



BOARD OF
**PROFESSIONAL
ENGINEERS**
OF QUEENSLAND

2016–17 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 2017.

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) 3198 0000 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

20 September 2017

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 2017.

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 24 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
2016–17

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 and integrity
- + Professional and ethical
- + Accountable
- + Fair and consistent.

CHAIRPERSON'S MESSAGE



BPEQ's last annual report listed four strategic objectives for the period 2016-19.

In the last 12 months BPEQ has developed, considered and implemented various strategies to meet these objectives. It is no overstatement to suggest this is just the beginning of a comprehensive suite of changes to the way BPEQ operates and regulates the profession and I am confident the organisation is moving in the right direction.

Between 1 July 2016 and 30 June 2017, 1,379 new RPEQs were registered. This is the highest number of new registrants in a financial year period in the last five years, and comes despite a considerable number of RPEQs resigning, retiring or becoming unregistered for other reasons. The increase in the number of RPEQs is due in no small part to BPEQ's efforts to actively engage with engineers through the registration roadshows, seminars and regional trips, sponsorships, public awareness campaigns and increased

advertising and marketing. RPEQs now number 12,668, a great achievement, but still short of the figure BPEQ is working toward.

The increase in the number of RPEQs has coincided with an increase in the number of complaints and notifications received by BPEQ. This is not a cause for concern, but rather an indication that engineers, businesses and the public are more aware of the PE Act and the requirement that professional engineering services must only be carried out by a RPEQ.

The RPEQ system continues to draw majority support from engineers and industry. It is a testament to the system that the Victorian Government looks set to introduce a regulatory system for engineers that will be near identical to Queensland's. BPEQ has been involved in discussions with Victorian representatives about the introduction of this system and our hope is that the two systems can work harmoniously together and not place undue burden on current and future registered professional engineers.

BPEQ's achievements in the last 12 months would not have been possible without the efforts and dedication of BPEQ's staff; on behalf of my fellow Board members, I thank all the staff.

To conclude, I reiterate BPEQ's commitment to protecting the public and upholding the standard of engineering, but also assure the 12,668 RPEQs that this organisation will work in the best interests of the profession.

Dawson Wilkie
Chairperson
*Board of Professional Engineers
of Queensland*

REGISTRAR'S REPORT



Over the past twelve months BPEQ has progressed work on a large number of internal functions,

including the implementation of a new organisational structure and the introduction of a delegations schedule to assist in streamlining business practices. Externally, BPEQ has created a bursary to assist female engineers remain in or return to the workforce and the Institution of Structural Engineers has been approved to administer an assessment scheme on behalf of BPEQ. These changes will lead to improved service delivery for registrants and ensure BPEQ is an efficient, responsive and supportive organisation in the long term.

The Board itself had three new Board members appointed at the beginning of the financial year, all of whom have transitioned seamlessly into their roles. I take this opportunity to thank all Board members for their support, advice and assistance during this transition phase.

The ever-growing number of RPEQs is the result of the success of two key initiatives:

- Registration Roadshows – BPEQ staff continue to engage with various stakeholders from local governments to large and small businesses; and
- University lectures and sponsorship – each year BPEQ attends at universities, engaging with final year students about the importance, value and process of registration.

Additionally, BPEQ hosted and attended many other engineering events, travelling to Cairns for a regional Board meeting and delivering various presentations across Queensland. It also commenced an awareness campaign to encourage the public to only engage RPEQs.

I take this opportunity to acknowledge the dedicated staff of BPEQ, with increasing registration numbers and increased public awareness of the BPEQ, combined with the introduction of new practices and policies, the staff have been resilient

in managing our changing environment whilst delivering a high-quality service to all our stakeholders.

The staff of the BPEQ and I look forward to continuing to work closely with all engineers, the broader profession, assessment entities and all other stakeholders in continuing to meet the objects of the PE Act.

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



DAWSON WILKIE **CHAIRPERSON AND REGIONAL REPRESENTATIVE**

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

Dawson Wilkie was appointed to the Board as Chairperson and regional representative in January 2015. 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 is the Board's newly appointed Deputy Chair. She is a highly experienced structural engineer, technical director and business unit manager, with 30 years' experience in Australia and overseas. Educated at the Imperial College 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. Evelyn managed Aurecon's Built Environment Unit in Brisbane from 2011 to 2017 and was appointed as the Aurecon Building Structures Technical Leader from May 2017.



PROFESSOR SIMON BIGGS **ACADEMIC REPRESENTATIVE**

FREng, CEng, FIChemE, FRSC

A Board Member since January 2015, Simon Biggs is the Executive Dean for the Faculty of Engineering, Architecture and Information Technology at the University of Queensland. He spent the previous 12 years at the University of Leeds where he worked in the Chemical Engineering School. His specific areas of interest are in the behaviour of solids in liquids and he has worked extensively on nuclear waste management, minerals processing and the manufacture of complex formulated products. A Fellow of the Royal Academy of Engineering, Simon is well regarded for his significant achievements in the application of colloid and interface science.



ADAM STOKER **LEGAL REPRESENTATIVE**

LLB (Hons), MTax, BMedSc

Adam Stoker was appointed to the Board as legal representative in January 2015. Adam has provided legal advisory services in private firms and in-house roles for over 13 years in Australia, Asia, the United Kingdom and the United States. Completing his legal studies in 2002 and graduating with honours from the University of Technology, Sydney, Adam has extensive experience in governance, project construction and delivery and commercial areas of practice. Currently, Adam works as in-house counsel in Queensland's resources industry.



YVONNE PENGILLY **BUILDING AND CONSTRUCTION INDUSTRY REPRESENTATIVE**

BTech (Civil Engineering), QBCC Open Builders Licence, MAICD

Yvonne Pengilly is the building and construction industry representative on the Board. Yvonne has 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 has studied at the Queensland University of Technology and is a member of Women in Construction, Queensland Master Builders Association and the Australian Institute of Company Directors. Yvonne has been awarded on a number of occasions by QMBA for her work and service in the building industry.



SARAH HANSEN
COMMUNITY REPRESENTATIVE

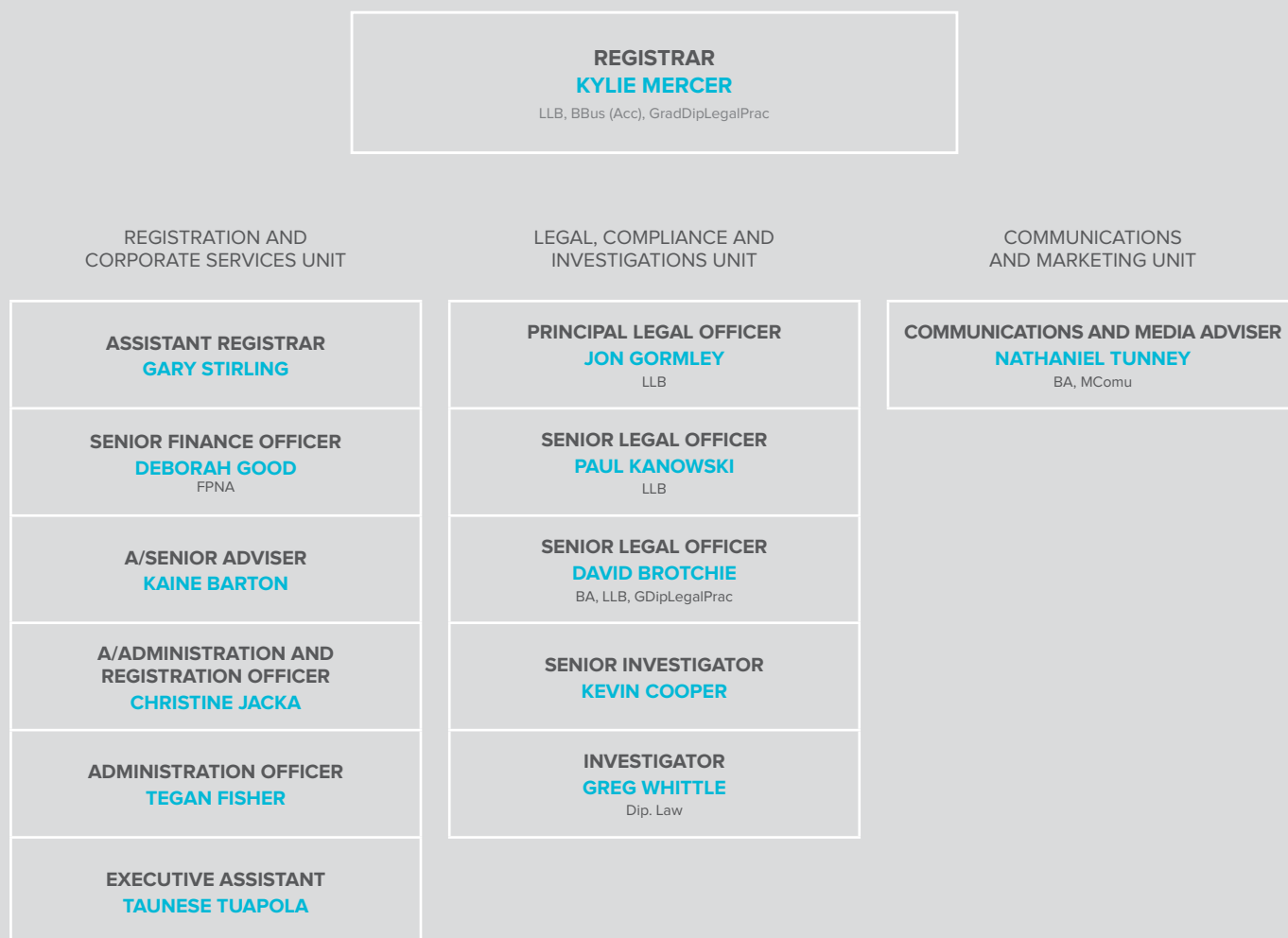
Sarah Hansen is the Board's community representative. She started her career as an estimator in 2003, before progressing to contracts administrator and project manager. Sarah has successfully delivered over 33 projects for major supermarket chains, religious organisations, education providers, government 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 is currently a project manager with major Queensland building firm, Hutchinson Builders.



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.

ORGANISATIONAL CHART



OPERATING ENVIRONMENT AND PERFORMANCE

BPEQ operates in a dynamic environment that presents various risks, challenges and opportunities. BPEQ is undergoing a period of change to meet these opportunities, threats and challenges and has also set itself ambitious performance objectives to deliver on the expectations of its stakeholders.

STRATEGIC DIRECTION AND PERFORMANCE AGREEMENT

BPEQ's strategic direction is shaped by the core objectives of the PE Act. The Board holds an annual strategy meeting to discuss and determine its strategic direction. At its 2017 strategy meeting, the Board maintained the strategic objectives agreed to during the 2016 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

These objectives will be achieved through a range of strategies.

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 current Performance Agreement was entered into September 2016.

ENVIRONMENTAL FACTORS

BPEQ has identified the following factors as impacting the agency:

- economic conditions and employment opportunities for engineers
- Victorian Government proposal to introduce system of registration for engineers
- relevance of BPEQ to the profession, public and other stakeholders
- government capacity to invest in and maintain infrastructure
- tender documents for professional engineering service involved in government and non-government projects not specifying the requirement for RPEQs to be involved
- new and emerging technologies

BPEQ has responded to these environmental factors by:

- creating continuing professional development bursaries to assist engineers return to the workforce
- liaising with and advising the Victorian Government on its planned system of registration for engineers to promote consistency between the two states
- launching awareness campaigns and increasing engagement with stakeholders to promote the value and importance of engaging an RPEQ
- approving the drafting of a futures paper

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.

STAKEHOLDERS

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

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

Matters of interest to these key stakeholders may include:

- how BPEQ is upholding the standard of engineering and protecting the public;
- how BPEQ undertakes its investigations;
- future direction of BPEQ;
- BPEQ's engagement with and services to stakeholders, particularly engineers;
- the effective operation of the co-regulatory assessment process;
- the relevance and benefit of registration;
- the cost of registration; and
- registration for engineers in other jurisdictions.

STRENGTHS, RISKS, CHALLENGES AND OPPORTUNITIES

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

Strengths identified by the Board 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

Amongst 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 change
- 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
- Substandard physical work environment
- Overreliance on assessment entities, processes and standards
- 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 due to greater awareness of BPEQ and greater volume of complaints
- Increasing investigation costs

Opportunities identified by the Board include:

- Increase number of RPEQs
- Increase diversity of engineering
- Technology and equipment upgrades
- Greater engagement with profession, professional and academic institutions, Department, government and assessment entities
- Promotion of Code of Practice
- Review and improve current policies
- Stakeholder engagement and communications strategy
- 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

MEASURING OUR PERFORMANCE

BPEQ developed the following indicators at its 2017 strategy meeting to measure its performance going forward:

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

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

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

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

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

- KPI – % of staff with positive work morale
- KPI – % of staff who receive quality feedback and regular recognition of work performance
- KPI – Ministerial acceptance of 2017-2020 performance agreement

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

- KPI – % by which current assets exceed liabilities

KEY SUCCESSSES 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 12,668 RPEQs
- registering 1,379 new RPEQs
- holding a second CPD seminar for RPEQs
- launching a bursary to help women in engineering back into the workforce
- holding regional meetings on the Gold Coast and in Cairns to engage local RPEQs
- hosting 66 registration seminars, meetings or workshops throughout regional Queensland

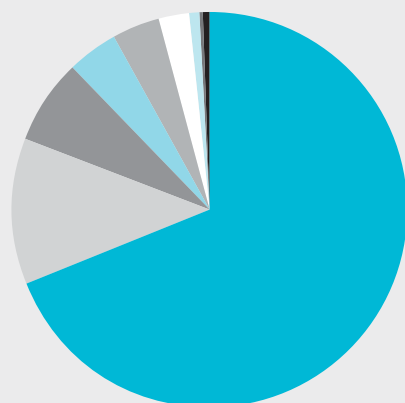
The following table reviews and provides commentary of the status of BPEQ's objectives:

Strategic and performance objectives			
Maximise registration – all engineers who provide an engineering service in Queensland are registered ↓	Improving the professionalism of RPEQs ↓	Maintain BPEQ as an agile, forward-thinking, efficient and well-governed organisation ↓	Increase awareness of value of RPEQ to the consumer ↓
Strategies and commitments to achieve objective			
Develop and/or apply consistent standards and procedures to decisions on registration and assessment entity approvals	Develop innovative approaches to the delivery of services, including a professional review and redevelopment of the website	Annual review of Strategic Plan and key governance documents by Board	Engage with professional organisations, industry, academia and key government departments in the education of the requirements of registration
Maintain productive partnerships with all assessment entities to support and enhance the co-regulatory process for seeking registration	Apply fair and just practices and processes	Engage with Department of HPW and create a strong working relationship	Improve engagement and reporting with statutory authorities and establish formal reporting arrangements
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	Review IT services provided by third parties and implement IT disaster recovery plan	Engage with current RPEQs and provide tools for the education and promotion of the profession
Develop practices and procedures to ensure monitoring of conditions is undertaken in a timely and cost-effective manner	Implement a robust and cost-efficient regulatory framework	Develop and implement improved process for improved recovery of cost orders from both disciplinary and prosecutorial outcomes	Implement communication and engagement plans for key stakeholders
Develop practices and procedures framework for the timely assessment and processing of complaints, investigations and disciplinary action	Use a range of communication channels to deliver information, processes and services to our clients, including adopting new social media channels	Board members to undertake ongoing training and development	Develop BPEQ company partner program opportunities
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	Commitment to continuous improvement of processes	Support BPEQ staff to build their professional capacity to deliver high quality, innovative solutions for clients	Consult and engage with key stakeholders about development of a graduate registration scheme
Commence review of complaints processes	Review CPD auditing process to ensure cost effectiveness	Maintain a dynamic, supportive and healthy environment for BPEQ staff	Undertake organisational review to ensure appropriate staff resources to manage a larger number of RPEQs
Review assessment entity procedures and assessment schemes	Engage with current and potential RPEQs to raise awareness of BPEQ and the registration system	Research and develop a 'futures paper' to identify global trends impacting engineering profession	
Review current CPD requirements		Review Board charter	
		Introduce an IT disaster recovery plan	

- Completed
- In progress
- Planned as BPEQ work in 2016/17

REGISTRATIONS

As at 30 June 2017, BPEQ had registered 12,668 RPEQs, with registrants from Queensland, interstate and overseas.



Qld – 69%
NSW – 12%
VIC – 7%
WA – 4%
Overseas – 4%
SA – 2.5%
Tas – 0.7%
ACT – 0.45%
NT – 0.35%

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 (**ICChemE**)
- 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**)

The approved assessment scheme entities provide assessment for registration in the following general and specific areas of engineering.

Records	Area of Engineering
26	Aeronautical
61	Aerospace
19	Agricultural
14	Biomedical
160	Building Services
668	Chemical
5407	Civil
65	Civil – Public Works
29	Computer Systems
2179	Electrical
157	Environmental
14	Fire Engineering
88	Fire Safety
109	Geotechnical (mining)
5	Geotechnical/Geological
2	Heritage & Conservation Engineering
60	Information Technology and Telecommunications
256	Information Telecommunications and Electronics
2	Inspection of Amusement Rides & Devices
275	Management
2	Marine
2190	Mechanical
72	Metallurgical
360	Mining
37	Naval Architecture
3	Oil & Gas Pipeline
95	Petroleum
15	Pressure Equipment Design Verifier
1231	Structural
27	Subdivisional Geotechnics
13628	Total

(Note – total number is greater than the number of RPEQs due to some RPEQs registered in more than 1 area of engineering)

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

	2014-15	2015-16	2016-17
New Registrations	1,300	1,282	1,379
Reinstated	324	198	259
Disqualified	0	0	(1)
Retired / Resigned / Lapsed / Deceased	(958)	(813)	(948)
TOTAL (number of RPEQs at 30 June)	11,325	11,992	12,668

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 2017 there were 194 non-practising engineers registered with BPEQ.

COMPLAINTS, INVESTIGATIONS AND DISCIPLINARY PROCEEDINGS

During the 2016–17 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 2015/16	Received 2016/17	Dismissed 2016/17	Investigated 2016/17	Pending/not completed
Disciplinary	17	27	12	7	25
Compliance	8	12	10	4	6
TOTAL	25	39	22	11	31

During the 2016–17 financial year, BPEQ received 27 complaints and notifications about the conduct of RPEQs and 12 compliance notifications about potential non-compliance with the PE Act. BPEQ also considered 17 complaints and notifications about RPEQ conduct and eight (8) notifications about compliance with the PE Act which were received the previous financial year.

Of the 25 disciplinary matters which were awaiting investigation decision:

- 11 were awaiting submissions from the RPEQ;
- 12 were received in the last three months of the financial year;
- One (1) was subject to preliminary expert opinion;
- One (1) matter was related to a matter that was under investigation;

Of the six (6) compliance matters which were awaiting investigation decision:

- Four (4) of the notifications were received in the last month of the financial year;
- In one (1) of the matters, the investigation decision was deferred until after the conclusion of a related Police investigation;
- the remaining one (1) matter, important information was still pending from a relevant entity despite numerous requests for it to be provided, so it was not yet able to be properly considered.



INVESTIGATIONS

Type	C/F from 2015/16	Commenced 2016/17	Completed 2016/17	Pending/not completed
Disciplinary	11	7	2	16
Compliance	5	4	1	8
TOTAL	16	11	3	24

In the 2016-2017 financial year, BPEQ decided to commence seven (7) disciplinary investigations and four (4) compliance investigations, bringing the total investigations commenced to 11 investigations. BPEQ also continued 11 disciplinary investigations and five (5) compliance investigations from the previous financial year.

Two (2) disciplinary investigations were completed. Both found the allegations of unsatisfactory professional conduct against the RPEQs were unsubstantiated and BPEQ therefore decided to take no further action. One (1) compliance investigation was completed. It found that an offence against the PE Act was committed and BPEQ administered a formal caution on the offender.

The 24 investigations which were not completed remain at various stage of investigation.

DISCIPLINARY PROCEEDINGS AND PROSECUTIONS

Type	C/F from 2015/16	Commenced 2016/17	Completed 2016/17	Pending/not completed
Disciplinary	6	0	3	3
Compliance	1	1	2	0
TOTAL	7	1	5	3

During the 2016-2017 financial year, three (3) disciplinary prosecutions which were before the Queensland Civil and Administrative Tribunal were completed, with one (1) matter proceeding to a final hearing.

Two (2) prosecutions for noncompliance with the PE Act were completed in the Magistrates Court. In each matter, the Court convicted the offender of all charges and ordered the offender to pay BPEQ a fine and some of its costs of the investigation and prosecution. No additional compliance sanctions were imposed by BPEQ.

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 demonstrate continued competency and assist in meeting the continuing registration requirements set out in the PE Act.

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 details the findings and outcomes of the CPD audits carried out by BPEQ for financial year 2016–17:

RPEQs Audited	200
RPEQs passed	168
RPEQs found to be non-compliant	32
Non-compliance being addressed by Board	8
Non-compliance followed by resignation or lapsed registration	22
Changed to non-practising	2

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 2016–17 financial year, BPEQ has travelled throughout Queensland and South Australia to engage with stakeholders. It has conducted multiple registration roadshows, seminars, legal case study workshops and meetings. It has also attended, presented at and sponsored a number of industry events and conferences, including:

- AECOM registration seminar, Rockhampton
- Aurecon registration seminar, Cairns
- AusIMM New Leaders Conference, Brisbane
- Australian Structural Engineering Conference, Brisbane
- Balonne Shire Council registration seminar, Roma
- Becker Rosier Engineers meeting, Mackay
- Black and More registration seminar, Cairns
- BHP registration seminar, Brisbane
- Brandon and Associates registration seminar, Roma
- Cairns Regional Council registration seminar, Cairns
- Calibre Consulting meeting, Rockhampton
- Capital Consulting Engineers meeting, Mackay
- Cardno/Construction Sciences registration seminar, Rockhampton
- Central Highland Regional Council registration seminar, Emerald
- Central Queensland University student lecture, Rockhampton
- CHEMECA Conference, Adelaide
- CHJ Engineering meeting, Yeppoon
- Civil Contractors Federation seminar, Brisbane
- Civil Support registration seminar, Rockhampton
- Cloncurry Shire Council registration seminar, Mount Isa
- CQG meeting, Rockhampton
- Decmil registration seminar, Brisbane
- Douglas Shire Council registration seminar, Cairns
- Downer EDI Rail registration seminar, Maryborough
- Downer Engineering registration seminar, Brisbane
- DTMR registration seminar, Barcaldine
- DTMR registration seminar, Mackay
- DRMR registration seminar, Rockhampton
- Energy Queensland workshop on direct supervision, Brisbane
- Engineers Australia Australian Engineering Conference, Brisbane
- Engineers Australia/James Cook University Industry Leaders Forum, Townsville
- Engineers Australia Officer Bearer Induction Day, Brisbane
- ESQ meeting, Hervey Bay
- Flanagan Consulting Group registration seminar, Cairns
- Flinders Shire Council registration seminar, Richmond
- Fraser Coast Regional Council registration seminar, Hervey Bay
- George Bourne and Associates registration seminar, Barcaldine
- GHD registration seminar, Emerald
- Glanville and Co. meeting, Cairns
- Gold Coast City Council registration seminar, Gold Coast
- Goondiwindi Regional Council registration seminar, Toowoomba
- Griffith University Environmental Engineering Society Careers Night, Brisbane
- Griffith University Environmental Engineering Society Networking Night, Brisbane
- Griffith University student lecture Semester Two 2016, Gold Coast
- Griffith University student lecture Semester One 2017, Gold Coast
- Gympie Regional Council registration seminar, Gympie
- HDE Engineering Design registration seminar, Emerald
- IFE Australian Conference, Gold Coast
- Infrastructure Association of Queensland Summit, Brisbane
- Ipswich City Council registration seminar, Ipswich
- IPWEAQ Regional Conference, Lucinda
- IPWEAQ SEQ Branch Conference, Logan
- IPWEAQ State Conference, Brisbane
- James Cook University Industry Night Semester Two 2016, Townsville
- James Cook University Industry Night Semester One 2017, Townsville
- Kehoe Myers registration seminar, Toowoomba
- Klohn Crippen Berger registration seminar, Brisbane
- Livingstone Shire Council registration seminar, Yeppoon
- Local Government Association of Queensland Conference, Gold Coast
- Mackay Regional Council registration seminar, Mackay
- Maranoa Regional Council registration seminar, Roma
- McKinlay Shire Council registration seminar, Richmond
- Mount Isa City Council registration seminar, Mount Isa
- Mount Isa Mines registration seminar, Mount Isa
- Mount Isa Water Board registration seminar, Mount Isa
- Murweh Shire Council meeting, Charleville

- Nexus Infrastructure registration seminar, Toowoomba
- Osborn Consulting Engineers meeting, Mount Isa
- Paragon Consulting Engineers meeting, Mackay
- Paroo Shire Council meeting, Cunnamulla
- PDR Engineers registration seminar, Cairns
- Powerlink registration seminar, Brisbane
- Queensland Urban Utilities registration seminar, Brisbane
- Queensland University of Technology Girls in Engineering Making Statements 10-year Anniversary/Women in Engineering Scholarship, Brisbane
- Queensland University of Technology Girls in Engineering Making Statements Information Night, Brisbane
- Queensland University of Technology Girls in Engineering Making Statements Networking Night, Brisbane
- Richmond Shire Council registration seminar, Richmond
- Rio Tinto – Kestral Mine registration seminar, Emerald
- Rockhampton Regional Council registration seminar, Rockhampton
- Southern Downs Regional Council registration seminar, Toowoomba
- Sunshine Coast Regional Council registration seminar, Sunshine Coast
- Tetra Consulting Engineers meeting, Mackay
- Toowoomba Regional Council registration seminar, Toowoomba
- Transition from technical specialist to people manager continuing professional development seminar, Brisbane

- UDP registration seminar, Mackay
- University of Southern Queensland Professional Practice and Project Conference and student lecture, Toowoomba
- University of the Sunshine Coast Engineering Club Industry Night, Sunshine Coast
- University of Queensland Engineering Undergraduate Society Careers Fair Semester Two 2016, Brisbane
- University of Queensland Engineering Undergraduate Society Careers Fair Semester One 2017, Brisbane
- University of Queensland Engineering Undergraduate Society Careers Fair Semester Two 2017, Brisbane
- University of Queensland Engineering Undergraduate Society student lecture, Brisbane
- University of Queensland Engineering We Are Industry Ready Networking Night, Brisbane
- Western Downs Regional Council registration seminar, Toowoomba
- Whitsunday Regional Council registration seminar, Mackay
- Women in Engineering Leadership Summit, Brisbane
- Woodtech Engineering meeting, Maryborough

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.

LODGING A COMPLAINT WITH BPEQ

The PE Act establishes a procedure that allows 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 demonstrates its commitment to sound corporate governance through its 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 integrity and design of buildings and other structures, essential services such as power, water supply and sewerage, and numerous consumer items essential to everyday living. As such, they contribute significantly to the safety and quality of these systems and fundamentally impact the way people live and work.

The process of allowing only qualified and competent persons to carry out professional engineering services has the benefit of minimising the potential for substandard practice and risks to public health and safety.

The operations of BPEQ affect the community in that they assist in ensuring that:

- persons other than RPEQs cannot provide professional engineering services (unless directly supervised by a RPEQ); and
- the professional engineering services provided by RPEQs are of a high-standard and provided in a professional and competent way.

BOARD MEETINGS

The Board meets nine times per year to carry out its functions as described in the PE Act.

	Term of appointment	No. attended	No. eligible to attend	Fees
Mr D Wilkie	1/1/2015	9	9	\$4,500
Ms E Storey	1/7/2016	8	9	\$3,500
Prof S Biggs	1/1/2015	8	9	\$3,500
Mr A Stoker	1/1/2015	6	9	\$3,500
Ms Y Pengilly	1/7/2016	8	9	\$3,500
Ms S Hansen	1/7/2016	8	9	\$3,500
Mr P Evans	1/1/2015	9	9	nil

The Board holds two meeting per year in a regional centre. In the last 12 months, the Board travelled to Gold Coast and Cairns.

The Board held its annual strategy meeting in March 2017.

STAFF AND RESOURCES

BPEQ monitored and managed staff and resources throughout the 2016–17 financial year to ensure the organisation fulfilled its statutory obligations, achieved its strategic objectives and provided job satisfaction to employees.

BPEQ engaged additional staff in its Legal, Compliance and Investigations Unit (including in-house investigators), and in Registrations and Corporate Services Unit.

As at 30 June 2017, BPEQ directly employed 7.6 full-time equivalent (FTE) staff. These staff members are not employed under the *Public Service Act 2008* (PSA).

As at 30 June 2017, BPEQ employed 5 full time equivalent (FTE) staff engaged under the provisions of the PSA.

No staff redundancies, retrenchments or retirements occurred during the 2016–17 financial year. One (1) employee on secondment from the Department left their temporary role with BPEQ to take up a new position in the Department. One staff member was on maternity leave for the duration of the 2016-2017 financial year.

BPEQ provides a budget for staff to complete development and training.

BPEQ also 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 606,617 page views in the 12 months between 1 July 2016 and 31 June 2017. The average browsing session on the BPEQ website was 4 minutes and 44 seconds. Web traffic was generated from organic searches (67.3 per cent), direct search (29.9 per cent), referral from another website (2.2 per cent) and social media (0.5 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 also contains published information of relevance to RPEQs, the public, industry and government.

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

ACCESS TO DOCUMENTS

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

The register of RPEQs is open for inspection, free of charge, at the BPEQ office by members of the public during ordinary office hours. A person may obtain a copy of the register, or a part of it, on payment of the prescribed fee of \$37.05 plus \$2.15 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 recordkeeping best practices to identify, capture and maintain complete and accurate records which are retained in an accessible and useable format that preserves the evidential integrity of those records for as long as they are required.

PRIVACY AND RIGHT TO INFORMATION

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

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

Applications can be addressed to:

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

Or delivered in person to:

Level 15, 53 Albert Street
BRISBANE QLD 4000

RISK MANAGEMENT

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

Risk management was addressed as part of the Board's strategy meeting held in March 2017, where the Board discussed and revised its risk register.

CODE OF CONDUCT

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

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

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

OVERSEAS TRAVEL

BPEQ undertook no overseas travel during financial year 2016–17.

INTERNAL AUDIT

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

EXTERNAL AUDIT

An interim audit visit was conducted by MGI on 1-2 June 2017. The external audit was carried out by MGI on 19-20 July 2017.

The audit certification of financial statements was provided by the Queensland Audit Office (QAO) on 30 August 2017.

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

CONSULTANCIES

BPEQ engaged the following consultancies during financial year 2016–17:

Consultant	Service provided	Cost \$
Mercer Consulting	Organisational review, strategy meeting facilitation	\$20,000
Peter Way	Review of new assessment scheme application	\$1,000
RecruitLoop	Employee recruitment	\$2,660
Acworth Recruitment	Employee recruitment	\$4,717
Total consultant expenditure 2016–17		\$28,377

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 2016–17 were set at \$212.50; from 1 July 2017 fees will rise to \$219.95, in line with CPI increases.

Major areas of expenditure and outgoings included Legal Investigations and Complaints, Wages and Salaries, Accommodation expenses and Administration Expenses.

A table providing BPEQ's opening balance as at 1 July 2016 and total revenue and expenditure in 12 months from 1 July 2016 to 30 June 2017 is provided below:

Balance as at 1 July 2016	\$1,114,346
Total Revenue	\$2,785,763
Total Expenditure	\$2,222,386
Operating result from continuing operations	\$563,377
Balance as at 30 June 2017	\$1,677,723

BPEQ's full financial statements are included in this Annual Report.

GLOSSARY

AusIMM	The Australian Institute of Mining and Metallurgy
BPEQ	The Board of Professional Engineers of Queensland
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)
RPEQ	Registered Professional Engineer of Queensland
RINA	The Royal Institution of Naval Architects (Australia)

COMPLIANCE CHECKLIST

Summary of requirement		Basis for requirement	Annual report reference (page number)
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	5
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	4 23
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	2
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 9.3	2
	<ul style="list-style-type: none"> Copyright notice 	Copyright Act 1968 ARRs – section 9.4	2
	<ul style="list-style-type: none"> Information licensing 	QGEA – Information licensing ARRs – section 9.5	2
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10.1	8
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2	8,20
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3	12-17
Non-financial performance	<ul style="list-style-type: none"> Government objectives for the community 	ARRs – section 11.1	N/A
	<ul style="list-style-type: none"> Other whole-of-government plans/specific initiatives 	ARRs – section 11.2	N/A
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3	12-14
	<ul style="list-style-type: none"> Agency service areas, service standards and other measures 	ARRs – section 11.4	N/A
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	20,30-33
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	10-11,20-22
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	10-11,20-22
	<ul style="list-style-type: none"> Government Bodies (statutory bodies and other entities) 	ARRs – section 13.3	N/A
	<ul style="list-style-type: none"> Public Sector Ethics Act 1994 	Public Sector Ethics Act 1994 ARRs – section 13.4	22
	<ul style="list-style-type: none"> Queensland Public Service Values 	ARRs – section 13.5	N/A

Summary of requirement		Basis for requirement	Annual report reference (page number)
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	22
	• Audit committee	ARRs – section 14.2	N/A
	• Internal audit	ARRs – section 14.3	22
	• External scrutiny	ARRs – section 14.4	22
	• Information systems and recordkeeping	ARRs – section 14.5	22
Governance – human resources	• 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	N/A
Open Data	• Statement advising publication of information	ARRs – section 16	21
	• Consultancies	ARRs – section 33.1	22
	• Overseas travel	ARRs – section 33.2	22
	• 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 Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	51-52

PART B
FINANCIAL STATEMENTS
THE BOARD OF
PROFESSIONAL ENGINEERS
OF QUEENSLAND
2016–17

Your ref:
Our ref: 2017-8331
David Adams 3149 6211



IN-CONFIDENCE

29 August 2017

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

Dear Ms Mercer

General Purpose Financial Statements—2016–17

The 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*. A copy of the certified statements has also been forwarded to the chairperson and minister.

I have issued an unqualified auditor's report.

Yours sincerely

A handwritten signature in black ink, appearing to be 'DA', with a stylized flourish at the end.

David Adams
Director

Enc.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Contents

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

Management Certificate

General Information

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

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

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

Level 15

53 Albert Street

Brisbane QLD 4000

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

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017	2016
		\$	\$
Income from Continuing Operations			
Fees and Other Receipts	2	2,705,382	2,505,569
Interest Revenue	3	80,333	67,425
Other Revenue	4	48	43
Total Income from Continuing Operations		<u>2,785,763</u>	<u>2,573,037</u>
Expenses from Continuing Operations			
Administrative Expenses	5	722,539	659,466
Employee Expenses	6	903,305	728,524
Investigation and Legal Expenses		594,550	625,107
Depreciation		1,987	2,435
Total Expenses from Continuing Operations		<u>2,222,381</u>	<u>2,015,532</u>
Operating Result from Continuing Operations		<u>563,382</u>	<u>557,505</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>563,382</u>	<u>557,505</u>

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

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
Current Assets			
Cash and Cash Equivalents	7	4,243,195	3,429,475
Receivables	8	67,019	54,470
Other Assets	9	20,065	18,503
Total Current Assets		<u>4,330,279</u>	<u>3,502,448</u>
Non-Current Assets			
Plant and Equipment	10	3,597	5,583
Total Non-Current Assets		<u>3,597</u>	<u>5,583</u>
Total Assets		<u><u>4,333,876</u></u>	<u><u>3,508,031</u></u>
Current Liabilities			
Payables	11	152,854	38,782
Unearned Revenue	12	2,432,807	2,267,026
Accrued Expenses	13	29,254	64,700
Provision for Employee Benefits	14	12,079	8,556
Other Current Liabilities	15	26,623	13,598
Total Current Liabilities		<u>2,653,617</u>	<u>2,392,662</u>
Non-Current Liabilities			
Provision for Employee Benefits	14	2,531	1,023
Total Non-Current Liabilities		<u>2,531</u>	<u>1,023</u>
Total Liabilities		<u><u>2,656,148</u></u>	<u><u>2,393,685</u></u>
NET ASSETS		<u><u>1,677,728</u></u>	<u><u>1,114,346</u></u>
EQUITY			
Accumulated Surplus		1,677,728	1,114,346
TOTAL EQUITY		<u><u>1,677,728</u></u>	<u><u>1,114,346</u></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 2017

	Notes	Accumulated Surplus \$
Balance as at 1 July 2015		556,841
Operating Result from Continuing Operations		557,505
Total Other Comprehensive Income		-
Balance as at 30 June 2016		<u>1,114,346</u>
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>

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 2017

	Notes	2017 \$	2016 \$
Cash Flows from Operating Activities			
<i>Inflows:</i>			
Fees and Other Receipts		2,799,521	2,598,247
Penalties and Costs		71,690	109,700
Interest Revenue		80,333	67,425
<i>Outflows:</i>			
Employee Expenses		(837,965)	(702,582)
Board Member Expenses		(69,655)	(63,730)
Administrative Expenses		(635,654)	(699,086)
Investigations and Legal Expenses		(594,550)	(625,107)
Net Cash provided by/(used in) Operating Activities	16	<u>813,720</u>	<u>684,867</u>
Cash Flows from Investing Activities			
<i>Outflows:</i>			
		<u>-</u>	<u>-</u>
Net Cash provided by/(used in) Investing Activities		<u>-</u>	<u>-</u>
Cash Flows from Financing Activities			
<i>Outflows:</i>			
		<u>-</u>	<u>-</u>
Net Cash provided by/(used in) Financing Activities		<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents		813,720	684,867
Cash at the beginning of the financial year		<u>3,429,475</u>	<u>2,744,608</u>
Cash at the end of the financial year	7	<u><u>4,243,195</u></u>	<u><u>3,429,475</u></u>

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

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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 2017, 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 2017

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%

(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 2017

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. Six 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 2017

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 2017

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 2016-17 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 2017 for the registration year commencing 1 July 2017 are recognised as Unearned Revenue in 2016-17.

(s) New and Revised Accounting Standards

The Board did not voluntarily change any of its accounting policies during 2016-17.

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 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

As from the Board's financial statements for 2017-18, this standard will require additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities. These disclosures will include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities and be disclosed by way of reconciliation in the notes to the Statement of Cash Flows.

Although the Board anticipates that the adoption of AASB 2016-2 may have an impact on the Board's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. Summary of Significant Accounting Policies (continued)

(s) New and Revised Accounting Standards (continued)

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

These standards will first apply to the Board from its financial statements for 2019-20.

The new Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations, as such transactions are accounted for in accordance with AASB 15. AASB 1058 requires an entity to recognise:

- income immediately in profit or loss for the excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue. For this purpose, the assets, liabilities and revenue are to be measured in accordance with the relevant Accounting Standards;
- 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 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 2017

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.

Although the Board anticipates that the adoption of AASB 16 may have an impact on the Board's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

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.

	2017	2016
	\$	\$
2. Fees and Other Receipts		
Application Fees	83,459	72,665
Registration Fees	196,459	176,730
Renewal Fees	2,265,589	2,093,968
Restoration and Processing Fees	86,835	51,596
Seminars	1,350	910
Penalties and Costs	71,690	109,700
Total	<u>2,705,382</u>	<u>2,505,569</u>
3. Interest Revenue		
Cheque Account	2,745	2,779
Cash Management	77,588	64,646
Total	<u>80,333</u>	<u>67,425</u>
4. Other Revenue		
Miscellaneous Income	48	43
Total	<u>48</u>	<u>43</u>

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
5. Administrative Expenses		
Accounting and Audit Fees*	10,500	10,500
Advertising	133,525	108,145
Bank Charges	29,285	25,809
CPD Audit Fees	40,909	45,000
Members Expenses	69,655	63,730
Rent/Electricity/Car Parking	104,904	100,860
Office Maintenance	13,312	6,541
Telephone	8,509	9,992
Printing and Stationery	41,963	48,023
Postage and Couriers	36,543	34,234
Insurance	15,170	15,156
Workshops	-	-
Conferences / Travel	22,477	19,611
Election Costs	-	14,935
Subscriptions	1,758	2,215
Office Systems (includes computer maintenance)	154,363	115,517
Organisation Review	20,000	-
Other	19,666	39,198
Total	722,539	659,466

* Total audit fees paid to the Queensland Audit Office relating to the 2016-17 financial statements are estimated to be \$7,100 (2016: \$6,800). There are no non-audit services included in this amount.

6. Employee Expenses

Salaries and Wages	873,449	712,187
Superannuation	29,856	16,337
Total	903,305	728,524

	2017	2016
Number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis	12	9
Number of Board members paid wages during the year	5	5

The names of current Board members are:

Mr Dawson Wilkie
Ms Evelyn Storey
Ms Sarah Hansen

Mr Adam Stoker
Ms Yvonne Pengilly

Mr Simon Biggs
Mr Peter Evans

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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 2016-17.

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

Executive Remuneration 1 July 2015 – 30 June 2016

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
Acting Registrar (1 July 2015 – 4 December 2015)	55,158	-	1,158	5,919	-	62,235
Registrar (7 December 2015 – 30 June 2016)	57,047	-	1,198	7,954	-	66,199
Total Remuneration	116,705	-	2,356	13,873	-	132,934

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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

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.

	2017	2016
	\$	\$
7. Cash and Cash Equivalents		
Cash at Bank	97,660	106,732
Petty Cash	200	500
QTC Investment Account	4,145,335	3,322,243
Total	<u>4,243,195</u>	<u>3,429,475</u>
8. Receivables		
Undeposited Funds	5,631	4,619
Net Receivables	<u>5,631</u>	<u>4,619</u>
 GST Receivable	 61,388	 49,851
Net GST Receivable	<u>61,388</u>	<u>49,851</u>
Total	<u>67,019</u>	<u>54,470</u>

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
9. Other Assets		
Insurance Prepayment	11,600	11,661
Other Prepayment	8,465	6,842
Total	<u>20,065</u>	<u>18,503</u>
10. Plant and Equipment		
Computer Equipment	15,905	15,905
Accumulated Depreciation	<u>(15,905)</u>	<u>(14,519)</u>
Total	<u>-</u>	<u>1,386</u>
Office Equipment	6,003	6,003
Accumulated Depreciation	<u>(2,406)</u>	<u>(1,806)</u>
Total	<u>3,597</u>	<u>4,197</u>
Total Plant and Equipment	<u>3,597</u>	<u>5,583</u>
Movements Schedule		
Computer Equipment		
Carrying amount at 1 July	1,386	3,220
Acquisitions	-	-
Disposals	-	-
Depreciation	<u>(1,386)</u>	<u>(1,834)</u>
Carrying amount at 30 June	<u>-</u>	<u>1,386</u>
Office Equipment		
Carrying amount at 1 July	4,197	4,797
Acquisitions	-	-
Depreciation	<u>(600)</u>	<u>(600)</u>
Carrying amount at 30 June	<u>3,597</u>	<u>4,197</u>
Total Plant and Equipment		
Carrying amount at 1 July	5,583	8,017
Acquisitions	-	-
Disposals	-	-
Depreciation	<u>(1,986)</u>	<u>(2,434)</u>
Carrying amount at 30 June	<u>3,597</u>	<u>5,583</u>

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
11. Payables		
Trade Creditors	150,776	36,215
Other Creditors	2,078	2,567
Total	<u>152,854</u>	<u>38,782</u>
12. Unearned Revenue		
Renewal Fees	2,432,807	2,267,026
Total	<u>2,432,807</u>	<u>2,267,026</u>
13. Accrued Expenses		
Accrued Other	26,283	14,449
Accrued Wages	2,971	50,251
Total	<u>29,254</u>	<u>64,700</u>
14. Provision for Employee Benefits		
Current		
Accrued Employee Benefits		
Annual Leave Payable	12,079	8,556
Total	<u>12,079</u>	<u>8,556</u>
Non-Current		
Accrued Employee Benefits		
Long Service Leave Payable	2,531	1,023
Total	<u>2,531</u>	<u>1,023</u>
Analysis of Provisions	Employee	Employee
	Benefit	Benefit
Opening Balance at 1 July	9,579	3,493
Additional provisions raised during the year	29,618	14,052
Amounts used	<u>(24,587)</u>	<u>(7,966)</u>
Balance at 30 June	<u>14,610</u>	<u>9,579</u>

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
15. Other Current Liabilities		
PAYG Tax Payable to ATO	26,623	13,598
Total	<u>26,623</u>	<u>13,598</u>

16. Reconciliation of Operating Surplus/(Deficit) to

Net Cash Provided by (Used in) Operating Activities

Operating Profit/(Loss)	563,382	557,505
Depreciation	1,987	2,434
Changes in Assets and Liabilities		
Decrease (increase) in Receivables	(12,549)	13,652
Decrease (increase) in Other Assets	(1,563)	(836)
Decrease (increase) in Plant and Equipment	-	-
Increase (decrease) in Payables	114,071	(97,376)
Increase (decrease) in Unearned Revenue	165,781	184,659
Increase (decrease) in Accrued Expenses	(35,445)	14,117
Increase (decrease) in Provision for Employee Benefits	5,030	6,086
Increase (decrease) in Other Current Liabilities	13,026	4,625
Net cash provided by/(used in) operating activities	<u>813,720</u>	<u>684,867</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 2017.

18. Commitments for Expenditure

The Board had no capital commitments of a material nature at 30 June 2017.

Non-Cancellable Operating Lease

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

	2017	2016
	\$	\$
Not later than one year	138,500	54,458
Later than one year and not later than five years	537,909	-
Later than five years	-	-
Total	<u>676,409</u>	<u>54,458</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 2017

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 2017 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	2017	2016
Financial assets	\$	\$
Cash and Cash Equivalents	4,248,826	3,434,094
Receivables	61,388	49,851
Total	4,310,214	3,483,945
Financial liabilities		
Financial liabilities measured at amortised cost:		
Payables	223,341	126,659
Total	223,341	126,659

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 2017

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:

	2017	2016
	\$	\$
Maximum Exposure to Credit Risk		
Financial Assets		
Cash and Cash Equivalents	4,248,826	3,434,094
Receivables	61,388	49,851
Total	4,310,214	3,483,945

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 2017

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	2017	2016
Payables	\$	\$
Less than 1 year	223,341	126,659
Total	<u>223,341</u>	<u>126,659</u>

Total financial liabilities		
Less than 1 year	223,341	126,659
Total	<u>223,341</u>	<u>126,659</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 \$42,432 (2016: \$34,295) 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 2017 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 24th day of August 2017

INDEPENDENT AUDITOR'S REPORT

To 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 2017, 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 2017, 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 2017:

- 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.


David Adams
as delegate of the Auditor-General



Queensland Audit Office
Brisbane



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