



BOARD OF  
**PROFESSIONAL  
ENGINEERS**  
OF QUEENSLAND

# 2015-16 ANNUAL REPORT

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This Annual Report provides information about the performance of the Board of Professional Engineers of Queensland for the financial year ending 30 June 2016.

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.



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Board of Professional Engineers of Queensland Annual Report 2015/16

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**PROTECTING THE  
PUBLIC AND SETTING  
THE STANDARD OF  
ENGINEERING.**

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BOARD OF  
**PROFESSIONAL  
ENGINEERS**  
OF QUEENSLAND

## LETTER OF COMPLIANCE

19 September 2016

**The Honourable Mick de Brenni MP**  
Minister for Housing and Public Works  
GPO Box 1549  
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 2016.

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 22 of this annual report.

Yours sincerely

Dawson Wilkie  
Chairperson  
**The Board of Professional Engineers of Queensland**

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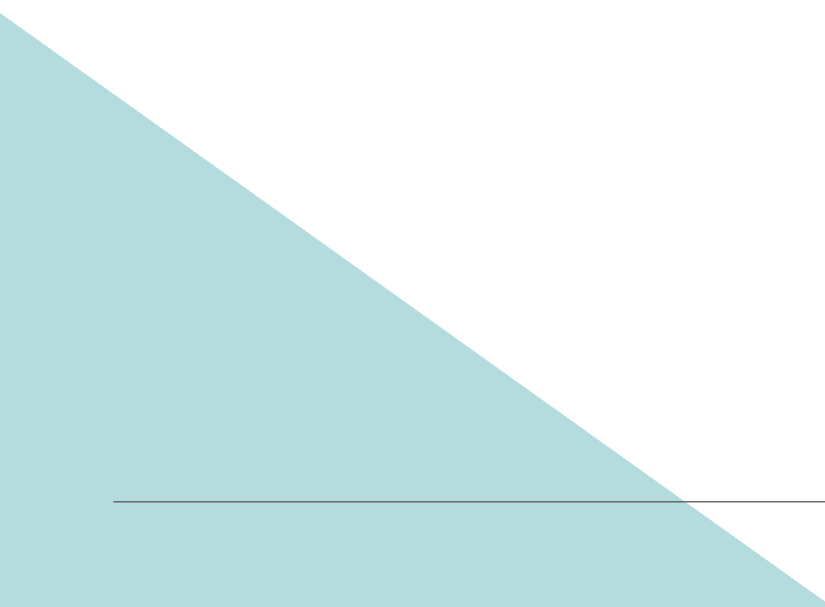
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**PART A**  
**ANNUAL REPORT**  
**THE BOARD OF**  
**PROFESSIONAL ENGINEERS**  
**OF QUEENSLAND**  
**2015-16**

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# INTRODUCTION

## OUR VISION

Ensuring professional engineering services in Queensland are of the highest standard.

## OUR PURPOSE

To maintain public confidence that engineering services are provided by competent professionals operating to the highest standards of practice.

## OUR VALUES

Honesty & Integrity, Professional & Ethical, Accountable, Fair & Consistent.

## WHO WE ARE

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

As a statutory organisation, BPEQ reports to the Minister for Housing and Public Works and has an administrative relationship with the Department of Housing and Public Works.

## PE ACT AND OBJECTIVES

The PE Act established 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 registered professional engineer in a professional and competent way;
- maintain public confidence in the standard of services provided by registered professional engineers; and
- uphold the standards of practice of registered professional engineers.

### 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.



## CHAIRPERSON'S MESSAGE



BPEQ has experienced significant change in the last 12 months; farewelling four Board members and welcoming a new Registrar, while a great deal of work has been done to drive efficiencies in the organisation.

In June, Board members Julie Mitchell, Greg McLean, Mike Brady and Michael Duff finished their terms of appointment. Each of them has been an active and committed Board member, making a difference to this organisation and the profession of engineering in Queensland. Special mention should go to Greg McLean who this year reached 13 years' service on the Board. The current Board has worked extremely well together over the last two years and I wish to place on record my thanks and best wishes to Julie, Greg, Mike and Michael.

Joining the Board is Evelyn Storey as Deputy Chair and Engineers Australia representative, Yvonne Pengilly as building and construction industry representative, Sarah Hansen as

community representative and Peter Evans as the elected RPEQ representative.

Since coming into the role of Registrar, Kylie Mercer has worked assiduously to improve BPEQ's performance, structure and services. BPEQ has undertaken an organisational review to assess its capability and identify changes to future proof the organisation; submitted a report on proposed legislative amendments to the Minister; piloted a CPD seminar for RPEQs; implemented other programs to assist engineers and is exploring options to deliver similar tools and learning opportunities in the future; and is continuing to undertake extensive engagement with the profession to help educate and assist engineers and their employers.

The Board appreciates the significant efforts of the Registrar and all BPEQ staff in delivering on its obligations and objectives so far.

The initiatives to improve BPEQ performance, structure and service are driven by its strategic direction. In March

of this year the Board developed and set forward a revised strategic plan. Our plan includes four key objectives, which are to:

1. Maximise registration so that all engineers who provide an engineering service in Queensland are registered.
2. Improve the professionalism of RPEQs.
3. Maintain BPEQ as an effective, efficient and well governed organisation
4. Increase awareness and value of RPEQs amongst the profession, the public, government and business.

I am confident we will meet these objectives and introduce further changes to ensure BPEQ is a modern and efficient organisation that continues to work in the best interest of engineers and the public.

**Dawson Wilkie**  
Chairperson  
The Board of Professional Engineers  
of Queensland

## REGISTRAR'S REPORT



2015/16 has undoubtedly been a year of change and achievement for BPEQ. I commenced in the role as Registrar in mid-December 2015 and at the end of June 2016 we had four Board members who came to the end of their terms of appointment.

In March 2016, the PE Regulation was amended to allow BPEQ to run our first ever election process online. In addition to managing the process online we had a record number of nominees seeking election to the Board, which was very encouraging. BPEQ learnt a lot from the process and plans to improve the process further and encourage wider participation from registrants in 2019.

Over the past year BPEQ has hosted and attended numerous engineering events – travelling to the Sunshine Coast and Townsville for regional Board meetings and delivering presentations to local councils and businesses right across

Queensland. BPEQ also participated in a number of forums and conferences to boost awareness of registration and educate engineers and industry about the PE Act

BPEQ delivered a pilot CPD course where almost 100 registrants gained valuable learnings from our keynote speaker - Dr Terry Fitzsimmons. *Transitioning from technical specialist to people manager* is hoped to be the first in a suite of educational and development services and tools BPEQ plans on delivering for RPEQs.

I take this opportunity to extend my thanks to former Board members Greg McLean, Julie Mitchell, Mike Brady and Michael Duff - their knowledge and commitment to BPEQ provided valuable insight and assistance to me over the past seven months. Additionally, I extend a warm welcome to our new Board members and look forward to working together to meet the challenges ahead and create new opportunities in the coming years.

Further, I would like to acknowledge the dedication and professionalism of the staff of BPEQ – who, whilst small in number, ensure that the BPEQ fulfils its role and provides support and assistance to almost 12,000 (and growing) RPEQs across Queensland, interstate and worldwide.

The staff of BPEQ and I look forward to continuing to work closely with all engineers, the broader profession and our key stakeholders (in particular our assessment entities) in continuing to meet the objects of the *Professional Engineers Act 2002*.

**Kylie Mercer**  
Registrar  
The Board of Professional Engineers  
of Queensland

# BPEQ STRUCTURE

## THE BOARD

The Board comprises seven members appointed by the Governor in Council; five are nominated by the Queensland Minister for Housing and Public Works, one is a representative of Engineers Australia, and one is elected by RPEQs.

The PE Act requires that the Board include one person who is an academic head or representative of an approved 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 or and predominantly undertakes professional engineering services in regional Queensland; one person who is a lawyer with at least 10 years' experience in law relating to building and construction; one person who is a building contractor in the building and construction industry and has at least 10 years' experience in the sector; 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.



**GREG MCLEAN**  
**DEPUTY CHAIRPERSON AND BUILDING AND CONSTRUCTION INDUSTRY REPRESENTATIVE**

BAPSc (Building), FAIB

Greg McLean is the longest continuously serving Board member having been appointed in 2003. A registered and chartered builder, Greg has spent 40 years in the sector, working in Queensland, New South Wales and the Northern Territory, including a decade as state building manager Abigroup (now Lendlease). Greg now runs a family building practice specialising in project and construction management services. Along with his Board service, Greg is a former executive director of Master Builders Queensland and a past Adjunct Professor, Built Environment Faculty (School of Urban Development) at the Queensland University of Technology.



**MIKE BRADY**  
**ENGINEERS AUSTRALIA REPRESENTATIVE**

BE Civil, FIE Aust, CPEng, FIPWEAQ, RPEQ, MAIPM, CPPD, GAICD

Mike Brady joined the Board as Engineers Australia's representative in August 2012. Currently heading up Toowoomba Regional Council's Infrastructure Services Group, Mike brings over 30 years of engineering, management, design and construction experience in government and the private sector to the Board. He holds a Bachelor of Engineering and a Masters of Local Government Management from the University of Technology, Sydney. Most of his career has been spent in local government in New South Wales and Queensland, as well as senior roles with Queensland Main Roads. Mike is an active member of Engineers Australia and was the Queensland division president in 2010.



**JULIE MITCHELL**  
**ELECTED REGISTERED PROFESSIONAL ENGINEER**

BE Civil (Hons), MBA, MEM, GAICD, FIE Aust, RPEQ

An engineer with the Department of Transport and Main Roads (DTMR), Julie Mitchell was elected to the Board in July 2013. During her 30 year career, Julie has built up extensive civil engineering and project management experience related to transport infrastructure projects, including planning, design and construction. As DTMR's Chief Engineer, Julie is responsible for a large engineering workforce and technical governance. She holds a Bachelor of Engineering (Civil) (Hons) from the University of Queensland, Master of Business Administration, Master of Environmental Management (Sustainable Development), graduated from the Australian Institute of Company Directors and is a fellow of Engineers Australia.



**MICHAEL DUFF**  
**COMMUNITY REPRESENTATIVE**  
 BBus, GAICD

Michael Duff joined the Board as the community representative in July 2013. Michael has a strong background with community organisations in both regional and metropolitan Queensland, as well as extensive experience in all three levels of government, including four years serving as a councillor in the old Wondai Shire Council. Currently employed as the Queensland Northern Territory Business Development Manager for BMD Group, Michael previously worked with GHD, the Civil Contractors Federation and has been a director in his family's agribusiness company for more than 20 years.



**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.

Board members Julie Mitchell, Greg McLean, Mike Brady and Michael Duff finished their terms of appointment on 30 June 2016.

**STAFF**

**KYLIE MERCER**  
**REGISTRAR**  
 LLB, BBus (Acc), GradDipLegalPrac

**GARY STIRLING**  
**ASSISTANT REGISTRAR**

**DEBORAH GOOD**  
**SENIOR FINANCE OFFICER**  
 FPNA

**JON GORMLEY**  
**PRINCIPAL LEGAL OFFICER**  
 LLB

**DAVID BROTCHE**  
**SENIOR LEGAL OFFICER**  
 BA, LLB, GDipLegalPrac

**NATHANIEL TUNNEY**  
**COMMUNICATIONS ADVISER**  
 BA, MComu

**TAUNESE TUAPOLA**  
**EXECUTIVE ASSISTANT**

**TERESA MONTGOMERY**  
**ADMINISTRATION AND  
 REGISTRATION OFFICER**

**MEGAN WOTHERSPOON**  
**ADMINISTRATION OFFICER**

# OPERATING ENVIRONMENT AND PERFORMANCE

BPEQ understands the challenges and opportunities confronting itself and the profession.

During the 2015/16 financial year, BPEQ set forward a future direction for the organisation and implemented measures to fulfil its statutory obligations and improve its performance and services for its stakeholders.

BPEQ was successful in achieving many of its objectives from preceding years.

## 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 2016 strategy meeting, the Board adopted a revised strategic direction with the following objectives:

1. Maximise registration so that all engineers who provide an engineering service in Queensland are registered.
2. Improve the professionalism of RPEQs.
3. Maintain BPEQ as an effective, efficient and well governed organisation.
4. Increase awareness and value of RPEQs amongst the profession, the public, government and business.

These objectives will be achieved through a range of strategies.

Complementing BPEQ's strategic direction is the Performance Agreement entered into with the Minister for Housing and Public Works. 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 on 11 November 2015.

In the Performance Agreement, BPEQ committed to:

- uphold engineering standards by:
  - o improving complaints processes; communicate complaints data and case information to guide engineers;
  - o developing better processes to promote and uphold engineering standards;
  - o reviewing assessment entity procedures to ensure they meet BPEQ, professional and public expectations;

- o auditing current CPD requirements;
  - o providing recommendations to the Minister to improve clarification of the PE Act;
  - o identifying red-tape reduction measures, including what mutual national and international recognition agreements can be adopted to assist engineers to become registered; and
  - o engaging and assisting government enquiries pertinent to engineering and associated sectors.
- engage effectively with all relevant stakeholders by:
    - o implementing a new stakeholder engagement and communications strategy;
    - o collaborating with professional organisations, industry, academia and government to support the engineering profession;
    - o engaging with current and potential RPEQs to raise awareness of BPEQ and the registration system;
    - o giving the public confidence in the profession and raise awareness of BPEQ;
    - o participating in and sponsor industry and academic events relevant to engineering; and
    - o improving BPEQ's external communications and marketing, including upgrading the Board's website.
  - maintain good corporate governance by:
    - o undertaking continuous improvement processes, introducing ongoing professional development for BPEQ (including Board members and staff);
    - o reviewing governance documents; and
    - o introducing IT disaster recovery plans.
  - grow the number of registered engineers from 11,000 to 12,000 by:
    - o identifying unregistered engineers who should be registered, and
    - o ensuring appropriate staff resources to manage a larger number of RPEQs.
- Longer term aims stated in the Performance Agreement are to review the PE Act and the accompanying Professional

Engineers Regulation 2003 and make recommendations to the Minister to ensure the legislation and regulation is up-to-date, relevant and workable for the profession and the public and increase the number of RPEQs to 13,500 by the end of financial year 2016/17.

## STAKEHOLDERS

BPEQ is committed to serving the profession of engineering and the Queensland public and recognises these groups as our primary stakeholders.

BPEQ is also committed to engaging collaboratively with professional organisations, government, government agencies and 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; and
- the cost of registration.

## RISKS, CHALLENGES AND OPPORTUNITIES

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

Amongst the risks and challenges are:

- engineering work being done overseas;
- growing investigation and litigation costs;
- inconsistent registration of engineers across jurisdictions;
- Board composition and loss of corporate knowledge;
- outstanding penalties owing to BPEQ;
- government and departmental change;
- perception/lack of awareness of BPEQ;
- incorporation of BPEQ and its operations into other agencies; and
- limited resources.

Opportunities identified by the Board included:

- growth in RPEQ numbers;
- review of legislation;
- creation of workable and effective legislation based on feedback from all stakeholders;
- better collaboration with professional organisations and academic institutes;
- increased engagement with individual engineers;
- improved internal processes focused on services for engineers and the public; and
- participation in government enquiries pertinent to engineering and associated sectors.

## KEY SUCCESSES AND ACHIEVEMENTS

The key successes and achievements of BPEQ in the past 12 months will be primarily measured against its performance and strategic objectives, set out in the 2014/15 Annual Report and the Performance Agreement. These objectives are developed to meet the legislative objectives of the PE Act.

Highlights for BPEQ in the last 12 months include:

- reaching 11,992 registered professional engineers;
- developing and piloting a CPD seminar for RPEQs;
- partnering with Queensland universities to promote registration and support women in engineering;

- increasing the number of female RPEQs by 30 per cent;
- developing a bursary to help women in engineering back into the workforce;
- launching a public awareness campaign to promote RPEQs and use of the RPEQ register;
- developing and launching a new website with greater user capability;
- introducing the RPEQ champion scheme to connect prospective RPEQs with experienced RPEQs;
- conducting the 2016 RPEQ election online;
- holding regional meetings in Townsville and Sunshine Coast to engage local RPEQs.

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

### Strategic and performance objectives

|                                 |  |                                       |   |
|---------------------------------|--|---------------------------------------|---|
| To uphold engineering standards | To engage effectively with all relevant stakeholders | To maintain good corporate governance | To grow the number of registered engineers from 11,000 to 12,000 in the next financial year |
| ↓                               | ↓  | ↓                                     | ↓   |

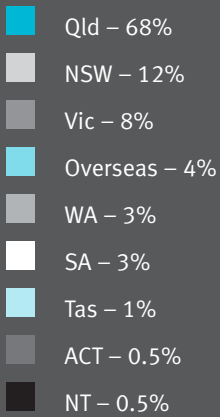
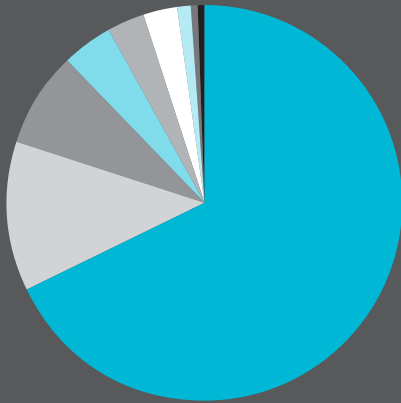
### Strategies and commitments to achieve objective

|   |   |  |   |
|---|---|--|---|
| BPEQ has commenced review of complaints processes.  | BPEQ has implemented a new stakeholder engagement and communications strategy.  | BPEQ has introduced ongoing professional develop for Board members, ongoing professional development is planned for staff. | BPEQ has identified unregistered engineers and has increased the number of registered engineers to 12,000, BPEQ is committed to continually increasing the number of RPEQs. |
| BPEQ makes complaints data and case information available to engineers, public and other stakeholders through website, e-news and legal case studies workshops. | BPEQ is collaborating with professional organisations, industry, academia and government to support the engineering profession. | BPEQ is reviewing governance documents.  |   |
| BPEQ has undertaken intermediate review of assessment entity procedures, comprehensive review planned.  | BPEQ is actively engaging with current and potential RPEQs to raise awareness of BPEQ and the registration system.              | BPEQ has not yet introduced an IT disaster recovery plan.  | BPEQ has undertaken an organisational review to ensure appropriate staff resources to manage a larger number of RPEQs   |
| BPEQ has commenced audit current CPD requirements.  | BPEQ has participated in and sponsored various industry and academic events relevant to engineering.                            |  |   |
| BPEQ has provided report recommending legislative amendments to improve clarification of PE Act to Minister.  | BPEQ has improved and upgraded its external communications and marketing, including upgrading the website.                      |  |   |
| BPEQ will continue to assist government departments and agencies with matters relating to engineering.  |   |  |   |

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

## REGISTRATIONS

As at 30 June 2016, BPEQ registers 11,992 RPEQs in Queensland, interstate and overseas.



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

- the applicant holds an engineering qualification or equivalent;
- has demonstrated experience and competence in their chosen area of engineering; and
- BPEQ considers the applicant is fit to practise as a 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 scheme entities are:

- The Australasian Institute of Mining and Metallurgy (**AusIMM**);
- Engineers Australia;
- The Institution of Chemical Engineers (**IChemE**);
- The Institution of Fire Engineers, Australia (**IFE**)\*;
- The Institute of Public Works Engineering Australasia (Queensland Division) (**IPWEAQ**);
- Professionals Australia; and
- The Royal Institution of Naval Architects (Australia) (**RINA**).

\* Expired 31/01/16 - a new application dated 14 /06/16 has been received and is currently being evaluated by the Board.

Assessment scheme entities are approved by the Minister.

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

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

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

|   | 2013/14       | 2014/15       | 2015/16       |
|---|---------------|---------------|---------------|
| New Registration                          | 1,273         | 1,300         | 1,282         |
| Reinstated                                | 85            | 324           | 198           |
| Disqualified                              | 0             | 0             | 0             |
| Retired / Resigned / Lapsed / Deceased    | (414)         | (958)         | (813)         |
| <b>TOTAL (number of RPEQs at 30 June)</b> | <b>10,659</b> | <b>11,325</b> | <b>11,992</b> |

## NON-PRACTISING REGISTRATION

The category of non-practising registration was introduced to cater for engineers on career breaks (such as maternity leave) or those wanting to keep their RPEQ status.

As at 30 June 2016 there are 88 non-practising engineers registered with BPEQ.

## COMPLAINTS, INVESTIGATIONS AND DISCIPLINARY PROCEEDINGS

During the 2015/16 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

During the 2015/16 financial year, BPEQ received 23 complaints about the conduct of RPEQs and 19 notifications about compliance with the PE Act. BPEQ also considered the conduct of 3 RPEQs on its own motion. BPEQ also considered five complaints about the conduct of RPEQs and two notifications about suspected offences that were received in the 2014/15 financial year but were not considered until the 2015/16 financial year.

|                    | <b>C/F<br/>2014/15</b> | <b>Received<br/>2015/16</b> | <b>Dismissed<br/>2015/16</b> | <b>Investigated<br/>2015/16</b> | <b>To be<br/>Considered</b> |
|--------------------|------------------------|-----------------------------|------------------------------|---------------------------------|-----------------------------|
| Conduct of RPEQs   | 5                      | 26                          | 7                            | 12                              | 12                          |
| Suspected offences | 2                      | 18                          | 9                            | 3                               | 8                           |
| <b>TOTAL</b>       | <b>7</b>               | <b>44</b>                   | <b>16</b>                    | <b>15</b>                       | <b>20</b>                   |

The 20 matters to be considered were complaints/notifications received close to the end of the 2015/16 financial year about which the RPEQ/person of interest had not yet been afforded proper opportunity to make a submission.

### INVESTIGATIONS

In the 2015/16 financial year, BPEQ decided to commence 12 investigations of RPEQs and three investigations of suspected offences bringing the total number of investigations commenced in the 2015/16 financial year to 15. BPEQ also continued 10 investigations of RPEQs and eight investigations of suspected offences that remained incomplete from the 2014/15 financial year bringing the total number of investigations carried over to 18.

|                    | <b>C/F<br/>2014/15</b> | <b>Commenced<br/>2015/16</b> | <b>Completed<br/>2015/16</b> | <b>Not<br/>completed</b> |
|--------------------|------------------------|------------------------------|------------------------------|--------------------------|
| Conduct of RPEQs   | 10                     | 12                           | 10                           | 12                       |
| Suspected offences | 8                      | 3                            | 6                            | 5                        |
| <b>TOTAL</b>       | <b>18</b>              | <b>15</b>                    | <b>16</b>                    | <b>17</b>                |

Out of the 10 completed investigations of RPEQs, BPEQ decided to commence disciplinary proceedings against five RPEQs, caution/reprimand four RPEQs, and take no further action about the remaining one RPEQ.

Out of the six completed investigations of suspected offences completed BPEQ decided to start proceedings to prosecute one person for offences and take no further action about the five remaining investigations.

Out of the disciplinary investigations left uncompleted, two are awaiting a post-investigation decision by BPEQ and the remaining 10 are in various stages of investigation.

The five incomplete investigations of suspected offences remain at various stages of investigation.

## DISCIPLINARY PROCEEDINGS AND PROSECUTIONS

During the 2015/16 financial year, BPEQ commenced five new disciplinary proceedings and continued one disciplinary proceeding from the 2014/15 financial year.

During the 2015/16 financial year, BPEQ commenced one new prosecution and continued one prosecution from the 2014/15 financial year.

|                          | <b>C/F<br/>2014/15</b> | <b>Commenced<br/>2015/16</b> | <b>Completed<br/>2015/16</b> | <b>Not completed</b> |
|--------------------------|------------------------|------------------------------|------------------------------|----------------------|
| Disciplinary proceedings | 1                      | 5                            | 2                            | 4                    |
| Prosecutions             | 1                      | 1                            | 1                            | 1                    |
| <b>TOTAL</b>             | <b>2</b>               | <b>6</b>                     | <b>3</b>                     | <b>5</b>             |

Out of the two disciplinary proceedings completed, one resulted in no disciplinary grounding being established against the RPEQ, and the other resulted in the establishment of a disciplinary ground against the RPEQ in question and consequently disciplinary orders were made by the Queensland Civil and Administrative Tribunal. Four of the unfinished proceedings are still being contested by the RPEQs.

The completed prosecution finished resulted in a conviction for all charges pursued. The remaining matter is a trial part-heard in the Magistrates Court of Queensland.

## 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 hour of CPD over three years to demonstrate continued competency and meet ongoing registration requirements.

BPEQ determines 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 CPD audits carried out by BPEQ for financial year 2015-16:

|   |     |
|---|-----|
| RPEQs selected for CPD Audit                                    | 220 |
| Passed Audit  | 186 |
| Non-compliant   | 34  |
| Non-compliance being addressed by Board                         | 23  |
| Non-compliant RPEQs who have resigned or let registration lapse | 11  |



## SERVICES

BPEQ is committed to building positive working relations, developing and delivering enhanced services and tools to RPEQs and promoting registration to engineers and educating engineers and the public about the PE Act.

BPEQ has implemented a strategy to guide its stakeholder engagement and deliver on these commitments and its broader strategic objectives.

### REGISTRATION SEMINARS, LEGAL CASE STUDY WORKSHOPS AND CONFERENCES

Throughout the 2015/16 financial year, BPEQ has engaged with a wide range of stakeholders through registration seminars, legal case study workshops and attending and presenting at industry conferences, including:

- AECOM registration seminar, Brisbane
- AECOM case study workshop, Brisbane
- APPEA Conference and Exhibition 2016, Brisbane
- ATC Williams registration seminar, Brisbane
- Aurecon Group registration seminar, Brisbane
- BPEQ investigators workshop, Brisbane
- Brandon and Associates Engineering Symposium, Roma
- Brisbane City Council registration seminar, Brisbane
- Burdekin Shire Council registration seminar, Ayr
- Charters Towers Regional Council registration seminar, Townsville
- DTMR registration seminar, Roma
- Energex registration seminar, Brisbane
- Engineers Australia Office Bearer Induction Day, Brisbane
- Girls in Engineering Making Statements Industry Night, Brisbane
- Griffith University final year engineering student lecture, Gold Coast
- Institution of Structural Engineers registration seminar, Brisbane
- International Conference on Engineering, Project and Production Management 2015, Gold Coast
- James Cook University final year engineering student lecture, Townsville
- Moreton Bay Regional Council registration workshop, Moreton Bay
- Nexus Infrastructure registration seminar, Brisbane
- International Mining and Resources Conference 2015, Melbourne
- IPWEAQ Regional Conference 2015, Ipswich
- IPWEAQ Regional Conference 2016, Sunshine Coast
- NAWIC Crystal Vision Awards 2015, Brisbane
- QUT WiE It's Your Turn, Achieve RPEQ event, Brisbane
- QUT Science and Engineering Fair, Brisbane
- Sunshine Coast regional Board meeting, Sunshine Coast
- Townsville City Council registration seminar, Townsville
- Townsville regional Board meeting, Townsville
- UDP registration seminar, Townsville
- University of Queensland Careers Fair, Brisbane
- University of Queensland Industry Seminar, Brisbane
- University of Queensland WE Are Industry Ready event, Brisbane

## CONTINUING PROFESSIONAL DEVELOPMENT SEMINAR

BPEQ developed and piloted a CPD seminar for RPEQs in February 2016. The seminar, titled *Transitioning from technical specialist to people manager*, was led by Dr Terry Fitzsimmons and attended by close to 100 RPEQs. BPEQ is planning for *Transitioning from technical specialist to people manager* to be the first in a suite of CPD programs it will provide for RPEQs.

## LEGAL ADVICE AND GENERAL QUERIES

During the 2015/16 financial year BPEQ fielded 197 calls for legal advice about the PE Act, registration and general queries.

## 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 releases 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 hosted on the BPEQ website.

## PUBLICATION OF THE REGISTER

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](http://www.bpeq.qld.gov.au).

## 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.

## LODGING A COMPLAINT WITH BPEQ

The PE Act provides for procedures for the public to make complaints against RPEQs and report 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 requires that the Board comprises of seven members appointed by the Governor in Council. The Board must include one person who is an academic head or representative of an approved school of engineering; one person who is a representative of the Queensland Division of Engineers Australia; one person who is elected by registered professional engineers; one person who resides or and predominantly undertakes professional engineering services in regional Queensland; one person who is a lawyer with at least 10 years' experience in law relating to building and construction; one person who is a building contractor in the building and construction industry and has at least 10 years' experience in the sector; 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 entities to be assessment entities; 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.

BPEQ is required to act independently, impartially, and in the public interest. The Minister for Housing and Public Works 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

The operations of BPEQ affect the community in that persons other than practising RPEQs cannot provide professional engineering services (unless directly supervised by a practising RPEQ).

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.

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

## 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            | 10           | 10                     | \$4,500 |
| Mr G McLean    | 19/12/2002          | 10           | 10                     | \$3,500 |
| Mr M Brady     | 1/7/2013            | 10           | 10                     | nil     |
| Mrs J Mitchell | 1/7/2013            | 7            | 10                     | nil     |
| Mr M Duff      | 1/7/2013            | 10           | 10                     | \$3,500 |
| Prof S Biggs   | 1/1/2015            | 7            | 10                     | \$3,500 |
| Mr A Stoker    | 1/1/2015            | 9            | 10                     | \$3,500 |

The Board holds two meetings per year in a regional centre. In the last 12 months the Board travelled to the Sunshine Coast and Townsville.

The Board held its annual strategy meeting in March 2016.

## WEBSITE

BPEQ's website provides information for the profession, government and the public.

On average, BPEQ's website receives 20,000 page views per month. The average duration of a viewing session is 3 minutes and 35 seconds. Approximately 41 per cent of pages views are by returning visitors.

## OPEN DATA

As part of the Queensland Government's commitment to open government, BPEQ is releasing a dataset of registered professional engineers to the public. Please refer to the Government's Open Data portal for more information including dataset descriptions, frequency of updates and contact details

## INFORMATION SYSTEMS AND RECORDKEEPING

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

## PRIVACY AND RIGHT TO INFORMATION

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

BPEQ's legal officers are the contact persons for Right to Information matters and are available to assist applicants seeking information from BPEQ.

Applications can be addressed to:

**BPEQ Legal  
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 2016, 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 Service 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 in final discussions with the Department of Housing and Public Works about its adoption.

## CONSULTANCIES

BPEQ engaged the following consultancies during financial year 2015/16:

| Consultant | Service provided      | Cost \$  |
|------------|-----------------------|----------|
| Mercer     | Organisational review | \$33,000 |

## OVERSEAS TRAVEL

BPEQ undertook no overseas travel during financial year 2015/16.

## INTERNAL AUDIT

BPEQ received no direction from the Minister for Housing and Public Works to establish an internal audit function, nor did BPEQ consider it appropriate or necessary to do so due to the size of the organisation (eight full time employees) and BPEQ's limited resources.

## EXTERNAL AUDIT

An interim audit was carried out by the Queensland Audit Office on 13-14 June 2016. The final audit was completed by the Queensland Audit Office on 13-14 July 2016.

The external audit findings are contained in this Annual Report, which is tabled in the Queensland Parliament, distributed to key stakeholders and hosted on the BPEQ website.

## 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.

A major influence on the BPEQ's financial position is the number of complaints in any given year that require investigation and disciplinary action or prosecution.

At present the fees are adequate to maintain the financial viability of BPEQ, based on historical patterns for the last few years. This will enable BPEQ to meet its responsibilities, to remain self-funded, to act independently, impartially, and in the public's interest.

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

## GLOSSARY

|               |  |
|---------------|--|
| <b>ARRs</b>   | <i>Annual report requirements for Queensland Government agencies</i> |
| <b>AusIMM</b> | The Australian Institute of Mining and Metallurgy                    |
| <b>BPEQ</b>   | The Board of Professional Engineers of Queensland                    |
| <b>FAA</b>    | <i>Financial Accountability Act 2009</i>                             |
| <b>FPMS</b>   | <i>Financial Performance Management Standard 2009</i>                |
| <b>IChemE</b> | The Institution of Chemical Engineers                                |
| <b>IFE</b>    | The Institution of Fire Engineers (Australia)                        |
| <b>IPWEAQ</b> | The Institute of Public Works Engineering Australasia (Queensland)   |
| <b>RPEQ</b>   | Registered Professional Engineer of Queensland                       |
| <b>RINA</b>   | The Royal Institution of Naval Architects (Australia)                |

# COMPLIANCE CHECKLIST

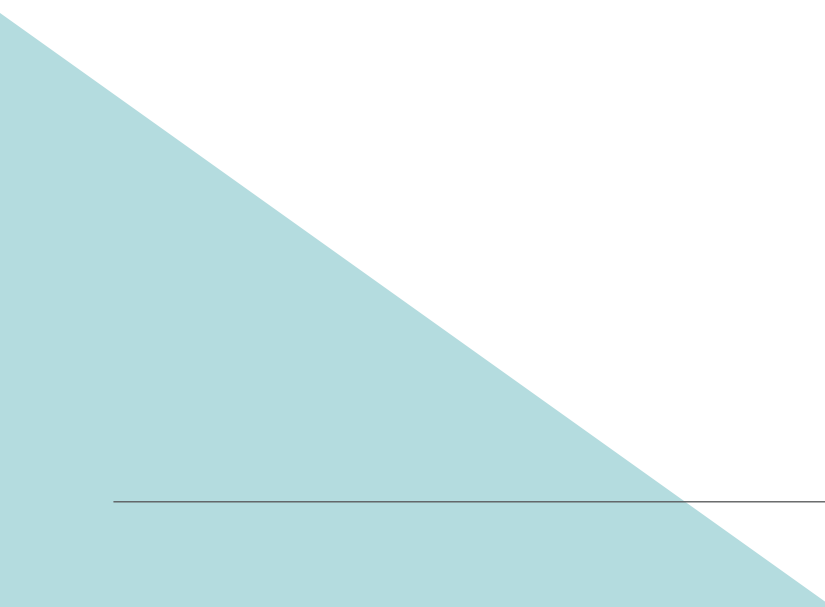
| Summary of requirement                          | Basis for requirement  | Annual report reference (page number)  |
|---|--|--|
| Letter of compliance                            | • A letter of compliance from the accountable officer or statutory body to the relevant Minister | ARRs – section 8<br>5  |
| Accessibility                                   | • Table of contents  | ARRs – section 10.1<br>4,21  |
|   | • Glossary   |  |
|   | • Public availability  | ARRs – section 10.2<br>2   |
|   | • Interpreter service statement  | <i>Queensland Government Language Services Policy</i><br>ARRs – section 10.3<br>2                        |
|   | • Copyright notice   | <i>Copyright Act 1968</i><br>ARRs – section 10.4<br>2  |
| Information licensing                           | • Information licensing  | <i>Queensland Government Enterprise Architecture – Information licensing</i><br>ARRs – section 10.5<br>2 |
|   |  |  |
| General information                             | • Introductory information   | ARRs – section 11.1<br>8   |
|   | • Agency role and main functions   | ARRs – section 11.2<br>8,19  |
|   | • Operating environment  | ARRs – section 11.3<br>12-16   |
| Non-financial performance                       | • Government objectives for the community  | ARRs – section 12.1<br>N/A   |
|   | • Other whole-of-government plans / specific initiatives   | ARRs – section 12.2<br>N/A   |
|   | • Agency objectives and performance indicators   | ARRs – section 12.3<br>12-13   |
|   | • Agency service areas, service standards and other measures                                     | ARRs – section 12.4<br>N/A   |
| Financial performance                           | • Summary of financial performance   | ARRs – section 13.1<br>21,28-31  |
| Governance – management and structure           | • Organisational structure   | ARRs – section 14.1<br>10-11,19-20   |
|   | • Executive management   | ARRs – section 14.2<br>10-11,19-20   |
|   | • Government Bodies (statutory bodies and other entities)  | ARRs – section 14.3<br>N/A   |
|   | • <i>Public Sector Ethics Act 1994</i>   | <i>Public Sector Ethics Act 1994</i> (section 23 and Schedule)<br>ARRs – section 14.4<br>20              |
|   | • Queensland public service values   | ARRs – section 14.5<br>N/A   |
| Governance – risk management and accountability | • Risk management  | ARRs – section 15.1<br>20  |
|   | • External Scrutiny  | ARRs – section 15.2<br>20  |
|   | • Audit committee  | ARRs – section 15.3<br>N/A   |
|   | • Internal Audit   | ARRs – section 15.4<br>20  |
|   | • Information systems and recordkeeping  | ARRs – section 15.5<br>20  |
| Governance – human resources                    | • Workforce planning, attraction and retention and performance                                   | ARRs – section 16.1<br>N/A   |
|   | • Early retirement, redundancy and retrenchment  | <i>Directive No. 11/12 Early Retirement, Redundancy and Retrenchment</i><br>ARRs – section 16.2<br>N/A   |
| Open Data                                       | Consultancies  | ARRs – section 17<br>ARRs – section 34.1<br>20   |
|   | Overseas travel  | ARRs – section 17<br>ARRs – section 34.2<br>20   |
|   | Queensland Language Services Policy  | ARRs – section 17<br>ARRs – section 34.3<br>2  |
| Financial statements                            | Certification of financial statements  | FAA – section 62<br>FPMS – sections 42,43 and 50<br>ARRs – section 18.2<br>26                            |
|   | Independent Auditors Report  | FAA – section 62<br>FPMS – section 50<br>ARRs – section 18.2<br>50-51                                    |



**PART B**  
**FINANCIAL STATEMENTS**  
**THE BOARD OF**  
**PROFESSIONAL ENGINEERS**  
**OF QUEENSLAND**  
**2015-16**

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Your ref:  
Our ref: 2016-8331  
Ms Michelle Reardon – 3149 6000



30 August 2016

**IN-CONFIDENCE**

Ms K Mercer  
Registrar  
The Board of Professional Engineers of Queensland  
Level 15  
53 Albert Street  
BRISBANE QLD 4000

Dear Ms Mercer

**General Purpose Financial Statements—2015–16**

**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 read 'Michelle Reardon', is written over a light grey circular stamp.

Michelle Reardon  
Acting Director

Enc.

**BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

|  | Notes | 2016<br>\$       | 2015<br>\$       |
|--|-------|------------------|------------------|
| <b>Income from Continuing Operations</b>           |       |                  |                  |
| Fees and Other Receipts                            | 2     | 2,505,569        | 2,218,232        |
| Interest Revenue                                   | 3     | 67,425           | 63,179           |
| Other Revenue                                      | 4     | 43               | 2,500            |
| <b>Total Income from Continuing Operations</b>     |       | <u>2,573,037</u> | <u>2,283,911</u> |
| <b>Expenses from Continuing Operations</b>         |       |                  |                  |
| Administrative Expenses                            | 5     | 659,466          | 605,009          |
| Employee Expenses                                  | 6     | 728,524          | 639,738          |
| Investigation and Legal Expenses                   |       | 625,107          | 888,822          |
| Depreciation                                       |       | 2,435            | 4,099            |
| <b>Total Expenses from Continuing Operations</b>   |       | <u>2,015,532</u> | <u>2,137,668</u> |
| <b>Operating Result from Continuing Operations</b> |       | <u>557,505</u>   | <u>146,243</u>   |
| <b>Other Comprehensive Income</b>                  |       | -                | -                |
| <b>Total Comprehensive Income</b>                  |       | <u>557,505</u>   | <u>146,243</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 2016

|                                      | Notes | 2016<br>\$              | 2015<br>\$              |
|--------------------------------------|-------|-------------------------|-------------------------|
| <b>Current Assets</b>                |       |                         |                         |
| Cash and Cash Equivalents            | 7     | 3,429,475               | 2,744,608               |
| Receivables                          | 8     | 54,470                  | 68,122                  |
| Other Assets                         | 9     | 18,503                  | 17,667                  |
| <b>Total Current Assets</b>          |       | <u>3,502,448</u>        | <u>2,830,397</u>        |
| <b>Non-Current Assets</b>            |       |                         |                         |
| Plant and Equipment                  | 10    | 5,583                   | 8,017                   |
| <b>Total Non-Current Assets</b>      |       | <u>5,583</u>            | <u>8,017</u>            |
| <b>Total Assets</b>                  |       | <u><u>3,508,031</u></u> | <u><u>2,838,414</u></u> |
| <b>Current Liabilities</b>           |       |                         |                         |
| Payables                             | 11    | 38,782                  | 136,158                 |
| Unearned Revenue                     | 12    | 2,267,026               | 2,082,367               |
| Accrued Expenses                     | 13    | 64,700                  | 50,584                  |
| Provision for Employee Benefits      | 14    | 8,556                   | 3,493                   |
| Other Current Liabilities            | 15    | 13,598                  | 8,971                   |
| <b>Total Current Liabilities</b>     |       | <u>2,392,662</u>        | <u>2,281,573</u>        |
| <b>Non-Current Liabilities</b>       |       |                         |                         |
| Provision for Employee Benefits      | 14    | 1,023                   | -                       |
| <b>Total Non-Current Liabilities</b> |       | <u>1,023</u>            | <u>-</u>                |
| <b>Total Liabilities</b>             |       | <u><u>2,393,685</u></u> | <u><u>2,281,573</u></u> |
| <b>NET ASSETS</b>                    |       | <u><u>1,114,346</u></u> | <u><u>556,841</u></u>   |
| <b>EQUITY</b>                        |       |                         |                         |
| Accumulated Surplus                  |       | 1,114,346               | 556,841                 |
| <b>TOTAL EQUITY</b>                  |       | <u><u>1,114,346</u></u> | <u><u>556,841</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 2016**

|   | <b>Notes</b> | <b>Accumulated<br/>Surplus<br/>\$</b> |
|---|--------------|---------------------------------------|
| <b>Balance as at 1 July 2014</b>            |              | 410,598                               |
| Operating Result from Continuing Operations |              | 146,243                               |
| Total Other Comprehensive Income            |              | -                                     |
| <b>Balance as at 30 June 2015</b>           |              | 556,841                               |
| <b>Balance as at 1 July 2015</b>            |              | 556,841                               |
| Operating Result from Continuing Operations |              | 557,505                               |
| Total Other Comprehensive Income            |              | -                                     |
| <b>Balance as at 30 June 2016</b>           |              | 1,114,346                             |

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 2016

|  | Notes | 2016<br>\$ | 2015<br>\$ |
|--|-------|------------|------------|
| <b>Cash Flows from Operating Activities</b>                |       |            |            |
| <i>Inflows:</i>  |       |            |            |
| Fees and Other Receipts                                    |       | 2,598,247  | 2,413,221  |
| Penalties and Costs  |       | 109,700    | 38,540     |
| Interest Revenue   |       | 67,425     | 63,179     |
| <i>Outflows:</i>   |       |            |            |
| Employee Expenses  |       | (702,582)  | (634,829)  |
| Board Member Expenses                                      |       | (63,730)   | (112,656)  |
| Administrative Expenses                                    |       | (699,086)  | (561,772)  |
| Investigations and Legal Expenses                          |       | (625,107)  | (774,184)  |
| <b>Net Cash provided by/(used in) Operating Activities</b> | 16    | 684,867    | 431,499    |
| <b>Cash Flows from Investing Activities</b>                |       |            |            |
| <i>Outflows:</i>   |       |            |            |
|  |       | -          | -          |
| <b>Net Cash provided by/(used in) Investing Activities</b> |       | -          | -          |
| <b>Cash Flows from Financing Activities</b>                |       |            |            |
| <i>Outflows:</i>   |       |            |            |
|  |       | -          | -          |
| <b>Net Cash provided by/(used in) Financing Activities</b> |       | -          | -          |
| Net Increase in Cash and Cash Equivalents                  |       | 684,867    | 431,499    |
| Cash at the beginning of the financial year                |       | 2,744,608  | 2,313,109  |
| <b>Cash at the end of the financial year</b>               | 7     | 3,429,475  | 2,744,608  |

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 2016

**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 2016, 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 2016

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 2016

**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 company'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 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 five 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. Four 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 2016

**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 the other receivables or 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 2016

**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 2015-16 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 2016 for the registration year commencing 1 July 2016 are recognised as Unearned Revenue in 2015-16.

*(s) New and Revised Accounting Standards*

The Board did not voluntarily change any of its accounting policies during 2015-16, except for the adoption of AASB 2015-2 which focuses on clarifying the presentation and disclosure requirements in AASB 101.

The Board applies Australian Accounting Standards and Interpretations in accordance with their respective commencement dates. At the date of authorization of the financial statements, the new or amended Australian Accounting Standards applicable to the Board with future commencement dates are set out below.

- AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting) and includes revised requirements for the recognition, derecognition, classification and measurement of financial instruments.

Although the Board anticipates that the adoption of AASB 9 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 2016

**1. Summary of Significant Accounting Policies (continued)**

*(s) New and Revised Accounting Standards (continued)*

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

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

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Board anticipates that the adoption of AASB 16 will impact the Board's financial statements, 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 2016**

**1. Summary of Significant Accounting Policies (continued)**

*(s) New and Revised Accounting Standards (continued)*

All other Australian Accounting Standards and Interpretations with future commencement dates are not applicable to the Board's activities.

|                                   | <b>2016</b>      | <b>2015</b>      |
|-----------------------------------|------------------|------------------|
|                                   | <b>\$</b>        | <b>\$</b>        |
| <b>2. Fees and Other Receipts</b> |                  |                  |
| Application Fees                  | 72,665           | 71,253           |
| Registration Fees                 | 176,730          | 166,981          |
| Renewal Fees                      | 2,093,968        | 1,862,071        |
| Restoration and Processing Fees   | 51,596           | 79,387           |
| Seminars                          | 910              | -                |
| Penalties and Costs               | 109,700          | 38,540           |
| <b>Total</b>                      | <u>2,505,569</u> | <u>2,218,232</u> |
| <br>                              |                  |                  |
| <b>3. Interest Revenue</b>        |                  |                  |
| Cheque Account                    | 2,779            | 3,988            |
| Cash Management                   | 64,646           | 59,191           |
| <b>Total</b>                      | <u>67,425</u>    | <u>63,179</u>    |
| <br>                              |                  |                  |
| <b>4. Other Revenue</b>           |                  |                  |
| Cost Recoveries                   | -                | 1,733            |
| Miscellaneous Income              | 43               | 767              |
| <b>Total</b>                      | <u>43</u>        | <u>2,500</u>     |

**BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2016**

|  | <b>2016</b>    | <b>2015</b>    |
|--|----------------|----------------|
|  | \$             | \$             |
| <b>5. Administrative Expenses</b>              |                |                |
| Accounting and Audit Fees*                     | 10,500         | 12,768         |
| Advertising                                    | 108,145        | 66,199         |
| Bank Charges                                   | 25,809         | 24,324         |
| CPD Audit Fees                                 | 45,000         | 40,000         |
| Members Expenses                               | 63,730         | 92,358         |
| Rent/Electricity/Car Parking                   | 100,860        | 92,828         |
| Move of Premises                               | -              | 5,712          |
| Office Maintenance                             | 6,541          | 4,785          |
| Telephone                                      | 9,992          | 12,182         |
| Printing and Stationery                        | 48,023         | 49,486         |
| Postage and Couriers                           | 34,234         | 20,742         |
| Insurance                                      | 15,156         | 16,421         |
| Workshops                                      | -              | 2,179          |
| Conferences / Travel                           | 19,611         | 34,980         |
| Election Costs                                 | 14,935         | -              |
| Subscriptions                                  | 2,215          | 1,995          |
| Office Systems (includes computer maintenance) | 115,517        | 102,284        |
| Other  | 39,198         | 25,766         |
| <b>Total</b>                                   | <u>659,466</u> | <u>605,009</u> |

\* Total audit fees paid to the Queensland Audit Office relating to the 2015-16 financial statements are estimated to be \$6,800 (2015: \$6,500). There are no non-audit services included in this amount.

**6. Employee Expenses**

|                    |                |                |
|--------------------|----------------|----------------|
| Salaries and Wages | 712,187        | 628,830        |
| Superannuation     | 16,337         | 10,908         |
| <b>Total</b>       | <u>728,524</u> | <u>639,738</u> |

|   | <b>2016</b> | <b>2015</b> |
|---|-------------|-------------|
| Number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis | 9           | 7           |
| Number of Board members paid wages during the year  | 5           | 5           |

**Key Management Personnel**

The names of current Board members are:

Mr Dawson Wilkie  
Mr Mike Brady  
Ms Julie Mitchell

Mr Adam Stoker  
Mr Michael Duff

Mr Simon Biggs  
Mr Greg McLean



**BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2016**

**Note 6 Employee expenses (continued)**

**Key Management Personnel (continued)**

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 2015-16.

| Position      | Responsibilities  | Current incumbents                                |  |
|---------------|---|---|--|
|               |   | Contract classification and appointment authority | Date appointed to position (Date resigned from position) |
| Gary Stirling | The acting Registrar is responsible for the management of the business of the Board | AO8 Public Service Act 1996                       | 27 May 2015 to (4 December 2015)                         |
| Kylie Mercer  | The Registrar is responsible for the management of the business of the Board        | AO8 Public Service Act 1996                       | 7 December 2015  |

**Executive Remuneration 1 July 2014 – 30 June 2015**

| Position                                      | Short Term Employee Benefits |                       | Long Term Employee Benefits | Post Employment Benefits | Termination Benefits | Total Remuneration |
|---|------------------------------|-----------------------|-----------------------------|--------------------------|----------------------|--------------------|
|   | Base                         | Non-Monetary Benefits |                             |                          |                      |                    |
| Registrar (1 July 2014 – 26 May 2015)         | \$100,948                    | -                     | -                           | \$13,035                 | -                    | \$113,983          |
| Acting Registrar (27 May 2015 – 30 June 2015) | \$10,170                     | -                     | \$28                        | \$1,119                  | -                    | \$11,317           |
| <b>Total Remuneration</b>                     | <b>\$111,118</b>             | <b>-</b>              | <b>\$28</b>                 | <b>\$14,154</b>          | <b>-</b>             | <b>\$125,300</b>   |





**BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**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 |                             |                          |                      |                    |
| 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             |
| <b>Total Remuneration</b>                        | <b>112,205</b>               | <b>-</b>              | <b>2,356</b>                | <b>13,873</b>            | <b>-</b>             | <b>128,434</b>     |

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.

|                                     | 2016<br>\$       | 2015<br>\$       |
|-------------------------------------|------------------|------------------|
| <b>7. Cash and Cash Equivalents</b> |                  |                  |
| Cash at Bank                        | 106,732          | 233,902          |
| Petty Cash                          | 500              | 500              |
| Imprest Account                     | -                | 502              |
| QTC Investment Account              | 3,322,243        | 2,509,704        |
| <b>Total</b>                        | <u>3,429,475</u> | <u>2,744,608</u> |
| <b>8. Receivables</b>               |                  |                  |
| Trade Receivables                   | -                | -                |
| Undeposited Funds                   | 4,619            | 595              |
| Net Receivables                     | <u>4,619</u>     | <u>595</u>       |
| GST Receivable                      | 49,851           | 67,532           |
| GST Payable                         | -                | (5)              |
| Net GST Receivable                  | <u>49,851</u>    | <u>67,527</u>    |
| <b>Total</b>                        | <u>54,470</u>    | <u>68,122</u>    |



BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

|                                  | 2016          | 2015          |
|----------------------------------|---------------|---------------|
|                                  | \$            | \$            |
| <b>9. Other Assets</b>           |               |               |
| Insurance Prepayment             | 11,661        | 11,660        |
| Other Prepayment                 | 6,842         | 6,007         |
| <b>Total</b>                     | <u>18,503</u> | <u>17,667</u> |
| <b>10. Plant and Equipment</b>   |               |               |
| Computer Equipment               | 15,905        | 15,905        |
| Accumulated Depreciation         | (14,519)      | (12,685)      |
| <b>Total</b>                     | <u>1,386</u>  | <u>3,220</u>  |
| Office Equipment                 | 6,003         | 6,003         |
| Accumulated Depreciation         | (1,806)       | (1,206)       |
| <b>Total</b>                     | <u>4,197</u>  | <u>4,797</u>  |
| <b>Total Plant and Equipment</b> | <u>5,583</u>  | <u>8,017</u>  |
| <b>Movements Schedule</b>        |               |               |
| <b>Computer Equipment</b>        |               |               |
| Carrying amount at 1 July        | 3,220         | 7,600         |
| Acquisitions                     | -             | -             |
| Disposals                        | -             | (882)         |
| Depreciation                     | (1,834)       | (3,498)       |
| Carrying amount at 30 June       | <u>1,386</u>  | <u>3,220</u>  |
| <b>Office Equipment</b>          |               |               |
| Carrying amount at 1 July        | 4,797         | 5,398         |
| Acquisitions                     | -             | -             |
| Depreciation                     | (600)         | (601)         |
| Carrying amount at 30 June       | <u>4,197</u>  | <u>4,797</u>  |
| <b>Total Plant and Equipment</b> |               |               |
| Carrying amount at 1 July        | 8,017         | 12,998        |
| Acquisitions                     | -             | -             |
| Disposals                        | -             | (882)         |
| Depreciation                     | (2,434)       | (4,099)       |
| Carrying amount at 30 June       | <u>5,583</u>  | <u>8,017</u>  |



BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

|  | 2016             | 2015             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>11. Payables</b>                          |                  |                  |
| Trade Creditors                              | 36,215           | 134,270          |
| Other Creditors                              | 2,567            | 1,888            |
| <b>Total</b>                                 | <u>38,782</u>    | <u>136,158</u>   |
| <b>12. Unearned Revenue</b>                  |                  |                  |
| Renewal Fees                                 | 2,267,026        | 2,082,367        |
| <b>Total</b>                                 | <u>2,267,026</u> | <u>2,082,367</u> |
| <b>13. Accrued Expenses</b>                  |                  |                  |
| Accrued Other                                | 14,449           | 15,563           |
| Accrued Wages                                | 50,251           | 35,021           |
| <b>Total</b>                                 | <u>64,700</u>    | <u>50,584</u>    |
| <b>14. Provision for Employee Benefits</b>   |                  |                  |
| <b>Current</b>                               |                  |                  |
| <b>Accrued Employee Benefits</b>             |                  |                  |
| Annual Leave Payable                         | 8,556            | 3,493            |
| Long Service Leave Payable                   | -                | -                |
| <b>Total</b>                                 | <u>8,556</u>     | <u>3,493</u>     |
| <b>Non-Current</b>                           |                  |                  |
| <b>Accrued Employee Benefits</b>             |                  |                  |
| Long Service Leave Payable                   | 1,023            | -                |
| <b>Total</b>                                 | <u>1,023</u>     | <u>-</u>         |
| <b>Analysis of Provisions</b>                | Employee         | Employee         |
|  | Benefit          | Benefit          |
| Opening Balance at 1 July 2015               | 3,493            | -                |
| Additional provisions raised during the year | 14,052           | 4,020            |
| Amounts used                                 | (7,966)          | (527)            |
| <b>Balance at 30 June 2016</b>               | <u>9,579</u>     | <u>3,493</u>     |
| <b>15. Other Current Liabilities</b>         |                  |                  |
| PAYG Tax Payable to ATO                      | 13,598           | 8,972            |
| <b>Total</b>                                 | <u>13,598</u>    | <u>8,972</u>     |



**BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

|   | <b>2016</b> | <b>2015</b> |
|---|-------------|-------------|
|   | <b>\$</b>   | <b>\$</b>   |
| <b>16. Reconciliation of Operating Surplus/(Deficit) to Net Cash Provided by (Used in) Operating Activities</b> |             |             |
| Operating Profit/(Loss)   | 557,505     | 146,243     |
| Depreciation  | 2,435       | 4,099       |
| Changes in Assets and Liabilities   |             |             |
| Decrease (increase) in Receivables  | 13,652      | (6,793)     |
| Decrease (increase) in Other Assets   | (836)       | 9,595       |
| Decrease (increase) in Plant & Equipment  | -           | 882         |
| Increase (decrease) in Payables   | (97,376)    | 67,690      |
| Increase (decrease) in Unearned Revenue   | 184,659     | 231,028     |
| Increase (decrease) in Accrued Expenses   | 14,117      | (29,150)    |
| Increase (decrease) in Provision for Employee Benefits  | 6,086       | 3,493       |
| Increase (decrease) in Other Current Liabilities  | 4,625       | 4,412       |
| Net cash provided by/(used in) operating activities   | 684,867     | 431,499     |

**17. Events Occurring after Reporting Date**

There are no events occurring after the balance date that materially affect the financial statements at 30 June 2016.

**18. Commitments for Expenditure**

The Board had no capital commitments of a material nature at 30 June 2016.

**Non-Cancellable Operating Lease**

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

|   | <b>2016</b>   | <b>2015</b>    |
|---|---------------|----------------|
|   | <b>\$</b>     | <b>\$</b>      |
| Not later than one year                           | 54,458        | 86,234         |
| Later than one year and not later than five years | -             | 54,458         |
| Later than five years                             | -             | -              |
| <b>Total</b>                                      | <b>54,458</b> | <b>137,692</b> |

The lease is for the business premises and is a non-cancellable lease with a 2.5 year term, with rent payable monthly in advance. Minimum lease repayments are increased by a fixed 4% per annum. An option exists to renew the lease at the end of the term on 4 February 2017, for one additional term of five years.



BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

**19. Contingent Assets and Liabilities – Litigation in Progress**

**Contingent Assets**

On 7 December 2015 the Board of Professional Engineers of Queensland as plaintiff were awarded \$32,000 in penalties and \$50,883 for reimbursement of legal costs regarding a successful legal case (ID 7040.486).

While consistent payments have been received during 2015-16 the Board has determined that circumstances including the lack of insurance and the potential suspension of licence where payments are not made on time indicate that the probability of receipt is less than probable. As such, the Board has not recognised any amounts in the financial statements for the amounts described above at the reporting date.

Penalties of \$8,000 and legal costs of \$17,500 were awarded to the Board on 5 February 2016 for a successful legal case (ID 7040.559). The Board has assessed the likelihood of receiving the full \$25,500 as greater than remote but less than probable in light of the defendant's failure to meet the deadline of initial payment by 5 March 2016. Rather, this amount was received 20 April 2016.

As such, the Board of Professional Engineers of Queensland have not recognised any amounts in the financial statements for the amounts described above at the reporting date.

All other 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. As such, the Board has not recognised any amounts in the financial statements for these amounts, taking a more conservative stance with legal recoveries.

The table below shows the legal penalties and costs awarded to the Board but not recognised as a receivable:

| Legal Case | Outstanding Penalties and Costs |
|------------|---------------------------------|
| 7040.390   | \$ 87,805                       |
| 7040.489   | \$ 12,486                       |
| 7040.524   | \$ 17,500                       |
| 7040.375   | \$ 126,548                      |
| 7040.520   | \$ 21,000                       |
| 7040.344   | \$ 916                          |

**Contingent Liabilities**

As at 30 June 2016 there were no contingent liabilities.

BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

**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:

| <b>Category</b>                                   | <b>2016</b>      | <b>2015</b>      |
|---|------------------|------------------|
| <b>Financial assets</b>                           | \$               | \$               |
| Cash and Cash Equivalents                         | 3,434,094        | 2,745,203        |
| Receivables                                       | 49,851           | 67,527           |
| Total   | <u>3,483,945</u> | <u>2,812,730</u> |
| <b>Financial liabilities</b>                      |                  |                  |
| Financial liabilities measured at amortised cost: |                  |                  |
| Payables  | <u>126,659</u>   | <u>199,206</u>   |
| Total   | <u>126,659</u>   | <u>199,206</u>   |

**Risk Management Strategy**

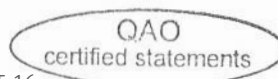
The Board's overall risk management strategy is designed to meet its financial targets, whilst minimising potential effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements.

**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 2016

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:

|  | 2016             | 2015             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>Maximum Exposure to Credit Risk</b> |                  |                  |
| <b>Financial Assets</b>                |                  |                  |
| Cash and Cash Equivalents              | 3,434,094        | 2,745,203        |
| Receivables                            | 49,851           | 67,527           |
| Total                                  | <u>3,483,945</u> | <u>2,812,730</u> |

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

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

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

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

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

No receivables recognised in the financial statements were overdue at 30 June 2016.

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 2016

**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.

| <b>Financial liabilities</b> | <b>2016</b>    | <b>2015</b>    |
|------------------------------|----------------|----------------|
| <b>Payables</b>              | <b>\$</b>      | <b>\$</b>      |
| Less than 1 year             | 126,659        | 199,206        |
| <b>Total</b>                 | <b>126,659</b> | <b>199,206</b> |

|                                    |                |                |
|------------------------------------|----------------|----------------|
| <b>Total financial liabilities</b> |                |                |
| Less than 1 year                   | 126,659        | 199,206        |
| <b>Total</b>                       | <b>126,659</b> | <b>199,206</b> |

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 \$34,295 (2015: \$27,446) 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.



**BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**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.

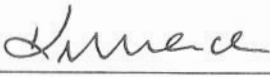
In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- 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 2016 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.



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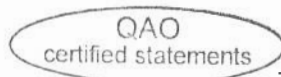
D Wilkie  
Chairperson



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Kylie Mercer  
Registrar

Dated this 26 day of August 2016



## INDEPENDENT AUDITOR'S REPORT

To the Board of Professional Engineers of Queensland

### Report on the Financial Report

I have audited the accompanying financial report of Board of Professional Engineers of Queensland, which comprises the statement of financial position as at 30 June 2016, 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 significant accounting policies and other explanatory information, and certificates given by the Chairperson and the Registrar.

#### *The Board's Responsibility 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 prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

### *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

### *Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Board of Professional Engineers of Queensland for the financial year 1 July 2015 to 30 June 2016 and of the financial position as at the end of that year.

### **Other Matters - Electronic Presentation of the Audited Financial Report**

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



M REARDON CPA  
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office  
Brisbane



BOARD OF  
**PROFESSIONAL  
ENGINEERS**  
OF QUEENSLAND

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