for Victoria, p.35.</i>		
Survey of building defects in NSW (2021) ⁶⁶	39% (apartments, NSW)	<p>Study focused on NSW Class 2 building strata buildings (4+ floors above ground level). It focused on producing baseline data on the prevalence and impact of serious defects in recently completed residential strata buildings in NSW. Serious defects were not defined in this study, so results are not comparable with most recent (2023) survey (see row above).</p> <p>39% of strata buildings in the sample had experienced serious defects in the common property.</p> <p>Majority of serious defects related to waterproofing, affecting 23% of all buildings surveyed. Other serious defects related to fire safety systems (14%), structure (9%), enclosure (9%), key services (5%) and non-compliant cladding (6%).</p>
Crommelin, L., et al 2021 ⁶⁷	51% (apartments, NSW)	<p>The study focuses on defects in multi-unit strata-titled developments in Sydney.</p> <p>51% of the schemes have evidence of at least one defect, and 12% have evidence of at least ten types of defects.</p> <p>The most prevalent types of defects are water defects (42%), cracking (26%) and fire safety issues (17%).</p>

⁶⁶ Office of the Building Commissioner and Strata Community Association NSW (2021), *Research report on serious defects in recently completed strata buildings across New South Wales*, September.


⁶⁷ Crommelin, L., Thompson, S., Easthope, H., Loosemore, M., Yang, H., Buckle, C., and Randolph, B. (2021), *Cracks in the Compact City: Tackling defects in multi-unit strata housing*, Final Project Report, City Futures Research Centre, October.

Study	Estimated prevalence & cost of defects	Summary of findings
Building Confidence Report: a case for intervention (CIE, 2021) ⁶⁸	49% in non-residential buildings (Australia) 1.62 defects per apartment (Australia)	For Class 2 buildings (apartment), the study estimates the rate of defects caused by the initial build across states and territories (including and excluding defects related to flammable cladding) based on existing data and a survey of residential building owners. Classes 3-9 (non-residential) buildings, it estimates the rate of defects based on existing data and a survey of commercial building managers/owners. For Class 1 buildings: <ul style="list-style-type: none"> the prevalence rate for defects (excluding flammable cladding) is 0.95 in detached houses and 1.03 in townhouses For apartments: <ul style="list-style-type: none"> the prevalence rate for defects (excluding flammable cladding) is 1.62 defects per apartment 30% of buildings had waterproofing/weatherproofing defects (e.g. water leaking in from balcony or wall, water leaking through shower floor), while 21% had roof and rainwater disposal defects (e.g. loose roof sheeting, inadequate gutters, leaking concrete roof). For Classes 3-9 buildings: While the number of survey responses received for Class 3 to 9 buildings was limited ⁶⁹ , this study estimated that defects are present in between 41% and 53% of buildings (with a central estimate of 49% used in the analysis).
Law, T., Sorrentino, G., Barry, R. and Ronngard, P., 2021 ⁷⁰	N.A. (Victoria)	The study focuses on obtaining baseline data on the causes of moisture damage and indoor mould in residential buildings in Victoria based on Victoria Managed Insurance Authority (VMIA) accepted domestic building insurance (DBI) claims between July 2018 and November 2020. Limited to residential buildings up to 3 storeys in height. Of the 2,178 accepted claims, 92% (1,995 claims) had at least one water-related defect. The researchers took a representative sample of 54 claims to examine the causes for each claim: <ul style="list-style-type: none"> 28 (61%) had parapet roofs, which pose significant waterproofing challenges 17 (31%) had defects associated with waterproofing of balconies 11 (20%) of claims were for incomplete construction where water had damaged the incomplete home.

⁶⁸ Centre for International Economics 2021, *Building Confidence Report: a case for intervention*, prepared for the ABCB, July.

⁶⁹ 11 responses were received from commercial use (Classes 3 to 9) building managers/owners. These respondents own or manage 291 buildings in total.


⁷⁰ Law, T., Sorrentino, G., Barry, R. and Ronngard, P. (2021), *Scoping study on the nature and extent of moisture damage in houses & apartments in Victoria*, December.



Study	Estimated prevalence & cost of defects	Summary of findings
Cladding Safety Victoria, 2023 ⁷¹	N.A (apartments, Victoria)	<p>Study focuses on the prevalence of balcony defects in high rise residential apartments in Victoria as part of the Victorian Government's Cladding Rectification Program (CRP).</p> <p>Of the 339 buildings that have received rectification funding under the CRP program:</p> <ul style="list-style-type: none"> – 168 buildings (50%) of the total funded buildings were identified to have defects unrelated to cladding. – Of these, 84 buildings (25% of the total funded buildings) were identified with leaking balconies, balustrades and terraces causing structural damage. – 52% have defective balconies caused by water ingress issues. – 19% have waterproofing issues due to lack or insufficient waterproofing. – 64% of impacted buildings were constructed more than 10 years ago. – The costs of defective balconies over total construction contracts (initiated for cladding works) comprises approximately 38%.
Survey of building defects in NSW (2023) ⁷²	53% (apartments, NSW)	<p>Study focused on <i>serious defects</i> in Class 2 buildings in NSW (4+ floors above ground level) registered between July 2016 – June 2022. Serious defects are defined by legislation as those which relate to waterproofing, fire safety systems, structure, key services and enclosure (and non-compliant cladding).</p> <p>Of the 642 strata buildings subject of the research, 53% have had serious defects in common property in the 6 years following their construction.</p> <p>Waterproofing was the most common serious defect, with 42% of buildings reporting waterproofing defects.</p> <p>The incidence of defects has decreased in newer buildings since the introduction in 2020 of the NSW Residential Apartment Buildings (Compliance and Enforcement Powers) Act 2020 (RAB Act) and the Design and Building Practitioners Act 2020 (DBP Act).</p>

⁷¹ Cladding Safety Victoria (2023), *Research analysis on issues and risks associated with balcony defects*, January.

⁷² Office of the Building Commissioner and Strata Community Association NSW (2023), *2023 Strata Defects Survey Report*, November.




Study	Estimated prevalence & cost of defects	Summary of findings
Cladding Safety Victoria, 2024. ⁷³	N.A (apartments, Victoria)	<p>Cladding Safety Victoria (CSV) was established to tackle the risk of combustible cladding on Victoria's Class 2 apartment buildings. In 2023–24, rectification works were completed on 80 buildings, with \$87.62 million in grants paid. This brings the total to 330 “unacceptable risk” buildings remediated under the funded program to 30 June 2024, representing 70% of the total cladding fire risk now addressed across the state.</p> <p>As of 30 June 2024, 1,619 Class 2 buildings have been identified for consideration under CSV's residential program, classified as:</p> <ul style="list-style-type: none"> – 26% unacceptable risk (high priority) – 15% elevated risk – 38% low risk – 20% out of scope and otherwise resolved – 1% under review <p>Alongside cladding issues, 50% of buildings have been found to have non-cladding defects, including leaking balconies, balustrades, and water ingress.</p>
ACIL Allen (2024) ⁷⁴	N.A.	In this RIS, ACIL Allen estimated that waterproofing defects could affect between 2,325 and 20,765 new apartments per annum across Australia and over 1,000 Class 3 to 9 buildings per annum across Australia.

COST OF BUILDING DEFECTS

⁷³ Cladding Safety Victoria (2024). *Annual Report 2023–24*. September

⁷⁴ ACIL Allen 2024, *Waterproofing provisions in NCC 2025 Decision Regulatory Impact Statement*, September




Study	Estimated prevalence & cost of defects	Summary of findings
CIE, 2013 ⁷⁵	\$100-\$200 million p.a. (NSW residential buildings)	The study estimates the total cost of building defects in apartments and houses for NSW by extrapolating from a UNSW survey. Total cost of defects in NSW was estimated at around \$100-\$200 million per year.
ACIL Allen, 2016 ⁷⁶	\$65 million per year (for apartments and houses in NSW)	Report estimates the cost of building defects in apartments and houses based on claims to the Home Building Compensation Fund (HBCF). Rectification costs are measured based on claims from Home Warranty Insurance. Rectification costs are estimated at \$65 million per year on average.
Mozo, 2019 ⁷⁷	\$10.5 billion over 10 years (for apartments and houses)	Study estimates that repairing building defects has cost Australians a total of \$10.5 billion over the past decade. In apartments, 4% of new owners had to pay above \$50,000 to have repairs done, 23% paid \$5,000 to \$50,000 and 74% paid up to \$5,000. For houses, 5% had to pay more than \$20,000 for repairs, 68% paid up to \$5,000 and 27% had to pay \$5,000 to \$20,000.

⁷⁵ Centre for International Economics (CIE) 2013, *Local Government Compliance and Enforcement: Quantifying the impacts of IPART's recommendations*, prepared for the Independent Pricing and Regulatory Tribunal of NSW, June.

⁷⁶ ACIL Allen Consulting (2015), *Independent Review of the Building Professionals Act 2005: Cost Benefit Analysis of Proposed Recommendations*, Report to Building Professionals Board, December.

⁷⁷ Mozo (2019), *Property Pain: Building Defects Report 2019*, August, [https://mozo.com.au/home-loans/articles/property-pain-building-defects-report-2019#:~:text=Leaks%20and%20cracks%20causing%20stress%20for%20buyers&text=For%20houses%2C%20cracking%20to%20internal,%25\)%20were%20also%20major%20problems.](https://mozo.com.au/home-loans/articles/property-pain-building-defects-report-2019#:~:text=Leaks%20and%20cracks%20causing%20stress%20for%20buyers&text=For%20houses%2C%20cracking%20to%20internal,%25)%20were%20also%20major%20problems.)




Study	Estimated prevalence & cost of defects	Summary of findings
Equity Economics, 2019 ⁷⁸	\$6.6 billion Australia wide, over 10 years (for apartments)	<p>This study estimates the 10-year cost of apartment building defects using assumptions drawn from national and international studies and media reports. The total cost of defect rectification was estimated to be \$6.6 billion, Australia wide, over 10 years. This analysis assumed that:</p> <ul style="list-style-type: none"> – 4% of buildings had a major water problem and a further 34% had a minor water problem (the definition of water problem includes internal leaks). <p>The cost to rectify water problems was \$25,000 per major problem per apartment and \$5,000 per minor problem per apartment.</p>
Survey of building defects in NSW (2021) ⁷⁹	\$331,829 per building on average	<p>Across buildings affected by serious defects, owners' corporations reported spending approximately \$69 million, averaging \$331,829 per building. Of these costs, 79% were attributed to defect rectification, 9% to professional services (such as technical statements), 11% to legal expenses, and the remaining 1% to other miscellaneous costs.</p>
Building Confidence Report (CIE, 2021) ⁸⁰	<p>\$31,869 per defect in Class 2 buildings</p> <p>\$348,788 per defect in Class 3-9 buildings</p>	<p>The estimated rectification cost per Class 2 dwelling was \$12,221 per defect for roof and rainwater disposal and a further \$19,648 per defect for waterproofing and weatherproofing. Together, it gives a combined rectification cost of \$31,869.</p> <p>In Class 3–9 buildings, defect costs are estimated at \$260,000 to \$437,000 per building, with a central estimate of \$348,788.</p>

⁷⁸ Equity Economics (2019), *The Cost of Apartment Building Defects*.

⁷⁹ Office of the Building Commissioner and Strata Community Association NSW (2021), *Research report on serious defects in recently completed strata buildings across New South Wales*, September.


⁸⁰ Centre for International Economics 2021, *Building Confidence Report: a case for intervention*, prepared for the ABCB, July.



Study	Estimated prevalence & cost of defects	Summary of findings
The CIE (2022) ⁸¹	Annually across Western Australia - \$435 million Class 1 - \$258 million Class 2 - \$56 million Class 3-9 - \$121 million	In this RIS, The Centre for International Economics (CIE), commissioned by the WA Department of Mines, Industry Regulation and Safety, estimated the cost of non-compliant construction works at around \$435 million per annum. The majority (over 80%) of these costs are due to rectification works, with the remainder stemming from time delays, fatalities, mental health impacts, and related costs. The analysis was based on surveys, consultations, and desktop research conducted in partnership with RLB.
Survey of building defects in NSW (2023) ⁸²	\$283,000 per building on average	For the buildings that had access to accumulated costs accrued due to serious defects, \$79 million was reported to have been spent by owners' corporations as a result of serious defects in common property, and the average was \$283,000 per building. \$45 million (57% of the costs) was associated with the rectification of the defect(s), including temporary and long-term rectification of the defect(s) professional costs (such as technical statements) represented around 20% of the costs (around \$15.6 million) legal costs were around \$11.6 million (15%) other costs (such as strata management charges) amounted to around \$6.7 million.

⁸¹ Government of Western Australia (2024), Decision Regulatory Impact Statement – Volume 2: Reforms to Building Approvals Process and Registration of Building Practitioners, Department of Mines, Industry Regulation and Safety – Building and Energy Division

⁸² Office of the Building Commissioner and Strata Community Association NSW (2023), *2023 Strata Defects Survey Report*, November.



Study	Estimated prevalence & cost of defects	Summary of findings
ACIL Allen (2024) ⁸³	Annually across Australia: \$307 - \$795 million for apartments; \$530 million- \$1.9 billion for Class 3-9 buildings	In this RIS, ACIL Allen estimated that waterproofing defects cost apartment owners between \$307 million and \$795 million per annum and owners of Class 3 to 9 buildings between \$530 million and \$1.9 billion per annum across Australia.

Source: ACIL Allen based on the sources referred to in the table and ACIL Allen 2024, Waterproofing provisions in NCC 2025 Decision Regulatory Impact Statement, September.

⁸³ ACIL Allen 2024, *Waterproofing provisions in NCC 2025 Decision Regulatory Impact Statement*, September



B Stakeholder consultation

B.1 Stakeholders consulted

As part of the Regulatory Impact work, ACIL Allen held a series of roundtable discussions. Stakeholders consulted as part of this RIS were:

- Architects Registration Board of Victoria
- Australian Institute of Architects
- Association of Consulting Architects
- Office of the Victorian Government Architect
- Building Monitor
- ArchiTeam
- Architects Accreditation Council of Australia

C Proposed changes to the Code of Conduct

This section outlines the proposed changes to the Code of Conduct.

Context

The Code of Conduct is a set of legally recognised professional standards that define how architects are expected to behave, practise, and maintain their competence in order to protect the public and uphold the integrity of the profession.

The purpose of the code is to:

- Set mandatory professional standards across Victoria
- Guide professional judgement and practice
- Uphold trust in the profession
- Support regulation and disciplinary action
- Provide a clear and accessible version of key obligations as compared to the legal nature of the Act and Regulations


Early engagement identified opportunities to improve the Code with regard to:

- Clarity and comprehension
- Transparency and communication obligations
- Requirements relating to missing CPD and insurance
- Clarifying duties of architects, partnerships and companies

Proposed updates

Proposed updates to the Code are based around four themes

Theme	Description
Update to the structure of the Code	New preamble and structure (see below)



Strengthened clauses	Strengthening the focus on compliance culture by introducing new clauses to better clarify policy intent and obligations
Clarify obligations	Improved transparency about compliance requirements on architects, partnerships, and companies under the Act
Underscore consumer protection	Address past gaps and introduce clearer clauses focused on consumer protection, ensuring that architects are required to provide clients with clear communications about the complaints handling process, fee calculation method, and other key details related to insurance and registration.

Proposed new structure

The proposed updates come together in a new structure that clearly delineate between the four themes.

Schedule 1	Victorian Architects Code of Professional Conduct
Part 1	Preliminary Sets Preamble and objectives
Part 2	The Code
Division 1	General practice standard <ul style="list-style-type: none"> - Act in accordance with the law - Act in the public interest - Act with honesty, integrity and openness Perform competently and with the required level of care, expertise and experience
Division 2	Client relations Establish and maintain effective client-architect relationships
Division 3	Business management and processes <ul style="list-style-type: none"> - Cooperate with the Board

