



BOARD OF  
**PROFESSIONAL  
ENGINEERS**  
OF QUEENSLAND

# 2014-15 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 2015.

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



The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty understanding this annual report, you can contact us on (07) 3198 0000 and an interpreter will be arranged to effectively communicate the report to you.

Further copies of this report are available by contacting the Board on (07) 3198 0000, or via the Board's website at [www.bpeq.qld.gov.au](http://www.bpeq.qld.gov.au).

Board of Professional Engineers of Queensland Annual Report 2014/2015

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

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## ABBREVIATIONS USED THROUGHOUT THIS ANNUAL REPORT

<b>AusIMM</b>	The Australian Institute of Mining and Metallurgy
<b>BPEQ</b>	The Board of Professional Engineers of Queensland
<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
<b>RINA</b>	The Royal Institution of Naval Architects (Australia)



BOARD OF  
**PROFESSIONAL  
ENGINEERS**  
OF QUEENSLAND

## LETTER OF COMPLIANCE

21 August, 2015

**The Honourable Leanne Enoch, MP**  
Minister for Housing and Public Works  
Minister for Science and Innovation  
Level 7, 80B George Street  
BRISBANE QLD 4000

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, 2015.

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 16 of this annual report or accessed at [www.bpeq.qld.gov.au](http://www.bpeq.qld.gov.au).

Yours sincerely

Dawson Wilkie  
Chairman  
The Board of Professional Engineers of Queensland

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## INTRODUCTION

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

The Act established the Board and provided for the registered professional engineer (**RPEQ**) system. Professor Roger Hawken, the Dean of Engineering at the University of Queensland, was the driving force behind the registration system and assisted the government of the time in its development. Today, the main function of the Board is the administration of the Act and the RPEQ system.

### THE OBJECTIVES OF THE 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.

As well as being the regulator, the Board is empowered to investigate and take disciplinary action against engineers who breach the Act or demonstrate unsatisfactory conduct or service. The Act provides a process for persons, including the public, who are aggrieved by the conduct of an RPEQ to lodge a complaint about that engineer's professional conduct.

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



## A MESSAGE FROM THE CHAIRMAN



It is with great pleasure that I present the 2014/15 Annual Report for the Board of Professional Engineers Queensland. Having taken

up the position of President in January, 2015, I must include my thanks to Chris Carr who led the Board as Chairman for the preceding two years. It is unfortunate work commitments did not allow him to continue.

As the regulator, the Board has the obligation and discretion to do what is necessary to uphold the standards of practice within the profession and to protect the public. This entails the need for investigation and disciplinary proceedings against individuals who breach their legal obligation as engineers or demonstrate unsatisfactory professional conduct. However, the Board is more than that, and recognises the part it must play to support the profession now and into the future.

Engineers around Queensland and interstate are experiencing a number of difficulties with the downturn in the mining and resources sector, reduced

investment in infrastructure projects and depressed economic conditions generally. It is important that the Board remains relevant and provides a tangible benefit for registered engineers, particularly during these difficult times. As such, the Board is undertaking greater direct engagement with engineers and engineering service providers; we are increasing our support for and collaboration with educational organisations and institutions with the aim of building awareness about registration and boosting the number of people studying engineering; and lobbying the state government to participate in steering committees and advisory bodies focused on creating engineering and construction growth. The Board is also aware of the need for good corporate governance and is undertaking internal changes designed to improve our performance and service.

A special thanks to all the staff at the Board who do an outstanding job managing the day to day affairs of the Board. It would be remiss of me not to acknowledge the significant contribution of our former Registrar Clare Murray, who, after seven years of service, was ready for a new challenge. The role of Registrar

is pivotal to the efficient operation of the Board and during her leadership Clare oversaw an unprecedented number of engineers becoming registered, improved support for registration and awareness of the Act, and drove legislative reforms to improve the Act and ensure it is relevant and workable for the profession and the public. The Board wishes Clare all the best in her new role. Thanks also to former Board members Professor Yinghe He and Joanna Jenkins who left the Board in the last 12 months.

It is often said that it is engineers who transform ideas into reality. There is great potential for Queensland in the coming years and the Board of Professional Engineers stands ready to work with Engineers right across the state and elsewhere to help make that potential reality.

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

## REGISTRAR'S REPORT

It is fair to say there have been some major highlights as well as challenges for the Board throughout 2014/15.

It has been a great achievement reaching more than 11,000 RPEQs, the highest ever number of engineers registered by the Board. The Board and staff deserve plenty of credit for this milestone, as do our assessment entities that work with the Board to assess and register engineers, the AusIMM, Engineers Australia, IChemE, IFE, IPWEAQ, Professionals Australia and RINA. The next goal is to register 12,000 RPEQs by 30 June, 2016.

The Professional Engineers and Other Legislation Amendment Bill passed the Parliament on 15 October, 2014 and was given Royal Assent on 27 October, 2014. This bill gave effect to a range of measures

to improve the application of the Professional Engineers Act 2002, including the introduction of a new category of registration for non-practicing engineers.

Throughout 2014/15 the Board has actively engaged with engineers and companies to promote the Act and registration. The Board has travelled to Toowoomba and Emerald for regional meeting and events, conducted presentations with Brisbane City Council, GHD, Jacobs and Santos, and participated in forums and events like the 2015 APPEA Conference and Exhibition, the AusIMM New Leaders Conference and the IPWEAQ State Conference.

As part of our commitment to upholding professional standards and safeguarding the public the Board undertook 26

investigations into engineers and commenced or continued legal action against 15.

Going forward the Board will continue to collaborate with engineers and the profession more broadly with the common goal of supporting engineers, providing beneficial services and ensuring the Act and registration enhances the profession.

**Gary Stirling**  
**Acting Registrar**  
**The Board of Professional Engineers of Queensland**

## THE BOARD

The Board comprises seven members appointed under the *Professional Engineers Act 2002* 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 Act requires that board members nominated by the Minister include a regional representative, a building and construction industry representative, a community representative, an academic representative and a legal representative.

Each board member brings a wealth of experience and skills from diverse and varied backgrounds.



### CHAIR AND REGIONAL REPRESENTATIVE

**MR DAWSON WILKIE** BE CIVIL, FIE AUST, FIPWEAQ, RPEQ, GAICD

Dawson Wilkie was appointed to the Board as chair 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 and Townsville city councils. 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.



### DEPUTY CHAIR AND BUILDING AND CONSTRUCTION INDUSTRY REPRESENTATIVE

**MR GREG MCLEAN** 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 time as state building manager for a leading Australian construction company. 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.



### ENGINEERS AUSTRALIA REPRESENTATIVE

**MR MIKE BRADY** BE CIVIL, FIE AUST, CP ENG, 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.



### ELECTED REGISTERED PROFESSIONAL ENGINEER

**MS JULIE MITCHELL** 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. Over 28 years 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.





#### COMMUNITY REPRESENTATIVE

**MR MICHAEL DUFF** BBUS, GAICD

Michael Duff joined the Board as the community representative in July 2013. Michael has a strong background in community organisations in both regional and metropolitan Queensland, as well as extensive knowledge on 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 a large Queensland construction and urban development firm, Michael previously worked for another major engineering company, a peak representative body and has been a director in his family's agribusiness company for more than 20 years.



#### ACADEMIC REPRESENTATIVE

**PROFESSOR SIMON BIGGS** 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 (UK) 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.



#### LEGAL REPRESENTATIVE

**MR ADAM STOKER** LLB (HONS), MTAX, BMEDSC

Adam Stoker was appointed to the Board as legal representative in January 2015. A qualified solicitor, 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.







**PART A**  
**PERFORMANCE**  
**THE BOARD OF**  
**PROFESSIONAL ENGINEERS**  
**OF QUEENSLAND**  
**30 JUNE 2015**

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# OVERVIEW

## ESTABLISHMENT, OBJECTS, AND FUNCTIONS

The Board of Professional Engineers of Queensland (**the Board**) was established by the *Professional Engineers Act 1929* (Qld). The *Professional Engineers Act 2002* (Qld) (**the Act**) is the current legislation.

Section 3 of the Act describes the main objects of the Act as:

- (a) to protect the public by ensuring professional engineering services are provided by a registered professional engineer (**RPEQ**) in a professional and competent way;
- (b) to maintain public confidence in the standard of services provided by RPEQs; and
- (c) to uphold the standards of practice of RPEQs.

Section 4 of the Act explains that the main objects are to be achieved primarily by:

- (a) providing for the registration of individuals as RPEQs under the Act;
- (b) providing for the monitoring and enforcement of compliance with the Act;
- (c) imposing obligations on persons about the practice of engineering; and
- (d) establishing the Board.

Section 80 of the Act describes the functions of the Board as follows:

- (a) to assess applications made to it under the 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 this 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 Act in its application to the practice of engineering;

- (f) to review the eligibility requirements mentioned in paragraph (e)(i);
- (g) to perform other functions given to the Board under the Act or another Act;
- (h) to perform a function incidental to a function mentioned in paragraphs (a) to (g) above.

The Board does not have any sub-committees or similar sub-bodies.

## STRUCTURE

The Board consists of a chair and six members appointed by the Governor in Council. There is a Registrar of the Board who is responsible for managing the administrative affairs of the Board.

## MEMBERSHIP

The current board members are:

### Chair

Mr Dawson Wilkie  
*BE Civil, FIE Aust, FIPWEAQ, RPEQ, GAICD*  
Representative of regional Queensland

### Deputy Chair

Mr Greg McLean  
*BAPSc (Building), FAIB*  
Representative of the construction industry

### Members

Mr Michael Brady  
*BE Civil, FIEAust, CPEng, FIPWEAQ, RPEQ, MAIPM, CPPD, GAICD*  
Representative of the Queensland Division of the Institution of Engineers Australia

Ms Julie Mitchell  
*BE Civil (Hons), MBA, MEM, GAICD, FIEAust, RPEQ*  
Representative of registered professional engineers

Mr Michael Duff  
*BBus, GAICD*  
Representative of the community

Professor Simon Biggs  
*FREng, CEng, FICHEM, FRSC*  
Academic representative from a school of engineering in Queensland

Mr Adam Stoker  
*BA LLB (Hons), MMSc, MTax*  
Representative of the legal profession

Former board members who left the Board during the financial year include:

### Chair

Mr Christopher Carr  
*BE, MBA, MSc, RPEQ, FAusIMM(CP), MIEAust*  
Representative of regional Queensland

### Deputy Chair

Professor Yinghe He  
*BE, MEng, PhD, FIEAust, FICHEM, CEng*  
Academic representative from a school of engineering in Queensland

Ms Joanna Jenkins  
*BA, LLB (Hons)*  
Representative of the legal profession

## STAFF

### Acting Registrar

Mr Gary Stirling

### Acting Assistant Registrar

Ms Helen Krsticevic  
*AIMM*

### Senior Finance Officer

Mrs Deborah Good  
*FPNA*

### Senior Legal Officer

Mr David Brothie  
*BA, LLB, GDipLegalPrac*

### Communications Officer

Mr Nathaniel Tunney  
*BA, GDipComu*

### Executive Assistant

Ms Taunese Tuapola

### Administration Officer

Miss Teresa Montgomery

## MEETINGS

The Board meets monthly (except January, April and September) to carry out the functions of the Board as described in section 80 of the Act.

The Board met 10 times during the financial year, including a strategic planning session held in March, 2015. Attendance and fees are shown in the following table:

	<b>No. attended</b>	<b>No. eligible to attend</b>	<b>Fees \$</b>
Mr D Wilkie	4	5	2,250.00
Mr G McLean	9	10	4,295.68
Mr M Brady	9	10	nil
Ms J Mitchell	8	10	nil
Mr M Duff	10	10	4,295.68
Prof S Biggs	5	5	1,916.26
Mr A Stoker	5	5	1,916.26

The attendance of former members is listed in the following table:

	<b>No. attended</b>	<b>No. eligible to attend</b>	<b>Fees \$</b>
Mr C Carr	5	5	5,828.91
Prof Y He	3	5	1,690.71
Ms J Jenkins	3	5	1,002.00

There has been no overseas travel undertaken on behalf of the Board by Board members during the year. Travel has been for attendance at Board meetings in Brisbane (six), Gladstone (one), Toowoomba (one) and Emerald (one). The Chair has undertaken travel on behalf of the Board to Brisbane and Hughenden, and the Registrar has conducted meetings and presentations around Queensland and interstate, including Biloela, Kingaroy, Kalgoorlie, Gladstone, Mackay, Melbourne and Townsville.

## BUSINESS

The business of the Board is carried out by the Registrar, who is assisted by other members of staff.

Business was conducted during the financial year from offices at The Mansions, Level 1, 40 George Street, Brisbane, and following the Board's relocation on 4 August, 2014, from Level 15, 53 Albert Street, Brisbane.

## EXTERNAL AUDIT

The Board is audited annually by the Queensland Audit Office. An Independent Audit Report from the Auditor-General of Queensland forms part of the financial statements included in the Annual Report.

# FINANCE

The Act requires all costs of the Queensland Government associated with the regulation of engineers as RPEQs, including the Board’s costs of administration of the Act, to be met by fees levied on registrants under the Act.

The major influence on the Board’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 the Board, based on historical patterns for the last few years. This will enable the Board to meet its responsibilities, to remain self-funded, to act independently, impartially, and in the public’s interest.

# PERFORMANCE

## OBJECTIVE 1

to protect the public by ensuring professional engineering services are provided by an RPEQ in a professional and competent way.

### Comment

The development of the Code of Practice, documentation of the processes and procedures of the Board’s activities and development of policies has provided a robust quality system for the registration of engineers as RPEQs and the management of complaints about RPEQs.

The approval of seven assessment entities and the development of an assurance system, including independent review, to validate the quality of the assessment entities are now in place.

The Board has implemented compulsory continuing professional development (CPD) to ensure the competencies of RPEQs remain current.

### Performance

The Board is confident the public can be assured of the competence of RPEQs generally.

### Conclusion

The objective is appropriate and the Board has met objective 1.

## OBJECTIVE 2

to maintain public confidence in the standard of services provided by RPEQs.

### Comment

The Board initiates disciplinary action against RPEQs in response to complaints.

The Board also initiates prosecutions against unregistered persons providing professional engineering services.

Finally, the Board initiates prosecutions against people for contraventions of the Act.

This activity is initiated on the basis of a formal complaint process as the Board does not have the resources to proactively undertake audits, investigations or prosecutions. In some circumstances, where knowledge of separate disciplinary conduct/suspected offences is gleaned from investigation of a complaint, the Board will initiate action itself.

### Performance

The Board has referred unsatisfactory conduct of RPEQs to the Queensland Civil and Administrative Tribunal (“QCAT”) for hearings. From the time an application to hear disciplinary charges is lodged with QCAT, the Board makes it clear to the respondent RPEQ how it views the gravity of the charge and what outcomes it is seeking — whether it be deregistration, fines, or costs. Where possible, consent orders are agreed to with the respondent RPEQ and submitted to the QCAT for consideration. This helps mitigate the legal costs of preparing cases and presenting them to the QCAT, which can be significant for both parties.

### Conclusion

The objective is appropriate and the Board has met objective 2.

## OBJECTIVE 3

to uphold the standards of practice of RPEQs.

### Comment

The Board has a Code of Practice for RPEQs and has developed fitness to practice standards that must be met before applications for renewal of registration are approved annually; the Board distributes practice notes to engineers to assist them to meet their legal obligations. These initiatives have strengthened the Board’s capability to meet this objective.

The requirement for CPD and the audit of RPEQs has been developed and will assist the Board in meeting of objective 3.

### Performance

The Board’s work within its resource constraints has been satisfactory.

### Conclusion

The objective is appropriate and the Board has met objective 3.



# OPERATING ENVIRONMENT

## RISKS, OPPORTUNITIES AND CHALLENGES

At its March Strategy Meeting, the Board has identified various risks, opportunities and challenges.

Amongst the risks and challenges were:

- 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 Board;
- government and departmental change;
- perception/lack of awareness of the Board;
- incorporation of Board 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.

## MATTERS OF INTEREST TO KEY STAKEHOLDERS

The Board's stakeholders include engineers, all industry and mining sectors, student engineers, academic institutes, professional organisations, the public and the government.

Matters of interest to these key stakeholders may include:

- how the Board is upholding the standard of engineering and protecting the public;
- how the Board undertakes its investigations;
- future direction of the Board;
- the Board's engagement with stakeholders, particularly engineers;
- relevance and benefit of registration; and
- the cost of registration.

## PLANS AND PRIORITIES

To uphold engineering standards by:

- improving complaints processes; communicating complaints data and case information to guide engineers;
- developing better processes for promoting and upholding engineering standards;
- reviewing assessment entity procedures to ensure they meet Board, profession and public expectations;
- auditing current CPD requirements; review sections of the act to improve clarification;
- identifying red-tape reduction measures, including what mutual national and international recognition agreements can be adopted to assist engineers to become registered; and
- engaging and assisting government enquiries pertinent to engineering and associated sectors.

To engage effectively with all relevant stakeholders by:

- implementing a new stakeholder engagement and communications strategy;
- collaborating with professional organisations, industry, academia and government to support the engineering profession;
- engaging with current and potential RPEQs to raise awareness of the Board and registration;
- giving public confidence in the profession and raising awareness of Board;
- participating in and sponsoring industry and academic events relevant to engineering; and
- improving the Board's external communications and marketing, including upgrading the Board's website.

To maintain good corporate governance by:

- undertaking continuous improvement processes, introducing ongoing professional development for the Board and staff;
- reviewing governance documents;
- introducing IT disaster recovery plans; and
- advocating for greater Board independence.

To grow the number of registered engineers from 11,000 to 12,000 in the next financial year by:

- identifying unregistered engineers who should be registered, and
- ensuring appropriate staff resources to manage a larger number of RPEQs.

# REGISTRATION

## OPERATIONS 2014/15

The following table details the registration activity of the Board over the last three years.

	2012/13	2013/14	2014/15
New Registration	1,417	1,273	<b>1,300</b>
Reinstated	117	85	<b>324</b>
Disqualified	(2)	0	<b>0</b>
Retired / Resigned / Lapsed / Deceased	(305)	(414)	<b>(958)</b>
<b>TOTAL</b>	<b>9,715</b>	<b>10,659</b>	<b>11,325</b>

### QUALIFICATIONS FOR REGISTRATION — LEGISLATIVE REQUIREMENTS

#### Qualified and fit to practice

Under section 9 of the Act, an applicant for registration is eligible for registration as an RPEQ only if:

- (a) the applicant is qualified, under section 10 of the Act, for registration; and
- (b) the Board considers the applicant is fit to practise as an RPEQ.

The registration scheme is co-regulatory, involving the joint administration by the professional engineering bodies and the Board as a statutory governing body. The registration process is consistent with national and international standards for the recognition of professional engineers.

Section 10 of the Act provides that an applicant for registration is qualified for registration in an area of engineering if the applicant has the qualifications and competencies provided for under the assessment scheme of a professional engineering body which has been approved by the Minister.

#### Assessment entities

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 Institute of Naval Architects (Australia) (**RINA**).

#### Areas of engineering

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

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

The Board continues to monitor the effectiveness and timeliness of the assessment process as the numbers of different engineering disciplines increases.

The Board will work with its stakeholders to ensure listed engineering disciplines are accurate.

#### Non-practicing category

The Board has introduced a new category of registration in response to feedback from RPEQs. Registration as a non-practicing RPEQ cost \$99.20 and is open to RPEQs on career breaks or those that have retired but wish to retain their professional status.

#### Fitness to practise

The Board has a key role in assessing an individual's fitness to practice. When assessing an applicant's fitness to practice the Board considers criminal records, health assessments and insolvency issues. Under the renewal process a declaration from a RPEQ is required on an annual basis to satisfy the Board that the RPEQ is eligible for renewal of their registration. Fitness to practise is also a component of assessment for new applications for registration received by the Board.

#### Continued competency

The Board has developed CPD requirements in collaboration with its assessment entities. RPEQs are required to demonstrate continued competency before registration will be renewed. An audit program of RPEQs has commenced and runs in conjunction with those run by the assessment entities Engineers Australia and AusIMM.

#### Publication of the register

The full register of RPEQs (both past and present) is available for inspection at the Board's office. A register of current RPEQs can be viewed online at [www.bpeq.qld.gov.au](http://www.bpeq.qld.gov.au).

Information about the status of an RPEQ may be confirmed by telephone, facsimile, or email enquiry to the Board's office.

# DISCIPLINARY ACTIVITIES AND MONITORING AND ENFORCEMENT OF COMPLIANCE WITH THE ACT

## COMPLAINTS AND INFORMATION ABOUT SUSPECTED OFFENCES AGAINST THE ACT

During the 2014/15 financial year, the Board received various complaints about the conduct of RPEQs and suspected contraventions of the Act. The Board considers all complaints seriously and may investigate the conduct of RPEQs or suspected offences against the Act. Managing complaints and investigations is complex and requires both forensic and expert opinion to finalise appropriately.

## COMPLAINTS

During the 2014/15 financial year, the Board received **24** complaints about the conduct of RPEQs and **17** complaints regarding the conduct of unregistered persons (suspected offences). The Board also considered **seven** complaints about the conduct of RPEQs that were received in the 2013/14 financial year but were not able to be considered until the 2014/15 financial year.

Complaints	C/F 2013/14	Received 2014/15	Dismissed 14/15	Investigated 14/15	To be considered
Conduct of RPEQs	7	24	20	8	3
Suspected offences		17	7	8	2
<b>TOTAL</b>	<b>7</b>	<b>41</b>	<b>27</b>	<b>16</b>	<b>5</b>

The five matters to be considered were complaints received close to the end of the 2014/15 financial year about which the RPEQ/person of interest had not yet been afforded the opportunity to make a submission.

## INVESTIGATIONS

In the 2014/15 financial year, the Board also decided to commence **two** investigations of RPEQs and one investigation of suspected offences of its **own** motion bringing the total number of investigations commenced in the 2014/15 financial year to **19** and continued **seven** investigations that remained uncompleted from the 2013/14 financial year.

Investigations	C/F 2013/14	Commenced 2014/15	Completed 14/15	Not completed
Conduct of RPEQs	3	10	6	7
Suspected offences	4	9	6	7
<b>TOTAL</b>	<b>7</b>	<b>19</b>	<b>12</b>	<b>14</b>

Out of the **six completed** investigations of RPEQs the Board decided to commence disciplinary proceedings against **four** RPEQs and take no further action about the **two** remaining investigations.

Out of the **six** completed investigations of suspected offences completed the Board decided to start proceedings to prosecute **four** persons for offences, enter into an undertaking with **two** persons (from the **one** investigation), and take no further action about the **one** remaining investigation.

Out of the investigations left uncompleted, **eight** are awaiting a post-investigation decision by the Board at the July 2015 Board meeting and the remaining six are in various stages of investigation.

## DISCIPLINARY PROCEEDINGS AND PROSECUTIONS

During the 2014/15 financial year, the Board commenced four new disciplinary proceedings and continued **three** disciplinary proceedings from the 2013/14 financial year. During the 2014/15 financial year, the Board commenced four new prosecutions and continued **four** prosecutions from the 2013/14 financial year.

Disciplinary proceedings and prosecutions	C/F 2013/14	Commenced 2014/15	Completed 14/15	Not completed
Disciplinary proceedings	3	4	1	6
Prosecutions	4	4	6	2
<b>TOTAL</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>8</b>

The **one** disciplinary proceeding finished resulted in the establishment of a disciplinary ground against the RPEQ in question and consequently disciplinary orders were made. **Two** of the unfinished proceedings are awaiting a decision from QCAT; **two** are close to being finalised with negotiations well advanced about an agreed penalty, and the other **two** only started shortly before the end of the 2014/15 financial year.

All **six** of the prosecutions finished resulted in a conviction for all charges pursued. **One** of the unfinished matters is awaiting a final decision from the Court and the other one was only commenced shortly before the end of the 2014/15 financial year.



## AMENDMENTS TO THE ACT

The Professional Engineers and Other Legislation Amendment Bill passed the Parliament on 15 October, 2014 and given Royal Assent on 27 October, 2014. This bill gave effect to a range of measures to improve the application of the Professional Engineers Act 2002, including the introduction of a new category of registration for non-practicing engineers.

## CONTINUING REGISTRATION REQUIREMENTS

The program for CPD compliance is currently being administered by the Board in line with the Continuing Registration Requirements (**CRR**) Policy.

The Board will determine the annual list for auditing by a combined process of risk assessment and random selection. The number of audits to be carried out each year will be determined by the Board. Ideally all RPEQs will be regularly audited with a maximum period between audits of seven (7) years.

The audits are carried out on behalf of the Board by an approved assessment entity, or by assessors directly contracted to or employed by the Board. The costs of audit will be borne by the Board.

## PERFORMANCE AGREEMENT

Under section 99 of the Act the Board is required to enter into a performance agreement with the Minister no later than one month after the end of the preceding financial year. The performance agreement sets out the Board's strategic direction for the current financial year and the two following years. The performance agreement may also include other matters relevant to the Board's functions as agreed to by the Minister and the Board.

The former Registrar submitted the Board's performance agreement for 2014/15 to the former Minister for Housing and Public Works in 2014.

## COMMUNICATION

### STAKEHOLDER ENGAGEMENT AND COMMUNICATION STRATEGY

At its May meeting the Board endorsed a stakeholder engagement and communication strategy. The strategy sets out the Board's goals to raise awareness of the registration requirements amongst all stakeholders to ensure compliance with the Act; provide greater clarity in the legislative requirements on engineers and engineering services in Queensland, and to enhance the Board's public presence and relationships with key stakeholders.

### PRESENTATIONS, INFORMATION SESSIONS, AND WORKSHOPS

A number of industry and stakeholders presentations and events were attended by the representatives of the Board throughout the year, including:

- APPEA Conference and Exhibition, 2015, Melbourne;
- AusIMM New Leaders Conference 2015, Kalgoorlie;
- Engineers Australia Member's Seminar, Brisbane;
- IPWEAQ North Queensland Branch Conference, Hughenden;
- IPWEAQ Central Queensland Branch Conference, Biloela;
- IPWEAQ South West Queensland Branch Conference, Kingaroy.

The Registrar also gave boardroom presentations at various engineering and construction firms, including:

- Brisbane City Council;
- ConocoPhillips;
- GHD;
- Jacobs Engineering;
- Multirode;
- ProCon
- Queensland Department of Transport and Main Roads;
- SANTOS;
- SMEC;
- URS;
- Workplace Health and Safety Queensland.

# STATEMENT OF AFFAIRS UNDER THE RIGHT TO INFORMATION ACT 2009

## DESCRIPTION OF THE BOARD'S STRUCTURE AND FUNCTIONS

The Act requires that 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 the Institution 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 Act provides for the registration of persons as RPEQs. It prohibits persons who are not registered as RPEQs from carrying out professional engineering services in Queensland or for Queensland unless the person does so under the direct supervision of an RPEQ who is responsible for the services. It provides mechanisms for the investigation of complaints regarding the conduct of RPEQs. The Act is administered by the Board. The Board is required to act independently, impartially, and in the public interest. The Minister for Housing and Public Works may give the Board a written direction about the performance of the Board's functions or exercise of its powers if satisfied that it is necessary to give a direction in the public interest.

## HOW THE BOARD AFFECTS THE COMMUNITY

The operations of the Board affect the community in that persons other than RPEQs cannot provide professional engineering services (unless directly supervised, as explained above).

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. The Board monitors this process carefully in all its deliberations.

## ARRANGEMENT FOR PUBLIC PARTICIPATION

The Act provides for procedures for the public to make complaints against RPEQs and bring to the Board's attention unregistered persons undertaking professional engineering services without the requisite direct supervision of a responsible RPEQ.

As part of the approved stakeholder engagement and communication strategy the Board will boost its presence with the public.

## CATEGORIES OF DOCUMENTS

The Board 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 Board activities;
- general files; and
- policies of the Board.

## RIGHT TO INFORMATION PROCEDURES AND CONTACT DETAILS

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

Applications can be addressed to:

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

Or delivered in person to:

Board of Professional Engineers of Queensland  
Level 15, 53 Albert Street  
BRISBANE QLD 4000

## LITERATURE AVAILABLE BY WAY OF SUBSCRIPTION SERVICES OR FREE MAILING LISTS

The Board produces a monthly e-news to current RPEQs and other interested parties. The e-news is sent via email and stored on the Board's website.

## ACCESS TO DOCUMENTS

Facilities for examining documents and obtaining copies are available from the Board's offices at Level 15, 53 Albert Street, Brisbane, Queensland.

The register of RPEQs is open for inspection, free of charge, at the Board's 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, including a function to search for a RPEQ.

## RISK MANAGEMENT

The Board 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 strategic planning session held in March, 2015.

The Board has also recently discussed and revised its risk register.

## CODE OF CONDUCT

The Board is currently revising its Code of Conduct. The Board plans to adopt a new Code of Conduct for Board members and non-public service staff as soon as practicable.

Board staff employed under the Public Service Act 2008 are bound by the Public Service Ethics Act and follow the Queensland Public Service Code of Conduct.

## INFORMATION SYSTEMS AND RECORDKEEPING

In accordance with the Public Records Act 2002 (Qld), the Board 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.

## MATTERS TO BE INCLUDED IN THE ANNUAL REPORT

In accordance with section 107 of the Act, the Board states that:

- (a) no ministerial direction was given to the Board under section 98(1) of the Act during the year;
- (b) the Board's activities during the year were consistent with its performance agreement; and
- (c) details about disciplinary proceedings or proceedings for a contravention of the Act, started by the Board are set out on pages 26 to 28.

## PUBLICATION OF THE ANNUAL REPORT

Copies of this report are available on the Board's website, are distributed annually to a number of key stakeholders, and are available from the Board's office at **Level 15, 53 Albert Street, Brisbane, Queensland.**

## SUMMARY

The Board continues to develop best practice in the regulation of the engineering profession. The underpinning approach of co-regulation informs the strategies developed to implement the Act, and the cost neutral requirement informs the financial arrangements. The objectives of protecting the public, maintaining public confidence and upholding standards through strategic use of available resources, remain the focus of the Board's activities.

# 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 P6
Accessibility	• Table of contents	ARRs – section 10.1 P4-5
	• Glossary	
	• Public availability	ARRs – section 10.2 P2, P34-35
	• Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 10.3 P2
	• Copyright notice	<i>Copyright Act 1968</i> ARRs – section 10.4 P2
• Information licensing	<i>Queensland Government Enterprise Architecture – Information licensing</i> ARRs – section 10.5 P2	
General information	• Introductory Information	ARRs – section 11.1 P7
	• Agency role and main functions	ARRs – section 11.2 P14-15
	• Operating environment	ARRs – section 11.3 P20-22
	• Machinery of Government changes	ARRs – section 11.4 N/A
Non-financial performance	• Government objectives for the community	ARRs – section 12.1 N/A
	• Other whole-of-government plans / specific initiatives	ARRs – section 12.2 N/A
	• Agency objectives and performance indicators	ARRs – section 12.3 P18-20, P27
	• Agency service areas, service standards and other measures	ARRs – section 12.4 N/A
Financial performance	• Summary of financial performance	ARRs – section 13.1 P18
Governance – management and structure	• Organisational structure	ARRs – section 14.1 Refer to DHPW
	• Executive management	ARRs – section 14.2 P16
	• Government Bodies (statutory bodies and other entities)	ARRs – section 14.3 N/A
	• Public Sector Ethics Act 1994	<i>Public Sector Ethics Act 1994</i> (section 23 and Schedule) ARR – section 14.4 Refer to DHPW
Governance – risk management and accountability	• Risk management	ARRs – section 15.1 P30
	• External Scrutiny	ARRs – section 15.2 N/A
	• Audit committee	ARRs – section 15.3 N/A
	• Internal Audit	ARRs – section 15.4 N/A
	• Information systems and recordkeeping	ARRs – section 15.5 P31
Governance – human resources	• Workforce planning, attraction and retention and performance	ARRs – section 16.1 N/A
	• Early retirement, redundancy and retrenchment	Directive No.11/12 Early Retirement, Redundancy and Retrenchment ARRs – section 16.2
Open Data	• Consultancies	ARRs – section 17 ARRs – section 34.1
	• Overseas travel	ARRs – section 17 ARRs – section 34.2
	• Queensland Language	ARRs – section 17 ARRs – section 34.3
	• Government bodies	ARRs – section 17 ARRs – 34.4
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 42,43 and 50 ARRs – section 18.2 Refer to Part B – Financial Statements
	• Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2
	• Remuneration disclosures	<i>Financial Reporting Requirements for Queensland Government Agencies</i> ARRs – section 18.3





**PART B**  
**FINANCIAL STATEMENTS**  
**THE BOARD OF**  
**PROFESSIONAL ENGINEERS**  
**OF QUEENSLAND**  
**30 JUNE 2015**

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Your ref:  
Our ref: 2015-8331  
Ms Michelle Reardon – 3149 6000



## IN-CONFIDENCE

28 August 2015

Mr D Wilkie  
Chairperson  
The Board of Professional Engineers of Queensland  
Level 15  
53 Albert Street  
BRISBANE QLD 4000

Dear Mr Wilkie

### **General Purpose Financial Statements—2014–15**

### **The Board of Professional Engineers of Queensland**

I enclose for your information a copy of the certified General Purpose Financial Statements as required by s.40 (4) of the *Auditor-General Act 2009*. The original certified statements were returned to the Acting Registrar.

I have issued an unqualified auditor's report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D Adams', is written over a faint circular stamp.

David Adams  
Director

Enc.

# THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND FINANCIAL STATEMENTS 2014-15

## 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.

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
<b>Income from Continuing Operations</b>			
Fees and Other Receipts	2	2,218,232	2,006,926
Interest Revenue	3	63,179	58,229
Other Revenue	4	2,500	1,146
<b>Total Income from Continuing Operations</b>		<u>2,283,911</u>	<u>2,066,301</u>
<b>Expenses from Continuing Operations</b>			
Administrative Expenses	5	605,009	504,240
Employee Expenses	6	639,738	597,624
Investigation and Legal Expenses		888,822	928,763
Depreciation		4,099	5,952
<b>Total Expenses from Continuing Operations</b>		<u>2,137,668</u>	<u>2,036,579</u>
<b>Operating Result from Continuing Operations</b>		<u>146,243</u>	<u>29,722</u>
<b>Other Comprehensive Income</b>			
<b>Total Comprehensive Income</b>		<u>146,243</u>	<u>29,722</u>

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

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Notes	2015 \$	2014 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	7	2,744,608	2,313,109
Receivables	8	68,122	61,329
Other Assets	9	17,667	27,262
<b>Total Current Assets</b>		<u>2,830,397</u>	<u>2,401,700</u>
<b>Non-Current Assets</b>			
Plant and Equipment	10	8,017	12,998
<b>Total Non-Current Assets</b>		<u>8,017</u>	<u>12,998</u>
<b>Total Assets</b>		<u><u>2,838,414</u></u>	<u><u>2,414,698</u></u>
<b>Current Liabilities</b>			
Payables	11	136,158	68,468
Unearned Revenue	12	2,082,367	1,851,339
Accrued Expenses	13	50,584	79,734
Provisions	14	3,493	-
Other Current Liabilities	15	8,971	4,561
<b>Total Current Liabilities</b>		<u>2,281,573</u>	<u>2,004,102</u>
<b>Total Liabilities</b>		<u><u>2,281,573</u></u>	<u><u>2,004,102</u></u>
<b>NET ASSETS</b>		<u><u>556,841</u></u>	<u><u>410,596</u></u>
<b>EQUITY</b>			
Accumulated Surplus		556,841	410,596
<b>TOTAL EQUITY</b>		<u><u>556,841</u></u>	<u><u>410,596</u></u>

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

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	\$
Balance as at 1 July 2013		380,874
Operating Result from Continuing Operations		29,722
Total Other Comprehensive Income		-
<b>Balance as at 30 June 2014</b>		<u>410,596</u>
Balance as at 1 July 2014		410,596
Operating Result from Continuing Operations		146,243
Total Other Comprehensive Income		-
<b>Balance as at 30 June 2015</b>		<u>556,841</u>

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



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
<b>Cash Flows from Operating Activities</b>			
<i>Inflows:</i>			
Fees and Other Receipts		2,413,221	2,103,378
Penalties and Costs		38,540	82,735
Interest Revenue		63,179	1,414
<i>Outflows:</i>			
Employee Expenses		(634,829)	(544,682)
Board Member Expenses		(112,656)	(141,933)
Administrative Expenses		(561,772)	(432,755)
Investigations and Legal Expenses		(774,184)	(891,279)
<b>Net Cash provided by/(used in) Operating Activities</b>	16	<u>431,499</u>	<u>176,878</u>
<b>Cash Flows from Investing Activities</b>			
<i>Outflows:</i>			
Payments for Fixed Assets		-	(5,500)
<b>Net Cash provided by/(used in) Investing Activities</b>		<u>-</u>	<u>(5,500)</u>
<b>Cash Flows from Financing Activities</b>			
<i>Outflows:</i>			
		-	-
<b>Net Cash provided by/(used in) Financing Activities</b>		<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents		431,499	171,378
Cash at the beginning of the financial year		<u>2,313,109</u>	<u>2,141,731</u>
<b>Cash at the end of the financial year</b>	7	<u><u>2,744,608</u></u>	<u><u>2,313,109</u></u>

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

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

**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 2015, 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 Amendment Regulation (No.1) 2007*. 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.

*(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.



**THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2015**

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

*(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.

*(j) Financial Instruments (continued)*

*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.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

**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.

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.

The Board has employed two full time employees during the 2015 financial year. All benefits relating to their continued employment has been provided for with regards to the abovementioned considerations.

*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.

*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*.



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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

*Key Management Personnel and Remuneration*

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury and Trade. Refer to note 6 for the disclosures on key management personnel and remuneration.

*(l) Prepayments and Insurance*

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

*(m) Taxation*

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

The Board's income from fees is exempt from GST in accordance with Division 81 Written Determination. Input tax credits receivable and GST payable on income from sources other than fees from/to the Australian Tax Office are recognised.

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. The net amount of GST recoverable from, or payable to, the ATO is included with the other receivables or payables in the statement of financial position.

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.



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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*

The Board assesses impairment at each reporting date by evaluation of conditions and events specific to the Board that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. No impairment was considered by the Board to exist in the current year.

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.

During the 2015 financial year, the Board were unable to reliably estimate the value of legal costs and penalties receivable from Mr Brian Thomas. Therefore, no receivable balance has been recognised in the financial statements for the year ended 30 June 2015.

See note 19 for disclosure on contingent assets relating to this legal case.

(r) Unearned revenue

Annual Renewal fee received during April, May and June 2015 for the registration year commencing 1 July 2015 are recognised as Unearned Revenue in 2014-15.

(s) New and Revised Accounting Standards

The Board did not voluntarily change any of its accounting policies during 2014-15.

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 (December 2010)* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]

Due to the nature of the Board's activities, these standard changes will not have a significant impact on the Board of Professional Engineers of Queensland's financial statements.

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

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<b>2. Fees and Other Receipts</b>		
Application Fees	71,253	64,539
Registration Fees	166,981	162,430
Renewal Fees	1,862,071	1,733,335
Restoration and Processing Fees	79,387	20,702
Penalties and Costs	38,540	25,920
<b>Total</b>	<u>2,218,232</u>	<u>2,006,926</u>
<b>3. Interest Revenue</b>		
Cheque Account	3,988	1,414
Cash Management	59,191	56,815
<b>Total</b>	<u>63,179</u>	<u>58,229</u>
<b>4. Other Revenue</b>		
Cost Recoveries	1,733	1,037
Miscellaneous Income	767	109
<b>Total</b>	<u>2,500</u>	<u>1,146</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<b>5. Administrative Expenses</b>		
Accounting and Audit Fees*	12,768	10,087
Advertising	66,199	37,978
Bank Charges	24,324	19,705
CPD Audit Fees	40,000	5,000
Members Expenses	92,358	103,132
Rent/Electricity/Car Parking	92,828	55,595
Move of Premises	5,712	83,132
Office Maintenance	4,785	4,115
Telephone	12,182	9,398
Printing and Stationery	49,486	36,052
Postage and Couriers	20,742	17,890
Insurance	16,421	15,117
Workshops	2,179	903
Amendments to the Act	-	-
Conferences / Travel	34,980	18,310
Election Costs	-	-
Cost Recoveries	-	845
Subscriptions	1,995	3,850
Office Systems (includes computer maintenance)	102,284	64,704
Other	25,766	18,427
<b>Total</b>	<u>605,009</u>	<u>504,240</u>

\* Total audit fees paid to the Queensland Audit Office relating to the 2014-15 financial statements are estimated to be \$6,500 (2014: \$6,300). There are no non-audit services included in this amount.

**6. Employee Expenses**

Salaries and Wages	628,830	590,906
Superannuation	10,908	6,718
<b>Total</b>	<u>639,738</u>	<u>597,624</u>

**Executive Remuneration 1 July 2014 – 26 May 2015**

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base	Non-Monetary Benefits				
Registrar	\$100,948	-	-	\$13,035	-	\$113,983
<b>Total Remuneration</b>	<b>\$100,948</b>	<b>-</b>	<b>-</b>	<b>\$13,035</b>	<b>-</b>	<b>\$113,983</b>



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

6. Employee Expenses (continued)

Executive Remuneration 27 May 2015 – 30 June 2015

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base	Non-Monetary Benefits				
Acting Registrar	\$10,170	-	\$28	\$1,119	-	\$11,317
<b>Total Remuneration</b>	<b>\$10,170</b>	<b>-</b>	<b>\$28</b>	<b>\$1,119</b>	<b>-</b>	<b>\$11,317</b>

Executive Remuneration 1 July 2013 – 30 June 2014

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base	Non-Monetary Benefits				
Registrar	104,833	-	3,090	13,828	-	121,751
<b>Total Remuneration</b>	<b>104,833</b>	<b>-</b>	<b>3,090</b>	<b>13,828</b>	<b>-</b>	<b>121,751</b>

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

**6. Employee Expenses (continued):**

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.

	2015	2014
Number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis	7	7
Number of Board members paid wages during the year	5	5

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

**Key Management Personnel**

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2014-15.

Position	Responsibilities	Current incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Katherine Murray	The Registrar is responsible for the management of the business of The Board	PO6 Public Service Act 1996	March 2008 (resigned 26 May 2015 )
Gary Stirling	The acting Registrar is responsible for the management of the business of The Board	AO8 Public Service Act 1996	27 May 2015

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
<b>7. Cash and Cash Equivalents</b>		
Cash at Bank	233,902	260,125
Petty Cash	500	200
Imprest Account	502	404
QTC Investment Account	2,509,704	2,052,380
<b>Total</b>	<u>2,744,608</u>	<u>2,313,109</u>
<b>8. Receivables</b>		
Trade Receivables	-	-
Undeposited Funds	595	3,833
Net Receivables	<u>595</u>	<u>3,833</u>
GST Receivable	67,532	57,524
GST Payable	(5)	(28)
Net GST Receivable	<u>67,527</u>	<u>57,496</u>
<b>Total</b>	<u>68,122</u>	<u>61,329</u>
<b>9. Other Assets</b>		
Insurance Prepayment	11,660	12,478
Other Prepayment	6,007	14,784
<b>Total</b>	<u>17,667</u>	<u>27,262</u>
<b>10. Plant and Equipment</b>		
Computer Equipment	15,905	23,087
Accumulated Depreciation	(12,685)	(15,487)
<b>Total</b>	<u>3,220</u>	<u>7,600</u>
Office Equipment	6,003	6,003
Accumulated Depreciation	(1,206)	(605)
<b>Total</b>	<u>4,797</u>	<u>5,398</u>
<b>Total Plant and Equipment</b>	<u>8,017</u>	<u>12,998</u>



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<b>10. Plant and Equipment</b>		
<b>Movements Schedule</b>		
<b>Computer Equipment</b>		
Carrying amount at 1 July	7,600	7,451
Acquisitions	-	5,500
Disposals	(882)	-
Depreciation	(3,498)	(5,351)
Carrying amount at 30 June	<u>3,220</u>	<u>7,600</u>
<b>Office Equipment</b>		
Carrying amount at 1 July	5,398	5,998
Acquisitions	-	-
Depreciation	(601)	(600)
Carrying amount at 30 June	<u>4,797</u>	<u>5,398</u>
<b>Total Plant and Equipment</b>		
Carrying amount at 1 July	12,998	13,449
Acquisitions	-	5,500
Disposals	(882)	-
Depreciation	(4,099)	(5,951)
Carrying amount at 30 June	<u>8,017</u>	<u>12,998</u>
<b>11. Payables</b>		
Trade Creditors	134,270	64,868
Superannuation Payable	-	62
Other Creditors	1,888	3,538
<b>Total</b>	<u>136,158</u>	<u>68,468</u>
<b>12. Unearned Revenue</b>		
Renewal Fees	<u>2,082,367</u>	<u>1,851,339</u>
<b>Total</b>	<u>2,082,367</u>	<u>1,851,339</u>
<b>13. Accrued Expenses</b>		
Accrued Other	15,563	14,902
Accrued Legal Costs	-	6,576
Accrued Wages	35,021	58,256
<b>Total</b>	<u>50,584</u>	<u>79,734</u>

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<b>14. Provision for Employee Benefits</b>		
<b>Current</b>		
<b>Accrued Employee Benefits</b>		
Annual Leave Payable	3,493	-
Long Service Leave Payable	-	-
<b>Total</b>	<u>3,493</u>	<u>-</u>
<b>Non-Current</b>		
<b>Accrued Employee Benefits</b>		
Long Service Leave Payable	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
<b>Analysis of Provisions</b>	Employee Benefit	Total
Opening Balance at 1 July 2014	-	-
Additional provisions raised during the year	4,020	4,020
Amounts used	527	527
<b>Balance at 30 June 2015</b>	<u>3,493</u>	<u>3,493</u>

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have yet completed the required period of service.

**15. Other Current Liabilities**

PAYG Tax Payable to ATO	8,972	4,561
<b>Total</b>	<u>8,972</u>	<u>4,561</u>

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<b>16. Reconciliation of Operating Surplus/(Deficit) to</b>		
<b>Net Cash Provided by (Used in) Operating Activities</b>		
	\$	\$
Operating Profit/(Loss)	146,243	29,722
Depreciation	4,099	5,952
Changes in Assets and Liabilities		
Decrease (increase) in Receivables	(6,794)	(10,265)
Decrease (increase) in Prepayments	9,594	(10,742)
Increase (decrease) in Employee Expenses Payable	7,845	740
Increase (decrease) in Payables	68,634	13,015
Increase (decrease) in Unearned Revenue	231,028	122,965
Increase (decrease) in Accrued Expenses	(29,150)	25,491
Net cash provided by/(used in) operating activities	431,499	176,878

**17. Events Occurring after Reporting Date**

There are no events occurring after the balance date that materially affect the financial statements at 30 June 2015.

**18. Commitments for Expenditure**

The Board had no capital commitments of a material nature at 30 June 2015.

**Non-Cancellable Operating Lease**

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

	2015	2014
	\$	\$
Not later than one year	86,234	74,762
Later than one year and not later than five years	54,458	129,133
Later than five years	-	-
<b>Total</b>	137,692	203,895

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. Rental provisions within the lease agreement require that the minimum lease payments can be increased by 4% once a year, during the rent review on 6 February. An option exists to renew the lease at the end of the term 4th February 2017, for one additional term of five years.



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

19. Contingent Assets and Liabilities – Litigation in Progress

Contingent Assets

As at 30 June 2015, the following cases were filed in the courts naming the State of Queensland acting through the Board of Professional Engineers of Queensland as plaintiff:

	2015	2014
	Number of Cases	Number of Cases
Supreme Court	-	-
Federal Court	-	-
Magistrates Court	4	4
QCAT	<u>2</u>	<u>2</u>
Total	<u>6</u>	<u>6</u>

During the year ended 30 June 2014, the Board of Professional Engineers of Queensland as plaintiff were awarded \$20,000 for reimbursement of legal costs regarding a successful legal case against Gerald Shirtcliffe, awarded on the 16 June 2014.

During the year ended 30 June 2015, limited amounts have been sporadically received by the board.

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, but have included a contingent asset note to disclose the details of the case.

Penalties of \$5,000 and Costs of \$25,000 were awarded to the board on 21 January 2015 for a successful legal case against Brian Thomas.

The Board have assessed the likelihood of receiving the full \$30,000 as greater than remote but less than probable, per AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

The Board have made this assessment in light of the defendant's failure to meet the deadline of the \$5,000 penalty by the 21 March 2015 and the subsequent failure meet payment of the 25,000 in Costs by the 21 July 2015.

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, but have included a contingent asset note to disclose the details of the case.

All other successful legal cases in both the current and prior financial periods have been reviewed by the board, taking into member circumstances, debtor age, amount received and the consistency of payments. As such, the Board of Professional Engineers of Queensland have not recognised any amounts in the financial statements for these amounts, taking a more conservative stance with legal recoveries.

Based on board assessments, the board recognised the amount as a contingent.

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

**19. Contingent Assets and Liabilities – Litigation in Progress (continued):**

**Contingent Liabilities**

As at 30 June 2015 there were no contingent liabilities.

**20. Financial Risk Management**

**Categorisation of Financial Instruments**

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

The totals for each category of financial instrument, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

<b>Category</b>	<b>2015</b>	<b>2014</b>
<b>Financial assets</b>	<b>\$</b>	<b>\$</b>
Cash and Cash Equivalents	2,745,203	2,313,109
Receivables	67,527	61,329
Total	<u>2,812,730</u>	<u>2,374,438</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost:		
Payables	<u>199,206</u>	<u>152,763</u>
Total	<u>199,206</u>	<u>152,763</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.

The Board did not have any derivative instruments at 30 June 2015.

**Specific Financial Risk Exposures and Management**

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

**(a) Credit Risk**

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



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

20. Financial Risk Management (continued)

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

	2015	2014
	\$	\$
<b>Maximum Exposure to Credit Risk</b>		
<b>Financial Assets</b>		
Cash and Cash Equivalents	2,745,203	2,313,109
Receivables	67,527	61,329
Total	2,812,730	2,374,438

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.

Ageing of financial assets are disclosed in the following table:

	2015	2014
	\$	\$
Receivables		
Not overdue	67,527	61,329

There are no impaired financial assets at balance date.

(b) Liquidity risk

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

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



THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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>2015</b>	<b>2014</b>
<b>Payables</b>	<b>\$</b>	<b>\$</b>
Less than 1 year	199,206	152,763
<b>Total</b>	<b>199,206</b>	<b>152,763</b>

<b>Total financial liabilities</b>		
Less than 1 year	199,206	152,763
<b>Total</b>	<b>199,206</b>	<b>152,763</b>

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates.

<b>Financial assets</b>	<b>2015</b>	<b>2014</b>
<b>Cash and Cash Equivalents</b>	<b>\$</b>	<b>\$</b>
Less than 1 year	2,745,203	2,313,109
<b>Total</b>	<b>2,745,203</b>	<b>2,313,109</b>

<b>Receivables</b>		
Less than 1 year	67,527	61,329
<b>Total</b>	<b>67,527</b>	<b>61,329</b>

<b>Total financial assets</b>		
Less than 1 year	2,812,730	2,374,438
<b>Total</b>	<b>2,812,730</b>	<b>2,374,438</b>

THE BOARD OF PROFESSIONAL ENGINEERS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

20. Financial Risk Management (cont.)

(c) Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss if interest rates would change by +/-1% from the year-end rates applicable to the Board's financial assets and liabilities. With all other variables held constant, the Board would have a surplus and equity movement of \$27,446 (2014: \$23,131). This is due to the Board's exposure to variable interest rates on cash deposited in interest bearing accounts.

	2015	2014
	\$	\$
<b>Financial instruments</b>		
Cash and Cash Equivalents	2,744,608	2,313,109
Interest rate risk:		
-1% - Profit	(27,446)	(23,131)
-1% - Equity	(27,446)	(23,131)
+1% - Profit	27,446	23,131
+1% - Equity	27,446	23,131

(d) Fair value

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

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

These general purpose financial statements have been prepared pursuant to section 62(1)(a) of the *Financial Accountability Act 2009* (the Act), section 43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements.

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

- a) The prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) The statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of The Board of Professional Engineers of Queensland for the financial year ended 30 June 2015 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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G Stirling  
Acting Registrar

Dated this 21 day of August 2015



## INDEPENDENT AUDITOR'S REPORT

To the Board of 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 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chairperson and the Acting 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 2014 to 30 June 2015 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.



D R ADAMS FCPA  
as Delegate of the Auditor-General of Queensland



Queensland Audit Office  
Brisbane



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