

ANNUAL REPORT 2018/19



BOARD OF
**PROFESSIONAL
ENGINEERS**
OF QUEENSLAND



This Annual Report provides information about the performance of the Board of Professional Engineers of Queensland for the financial year ending 30 June 2019.

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.



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ISSN 2202-722X - Print
ISSN 2202-7238 - Online

Protecting the public
and setting the standard
of engineering



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LETTER OF COMPLIANCE



BOARD OF
**PROFESSIONAL
ENGINEERS**
OF QUEENSLAND

LETTER OF COMPLIANCE

10 September 2019

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 present the Board of Professional Engineers of Queensland Annual Report on the administration of the *Professional Engineers Act 2002* for the financial year ended 30 June 2019.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*; 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 29 of this annual report.

Yours sincerely

Dawson Wilkie
Chairperson
The Board of Professional Engineers of Queensland

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PART A: **ANNUAL REPORT**

The Board of Professional Engineers of Queensland
2018/19





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.

2019 marks 90 years since the original legislation was introduced.

As a statutory body, BPEQ falls within the portfolio of the Minister for Housing and Public Works (**the Minister**) and has a relationship with the Department of Housing and Public Works (**the Department**).

PE Act and Objectives

The PE Act establishes BPEQ and provides for the registered professional engineer of Queensland (**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

Globally leading levels of professionalism for engineers in a dynamic environment.



OUR PURPOSE

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



OUR VALUES

- Honesty & Integrity
- Professional & Ethical
- Accountable
- Fair & Consistent

DAWSON WILKIE CHAIRPERSON'S MESSAGE



The engineering profession has been in the spotlight recently for the wrong reasons. Unlike most other professions, engineers in Australia are not regulated except if they are working in or for Queensland. Our professional forebears, namely Professor Roger Hawken, saw what happened because of poor-quality engineering services and rushed civil works projects that were rolled out to stimulate jobs during the Great Depression. The reasons for regulating engineers – to distinguish qualified and competent professionals, set standards of practice and safeguard the public – are as relevant today as they were in 1929.

The profession and the Queensland public owes Professor Hawken a great debt. 90 years on from the passing of the original legislation, I am proud to continue Professor Hawken's legacy and proud that Queensland has set the example for the rest of Australia to follow. The current legislation is not perfect, but it is a sound foundation on which to build. As Chair of the Board of Professional Engineers of Queensland I am determined to improve the legislation so that Queensland continues to lead the way.

In the 12 months since the last annual report I have sensed a change in the conversation engineers are having about registration. There is still a small and vocal minority, but the belief of almost every engineer I speak to is that registration is essential for the profession and the public.

BPEQ has worked hard to change the mindset of engineers when it comes to registration. I believe that through our engagement and collaboration with the profession we are succeeding. Behind the scenes myself, fellow Board members and BPEQ staff have progressed reviews into assessment process procedures, continuing professional development, advised on the introduction of registration for engineers elsewhere in Australia, agreed on the terms of references for a futures paper and proposed legislative amendments to expand BPEQ's regulatory powers and create new registration categories. I expect that in the next 12 months our stakeholders will see these changes taking effect.

The coming months shape as crucial for the organisation. I am confident that the experience of ongoing Board members – Evelyn Storey, Yvonne Pengilly, Suzy Cairney and myself – combined with the fresh and objective input of new Board members – Maureen Hassall, Suzanne Burow and Christopher Edwards – will deliver on these initiatives. I congratulate and welcome Maureen, Suzanne and Christopher to the Board and acknowledge the service given by their predecessors, Dr Nagaratnam (Siva) Sivakugan, Peter Evans and Sarah Hansen.

Finally, my thanks to the staff of BPEQ for their ongoing efforts to provide the best possible service to RPEQs and the Queensland public.

A handwritten signature in dark ink, appearing to read 'D Wilkie', written in a cursive style.

Dawson Wilkie
Chairperson
Board of Professional Engineers of Queensland

KAINE BARTON REGISTRAR'S REPORT



This year has been one of unprecedented growth and renewal for BPEQ.

From 1 July 2018 to 30 June 2019 BPEQ registered 1,998 new RPEQs, an 11.2 per cent increase on the same time last year. Earlier this year the total number of RPEQs peaked at 15,000, meeting one of the Board's engagement objectives. Another highlight was the 20 percent rise in the number of female RPEQs. The current number of 1,117 female RPEQs is the highest it has ever been but still only represents 7.5 percent of the total number of RPEQs. These figures are reason for optimism but also indicative of the challenges faced by BPEQ and the profession.

Strategies to attract new RPEQs have been successful. But BPEQ is also working on ways to keep current RPEQs engaged and create value in being a RPEQ. An example is the start of BPEQ's continuing professional development (CPD) pilot courses for RPEQs in regional and rural locations. The first pilot was held in Mount Isa on the topic of project management. Mount Isa RPEQs responded enthusiastically

and appreciated the chance to do CPD training without the significant additional costs of flights, accommodation and time away from home. Following planned courses in Cairns and Rockhampton, BPEQ will review the pilots. If RPEQs see value in these pilots, then an ongoing CPD program for RPEQs in regional and remote areas of Queensland could be developed.

Renewal has occurred at Board level with the appointment of Maureen Hassall and Christopher Edwards and the election of Suzanne Burow (a record 3,644 RPEQs cast a vote in the highly competitive ballot). And also, in the BPEQ office with the appointment of new staff to BPEQ's Legal, Compliance and Investigations Unit. It is my belief that the new legal team have the skills, experience and initiative to be more proactive in dealing with offences against the PE Act, which in turn protects the reputation of RPEQs.

My thanks to the Board and Chair Dawson Wilkie for their leadership and direction and my congratulations to all the staff at BPEQ for a productive year.

A handwritten signature in black ink, appearing to read 'K. Barton', with a long horizontal flourish extending to the right.

Kaine Barton
Acting Registrar
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 a 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.



THE BOARD



DAWSON WILKIE

Chairperson and Regional Representative

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

Dawson Wilkie was first appointed to the Board as Chairperson and regional representative in January 2015 and reappointed in April 2018. A qualified civil engineer working in private consultancy, Dawson has worked in the profession for more than 35 years. Graduating from the Queensland Institute of Technology in 1979, Dawson 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. Dawson 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 Chairperson 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 30 years' experience in Australia and overseas. Educated at the University of London; Evelyn 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 Cross Rail 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. Yvonne has more than 30 years' experience as a consultant, contract administrator, project manager, builder and managing director. Yvonne owns and manages Myown Constructions, combining the managing director role with construction manager and consultant. She is a member of Women in Construction, Queensland Master Builders Association and the Australian Institute of Company Directors and sits on the Queensland Building Commission Board. Yvonne has been awarded by QMBA for her work and service in the building industry on a number of occasions.

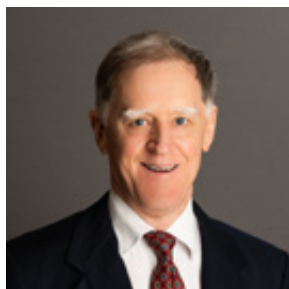


SARAH HANSEN

Community Representative

Sarah Hansen is the Board's community representative, appointed in July 2016. She started her career as an estimator in 2003, before progressing to contracts administrator and project manager. Sarah has successfully delivered projects for major supermarket chains, religious organisations, education providers, government and other commercial entities. Sarah is known for her pragmatic and collaborative approach to building and has developed a good reputation and positive working relations with a range of stakeholders throughout her career. She counts one of Queensland's major construction firms amongst her former employers.

Ms Hansen completed her period of appointment on 30 June 2019.



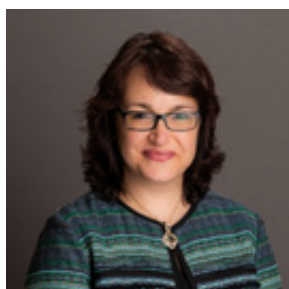
PETER EVANS

Elected RPEQ Representative

BE Civil, MBA, FIEAust, RPEQ, GAICD

Peter Evans was elected to the Board in March 2016 and took up his position in July 2016. Peter started his career in local government, before joining DTMR in 1982. He served as area engineer, project engineer, manager and regional director in Barcaldine, Rockhampton, Warwick and Roma and managed or directed projects in water supply and sewerage systems and road works. Since 2010, he has held the position of Deputy Chief Engineer in DTMR and co-manages DTMR's \$3.6 million annual research program. Peter was educated at the University of Queensland and is a member of several professional organisations, including Engineers Australia, Professionals Australia and the Australian Institute of Company Directors.

Mr Evans completed his period of appointment on 30 June 2019.



SUZY CAIRNEY

Legal Representative

LLB (Hons) GradDipLegalPrac

Suzy Cairney was appointed to the Board as legal representative in April 2018. 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. Suzy is a Partner in the Brisbane office of Holding Redlich.



NAGARATNAM (SIVA) SIVAKUGAN

Academic representative

BE Civil (Hons) MSCE PhD RPEQ

James Cook University's Dr Nagaratnam (Siva) Sivakugan was appointed to the Board in April 2018. He received his Bachelor's degree in Civil Engineering with First Class Honours from the University of Peradeniya, Sri Lanka, and Master's of Science in Civil Engineering and PhD from Purdue University, West Lafayette, United States. Siva has authored eight books, seven book chapters, and several hundred refereed international journal papers, international conference papers and consulting reports. Siva is a Fellow of Engineers Australia and the American Society of Civil Engineers and does consulting work for geotechnical and mining companies.

Dr Sivakugan resigned from the Board in February 2019.

BPEQ STAFF

OFFICE OF THE REGISTRAR

KAINE BARTON

A/g Registrar

REGISTRATIONS AND CORPORATE SERVICES

TERESA MONTGOMERY

A/g Assistant Registrar

DEBORAH GOOD

Senior Finance Officer

SARAH TAYLOR

Business Support Officer

DANICA VELL

A/g Registration / Administration
Officer

CHRISTINE JACKA

Reception / Administration Support
Officer

SELMA SALDIC

Administration Assistant

LEGAL, COMPLIANCE AND INVESTIGATIONS

RODNEY HEPBURN

Principal Legal Officer
(Investigations)

DAVID BROTCHE

Senior Legal Officer

ERIC HALDEN

Senior Legal Officer

CARL SETTGAST

Senior Legal Officer

CRAIG MILLS

Senior Investigator

ASHOK FENWICK

Legal Officer

KAHLEE MACE

Case Manager

COMMUNICATIONS AND ENGAGEMENT

NATHANIEL TUNNEY

Communications and Engagement
Manager

ANDREW DOAN

Communications Assistant

OPERATING ENVIRONMENT AND PERFORMANCE

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.

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

The current Performance Agreement was entered into November 2018. The following strategic objectives were agreed to by the Board in the Performance Agreement with the Minister:

1. Ensure the registration obligations under the PE Act are being met– all engineers who provide an engineering service in Queensland are registered
2. Improving the professionalism of RPEQs
3. Maintain BPEQ as an agile, forward-thinking, efficient and well-governed organisation
4. Increase consumer awareness of the value of engaging a RPEQ

These objectives will be achieved through a range of strategies. These strategies are stated in the table contained on page 17.

The Board holds an annual strategy meeting to discuss factors influencing the organisation and the profession to determine its strategic direction. Because of the recent changeover in Board members and BPEQ staff, a second strategy meeting will be held in September 2019.

Environmental Factors

The Board has identified the following factors as impacting the organisation:

- economic conditions and employment opportunities for engineers
- Victorian Government proposal to introduce system of registration for engineers
- relevance of BPEQ to the profession, public and other stakeholders
- gap in knowledge of PE Act amongst students graduating with engineering degrees
- government capacity to invest in and maintain infrastructure
- tender documents for professional engineering services involved in government and non-government projects not specifying the requirement for RPEQs to be involved
- new and emerging technologies and globalisation of engineering
- cooperation with department, other government agencies and statutory authorities
- use and monitoring of non-conforming building products
- quality of engineering services interstate and overseas/lack of regulation of engineers
- STEM skill shortages and decreasing number of students studying university
- areas of engineering not reflecting services provided by engineers/legacy area of engineers
- overreliance on professional organisations and differences in assessment schemes
- turnover of Board members and BPEQ staff

BPEQ has responded to these environmental factors by:

- providing continuing professional development bursaries to assist engineers returning to the workforce or engineers based in remote or very remote areas of Queensland
- started regional CPD pilot courses
- liaising with and advising the Victorian Government on its planned system of registration for engineers to promote consistency between the two states

- regular and targeted engagement with stakeholders (engineers, the public, professional organisations, government agencies, statutory authorities, academic institutions and industry)
- public relations initiatives to increase awareness of the RPEQ system
- consultation on possible registration for graduate engineers
- engaged with relevant government agencies and statutory authorities to offer support and collaboration
- providing submissions to inquiries and advice to government
- commenced a review of the areas of engineering
- commenced a review of the assessment scheme process

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

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 investigating unsatisfactory professional conduct and engineering services or products;
- that BPEQ is working with other Queensland government agencies and statutory authorities collaboratively;
- the future direction of BPEQ;
- BPEQ's engagement with and services to stakeholders, particularly engineers;
- the effective operation of the assessment process;
- the relevance and benefit of registration;
- the cost of registration; and
- registration for engineers in other jurisdictions and recognition between these jurisdictions.

Strengths, Challenges, Opportunities and Threats

The Board and BPEQ staff have identified various internal and external strengths, risks, opportunities and challenges in its operating environment.

Strengths include:

- Legislation – guidance and authority to act
- Current financial position
- Growing number of RPEQs

- Strong stakeholder relations and collaboration
- Knowledgeable, cohesive and diverse Board
- Better organisational reputation amongst engineers

Challenges include:

- Limitations of the legislation and key definitions not clear
- Inability to get companies to engage at top level
- Government and departmental change and relationship with Department
- Lack of resources and ability to deal with increasing demand
- Globalisation of engineering and engineering work being done overseas
- Lack of awareness of PE Act requirements in emerging areas of engineering (e.g. Internet of Things; Mechatronics)

Opportunities include:

- Engage expert consultants for investigations and legal reports
- Streamline and automate administrative processes and upgrade systems to improve BPEQ staff efficiency
- Greater engagement with profession, professional and academic institutions, Department, government and assessment entities
- Review and improve current policies
- Stakeholder engagement and communications strategy to build BPEQ/RPEQ brand and reputation
- Create value in being registered and develop brand value
- Develop learning and development programs for RPEQs
- Advocating for greater regulatory oversight of engineers nationally and globally

Threats include:

- Information technology security
- Political environment
- Public awareness and expectations
- Attraction of young people to the profession
- Lack of expert witness help
- Globalisation of engineering
- 'Black box' engineering

Measuring Our Performance

Board members have agreed on the following measures and key performance indicators (KPIs) to measure BPEQ's performance:

Outcome: Engineers are suitably qualified, experienced and fit to practice as an engineer in Queensland

- KPI – increasing number of successful prosecutions against persons performing professional engineering services whilst unregistered.
- KPI – increasing proportion of practising engineers to be registered.
- KPI – percentage of substantiated complaints against RPEQs decrease within next 12 months (less disciplinary proceedings, but increasing compliance proceedings)
- KPI – host 20 events aimed at promoting registration in the next 12 months

Outcome: Operational excellence and increased business efficiency achieved through the implementation of an up to date IT infrastructure to deliver improved services through contemporary mediums to registrants, key stakeholders and the Board

- KPI – number of registrants, stakeholders and members of public accessing online facilities
- KPI – IT system, disaster recovery plan, website and document management system implemented

Outcome: That BPEQ has a highly skilled, productive and results-orientated workforce

- KPI – % of staff with positive work morale

- KPI – % of staff who receive quality feedback and regular recognition of work performance
- KPI – Ministerial acceptance of the performance agreement

Outcome: That BPEQ is a financially viable and sustainable organisation that incorporates effective governance practices

- KPI – % by which current assets exceed liabilities

Key Successes and Achievements

The key successes and achievements of BPEQ in the past 12 months will be measured against its strategic and performance objectives and measures, set out in the current Strategic Plan and the Performance Agreement.

Key successes and achievements for BPEQ in the last 12 months include:

- reaching 15,000 RPEQs, including a record high 1,117 female RPEQs
- registering 1,998 new RPEQs during the 12 months 1 July 2018 to 30 June 2019, an 11.2 per cent increase compared to the previous financial year
- achieving on average 165 applications for registration each month
- launching CPD pilot courses for RPEQs in regional Queensland
- establishing information sharing arrangements with other government agencies
- completed review of assessment entity procedures

The following table provides updates on the status of actions undertaken or planned to meet BPEQ's strategic objectives:

STRATEGIC AND PERFORMANCE OBJECTIVES			
Maximise registration - all engineers who provide an engineering service in Queensland are registered	Improving the professionalism of RPEQs	Maintain BPEQ as an agile, forward-thinking, efficient and well-governed organisation	Increase awareness of value of RPEQ to the consumer
STRATEGIES AND COMMITMENTS TO ACHIEVE OBJECTIVE			
Develop and/or apply consistent standards and procedures to decisions on registration and assessment entity approvals	Develop innovative approaches to the delivery of services, including a professional review and redevelopment of the website	Annual review of Strategic Plan and key governance documents by Board	Engage with professional organisations, industry, academia and key government departments in the education of the requirements of registration
Maintain productive partnerships with all assessment entities to support and enhance the process for seeking registration	Apply fair and just practices and processes	Engage with Department of HPW and create a strong working relationship	Engage with current RPEQs and provide tools for the education and promotion of the profession
Work collaboratively with stakeholders to educate industry about the regulatory framework and identify potential new registrants	Lead, influence and collaborate with major stakeholders on future directions in the regulation of engineering at both state and national levels, including the establishment of a forum of professional representatives to discuss and better define what a professional engineering service is	Board members to undertake ongoing training and development	Continue communication and engagement plans for key stakeholders
Develop practices and procedures to ensure monitoring of conditions is undertaken in a timely and cost-effective manner	Commitment to continuous improvement of processes	Support BPEQ staff to build their professional capacity to deliver high quality, innovative solutions for clients	Develop RPEQ brand mark
Undertake broad scale research and data analysis including review of the number of engineers working in Queensland, disciplines of engineering, gender ratios to identify the value trends of the registration system	Review CPD auditing process to ensure cost effectiveness	Maintain a dynamic, supportive and healthy environment for BPEQ staff	
Review assessment entity procedures	Engage with current and potential RPEQs to raise awareness of BPEQ and the registration system	Research and develop a 'futures paper' to identify global trends impacting engineering profession	
Review assessment schemes		Review Board charter	
Review current CPD requirements			
Review current areas of engineering, including number, type and definition, and produce consultation paper			



Completed



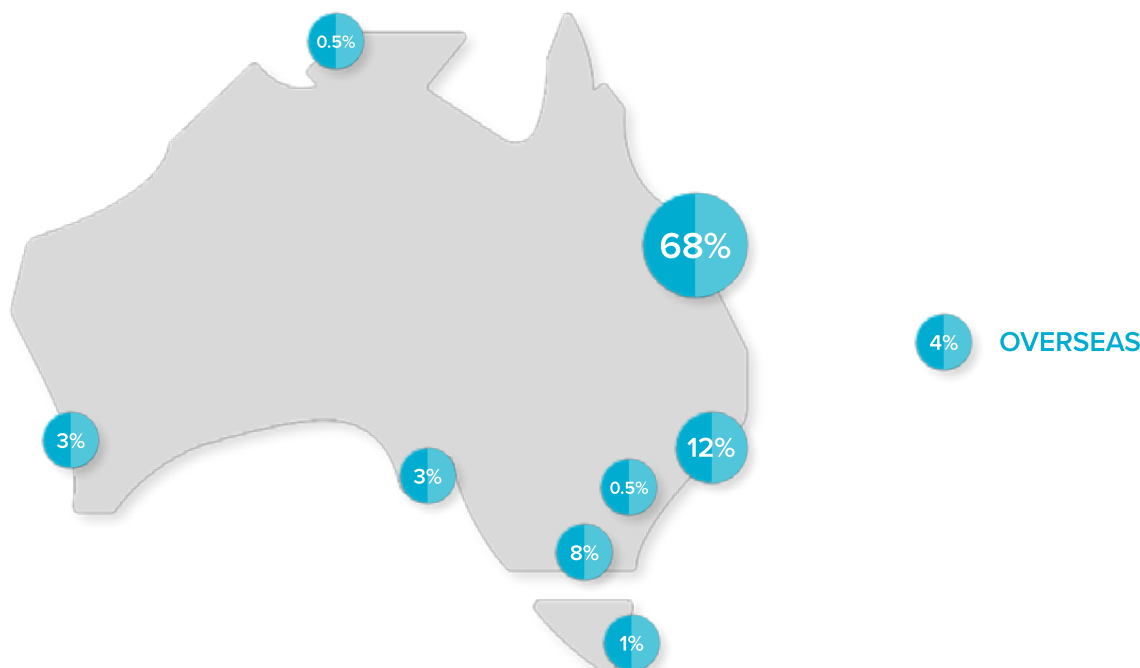
In progress



Ongoing



Yet to be commenced



Registrations

As at 30 June 2019 BPEQ registered 14,818 RPEQs* from Queensland, interstate and overseas.

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

- the applicant holds an engineering qualification;
- has demonstrated experience and competence in their chosen area of engineering; and
- The Board considers the applicant is fit to practise as a RPEQ.

The registration scheme is assisted by professional engineering organisations who are approved to assess the qualifications and competencies of an engineer on behalf of BPEQ. The Board then considers the engineer's fitness to practise.

The approved assessment schemes were managed by:

- The Australasian Institute of Mining and Metallurgy (**AusIMM**)
- Civil Aviation Safety Authority (**CASA**)**
- Engineers Australia (**EA**)
- The Institution of Chemical Engineers (**IChemE**)
- The Institution of Fire Engineers, Australia (**IFE**)
- The Institution of Structural Engineers (**IStructE**)
- The Institute of Public Works Engineering Australasia (Queensland Division) (**IPWEAQ**)
- Professionals Australia (**PA**)
- The Royal Institute of Naval Architects (Australia) (**RINA**)

RPEQs are registered in an area/s (discipline) of engineering related to their qualification and competency (e.g. civil). As at 30 June 2019, engineers could register in the following current areas of engineering recognised by BPEQ:

- Aeronautical
- Aerospace
- Biomedical
- Building Services
- Chemical
- Civil
- Civil Engineering (Public Works)
- Electrical
- Environmental
- Fire
- Fire Safety
- Geotechnical
- Heritage and Conservation
- Information, Telecommunications, and Electronics
- Information, Technology and Telecommunications
- In-service Inspection of Amusement Rides and Devices
- Leadership/Management
- Mechanical
- Metallurgical
- Mining
- Naval Architecture
- Oil and Gas Pipeline
- Petroleum
- Pressure Equipment Design Verification
- Structural

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

- Agricultural
- Computer Systems
- Geotechnical (mining)
- Geotechnical/Geological
- Marine
- Sub-divisional Geotechnics

New applicants cannot apply for registration in these former areas.

**the number of RPEQs reached 15,000 shortly before the April-May renewal period. The total figure fell below 15,000 because of RPEQs retiring or resigning at the end of the 2018/19 registration year.*

***Assessment (Instrument of Authority) through CASA for registration in the area of Aeronautical Engineering is only available to CASA employees.*

The following chart shows the number of engineers registered in particular areas of engineering as at 30 June 2019.*

AREAS OF ENGINEERING	TOTAL
Aeronautical	28
Aerospace	116
Agricultural	17
Biomedical	36
Building Services	232
Chemical	736
Civil	6,070
Civil - Public Works	75
Computer Systems	28
Electrical	2,793
Environmental	215
Fire Engineering	15
Fire Safety	135
Geotechnical	140
Geotechnical (mining)	120
Geotechnical/Geological	4
Heritage & Conservation Engineering	3
Information Technology and Telecommunications	82
Information Telecommunications & Electronics	371
Inspection of Amusement Rides & Devices	7
Management	631
Marine	2
Mechanical	2,757
Metallurgical	64
Mining	338
Naval Architecture	38
Oil & Gas Pipeline	6
Petroleum	125
Pressure Equipment Design Verifier	22
Structural	1,728
Subdivisional Geotechnics	40

*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.

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

	2016/17	2017/18	2018/19
New Registrations	1,379	1,773	1,998
Restorations	259	422	422
Disqualified	(1)	0	(2)
Retired / Resigned / Lapsed/ Deceased	(948)	(1,174)	(1,030)
Moved to non-practising	n/a	(163)	(96)
TOTAL (number of RPEQs at 30 June)	12,668	13,526	14,818

Non-practising Registration

The category of non-practising registration was introduced to cater for engineers on career breaks (such as maternity leave) or those who have retired from practice but want to keep their RPEQ status.

290 

As at 30 June 2019 there were 290 non-practising engineers registered with BPEQ.

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 2018/19 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 18/19	DISMISSED (WITHOUT INVESTIGATION) 18/19	INVESTIGATED 18/19	PENDING/NOT COMPLETED
Disciplinary	19	47	29	9	28
Compliance	14	17	23	3	5
TOTAL	33	64	52	12	33

During the 2018/19 financial year, the Board received forty-seven (47) complaints about the conduct of RPEQs and seventeen (17) compliance notifications about possible offences in breach of the *Professionals Engineers Act 2002*. The Board also considered nineteen (19) complaints and fourteen (14) notifications under the *Professionals Engineers Act 2002* which were carried forward from previous financial years.

Of all the matters carried forward from previous years, twelve (12) disciplinary matters had been counted twice and six (6) compliance matters from previous years had been omitted.

Investigations

	CARRIED FORWARD FROM PREVIOUS FY(S)	COMMENCED 18/19	COMPLETED 18/19	PENDING/NOT COMPLETED
Disciplinary	16	9	1	24
Compliance	2	3	2	3
TOTAL	18	12	3	27

In the 2018/19 financial year, the Board commenced nine (9) disciplinary investigations and three (3) compliance investigations, bringing the total investigations commenced to 12 investigations. The Board continued sixteen (16) disciplinary and two (2) compliance investigations from the previous financial years.

In relation to the investigations carried forward from previous financial years, one (1) compliance matter was closed but not recorded, and two (2) additional disciplinary investigation were identified.

In relation to the one (1) disciplinary matter which was investigated and decided, the Board imposed conditions on the RPEQ's registration to undertake a total 30 hours of continuing professional development.

Of the two (2) compliance matters which were investigated and decided:

- One (1) caution was issued by the Board to the person who is subject to the notification; and
- One (1) matter was discontinued by the Board, as the Board was not satisfied having regard to the evidence, that were reasonable prospects a Magistrate would have found the offences proved beyond a reasonable doubt.

The twenty-seven (27) 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 18/19	COMPLETED 18/19	PENDING/NOT COMPLETED
Disciplinary	1	0	1	0
Compliance	2	0	2	0
TOTAL	3	0	3	0

During the 2018/19 financial year, the Board finalised one (1) disciplinary proceeding which was before the Queensland Civil and Administrative Tribunal.

The Registered Professional Engineer, the respondent to the disciplinary proceeding, was found guilty of Unsatisfactory Professional Conduct, reprimanded, fined \$9,000 and ordered to pay the Board's investigation and legal costs in the sum of \$41,500.

During the 2018/19 financial year, the Board finalised two (2) prosecutions which were before the Queensland Magistrates' Court. The defendant in those proceedings was found guilty of two offences under S115(1) of the *Professional Engineers Act 2002*. The defendant was fined \$2,500 per offence and ordered to pay the Board's investigation and legal costs in the sum of \$6,000.

No new disciplinary or compliance prosecutions were commenced in 2018/19.

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 demonstrate continued competency and eligibility for registration.

BPEQ compiles an annual audit list through a 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.

BPEQ engages approved assessment scheme entities or an assessor directly contracted to or employed by BPEQ to carry out CPD audits.

The following table provides information on the CPD audits carried out by BPEQ for financial year 2018/19:

	
451 RPEQs audited	421 RPEQs passed audit
	
30 RPEQs found to be non-compliant	9 Non-compliance addressed
	
1 RPEQ changed to non-practising	19 RPEQs retired, resigned, allowed registration to lapse or deceased
	
1 RPEQs registration renewal refused	

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 2018/19 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, Brisbane (twice)
- ARUP, Cairns
- Aurizon, Sarina
- AusIMM Student Chapter, Brisbane
- BAE Systems, Cairns
- BHP, Brisbane
- BHP, Hay Point
- Cardno/Hayes, Brisbane
- Central Queensland University Engineering Undergraduate Society, Rockhampton (twice)
- Civil Contractors Federation, Brisbane
- CTS, Brisbane
- Department of Transport and Main Roads, Cairns
- Department of Transport and Main Roads, Cloncurry
- EDMS, Cairns
- Engineering Associates and Technologists Group (EA), Brisbane
- EA Mackay Group, Mackay
- Ensham Mine, Emerald
- Ergon Energy, Toowoomba
- Erscon/Carpentaria Shire Council, Normanton
- Glencore/Mount Isa Mines, Mount Isa
- Incitec Pivot, Mount Isa
- Institute of Plumbing Inspectors Queensland, Brisbane
- Institute of Plumbing Inspectors Queensland, Emerald
- Lockyer Valley Regional Council, Gatton
- Origin, webinar
- Perrott Engineering, Cairns
- Queensland University of Technology Electrical Engineering Student Society, Brisbane
- Scenic Rim Regional Council, Beaudesert
- Seqwater, Brisbane
- Society of Fire Safety, Brisbane
- Somerset Regional Council, Esk
- Thirkell Consulting, Cairns
- Toowoomba, Goondiwindi, Lockyer Valley, Somerset, South Burnett, Southern Downs, Western Downs regional councils, Toowoomba
- Trinity Engineering and Consulting, Cairns
- University of the Sunshine Coast Engineering Student Association, Sunshine Coast
- Various mining and engineering companies (public seminar), Blackwater
- Various mining companies (public seminar), Moranbah
- Wood Engineering, webinar

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
- Australian Engineering Conference, Sydney
- Department of Transport and Main Roads Women in Engineering Networking Function/Engineering Technology Forum, Brisbane
- EA Chartered Workshop, Brisbane
- EA Chartered Workshop, Sunshine Coast
- EA Industry Roundtables, Brisbane
- EA Southern Regional Forum, Toowoomba
- EA International Women's Day Lunch, Brisbane

- Griffith University Environmental Engineering Society Networking Night, Brisbane
- International Conference on Bridge Maintenance, Safety and Management, Melbourne
- IPWEAQ Central Queensland Branch Conference, Rockhampton
- IPWEAQ State Conference, Gold Coast
- IPWEAQ South West Queensland Branch Conference, Gatton
- James Cook University Engineering Undergraduate Society Industry Night Semester 1, Townsville
- James Cook University Engineering Undergraduate Society Industry Night Semester 2, Townsville
- Mining Electrical Safety Conference, Brisbane
- Queensland Mining and Engineering Exhibition, Mackay
- Queensland Mining Industry Health and Safety Conference, Gold Coast
- Queensland University of Technology Civil Engineering Student Society Networking Night, Brisbane
- Queensland University of Technology Electrical Engineering Student Society Industry Night, Brisbane
- Queensland University of Technology Girls in Engineering Making Statements Engineering Journey Workshop, Brisbane
- Queensland University of Technology Girls in Engineering Making Statements Gender Equality Workshop, Brisbane
- Queensland University of Technology Girls in Engineering Making Statements Industry Breakfast, Brisbane
- Queensland University of Technology/University of Queensland Girls in Engineering Making Statements Industry Panel Night, Brisbane
- Toowoomba Regional Council Development Breakfast, Toowoomba
- Transport Australia Conference, Sydney
- University of Queensland Engineering Undergraduate Society Careers Fair Semester 1, Brisbane
- University of Queensland Engineering Undergraduate Society Careers Fair Semester 2, Brisbane
- University of Southern Queensland Residential School, Toowoomba
- Women in Engineering Leadership Summit, Brisbane
- Women in STEM Networking Night, Brisbane

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 by email to current RPEQs and other interested parties and published on the BPEQ website.

19,483 

There are currently 19,483 subscribers to BPEQ's monthly e-news.

Registration and general enquiries to BPEQ

During the 2018/19 financial year BPEQ's Registrations and Corporate Services staff responded to approximately 10,000 email enquiries and 3,750 phone calls.



approximately
10,000 emails



approximately
3,750 phone calls

Legal enquiries to BPEQ

During the 2018/19 financial year BPEQ's Legal, Compliance and Investigations Unit received 294 legal enquiries.

294 

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).

CPD pilot course

BPEQ is piloting three continuing professional development (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 on the subject of project management. Two more CPD pilot courses covering risk management will be held in Cairns and Rockhampton.

The pilots will be reviewed following the courses in Cairns and Rockhampton. If the Board and RPEQs consider the pilot courses successful, BPEQ may develop an ongoing CPD program for RPEQs in regional and rural locations.

The pilot courses and any future CPD program will focus on non-technical subjects so that the information is applicable to RPEQs in all areas of engineering.

RPEQs who attended the Mount Isa CPD pilot course were surveyed about the course and gave the following responses:

Q1. How useful was the CPD course topic to you?

20% EXTREMELY USEFUL 80% VERY USEFUL

Q2. How clearly was the information presented at this event?

20% EXTREMELY CLEARLY 80% VERY CLEARLY

Q3. How organised was the event?

40% EXTREMELY ORGANISED 60% VERY ORGANISED

Q4. What course topic would you like to attend in future?

"CONTINUOUS IMPROVEMENT"
"...COST CONTROL TECHNIQUES..."
"CONTRACTS"

Q5. Overall, how would you rate the event?

50% EXCELLENT 50% VERY GOOD



Pictured: Senior Investigator, Craig Mills, giving a presentation on the PE Act to RPEQs in Mt. Isa.

CORPORATE GOVERNANCE

The Board 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:

- to assess applications made to it under the PE Act;
- to register persons who are eligible for registration and issue certificates of registration;
- to conduct, or authorise investigations about the professional conduct of RPEQs and contraventions of the PE Act;
- to keep the Register;
- to advise the Minister about:
 - eligibility requirements for persons applying for registration, or renewal or restoration of registration;
 - the suitability of assessment schemes for approval; and
 - the operation of the PE Act in its application to the practice of engineering;
- to review the eligibility requirements mentioned in paragraph (e)(i);
- to perform other functions given to BPEQ under the PE Act or another Act;
- 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 for Registered Professional Engineers, which allows for the public to make complaints about the conduct of RPEQs in performing engineering services.

Board Meetings

The Board met eight times last year to carry out its functions as described in the PE Act.

	START OF CURRENT TERM OF APPOINTMENT	ELIGIBLE TO ATTEND	ATTENDED	FEES \$
Mr D Wilkie	1/4/2018	8	8	\$4,950
Ms E Storey	1/7/2016	8	8	\$2,736
Ms Y Pengilly	1/7/2016	8	6	\$2,736
Ms S Hansen	1/7/2016	8	8	\$2,736
Mr P Evans	1/7/2016	8	7	nil*
Ms S Cairney	1/4/2018	8	7	\$3,863**
Dr N Sivakugan	1/4/2018	8	4	\$1,368^

* Mr Evans is a public servant and is not entitled to remuneration

** no payment details known until September 2018, payment made 05 September 2018 was for Apr-Jun Qtr and Jun-Sept Quarter

^ resigned from the Board on 12 February 2019; last Board meeting attended was January 2019, no remuneration for Jan-Mar Qtr paid

Staff and Resources

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

As at 30 June 2019, BPEQ employed five (5) full time equivalent (FTE) staff engaged under the provisions of the *Public Service Act 2008* (PSA).

As at 30 June 2019, BPEQ directly employed nine (9) FTE staff and two (2) part time staff. These staff members are not employed under the PSA but are direct appointments by the Board.

No staff redundancies, retrenchments or retirements occurred during the 2018/19 financial year. There were several changes to personnel in the Legal, Compliance and Investigations Unit after existing staff left the organisation. A staff member was also added to the Communications and Engagement Unit.

BPEQ provides a budget for staff to complete development and training. Staff completed various training courses during the 2018/19 financial year, including:

- customer service
- legal seminars
- Microsoft Office

- effective communication skills
- emotional intelligence
- employee behaviour

BPEQ encourages a healthy work-life balance and provides employees with opportunities to work from home, flexible hours and time off in lieu (TOIL).

Website

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



1,080,840
page views



83,976
new visitors



4 min 39 sec
browsing time

BPEQ's website attracted 1,080,840-page views in the 12 months between 1 July 2018 and 30 June 2019. There were 83,976 new visitors to the BPEQ website. The average browsing session on the BPEQ website was 4 minutes and 39 seconds.

Web traffic was generated from:

- organic searches (58.2 per cent)
- direct search (37.4 per cent)
- referral from another website (3.2 per cent)
- social media (0.9 per cent)
- email and other (0.3 per cent).

The most common non-English speaking language groups accessing the BPEQ website include:

- Chinese Simplified
- French
- Chinese Traditional
- Korean
- Portuguese, Brazilian
- Spanish
- Arabic
- Russian
- Turkish
- German

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 Government's 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;
- 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

BPEQ has established a risk management program consistent with the principles set out in *AS/NZS ISO 31000:2009*.

Risk management was addressed as part of the Board's first strategy meeting in March 2019. The Board is holding a second strategy meeting in September 2019 where it is expected to formally develop a revised and detailed Risk Register.

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.

The Board has considered a code of conduct for Board members and non-public service staff and is continuing discussions with the Department about its adoption.

Consultancies

BPEQ engaged the following consultancies during financial year 2018/19:

CONSULTANT	SERVICE PROVIDED	COST
Acworth	Recruitment services	\$13,073.50
Bligh Tanner	Engineering services - investigation	\$7,854.00
Clarke Kann	Legal services	\$26,019.57
Crown Law	Legal services	\$35,756.60
Douglas Partners	Engineering services - investigation	\$15,389.00
Holmes McLeod	Engineering services - investigation	\$6,050.00
MBA Consulting engineers	Engineering services - investigation	\$19,266.50
NJA Consulting	Engineering services - investigation	\$30,013.50
Phronis Consulting	Engineering services - investigation	\$7,550.40
Professional Facilitators Australia	Strategy Meeting Facilitation	\$4,400.00
Rowland	Website Redevelopment	\$65,323.67
Think Suite	Staff Training	\$9,900.00
Willman Consulting	Risk Review	\$550.00
TOTAL	\$241,146.74	

Overseas Travel

Board members and BPEQ staff undertook no overseas travel during financial year 2018/19.

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 Group on 10 June 2019. The full audit was carried out by MGI Group on 15 and 16 July 2019.

The audit certification of financial statements was provided by the Queensland Audit Office (QAO) on 28 August 2019.

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 2018/19 were set at \$227.65. Fees for the 2019/20 financial year are set at \$232.75.

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

BPEQ's full financial statements – opening balance as at 1 July 2018 and total revenue and expenditure in 12 months from 1 July 2018 to 30 June 2019 – are included in this Annual Report.

GLOSSARY

AusIMM	The Australian Institute of Mining and Metallurgy
ARRs	Annual report requirements for Queensland Government agencies
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
EA	Engineers Australia
FAA	<i>Financial Accountability Act 2009</i>
FPMS	<i>Financial and Performance Management Standard 2009</i>
IChemE	The Institution of Chemical Engineers
IFE	The Institution of Fire Engineers (Australia)
IStructE	The Institution of Structural Engineers
IPWEAQ	The Institute of Public Works Engineering Australasia (Queensland)
Minister	The Minister for Housing and Public Works
PA	Professionals Australia
PE Act	<i>The Professional Engineers Act 2002 (Qld)</i>
RPEQ	Registered Professional Engineer of Queensland
RINA	The Royal Institution of Naval Architects (Australia)



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	5
Accessibility	Table of contents	ARRs – section 9.1	4
	Glossary		28
	Public availability	ARRs – section 9.2	2
	Intepreter 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	8
	Agency role and main functions	ARRs – section 10.2	24 - 26
	Operating environment	ARRs – section 10.3	15 -21
Non-financial performance	Government objectives for the community	ARRs – section 11.1	N/A
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	N/A
	Agency objectives and performance indicators	ARRs – section 11.3	15, 16
	Agency service areas, service standards and other measures	ARRs – section 11.4	N/A
Financial performance	Summary of financial performance	ARRs – section 12.1	27
Governance – management and structure	Organisational structure	ARRs – section 13.1	11, 14
	Executive management	ARRs – section 13.2	14
	Government Bodies (statutory bodies and other entities)	ARRs – section 13.3	N/A
	<i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	26
	Queensland Public Service Values	ARRs – section 13.5	N/A
Governance – risk management and accountability	Risk management	ARRs – section 14.1	25
	Audit committee	ARRs – section 14.2	N/A

SUMMARY OF REQUIREMENT		BASIS FOR REQUIREMENT	ANNUAL REPORT REFERENCE (PAGE NUMBER)
Governance – risk management and accountability	Internal audit	ARRs – section 14.3	26
	External scrutiny	ARRs – section 14.4	26
	Information systems and recordkeeping	ARRs – section 14.5	23
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	24 - 25
Open Data	Statement advising publication of information	ARRs – section 16	25
	Consultancies	ARRs – section 33.1	26
	Overseas travel	ARRs – section 33.2	26
	Queensland Language Services Policy	ARRs – section 33.3	2
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 42,43 and 50 ARRs – section 17.1	34
	Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	57 - 59



Protecting the public and setting the standard of engineering

A large blue geometric shape, resembling a stylized 'P' or a triangle, is positioned in the top right corner of the page. It contains a faint, light blue image of a sky with clouds. To the right of this shape, a silhouette of a crane or construction equipment is visible against a lighter blue background.

PART B: **FINANCIAL STATEMENTS**

The Board of Professional Engineers of Queensland
2018/19



CERTIFICATION OF FINANCIAL STATEMENTS



Your ref:
Our ref: PRJ01210
Bhavik Deoji 3149 6171

30 August 2019

Mr D Wilkie
Chairperson
Board of Professional Engineers Queensland
PO Box 15213
CITY EAST QLD 4002

Dear Mr Wilkie

General Purpose Financial Statements—2018–19
Board of Professional Engineers Queensland

The certified General Purpose Financial Statements are enclosed. I have issued an unmodified opinion.

A copy of the General Purpose Financial Statements has also been forwarded to the Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport.

Yours sincerely

Bhavik Deoji
Director

Enc.

Queensland Audit Office
Level 14, 53 Albert Street, Brisbane Qld 4000
PO Box 15396, City East Qld 4002

Phone 07 3149 6000
Email qao@qao.qld.gov.au
Web www.qao.qld.gov.au
 Queensland Audit Office (QAO)

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

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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 2019

	Notes	2019 \$	2018 \$
Income from Continuing Operations			
Fees and Other Receipts	2	3,384,322	3,001,546
Interest Revenue	3	120,463	88,319
Other Revenue		511	308
Total Income from Continuing Operations		<u>3,505,296</u>	<u>3,090,173</u>
Expenses from Continuing Operations			
Administrative Expenses	4	965,435	865,246
Employee Expenses	5	1,343,975	1,335,681
Investigation and Legal Expenses		183,930	343,460
Depreciation		82,419	61,957
Total Expenses from Continuing Operations		<u>2,575,759</u>	<u>2,606,344</u>
Operating Result from Continuing Operations		<u>929,537</u>	<u>483,829</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>929,537</u>	<u>483,829</u>

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 2019

	Notes	2019 \$	2018 \$
Current Assets			
Cash and Cash Equivalents	6	5,908,817	4,782,797
Receivables	7	128,116	55,310
Other Assets	8	141,337	21,564
Total Current Assets		<u>6,178,270</u>	<u>4,859,671</u>
Non-Current Assets			
Plant and Equipment	9	293,221	283,698
Total Non-Current Assets		<u>293,221</u>	<u>283,698</u>
Total Assets		<u>6,471,491</u>	<u>5,143,369</u>
Current Liabilities			
Payables	10	40,611	60,981
Unearned Revenue	11	3,171,656	2,788,860
Accrued Expenses	12	96,874	79,179
Provision for Employee Benefits	13	28,508	26,653
Provision for Legal Expenses		21,000	-
Other Current Liabilities	14	15,736	21,526
Total Current Liabilities		<u>3,374,385</u>	<u>2,977,199</u>
Non-Current Liabilities			
Provision for Employee Benefits	13	6,012	4,613
Total Non-Current Liabilities		<u>6,012</u>	<u>4,613</u>
Total Liabilities		<u>3,380,397</u>	<u>2,981,812</u>
NET ASSETS		<u>3,091,094</u>	<u>2,161,557</u>
EQUITY			
Accumulated Surplus		3,091,094	2,161,557
TOTAL EQUITY		<u>3,091,094</u>	<u>2,161,557</u>

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 2019

	Notes	Accumulated Surplus \$
Balance as at 1 July 2017		1,677,728
Operating Result from Continuing Operations		483,829
Total Other Comprehensive Income		-
Balance as at 30 June 2018		<u>2,161,557</u>
Balance as at 1 July 2018		2,161,557
Operating Result from Continuing Operations		929,537
Total Other Comprehensive Income		-
Balance as at 30 June 2019		<u>3,091,094</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 2019

	Notes	2019	2018
		\$	\$
Cash Flows from Operating Activities			
<i>Inflows:</i>			
Fees and Other Receipts		3,731,300	3,277,878
Penalties and Costs		35,881	79,818
Interest Revenue		120,462	88,319
GST input tax credit from ATO		163,990	207,491
GST collected from customers		831	-
<i>Outflows:</i>			
Employee Expenses		(1,299,228)	(1,276,839)
Board Member Expenses		(75,895)	(52,979)
Administrative Expenses		(1,110,153)	(897,626)
Investigations and Legal Expenses		(162,929)	(343,461)
GST paid to suppliers		(185,465)	(197,344)
GST remitted to ATO		(831)	-
Net Cash provided by Operating Activities	15	1,217,963	885,257
Cash Flows from Investing Activities			
<i>Outflows:</i>			
Payments for Plant and Equipment		(91,943)	(345,655)
Net Cash (used in) Investing Activities		(91,943)	(345,655)
Cash Flows from Financing Activities			
<i>Outflows:</i>			
		-	-
Net Cash provided by/(used in) Financing Activities		-	-
 Net Increase in Cash and Cash Equivalents		 1,126,020	 539,602
Cash at the beginning of the financial year		4,782,797	4,243,195
Cash at the end of the financial year	6	5,908,817	4,782,797

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 2019

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 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the year ending 30 June 2019, 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 all fees is 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.

Revenue from interest and fines is recognised on an accrual basis.

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

(d) Cash and Cash Equivalents

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

(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.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. Summary of Significant Accounting Policies (continued)

(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
Plant and Equipment	
- Computer Equipment	20-33%
- Office Equipment	10%
- 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

Recognition

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces and 'expected credit loss' model for impairment of financial assets.

When adopting AASB 9, the Board has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018.

The adoption of AASB 9 did not have a material impact on the transactions and balances recognised in the financial statement.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. Summary of Significant Accounting Policies (continued)

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 amortised cost
- Receivables – held at amortised cost
- Payables – held at amortised cost

The Board does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, 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.

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, Assistant Registrar, Senior Legal Officer, Acting Senior Advisor 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 six 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. Twelve 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.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. Summary of Significant Accounting Policies (continued)

(k) Employee Benefits (continued)

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 6 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.

(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) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. Summary of Significant Accounting Policies (continued)

(q) 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.

No additional receivables have been recognised for recovery of legal costs during 2018-19 due to doubts of recoverability. Refer to note 19 for details of contingent assets relating to legal cases.

(r) Unearned revenue

Annual Renewal fees received during April, May and June 2018 for the registration year commencing 1 July 2019 are recognised as Unearned Revenue in 2018-19.

(s) New and Revised Accounting Standards

The Board did not voluntarily change any of its accounting policies during 2018-19.

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 but with future effective dates 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 will first apply to the Board from its financial statements from 1 January 2019, and AASB 1058 Income from Not-for-Profit Entities will first apply to the Board from its financial statements from 1 January 2019.

The new Standard 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;

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. Summary of Significant Accounting Policies (continued)

(s) New and Revised Accounting Standards (continued)

- 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.

AASB 1058 mandatorily applies to annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted, provided AASB 15 is applied for the same period.

Based on the Board's assessment of the impact of AASB 15 and AASB 1058, the Board does not believe that the initial adoption of either of these standards will have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ended 30 June 2020.

AASB 16 Leases

This standard will first apply to the Board from its financial statements for 2019-20. When applied, the standard supersedes AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases – Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Impact for lessees

Under AASB 16, the majority of operating leases (as defined by the current AASB 117 and shown at Note 18) will be reported on the statement of financial position as right-of-use assets and lease liabilities.

The right-of-use asset will be 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 will give rise to a depreciation expense.

The lease liability will be 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 will no longer be expensed in the statement of comprehensive income. They will be 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 will also be 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 company will apply the 'cumulative approach', and will not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. Summary of Significant Accounting Policies (continued)

AASB 16 Leases (continued)

Outcome of review as lessee

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 comprises the Board's office premises on 4.5 year terms, and other operating leases for photocopiers with the terms of 52 weeks.

The Board has quantified the transitional impact on the statement of financial position and statement of comprehensive income of all qualifying lease arrangements that will be recognised on-balance sheet under AASB 16, as follows.

Statement of financial position impact on 1 July 2019:

- \$453,898 increase in lease liabilities
- \$431,838 increase in right-of-use assets

Statement of comprehensive income impact expected for the 2019-20 financial year, as compared to 2018-19:

- \$431,838 increase in depreciation and amortisation expense
- \$12,718 increase in interest expense
- This results in a net increase of \$444,556 in total expenses

	2019 \$	2018 \$
2. Fees and Other Receipts		
Application Fees	127,911	109,306
Registration Fees	366,707	240,865
Renewal Fees	2,730,221	2,436,965
Restoration and Processing Fees	123,602	134,592
Penalties and Costs	35,881	79,818
Total	<u>3,384,322</u>	<u>3,001,546</u>
3. Interest Revenue		
Cheque Account	3,956	3,325
Cash Management	116,507	84,994
Total	<u>120,463</u>	<u>88,319</u>

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
4. Administrative Expenses		
Accounting and Audit Fees*	11,150	10,500
Advertising	165,044	159,541
Bank Charges	36,805	29,757
CPD Audit Fees	6,166	78,997
Members Expenses	75,895	52,979
Rent/Electricity/Car Parking	104,966	109,539
Office Maintenance	4,459	3,843
Telephone	10,670	42,302
Printing and Stationery	67,909	55,999
Postage and Couriers	52,915	34,925
Insurance	17,258	15,595
Conferences / Travel	49,135	37,347
Subscriptions	1,246	584
Office Systems (includes computer maintenance)	312,816	203,334
Other	49,001	30,004
Total	965,435	865,246

* Total audit fees paid to the Queensland Audit Office relating to the 2018-19 financial statements are estimated to be \$7,600 (2018: \$7,450). There are no non-audit services included in this amount.

5. Employee Expenses

Salaries and Wages	1,272,292	1,269,890
Superannuation	71,683	65,791
Total	1,343,975	1,335,681

	2019	2018
Number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis	18	18
Number of Board members paid wages during the year	6	6

The names of current Board members are:

Mr Dawson Wilkie	Ms Suzy Cairney
Ms Evelyn Storey	Ms Yvonne Pengilly
Ms Sarah Hansen	Dr Nagaratnam Sivakugan (resigned 12 February 2019)

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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 2018-19.

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	7 December 2015
Kaine Barton	The acting Registrar is responsible for the management of the business of The Board	S01 Public Service Act 1996	2 July 2018 to 27 July 2018 17 September 2018 to 30 June 2019

Executive Remuneration 1 July 2017 – 30 June 2018

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	87,428	-	2,136	12,515	-	102,079
Acting Registrar	10,707	-	162	706	-	11,575
Acting Registrar	24,969	-	388	1,640	-	26,997
Total Remuneration	127,604	-	2,686	14,861	-	145,151

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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

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.

	2019 \$	2018 \$
6. Cash and Cash Equivalents		
Cash at Bank	123,428	257,394
Petty Cash	200	200
QTC Investment Account	5,785,189	4,525,203
Total	<u>5,908,817</u>	<u>4,782,797</u>
7. Receivables		
Undeposited Funds	-	4,069
Other Debtors	55,400	-
Net Receivables	<u>55,400</u>	<u>4,069</u>
GST Receivable	72,716	51,241
Net GST Receivable	<u>72,716</u>	<u>51,241</u>
Total	<u>128,116</u>	<u>55,310</u>

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
8. Other Assets		
Insurance Prepayment	13,937	13,900
Other Prepayment	127,400	7,664
Total	141,337	21,564
9. Plant and Equipment		
Leasehold Improvements	437,597	345,655
Accumulated Depreciation	(144,376)	(61,957)
Total	293,221	283,698
Total Plant and Equipment	293,221	283,698
Movements Schedule		
Office Equipment		
Carrying amount at 1 July	-	3,597
Acquisitions	-	-
Disposals	-	(3,597)
Depreciation	-	-
Carrying amount at 30 June	-	-
Leasehold Improvements		
Carrying amount at 1 July	283,698	-
Acquisitions	91,942	345,655
Depreciation	(82,419)	(61,957)
Carrying amount at 30 June	293,221	283,698
Carrying amount at 1 July	283,698	3,597
Acquisitions	91,942	345,655
Depreciation	(82,419)	(61,957)
Carrying amount at 30 June	293,221	283,698
10. Payables		
Trade Creditors	35,111	46,855
Other Creditors	5,500	14,126
Total	40,611	60,981

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
11. Unearned Revenue		
Renewal Fees	3,171,656	2,788,860
Total	<u>3,171,656</u>	<u>2,788,860</u>
12. Accrued Expenses		
Accrued Other	20,492	17,761
Accrued Wages	76,382	61,418
Total	<u>96,874</u>	<u>79,179</u>
13. Provision for Employee Benefits		
Current		
Accrued Employee Benefits		
Annual Leave Payable	28,508	26,653
Total	<u>28,508</u>	<u>26,653</u>
Non-Current		
Accrued Employee Benefits		
Long Service Leave Payable	6,012	4,613
Total	<u>6,012</u>	<u>4,613</u>
Analysis of Provisions	Employee Benefit	Employee Benefit
Opening Balance at 1 July	31,266	14,610
Additional provisions raised during the year	62,036	51,601
Amounts used	(64,794)	(34,945)
Balance at 30 June	<u>28,508</u>	<u>31,266</u>
14. Other Current Liabilities		
PAYG Tax Payable to ATO	15,736	15,736
Total	<u>15,736</u>	<u>15,736</u>

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
15. Reconciliation of Operating Surplus/(Deficit) to Net Cash Provided by (Used in) Operating Activities		
Operating Profit/(Loss)	929,537	483,829
Depreciation	82,419	61,957
Loss on disposal of asset	-	3,597
Changes in Assets and Liabilities		
Decrease (increase) in Receivables	(72,122)	11,709
Decrease (increase) in Other Assets	(119,774)	(1,498)
Increase (decrease) in Payables	(21,052)	(91,873)
Increase (decrease) in Unearned Revenue	382,796	356,053
Increase (decrease) in Accrued Expenses	17,695	49,924
Increase (decrease) in Provision for Employee Benefits	3,254	16,656
Increase (decrease) in Provision for Legal Expenses	21,000	-
Increase (decrease) in Other Current Liabilities	(5,790)	(5,097)
Net cash provided by/(used in) operating activities	1,217,963	885,257

16. Events Occurring after Reporting Date

There are no events occurring after the balance date that materially affect the financial statements at 30 June 2019.

17. Commitments for Expenditure

The Board had no capital commitments of a material nature at 30 June 2019.

Non-Cancellable Operating Lease

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

	2019 \$	2018 \$
Not later than one year	166,417	152,862
Later than one year and not later than five years	299,040	421,552
Later than five years	-	-
Total	465,457	574,414

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.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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 2019 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	2019	2018
Financial assets	\$	\$
Cash and Cash Equivalents	5,908,817	4,786,866
Total	5,908,817	4,786,866
Financial liabilities		
Financial liabilities measured at amortised cost:		
Payables	40,611	60,981
Total	40,611	60,981

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.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
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FOR THE YEAR ENDED 30 JUNE 2019

19. Financial Risk Management (continued)

(a) Credit Risk (continued)

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

	2019	2018
	\$	\$
Maximum Exposure to Credit Risk		
Financial Assets		
Cash and Cash Equivalents	5,908,817	4,786,866
Total	<u>5,908,817</u>	<u>4,786,866</u>

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.

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.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

19. Financial Risk Management (cont.)

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	2019	2018
Payables	\$	\$
Less than 1 year	40,611	60,981
Total	40,611	60,981

Total financial liabilities		
Less than 1 year	40,611	60,981
Total	40,611	60,981

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 \$59,088 (2018: \$47,828) 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 43 of the *Financial and Performance Management Standard 2009* 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 2019 and of the financial position of the Board at the end of that year.

We acknowledge responsibility under s.8 and s.15 of the Financial and Performance Management Standard 2009 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



Kane Barton
Acting Registrar

Dated this 22th day of August 2019



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 2019, 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 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2019, 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 of Queensland 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 of Queensland 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 2009 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, but not for expressing an opinion on the effectiveness of the entity's internal control.
- 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

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

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



Bhavik Deoji
as delegate of the Auditor-General

30 August 2019

Queensland Audit Office
Brisbane



BOARD OF
**PROFESSIONAL
ENGINEERS**
OF QUEENSLAND



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