

ANNUAL REPORT 2019-20

ARCHITEAM

ARCHITEAM COOPERATIVE LTD
SUITE 16
204-218 DRYBURGH STREET
NORTH MELBOURNE, VICTORIA 3051
©NOVEMBER 2020

ABN 65 894 162 886

INDEX

05

Agenda

7

Introduction

8

The Board

10

The Office

13

Directors Reports

35

Appendix

AGENDA

BUSINESS

1. CHAIR'S WELCOME (INCL. ATTENDANCE & APOLOGIES)
APOLOGIES –
2. CONFIRM THE MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING -
WEDNESDAY 13 NOVEMBER 2019
3. CHAIRS REPORT FOR THE YEAR ENDED 30 JUNE 2020
4. SECRETARY'S REPORT FOR THE YEAR ENDED 30 JUNE 2020
5. TREASURER/ FINANCIAL REPORT - RECEIVE AND CONSIDER THE FINANCIAL
STATEMENT FOR THE YEAR ENDED 30 JUNE 2020
6. APPOINT AN AUDITOR FOR 2020-21
7. DIRECTOR'S PORTFOLIO REPORTS:
 - A. INSURANCE REPORT
 - B. SPONSORSHIP & PARTNERSHIP REPORT
 - C. MEMBERS SERVICES REPORT
 - D. CPD EVENTS & 2021 CONFERENCE REPORT
 - E. COMMUNICATIONS & PR REPORT (INC. DATUM)
 - F. ADVOCACY & RESEARCH REPORT
 - G. AWARDS REPORT
8. QUESTIONS ON NOTICE
9. GENERAL BUSINESS
10. ELECTION OF DIRECTORS
THERE WERE 2 POSITIONS AVAILABLE TO JOIN THE BOARD. – 2 NOMINATIONS WERE
RECEIVED
 - DELIA TESCHENDORFF
 - KALLIOPI VAKRAS

THE FOLLOWING NOMINEES WERE ELECTED

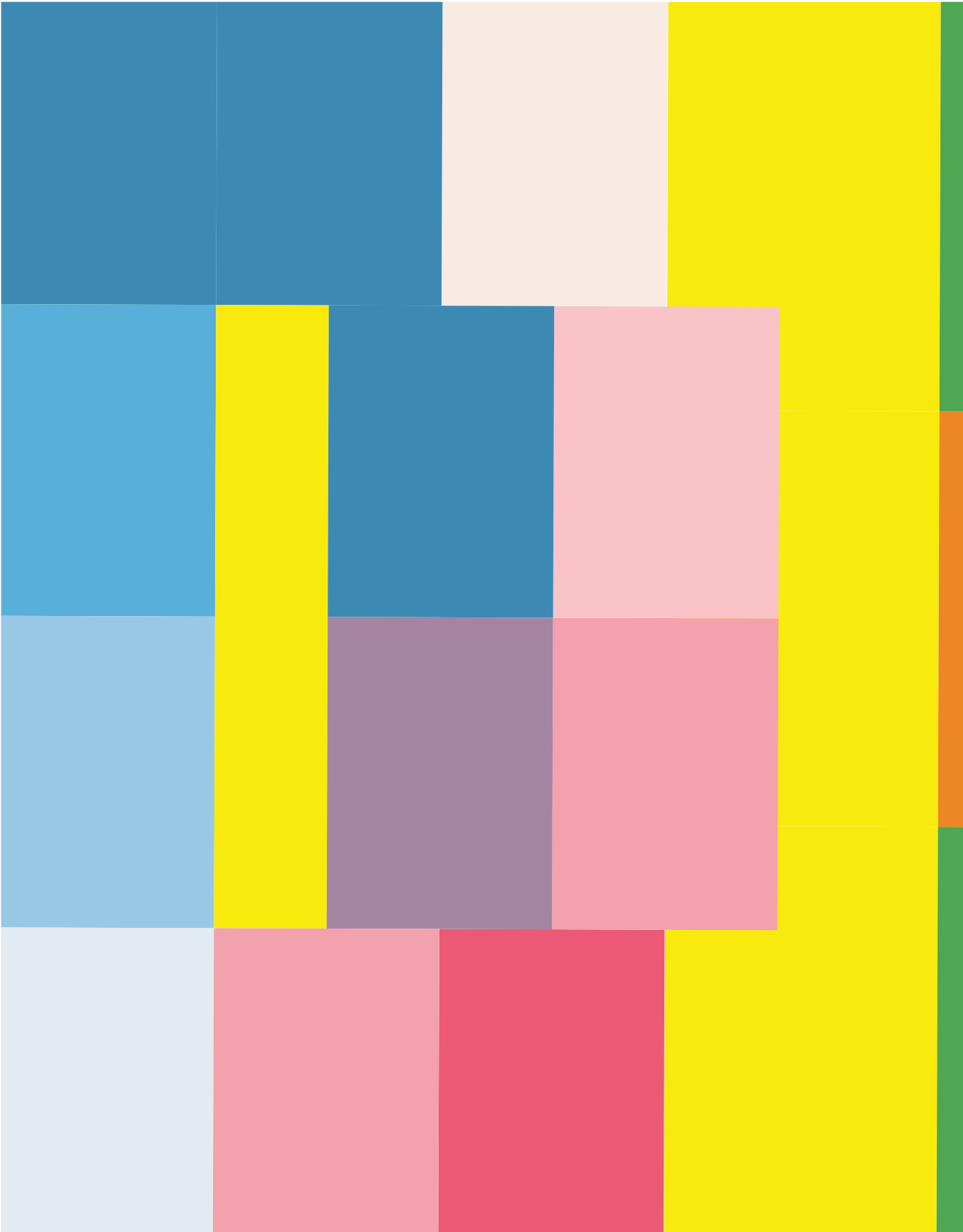
- DELIA TESCHENDORFF
- KALLIOPI VAKRAS

NOTICES

QUESTIONS ON NOTICE

THE BOARD REQUEST THAT ANY QUESTIONS BE SUBMITTED PRIOR TO THE AGM TO ALLOW THE BOARD TO PREPARE A CONSIDERED RESPONSE.

QUESTIONS ON NOTICE ARE REQUESTED BY 4.PM THURSDAY 18 NOVEMBER 2020 AND ARE TO BE EMAILED TO CEO@ARCHITEAM.NET.AU





Intro duction

Founded in 1991 ArchiTeam Cooperative is a membership association for Australian architects working in small, medium and emerging practices.

We've been around for 28 years but we're undergoing a growth spurt as the unique role and importance of small practice is recognised in the design industry. ArchiTeam is democratically run by members, for members. Every member is encouraged to play an active part in shaping our organisation. With over 780+ members, we are the leading dedicated voice of Australia's small architectural practices.

Our Vision

To empower and support small practice architects to thrive

∞

Our Mission

ArchiTeam exists to provide benefits of co-operation to our members. By utilising our combined voices, we are able to support our members in their work and professional learning and raise the profile of our industry.

To achieve this mission, we will:

- Promote and protect ArchiTeam and our members through education and activities
- Advocate for the importance of small, medium and emerging architects in Australia
- Assist the architecture community to connect and improve

ArchiTeam is a not for profit cooperative representing over 780 small, medium, and emerging Australian architectural practices. We are run by the members, for the members. Our mission is to provide benefits of

co-operation to our members, by utilising our combined voices, we are able to support our members in their work and professional learning and raise the profile of our industry.

ArchiTeam members enjoy access to our free awards program, great-value professional indemnity and public liability insurance, discounts on CPD and events, CPD Online, access to our online member forum, networking and peer support, affordable business documents, and much more.

The Board

FOOI LING KHOO, Chair - Communications & PR

Fooi- Ling Khoo is the director of Oof! Architecture which she formed over 10 years ago. Joining the Board in 2015, Fooi is the current Chair of the ArchiTeam Board, Director of Communications and PR, as well as editor of the ArchiTeam monthly ENews Datum.

The Communications and PR portfolio covers all ArchiTeam communications and the marketing of the coop to members (current and prospective), the broader design community as well as the general public, promoting the use of architects.

REBECCA NAUGTIN, Treasurer – Finance & Partnerships
Rebecca Naughtin, Director of RNArchitect and is a registered architect in Victoria & has been running her own practice for over 10 years, with experience in both commercial and residential sectors of the market. She has been an Examiner at the ARBV for 10 years, is a NPrA and Overseas Academic Equivalency Assessor, a member on

INTRODUCTION

the Accreditation Management Committee for the AACA, and tutors in Architectural Practice and Design at the University of Melbourne.

Rebecca was the Australian Institute of Architects Victorian Chapter Emerging Architect Prize winner in 2013 and has contributed to many committees at the AIA including the Education Committee and the Constructive Mentoring Program. In 2018 Rebecca joined ArchiTeam as a Director with the vision of continuing her influence in education excellence, advocacy, and the delivery of the highest standard of architectural design.

JAMIE SORMANN, Secretary. Awards, Advocacy & Research

Jamie is a director of Foomann Architects, which he and Jo Foong established in 2008. Foomann is devoted to realising beautifully simple, sensitive spaces that are underpinned by utility, context and sustainability. Jamie is committed to collaboration and to sharing ideas with students, clients, colleagues and the architecture community.

Jamie graduated from University of Melbourne where he is a regular guest critic. He has been a jury member for the Victorian Chapter of the Australian Institute of Architects and a committee member for the AIA Emerging Architecture Graduates Network. Jamie has been involved with Advocacy as a committee member, co-hosted the ArchiTeam 2018 Awards and featured with Foomann in The Naked Architect series.

Jamie joined the ArchiTeam Board in 2019 as Director of Awards, Advocacy & Research to support and celebrate

architectural practitioners for the betterment of the built environment. He is focused on launching new initiatives to advocate for the use of architects and to improving work conditions of ArchiTeam members so they can do their best work. Jamie likes to impose his musical taste on others and maintains an active interest in pretentious films.

WARWICK MIHALY, Insurance & Member Services
Warwick is principal of Mihaly Slocombe Architects and leader in the architecture profession. He is instrumental in championing positive change within the industry through mentoring the next generation of architects, as a Director of ArchiTeam, Committee member at the Australian Institute of Architects, and founder of Australia's most widely read business blog for architects, Panfilo.

SONIA SARANGI, CPD Events & Conference
Sonia is a director of Atelier Red+Black, a tenacious thinker and problem solver. A highly capable project lead, her collaborative approach and strong negotiation skills bring a fresh perspective to the table.

Sonia is a strong advocate for diversity in the profession and has been involved in a number of mentoring programs, a guest critic and tutor at University of Melbourne - Melbourne School of Design and is a frequent contributor to Parlour.

Sonia is the Director in charge of the CPD Events and Conference Portfolios. These portfolios, with assistance from the CPD Committee and Conference Creative Directors, aims to provide members with a high standard annual

Continuing Professional Development calendar with the inclusion of the biennial Conference.

Sonia has been a member of the ArchiTeam since 2017 and the (Continuing Professional Development CPD) committee since 2018, and was elected as an ArchiTeam Board member in 2019. She is a keen photographer and often drives around the block a little bit longer just so she can finish listening to a podcast episode.

The Office

PHOEBE LA GERCHE-WIJSMAN, CEO

Phoebe is a qualified landscape architect (RMIT University), has studied architecture (RMIT University), and has a keen interest in design. She has worked in the not-for-profit sector for around 20 years specifically within member-based organisations for architects, landscape architects and other professionals in the built environment and is highly skilled in governance and policy, social media and marketing, event and conference management.

Phoebe has run two successful small businesses which have provided her with additional small business management skills. Phoebe recently completed a Diploma in Business (Governance) through the Institute of Community Directors Australia.

OPHELIA HO, Membership & Events Administration

Ophelia is an experienced administrator with a passion for improving organisational efficiency, streamlining processes and procedures, and providing excellent client service and support. With diverse experience in a variety of

environments - corporate, government and not-for-profit, she excels at building client relationships. Ophelia most recently worked in a graphic design studio, which inspired her creativity and interest in supporting ArchiTeam.

REGGIE LYSAUGHT, Partnerships & Major Events

Reggie has worked in Marketing, Sponsorship and Events for over 10 years, across a variety of fields. She has a great appreciation and respect for design and the industry and has a passion for bringing people and businesses together and gets excited by orchestrating large events.

MARGARET MAGALOTTI, Bookkeeper

Margaret is the ArchiTeam bookkeeper and has been with ArchiTeam for over 10 years. She is a talented musician who loves Jazz.

INTRO D UCTION





Director Reports

CHAIR REPORT

To misquote a well known footy phrase, it's been a year of two halves!

2019 ended so well with ArchiTeam Cooperative Ltd continuing its steady growth in membership numbers, expanded programs + services, and increased member participation on all levels - in events, working groups and sub-committees. We farewelled Zoe Geyer and Barbara Moje from the Board and welcomed Jamie Sormann and Sonia Sarangi. Then 2020...

Firstly, the horrific bushfire season last summer. Its devastation was deeply felt throughout rural and urban Australia and the urgency for climate change action was made even more apparent. We were proud to see some of our members leading the charge in groups such as Architects Declare (which ArchiTeam included its signature to) to advocate and initiate action. ArchiTeam itself is in the process of getting its house in order and will be taking practical steps toward carbon neutrality in the coming year.

And then - COVID19. The ongoing health and economic crises of the pandemic affects every aspect of our lives and continues with no end in sight. Over the last 6 months we have all had to adapt or invent new ways of doing things and ArchiTeam was no different. Thanks to the mighty efforts of the ArchiTeam office, our public facing services and occasions have been transformed into online events and ArchiTeam - still - has a lot going on!

Individual directors' reports will expand in more detail but highlights include:

- ArchiTeam CPD: the ongoing program continues to improve and expand and saw an increase in attendance via ZOOM in 2020
- 2019 ArchiTeam Awards: a tough year for completing projects but still with 142 entries!
- RASP (Research for Architects in Small Practice): a significant building block of data about our industry in this soon to be released research project
- The Naked Architect: the popular public programme confirmed for a 4th season in 2021
- ArchiTeam Conference 2021: Creative Directors announced
- ArchiTeam CPD online: continues to grow in popularity and content
- Members Only Forum Live (MOFL): the pub lunch version of the popular Members Forum (temporarily) transformed into a regular ZOOM lunch

PEOPLE

Over the last 12 months we have had some changes in staff. Kathryn Halliday (Membership and Events) left in December and Ophelia Ho (Membership and Events Administration) joined us in early February - just in time for the first lockdown! Reggie Lysaught (Partnerships & Major Events - Awards & Conference) increased her role with ArchiTeam and we are very grateful to have her continue as part of the ArchiTeam family.

This year, I'd particularly like to commend our CEO, Phoebe La Gerche Wijsman, for leading the office and directors so smoothly in volatile times. On top of everything else, Phoebe continues to update policy and improve procedures to help us ensure that ArchiTeam enjoys good governance, cost efficiency and enhanced services to members.

Huge thanks to our wonderful staff for adapting to the everchanging world in such a positive and constructive way. They converted ArchiTeam into a purely online organisation quickly and

DIRECTOR REPORTS

effectively and have maintained our operations and services almost seamlessly.

INCREASED MEMBERSHIP & THE GROUP POLICY

The group PI insurance policy, and its continued reliability and value, is the backbone that helps us grow the co-operative and its services. We always remain conscious of the need, even as we grow, to protect the group PI policy by ensuring our risk profile remains low. The Actuary Report is included in the Appendix and provides further information on how robust the current PII is for the group.

Member services such as the biennial ArchiTeam Conference, CPD program (currently live streamed or online/recorded), ENews DATUM, MOFL (Members Online Forum Live) all work together to help reduce our collective risk by encouraging dialogue, peer support and education. 2019 also saw the reintroduction of the compulsory Insurance CPD to further support this endeavour.

THE FUTURE

These are uncertain times and the year so far has been testing for many of our members and their practices. ArchiTeam was founded 28 years ago for architects to support each other in hard times and its brilliant to see that spirit alive and kicking in our co-op today. Despite their own difficulties, members continue to be generous in support of other members. Some are dedicated committee members, others contribute less formally through the online members forum or MOFL, but so many of you offering support and encouragement when it counts. Thank you, members. ArchiTeam is great because you're great!

FOOI LING KHOO

Chair

SECRETARY REPORT

ArchiTeam as at 30 June 2019 had a total of 736 members, with an increase of 50 new members.

OFFICE STAFF

Phoebe La Gerche-Wijsman continued to steer the helm as CEO. We are delighted with Phoebe's dedication, passion and sound leadership for ArchiTeam over the last year and look forward to achieving new milestones in the year ahead.

In 2019 we farewelled our part-time Membership and Events person Kathryn Halliday, who coordinated membership queries and renewals, as well as a successful CPD program through-

out 2019. We welcomed Ophelia Ho in February to the role of Membership and Events Administration, she is an invaluable part of the ArchiTeam office and has shown great tenacity during the difficult first half of 2020 with the current COVID 19 restrictions. Reggie Lysaught, in charge of Partnerships and Major Projects and has continued to work tirelessly in building new relationships for ArchiTeam, as well as coordinating our Major Events (Awards and Conference) during these difficult times.

Thanks also to Margaret Magalotti who maintains our books and Doone Clifton who continues to be our primary bookkeeper, from Gecko Services.

BOARD ELECTIONS

The board would like to thank the members who have put themselves forward this year for a position on the ArchiTeam board. This is a period of ongoing growth and change for ArchiTeam where the co-operative will move in forthcoming years to be more active within the profession and general community, a wonderful time to be involved.

In November I took over the role of Secretary from Barbara Moje, whose efforts as Secretary are very much appreciated.

MACRO STRATEGY

During the annual Planning Day in February 2020 facilitated by Robine Stephenson of Ahoy-hoy, helped the Board in explore the future of ArchiTeam by addressing the validity of the cooperative's Mission Statement. It was agreed by all that ArchiTeam is proud of the support the cooperative provides to small practice architects and as such the mission was updated to: *Empower and support small practice architects to thrive*

In March, just as we went into the first COVID19 lockdown the Board, CEO and office team sat down via ZOOM and had an additional strategic planning session with Robine. This session

16

It was agreed by all that ArchiTeam is proud of the support the cooperative provides to small practice architects and as such the mission was updated to:
Empower and support small practice architects to thrive

DIRECTOR REPORTS

SECRETARY REPORT

reconfirmed the Boards stance on future growth of ArchiTeam. The challenges of COVID19 have contributed to ArchiTeam better expanding its presence beyond Melbourne and our national and regional members have voiced gratitude for the shift.

EVENTS

ArchiTeam is continuing to make its presence felt in the annual Architecture and Design event calendar by issuing an EOI for Creative Directors for the 2021 Conference. In December we announced the Creative Directors – Sonia Sarangi, Redmond Hamlett, Sally Hollbrook, Robert Davidov, Ajith Kuralla and Michael Smith. The third ArchiTeam Conference s titled “Trajectories” is booked for 21 May 2021.

We have had a great response from members and nonmembers that have attended our CPD events throughout 2019-20, with all events transferred to online from April 2020. It was agreed to make all live online CPD EVENTS free to members to assist in reducing expenses during this recession.

The ArchiTeam Awards, continues to be a strength. The event in 2020 will be a digital only and the opportunities this creates are being explored. Although it’s hoped that 2021 will be held in a real life venue, we expect many of the ideas being developed in response to the pandemic will be adopted in future years.

DIRECTORS HONORARIUMS

As per the 2011 Notice of Resolution the Directors Honorarium was increased as per CPI in February 2020.

It has been another incredibly busy year at ArchiTeam which is growing from strength to strength and I congratulate the Board and the staff for a great effort in continuing to grow the organisation with such enthusiasm and dynamism.

I have appreciated this opportunity to be engaged in so many aspects of our great cooperative and encourage every member to get involved. This is a collective that thrives on member input and it’s very rewarding to be part of something beyond professional practice. I am looking forward to another year

JAMIE SORMANN
Secretary

FINANCE REPORT

Our tax accountants Wilson Pateras and Auditors Matthew and Zhi from Saward Dawson. Saward Dawson were appointed as our new Auditors at the 2019 AGM. Doone Clifton of Gecko Services provided valuable bookkeeping and BAS support with Margaret Magalotti at the coalface in the office. Due to COVID19 the completed Audited Accounts have been delayed. This report is based on the Cooperatives financial records as at 30 June 2020. The shareholders of the cooperative will be furnished with the audited accounts once they are completed.

GENERAL FINANCES

It is suggested by the Profit and Loss Statements at the end of this financial year that ArchiTeam Cooperative Ltd are in good financial health, despite an approx. 12% increase in 20-21 master policy insurance premium and the Board's decision to absorb the increase in the master policy premium. A CPI increase to the membership fee was applied in May in line with decisions made by the Board in the previous financial year of minimal increases as per CPI annually. ArchiTeam Cooperative Ltd continues to maintain a healthy buffer in line with the Financial Management Policy to protect against further rises in premiums.

OPERATING COSTS

Whilst there have not been any further staff appointments, the costs associated with increased staff hours have been realised during the past 5 months. We have seen a levelling out of staffing costs closer to the end of the financial year, after an increase of additional hours required during the Conference and renewal period. Internal expenditure has increased given the increase in membership and general support required for the additional numbers. Expenditure is managed by the staff and in many instances has cost less than budgeted for, thanks to agreements within sponsorship packages or the resourcing of more economical alternatives. Director Honorariums were increased in February as per CPI

REVIEW OF FINANCIAL STRATEGY

Income streams were diversified with sponsorship showing a significant increase and the Conference returning a healthy surplus. The cost of events has reduced due to a sponsorship agreement with Brickworks and transferring all face-to-face live CPD to online. Sponsorships have been difficult to sign up or to continue relationships in 2020, but the budget is managed closely to make sure the loss of these funds do not adversely impact the Cooperatives finances.

We continue to keep our financial investments as per our Risk Management Policy in term deposits, albeit low interest-bearing accounts, as per last year's meeting of the Financial Management Subcommittee they are the most appropriate investment option for a cooperative in this financially fiscal environment. Thanks to Phoebe La Gerche-Wijsman searching for the best offer in the most ethical institutions. The aim to break-even in the area of Members Services (CPD, Workshops etc.) continues to be the focus of the Board.

REVENUE

This year the Board minimally raised the membership fee which was agreed it was necessary to keep in step with CPI increases. Our insurance prices increased, which has been a standard across the insurance sector, and was partly due to the increase in project costs that our members were working on. Due to the uncertainties as a result of COVID 19, the Board agreed that ArchiTeam were able to once again absorb the increased costs of the insurance policies to ease

DIRECTOR REPORTS

FINANCE REPORT

the financial strains of members. We will continue to monitor market fluctuations closely to remain the best on offer.

We have seen a small but steady increase in membership including an influx of new members from other states, especially Queensland. Simultaneously, we lost the revenue from some members who required a higher level of insurance cover – we wish all of these growing practices the best of luck.

EXPENDITURE

ArchiTeam Cooperative Ltd operations incurred increased expenditure due to several factors: Insurance costs increased significantly; staff costs increased as we try to attract the best staff for the tasks at hand and pay above award; the 2019 Awards came slightly over budget.

FINANCE ADVISORY SUBCOMMITTEE

This coming term I plan to draw on the expertise of the ArchiTeam Finance Advisory Subcommittee, to review and build on the previous Financial Strategy.

I sincerely thank Phoebe La Gerche-Wijsman on her expertise on NFP finances, the staff at the ArchiTeam Cooperative, and Margaret Magalotti and Doone Clifton from Gecko Services for providing insights into the financial operations of ArchiTeam.

I also thank the other ArchiTeam Board Directors; Warwick Mihaly, Fook Ling Khoo and Sonia Sarangi and Jamie Sormann for their support this last financial year. I can proudly say that I am leaving the finance portfolio with confidence that the finances are in good shape.

REBECCA NAUGHTIN

Treasurer and Director of Finance

INSURANCE REPORT

Do you remember when the biggest challenge we were all facing was a downturn in the residential market? Those were simpler days, sigh. But then of course they were eclipsed by nationwide bushfires and ash-filled skies in every city, which were of course eclipsed again by a global pandemic.

But here we are, and may I offer you an enthusiastic congratulations for surviving this crazy journey thus far. I'm sure old mate COVID has plenty more in store of us, but we're here together and in my book that counts for something.

Okay, enough with the small talk.

This annual report marks the end of my third year on the ArchiTeam board and my first looking after the insurance portfolio. Let's dive into what the last twelve months have brought for this most essential service within the grand ArchiTeam portfolio.

As you probably know, ArchiTeam furnishes around 86% of its members with a \$5million professional indemnity group insurance policy plus a \$20million public liability policy. You know, PII in case you screw something up and PLI in case something screws you up. Anyway, these beauties continue to be managed by our brokers Austbrokers Countrywide, with Allianz underwriting our PII policy and Pacific our PLI policy.

We sought a bunch of quotes for these policies, with all of them coming back higher than last year thanks to our increased membership size, increased income per member and developments in the broader industry like discovering that two bits of aluminium wrapped around a plastic core can catch on fire when you chuck a cigarette at it. Allianz once again provided the best offer, with our policy cost increasing by 30%. This sounds like a lot, though I'm pleased to report that as a group architects did hella better than the fire engineers and building surveyors.

And more importantly, the board felt that this dumpster fire of a year had brought enough challenges to our members' businesses so we had a hard look at our finances and agreed that for the second year in a row we could, should and would once again freeze insurance pricing.

Then came renewal time, which was a super fun and not-at-all-difficult challenge for Phoebe and the office staff, who had to negotiate the technical quagmire of signing up 645 insurance members on a tight deadline while working from home. But they put in a sterling effort, got you all on the ArchiTeam train again and allowed you to prove to your friendly local registration boards that you're still architects.

Hmm, what else went down?

Thanks to the efforts of my predecessor Barbara Moje, in August in Melbourne we held a compulsory mandatory compulsory information session on the ins and outs of what our professional indemnity insurance actually covers. Despite the semantic confusion, it was well attended and we received great feedback from you on its usefulness. The snacks were also of the same exemplary standard you've all come to expect from ArchiTeam events, and will I hope once again return to our lives. If you missed it, a recording of the information session is available

DIRECTOR REPORTS

INSURANCE REPORT

for free via ArchiTeam CPD Online and we'll also be running it again next year.

Then Barbara handed the reins over to me in November and I took over the DATUM column, What Could Possibly Go Wrong, or WCPGW as it's pithily known. This is where I curate important insights into the risks of being an architect and a fair few articles from my own blog Panfilo. This supports the cooperative spirit of ArchiTeam, where every bit of learning we do helps reduce our insurance risk and makes us more attractive bets for the lads at Allianz.

And finally, at the board's strategic planning days in January and March, we refined our mission and vision (which you can read about on page 16). The board agreed that ArchiTeam should continue to do what we do best i.e. support small architecture practices like yours and mine and even the guy's reading this over your shoulder. This meant that we decided to shelve the idea of a \$10million professional indemnity insurance policy for the time being. We may look at it again in the future, but for now we want to keep our cooperative as focussed as possible on the needs of small practice, and let others keep an eye out for the juggernauts of our profession.

There's plenty more in store for 2021, but I'll leave it there for now.

Big thanks to Barbara for her excellent work in this role before me, as well as to Phoebe and the ArchiTeam gang, and Greg and Vincent at Austbrokers Countrywide for their support. Viva 2021!

WARWICK MIHALY
ArchiTeam director
Insurance portfolio
All round nice guy

PARTNERSHIPS REPORT

As Director of the Partnership Portfolio - a newly created Portfolio that reflects the growth ArchiTeam has seen in the last 12 months. Sponsorship income has increased in the last financial year allowing the cooperative to further its reach in the industry as well as benefiting the organisations overall budget. We observed a decrease in sponsorship during COVID 19 and assume additional sponsorship to be difficult to procure until we see more confidence in the industry however this has not impeded the office's hard efforts to think outside of the box and fortify and build on the relationships we already have.

We were excited to continue the relationship with the University of Melbourne – Melbourne School of Design as our Education Partner, which included the generous use of the new facilities at the Melbourne School of Design building with the university generously hosting us for the 2019 Insurance information evening in August and a number of ArchiTeam meetings for RAsP and our Planning Day in January 2020.

Our relationship with The Built Environment Channel as our Media Partner has been beneficial to ArchiTeam as an organisation, and we were delighted to have their involvement in our first digital Awards exhibition in 2019. The cooperative is also grateful to Brickworks for the use of their spectacular showroom in Collins Street for our CPD program in 2019. We'd also like to acknowledge the generous support from AWS, Living Fire, Vectorworks, Navi, Big Plans, Bowerbird, Make United, Eventbrite, Niche Media and Architecture & Design.

We continue to work closely with Open House Melbourne (OHM) which includes some of the members being involved in Open Weekend in July and we have commenced planning for the Naked Architects Season 4. We continue to build relationships with the Association of Consulting Architects Australia (ACA), Architects Registration Board of Victoria (ARBV) the Australian Institute of Architects, New Architects Melbourne and Parlour.

ArchiTeam has strong relationships within Melbourne, though we see an opportunity to build on these connections across Australia. We commenced the review of the organisation at the Strategic Planning Day in March and since CPD was transferred to online in April we have seen considerable interstate and regional membership increases in the 20-21 membership renewals. This is also in part to the valuable member referrals and the staff at the ArchiTeam office.

Reggie Lysaght and the ArchiTeam staff continue to work towards building more relationships with partners, sponsors and friends, creating further relationships with industry peers and partners and I thank them for their creativity in approaching sponsors, and their persistence.

REBECCA NAUGHTIN

Director, Sponsorship & Partnerships

MEMBER SERVICES REPORT

Oh, hello again, I didn't see you there.

I hope you enjoyed reading my insurance report. I feel like annual reports the world over can be at risk at times of being a little, ahem, boring. So I tried to spice it up a bit with my best jokes, while still conveying to you the seriousness of my role as director in charge of insurance. Let's see if I can tread that same magical line for my member services report.

I took over both the insurance and member services portfolios from Barbara Moje in November, with newly elected Sonia Sarangi taking over from me on the events and conference portfolios. Members services is a slightly amorphous grouping of peer-to-peer activities like MOFL (the Members Only Forum Live) alongside management of ArchiTeam's suite of business documents like the client architect agreement and employment contract, and hopefully a mentoring programme at some point in the future.

MOFL

In the olden days, MOFL involved informal discussions at the Imperial Hotel in Melbourne, where a couple of dozen members would enjoy a parma (or other lunch selection if you were mad enough to overlook an essential part of our collective heritage) and listen to one or two of us present their insights on business topics. These were hosted by the wonderful ArchiTeam volunteer Ajith Kuruvilla and held quarterly. Unfortunately, Aunty COVID disapproved of us gathering together for social gatherings so since March we pivoted MOFL to a weekly virtual gathering with a focus on support and mental wellbeing.

A selection of topics we explored this year were:

- Reasons to be cheerful
- Is the future looking a little sunnier?
- Successes and failures in getting government support
- Managing workflow, staff and consultants online
- Remaining collegiate during COVID
- Government financial incentives
- Can you have a holiday and still have a practice when you come back?
- How to jump sectors and target non-residential projects

But then something bad happened. So very, very bad. Sonia upped her game to scintillating heights and rolled out a mighty fortnightly CPD programme. As you'll discover on page 24, she curated a series of events so engaging and informative that yet another informal chat on Zoom just didn't seem so attractive to anyone anymore. So Ajith and I bowed graciously to Sonia's superior performance and paused MOFL for a spell. But I promise you this: once the parmas are deep frying again we'll be back! Oh yes. And not just in Melbourne we hope, but across the ArchiTeam network.

BUSINESS DOCUMENTS

After reports from some naughty members that they were working on projects without formal client architect agreements in place (and getting themselves into hot water as a result), the board agreed last year to make the ArchiTeam client architect agreement free to all members. This would be another feather to the cooperative ArchiTeam bow that encourages us all to lower our

MEMBER SERVICES REPORT

collective risk profile by getting our terms and conditions in writing. The board also agreed that the agreement was well overdue for a review. Barbara and Rebecca Naughtin stepped up to make this happen, authoring a major update and overseeing an independent legal review. The hotly anticipate update was made available to all of you in early November.

In other news:

- We sought a review of the ArchiTeam OH&S starter kit, discovered it was way out of date, so removed it from sale. The board is currently seeking a quote from an OH&S specialist to provide a new starter kit for your reading pleasure.
- We also plan on reviewing the ArchiTeam employment contract this coming year to make sure it's still in fighting form and remains a useful document for our members who have grown to employ staff.

Well that's all from me folks, many thanks again to Barbara for her excellent work in this role before me, as well as to Phoebe and the ArchiTeam gang for their support. Peace out.

WARWICK MIHALY
ArchiTeam director
Member services portfolio
All round nice guy

DIRECTOR REPORTS

CPD & CONFERENCE REPORT

I took over as Director of CPD Events & Conference upon my appointment to the Board at the 2019 AGM in November. The transition was made easier due to the fact I was a CPD committee member in FY18-19.

As a result of the Conference in May 2019, the number of events in the later part of 2019 were slightly reduced. Then in early 2020, as a result of COVID-19, it was agreed to move all face-to-face events over to Virtual CPDs (online via Zoom) for members and non-members. Due to our concern for members financially impacted by the pandemic, The Board also decided to make Live Virtual CPDs for the rest of 2020 free-of-cost for members.

The overall feedback from the virtual CPDs was that the online delivery was successful and enthusiastically received. This was particularly true for interstate and regionally based members.

Over the course of the year the CPD program achieved a small surplus, planned 25 events and was attended by a total of 784 people. Attendees collectively earned 965 formal and 236 informal CPD points. The programme included:

- 7 CPD events
- 5 workshops
- 2 site visits
- 11 MOFL sessions

Topics covered by the CPD programme were diverse, including:

- Scope Creep
- Contracts
- Wellbeing
- Tales of Survival
- Stimulus Packages
- Marketing
- Work from Home
- Business Strategy

CONFERENCE 2021

In September 2019 ArchiTeam launched an EOI for the 2021 Conference. One stand out submission was received and planning began at the beginning of 2020 with the assistance of Reggie Lysaught – Partnerships and Major Projects.

The 2021 Creative Directors are;

- Sonia Sarangi (Co-Chair)
- Redmond Hamlett (Co-Chair)
- Rob Davidov
- Sally Holbrook
- Ajith Kuruvilla
- Michael Smith

Planning of the 2021 CPD calendar of events is underway. It will offer a full calendar of events including the ArchiTeam Conference. If you have any ideas please send them into me, members

CPD & CONFERENCE REPORT

of the CPD committee or the ArchiTeam office. As a cooperative, ArchiTeam thrives as the result of involvement from all of our members. Presenting at a CPD event, joining a working committee or writing an article for Datum are all worth CPD points. Come and talk to us if you would like to contribute.

I would like to thank all the members of the CPD committee – Rob Davidov, Sally Holbrook, John Liu and Lucinda Owen - for their support and ideas as well as their nimble embrace of Virtual CPD and its unique challenges.

And finally a big thanks to the ArchiTeam office staff, Phoebe La Gerche-Wijsman, Reggie Lysaught, Kathryn Halliday and Ophelia Ho, who coordinated the logistics brilliantly for the various events (both face to face and online) throughout the year – they truly are “ the Team behind the team”.

SONIA SARANGI

Director

Chair, Conference Creative Directors

COMMUNICATIONS & PR REPORT

GROWING THE MEMBERSHIP

Our active and enthusiastic engagement with the architectural community continues to be our most effective membership recruitment tool. Social media and other online media as well as (for the moment) online events, regularly demonstrate our contribution within the industry. This continues to build our profile as the leading voice of small practice architects and their practice needs and contributes to the continued rise in membership numbers in 2019-20.

Growing membership means more financial stability for the co-op and more and better services for members. It can also mean that members start to lose the personal connection they naturally felt when ArchiTeam was smaller. This sense of connection is vital to ArchiTeam's identity and we aim to encourage and grow it by actively engaging members and the wider industry through our communications channels.

WEBSITE

The new website went live in July 2019. While the look and feel remain familiar, it is significantly more responsive and stable with a re-built back end that is much easier to manage and maintain. It also provides more flexibility for us to grow content and capacity.

New content includes the launch in September of 'Why Use an Architect' – a page designed to provide non archi-speak information to the public about architects, what we do and why you should use us. It is intended to be a public resource that grows gradually over time with original content as well as connections to collaborations such as the Naked Architect program. A new and improved "Find An Architect" facility will soon accompany this page to allow easy public access to our members directory. Technical issues with the search engine have hampered its introduction but these are being addressed and it should be active in the near future.

DATUM

Despite the proliferation of online publications, DATUM, our monthly newsletter remains popular as ArchiTeam's primary point of communication with our members and the broader community. It promotes our members and the industry generally and is a crucial part of the overall ArchiTeam communication and advocacy program. The regular 'What's Up' also promotes ArchiTeam events directly to members.

DATUM is continually reviewed to make sure it stays relevant and engaging in form and content. It is fully integrated with the website and each article contributes to a growing resource available to everyone.

Our current format includes a mix of a feature article by a guest contributor, the ever-popular insurance segment, What Could Possibly Go Wrong?, an occasional "Member Profile" contributed by Brodie Norris and the usual roundup of ArchiTeam news and events as well as links to design industry events such as competitions, lectures and tours.

In 2019-20 the average number of recipients was around 6000 with an average engagement level of 30%. The average open rate by recipients for the year was 28% with a click rate of 9%. Datum has also been a significant driver for new membership applications.

COMMUNICATIONS & PR REPORT

MEMBERS FORUM

The Facebook based members-only forum continues to grow in popularity and importance as a shared resource. While we question the soundness of Facebook itself for many reasons, its accessibility encourages regular use and the members have adopted it enthusiastically. The discussions, recommendations, generous sharing of knowledge and experience, as well as general good humour, have become a regular habit for many members. The natural goodwill on display every day is a badge of honour. Take a bow, ArchiTeam members, you've made something other organisations can only dream of.

MARKETING DIRECTION 2020-21

We continue to build our marketing communications to lift the profile of our members and their work while also promoting and broadening the reach of ArchiTeam branded initiatives such as CPD, PII, the Awards and the Conference.

We are never be short of things to talk about when our member's work is so strong and their success spread across so many different stages. We look forward to telling everyone about you loudly and enthusiastically over the coming year.

The ArchiTeam office carries the workload for this portfolio and I am very grateful to Phoebe La Gerche-Wijsman, Kathryn Halliday (in 2019), Reggie Lysaught and newly appointed Ophelia Ho for putting in all the hard yards. The fine efforts of my fellow directors in their respective portfolios also continues to be one of our greatest assets - quality work will always be our best form of marketing.

FOOI LING KHOO

Director, Communications & PR

ADVOCACY & RESEARCH REPORT

The Advocacy Working Group has provided a vital arm to ArchiTeam in advocating for our members and the importance of small practice architects and architecture more broadly. A budget of \$6,000 was set aside and approx. \$? was spent. The Group met 5 times in the 12 month period, actively submitting, reviewing, selecting and helping to develop a number of projects. 10 formal CPD points were allocated for the members; all of whom demonstrated committed involvement.

CARBON NEUTRAL INITIATIVE

Many of our members, including ArchiTeam Cooperative are signatories of Architect's Declare, which involves a commitment to run their practices as Carbon Neutral. This can be a confusing and complex undertaking, particularly with the most authoritative approach, Climate Active, only geared to large organisations. The partnership has been initiated with Pangolin to create a pathway to measure and offset carbon emissions in a manner that is affordable and accountable. As more of our offices become carbon neutral, it will help demonstrate to the broader community that Architects can lead and take action on the climate and biodiversity emergencies. The partnership with Pangolin is contingent on a collective approach and we will put the message out to encourage other organisations to follow our lead.

HOMEBUILDER PROGRAM RESPONSE

In early June the Federal Government released the Home Builder Program, along with most Australian Architects, ArchiTeam was disappointed with the lack of involvement and benefits for Australian Architects in the program. More significantly, there are no stimulus packages designed to address critical social housing needs. Stimulus spending that targets the construction industry should be an opportunity to address long-term issues and improve the built fabric of society. The federal HomeBuilder policy fails to meet this objective. In response, the Advocacy Working Group drafted a proposed revision to HomeBuilder. The proposal was then developed in consultation with, and co-signed by, the Association of Consulting Architects (ACA) and Australian Institute of Architects. This is only the second time a proposal has been co-signed by the three organisations and hopefully helps develop a framework for further collaboration.

SUSTAINABILITY CHECKLIST

A Sustainability Checklist has been drafted to improve the sustainability credentials of the projects we work on. The intent is that the document forms a part of the Architectural process by highlighting opportunities and ideas. Much of the content was introduced to me and other members of the Working Group for the first time (it is already working). The checklist will also form part of the 2020 Awards submissions which will assist with adjudication and, more importantly, raises the benchmark for sustainability and good design.

PASSIVE HOUSE SCHOLARSHIP

Chat on our forum illustrated that interest in Passivhaus design has been growing amongst our members. This prompted the Working Group to partner with the Australian Passive House Association in creating a scholarship. The Scholarship is worth \$? and will be awarded through a competition open to all members. This means that new members, even without built work, can be in the running to win the prize and learn how to create homes to Passivhaus standards.

ADVOCACY & RESEARCH REPORT

Existing Advocacy Working Group initiatives, such as The Naked Architect Series and RAsP, were ongoing with other new projects in the works, due to COVID 19 the 4 series of The Naked Architect was postponed and in late 2019 the data collection was undertaken for RAsP. A draft report was submitted to the Board in June 2020 with the final report expected in late 2020.

We would like to acknowledge and thank the current members of the group for their commitment and vision: Tom Bulic, Talina Edwards, Jo Foong (chair), Zoe Geyer, Imogen Pullar, Leah Reynolds and Claire Scorpo.

Since its inception in 2016, the Advocacy Working Group has initiated a range of projects and strengthened the collaborative nature of our co-op. Approaching the group is an excellent first step for any member wanting to have greater involvement in ArchiTeam or initiate a project that assists our profession.

We are proud to be raising our collective voices and contributing to the future of Architecture in Australia with a considered and collaborative approach. We look forward to the next steps in our ongoing advocacy and research at ArchiTeam as part of the mission to empower and support small practice architects to thrive.

JAMIE SORMANN
Director, Advocacy & Research

AWARDS REPORT

ENTRIES

Members were encouraged to enter with the ongoing waiving of fees for the first submission, with all entries displayed in the Awards exhibition. In 2019/20 the ArchiTeam Awards program involved 142 entries from 112 members, a slight reduction from the previous year. There are benefits to entering, both to the member and as a collective, so we will continue to develop opportunities for members to be involved.

BUDGET

In 2019 the Awards Budget was increased to \$50,000 primarily to allow for additional AV equipment, catering, graphic design and significantly more promotion through social media Social Media. The program was delivered for \$52,667 including sponsorship.

EXHIBITION

In an effort to reduce the waste and carbon footprint of the event, the Awards Exhibition involved a series of electronic projections instead of printed display boards. Thanks to Big Plans generous support we were able to present all entries projected on the walls and floor of their space in North Melbourne. In 2020 plans are underway to hold the exhibition and associated events digitally due to COVID 19 restrictions.

Due to strong interest in the awards and the venue's capacity for the Awards opening night the exhibition was ticketed at \$15. The \$1,896 generated in ticket income was donated to The Koori Heritage Trust – to assist them with their vision; To live in a society where Aboriginal culture and history are a fundamental part of Victorian life.

DESIGN

Sonia Post and her team at Design Democracy produced the graphic design work for the 2019 Awards program, which featured the branding of the online entry program, exhibition signage, social media, the Awards booklet and other collateral. We thank Sonia for her enthusiasm and talent with colour. Thank you to United Make for producing beautiful Awards trophies to save the day at the last minute.

EVENTS

A number of additional events supported the Awards:

- Awards finalists presented their entries in the exhibition space in the evening following the event
- New Architects Melbourne hosted NAM#31
- Awards sponsors Vectorworks held an information session on using Vectorworks

These events were well attended and received great support. We would like to thank all those involved in organising and presenting these events for their time and support of ArchiTeam.

JURY

Importantly the Awards program would like to extend gratitude to the 2019 jury members:

Antony DiMase, DiMase Architects (Chair)
Shaun Carter, Carter Williamson Architects

AWARDS REPORT

Rosa Coy, Coy Yiontis Architects
Jason Haigh, Cloud Dwellers
Patrick Kennedy, Kennedy Nolan
Jennifer McMaster, trias
Natalie Mortimer, Niche Media

We acknowledge the generous involvement of the judges and the donation of their time to the process.

Thanks also to our 2019 Awards sponsors: Brickworks, AWS, The University of Melbourne, Built Environment Channel, Living Fire, Vectorworks, Big Plans, Bowerbird.io, and Make United. Their generous support has allowed us to create this Awards program and provide additional exposure to our members and ArchiTeam.

We congratulate and thank the ArchiTeam personnel who made the program and all associated events such an integral and happy part of the Architectural calendar; CEO Phoebe La Gerche-Wijsman, Kathryn Halliday and Reggie Lysaught who is having far greater involvement in 2020. Thank you to all the ArchiTeamers who have made the Awards run so successfully.

JAMIE SORMANN
Director, Awards

DIRECTOR REPORTS





Appendix

2019 AGM ATTENDEES

First Name	Surname	Company
Von	Affleck	v2ra2
Adrian	Amiconi	Amiconi Architect P.L.
Nick	Bamford	Bamford Godfrey & Assoc. Pty Ltd
Marc	Bernstein	Melbourne Design studios
Fred	Buono	Fred Buono Architects
Ewan	Carson	Seed
Kevin	Chen	KC Design
Vincent	Choi	Rptecture Architects
Cathi	Colla	Cathi Colla Architects
Jo	Foong	Foomann
Marc	Fyson	Marc Fyson Architects
Gosia	Gabrys	Gosia Gabrys Architect
Zoe	Geyer	ZGA STUDIO
Redmond	Hamlett	WHDA
Peter	Hogg	PH architects
Sally	Holbrook	Northbourne Architecture + Design
Fady	Issa	Issa & Associates Architects
Mary Ann	Jackson	Visionary Design Development Pty Ltd
Fooi-ling	Khoo	OOF!
Britta	Klingspohn	Open Studio Pty Ltd
Ajith	Kuruville	grayscale architects
Warwick	Mihaly	Mihaly Slocombe
Bryan	Miller	Bryan Miller & Associates Architects
Barbara	Moje	Barbara Moje Architect
Rebecca	Naughtin	Rebecca Naughtin Architect
Rod	Neil	RNA Architects
Paul	Orlandini	Paul Orlandini Architect
David	Pryor	Place Design Studio
Renuka	Rodrigo	RMR ARCHITECTS
Rosemary	Ross	Rosstang Architects
Sonia	Sarangi	Atelier Red+Black
Erica	Slocombe	Mihaly Slocombe
Jamie	Sormann	Foomann
Douglas	Wan	WHDA

APPENDIX

ARCHITEAM

ANNUAL GENERAL MEETING

ATTENDANCE

Directors: Fook-Ling Khoo – FLK (Chair/ Communications & PR – Incl. DATUM) , Barbara Moje – BM (Secretary/ Insurance / Members Services), Rebecca Naughtin - RN (Finance), Warwick Mihaly – WM (CPD Events & Conference) and Jamie Sormann – JS (Awards/Advocacy)

Members: 35 attendees

Invitees & Guests: Phoebe LaGerche-Wijisman

Apologies:

Meeting Commenced: 6.46pm

Date: 13 November 2019

Venue: Big Plans Melbourne

Time: 6.30pm

1.0	Chair's welcome FLK – Welcomed ALL in attendance. Acknowledged the Wurundjeri people. Confirmed over 30 (quorum) members present (35 attended)
2.0	Confirm the Minutes of the previous Annual General Meeting held in Melbourne, VIC, Wednesday 14 November 2018 FLK moved that the minutes of the previous AGM be accepted. Seconded: Sonia Sorangi
3.0	Chairs Report FLK provided an overview of the Chair's report for the year ended 30 June 2019, asked if there were any questions – none were received and moved that it be accepted. Seconded: Rosemary Ross
4.0	Secretary Report BM asked if anyone had any questions about the report – none were received and moved that the Secretary's report be accepted Seconded: Ajith Kuruvilla
5.0	Treasurer/ Financial Report RN asked if anyone had any questions about the report – none were received and moved that the financial report (including the audited accounts) be accepted Seconded: Erica Slocombe
6.0	Appoint an Auditor for 2018-19 RN proposed a change of Auditors for the next financial year 2019-20 to not-for-profit specialist Saward's Dawson. RN asked for any questions – none were received. RN moved that the change of auditors be accepted. Seconded: Peter Hogg
7.0	Director's Portfolio Reports a. Insurance Report BM asked if anyone had any questions about the report – none were received, and moved that the Report be accepted Seconded: Zoe Geyer b. Sponsorship and Partnership Report RN asked if anyone had any questions about the report – none were received, and moved that the Report be accepted Seconded: Paul Orlandini
	c. Member Services Report. BM asked if anyone had any questions about the report – none were received, and moved that the Report be accepted Seconded: Fook-Ling Khoo d. CPD & Events Report WM asked if anyone had any questions about the report – none were received, and moved that the Report be accepted Seconded: Wei-han Tang e. Communications & PR (Incl. DATUM) Report. FLK asked if anyone had any questions about the report – none were received, and moved that the Report be accepted Seconded: Fred Buono f. Advocacy & Research Report JS asked if anyone had any questions about the report – none were received, and moved that the Report be accepted Seconded: Fred Buono g. Awards Report JS asked if anyone had any questions about the report – none were received, and moved that the Report be accepted Seconded: Ajith Kuruvilla
8.0	Questions on Notice A request for any questions was distributed 5 weeks prior the AGM as per the Cooperative Rules, to be submitted prior to the meeting. One question was received from Peter Hogg (PH). FLK summarised the question received from Peter Hogg and broke it down accordingly 1. choice of venue for 2018 AGM. FLK agreed the space was problematic, but that locating any venue had been difficult (logistically and financially). The Board acknowledged the issues and said that the venue for this year's meeting had addressed these issues. That locating an appropriate venue was at the forefront of the Boards mind. PH reminded ALL that the Awards were not a statutory obligation, but that the AGM was and an appropriate location should always be a priority. PH suggested to encourage members to attend the AGM that ALL award entries must attend the AGM. PH said the AGM should return to being an open forum for the shareholders to speak. FLK said that all members were welcome to speak with the request for Questions on Notice distributed to the members 14 days prior the AGM with the distribution of the Annual Report. PH said there should be PH asked how the expansion interstate was going. FLK said there hadn't been the regular events in Sydney like in 2018. FLK confirmed it is still on the agenda, but is to be part of the strategic planning of the coop. Small steady growth was being achieved interstate. Fred Buono asked about interstate members in the Awards program. CEO said a number of interstate members entered, with 3 of the 2018 major awards had been won by interstate members (WA and QLD) FLK said future growth of the regional membership through MOFL lunches was also planned to assist in fostering relationships between members WM said growth and keeping the essence of AT was a regular part of the discussions regarding future growth Redmond Hamlet asked about patterns in the growth of the organization. RN said that we are currently drilling into the data to research those patterns Fred Buono asked about the 10mil policy. BM said at the last AGM it was announced that AT would be purchasing this sized policy. After more in depth research the Board was made aware that due to the current members needs that this sized policy would not be financially viable for the Coop at this point in time. The Board agreed at the September Strategic Planning Day that it should not be reviewed until 2022

	<p>Redmond Hamlet asked BM about the number of claims against the policy. BM said the claims are very low. RH asked if there were more notices issued. BM said there was a spike in 13-14 but that since then it has dropped with many claims resolved before any costs. RH said if there were more claims in recent months.</p> <p>FLK said RASP survey had been completed and the data was currently being assessed and Peter Raisbeck was preparing the report</p> <p>Redmond Hamlett queried the length of time members have and investors, are having to wait. FLK said that due to it being the first research project, that it has been slower than expected.</p> <p>Redmond Hamlett asked if there was talk of a Mentorship program. RN and BM said a coordinator have been appointed to create a working group to instigate a reinvigorated version of this program. BM asked all mentors to contact the office if they were interested</p>
9.0	<p>General Business FLK asked for any further questions. No questions received.</p>
	<p>Election of Directors BM reported that were 3 positions available on the Board. Voting opened Tuesday 10 September and closed on Monday 14 October. 4 nomination were received, they were as follows Warwick Mihaly – renominating for a second term Jamie Sormann – nominating, having filled Zoe Geyer’s Casual Vacancy since June Ajith Kuruvilla Sonja Sarangi as such an election was called on Wednesday 16 October with an electronic ballot. Voting Closed on Monday 11 November at 4pm 303 votes were received.</p> <p>The following Nominees were elected - Warwick Mihaly - Jamie Sormann - Sonja Sarangi</p> <p>BM congratulated and thanked to all the members that nominated.</p> <p>FLK thanked BM for her years of commitment to the Board AGM closed @7.55pm</p>



12 October 2020

Phoebe La Gerche-Wijsman
CEO
Architeam Cooperative Limited
Suite 16, 204-218 Dryburgh Street
North Melbourne 3051
ceo@architeam.net.au

Sydney

Level 22/45 Clarence St
Sydney NSW 2000
Australia
+61 2 9249 2900

Melbourne

Level 27/459 Collins St
Melbourne VIC 3000
Australia
+61 3 9658 2333

Wellington

Level 3/166 Featherston St
Wellington 6011
New Zealand
+64 4 974 5562

Dear Pheobe,

Actuarial Certificate for Architeam PI Insurance Cover

1 Introduction

Taylor Fry Pty Ltd (“Taylor Fry”) has been requested by ArchiTeam Co-Operative Limited (“Architeam”) to undertake an assessment of the adequacy of their professional indemnity (“PI”) insurance cover as required under paragraph 8.4.2 of the Architects Insurance Ministerial Order (“Order”) contained in *Victorian Government Gazette*, No. S19, Friday 17 January 2020.

This letter sets out the outcome of our assessment. We have been undertaking actuarial certifications for Architeam since 2005, with the previous assessment conducted in 2018 and documented in our letter dated 6 June 2018.

2 Background and Scope

Founded in 1991, Architeam is an approved co-operative membership association for Australian architects working in small, medium and emerging practices. As part of their services, Architeam holds a PI insurance policy to cover their architects, with around 88% of their membership base from Victoria¹.

¹ This has reduced from around 95% since the previous assessment, due to increases from New South Wales and Queensland.

For the policy to meet the mandatory requirements of PI insurance under Victorian law, the Order stipulates (among other requirements) that an Actuary has certified in writing the adequacy of the policy². Specifically, paragraph 8.4.2 of the Order requires that the policy for each annual policy period **provides cover for members that is no less comprehensive** than that required under paragraph 6 of the Order, which effectively requires an architect to have a minimum cover of \$1.2 million with one automatic reinstatement.

In making the assessment, the Actuary must have regard to:

- a) The limit of indemnity in the policy
- b) The excess (if any) in the policy
- c) The impact of the aggregation of risks
- d) The number of persons covered by the policy
- e) The claims history of those persons
- f) The practice areas of those persons
- g) The turnover of those persons
- h) The risk management education and assistance provided to those persons by the Approved Co-operative
- i) Any other matters the Actuary considers relevant.

For the purposes of the assessment, our certification relates to all of Architeam's PI insurance policies covering the annual policy periods to 31 May 2021.

3 Data

We have relied on the following data files provided for this assessment:

- Architeam's PI insurance claims experience extract as at 29 July 2020
- PI insurance renewal quote for the policy year 31 May 2020 to 31 May 2021
- Architeam's PI insurance policy disclosure statement including endorsement
- CPD events relating to the 2020 financial year
- Architeam's membership details as at 3 August 2020
- Architeam's members professional services breakdown as at 7 September 2020
- Details of practice area for members with turnover from \$210,000 to \$300,000.

We have also relied on data available from our previous assessments.

² Only the state of Victoria requires an actuarial certification.

APPENDIX

4 PI Insurance Policy Details

The Order requires each annual policy period to be examined. However, as Architeam’s PI insurance policies are written on a “claims made” basis³ and claims are rarely reopened⁴ after being finalised, our analysis can be simplified to only consider those policies which are currently enforced (i.e. for the 20/21 policy year) or those with open claims.

To this end, Table 1 summarises the policy details for all annual policy periods since 31 May 2016.

Table 1 – Architeam’s PI insurance policy details

Policy Year	Limit of Liability	
	Indemnity ^a	Defence Cost ^b
31 May 2016 – 31 May 2018	<ul style="list-style-type: none"> ▪ \$5 million per claim ▪ Four reinstatements 	<ul style="list-style-type: none"> ▪ \$5 million per claim ▪ Four reinstatements
31 May 2018 – 31 May 2019	<ul style="list-style-type: none"> ▪ \$5 million per claim ▪ \$25 million in aggregate 	<ul style="list-style-type: none"> ▪ \$5 million per claim ▪ \$25 million in aggregate
31 May 2019 – 31 May 2021	<ul style="list-style-type: none"> ▪ \$5 million per claim ▪ \$25 million in aggregate 	<ul style="list-style-type: none"> ▪ Cladding claims: \$1 million in aggregate ▪ Others: \$5 million per claim and \$25 million in aggregate

Notes

- (a) Refer to Policy Schedule or Renewal Quote
- (b) Refer to Policy Document (POL796BA 06/15) section 3.2 and endorsement

These policies have been underwritten by Allianz Australia Insurance Limited through Austbrokers. We note that:

- The policy wording change from “four reinstatements” to “\$25 million in aggregate” provides the same coverage, and only represents a different way of saying the same thing⁵
- From 31 May 2019, a non-compliant cladding exclusion clause was inserted, and defence costs associated with cladding issues were limited to \$1 million.

Of importance to the assessment, Table 1 shows defence costs are payable in addition to the limit of indemnity. This means the standard of establishing the policies are no less comprehensive as required under paragraph 6 of the Order is to demonstrate coverage of

- No less than \$1 million in indemnity cover for any one claim
- No less than \$0.2 million in defence costs for any one claim
- No less than one automatic reinstatement.

³ This means that the policy covers for claims made against Architeam and notified during the period of cover.

⁴ Based on comparing the 2020 claims report with the 2018 and 2016 reports, no claims have been reopened following finalisation. Note that the reopening of an old claim in a new policy year does not constitute a new claim according to the policy disclosure statement (page i, third bullet point under Claims Made).

⁵ Contacted Architeam’s broker, Austbrokers, on 5 October 2020 to confirm policy wording.

5 Assessment of Adequacy

As shown in Table 1, Architeam’s limit of liability for indemnity and defence costs are each \$5 million per claim. This is higher than the \$1 million and \$0.2 million required for indemnity and defence costs (respectively) under paragraph 6 of the Order. The limit is also highly adequate, with no claims exceeding \$0.2 million in incurred cost over the past 10 years. Furthermore, as each claim is subject to an excess of \$2,000, there is no real erosion of coverage provided to Architeam’s architects from the excess.

To assess whether the one automatic reinstatement condition has been met, we have analysed the number of non-nil claims reported each policy year. Figure 1 shows the reported claims by policy year with a split between nil claims, non-nil claims with incurred cost less than or equal to \$1,000 and non-nil claims with incurred cost over \$1,000. We have excluded the 2021 policy year (2 claims reported to date) from the analysis as it has yet to run its full course.

Figure 1 – Reported claims by policy year as at 29 July 2020

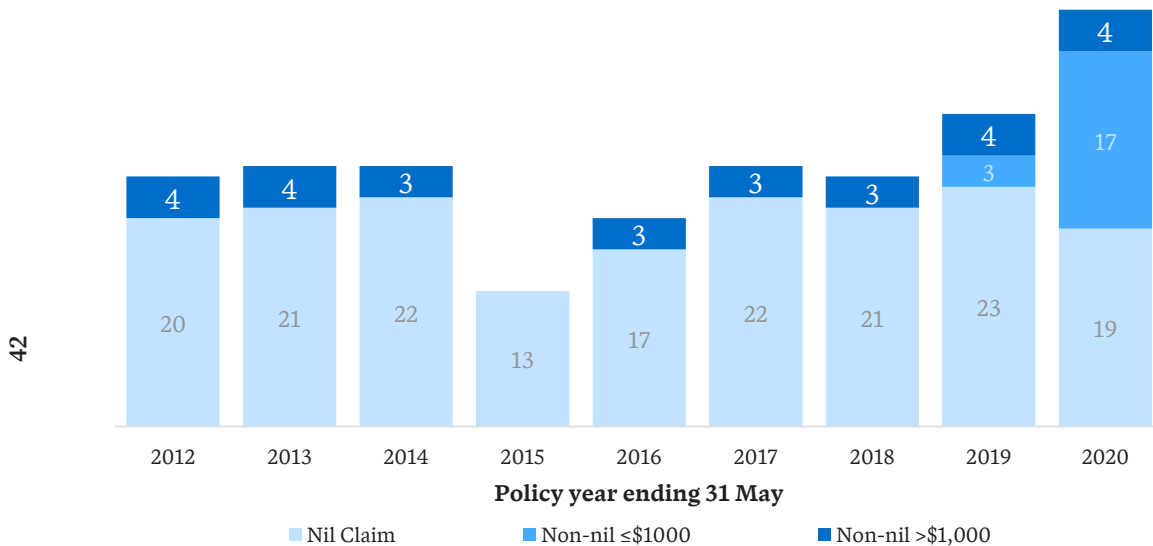


Figure 1 shows from 2012 to 2018, there are typically three to four non-nil claims per policy year (or 12% to 17% of all reported claims are non-nil claims). The 2019 and 2020 policy years show higher reported claims due to the non-nil claims with incurred cost less than or equal to \$1,000. This has coincided with an increase in the number of PI insurance members; there are 671 members as at 3 August 2020 compared to 512 members as at 31 December 2017. It would also appear the volume or size of services provided have increased with the average turnover for each member increasing by 6% per annum over this period, compared to a wage inflation for the construction industry of 1.5% to 2% per annum⁶. We note that the practice areas for the larger accounts remain reasonably consistent.

At this stage, all the non-nil claims with incurred cost less than or equal to \$1,000 comprise solely of case estimates and historical experience has indicated these claims typically settle for nil in subsequent years. Therefore, the findings suggest:

- The increase in claim numbers over 2019 to 2020 has been largely driven by an increase in members rather than from a deterioration in claims experience. We note that claim frequency has been fluctuating between 3% to 8%.

⁶ Using Australian hourly rates for the private and public construction industry available from the Australian Bureau of Statistics.

- Many of these new claims are expected to be nil claims.

These observations are further supported by the following findings:

- Granular analysis on the claims data has not identified the presence of aggregation risks. No architect has had more than one non-nil claim (greater than \$1,000) over the past 10 years and there are also no obvious signs of accumulation risks from assessing the claims description. We note the Order allows liability arising from non-compliant cladding to be excluded from the contract (paragraph 5.3).
- Architeam continues to maintain a proactive approach to risk management, with an extensive continuing professional development program covering compulsory insurance, building contracts and issues surrounding COVID-19.

In light of the analysis, historical experience suggests that on average, we should expect around three to four non-nil claims per policy year. If the increase in claims reported over policy years 2019 and 2020 also result in a higher number of non-nil settlements, we expect this would increase the number of non-nil claims to around nine. This has been estimated by multiplying the number of PI members (671) by the claim frequency (we assume 8%) and non-nil proportion (we assume 17%):

Estimated Number of non-nil claims: $671 \times 8\% \times 17\% = 9$ non-nil claims.

Assuming nine non-nil claims each with an automatic reinstatement and limit of liability of \$1 million for indemnity and \$0.2 million for defence costs (as required by paragraph 6), this produces a total cost of \$18 million and \$3.6 million respectively:

Indemnity: $9 \text{ non-nil claims} \times \$1 \text{ million} + 9 \text{ reinstatements} \times \$1 \text{ million} = \$18 \text{ million}$

Defence Costs: $9 \text{ non-nil claims} \times \$0.2 \text{ million} + 9 \text{ reinstatements} \times \$0.2 \text{ million} = \$3.6 \text{ million.}$

As Architeam’s policies allows for \$25 million in aggregate coverage for both indemnity and defence costs, the coverage provided is more comprehensive than the reinstatement requirements contained in paragraph 6.

6 Actuarial Certification

Based on our analysis, **we certify that Architeam’s PI insurance policies covering the annual policy periods to 31 May 2021 provide cover that is no less comprehensive than that required under paragraph 6 of the Order.**

For the certification to be effective, paragraph 8.4.2 of the Order also requires a copy of this letter to be provided to the Board of Architeam.

7 Reliances and Limitations

Although high level reasonableness checks were performed, we have relied on the accuracy and completeness of the information provided to us by Architeam. We have not conducted a formal audit of the data and should any material errors in the data surface, we should be advised immediately so that the potential impact of those errors on our results can be assessed.

The scope of this review has been limited to providing an actuarial certificate as stated under paragraph 8.4.2 of the Order. The advice contained herein are not to be used for any other purposes without prior written approval from Taylor Fry. Any copies of this letter provided to third parties must be complete copies.

Judgements about the methodology, assumptions and commentary in this letter should be made only after considering the letter in its entirety. Sections could potentially be misleading if considered in isolation from the remainder of the letter. We have prepared recommendations based on the information provided to us at the date of the assessment. Future experience could vary considerably from projections and deviations from our projections are normal and to be expected.

We trust that this letter covers the issues required. Please do not hesitate to contact me if you have any questions in relation to this letter or if you require any additional information.

Yours sincerely



Daniel Smith



Timothy Lee

Fellows of the Institute of Actuaries of Australia

ArchiTeam Co-operative LTD

BALANCE SHEET

As of June 30, 2020

	TOTAL
Assets	
Current Assets	
Accounts receivable	
Accounts Receivable	-3.10
Total Accounts receivable	A\$ -3.10
Bank Australia Community Access Account	30.00
Bank Australia TD1 - 43172	126,163.51
Bank Australia TD2 - 44934	127,762.53
Cash Boost Clearing	-13,990.00
Cash Management Account	0.00
Clearing and adjustment account	0.00
CPD Clearing	0.00
ME Bank - TD	208,228.10
ME Bank account	14,088.45
NIU - Petty Cash Account	-71.60
Payroll Clearing	0.00
Petty Cash - New	423.95
Petty Cash Bank Account	2,073.02
Westpac Cash Reserve 53-1798	860,082.12
Westpac Cheque Account	103,272.81
1-0205 Accrued Interest Income	5,351.69
1-1200 Website-Architeam at Cost	32,835.55
1-1201 Accumulated Amortisation	-23,942.59
Total 1-1200 Website-Architeam at Cost	8,892.96
NIU - Undeposited Funds	0.00
	TOTAL
Prepayments	0.00
Insurances	
Professional Indemnity Insure	290,348.63
Public / Products Liability	26,304.17
Total Insurances	316,652.80
Rental Bond	0.00
Total Prepayments	316,652.80
Undeposited Funds-1	0.00
Website-CPD at cost	10,956.41
1-1203 Accumulated Amortisation	-7,304.27
Total Website-CPD at cost	3,652.14
Total Current Assets	A\$1,762,609.38
long-term assets	
13400 OFFICE EQUIPMENT	0.00
1-1003 X Accumulated Depreciation	-31,793.55
At Cost	42,345.15
Total 13400 OFFICE EQUIPMENT	10,551.60
Building	
1-1001 x Accumulated Depreciation.	-56,702.94
At Cost	286,570.22
Total Building	229,867.28
Office Fit Out a cost	66,211.45
1-1005 Accumulated Depreciation	-4,143.20
Total Office Fit Out a cost	62,068.25
Total long-term assets	302,487.13
Total Assets	A\$2,065,096.51

ArchiTeam Co-operative LTD

BALANCE SHEET

As of June 30, 2020

	TOTAL
Liabilities and shareholder's equity	
Current liabilities:	
Accounts payable	
Trade Creditors & Accruals	-2,975.00
Total Accounts payable	A\$ -2,975.00
2-0100 PAYG Withholdings Payable	3,160.03
2-0102 Payroll Liabilities	0.00
2-0200 Provision for Annual Leave	17,185.77
Annual Leave	0.00
PAYG withholding	0.00
Superannuation Payable	4,069.06
Total 2-0102 Payroll Liabilities	21,254.83
2-0107 Accrued Expenses	18,389.00
2-0111 *Payroll Liabilities	0.00
2-3001 BAS Liabilities Payable	45,404.44
2200 GST Payable	-80,244.92
22000 GST LIABILITIES	
22110 Unpaid ATO Liability	0.00
Total 22000 GST LIABILITIES	0.00
BAS Clearing	0.00
GST Liabilities Payable	79,870.67
Provision for Income Tax	879.00
Research Holding Account	12,884.72
Subscriptions Received-Advance	121,405.10
Membership Fees	175,987.19

APPENDIX
ArchiTeam Co-operative LTD

PROFIT AND LOSS

July 2019 - June 2020

	TOTAL
Income	
40000 SALES INCOME	0.36
Advertising sales	
Web site advertising	1,200.00
Total Advertising sales	1,200.00
Awards Income	
Awards Additional Entries	2,630.38
Awards Sponsorship	38,000.00
Awards Ticket	1,527.27
Total Awards Income	42,157.65
Credit surcharge	60.37
Interest income	14,922.26
Member Services Income	51.82
Conference Income	
Conference Sponsorship	8,000.00
Total Conference Income	8,000.00
CPD Income	
CPD Members	1,933.40
CPD Non Member	1,078.74
CPD Online Members	4,717.76
CPD Online Non Member	4,207.18
CPD Sponsorship	4,000.00
Workshop 1	1,318.80
Workshop 1 - Non Members	501.44
Workshop 2	2,072.40
Total CPD Income	19,829.72
Member Services Docs	
Client Agreement	800.00
Employment Contracts	800.00
OH&S Safety Starter Kit	1,200.00
Total Member Services Docs	2,800.00
Total Member Services Income	30,681.54
Membership & Insurance Income	
Joining fee	5,870.00
Membership fee	232,818.84
PI subscriptions	638,795.99
Total Membership & Insurance Income	877,484.83
RASP Donation Income	6,037.86
Referral Commission	4,611.76
Sponsorship/Donations	20.00
Unapplied Cash Payment Income	-844.99
Total Income	A\$976,331.64
GROSS PROFIT	A\$976,331.64

ArchiTeam Co-operative LTD

PROFIT AND LOSS

July 2019 - June 2020

	TOTAL
Other Income(Loss)	
ATO Cash Boost Stimulus	2,158.00
Jobkeeper Income	18,000.00
Total Other Income(Loss)	A\$20,158.00
Expenses	
63500 EMPLOYMENT EXPENSES	
6-2260 Wages & Salaries	165,886.71
Education & Training	2,257.24
Superannuation-1	15,560.85
Workcover	729.53
Total 63500 EMPLOYMENT EXPENSES	184,434.33
64500 MARKETING COSTS	84.09
Advertising/Promotional - other	22.33
E-Coms	209.90
Marketing General	2,319.96
Total 64500 MARKETING COSTS	2,636.28
Advocacy	1,001.36
AGM Expense	
Printing/Other	405.45
Total AGM Expense	405.45
Awards Expense	
Award Judges Exp	1,617.89
Awards Bags	1,308.00
Awards Software	5,130.00
Booklet (deleted)	5,489.41
Catering	6,423.09
Courier and Postage	127.86
Graphic Design	10,025.00
Misc	103.85
Photography & Video	22,941.13
Printing	117.71
Prizes	1,231.82
Security	320.00
Staff - Travel, Parking & Accommodation	1,181.66
Venue Hire	2,159.10
Total Awards Expense	58,176.52
Bad Debts	275.00
Bank Fees	24.00
Bank Charges	280.76
Credit Card Charges	650.79
Total Bank Fees	955.55

APPENDIX
ArchiTeam Co-operative LTD

PROFIT AND LOSS

July 2019 - June 2020

	TOTAL
Comp & Internet	
Data Communications/Internet	497.36
Repairs & Service	367.27
Software	2,074.88
Web Site	
6-0430 Database & Website Upgrades	550.00
Web Site Hosting & Maintenance	1,261.93
Total Web Site	1,811.93
Total Comp & Internet	4,751.44
Employment Contracts Service	2,296.49
Gifts/donations	3,703.21
Honorarium	
6-1000 Directors Honorariums	72,626.12
Director Training	236.36
Total Honorarium	72,862.48
Insurance	
Association Liability Insurance	
Stamp Duty	38,500.00
Total Association Liability Insurance	38,500.00
Cyber & Privacy Liability Insurance	1,909.09
General Property Insurance	281.82
Master Policies	
Premium	
Professional Indemnity	350,000.00
Public Liability	16,150.00
Total Premium	366,150.00
Stamp Duty	1,760.00
Total Master Policies	367,910.00
Office Insurance	600.00
Total Insurance	409,200.91
Licenses/Permits/Statutory Fees	81.50
Meeting Expenses - Directors	4,361.54
Member Services Exp	316.36
Conference Expenses	
Accommodation & Travel	9.05
Meeting & Admin Costs	238.01
Speaker Gifts	90.91
Speaker Honorariums	500.00
Video & Photography	2,585.00
Total Conference Expenses	3,422.97
CPD Online	2,077.50

ArchiTeam Co-operative LTD

PROFIT AND LOSS

July 2019 - June 2020

	TOTAL
CPD Sessions	
Booking Fee	205.59
Catering	1,771.67
Consultant/Speaker	253.15
CPD Meeting Expenses	28.62
Gifts	35.45
Mem Services/Social Functions	89.92
Sound & Tech	1,598.15
Travel, Parking & Accomodation	597.72
Venue Hire	672.72
Workshop 1	72.93
Total CPD Sessions	5,325.92
Total Member Services Exp	11,142.75
Office Expenses	2.39
Advertsing	1,190.00
Building expenses	3,696.09
Electricity	1,053.10
Equipment	14.32
Repairs & maintenance	200.00
Staff Amenities	621.94
Storage	540.00
Supplies	5,053.78
Telephone and Communications	1,535.81
Water	944.92
Total Office Expenses	14,852.35
Postage & Delivery	324.41
Professional Fees	
6-2050 Auditor	9,331.00
Accountant	750.00
Bookkeeper	26,541.47
Consulting Fees	7,750.00
Legal	5,000.00
Total Professional Fees	49,372.47
Rates	1,091.79
Sponsorship	6,250.00
Travel & Parking	81.23
Total Expenses	A\$828,257.06
Other Expenses	
Discounts & Subsidies	
Directors Insurance subsidy	2,449.00
Total Discounts & Subsidies	2,449.00
Total Other Expenses	A\$2,449.00
NET EARNINGS	A\$165,783.58

APPENDIX
ArchiTeam Co-operative LTD

STATEMENT OF CASH FLOWS

July 2019 - June 2020

	TOTAL
Cash flows from operating activities	
Profit for the year	163,466.82
Adjustments for non-cash income and expenses:	
Accounts Receivable	-44,708.64
2-0100 PAYG Withholdings Payable	-1,699.97
BAS Clearing	0.00
GST Liabilities Payable	4,696.43
Payroll Liabilities:Superannuation Payable	-439.20
Provision for Income Tax	879.00
Research Holding Account	45.45
Awards Income:Awards Sponsorship	38,000.00
Member Services Income:Conference Income:Conference Sponsorship	8,000.00
EMPLOYMENT EXPENSES:Education & Training	-2,257.24
EMPLOYMENT EXPENSES:Workcover	-729.53
Total Adjustments for non-cash income and expenses:	1,786.30
Net cash from operating activities	A\$165,253.12
Cash flows from investing activities	
OFFICE EQUIPMENT:At Cost	-2,039.05
Net cash used in investing activities	A\$ -2,039.05
Cash flows from financing activities	
Share Capital & Reserves:Issued Capital	140.00
Net cash used in financing activities	A\$140.00
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	A\$163,354.07
Cash and cash equivalents at beginning of year	1,264,708.82
CASH AND CASH EQUIVALENTS AT END OF YEAR	A\$1,428,062.89

