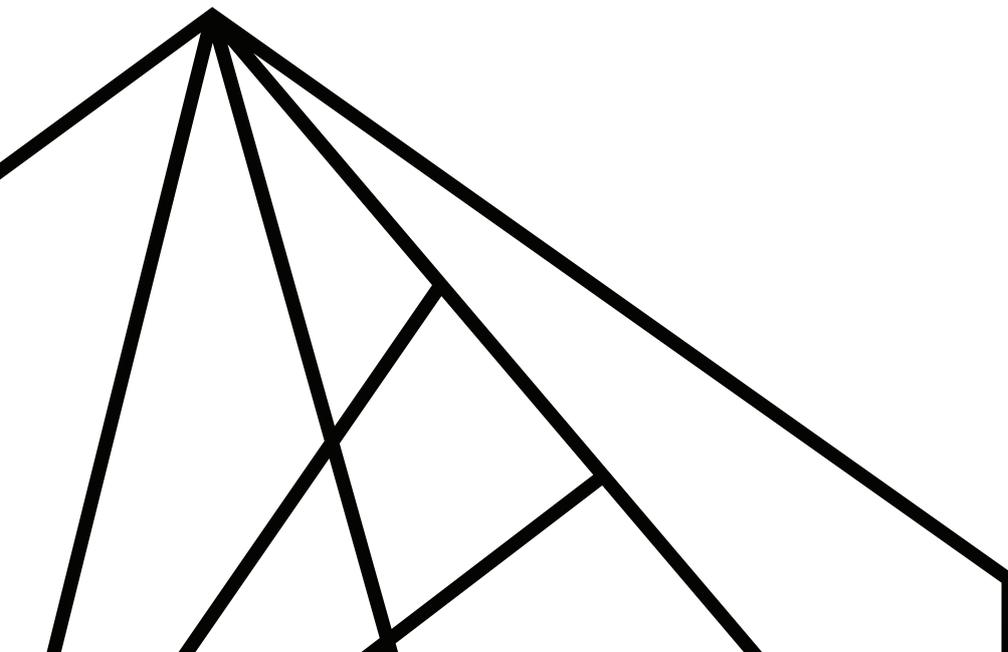
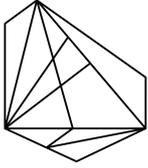


BOARD OF
**PROFESSIONAL
ENGINEERS**
OF QUEENSLAND

Board of Professional Engineers of Queensland Annual Report 2019-20





This annual report provides information about the performance of the Board of Professional Engineers of Queensland for the financial year ending 30 June 2020.

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

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty understanding this annual report, you can contact us on 07 3210 3100 and an interpreter will be arranged to effectively communicate the report to you.



Further copies of this annual report can be obtained by calling 07 3210 3100 or by visiting www.bpeq.qld.gov.au/about-bpeq/annual-report/.

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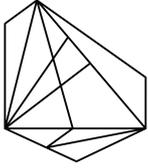
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Letter of compliance



10 September 2020

The Honourable Mick de Brenni MP
Minister for Housing and Public Works
Minister for Digital Technology
Minister for Sport
GPO Box 2457
BRISBANE QLD 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the annual report 2019-20 and financial statements for the Board of Professional Engineers of Queensland.

I certify that this annual report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*; and
- the detailed requirements set out in the Annual Report Requirements for Queensland Government Agencies.

A checklist outlining the annual reporting requirements can be found at page 31 of this annual report.

Yours sincerely

Dawson Wilkie
Chairperson
The Board of Professional Engineers of Queensland

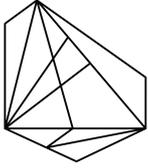
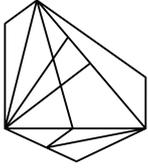


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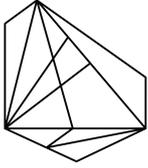
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Glossary

BPEQ	The Board of Professional Engineers of Queensland (used to refer to the organisation as whole; 'The Board' is used when referring to decisions or actions of Board members)
Department	The Department of Housing and Public Works
Minister	The Minister for Housing and Public Works
PE Act	<i>The Professional Engineers Act 2002</i>
RPEQ	Registered Professional Engineer of Queensland



Introduction

Who we are

The Board of Professional Engineers of Queensland (**BPEQ**) is Queensland's engineering regulator. BPEQ is responsible for the administration of the *Professional Engineers Act 2002* (**PE Act**). The PE Act requires that any person providing a professional engineering service in or for Queensland is registered by BPEQ. Registered engineers are given the title Registered Professional Engineer of Queensland (**RPEQ**).

Functions performed by BPEQ include:

- to assess registration applications
- to register engineers as RPEQs
- to conduct, or authorise, investigations about the professional conduct of RPEQs and contraventions of the PE Act
- keep a register of RPEQs
- to advise the Minister.

As an independent statutory body, BPEQ falls within the portfolio responsibilities of the Minister for Housing and Public Works (**Minister**).

The location of the BPEQ office is Level 15, 53 Albert Street BRISBANE QLD 4000.

PE Act and objectives

The PE Act establishes BPEQ and provides for the RPEQ system.

The objectives of the PE Act are to:

- protect the public by ensuring professional engineering services are provided by a RPEQ in a professional and competent way;
- maintain public confidence in the standard of services provided by RPEQs; and
- uphold the standards of practice of RPEQs.

The main objectives of the PE Act are achieved by:

- providing for the registration of individuals as RPEQs under the PE Act;
- providing for the monitoring and enforcement of compliance with the PE Act;
- imposing obligations on persons about the practice of engineering; and
- establishing BPEQ.

Our vision

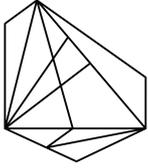
Driving a higher standard of professionalism of engineers for a safer tomorrow.

Our purpose

To protect the public and maintain confidence in the profession by upholding the highest standard of engineering.

Our values

Integrity, Professionalism, Accountability, Fairness, Independence.



Chair's Message

The history of the Board of Professional Engineers of Queensland can be traced back to 23 December 1929. On that day, the *Professional Engineers Act 1929* was given assent by the Governor of Queensland, Sir John Godwin. That legislation created the Board and the RPEQ system.

In 2019-20, Victoria and New South Wales have both passed legislation to adopt a system of registration for engineers. This is a welcome but long overdue development in the profession. Having had the RPEQ scheme in place for 90 years, BPEQ can speak with some authority on the registration of engineers. We have engaged with both the Victorian and NSW governments on the practicalities of a registration scheme for engineers and continue to provide advice in the lead up to the respective scheme start date of 1 July 2021.

My fellow Board members and I have developed a new Strategic Plan for 2020-24. Included in the plan is the strategic opportunity to **lead the discussion regarding a national professional engineering registration scheme**. BPEQ's position, and something we will be working toward, is that each Australian state and territory recognises the importance of engineers and has a registration scheme for engineers that protects the public and upholds professional standards. Given the focus on engineering standards, because of the Shergold-Weir *Building Confidence* Report, now is the time to advocate for the implementation of registration schemes for engineers.

Earlier this year we reached 15,000 active RPEQs. This represents the highest total number of active RPEQs at any one time. This is a great achievement but there are still ways to improve and grow those numbers further. One way is the creation of a registration category for graduate engineers to bridge the gap between graduation and registration. This measure was proposed and consulted on but did not proceed as part of amendments to the PE Act introduced in the Queensland Parliament. I believe graduate registration is worthwhile pursuing further.

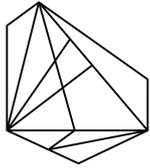
We were successful in drafting amendments to the PE Act to expand and improve BPEQ's investigative and compliance functions, including:

- giving BPEQ the ability to conduct compliance audits, which will allow us to proactively investigate and determine compliance with the PE Act
- providing for greater investigatory powers, including the power to enter places, to search places that have been entered and seize evidence, and to require the production of a broader range of potential evidence.

I firmly believe that BPEQ leads the nation in the regulation of engineers. As an organisation we are committed to advocating for better regulatory schemes for engineers across Australia.

Dawson Wilkie
Chairperson

The Board of Professional Engineers of Queensland



Registrar's Report

2019-20 has been a period of challenge and opportunity for the Board of Professional Engineers of Queensland.

The coronavirus changed the way we work and caused some minor disruptions to the RPEQ renewal process, but I believe the organisation responded in a considered and appropriate manner. Operating within our business continuity plan, our core functions – registration and compliance – kept going during the worst of the outbreak.

Registration numbers remained strong throughout the financial year, although for the first time since 2015-16, the total number of new registrations went backwards – 1,670 new RPEQs were registered in 2019-20 compared to 1,998 in 2018-19. As at 30 June 2020, the total number of RPEQs stood at 15,856.

Compliance is one of BPEQ's core functions and relates directly to the objectives set out in the PE Act. BPEQ has been successful in bringing in Penalty Infringement Notices for minor offences against the PE Act and in drafting amendments to the PE Act to expand and improve its investigative and compliance functions. For the 2019-20 financial year, BPEQ's Legal, Compliance and Investigations Unit completed 10 disciplinary investigations (matters involving the conduct of a RPEQ) and four compliance investigations (breaches of the PE Act).

We also progressed reviews and work on the approved areas of engineering, assessment scheme management, mutual recognition, the Code of Practice for RPEQs and national reforms for the registration of engineers.

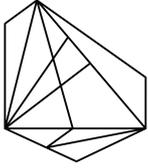
Despite restrictions on gatherings and travel we were able to undertake some of our planned engagement activities during 2019-20. The Communications and Engagement Unit presented 29 seminars on topics related to the PE Act and RPEQ system and Board members and staff attended or presented at 22 industry events.

My thanks and appreciation to the whole BPEQ team who have risen to the challenges and taken the opportunities throughout the year. We will continue to work hard to be an efficient and proactive regulator.

Amanda Allen

A/g Registrar

The Board of Professional Engineers of Queensland



BPEQ Structure

The Board

The PE Act prescribes that the Board consists of seven members appointed by the Governor in Council; six are nominated by the Minister and one is elected by RPEQs.

In addition to the elected member, the Board must include one person who is an academic head or representative of an prescribed school of engineering; one person who is a representative of the Queensland Division of Engineers Australia; one person who resides in and predominantly undertakes professional engineering services in regional Queensland; one person who is a lawyer of at least 10 years' standing and has experience in the law relating to building and construction; one person who has at least 10 years' experience as a construction contractor in the building and construction industry; and one person who is not a registered professional engineer to act as a representative of the community.

Dawson Wilkie Chair and regional representative

BE Civil, FIE Aust, FIPWEAQ, RPEQ, GAICD, CPEng, EngExec, APEC Engineer

Dawson Wilkie was first appointed to the Board as Chair and regional representative in January 2015 and was re-appointed in April 2018. A qualified civil engineer working in private consultancy, Mr Wilkie has worked in the profession for more than 40 years. Graduating from the Queensland Institute of Technology in 1979, Mr Wilkie went on to work with the New South Wales Department of Main Roads and then in local government with Dubbo City Council and Townsville City Council. Mr Wilkie was the Managing Director of a medium-sized construction company and then the Chief Executive Officer at an engineering firm before moving into private consultancy.

Evelyn Storey Deputy Chair and Engineers Australia representative

BSc (Civil Engineering), DipEm, CPEng, NPER, RPEQ

Evelyn Storey has served as the Board's Deputy Chair since July 2016. She is a highly experienced structural engineer, technical director and business unit manager, with more than 30 years' experience in Australia and overseas. Educated at the University of London, Ms Storey has been involved in and directed projects including terminal expansions at Brisbane and Gold Coast airports, UQ's Advanced Engineering Building, QUT's Science and Technology Precinct, and the Crossrail project in London. She is currently Regional Director of Aurecon's South East Queensland operations.

Yvonne Pengilly Building and construction industry representative

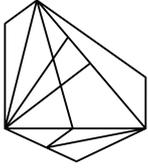
BTech Engineering, QBCC Open Builders Licence, MAICD

Yvonne Pengilly is the building and construction industry representative, appointed in July 2016. Ms Pengilly is a licensed open builder. During her 30-year career, Ms Pengilly has worked in all facets of the industry including trade contracting, contract administration, project management, design and development management. She was awarded Master Builders Queensland State Woman in Building 2013 and used this platform to establish Women in Construction Far North Queensland, which promotes engagement of engineers, architects and builders through educational events. Ms Pengilly is the current Assistant Commissioner, Technical for Queensland Building and Construction Commission.

Suzy Cairney Legal representative

LLB (Hons) GradDipLegalPrac

Suzy Cairney was appointed to the Board as legal representative in April 2018. She is a projects and commercial lawyer with particular experience in project development and operational contracts in the ports, civil construction and resources sectors. She has experience both in Australia and overseas, and has advised government clients, principals, developers, contractors and operators on a wide range of major infrastructure projects. Ms Cairney is a Partner in the Brisbane office of Holding Redlich.



Maureen Hassall
Academic representative

BEng, BSc(Psych), MBA, PhD, CEng, MAusIMM, MIChemE, RPEQ

Maureen Hassall joined the Board in 2019 as the academic representative. She is a chartered and registered Chemical Engineer and has a PhD in Cognitive Systems Engineering. Dr Hassall is an Associate Professor of Chemical Engineering and the director of UQ RISK at the University of Queensland. Her research, teaching and consulting work focuses on using leading-edge systems thinking, technology, engineering and human factors approaches to deliver evidence-based innovations in risk management and process and systems safety. Dr Hassall's academic endeavours are informed by 30 years of working for and with resources, chemical, energy, manufacturing and major contracting companies in Australia, New Zealand and North America.

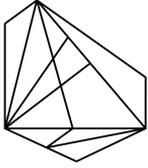
Suzanne Burow
Elected RPEQ representative

FIEAust CPEng NER APEC Engineer IntPE(Aus) RPEQ

Suzanne Burow joined the Board in 2019 as the elected representative. She is a chartered and registered Civil Engineer with considerable experience as a practitioner in water resources engineering in various sectors across the industry. Ms Burow is currently a consulting engineer in the private sector and the Deputy President of the Queensland Division of Engineers Australia.

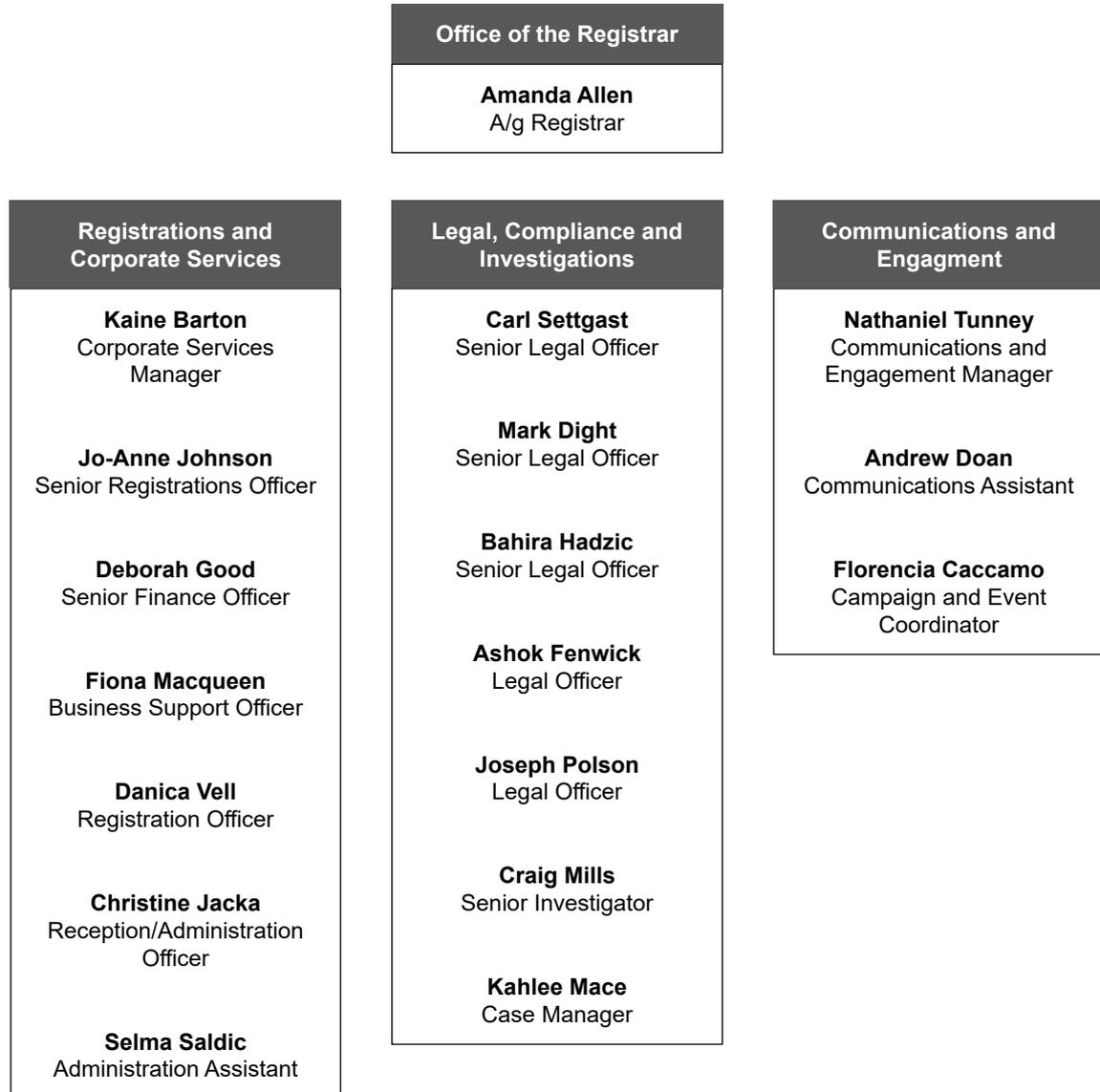
Christopher Edwards
Community representative

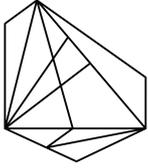
Mr Edwards was appointed to the Board in 2019. Mr Edwards has over 20 years' experience in non-executive director roles with the not-for-profit sector and professional industry. As an executive with RPS Group, PricewaterhouseCoopers and Hatch Associates he developed global governance experience in the resources industry, infrastructure, environment & planning, commercial, banking and government sectors. A Graduate and Fellow of the AICD, Mr Edwards has demonstrated a commitment to continuing professional education in the fields of governance, strategy, risk, and organisational transformation. He also holds an MBA focused on international business and strategy. Mr Edwards serves on several boards including Metro South HHS Capital Works and Asset Maintenance Committee EIDOS Institute, Council of the Aging Queensland and the International Institute of Business Analysts.



Organisational structure

as at 30 June 2020





Performance and operating environment

Performance agreement and strategic direction

BPEQ's strategic direction is shaped by the core objectives of the PE Act, challenges in the profession and industry and government and legislative priorities. The Board developed a new Strategic Plan which was adopted in March 2020.

Each year the Board enters into a Performance Agreement with the Minister. The Performance Agreement is linked to the Strategic Plan and sets out BPEQ's strategic direction for the current financial year and the two succeeding financial years.

The current Performance Agreement was provided to the Minister on 30 July 2020. This Performance Agreement and accompanying Strategic Plan is a comprehensive update from the previous agreement and includes new strategic objectives, strategies and key performance indicators (**KPIs**).

The following strategic objectives were agreed to by the Board in its Performance Agreement with the Minister and in the Strategic Plan:

- ensure that all professional engineering services meet the required standards, are compliant with the PE Act and we promote quality in professional development
- develop and maintain strong relationships and engagement with all relevant stakeholders
- understand the future trends, risks and opportunities to inform and develop existing and new professional engineering regulations and standards
- continue to act independently, impartially and in the public interest
- provide strong governance that optimises organisational performance and the management of our risks.

Measuring our performance

The Board has agreed to the following KPIs to measure its performance under the agreed strategic priorities:

1. Professionalism and Standards

Our strategic priority is to ensure that all professional engineering services meet the required standards, are compliant with the PE Act and we promote quality in professional development.

Strategies

- set clear standards for continuing professional development to achieve consistency across all areas of engineering
- review, update and strengthen the Code of Practice for RPEQs
- engage, resolve and deliver stronger regulatory responses to matters of interest in a timely manner

KPIs

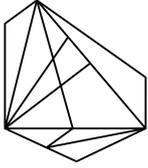
- review and implement updated policies and procedures relating to continuing professional development
- finalise and implement an updated Code of Practice in 2020
- gather intelligence on interactions including how engineers become aware of us, governance reporting, complaints and notifications

2. Stronger Engagement

Our strategic priority is to develop and maintain strong relationships and engagement with all relevant stakeholders.

Strategies

- create, maintain and improve strategic partnerships with key stakeholders, peak bodies, government, universities, assessment entities and other regulators
- identify and address areas where engineering services are not provided by registered professional engineers



- diversify and optimise communications and engagement channels to reach more engineers

KPIs

- develop and implement a plan for partnerships
- develop and implement a networking and events plan
- develop and implement a plan to establish and measure effectiveness of communications channels

3. Future Focused

Our strategic priority is to understand the future trends, risks and opportunities to inform and develop existing and new professional engineering regulations and standards.

Strategies

- work collaboratively with relevant stakeholders to identify trends impacting on the profession and PE Act
- be a leading authority in the progression of a National Professional Engineering Registration Scheme
- ensure operational functions are resourced appropriately to meet future demands

KPIs

- commission white papers each year focussed on engineering trends, risks and opportunities
- develop and advance a National Professional Engineering Registration Scheme
- review and implement resourcing recommendations by the end of 2020

4. Our Independence

Our strategic priority is to continue to act independently, impartially and in the public interest.

Strategies

- carry out the Board's functions independently and in accordance with the PE Act
- review, develop and implement an updated suite of policies and procedures
- be responsive to matters of public interest

KPIs

- undertake a review of regulatory functions by 2021
- embed a suite of policies and procedures by 2021 and develop a review and implementation plan
- plan, monitor and review responses to areas of public interest

5. Governance and Risk

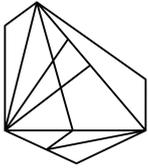
Our strategic priority is to provide strong governance that optimises organisational performance and the management of our risks.

Strategies

- operate within legislative obligations and demonstrate good corporate governance
- review, update and implement internal governance procedures to strengthen operational functions
- optimise risk management and reporting processes through the implementation, review and improvement of risk policies and procedures

KPIs

- identify areas for review and develop an implementation plan
- document and review internal governance procedures
- plan, monitor and review the management of risk by June 2021



KPI update

The following table indicates the progress made in the KPIs of each strategic objective:

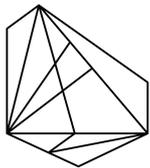
	Completed	In progress	Not commenced
KPI	Professionalism and Standards		
1			
2			
3			
KPI	Stronger Engagement		
1			
2			
3			
KPI	Future Focused		
1			
2			
3			
KPI	Our Independence		
1			
2			
3			
KPI	Governance and Risk		
1			
2			
3			

Environmental factors

BPEQ has identified the following strategic opportunities:

- lead the discussion regarding a National Professional Engineering Registration Scheme
- amend and improve the legislation to better protect the profession and the public
- revise the areas of engineering to reflect changes in engineering and synergise areas of engineering of a similar nature
- educate RPEQs to maintain high standards and professionalism
- create a new provisional category of registration for recently graduated engineers bridging the gap between graduation and registration as a professional engineer
- continue to improve relationships with key stakeholders, peak bodies and industry to provide a more responsive and efficient public service
- establish international networks to understand how other countries regulate engineers and coordinate regulatory efforts
- attract and support more women into the profession

BPEQ has already progressed work on several of these strategic opportunities.



BPEQ has provided advice and guided the Victorian and New South Wales governments on the introduction of their respective registration schemes. BPEQ has also engaged with national reforms (through the Building Minister's Forum and Australian Building Codes Board) on the registration of engineers resulting from the Shergold-Weir *Building Confidence* Report recommendations.

Amendments to the PE Act were drafted and included in the Building Industry Fairness and Other Legislation Amendment Bill. The most significant amendments relate to BPEQ's investigative and compliance functions and will enhance BPEQ's capacity to meet the objectives in the PE Act.

Penalty Infringement Notices (**PINS**) were introduced in the Professional Engineers Regulation 2019 and commenced on 1 January 2020. BPEQ can issue PINs for minor offences against the PE Act.

After comprehensive consultation, the review of the areas of engineering is nearing completion.

While the proposal to create a new provisional category of registration for recently graduated engineers was not successful, the Board believes the creation of this category of registration will benefit the profession and young engineers in particular and will continue to advocate for it.

BPEQ staff have established contacts with engineering regulators elsewhere in the world.

BPEQ also reviewed and progressed work on reforms assessment scheme management, the Code of Practice for RPEQs and mutual recognition.

BPEQ identified various strategic risks relevant to the organisation. These include:

Strategic risks

Compliance to the PE Act

The Board has little appetite for failure to comply with the PE Act that include persons, stakeholders or entities performing professional engineering services and assessments, subject to the materiality and/or potential consequences of the event.

Reputational

The Board recognises that it must uphold its reputation through proactive engagement with its stakeholders.

People safety

The Board is committed to people safety, both internally and externally, in its role as an employer and regulator.

Protecting the public

The Board is committed to protecting the public by ensuring professional engineering services are provided by a RPEQ in a professional and competent way.

Governance

The Board places great importance on governance and compliance and has a low appetite for any breaches in statute, regulation, professional standards, ethics, bribery or fraud.

Workplace health and safety

The Board aims to make its workplace a stimulating, supportive and safe place to work.

People and culture

The Board continues to build high performance, dedicated, professional and innovative capabilities of its staff, through empowerment and leadership development.

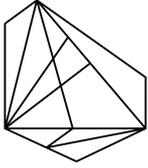
ICT and cyber security

It is a requirement to ensure the Board's systems and processes operate effectively and securely.

The strategies detailed in the Strategic Plan have been considered and adopted to meet BPEQ's strategic objectives and manage the strategic risks.

In addition to these strategies, the following are examples of ongoing and regular actions to meet BPEQ's strategic objectives and manage the strategic risks:

- investigations and prosecutions for offences against the PE Act
- investigations and disciplinary actions for breaches of the Code of Practice



- stakeholder engagement (engineers, the public, professional organisations, government agencies, statutory authorities, academic institutions and industry)
- submissions to inquiries and legislative reviews
- issuing of practice and case notes

COVID-19

At the height of the coronavirus (COVID-19) pandemic, BPEQ implemented its business continuity plan to allow essential functions to continue. BPEQ implemented the following measures to continue its essential functions, safeguard staff and others and reduce the chances of the disease spreading:

- staff who could work from home, with limited staff remaining in the office to continue the essential functions, allowing adequate social distancing in the office
- Board members and BPEQ staff used videoconferencing or teleconferencing for all essential meetings, including Board meetings
- customers were instructed to submit paperwork (e.g. registration applications) by post and not attend the BPEQ office in person
- BPEQ cancelled or postponed events it was hosting or participating in
- Board members and BPEQ staff did not undertake any air travel for work purposes
- BPEQ adopted all Queensland Health requirements and advice with regard to personal and workspace hygiene
- the RPEQ registration renewal period was postponed from April-May to May-June.

While some restrictions have eased, BPEQ continues to follow Queensland Health requirements and advice.

Contribution to Queensland Government objectives

BPEQ's objectives and strategies support the Queensland Government objectives for the community outlined below:

- delivering quality frontline services
- creating jobs and a diverse economy
- protecting the environment
- building safe, caring and connected communities

BPEQ supports these objectives by:

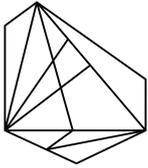
- providing a responsive and efficient administrative operation
- encouraging and supporting the delivery of infrastructure projects across Queensland
- promoting the value of registration to ensure safety of both people and the environment
- enhancing our governance and decision-making processes

Human Rights compliance

As a public sector entity, BPEQ must take and report on actions taken to further the objects of the *Human Rights Act 2019*, which commenced on 1 January 2020.

In the reporting period, 1 January to 30 June, BPEQ did not receive any human rights complaints (alleging contravention of section 58(1) of the *Human Rights Act 2019* by a public entity in relation to an act or decision of the public entity).

To manage and respond to complaints, including alleged human rights contraventions, against Board members and BPEQ staff, a policy and relevant procedures are being finalised. A complaints management system is also being finalised to complement the policy and procedures.



Penalty Infringement Notices

PINs were introduced in the Professional Engineers Regulation 2019 and commenced on 1 January 2020.

A PIN is a notice or ticket imposing a fine that is usually issued on the spot, or sent by email or post, for a less serious or less complex offence. A PIN provides BPEQ an alternative to prosecution through the court system. A PIN invites an alleged offender to discharge their potential liability for an offence by paying a fine, as opposed to having the matter dealt with by a court. If, however, the person wishes to contest the alleged offence, or the penalty imposed by the PIN, they can elect to have the matter dealt with in the Queensland Magistrates Court. The PIN system provides the BPEQ with a swift and inexpensive means of addressing particular offences that would otherwise be required to be dealt with by means of costly and time-consuming prosecutions.

In making decisions about issuing a PIN to a person for a breach of an offence provision in the PE Act, BPEQ will consider all the available evidence and decide whether issuing the PIN is in the public interest and preferable to taking other action in relation to the offence.

Stakeholders

BPEQ is committed to serving the Queensland public and working in the interests of engineers and recognises these groups as its primary stakeholders.

BPEQ is also committed to engaging collaboratively with professional organisations, government agencies, statutory authorities, academic institutions and industry.

Matters of interest to these key stakeholders may include:

- how BPEQ is upholding the standard of engineering and protecting the public
- how BPEQ undertakes its investigations
- that BPEQ is meeting its obligations by carrying investigation into unsatisfactory professional conduct and engineering services or products
- that BPEQ is working with other Queensland government agencies and statutory authorities collaboratively
- future direction of BPEQ
- BPEQ's engagement with and services to stakeholders, particularly engineers
- the effective operation of the co-regulatory assessment process
- the relevance and benefit of registration
- the cost of registration
- registration for engineers in other jurisdictions and recognition between these jurisdictions.

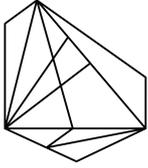
Registrations

As at 30 June 2020, BPEQ registered 15,856 practising RPEQs and 287 non-practising RPEQs¹.

An engineer is eligible for registration as a RPEQ only if:

- a. the applicant holds an engineering qualification or equivalent
- b. has demonstrated experience and competence in their chosen area of engineering
- c. BPEQ considers the applicant is fit to practise as a RPEQ.

¹ This category was introduced to cater for engineers on career breaks (such as parental leave) or those who have retired from practice but want to keep their RPEQ status. RPEQs registered as non-practising are not permitted to carry out professional engineering services.



The following table details the registration activity of BPEQ over the last three years:

	2017-18	2018-19	2019-20
New registrations	1,773	1,998	1,670
Restorations	422	422	374
Disqualified/deregistered	0	(2)	(0)
Retired/resigned/lapsed/deceased	(1,174)	(1,030)	(1,001)
Moved to non-practising	(163)	(96)	(5)
TOTAL (number of RPEQs at 30 June)	13,526	14,818	15,856

BPEQ engages professional engineering organisations to assess the qualification, experience and competency of an engineer on behalf of BPEQ. BPEQ then considers the engineer's fitness to practise.

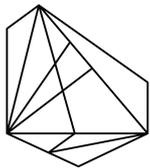
The approved assessment schemes were managed by:

- The Australasian Institute of Mining and Metallurgy
- Engineers Australia
- The Institution of Chemical Engineers
- The Institute of Public Works Engineering Australasia (Queensland Division)
- Professionals Australia
- The Royal Institute of Naval Architects (Australia)

RPEQs are registered in an area/s (discipline) of engineering related to their qualification and competency. As at 30 June 2020, engineers could register in the following current areas of engineering recognised by BPEQ:

1. Aeronautical²
2. Aerospace
3. Biomedical
4. Building Services
5. Chemical
6. Civil
7. Civil (Public Works)
8. Electrical
9. Environmental
10. Fire
11. Fire Safety
12. Geotechnical
13. Heritage and Conservation
14. Information, Telecommunications, and Electronics
15. Information, Technology and Telecommunications
16. In-service Inspection of Amusement Rides and Devices
17. Leadership/Management
18. Mechanical

² Obtained by having an instrument of authority from the Civil Aviation Safety Authority.



- 19. Metallurgical
- 20. Mining
- 21. Naval Architecture
- 22. Oil and Gas Pipeline
- 23. Petroleum
- 24. Pressure Equipment Design Verification
- 25. Structural
- 26. Subdivisional Geotechnics

There are several former areas of engineering that some RPEQs maintain their registration in:

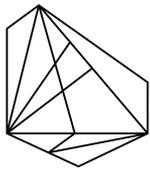
- Agricultural
- Computer Systems
- Geotechnical (Mining)
- Geotechnical/Geological
- Marine

New applicants cannot apply for registration in these former areas.

The following chart shows the number of practising and non-practising RPEQs registered in particular areas of engineering as at 30 June 2019:

Area of Engineering ³	RPEQ numbers	
	Practising	Non-practising
Aeronautical	34	0
Aerospace	139	3
Agriculture	12	2
Biomedical	34	2
Building Services	258	8
Chemical	741	30
Civil	6071	165
Civil (Public Works)	88	0
Computer Systems	27	1
Electrical	2905	82
Environmental	241	9
Fire	16	0
Fire Safety	132	0
Geotechnical	29	1
Geotechnical (Mining)	113	2
Geotechnical/Geological	4	0
Heritage and Conservation	2	0
Information Technology and Telecommunications	91	0
Information Telecommunications and Electronics	424	6
Inspection of Amusement Rides and Devices	8	0
Management	845	19

³ The figures for RPEQs by area of engineering are greater than the total number of RPEQs because some RPEQs hold registration in more than one area of engineering.



Marine	2	0
Mechanical	2825	76
Metallurgical	61	3
Mining	203	11
Naval Architecture	35	2
Oil and Gas Pipeline	6	0
Petroleum	132	2
Pressure Equipment Design Verification	23	0
Structural	1908	18
Subdivisional Geotechnics	42	0

The PE Act applies for any professional engineering service carried out in or for Queensland. Subsequently there are RPEQ both interstate and overseas, as detailed in the following table:

Jurisdiction	RPEQ by %
Australian Capital Territory	0.54%
New South Wales	12.52%
North Territory	0.34%
Queensland	66.32%
South Australia	2.82%
Tasmania	0.68%
Western Australia	3.67%
Victoria	8.40%
Overseas	4.71%
	100%

Complaints, investigations and disciplinary proceedings

A core function of BPEQ is to investigate and prosecute unsatisfactory professional conduct and breaches of the PE Act.

During the 2019-20 financial year, BPEQ received various complaints about the conduct of RPEQs and suspected contraventions of the PE Act. BPEQ considers all complaints seriously and may investigate the conduct of RPEQs or suspected offences against the PE Act.

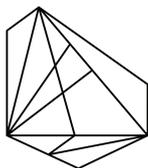
Managing complaints and investigations is complex and requires both forensic and expert opinion to finalise appropriately.

Disciplinary matters relate to RPEQs and their standards of practice; compliance matters relate to potential breaches of the PE Act (e.g. unregistered practice).

Complaints and notifications

	Carried forward from previous FY/s	Received 19-20	Dismissed (without investigation) 19-20	Investigations finalised 19-20	Pending/not completed
Disciplinary	52	16	29	10	29
Compliance	8	21	7	4	18
Total	60	37	36	14	47

During the 2019-20 financial year, BPEQ received 16 complaints about the conduct of RPEQs and 21 compliance notifications about possible offences in breach of the PE Act. BPEQ also considered 52 complaints and 8 notifications under the PE Act which were carried forward from previous financial years.



Investigations

	Carried forward from previous FY/s	Commenced 19-20	Completed 19-20	Pending/not completed
Disciplinary	26	12	10	28
Compliance	2	15	4	13
Total	28	27	14	41

In the 2019-20 financial year, BPEQ commenced 12 disciplinary investigations and 15 compliance investigations, bringing the total investigations commenced to 27 investigations. BPEQ continued 26 disciplinary and two compliance investigations from the previous financial years.

Of the 10 disciplinary matters which were investigated and decided:

- three cautions were issued to the engineer's subject of the complaint
- seven matters were decided by BPEQ to take no further action

Of the four compliance matters which were investigated and decided:

- two cautions were issued by BPEQ to the person subject of the notification
- one undertaking was entered into with BPEQ by the person subject of the notification
- one matter was decided by BPEQ to take no further action

The 41 disciplinary and compliance investigations which were not completed remain at various stages of investigation.

Disciplinary proceedings and prosecutions

	Carried forward from previous FY/s	Commenced 19-20	Completed 19-20	Pending/not completed
Disciplinary	0	2	0	2
Compliance	0	1	0	1
Total	0	3	0	3

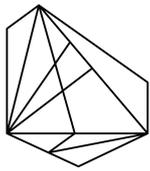
During the 2019-20 financial year, BPEQ commenced two disciplinary proceedings which are currently before the Queensland Civil and Administrative Tribunal.

During the 2019-20 financial year, BPEQ commenced one prosecution for non-compliance with the PE Act in the Magistrates Court. The matter is ongoing.

CPD audits

Under BPEQ's Continuing Registration Requirements (**CRR**) Policy, RPEQs are required to undertake 150 hours of continuing professional development (**CPD**) over three years to meet continuing registration requirements set out in the PE Act and demonstrate continued competency and eligibility for registration.

BPEQ compiles an annual audit list by a combined process of risk assessment and random selection. The CRR Policy states that all RPEQs should be regularly audited with a maximum period between audits of seven years.



The following table provides information on the CPD audits carried out by BPEQ for financial year 2019-20:

RPEQs audited	310
RPEQs passed audit	233
RPEQs failed audit	77
Non-compliance addressed	64
Non-compliance being addressed/in progress	13
RPEQs registration renewal refused	0

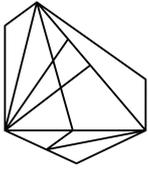
Services

BPEQ carries out a range of services for the profession and the public, consistent with its functions under the PE Act.

Roadshows, seminars, legal case study workshops, meetings, conferences and sponsored events

Throughout the 2019-20 financial year, Board members and BPEQ staff travelled throughout Queensland meeting with stakeholders and conducting registration roadshows, seminars, legal case study workshops and lectures, including:

- AECOM, Cairns
- Air Services Australia, webinar
- Anglo American, Moranbah
- Aurecon, Mackay
- Cardno, Cairns
- Central Queensland University, Mackay
- Cherbourg Aboriginal Shire Council, Cherbourg
- Cook Shire Council, Cooktown
- Department of Transport and Main Roads, Warwick
- Engineers Australia Gold Coast Group, Gold Coast
- Engineers Australia, webinar
- HEME, Emerald
- Morgan Consulting, Brisbane
- Osborn Consulting Engineers, Warwick
- Queensland University of Technology Fellowship of Medical Engineering, Brisbane
- Queensland University of Technology Electrical Engineering Student Society, Brisbane
- Rio Tinto, Weipa
- SAGE Automation, Brisbane
- Sequel Consulting, Cairns
- Seqwater, Brisbane
- Sojitz Coal, Crinum Mine
- STP Consultants, Mackay
- Russell Mineral Equipment, Toowoomba
- Tonkin, Brisbane
- Toowoomba, Goondiwindi, Lockyer Valley, Somerset, South Burnett, Southern Downs, Western Downs regional councils, Toowoomba
- Trility Engineering and Consulting, webinar



- University of Queensland Engineering Undergraduate Society, Brisbane
- Weipa Town Authority, Weipa
- Woorabinda Aboriginal Shire Council, Woorabinda

Board members and BPEQ staff have also attended, presented at and sponsored a number of industry events and conferences, including:

- AusIMM Student Chapter Industry Night, Brisbane
- Australasian Association for Engineering Education Conference, Brisbane
- Engineers Australia Chartered Workshop, Brisbane (two)
- Engineers Australia Northern Regional Forum, Mackay
- Girls in Engineering Making Statements Engineering Pathways Panel, Brisbane
- Girls in Engineering Making Statements Industry Workshop, Brisbane
- Griffith University Women in Engineering Networking Night, Gold Coast
- Hazards Conference, Brisbane
- International Public Works Conference, Hobart
- IPWEAQ State Conference, Brisbane
- James Cook University Engineering Undergraduate Society Industry Night (semesters 2, 2019 and semester 1, 2020), Townsville
- Local Government Association of Queensland State Conference, Cairns
- Queensland Mining Industry Health and Safety Conference, Gold Coast
- Queensland University of Technology Fellowship of Medical Engineering, Brisbane
- South Queensland Engineering and Resources Expo, Toowoomba
- Toowoomba Regional Council Development Breakfast, Toowoomba
- University of Queensland Careers Fair (semesters 2, 2019 and semester 1, 2020), Brisbane
- University of Southern Queensland Professional Development Course, Toowoomba
- World Engineering Conference, Melbourne

Case notes, practice notes and e-news

BPEQ develops case notes and practice notes to help guide engineers in their day to day work. BPEQ publishes case notes and practice notes in its monthly e-news as well as on the BPEQ website. The monthly e-news is distributed through email to current RPEQs and other interested parties and published on the BPEQ website.

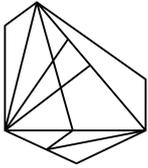
There are currently 19,622 subscribers to BPEQ's monthly e-news.

Registration and general enquiries to BPEQ

During the 2019-20 financial year BPEQ's Registrations and Corporate Services staff responded to approximately 10,000 email enquiries and 7,000 phone calls.

Lodging a complaint with BPEQ

The PE Act allows for the public to make complaints about the conduct of RPEQs in performing engineering services. It is also empowered to investigate suspected offences against the PE Act (e.g. unregistered persons undertaking professional engineering services without the requisite direct supervision of a responsible RPEQ).



BPEQ90

A significant milestone was reached in 2019 – 90 years since the passage of the *Professional Engineers Act 1929*.

The fact that Queensland is the only state or territory with a comprehensive and mandatory registration scheme for engineers adds to the significance of the 90-year milestone. Queensland can rightly say that we lead the way for the rest of the nation.

To mark this milestone, BPEQ has published a series of profiles on current and former RPEQ and significant engineering project that have contributed to the growth and development of Queensland. Visit <https://www.bpeq90.org/>.

CPD pilot courses

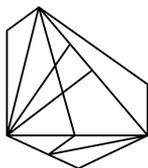
BPEQ piloted three CPD courses in regional and rural locations. Feedback provided to BPEQ from RPEQs outside of South East Queensland showed access to CPD was limited; potentially impacting their ongoing eligibility for registration.

The first CPD pilot course was held in Mount Isa in April 2019 on the subject of project management. Two more CPD pilot courses covering risk management were held in Cairns (8 November) and Rockhampton (17 December).

The pilots were reviewed following the courses. Attendees at each of the three CPD pilot courses gave overall positive feedback about the courses and said the courses were useful and developed their skills. The Board agreed to develop an ongoing CPD program for RPEQs based outside of South East Queensland.

All future CPD program courses will be focused on non-technical subjects so that the information is applicable to RPEQs in all areas of engineering.

Cairns CPD course feedback										
How likely would you be to recommend the course to a peer or colleague?										
Rating	1/10	2/10	3/10	4/10	5/10	6/10	7/10	8/10	9/10	10/10
Answers	0	0	0	0	0	0	27.3%	54.5%	9.1%	9.1%
How would you rate the course in the following areas?										
							Average satisfaction rating			
Organisation of course and presenter/s							4.67			
Knowledge of presenter/s							4.67			
Usefulness of information provided							3.67			
Slides and course work							3.83			
Clarity of information provided							4.0			
Course length							4.0			
Did the course improve your skills?										
Answer	Yes			No			Unsure			
Percentage	66.7%			0			33.3%			
Would you be interested in a follow-on course on this topic?										
Answer	Yes			No			Unsure			
Percentage	83.3%			16.7%			0			



Rockhampton CPD course feedback										
How likely would you be to recommend the course to a peer or colleague?										
Rating	1/10	2/10	3/10	4/10	5/10	6/10	7/10	8/10	9/10	10/10
Answers	5.3%	0	0	0	0	0	15.8%	26.3%	21.1%	31.6%
How would you rate the course in the following areas?										
										Average satisfaction rating
Organisation of course and presenter/s										4.2
Knowledge of presenter/s										3.6
Usefulness of information provided										4.2
Slides and course work										4.67
Clarity of information provided										4.47
Course length										4.73
Did the course improve your skills?										
Answer	Yes			No			Unsure			
Percentage	100%			0			0			
Would you be interested in a follow-on course on this topic?										
Answer	Yes			No			Unsure			
Percentage	80%			13.3%			6.7%			

Corporate governance

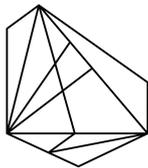
BPEQ is committed to the highest standards of corporate governance. This commitment is demonstrated in BPEQ's strategic and performance objectives, organisational values, development and implementation of internal and external policies and adherence with relevant legislative and regulatory requirements.

Board membership and functions

The PE Act prescribes that the Board consists of seven members appointed by the Governor in Council. The Board must include one person who is an academic head or representative of a prescribed school of engineering; one person who is a representative of the Queensland Division of Engineers Australia; one person who is elected by RPEQs; one person who resides and predominantly undertakes professional engineering services in regional Queensland; one person who is a lawyer of at least 10 years' standing and has experience in the law relating to building and construction; one person who has at least 10 years' experience as a construction contractor in the building and construction industry; and one person who is not a registered professional engineer to act as a representative of the community.

The PE Act sets out the Board's functions as follows:

- a. to assess applications made to it under the PE Act
- b. to register persons who are eligible for registration and issue certificates of registration
- c. to conduct, or authorise investigations about the professional conduct of RPEQs and contraventions of the PE Act
- d. to keep the Register
- e. to advise the Minister about:
 - i. eligibility requirements for persons applying for registration, or renewal or restoration of registration
 - ii. the suitability of assessment schemes for approval
 - iii. the operation of the PE Act in its application to the practice of engineering
- f. to review the eligibility requirements mentioned in paragraph (e)(i)
- g. to perform other functions given to the Board under the PE Act or another Act
- h. to perform a function incidental to a function mentioned in paragraphs (a) to (g) above.



In performing its functions, the Board is required to act independently, impartially, and in the public interest. The Minister may give the Board a written direction about the performance of its functions or exercise of its powers if satisfied that it is necessary to give a direction in the public interest.

How BPEQ affects the community

Engineers are responsible for the design, construction, production, operation and maintenance of essential infrastructure, products and services used every day. As such, engineers contribute significantly to public health and safety and fundamentally impact the way people live and work.

The RPEQ system allows only qualified and competent persons to carry out professional engineering services, therefore minimising the potential for substandard, unsafe engineering practices and reduces risks to public health and safety.

BPEQ is also charged with investigating and taking disciplinary or legal action against persons in breach of the PE Act or the Code of Practice, which allows for the public to make complaints about the conduct of RPEQs in performing engineering services.

Board meetings

The Board met eight times in 2019-20 to carry out its functions as described in the PE Act.

- 5 August 2019
- 18 September 2019
- 30 October 2019
- 11 December 2019
- 29 January 2020
- 4 March 2020
- 29 April 2020
- 24 June 2020

	Appointment date	Eligible to attend	Attended	Fees \$ (gross annual remuneration)
Mr D Wilkie	01/04/2018	8	8	\$4,500
Ms E Storey	01/07/2019	8	7	\$3,500
Ms Y Pengilly⁴	01/07/2019	8	8	\$875
Ms S Cairney	01/04/2019	8	7	\$3,500
Ms S Burow	01/07/2019	8	8	\$3,500
Mr C Edwards	01/07/2019	8	7	\$3,500
Dr M Hassall	01/07/2019	8	8	\$3,500

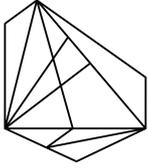
Staff and resources

BPEQ maintains and manages staffing and resources to meet its statutory obligations.

As at 30 June 2020, BPEQ employed two full time equivalent (**FTE**) staff member and one part time staff member engaged under the provisions of the *Public Service Act 2008 (PSA)*. One of the FTE staff members is on parental leave.

As at 30 June 2020, BPEQ directly employed 13 FTE staff, two part time staff member and one casual staff member. These staff members are not employed under the PSA but are direct appointments by the Board.

⁴ Ms Pengilly commenced as Assistant Commissioner Technical at the Queensland Building and Construction Commission in August 2019. This is a public service role and she is not entitled to remuneration. Ms Pengilly was remunerated for the Jun-Sep Quarter (2019) while not serving in a public service role.



No staff redundancies, retrenchments or retirements occurred during the 2019-20 financial year. Two staff members (including the FTE staff member) in the Registrations and Corporate Services Unit are on paid maternity leave. There were several changes to personnel in the Legal, Compliance and Investigations Unit with staff separating from BPEQ. A part time staff member was added to the Communications and Engagement Unit to coordinate planning for the 90th Anniversary celebrations.

Website

BPEQ's website (www.bpeq.qld.gov.au) provides information to RPEQs, the public, industry and government.

BPEQ launched an updated website in August 2019 to improve user experience and functionality, rationalise numbers of pages and content and optimise search engine performance.

The new website resulted in several areas of improvement, including total users and new users, organic and social media referrals and average browsing times.

Month (February 2019) v month (February 2020) change							
Audience		Acquisition		Behaviour		Devices	
Total users	+745	Organic search	+449	Page views	-10,055	Desktop	+386
New users	+622	Direct	-13	Unique pages views	-8,652	Mobile	+337
Return users	+134	Referral	+118	Avg time on page	+1:31m	Tablet	-38
		Social	+155	Avg browsing session	+0.27m		
				Bounce rate	+22%		

BPEQ's website attracted 411,499 page views in the 12 months between 1 July 2019 and 30 June 2020. There were 83,606 new visitors to the BPEQ website. The average browsing session on the BPEQ website was 2 minutes and 48 seconds.

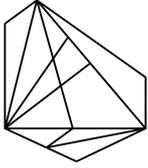
Web traffic was generated from:

- organic searches (60.6 per cent)
- direct search (35.6 per cent)
- referral from another website (2.9 per cent)
- social media (0.9 per cent)

The ten most common non-English speaking source countries of visitors to the BPEQ website are:

- China
- India
- Hong Kong
- United Arab Emirates
- Singapore
- Saudi Arabia
- Iran
- Qatar
- Germany
- Netherlands

To assist people without English as a first language, BPEQ provides some frequently asked questions in Arabic, Chinese (simplified and traditional) and Hindi.



Open data

As part of the Queensland Government's commitment to open government, BPEQ provides a dataset of RPEQs to the public. BPEQ also releases and publishes other information for stakeholders. Please refer to the Open Data portal for more information including dataset descriptions, frequency of updates and contact details.

Publication of information

The full register of RPEQs (both past and present) is available for inspection at the BPEQ office. A register of current RPEQs can be viewed online at www.bpeq.qld.gov.au.

BPEQ's website also contains published information of relevance to RPEQs, the public, industry and government.

BPEQ also publishes information through e-news and media releases.

Access to documents

Facilities for examining documents and obtaining copies are available from the BPEQ office at Level 15, 53 Albert Street, Brisbane, Queensland.

The register of RPEQs is open for inspection, free of charge, at the BPEQ office by members of the public during ordinary office hours. A person may obtain a copy of the register, or a part of it, on payment of the prescribed fee of \$41.10 plus \$2.45 for each page.

Various documents are also made available online.

Categories of documents

BPEQ maintains the following categories of documents:

- personal registration files of natural persons;
- files on formerly registered professional engineering companies;
- files on formerly registered professional engineering units;
- register of RPEQs;
- minutes of board meetings;
- files on the case management of complaints;
- files on the case management of investigations;
- files on the case management of prosecutions;
- files on BPEQ activities;
- general files; and
- policies of the BPEQ.

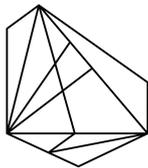
Information systems and recordkeeping

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

Privacy and Right to Information

BPEQ is subject to the *Information Privacy Act 2009* and the *Right to Information Act 2009*. These acts set out how Queensland Government agencies should collect, store, use and disclose personal information and how individuals can access and apply to amend documents containing their personal information.

The Registrar is the contact person for Right to Information matters and is available to assist applicants seeking information from BPEQ.



Applications can be addressed to:

The Registrar
Board of Professional Engineers of Queensland
PO Box 15213
CITY EAST QLD 4002

Or delivered in person to:

Level 15, 53 Albert Street
BRISBANE QLD 4000

Risk management

Risk management has been a major focus of BPEQ during the 2019-20 financial year and the BPEQ has established a risk management framework consistent with the principles in *AS/NZS ISO 31000:2009* to effectively manage the risks.

In February 2020, the Board approved the Risk Appetite Statement which considers the most significant risks BPEQ is exposed to and provides and outline of the approach to managing these risks.

The management of risks is a standing agenda item on Board meetings and BPEQ staff operationally manage draft responses to the identified risks.

Code of Conduct

Board members and BPEQ staff, are expected to maintain the highest standards of conduct.

BPEQ staff employed under the *Public Service Act 2008* are bound by the *Public Sector Ethics Act 1994* and follow the Queensland Public Service Code of Conduct.

BPEQ staff employed directly by the Board are not specifically covered by the Queensland Public Service Code of Conduct and as such, the Board approved a Code of Conduct for employees directly employed by the Board in 2018.

Board members completed training and development about public sector ethics and governance.

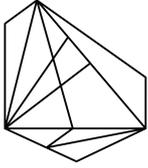
Overseas travel

BPEQ members and staff undertook no overseas travel during financial year 2019-20.

Consultancies

BPEQ engaged the following consultancies during financial year 2019-20:

Consultant	Service Provided	Fees
Acworth Recruitment Pty Ltd	Recruitment Service	\$24,434.00
Ashdale Integrity Solutions Pty Ltd	Human Resources Service	\$5,312.00
Clayton UTZ	Professional Development	\$7,008.00
Crown Law	Legal Services	\$19,712.00
Eric Fox Consulting Pty Ltd	Engineering Services - Investigation	\$20,163.00
Holding Redlich	Legal Services	\$11,000.00
Holmes McLeod Consulting Engineering	Engineering Services - Investigation	\$10,472.00
Hughes Beal & Wright Pty Ltd	Engineering Services - Investigation	\$9,432.50
Lee Clark QC	Legal Services	\$53,460.00
Media Manoeuvres	Professional Development	\$6,610.00
Melanie Hindman QC	Legal Services	\$26,565.00
Mercer Consulting (Australia) Pty Ltd	Organisation Review	\$60,500.00
More Chambers Pty Ltd	Legal Services	\$1,320.00



Morgan Consulting Engineers	Engineering Services - Investigation	\$1,980.00
Nissen Associates Pty Ltd	Historian	\$18,975.00
NJA Consulting Pty Ltd	Engineering Services - Investigation	\$21,939.00
Omnii Pty Ltd	Engineering Services - Investigation	\$5,748.00
Professional Facilitators Australia Pty Ltd	Strategy Meeting Facilitation	\$13,200.00
Rowland	Website Redevelopment	\$53,929.00
Sparke Helmore Lawyers	Legal Services	\$16,761.00
Willmann Consulting Pty Ltd	Risk Review	\$7,920.00
Wilson Ryan Grose Lawyers	Review of Professional Panel Arrangements	\$14,731.00
TOTAL		\$411,171.50

Internal audit

BPEQ received no direction from the Minister to establish an internal audit function, nor did BPEQ consider it appropriate or necessary to do so due to the size of the organisation and BPEQ's resources.

External audit

An interim audit meeting was held between BPEQ staff and MGI Audit on 16 March 2020. The full audit was carried out by MGI Audit on 7 and 8 July 2020.

The audit certification of financial statements was provided by the Queensland Audit Office on 26 August 2020.

The external audit findings are contained in this Annual Report (Refer Part B).

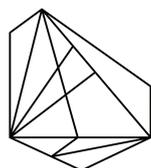
Financial performance summary

The PE Act requires all costs associated with the regulation of engineers as RPEQs, including BPEQ's costs of administration of the PE Act, to be met by fees levied on registrants under the PE Act.

Full year practising registration fees for 2019-20 were set at \$232.75. Fees for the 2019-20 financial year are set at \$236.95.

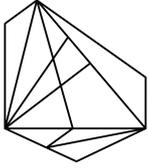
Major areas of expenditure and outgoings included managing complaints and investigations, wages and salaries, accommodation expenses and administration expenses and website redevelopment.

BPEQ's full financial statements – opening balance as at 1 July 2019 and total revenue and expenditure in 12 months from 1 July 2019 to 30 June 2020 – are included in this Annual Report.



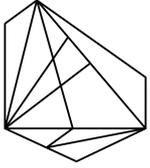
Compliance checklist

Summary of requirement	Basis for requirement	Annual report reference (page number)
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7 3
Accessibility	Table of contents Glossary	ARRs – section 9.1 4
	Public availability	ARRs – section 9.2 2
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3 2
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4 2
	Information licensing	<i>QGEA – Information licensing</i> ARRs – section 9.5 2
General information	Introductory Information	ARRs – section 10.1 6
	Agency role and main functions	ARRs – section 10.2 6
	Operating environment	ARRs – section 10.3 12
Non-financial performance	Government objectives for the community	ARRs – section 11.1 16
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2 N/A
	Agency objectives and performance indicators	ARRs – section 11.3 12
	Agency service areas, service standards and other measures	ARRs – section 11.4 N/A
Financial performance	Summary of financial performance	ARRs – section 12.1 30
Governance – management and structure	Organisational structure	ARRs – section 13.1 11
	Executive management	ARRs – section 13.2 9
	Government Bodies (statutory bodies and other entities)	ARRs – section 13.3 N/A
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4 29
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5 16
	Queensland Public Service Values	ARRs – section 13.6 N/A



Governance – risk management and accountability	Risk management	ARRs – section 14.1	29
	Audit committee	ARRs – section 14.2	N/A
	Internal audit	ARRs – section 14.3	30
	External scrutiny	ARRs – section 14.4	30
	Information systems and recordkeeping	ARRs – section 14.5	28
Governance – human resources	Workforce planning and performance	ARRs – section 15.1	N/A
	Early retirement, redundancy and retrenchment	Directive No.11/12 Early Retirement, Redundancy and Retrenchment Directive No. 16/16 Early Retirement, Redundancy and Retrenchment (from 20 May 2016) ARRs – section 15.2	26
Open Data	Statement advising publication of information	ARRs – section 16	28
	Consultancies	ARRs – section 33.1	29
	Overseas travel	ARRs – section 33.2	29
	Queensland Language Services Policy	ARRs – section 33.3	2
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39, 46 ARRs – section 17.1	56
	Independent Auditors Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	57

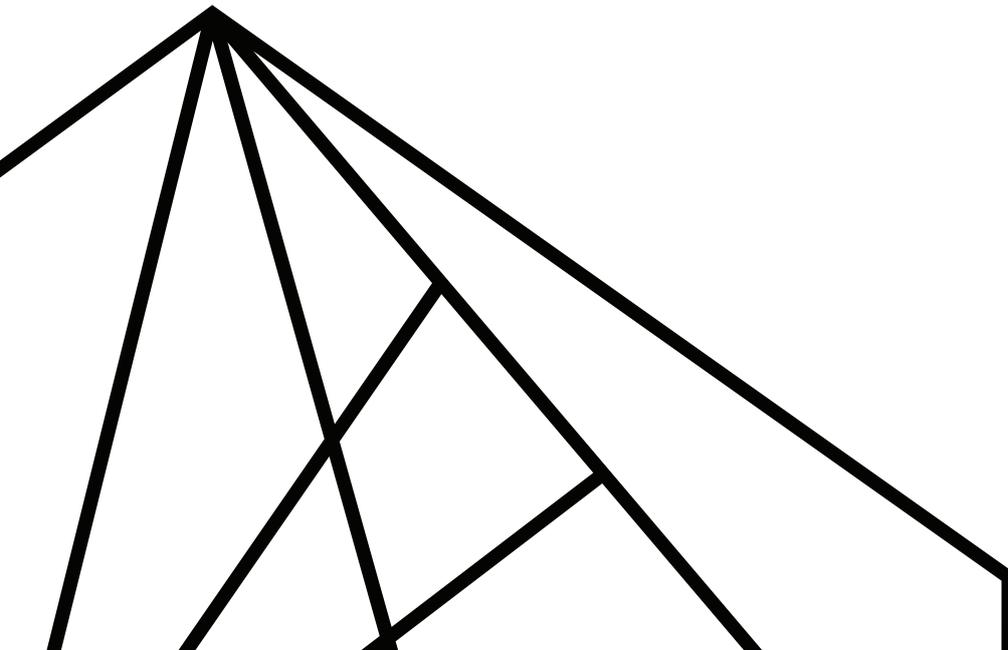
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BOARD OF
**PROFESSIONAL
ENGINEERS**
OF QUEENSLAND

Financial Statements

for the reporting period ended 30 June 2020



BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

FINANCIAL STATEMENTS

30 JUNE 2020

**BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Contents

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

Management Certificate

General Information

These financial statements cover the Board of Professional Engineers of Queensland.

The Board of Professional Engineers of Queensland is a Queensland Government Statutory Body established under the *Professional Engineers Act 1929*.

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

Level 15
53 Albert Street
Brisbane QLD 4000

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

**BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2020 \$	2019 \$
Income			
Fees and Other Receipts	2	3,691,614	3,384,322
Interest Revenue	3	84,115	120,463
Other Revenue		-	511
Total Income		3,775,729	3,505,296
Expenses			
Administrative Expenses	4	1,019,345	965,435
Employee Expenses	5	1,783,671	1,343,975
Investigation and Legal Expenses		191,170	183,930
Depreciation		232,756	82,419
Total Expenses		3,226,942	2,575,759
Operating Result		548,787	929,537
Other Comprehensive Income		-	-
Total Comprehensive Income		548,787	929,537

The above financial statement should be read in conjunction with the accompanying notes.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	2020 \$	2019 \$
Current Assets			
Cash and Cash Equivalents	6	7,071,955	5,908,817
Receivables	7	66,825	128,116
Prepayments	8	70,836	141,337
Total Current Assets		7,209,616	6,178,270
Non-Current Assets			
Plant and Equipment	9	180,978	293,221
ROU Lease Assets	9a	311,325	-
Total Non-Current Assets		492,303	293,221
Total Assets		7,701,919	6,471,491
Current Liabilities			
Payables	10	94,718	40,611
Contract Liabilities	11	3,432,330	3,171,656
Accrued Expenses	12	123,343	96,874
Provision for Employee Benefits	13	78,593	28,508
Provision for Legal Expenses		20,000	21,000
Lease Liabilities	9a	159,907	-
Other Current Liabilities	14	29,457	15,736
Total Current Liabilities		3,938,348	3,374,385
Non-Current Liabilities			
Lease Liabilities	9a	132,926	-
Provision for Employee Benefits	13	11,666	6,012
Total Non-Current Liabilities		144,592	6,012
Total Liabilities		4,082,940	3,380,397
NET ASSETS		3,618,978	3,091,094
EQUITY			
Accumulated Surplus		3,618,978	3,091,094
TOTAL EQUITY		3,618,978	3,091,094

The above financial statement should be read in conjunction with the accompanying notes.

**BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Accumulated Surplus \$
Balance as at 1 July 2018	2,161,557
Operating Result	929,537
Balance as at 30 June 2019	<u>3,091,094</u>
Balance as at 1 July 2019	3,091,094
Impact from implementation of new standards	<u>(20,901)</u>
Restated Balance as at 1 July 2019	3,070,193
Operating Result	548,787
Balance as at 30 June 2020	<u>3,618,980</u>

The above financial statement should be read in conjunction with the accompanying notes.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Cash Flows from Operating Activities			
<i>Inflows:</i>			
Fees and Other Receipts		4,182,941	3,731,300
Penalties and Costs		11,236	35,881
Interest Revenue		84,113	120,462
GST input tax credit from ATO		187,811	163,990
GST collected from customers		752	831
<i>Outflows:</i>			
Employee Expenses		(1,660,418)	(1,299,228)
Board Member Expenses		(108,873)	(75,895)
Administrative Expenses		(1,013,530)	(1,110,153)
Investigations and Legal Expenses		(192,170)	(162,929)
Finance Cost		(6,510)	-
GST paid to suppliers		(161,555)	(185,465)
GST remitted to ATO		(752)	(831)
Net Cash provided by Operating Activities	15	<u>1,323,045</u>	<u>1,217,963</u>
Cash Flows from Investing Activities			
<i>Outflows:</i>			
Payments for Plant and Equipment		-	(91,943)
Net Cash (used in) Investing Activities		<u>-</u>	<u>(91,943)</u>
Cash Flows from Financing Activities			
<i>Outflows:</i>			
Lease payment		(159,907)	-
Net Cash provided by/(used in) Financing Activities		<u>(159,907)</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents		1,163,138	1,126,020
Cash at the beginning of the financial year		5,908,817	4,782,797
Cash at the end of the financial year	6	<u>7,071,955</u>	<u>5,908,817</u>

The above financial statement should be read in conjunction with the accompanying notes.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Objectives of the Board

The objectives of the Board of Professional Engineers of Queensland are to protect the public by ensuring professional engineering services are provided by a registered professional engineer in a professional and competent way, to maintain public confidence in the standard of services provided by registered professional engineers, and to uphold the standards of practice of registered professional engineers.

1. Summary of Significant Accounting Policies

(a) Statement of Compliance

The Board of Professional Engineers of Queensland has prepared these financial statements in compliance with section 39 of the *Financial and Performance Management Standard 2019*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations. In addition, the financial statements comply with Queensland Treasury’s Minimum Reporting Requirements for the year ending 30 June 2020, and other authoritative pronouncements.

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

(b) The Reporting Entity

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

(c) Revenue Recognition

Revenue from renewal fees, registration fees and restoration fees are recognised on an accrual basis. These fees are levied in accordance with *Professional Engineers Regulation 2003*. Under this legislation, the registration period finishes at 30 June each year. Registrants who do not renew their registration are removed from the Board’s register.

Application Fees

Application Fees are non-refundable upfront fees and are recognised in the year the registration fee is first recognised.

Penalties and Costs

Penalties and Costs are accounted for under AASB 1058 Income of Not-for-Profit Entities, whereby revenue is recognised upon receipt from The State Penalties Enforcement Registry.

Interest Revenue

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

Other Revenue

Other Revenue including cost recoveries received in the year are recognised upon receipt.

(d) Cash and Cash Equivalents

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

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. Summary of Significant Accounting Policies (continued)

(e) Receivables

Receivables are recognised at the amount due at the time of sale or service delivery. The collectability of receivables is assessed periodically with an allowance being made for impairment. No debts were written off this financial year.

(f) Acquisition of Assets

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

(g) Plant and Equipment

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

(h) Depreciation of Plant and Equipment

Plant and equipment has been recorded in the financial report at cost less accumulated depreciation. Depreciation on all plant and equipment has been calculated on a straight-line basis so as to allocate the cost of each asset progressively over its estimated useful life to the Board. For each class of depreciable asset the following depreciation rates are used:

Class	Rate
- Leasehold Improvements	20-25%

(i) Payables

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

(j) Financial Instruments

Initial Recognition and Measurement

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

Classification and subsequent measurement

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at cost
- Receivables – held at amortised cost
- Payables – held at amortised cost

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

(k) Employee Benefits

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

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

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. Summary of Significant Accounting Policies (continued)

(k) Employee Benefits(continued)

Annual Leave and Long Service Leave

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

Wages, Salaries and Sick Leave

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

The Registrar and Administration Officer are employed by the Board on a full-time basis. The Senior Finance Officer is employed by the Board on a permanent part-time basis. All three positions are paid by the Department of Housing and Public Works therefore all benefits specific to these positions are recognised in the Department of Housing and Public Works' financial statements, with all expenses being reimbursed by the Board on a monthly basis. nineteen staff members are employed directly with the Board and all benefits specific to these positions have been included in the respective account balances.

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

Superannuation

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

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

Key Management Personnel and Remuneration

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

(l) Prepayments and Insurance

Professional insurance and insurance for Board members and officers is paid annually in advance in April each year. The prepaid component is recorded as a current asset. Postage is also prepaid and the credit remaining from postage unspent is recorded as a current asset.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. Summary of Significant Accounting Policies (continued)

(m) Taxation

The Board is a State Body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of the Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

The Board's income from fees is exempt from GST in accordance with Division 81 Written Determination. Input tax credits receivable from, and GST payable on income from sources other than fees to the Australian Tax Office are recognised. The net GST amounts are included with other receivables and payables in the statement of financial position.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australia Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable.

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

(n) Rounding and Comparatives

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

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

(o) Going Concern

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

(p) Critical Accounting Estimates and Judgements

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

Key Estimates

Impairment

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

The Board reviews receivables for legal costs and penalties awarded on a case by case basis. Where there is significant doubt on the recoverability of a receivable for legal costs and penalties, the Board reviews historic receipts to form an opinion on the likelihood of recoverability.

Where an asset's carrying value exceeds its recoverable amount, an impairment loss is recorded.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. Summary of Significant Accounting Policies (continued)

No additional receivables have been recognised for recovery of legal costs during 2019-20 due to doubts of recoverability. Refer to note 18 for details of contingent assets relating to legal cases.

(q) Contract Liabilities

Contract liabilities arise from contracts with customers (registered engineers) whereby the Board has received consideration from the customer but still has an obligation to perform a service.

Application fees, annual renewal fees, registration fees and restoration fees received during April, May and June 2020 for the registration year commencing 1 July 2020 are recognised as contract liabilities in 2019-2020.

(r) New and Revised Accounting Standards

The Board did not voluntarily change any of its accounting policies during 2019-20.

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

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

AASB 15 Revenue from Contract with Customers and *AASB 1058 Income from Not-for-Profit Entities* has first applied to the Board from its financial statements from 1 July 2019.

AASB 1058 Income of Not-for-Profit Entities is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations, as such transactions are accounted for in accordance with AASB 15. AASB 1058 requires an entity to recognise:

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

The Board's revenue line items recognised under this standard from 1 July 2019 include penalties and costs. Revenue recognition for the Board's penalties and costs did not change under AASB 1058

AASB 16 Leases

The Board applied AASB 16 Leases for the first time in 2019-20. The nature and effect of changes resulting from the adoption of AASB 16 are described below.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. Summary of Significant Accounting Policies (continued)

AASB 16 Leases (continued)

Impact for Lessees

Under AASB 16, the majority of operating leases (as defined by the current AASB 117 and shown at Note 16) are reported on the statement of financial position as right-of-use assets and lease liabilities.

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

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

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. In accordance with Queensland Treasury's policy, the Board has applied the 'cumulative approach', and has not restated comparative information. Instead, the cumulative effect of applying the standard has been recognised as an adjustment to accumulated surplus on the statement of changes in equity at 1 July 2019.

Transitional Impact

The Board has completed its review of the impact of adoption of AASB 16 on the statement of financial position and statement of comprehensive income and has identified the following major impacts which are outlined below.

During the 2018-19 financial year, the non-cancellable lease commitment recognised under AASB 117 comprised the Board's office premises on a 5 year term, and an operating lease for the franking machine with a term of 5 years. The lease for the Board's office premises is now recognised on the statement of financial position as right-of-use assets and lease liabilities.

On transition, the lease liability was measured at the present value of the remaining lease payments discounted at the QTC 10-year bond rate at 1 July 2019. The QTC 10-year bond rate on 1 July 2019 was 1.438%.

The right-of-use asset was measured at the carrying amount as if AASB 16 had always been applied since lease commencement, discounted using the Board's incremental borrowing rate at 1 July 2019.

The new right-of-use asset was tested for impairment on transition and was not found to be impaired.

The following summarises the reconciliation of operating lease commitments at 30 June 2019 to the lease liabilities at 1 July 2019:

	\$
Operating Lease Commitments at 30 June 2019	
Within 1 year	166,417.00
Later than 1 year but not later than 5 years	299,040.00
Later than 5 years	-
Total	<u>465,457.00</u>

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

1. Summary of Significant Accounting Policies (continued)

AASB 16 Leases (continued)

	Total	<1 year	1 - 5 years
Finance Lease Liabilities at 30 June 2019			
Lease payments	465,456	166,417	299,039
Less: Future Finance Charges	(12,718)	(6,511)	(6,207)
Present value of lease payments	452,738	159,906	292,832

The following summarises the on-transition adjustments to asset and liability balances at 1 July 2019 in relation to former operating leases.

	\$
Right-of-use Assets	431,838
Lease Liabilities	<u>452,739</u>
Accumulated Surplus	<u><u>(20,901)</u></u>

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
2. Fees and Other Receipts		
Application Fees	115,400	127,911
Registration Fees	292,979	366,707
Renewal Fees	3,154,627	2,730,221
Restoration and Processing Fees	117,372	123,602
Penalties and Costs	11,236	35,881
Total	3,691,614	3,384,322

3. Interest Revenue		
Cheque Account	2,160	3,956
Cash Management	81,955	116,507
Total	84,115	120,463

4. Administrative Expenses		
Accounting and Audit Fees*	11,900	11,150
Advertising	177,546	165,044
Bank Charges	40,019	36,805
CPD Audit Fees	63,636	6,166
Members Expenses	108,873	75,895
Rent/Electricity/Car Parking	17,396	104,966
Office Maintenance	5,524	4,459
Telephone	5,948	10,670
Printing and Stationery	49,825	67,909
Postage and Couriers	41,626	52,915
Insurance	17,473	17,258
Conferences / Travel	40,527	49,135
Subscriptions	2,625	1,246
Office Systems (includes computer maintenance)	272,430	312,816
Organisation Review	89,791	-
Other	74,206	49,001
Total	1,019,345	965,435

* Total audit fees paid to the Queensland Audit Office relating to the 2019-20 financial statements are estimated to be \$7,900 (2019: \$7,600). There are no non-audit services included in this amount.

5. Employee Expenses		
Salaries and Wages	1,645,126	1,272,292
Superannuation	138,545	71,683
Total	1,783,671	1,343,975

	2020	2019
Number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis	19	18
Number of Board members paid wages during the year	7	6

The names of current Board members are:

Mr Dawson Wilkie
Ms Evelyn Storey
Ms Suzy Cairney

Prof Maureen Hassall
Ms Yvonne Pengilly
Ms Suzanne Burrow

Mr Christopher Edwards

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

Note 5 Employee expenses (continued)

Key Management Personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Board during 2019-20.

Position	Responsibilities	Current incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Dawson Wilkie	Chairperson of the Board	Minister of Housing and Public Works	1 Jan 2015
Kylie Mercer	The Registrar is responsible for the management of the business of the Board	S01 Public Service Act 1996	December 2015 - March 2020
Kaine Barton	The acting Registrar is responsible for the management of the business of The Board	S01 Public Service Act 1996	17 September 2018 to 8 May 2020
Amanda Allan	The acting Registrar is responsible for the management of the business of The Board	S01 Public Service Act 1996	11 November 2019 to 3 January 2020 11 May 2020 to 30 June 2020

Executive Remuneration 1 July 2018 – 30 June 2019

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base	Non-Monetary Benefits				
Chairperson	4,500	-	-	-	-	4,500
Registrar	43,617	-	784	4,412	-	48,813
Acting Registrar	11,023	-	194	932	-	12,149
Acting Registrar	113,643	-	2,126	9,509	-	125,278
Total Remuneration	172,783	-	3,104	14,853	-	190,740

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 5 Employee expenses (continued)

Executive Remuneration 1 July 2019 – 30 June 2020

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base	Non-Monetary Benefits				
Chairperson	4,500	-	-	-	-	4,500
Registrar	1,087	-	32	126	-	1,245
Acting Registrar	106,736	-	2,305	13,479	-	122,520
Acting Registrar	28,073	-	516	2,392	-	30,981
Acting Registrar	20,194	-	431	2,212	-	22,837
Total Remuneration	160,590	-	3,284	18,209	-	182,083

Short term employee expenses which include:

Salaries, allowances and leave entitlements earned and expenses for the entire year or for that part of the year during which the employee occupied the specified position.

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned. Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

	2020 \$	2019 \$
6. Cash and Cash Equivalents		
Cash at Bank	262,582	123,428
Petty Cash	-	200
QTC Investment Account	6,809,373	5,785,189
Total	<u>7,071,955</u>	<u>5,908,817</u>
7. Receivables		
Undeposited Funds	20,365	-
Other Debtors	-	55,400
GST Receivable	46,460	72,716
Total	<u>66,825</u>	<u>128,116</u>
8. Prepayments		
Insurance Prepayment	14,674	13,937
Other Prepayment	56,162	127,400
Total	<u>70,836</u>	<u>141,337</u>
9. Plant and Equipment		
Leasehold Improvements	437,597	437,597
Accumulated Depreciation	(256,619)	(144,376)
Total Plant and Equipment	<u>180,978</u>	<u>293,221</u>

Movements Schedule

Leasehold Improvements

Carrying amount at 1 July	293,221	283,698
Acquisitions	-	91,942
Depreciation	(112,243)	(82,419)
Carrying amount at 30 June	<u>180,978</u>	<u>293,221</u>

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

9a. Leases & Right of Use Asset

Lease liabilities are presented in the statement of financial position as follows:

Current	159,907	-
Non-Current	132,926	-
Total Leases	292,833	-

The Board has leases for the main office and some IT equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The Board classifies its right-of-use assets in a consistent manner to its plant and equipment (see Note 9).

Each lease generally imposes a restriction that, unless there is a contractual right for the Board to sublet the asset to another party, the right-of-use asset can only be used by the Board. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee.

The table below describes the nature of the Board's leasing activities by type of right-of-use asset recognised on the statement of financial position:

Right of use asset	No of right of use assets leased	Range of remaining term	Average remaining term	No of leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to index	No of leases with termination options
Office building	1	1.6 years	1.6 years	1	-	-	-
IT equipment	1	2.83 years	2.83 years	-	-	-	-

Future minimum lease payments at 30 June 2020 were as follows:

	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
30 June 2020							
Lease payments	168,880	109,067	14,886	-	-	-	292,833
Finance charges	(4,211)	(1,782)	(214)	-	-	-	(6,207)
Net present value	164,669	107,285	14,672	-	-	-	286,626
30 June 2019							
Lease payments	159,907	168,880	109,067	14,884	-	-	452,738
Finance charges	(6,510)	(4,211)	(1,782)	(214)	-	-	(12,717)
Net present value	153,397	164,669	107,285	14,670	-	-	440,021

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

9a. Leases & Right of Use Asset (continued)

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

	2020	2019
	\$	\$
Not later than one year	-	166,417
Later than one year and not later than five years	-	299,040
Later than five years	-	-
Total	<u>-</u>	<u>465,457</u>

The lease is for the business premises and is a non-cancellable lease with a 4.5 year term, with rent payable monthly in advance. Minimum lease repayments may be increased by 4.5% per annum. An option exists to renew the lease at the end of the term on 5 February 2022, for one additional term of three years.

Right of Use Asset	431,838	-
Accumulated depreciation	<u>(120,513)</u>	-
	311,325	-

Movements Schedule

Right of Use Asset

Carrying amount at 1 July	-	-
Acquisitions	431,838	-
Depreciation	<u>(120,513)</u>	-
Carrying amount at 30 June	<u>311,325</u>	-

Reconciliation of operating lease commitments at 30 June 2019 to the lease liabilities at 1 July 2019

Total undiscounted operating lease commitments at 30 June 2019	465,456
- discounted using the incremental borrowing rate at 1 July 2019 (1.438%)	<u>(12,718)</u>

Present value of operating lease commitments 452,738

Finance lease liabilities at 30 June 2019 452,738

Lease Liabilities at 1 July 2019 452,738

10. Payables

Trade Creditors	91,155	35,111
Other Creditors	<u>3,563</u>	<u>5,500</u>
Total	<u>94,718</u>	<u>40,611</u>

11. Contract Liabilities

Renewal Fees	<u>3,432,330</u>	<u>3,171,656</u>
Total	<u>3,432,330</u>	<u>3,171,656</u>

12. Accrued Expenses

Accrued Other	23,491	20,492
Accrued Wages	<u>99,852</u>	<u>76,382</u>
Total	<u>123,343</u>	<u>96,874</u>

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

13. Provision for Employee Benefits	2020	2019
Current	\$	\$
Accrued Employee Benefits		
Annual Leave Payable	78,593	28,508
Total	<u>78,593</u>	<u>28,508</u>
 Non-Current		
Long Service Leave Payable	11,666	6,012
Total	<u>11,666</u>	<u>6,012</u>
 Analysis of Provisions		
Opening Balance at 1 July	34,520	31,266
Additional provisions raised during the year	101,120	68,048
Amounts used	(45,380)	(64,794)
Balance at 30 June	<u>90,260</u>	<u>34,520</u>
 14. Other Current Liabilities		
PAYG Tax Payable to ATO	29,457	15,736
Total	<u>29,457</u>	<u>15,736</u>
 15. Reconciliation of Operating Surplus to Net Cash Provided by (Used in) Operating Activities		
Operating Profit	548,787	929,537
Depreciation	232,755	82,419
Changes in Assets and Liabilities		
Decrease (increase) in Receivables	61,131	(72,122)
Decrease (increase) in Other Assets	70,500	(119,774)
Increase (decrease) in Payables	54,267	(21,052)
Increase (decrease) in Unearned Revenue	260,674	382,796
Increase (decrease) in Accrued Expenses	26,469	17,695
Increase (decrease) in Provision for Employee Benefits	55,739	3,254
Increase (decrease) in Provision for Legal Expenses	(1,000)	21,000
Increase (decrease) in Other Current Liabilities	13,723	(5,790)
Net cash provided by/(used in) operating activities	<u>1,323,045</u>	<u>1,217,963</u>

16. Events Occurring after Reporting Date

There are no events occurring after the balance date that materially affect the financial statements at 30 June 2020.

17. Commitments for Expenditure

The Board had no capital commitments of a material nature at 30 June 2020.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

18. Contingent Assets and Liabilities – Litigation in Progress

Contingent Assets

All successful legal cases in both the current and prior financial periods have been reviewed by the Board, taking into account member circumstances, debtor age, amount received and the consistency of payments. The Board has not recognised any amounts in the financial statements or made disclosure as the inflow of economic benefits are less than probable.

Contingent Liabilities

As at 30 June 2020 there were no contingent liabilities.

19. Financial Instruments

Categorisation of Financial Instruments

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

The totals for each category of financial instrument, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

Category	2020	2019
Financial assets	\$	\$
Cash and Cash Equivalents	7,071,955	5,908,817
Receivables	66,825	128,116
Total	7,138,780	6,036,933

Financial liabilities

Financial liabilities measured at amortised cost:

Payables	94,718	40,611
Lease Liabilities	292,833	-
Total	387,551	40,611

Risk Management Strategy

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

Specific Financial Risk Exposures and Management

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

(a) Credit Risk

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

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

	2020	2019
	\$	\$
Maximum Exposure to Credit Risk		
Financial Assets		
Receivables	66,825	128,116
Total	66,825	128,116

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

19. Financial Risk Management (continued)

(a) Credit Risk (continued)

The Board does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into.

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

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

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

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

No receivables recognised in the financial statements were overdue at 30 June 2020.

There are no impaired financial assets at balance date.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Board might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Board is exposed to liquidity risk in respect of its payables.

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

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

Financial liabilities	2020	2019
Payables	\$	\$
Less than 1 year	254,625	40,611
Total	254,625	40,611
Greater than 1 year	132,926	40,611
Total	132,926	40,611

All financial Liabilities shown above are due and payable within 12 months

(c) Interest rate sensitivity analysis

Exposure to interest rate risk arises on cash and cash equivalents. A 1 % increase/decrease in current interest rates will result in a \$70,720 (2018: \$59,088) increase/decrease in profit and equity respectively.

(d) Fair value

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

**CERTIFICATE OF THE BOARD OF
PROFESSIONAL ENGINEERS OF QUEENSLAND**

These general purpose financial statements have been prepared pursuant to section 62(1)(a) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements.

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

- a) The prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) The statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Board of Professional Engineers of Queensland for the financial year ended 30 June 2020 and of the financial position of the Board at the end of that year.

We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Dawson Wilkie
Chairperson



Amanda Allen
Acting Registrar

Dated this 06th day of August 2020

INDEPENDENT AUDITOR'S REPORT

To the members of the Board of Professional Engineers of Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Board of Professional Engineers of Queensland.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



26 August 2020

Bhavik Deoji
as delegate of the Auditor-General

Queensland Audit Office
Brisbane