



BOARD OF
**PROFESSIONAL
ENGINEERS**
OF QUEENSLAND

2017/18 ANNUAL REPORT

This Annual Report provides information about the performance of the Board of Professional Engineers of Queensland for the financial year ending 30 June 2018.

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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BOARD OF
**PROFESSIONAL
ENGINEERS**
OF QUEENSLAND

LETTER OF COMPLIANCE

24 September 2018

The Honourable Mick de Brenni MP
Minister for Housing and Public Works
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* (Qld) for the financial year ended 30 June 2018.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* (Qld) and the *Financial and Performance Management Standard 2009* (Qld); 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 54 of this annual report.

Yours sincerely

Dawson Wilkie
Chairperson
The Board of Professional Engineers of Queensland

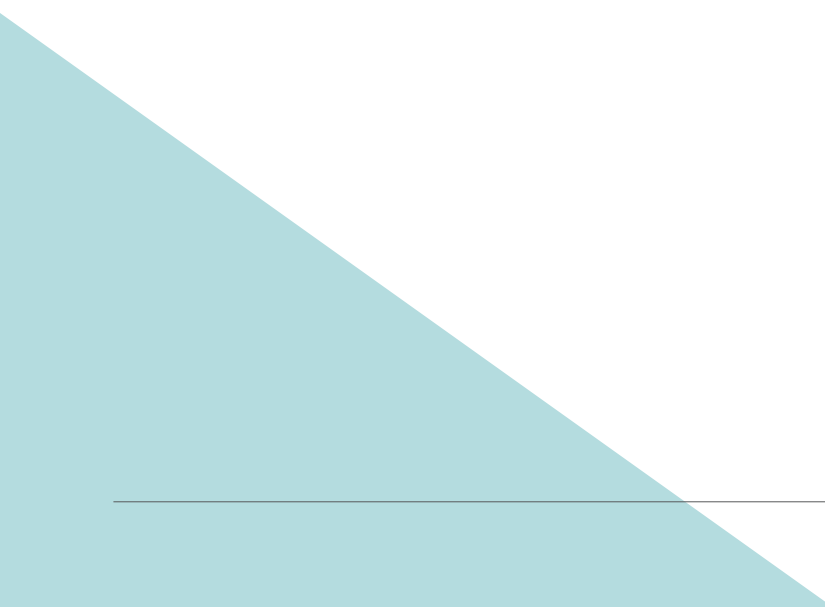
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PART A
ANNUAL REPORT
THE BOARD OF
PROFESSIONAL ENGINEERS
OF QUEENSLAND
2017/18



INTRODUCTION

WHO WE ARE

The Board of Professional Engineers of Queensland (BPEQ) is Queensland's engineering regulator. BPEQ traces its history back to 1930, when the then Queensland Government passed the original Professional Engineers Act. BPEQ is responsible for the administration of the *Professional Engineers Act 2002* (PE Act).

As a statutory organisation, BPEQ reports to the Minister for Housing and Public Works (the Minister) and has an administrative 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.

CHAIRPERSON'S MESSAGE



Next year will mark 90 years since the introduction of the first Professional Engineers Act. It surprises many engineers that Queensland is the only Australian state or territory with a system of registration for engineers, but in the past 12 months there has been a renewed push from engineers in Victoria, Western Australia and the ACT to change this. Victoria looks likely to adopt a registration system based on Queensland's and BPEQ has consulted with the Victorian Government about its introduction and how it would work.

RPEQ numbers continue to grow. During the last 12 months BPEQ has received on average 148 RPEQ applications each month – the first time at least 100 applications were made each month in a financial year. The ultimate aim, and one of BPEQ's strategic objectives, is to maximise registration so that all engineers who provide a professional engineering service in Queensland are registered.

Another strategic objective is to increase awareness of the value of registration. To do this BPEQ members and staff have travelled extensively throughout Queensland meeting with engineering firms, construction companies, mining and resource companies, universities and local governments. These visits serve the purpose of educating engineers, but it also allows BPEQ to connect with engineers and understand their concerns.

It is clear that RPEQs want to see BPEQ do more to protect the profession and manage unregistered and unsatisfactory practice. BPEQ has discussed these matters with the Minister and recommended amendments to the *Professional Engineers Act 2002*. BPEQ has also worked closely with other statutory bodies and government agencies in relation to matters impacting the profession and public, including the issue of non-conforming building products.

I was privileged to be reappointed BPEQ Chairperson earlier this year, while Suzy Cairney and Nagaratnam Sivakugan were appointed in place of Adam Stoker and Simon Biggs. The new and ongoing Board members have combined well and will maintain BPEQ as an agile, forward-thinking, efficient and well-governed organisation. I thank and acknowledge Adam and Simon for their service and wish them all the best.

The Board can only succeed with the support of dedicated, knowledgeable and hardworking staff. In closing, I want to thank the BPEQ staff for their considerable effort over the past 12 months and their ongoing work and commitment to working in the best interests of engineers and the Queensland public.

Dawson Wilkie
Chairperson

*Board of Professional Engineers
of Queensland*

REGISTRAR'S REPORT



During my almost three years as BPEQ Registrar I have spoken about the need to modernise and improve the organisation and its services. In my office I keep a whiteboard of projects and initiatives intended to do just that. A great deal of work has gone on behind the scenes and the organisation is progressing well.

BPEQ's staff have worked tirelessly throughout 2017/18 to support the Board and bring to fruition its plans and strategies.

Two obvious areas of improvement this financial year were in renewals and the management of complaints and investigations.

The renewal process was done entirely online this year; except for RPEQs who have fitness to practice or continuing professional development issues. The move to online renewals makes the process quicker and easier for RPEQs and

BPEQ staff. Despite there being some minor glitches with the online renewal process, it was successful.

Increased resources have allowed the Legal, Compliance and Investigations Unit to manage complaints and notifications more promptly and efficiently. Investigations, while complex and time consuming, are also being managed more efficiently and BPEQ has enjoyed greater success in cases it has taken to court. Investigations often require the input and expertise of a RPEQ to assist in a technical sense. One way the investigative process could be further improved is by BPEQ being able to call on a wider pool of expert RPEQ investigators.

Engineering is facing significant change and challenges. To better understand these changes and challenges and improve is regulatory performance BPEQ has agreed on the terms of reference for a futures paper and commenced a review of the areas of engineering and continuing

professional development. In 2019 BPEQ will begin a comprehensive review of the PE Act and the Code of Practice for RPEQs.

BPEQ must never lose sight of its core regulatory responsibilities – to protect the public and set the standard of engineering – but we are committed to continuously improving and enhancing our performance.

Kylie Mercer
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 an prescribed school of engineering; one person who is a representative of the Queensland Division of Engineers Australia; one person who resides in and predominantly undertakes professional engineering services in regional Queensland; one person who is a lawyer of at least 10 years' standing and has experience in the law relating to building and construction; one person who has at least 10 years' experience as a construction contractor in the building and construction industry; and one person who is not a registered professional engineer to act as a representative of the community.



DAWSON WILKIE **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 on the Board, appointed in July 2016. Yvonne has more than 30 years' experience as a consultant, contract administrator, project manager, builder and managing director working in north Queensland. Yvonne currently owns and manages Myown Constructions, where she combines her role as managing director with construction manager and consultant.

She is a member of Women in Construction, Queensland Master Builders Association, the Australian Institute of Company Directors and sits on the Queensland Building Commission Board. Yvonne has been awarded on a number of occasions by QMBA for her work and service in the building industry.

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.

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.

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.

FORMER BOARD MEMBERS

PROFESSOR SIMON BIGGS
ACADEMIC REPRESENTATIVE

FREng, CEng, FIChemE, FRSC

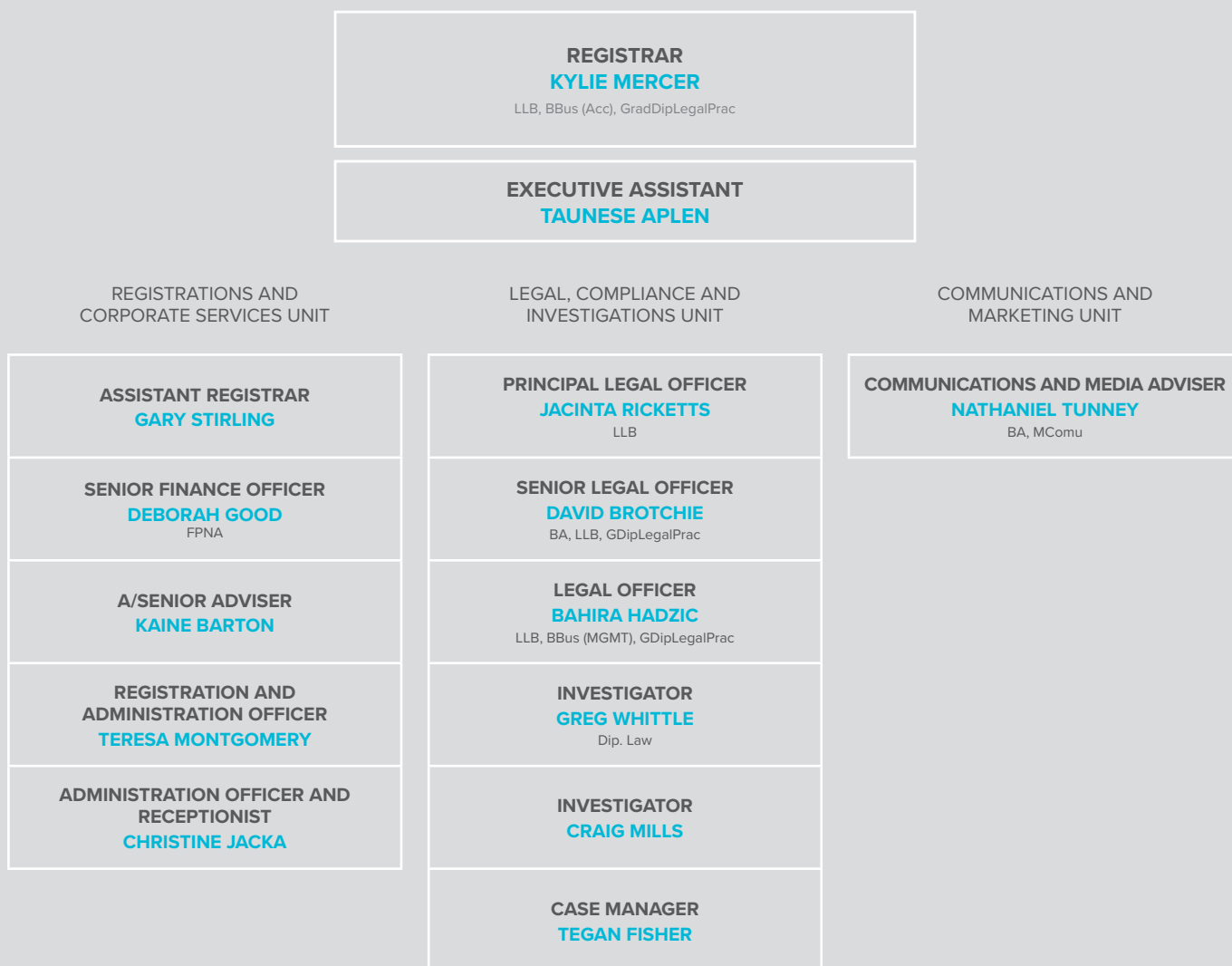
Simon Biggs resigned from the Board on 31 December 2017 after being appointed Deputy Vice-Chancellor of the University of Western Australia, making him ineligible to sit on the Board.

ADAM STOKER
LEGAL REPRESENTATIVE

LLB (Hons), MTax, BMedSc

Adam Stoker completed his period of appointment on 31 March 2018.

ORGANISATIONAL CHART



OPERATING ENVIRONMENT AND PERFORMANCE

Engineering is undergoing profound changes and challenges with increasing globalisation and competition, emerging technologies and automation and falls in technical skills in certain industries. As the regulator, BPEQ must be aware of and prepared to deal with current and future changes and challenges in the profession.

STRATEGIC DIRECTION AND PERFORMANCE AGREEMENT

BPEQ's strategic direction is shaped by the core objectives of the PE Act and challenges in the profession, while also considering industry, government and legislative priorities. The Board holds an annual strategy meeting to discuss factors influencing the profession and determine its strategic direction. The Board holds an annual strategy meeting to discuss factors influencing the profession and determine its strategic direction.

The following strategic objectives were set by the Board at its 2018 strategy meeting:

1. Maximising registration – 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 awareness of value of RPEQ to the consumer

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

Complementing BPEQ's strategic direction is the Performance Agreement entered into with the Minister. The Performance Agreement sets out BPEQ's strategic direction for the current financial year and the two succeeding financial years.

The Board's activities for 2017/18 were consistent with its Performance Agreement with the Minister.

MEASURING OUR PERFORMANCE

BPEQ agreed to the following outcomes and key performance indicators (KPIs) to measure its 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

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 13,526 RPEQs
- registering 1,773 engineers during the 12 months 1 July 2017 to 30 June 2018
- achieving an average of 148 applications for registration each month
- launching a continuing professional development bursary to assist RPEQs in remote and very remote parts of Queensland
- hosting and organising 66 seminars, legal case study workshops and lectures throughout Queensland with various stakeholders
- transition the renewal process to an online system

The table of strategic and performance objectives included in the 2016/17 Annual Report used incorrect colour coding to denote actions that had been 'Completed' or 'Planned'. Strategic and performance actions listed as completed in the 2016/17 Annual Report were still planned at the time of publication. Strategic and performance actions listed as planned in the 2016/17 Annual Report had been completed at the time of publication and are not reported as part of the 2017/18 Annual Report.

Strategic and performance objectives

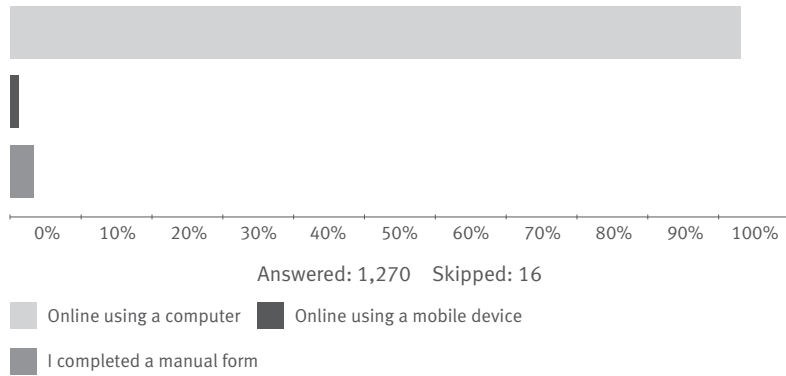
Maximise registration - all engineers who provide an engineering service in Queensland are registered ↓	Improving the professionalism of RPEQs ↓	Maintain BPEQ as an agile, forward-thinking, efficient and well-governed organisation ↓	Increase awareness of value of RPEQ to the consumer ↓
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Strategies and commitments to achieve objective

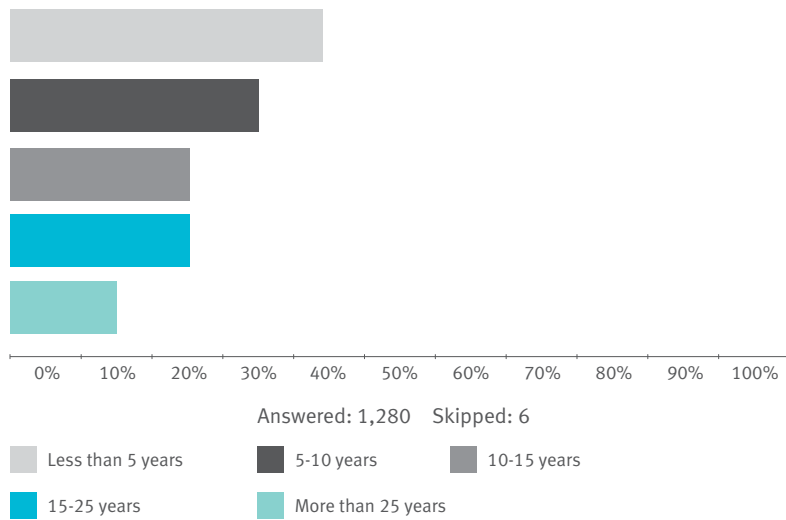
Develop and/or apply consistent standards and procedures to decisions on registration and assessment entity approvals	Develop innovative approaches to the delivery of services, including a professional review and redevelopment of the website	Annual review of Strategic Plan and key governance documents 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 co-regulatory 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
Develop practices and procedures framework for the timely assessment and processing of complaints, investigations and disciplinary action	Review CPD auditing process to ensure cost effectiveness	Maintain a dynamic, supportive and healthy environment for BPEQ staff	Consult and engage with key stakeholders about development of a graduate registration scheme
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	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	
Commence review of complaints processes		Review Board charter	
Review assessment entity procedures and assessment schemes			
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

Q1 How did you renew your registration this year?



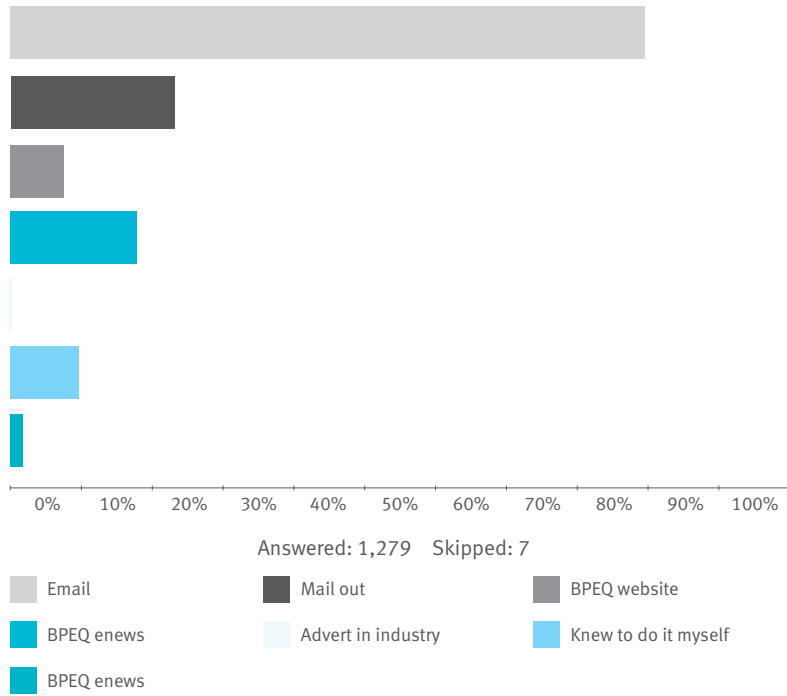
Q2 How long have you been a RPEQ (including time as a non-practising RPEQ)?



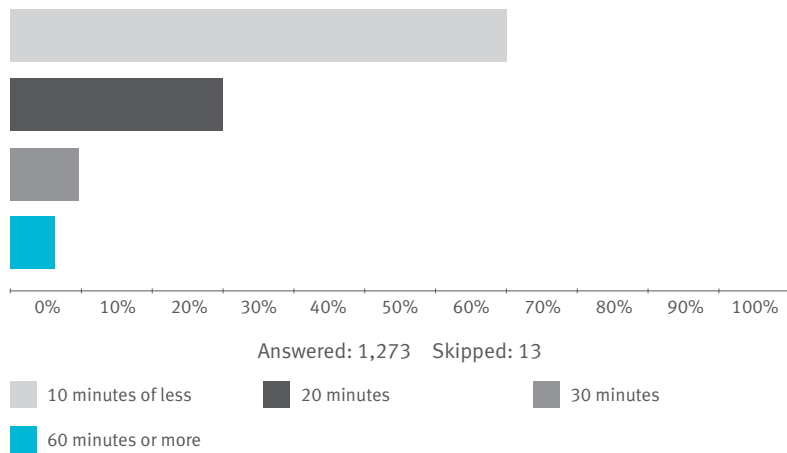
Q3

	EXCELLENT	GOOD	NEUTRAL/AVERAGE	JUST OK	NEEDS WORK	N/A
Ease of renewing	40.60% 490	39.77% 480	8.20% 99	3.73% 45	6.79% 82	0.91% 11
Information/instructions provided when renewing (e.g. prompts)	36.42% 452	43.67% 542	10.07% 125	4.11% 51	5.08% 63	0.64% 8
Communications and reminders in lead up to renewal period (e.g. mail out, emails)	39.86% 509	45.81% 585	7.99% 102	3.29% 42	2.58% 33	0.47% 6
Customer service provided by BPEQ	27.97% 355	32.70% 415	11.51% 146	2.05% 26	3.47% 44	22.30% 283

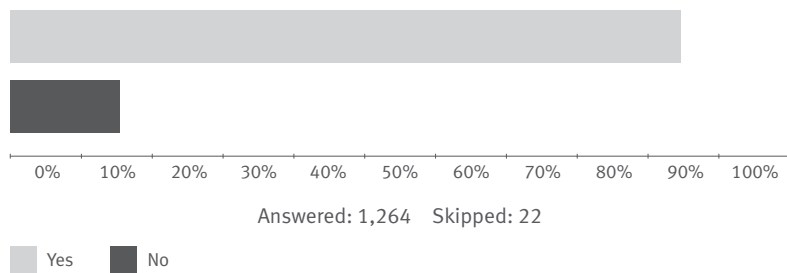
Q4 How did you find out about renewing your registration?



Q5 How long do you estimate you spent renewing your registration online?



Q6 Did you find the online renewal process quicker and easier than having to complete the hard copy paperwork?



ENVIRONMENTAL FACTORS

BPEQ has identified the following factors as impacting the agency:

- Economic conditions and employment opportunities for engineers
- Victorian proposal to introduce system of registration for engineers
- Relevance of BPEQ to the profession, public and other stakeholders
- 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
- Cooperation with other government agencies and statutory authorities
- Use and monitoring of non-conforming building products
- Globalisation of engineering and engineering work being done overseas
- STEM skill shortages and decreasing number of students studying engineering

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 vary remote areas of Queensland
- Continued discussions with the Victorian Government on its planned system of registration for engineers to promote consistency between the two states
- Regular engagement with employers of engineers (human resources, management)

- Prepared terms of reference for futures paper
- Engaged with relevant government agencies and statutory authorities to offer support and collaboration
- Providing submissions to inquiries and advice to government, including suggested regulatory changes
- Established links with engineering student societies and all Queensland universities that offer engineering courses
- Commenced review of areas of engineering

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 for clients and enhancing its governance and decision-making processes
- Encouraging and supporting the delivery of infrastructure projects across Queensland
- Promoting the value of registration to ensure safety of both people and the environment
- Ensuring that persons who provide professional engineering services are qualified and competent to do so

STAKEHOLDERS

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

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

Matters of interest to these key stakeholders may include:

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

STRENGTHS, RISKS AND OPPORTUNITIES

BPEQ has identified various internal and external strengths, risks, opportunities and challenges in its operating environment.

Strengths identified by BPEQ include:

- Legislation – guidance and authority to act
- Current financial position
- Growing number of RPEQs
- Ability to investigate and prosecute
- Registrar and staff culture
- Strong stakeholder relations
- Knowledgeable and cohesive Board
- Strategy to achieve new registrations
- Increased focus on strategy and corporate governance
- Code of Practice
- Better management of complaints and notifications

Among the risks and challenges are:

- Inadequate time to review information to comply with response
- Inability to get companies to engage at top level
- Government and departmental changes
- Key definitions in PE Act not clear
- Limited public awareness of BPEQ and RPEQ
- Staff employment – public servants and contract employees
- Limited independence/autonomy
- Lack of relevant resources
- Lack of value placed in RPEQ brand
- Limited engineering disciplines represented on Board
- Overreliance on professional organisations to provide assessment schemes, processes and standards
- Professional organisations changing CPD schemes
- Globalisation of engineering and engineering work being done overseas

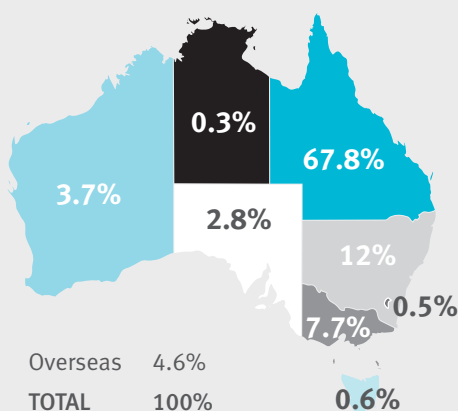
- Other states creating incompatible registration systems and legislation
- Board turnover and loss of knowledge/expertise
- Individuals not paying penalties to BPEQ
- Complex and expensive litigation
- Increasing investigation costs and length of investigations
- Small pool of expert engineer investigators

Opportunities identified by BPEQ include:

- Increase number of RPEQs
- Increase diversity of engineering
- Technology and equipment upgrades
- Greater engagement with profession, professional and academic institutions, Department, government, assessment entities and related industries (i.e. construction sector and insurers)
- Promotion of Code of Practice
- Review and improve current policies
- Create value for RPEQs and develop brand value
- Improved processes and systems
- Board development and effectiveness
- Creation of new types of registration
- Advocacy for engineer registration interstate

REGISTRATIONS

As at 30 June 2018, BPEQ registered 13,526 RPEQs, with registrants from Queensland, interstate and overseas.



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

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

The registration scheme is co-regulatory, with professional engineering organisations engaged to assess the qualification, experience and competency of an engineer on behalf of BPEQ. BPEQ then consider the engineer's fitness to practise.

The approved assessment schemes are managed by:

- The Australasian Institute of Mining and Metallurgy (**AusIMM**)
- Engineers Australia
- 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
- The Royal Institute of Naval Architects (Australia) (**RINA**)

As at 30 June 2018, BPEQ registers RPEQs in the following areas:

# RPEQs	Area of Engineering
28	Aeronautical
105	Aerospace
12	Agricultural
28	Biomedical
194	Building Services
667	Chemical
5372	Civil
72	Civil - Public Works
28	Computer Systems
2443	Electrical
190	Environmental
15	Fire
109	Fire Safety
124	Geotechnical
118	Geotechnical (mining)
5	Geotechnical/Geological
2	Heritage and Conservation
65	Information Technology and Telecommunications
322	Information Telecommunications and Electronics
4	Inspection of Amusement Rides and Devices
434	Management
2	Marine
2362	Mechanical
62	Metallurgical
345	Mining
38	Naval Architecture
5	Oil and Gas Pipeline
108	Petroleum
20	Pressure Equipment Design Verification
1453	Structural
40	Subdivisional Geotechnics

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. Some of these areas of engineering (e.g. agricultural) are no longer available for RPEQs to register in.

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

	2015/16	2016/17	2017/18
New Registrations	1,282	1,379	1,773
Reinstated	198	259	422
Disqualified	0	(1)	0
Retired / Resigned / Lapsed / Deceased	(813)	(948)	(1,333)
Moved to non-practising	n/a	(13)	(4)
TOTAL (number of RPEQs at 30 June)	11,992	12,668	13,526

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.

As at 30 June 2018, there were 225 non-practising engineers registered with BPEQ.

COMPLAINTS, INVESTIGATIONS AND DISCIPLINARY PROCEEDINGS

A core function of BPEQ is to investigate and take disciplinary or legal action against persons in breach of the PE Act or the Code of Practice for Registered Professional Engineers.

During the 2017/18 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.

Complaints

Type	C/F from 16/17	Received 17/18	Dismissed (without investigation) 17/18	Investigated 17/18	Investigated and Decided	Pending/not completed
Disciplinary	38	40	36	9	11	31
Compliance	18	27	29	3	8	8
Total	56	67	65	12	19	39

During the 2017/18 financial year, BPEQ received 40 complaints and notifications about the conduct of RPEQs and 27 compliance notifications about potential non-compliance with the PE Act. BPEQ also considered 38 complaints and notifications about RPEQ's conduct and 18 notifications about compliance with the PE Act which were received the previous financial year.

Investigations

Type	C/F from 16/17	Commenced 17/18	Completed 17/18	Pending/not completed
Disciplinary	16	9	11	14
Compliance	8	3	8	3
Total	24	12	19	17

In the 2017/18 financial year, BPEQ commenced nine (9) disciplinary investigations and three (3) compliance investigations, bringing the total investigations commenced to 12 investigations. BPEQ continued 16 disciplinary investigations and eight (8) compliance investigations from the previous financial year.

Of the 11 disciplinary matters investigated and decided:

- two (2) reprimands were issued by the Board
- seven (7) matters were unsubstantiated
- one (1) investigation decision was repealed for various reasons
- one (1) matter was substantiated but a decision was made to take no action

Of the eight (8) compliance matters which were investigated and decided:

- one (1) prosecution was commenced and is ongoing
- one (1) reprimand was issued by the Board
- two (2) investigations were discontinued because the respondent passed away
- two (2) matters were unsubstantiated following investigation
- two (2) investigation decisions were repealed for various reasons

The 17 disciplinary and compliance investigations which were not completed remain at various stages of investigation.

DISCIPLINARY PROCEEDINGS AND PROSECUTIONS

Type	C/F from 16/17	Commenced 17/18	Completed 17/18	Pending/not completed
Disciplinary	3	0	2	1
Compliance	0	1	0	1
Total	3	1	2	2

During the 2017/18 financial year, two (2) disciplinary prosecutions which were before the Queensland Civil and Administrative Tribunal (QCAT) were completed. Disciplinary orders were made by QCAT in relation to one of those prosecutions. One (1) disciplinary prosecution was pending (awaiting delivery of QCAT's decision).

One (1) prosecution for non-compliance with the PE Act was commenced in the Magistrates Court and is listed for sentence.

CPD AUDITS

BPEQ has developed a continuing professional development (CPD) policy in collaboration with its approved assessment scheme entities.

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

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

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 2017/18:

CPD audits 2017/18

RPEQs audited	220
RPEQs passed	176
RPEQs found to be non-compliant	44
Non-compliance being addressed by BPEQ	4
Non-compliance followed by resignation or lapsed registration	34
Changed to non-practising	6

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 2017/18 financial year, BPEQ members and staff travelled throughout Queensland meeting with stakeholders and conducting registration roadshows, seminars, legal case study workshops and lectures, including:

- AECOM, Mackay
 - AECOM, Townsville
 - Anglo-American Dawson Mine, Moura
 - AT Consult, Kingaroy
 - Aurizon, Rockhampton
 - AusIMM Student Chapter, Brisbane
 - Australian Rail Track Corporation, Brisbane
 - Banana Shire Council, Biloela
 - Barcoo Shire Council, Jundah
 - Beca, Brisbane
 - BHP, Brisbane
 - BHP, various sites (teleconference)
 - Boulia Shire Council, Winton (teleconference)
 - Bowen Basin & Hunter Valley Open Cut Geotechnical Society, Coppabella
 - Bowen Basin Underground Geotechnical Society, Capella
 - Bundaberg Regional Council, Bundaberg
 - Bundaberg Walkers Engineering, Bundaberg
 - Cardno, Mackay
 - Cassowary Coast Regional Council, Innisfail
 - Central Queensland University, Rockhampton
 - CS Energy, Callide
 - Curragh Mine, Curragh
 - Department of Natural Resources and Mines – Dam Safety unit, Brisbane
 - Department of Transport and Main Roads, Brisbane
 - Empire Engineers, Bundaberg
 - Energy Queensland, Brisbane
 - Engineers Australia – Hervey Bay group, Hervey Bay
 - Enginfra Consulting, Kingaroy
 - Ergon Energy, Cairns
 - Ergon Energy, Maryborough (teleconference)
 - Ergon Energy, Rockhampton
 - Ergon Energy, Townsville
 - ETS Geo, Cairns
 - Gladstone Area Water Board, Gladstone
 - GHD, Bundaberg
 - GHD, Cairns
 - GHD, Townsville
 - Gladstone Ports Corporation, Gladstone
 - Gladstone Regional Council, Gladstone
 - Griffith University, Gold Coast
 - Isaac Regional Council, Moranbah
 - Jacobs, Cairns
 - Janes and Stewart Structures, Rockhampton
 - LCJ Consultants, Townsville
 - Mareeba Shire Council, Atherton
 - McMurtrie Consulting Engineers, Rockhampton
 - Nexus, Toowoomba
 - Noosa Shire Council, Noosa
 - North Burnett Regional Council, Mundubbera
 - Peabody Millennium Mine, Coppabella
 - Ports North, Cairns
 - Queensland Rail, Brisbane
 - Rio Tinto Hail Creek Mine, Hail Creek
 - RMA Engineers, Bundaberg
 - SCG Consulting, Noosa
 - Seqwater, Ipswich
 - South Burnett Regional Council, Nanango
 - Stanwell Meandu Mine, Tarong
 - Stanwell Tarong Power Station, Tarong
 - Stanwell Power Station, Stanwell
 - STP Consultants, Townsville
 - Tablelands Regional Council, Atherton
 - Terracom Blair Athol Mine, Clermont
 - TOD Consulting, Noosa
 - Toowoomba Regional Council, Toowoomba
 - University of Queensland, Brisbane
 - University of Southern Queensland, Toowoomba
 - Welcon, Gladstone
 - Wilmar Sugar, Townsville
 - Winton Shire Council, Winton
 - WSP, Cairns
- BPEQ members and staff have also attended, presented at and sponsored a number of industry events and conferences, including:
- AusIMM Southern Queensland Student Chapter students meet industry night (2017), Brisbane
 - AusIMM Southern Queensland Student Chapter students meet industry night (2018), Brisbane
 - Australian/Asian Control Conference 2017, Gold Coast
 - Griffith University Environmental Engineering Society careers night, Brisbane
 - Griffith University Environmental Engineering Society networking night, Brisbane
 - International Mining Geology Conference, Hobart
 - IPWEAQ Central Queensland Branch Conference, Barcaldine
 - IPWEAQ North Queensland Branch Conference, Cairns
 - IPWEAQ State Conference, Townsville
 - James Cook University Engineering Undergraduate Society industry night (semester two, 2017), Townsville
 - James Cook University Engineering Undergraduate Society industry night (semester one, 2018), Townsville
 - Local Government Association of Queensland State Conference, Gladstone
 - Mining Electrical Safety Conference, Brisbane

- Queensland Mining Industry Health and Safety Conference, Gold Coast
- Queensland University of Technology Civil Engineering Student Society networking night, Brisbane
- Queensland University of Technology Civil Engineering Student Society Maximise Your Future, Brisbane
- Queensland University of Technology engineering careers fair, Brisbane
- Queensland University of Technology Girls in Engineering Making Statements Make the Most of Your Summer, Brisbane
- Queensland University of Technology Girls in Engineering Making Statements industry panel night, Brisbane
- Queensland University of Technology Girls in Engineering Making Statements industry night, Brisbane
- Queensland University of Technology Girls in Engineering Making Statements Talking About Your Major, Brisbane
- University of Queensland Engineering Undergraduate Society careers fair (semester two, 2017), Brisbane
- University of Queensland Engineering Undergraduate Society careers fair (semester one, 2018), Brisbane
- University of Sunshine Coast Engineering Student Society industry presentation, Sunshine Coast

CASE NOTES, PRACTICE NOTES AND E-NEWS

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

There are currently 18,753 BPEQ e-news subscribers.

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).

CORPORATE GOVERNANCE

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

BOARD MEMBERSHIP AND FUNCTIONS

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

The PE Act sets out BPEQ’s functions as follows:

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

In performing its functions, BPEQ is required to act independently, impartially, and in the public interest. The Minister may give BPEQ 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 nine times during the 2017/18, including eight regular Board meetings and the annual strategy meeting held in May 2018.

	Term of appointment	No. attended	No. eligible to attend	Fees \$
Mr D Wilkie	1/4/2018	9	9	\$4,500
Ms E Storey	1/7/2016	9	9	\$3,500
Ms Y Pengilly	1/7/2016	6	9	\$3,500
Ms S Hansen	1/7/2016	7	9	\$3,500
Mr P Evans	1/7/2016	9	9	nil
Ms S Cairney	1/4/2018	3	3	nil
Dr N Sivakugan	1/4/2018	3	3	\$875
Prof S Biggs	1/1/2015	3	4	\$1,750
Mr A Stoker	1/2/2015	3	6	\$2,625

STAFF AND RESOURCES

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

During the 2017/18 financial year BPEQ increased staff and resources in the Legal, Compliance and Investigations Unit and in the Registrations and Corporate Services Unit.

As at 30 June 2018, BPEQ employed five full time equivalent (FTE) staff engaged under the provisions of the *Public Service Act 2008* (PSA). One additional FTE staff member was employed by BPEQ on secondment from the Department.

As at 30 June 2018, BPEQ directly employed eight FTE staff. These staff members are not employed under the PSA.

No staff redundancies, retrenchments or retirements occurred during the 2017/18 financial year. There were changes to personnel in the Legal, Compliance and Investigations Unit after existing staff left the organisation to take up new roles.

BPEQ provides a budget for staff to complete development and training. Staff completed various training courses during the 2017/18 financial year. BPEQ staff also attended in-house training on unconscious bias.

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.

BPEQ's website attracted 929,758 page views in the 12 months between 1 July 2017 and 30 June 2018. There were 67,713 new visitors to the BPEQ website in the 12 months between 1 July 2017 and 30 June 2018. The average browsing session on the BPEQ website was 4 minutes and 43 seconds. Web traffic was generated from organic searches (65.5 per cent), direct search (30.5 per cent), referral from another website (2.7 per cent), social media (0.8 per cent) and email (0.6 per cent).

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 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 QLD 4000.

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

Various documents are also made available online.

CATEGORIES OF DOCUMENTS

BPEQ maintains the following categories of documents:

personal registration files of natural persons;

- files on formerly registered professional engineering companies;
- files on formerly registered professional engineering units;
- register of RPEQs;
- minutes of Board meetings;

- files on the case management of complaints;
- files on the case management of investigations;
- files on the case management of prosecutions;
- files on BPEQ activities;
- general files; and
- policies of the BPEQ.

INFORMATION SYSTEMS AND RECORDKEEPING

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

PRIVACY AND RIGHT TO INFORMATION

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

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

Applications can be addressed to:

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

Or delivered in person to:

**Level 15, 53 Albert Street
BRISBANE QLD 4000**

RISK MANAGEMENT

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

Risk management was considered by the Board at its 2018 strategy meeting.

CODE OF CONDUCT

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

BPEQ staff employed under the PSA 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.

CONSULTANT SERVICES

BPEQ engaged the following consultant services during financial year 2017/18:

Consultant	Services provided	Cost \$
Acworth Recruitment	recruitment services	6,682.50
Biological Psychiatry Clinic	expert services – fitness to practice issue	25,600.00
Clarke Kann Lawyers	legal services	40,701.92
Clayton Utz	legal services	14,958.24
Crown Law	legal services	15,080.45
Douglas Hargreaves	review of areas of engineering	24,431.19
Grosser Legal	legal services	6,121.50
Holmes McLeod Consulting	engineering services – investigation	16,577.00
Hughes Beal & Wright	engineering services – investigation	18,611.00
James NH Beattie	engineering services – investigation	4,800.00
Morrison Geotechnical	engineering services – investigation	6,111.60
NTGR Consulting Engineers	engineering services – investigation	24,750.00
NJA Consulting	engineering services – investigation	31,085.51
Peter Way	review of assessment schemes	1,320.00
Phronis Consulting	engineering services – investigation	91,048.00
ThinkSuite	strategy meeting facilitation	6,600.00
Total consultant expenditure 2017/18		334,478.91

OVERSEAS TRAVEL

BPEQ members and staff undertook no overseas travel during financial year 2017/18.

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.

EXTERNAL AUDIT

An interim audit visit was conducted by the MGI Group on 5 and 6 June 2018. The external audit was carried out by MGI Group on 17 and 18 July 2018.

The audit certification of financial statements was provided by the Queensland Audit Office (QAO) on 31 August 2018.

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.

Registration fees for 2017/18 were set at \$219.95. Fees for the 2018/19 financial year are set at \$227.65.

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 2017 and total revenue and expenditure in 12 months from 1 July 2017 to 30 June 2018 – are included in this Annual Report.

GLOSSARY

ARRs	Annual report requirements for Queensland Government agencies
AusIMM	The Australian Institute of Mining and Metallurgy
BPEQ	The Board of Professional Engineers of Queensland
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)
PE Act	<i>Professional Engineers Act 2002</i>
RPEQ	Registered Professional Engineer of Queensland
RINA	The Royal Institution of Naval Architects (Australia)

PART B
FINANCIAL STATEMENTS
THE BOARD OF
PROFESSIONAL ENGINEERS
OF QUEENSLAND
2017/18

Your ref:
Our ref: 2018-8331
Bhavik Deoji 3149 6171

IN-CONFIDENCE

31 August 2018

Ms K Mercer
Registrar
Board of Professional Engineers of Queensland
PO Box 15213
CITY EAST QLD 4002

Dear Ms Mercer

General Purpose Financial Statements — 2017-18
Board of Professional Engineers of Queensland

I enclose for your information the certified General Purpose Financial Statements as required by s.40 (4) of the *Auditor-General Act 2009*. Copies of the certified statements were forwarded to the chairperson and minister.

I have issued an unqualified auditor's report.

Yours sincerely

Bhavik Deoji
Director

Enc.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

FINANCIAL STATEMENTS

30 JUNE 2018

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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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 2018

	Notes	2018 \$	2017 \$
Income from Continuing Operations			
Fees and Other Receipts	2	3,001,546	2,705,382
Interest Revenue	3	88,319	80,333
Other Revenue	4	308	48
Total Income from Continuing Operations		3,090,173	2,785,763
Expenses from Continuing Operations			
Administrative Expenses	5	865,246	722,539
Employee Expenses	6	1,335,681	903,305
Investigation and Legal Expenses		343,460	594,550
Depreciation		61,957	1,987
Total Expenses from Continuing Operations		2,606,344	2,222,381
Operating Result from Continuing Operations		483,829	563,382
Other Comprehensive Income		-	-
Total Comprehensive Income		483,829	563,382

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 2018

	Notes	2018 \$	2017 \$
Current Assets			
Cash and Cash Equivalents	7	4,782,797	4,243,195
Receivables	8	55,310	67,019
Other Assets	9	21,564	20,065
Total Current Assets		<u>4,859,671</u>	<u>4,330,279</u>
Non-Current Assets			
Plant and Equipment	10	283,698	3,597
Total Non-Current Assets		<u>283,698</u>	<u>3,597</u>
Total Assets		<u>5,143,369</u>	<u>4,333,876</u>
Current Liabilities			
Payables	11	60,981	152,854
Unearned Revenue	12	2,788,860	2,432,807
Accrued Expenses	13	79,179	29,254
Provision for Employee Benefits	14	26,653	12,079
Other Current Liabilities	15	21,526	26,623
Total Current Liabilities		<u>2,977,199</u>	<u>2,653,617</u>
Non-Current Liabilities			
Provision for Employee Benefits	14	4,613	2,531
Total Non-Current Liabilities		<u>4,613</u>	<u>2,531</u>
Total Liabilities		<u>2,981,812</u>	<u>2,656,148</u>
NET ASSETS		<u>2,161,557</u>	<u>1,677,728</u>
EQUITY			
Accumulated Surplus		2,161,557	1,677,728
TOTAL EQUITY		<u>2,161,557</u>	<u>1,677,728</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 2018

	Notes	Accumulated Surplus \$
Balance as at 1 July 2016		1,114,346
Operating Result from Continuing Operations		563,382
Total Other Comprehensive Income		-
Balance as at 30 June 2017		<u>1,677,728</u>
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><u>2,161,557</u></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 2018

	Notes	2018 \$	2017 \$
Cash Flows from Operating Activities			
<i>Inflows:</i>			
Fees and Other Receipts		3,277,878	2,799,521
Penalties and Costs		79,818	71,690
Interest Revenue		88,319	80,333
<i>Outflows:</i>			
Employee Expenses		(1,276,839)	(837,965)
Board Member Expenses		(52,979)	(69,655)
Administrative Expenses		(887,479)	(635,654)
Investigations and Legal Expenses		(343,461)	(594,550)
Net Cash provided by/(used in) Operating Activities	16	885,257	813,720
Cash Flows from Investing Activities			
<i>Outflows:</i>			
Payments for Plant and Equipment		(345,655)	-
Net Cash provided by/(used in) Investing Activities		(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		539,602	813,720
Cash at the beginning of the financial year		4,243,195	3,429,475
Cash at the end of the financial year	7	4,782,797	4,243,195

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 2018

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 2018, 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 2018

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

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 fair value through profit and loss
- 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.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Summary of Significant Accounting Policies (continued)

(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.

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.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Summary of Significant Accounting Policies (continued)

(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 2018

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 2017-18 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 2018 are recognised as Unearned Revenue in 2017-18.

(s) New and Revised Accounting Standards

The Board did not voluntarily change any of its accounting policies during 2017-18.

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 2018, and AASB 1058 Income of 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:

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Summary of Significant Accounting Policies (continued)

(s) New and Revised Accounting Standards (continued)

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

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.

Although the Board anticipates that the adoption of AASB 1058 and AASB 15 may have an impact on the Board's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16 Leases

This standard will first apply to the Board from its financial statements for 2019-2020. 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

Unlike AASB 117 Leases, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position under AASB 16. There will be a significant increase in assets and liabilities for agencies that lease assets. The impact on the reported assets and liabilities would be largely in proportion to the scale of the agency's leasing activities.

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.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Summary of Significant Accounting Policies (continued)

(s) New and Revised Accounting Standards (continued)

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. If a lessee chooses to apply the 'cumulative approach', it does 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. The Board will await further guidance from Queensland Treasury on the transitional accounting method to be applied.

The Board anticipates that the adoption of AASB 16 in 2019-2020 will impact on the Board's statement of financial position with the effect of a right of use asset and lease liability being recognised for an estimated \$421,000.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the Board's activities, or have no material impact on the Board.

	2018	2017
	\$	\$
2. Fees and Other Receipts		
Application Fees	109,306	83,459
Registration Fees	240,865	196,459
Renewal Fees	2,436,965	2,265,589
Restoration and Processing Fees	134,592	86,835
Seminars	-	1,350
Penalties and Costs	79,818	71,690
Total	3,001,546	2,705,382
 3. Interest Revenue		
Cheque Account	3,325	2,745
Cash Management	84,994	77,588
Total	88,319	80,333
 4. Other Revenue		
Miscellaneous Income	308	48
Total	308	48

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
5. Administrative Expenses		
Accounting and Audit Fees*	10,500	10,500
Advertising	159,541	133,525
Bank Charges	29,757	29,285
CPD Audit Fees	78,997	40,909
Members Expenses	52,979	69,655
Rent/Electricity/Car Parking	109,539	104,904
Office Maintenance	3,843	13,312
Telephone	42,302	8,509
Printing and Stationery	55,999	41,963
Postage and Couriers	34,925	36,543
Insurance	15,595	15,170
Conferences / Travel	37,347	22,477
Subscriptions	584	1,758
Office Systems (includes computer maintenance)	203,334	154,363
Organisation Review	-	20,000
Other	30,004	19,666
Total	865,246	722,539

* Total audit fees paid to the Queensland Audit Office relating to the 2017-18 financial statements are estimated to be \$7,450 (2017: \$7,100). There are no non-audit services included in this amount.

6. Employee Expenses

Salaries and Wages	1,269,890	873,449
Superannuation	65,791	29,856
Total	1,335,681	903,305

	2018	2017
Number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis	18	12
Number of Board members paid wages during the year	6	5

The names of current Board members are:

Mr Dawson Wilkie
 Ms Evelyn Storey
 Ms Sarah Hansen

Ms Suzy Cairney
 Ms Yvonne Pengilly

Dr Nagaratnam Sivakugan
 Mr Peter Evans

Ms Suzy Cairney was not paid during the 2017-18 financial year.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 6 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 2017-18.

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
Gary Stirling	The acting Registrar is responsible for the management of the business of The Board	S01 Public Service Act 1996	15 January 2018 to 9 February 2018
Kaine Barton	The acting Registrar is responsible for the management of the business of The Board	S01 Public Service Act 1996	1 July 2017 to 7 July 2017 15 March 2018 to 4 May 2018

Executive Remuneration 1 July 2016 – 30 June 2017

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	143,653	-	2,546	15,629	-	161,828
Total Remuneration	148,153	-	2,546	15,629	-	166,328

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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

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.

	2018	2017
	\$	\$
7. Cash and Cash Equivalents		
Cash at Bank	257,394	97,660
Petty Cash	200	200
QTC Investment Account	4,525,203	4,145,335
Total	<u>4,782,797</u>	<u>4,243,195</u>
8. Receivables		
Undeposited Funds	4,069	5,631
Net Receivables	<u>4,069</u>	<u>5,631</u>
GST Receivable	51,241	61,388
Net GST Receivable	<u>51,241</u>	<u>61,388</u>
Total	<u>55,310</u>	<u>67,019</u>

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
9. Other Assets		
Insurance Prepayment	13,900	11,600
Other Prepayment	7,664	8,465
Total	<u>21,564</u>	<u>20,065</u>
10. Plant and Equipment		
Computer Equipment	-	15,905
Accumulated Depreciation	-	(15,905)
Total	<u>-</u>	<u>-</u>
Office Equipment	-	6,003
Accumulated Depreciation	-	(2,406)
Total	<u>-</u>	<u>3,597</u>
Leasehold Improvements	345,655	-
Accumulated Depreciation	(61,957)	-
Total	<u>283,698</u>	<u>-</u>
Total Plant and Equipment	<u>283,698</u>	<u>3,597</u>
Movements Schedule		
Computer Equipment		
Carrying amount at 1 July	-	1,386
Acquisitions	-	-
Disposals	-	-
Depreciation	-	(1,386)
Carrying amount at 30 June	<u>-</u>	<u>-</u>
Office Equipment		
Carrying amount at 1 July	3,597	4,197
Acquisitions	-	-
Disposals	(3,597)	-
Depreciation	-	(600)
Carrying amount at 30 June	<u>-</u>	<u>3,597</u>
Leasehold Improvements		
Carrying amount at 1 July	-	-
Acquisitions	345,655	-
Depreciation	(61,957)	-
Carrying amount at 30 June	<u>283,698</u>	<u>-</u>

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
10. Plant and Equipment (continued)		
Total Plant and Equipment		
Carrying amount at 1 July	3,597	5,583
Acquisitions	345,655	-
Disposals	(3,597)	-
Depreciation	(61,957)	(1,986)
Carrying amount at 30 June	<u>283,698</u>	<u>3,597</u>
11. Payables		
Trade Creditors	46,855	150,776
Other Creditors	14,126	2,078
Total	<u>60,981</u>	<u>152,854</u>
12. Unearned Revenue		
Renewal Fees	2,788,860	2,432,807
Total	<u>2,788,860</u>	<u>2,432,807</u>
13. Accrued Expenses		
Accrued Other	17,761	26,283
Accrued Wages	61,418	2,971
Total	<u>79,179</u>	<u>29,254</u>
14. Provision for Employee Benefits		
Current		
Accrued Employee Benefits		
Annual Leave Payable	26,653	12,079
Total	<u>26,653</u>	<u>12,079</u>
Non-Current		
Accrued Employee Benefits		
Long Service Leave Payable	4,613	2,531
Total	<u>4,613</u>	<u>2,531</u>
Analysis of Provisions	Employee Benefit	Employee Benefit
Opening Balance at 1 July	14,610	9,579
Additional provisions raised during the year	51,601	29,618
Amounts used	(34,945)	(24,587)
Balance at 30 June	<u>31,266</u>	<u>14,610</u>

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
15. Other Current Liabilities		
PAYG Tax Payable to ATO	21,526	26,623
Total	<u>21,526</u>	<u>26,623</u>

16. Reconciliation of Operating Surplus/(Deficit) to

Net Cash Provided by (Used in) Operating Activities

Operating Profit/(Loss)	483,829	563,382
Depreciation	61,957	1,987
Loss on disposal of asset	3,597	-
Changes in Assets and Liabilities		
Decrease (increase) in Receivables	11,709	(12,549)
Decrease (increase) in Other Assets	(1,498)	(1,563)
Increase (decrease) in Payables	(91,873)	114,071
Increase (decrease) in Unearned Revenue	356,053	165,781
Increase (decrease) in Accrued Expenses	49,924	(35,445)
Increase (decrease) in Provision for Employee Benefits	16,656	5,030
Increase (decrease) in Other Current Liabilities	(5,097)	13,026
Net cash provided by/(used in) operating activities	<u>885,257</u>	<u>813,720</u>

17. Events Occurring after Reporting Date

There are no events occurring after the balance date that materially affect the financial statements at 30 June 2018.

18. Commitments for Expenditure

The Board had no capital commitments of a material nature at 30 June 2018.

Non-Cancellable Operating Lease

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

	2018	2017
	\$	\$
Not later than one year	152,862	138,500
Later than one year and not later than five years	421,552	537,909
Later than five years	-	-
Total	<u>574,414</u>	<u>676,409</u>

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

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

19. 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 2018 there were no contingent liabilities.

20. Financial Risk Management

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 139 as detailed in the accounting policies to these financial statements, are as follows:

Category	2018	2017
Financial assets	\$	\$
Cash and Cash Equivalents	4,786,866	4,248,826
Total	4,786,866	4,248,826
Financial liabilities		
Financial liabilities measured at amortised cost:		
Payables	60,981	223,341
Total	60,981	223,341

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

20. 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:

	2018	2017
	\$	\$
Maximum Exposure to Credit Risk		
Financial Assets		
Cash and Cash Equivalents	4,786,866	4,248,826
Total	<u>4,786,866</u>	<u>4,248,826</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 2018

20. 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	2018	2017
Payables	\$	\$
Less than 1 year	60,981	223,341
Total	<u>60,981</u>	<u>223,341</u>
Total financial liabilities		
Less than 1 year	60,981	223,341
Total	<u>60,981</u>	<u>223,341</u>

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 \$47,828 (2017: \$42,432) 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 2018 and of the financial position of the Board at the end of that year.
- c) These Assertions are based on an appropriate system of internal controls and risk management processes being effective in all material respects, with respect to financial reporting throughout the reporting period.



Dawson Wilkie
Chairperson



Kylie Mercer
Registrar

Dated this 22nd day of August 2018

INDEPENDENT AUDITOR'S REPORT

To the Board 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 2018, 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 2018, 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.

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2018:

- 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



Queensland Audit Office
Brisbane

COMPLIANCE CHECKLIST

Summary of requirement		Basis for requirement	Annual report reference
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		26
	Public availability	ARRs – section 9.2	2
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	2
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	2
	Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	2
General information	Introductory Information	ARRs – section 10.1	8
	Agency role and main functions	ARRs – section 10.2	23
	Machinery of Government changes	ARRs – section 31 and 32	n/a
	Operating environment	ARRs – section 10.3	12
Non-financial performance	Government’s objectives for the community	ARRs – section 11.1	16
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	n/a
	Agency objectives and performance indicators	ARRs – section 11.3	12-13
	Agency service areas and service standards	ARRs – section 11.4	n/a
Financial performance	Summary of financial performance	ARRs – section 12.1	26
Governance – management and structure	Organisational structure	ARRs – section 13.1	10-11
	Executive management	ARRs – section 13.2	10-11
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	n/a
	Public Sector Ethics Act 1994	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	25
	Queensland public service values	ARRs – section 13.5	n/a

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	Risk management	ARRs – section 14.1	25
	Audit committee	ARRs – section 14.2	n/a
	Internal audit	ARRs – section 14.3	25
	External scrutiny	ARRs – section 14.4	25
	Information systems and recordkeeping	ARRs – section 14.5	24
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	n/a
	Early retirement, redundancy and retrenchment	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> Directive No.16/16 <i>Early Retirement, Redundancy and Retrenchment</i> (from 20 May 2016) ARRs – section 15.2	24
Open Data	Statement advising publication of information	ARRs – section 16	24
	Consultancies	ARRs – section 33.1	25
	Overseas travel	ARRs – section 33.2	25
	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	28
	Independent Auditor's Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	52-53



BOARD OF
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