



VALUERS
REGISTRATION
BOARD OF QUEENSLAND



ANNUAL REPORT

2018–19 —

This Annual Report provides information about the Valuers Registration Board of Queensland's financial and non-financial performance for the 2018–19 year. It has been prepared in accordance with the *Financial Accountability Act 2009* (Qld), the Financial and Performance Management Standard 2009 (Qld) and the annual report requirements for Queensland Government statutory bodies.

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

The Valuers Registration Board of Queensland 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) 3221 3892 and we will arrange an interpreter to communicate the report to you.



Public availability

Copies of the Valuers Registration Board of Queensland Annual Report are available online at www.vrbq.qld.gov.au. Print copies are also available by calling (07) 3221 3892 or emailing admin@vrbq.qld.gov.au.

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Valuers Registration Board of Queensland Annual Report 2018–19
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ISSN 2208-407X - online

ISSN 2208-4061 - print

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Letter of compliance

4 September 2019

The Honourable Dr Anthony Lynham MP
Minister for Natural Resources, Mines and Energy
PO Box 15216
CITY EAST QLD 4002

Dear Minister,

I am pleased to submit for presentation to the Parliament the 2018–19 Annual Report and financial statements for the Valuers Registration Board of Queensland.

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 19 of this annual report.

Yours sincerely



Neil Bray
Chairperson
Valuers Registration Board of Queensland

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Message from the Chairperson

I am pleased to present the Valuers Registration Board of Queensland's Annual Report for 2018–19. It outlines our achievements in contributing to Government's objectives of creating jobs in a strong economy and being a responsive government, and recognises our work in regulating the valuation profession in Queensland.

During the year, the Valuers Registration Board of Queensland (the Board) continued to meet its administrative obligations in effecting the *Valuers Registration Act 1992* (Qld) and Valuers Registration Regulation 2013 (Qld), in addition to making significant progress in meeting the Board's strategic and operational objectives in the years ahead.

The Board continued its work based on the 2018–22 Strategic Plan and 2018–19 Operational Plan. This agenda will continue to drive the professional excellence of registered valuers in Queensland and provide for a robust regulatory framework.

Significant effort was undertaken during the year to the ongoing review and initial update of the Board's policies, procedures, and associated documentation to ensure currency, alignment to best practice and increased transparency. Coinciding with rebranding of the Board, the Board's website update was completed to make it faster and more efficient to access information. I encourage the public to familiarise themselves with the website at <http://www.vrbq.qld.gov.au>. Actions such as these, contribute to Government's objective of being a responsive government.

Throughout the year the Board conducted 31 interviews to evidence capability in valuing land in Queensland, granted 52 new valuer registrations, and processed 1471 valuer registration renewals. We continue to support the Australian Property Institute in its goal to achieve nationwide consistency in valuer education, continuing professional development and work experience standards, and recognised the achievements of top performing students from the Queensland universities offering real estate valuation courses.

Our commitment to support universities and professional development providers in equipping graduates for the profession and in maintaining

currency, maximises registered valuers' competencies to better meet the demands of the future economy and to remain agile and responsive throughout their career.

Sixteen complaints were open at 1 July 2018, fourteen of which were lodged in June 2018. During 2018–19, 12 complaints pertaining to the conduct of registered valuers and three notifications of a person suspected to be falsely holding themselves out to be a registered valuer were received. No action was taken on five complaints that fell outside of jurisdiction, were before the Courts or were withdrawn. Five matters were investigated, and three disciplinary actions were initiated. No investigations were pending as at 30 June 2019.

On the findings of three investigation reports received by the Board, one matter went before the Magistrates Court for determination which found the offence occurred outside the timeframes mandated by the *Justices Act 1886* (Qld). The second matter before the Magistrates Court was withdrawn following the previous decision. The Board is considering the legislative issues this decision has raised. One matter was referred to the Queensland Civil and Administrative Tribunal and is awaiting determination.

I offer this Annual Report as a record of the Board's achievements for the 2018–19 year and its future direction with the community, the industry and the profession. The achievements outlined in this report show that we are well placed to deliver our future programs of work. I would also like to thank my fellow Board Members for their strong commitment to the Board, and to all staff for their ongoing work and commitment to the Board's efficient operations.

Yours sincerely,



Neil Bray
Chairperson
Valuers Registration Board of Queensland



Part 1: About the Board

Our purpose

The Valuers Registration Board of Queensland (the Board) is Queensland's property valuation regulator. Established in 1965 to increase the standards of valuation work and to provide a measure of protection in the public interest, the Board is responsible for the administration of the *Valuers Registration Act 1992* (Qld) (the Act) and Valuers Registration Regulation 2013 (Qld) (the Regulation).

The Board is a self-funded statutory body who reports to the Minister for Natural Resources, Mines and Energy and has an administrative relationship with its portfolio agency, the Department of Natural Resources, Mines and Energy (the Department).

The Act establishes the Board and provides for the registration and discipline of registered valuers in Queensland.

The objectives of the Act are to:

- protect the public by ensuring that a person registered under the Act is competent to value land in Queensland
- maintain public confidence in the standard of services provided by registered valuers
- impose obligations on persons about the practice of land valuation and their professional conduct
- manage complaints and disciplinary matters concerning valuers.

The main objectives of the Act are achieved by:

- registering valuers who have attained recognised credentials, have sufficient practical experience, are of good fame and character, and have passed an examination approved by the Board
- registering specialist retail valuers who have demonstrated their competence to make determinations under the *Retail Shop Leases Act 1994* (Qld)
- monitoring and enforcing compliance with the Act, and imposing standards of practice for registered valuers

- ensuring currency in the profession by mandating Continuing Professional Development.

Our vision

We are committed to fostering professional excellence of registered valuers in Queensland.

Our strategic objectives

The Board's strategic direction is guided by the key functions and powers of the Act and the Regulation, our 2018–19 strategic objectives included:

1. driving a robust regulatory framework
2. investing in professional excellence
3. communicating to foster industry best practice
4. achieving effective complaint and notification management
5. enabling a high performing culture.

Our strategic risks

The Board effectively manages its risks and opportunities to inform decision making and ensure that strategic objectives can be met. Our key strategic risks and challenges include:

1. ability to effectively regulate registered valuers in Queensland
2. public reputation
3. managing revenue and expenses
4. limited resources
5. innovation of the regulatory framework.

Our operating environment

Modernisation of the Act and the Regulation is a significant focus for the Board, in order to be agile and responsive to expectations of government, the public and the profession as challenges arise.

Organisational structure

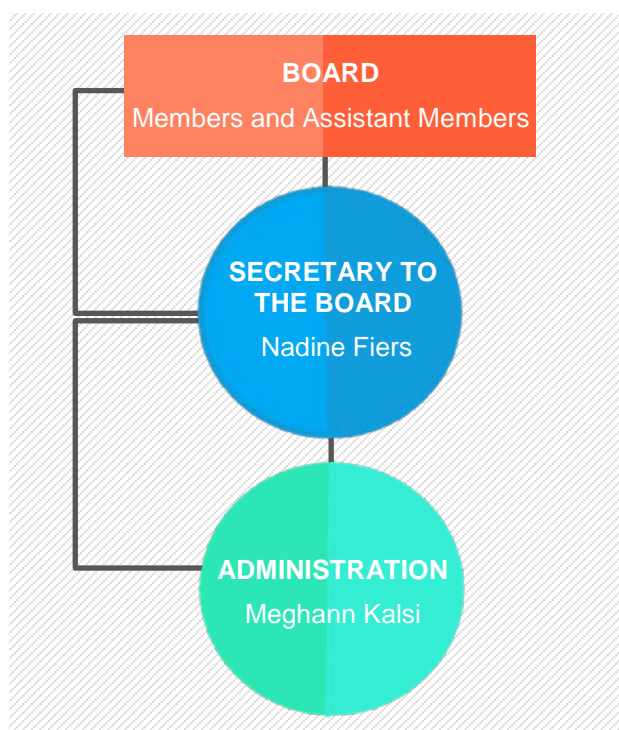
Appointed by the Governor in Council, the Board consists of five members and three assistant members who are responsible for governing, directing and monitoring the Board's business, affairs and operations.

Membership composition of the Board includes:

- one nominee, which is a valuer, of the Valuer-General
- two registered valuers, one of whom is appointed from names submitted by the Australian Property Institute (API)
- two nominees, from business, community or professional organisations.

Assistant members are appointed as nominees of registered valuers from the API and the Real Estate Institute of Queensland, and attend meetings when a member is unavailable.

Organisational chart



Total full-time equivalent staff: 1.6

No redundancy packages were paid during the reporting period.

Our Board as at 30 June 2018



Neil Bray *FAPI FRICS*
Chairperson, Registered Valuer

Neil Bray was appointed as Chairperson to the Board in 2015, after having served as a Member from 2013, and has been a registered valuer since 1984. Neil is Queensland's Valuer-General and heads the State Valuation Service within the Department. He was South Australia's Valuer-General for over ten years, and has over 35 years' experience in private and public sector valuation, with diverse experiences in public sector land administration and asset valuation. Neil is also a past State President of the API and has been the Australasian Valuer-General's representative on the API's Australian Valuation Standard Committee since 2000.



Brett McAuliffe *FAPI MPIA*
MUrb&RegPlg MEd GradDipLegalStudies
GradCertDesEnvAge BAppSc(PropEcon)
JP(Qual)
Registered Valuer

Brett McAuliffe was appointed as a Member of the Board in 2007, after having served as an Assistant Member from 2002. Brett is the Board's longest standing member, bringing with him over 25 years' experience in the valuation profession. He is currently the Executive Director of Azurium Real Estate in Queensland, and frequently lectures at the Queensland University of Technology and Bond University. He has worked for numerous major institutional and corporate entities, together with not for profit, religious and charitable groups, and a number of Commonwealth Government, State Government and Local Government Departments. Brett is also a past State President of the API.



Lisa Murdoch *AAPI*
Registered Valuer and Registered Specialist Retail Valuer

Lisa Murdoch was appointed a Member of the Board in 2016, and has over 20 years' experience in property valuation. Lisa is the Director of Valuation and Advisory at JLL, Gold Coast and joined the JLL team in 2014. Lisa regularly undertakes determinations of retail premises, from small shops to supermarkets. Lisa's personal valuation focus is in the investment property markets including retail, commercial and industrial and specialist properties including marinas and manufactured home parks.



Gail Tarditi LLB GradDipLP

Gail Tarditi was appointed as a Member of the Board in 2011. She is a property lawyer with over 20 years' experience in all areas of property law including providing advice on

significant government infrastructure projects, property transactions, structuring, titling, greenfield and brownfield developments, telecommunications leasing, rural acquisitions and securing land access rights for major infrastructure projects. Gail is a former partner of Minter Ellison lawyers and currently works as a consultant for a boutique national law firm.



Philip Willington FAPI CPV
Registered Valuer and Registered
Specialist Retail Valuer

Philip Willington was appointed a Member of the Board in 2016, after having served as an Assistant

Member from 2013. He has over 40 years' experience in the valuation industry. Philip is a former Director of Knight Frank Valuations Queensland, and his valuation experience covers a broad range of non-residential real estate with a particular emphasis on major retail and central business district commercial properties. He is also a past State President of the API, a past Director of the National Board of the API and also a past Chair of the Australian Valuations Standards Committee, and was a member of the Valuation Reform Reference Group reporting to the Department.

Our Assistant Members as at 30 June 2018



Vanessa Brewis GAICD CA BCom LLB

Vanessa Brewis was appointed as Assistant Member to the Board in 2016, after having served as a Member from 2008 to 2011. She is a chartered accountant,

experienced CEO and director of her own business enterprises. Vanessa is also the founder of a successful information technology company and is accustomed to driving standards of best practise corporate governance.



Aleisha Brookes FAPI
BAppSc(PropEcon)
Registered Valuer

Aleisha Brookes was appointed as Assistant Member to the Board in 2016. She has over 17 years

valuation experience, and is currently a Risk Manager with JLL. She has extensive experience in residential valuations including valuations of prestige properties, residential and rural-residential properties, units, townhouses and development sites. Aleisha also holds several committee roles with the API.



Allen Crawford FRICS FAPI
Registered Valuer and Registered
Specialist Retail Valuer

Allen Crawford was appointed as Assistant Member to the Board in 2009, and has been a registered

valuer since 1981. He is currently Managing Director of Chesterton Corporate Property Advisors and is a Director of Chesterton International. Allen's valuation experience spans across all forms of valuation from small stand alone properties to high rise office buildings, retail from single shops to regional shopping centres, industrial property, residential, subdivisions, and a broad range of specialist property. He is also a Licensed Real Estate Agent and Auctioneer, previously lectured at both the Queensland University of Technology and the University of Queensland, and is on the Industry Advisory Committee for Bond University. He is a former Divisional Councillor of the API and chaired the Queensland Professional Board. He is currently Vice Chair of the Standard Setting Committee for the International Property Measurement Standards and is on the Australian Property Standards Committee of the API.

Part 2: Administration of the Act and the Regulation

Registrations

The Act mandates that any person intending to value land in Queensland must be registered with the Board, with additional registration required for specialist retail valuers.

As of 30 June 2019, the Board had 1471 registered valuers, of which 24 were specialist retail valuers.

A valuer is eligible for registration with the Board if the applicant:

- holds a recognised valuation qualification
- is of good fame and character, and is a fit and proper person
- has sufficient practical experience
- has passed an examination approved by the Board or holds a recognised certificate of competence
- has been deemed as competent to value land in Queensland, and
- has made payment of the prescribed fee.

A registered valuer, is eligible for registration as a specialist retail valuer if the applicant has:

- passed an examination approved by the Board
- sufficient experience in retail rental determinations and can competently determine rental disputes, and
- made payment of the prescribed fee.

Valuers are required to renew their registration on an annual basis, a renewal of valuer registration is only effected if the applicant has:

- been deemed as fit to practise
- completed at least 10 hours of Continuing Professional Development (CPD), unless an exemption applies, and
- made payment of the prescribed fee.

Registration activity over the last five years:

	2018–19	2017–18	2016–17	2015–16	2014–15
New registrations					
• through examination	31	36	41	39	34
• through mutual recognition*	21	13	25	59	60
Refused registrations	0	0	1	0	1
Restored registrations	10	10	7	5	14
Retired/Cancelled/Deceased	(95)	(89)	(110)	(107)	(108)
Total number of registered valuers	1471	1504	1534	1571	1575
Total number of specialist retail valuers	24	24	24	24	27

*The *Mutual Recognition Act 1992* (Qld) and *Trans-Tasman Mutual Recognition Act 1997* (Qld) permits the recognition of registered valuers from reciprocal jurisdictions. Applicants relying on mutual recognition reciprocity are not required to attend an interview before the Board or submit four samples of their work, but rather are required to provide a completed application form, evidence of their licence from the reciprocal jurisdiction and fee payment.

To protect the public by ensuring that a person registered under the Act is competent to value land in Queensland, in 2018–19 we:

- conducted 31 interviews before the Board to evidence capability in valuing land in Queensland via four sample valuation reports.
- granted 31 new registrations on passing an examination approved by the Board, in addition to receipt of documentary evidence of educational standing, practical experience and of being fit to practice.
- granted 21 new registrations under the *Mutual Recognition Act 1992* (Qld) upon receipt of documentary evidence outlining fitness to practice and licensing from a reciprocal jurisdiction.
- issued 1547 valuer registration renewals, and processed 1471 valuer registration renewals on receipt of documentary evidence of a minimum of 10 hours of CPD (unless exemption applied), and determination of being fit to practice.
- restored 10 registrations within the 12 month restoration period permitted under the Act. Restoration of registration was granted on receipt of the requisite evidence of CPD compliance and determination of being fit to practise.
- continued to promote industry best practice by; providing constructive feedback to applicants during and after the Board's interviews; making available a library of sample valuation reports for aspiring and current valuers; and mandating continuous learning for registered valuers.
- continued to reinforce, via the Board's interviews, that a person practicing as a valuer must not undertake valuations outside of their area of professional competence unless supervised by a valuer who has the experience.
- undertook a review of the examination process and its alignment to effective regulation resulting in a trial of guiding assessment documentation commencing, to be assessed following the trial in the 2019–20 year.
- consulted with the API and Queensland universities on course content to identify Board recognised courses and credentials.

Continuing Professional Development



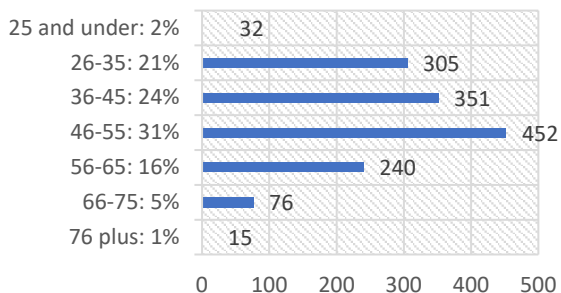
99% of registered valuers completed a **minimum of 10 hours of CPD** in 2018

Gender diversity in the profession

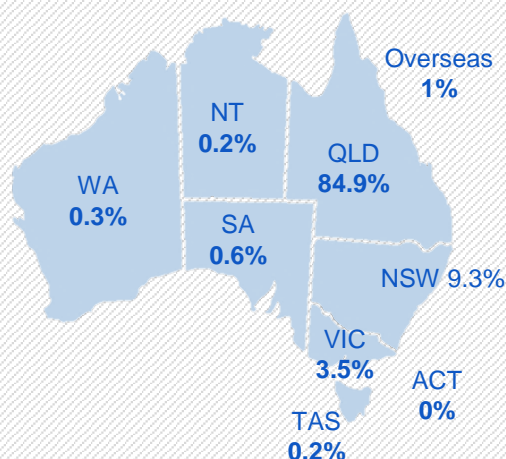


19% of registered valuers are **female** and **81%** are **male**. The highest proportion of female registered valuers are 26-35 years, and the highest proportion of male registered valuers are 46-55 years

Age profile of registered valuers



Locality of registered valuers



The highest proportion of registered valuers are 46-55 years, the second highest being 36-45 years.

Our oldest registered valuer is 95 years and our youngest is 22 years of age.

Complaints, investigations and disciplinary proceedings

The Board's jurisdiction to receive and investigate complaints pertaining to the conduct of Queensland valuers, and to take disciplinary action where required, is an imperative function in protecting public interests and maintaining public confidence in the valuation profession.

All complaints are treated seriously and are given due consideration. Where the Board reasonably suspects that a person has contravened a provision of the Act or the Regulation, an investigation may be initiated, which may in turn lead to the commencement of disciplinary action. In the absence of a complaint by an aggrieved person, the Board also has jurisdiction to, on its own initiative, authorise an investigation and take disciplinary action where it reasonably considers a registered valuer or unregistered person has contravened a provision of the Act or the Regulation.

During 2018–19, the Board received 12 complaints pertaining to the conduct of registered valuers and three notifications of a person suspected to be falsely holding themselves out to be a registered valuer. The Board also considered 12 complaints regarding the conduct of registered valuers and one notification of a person falsely holding themselves out to be a registered valuer received in the 2017–18 year, and three complaints from 2016–17. Five matters were investigated, and three disciplinary actions were initiated. No investigation was pending as at 30 June 2019.

The Board has jurisdiction to consider and investigate complaints against registered valuers relating to:

- professional misconduct; or
- incompetence or negligence in the person's performance as a valuer; or
- breach of a code of professional conduct.

Complaints or notifications against unregistered persons which may be considered by the Board include instances where a person has:

- held themselves out as being a registered valuer; or
- carried on or is attempting to carry on the business of a registered valuer; or
- used a name or description which is capable of being understood to indicate that the person is a registered valuer or is entitled to carry on the business of a registered valuer.

Where the Board reasonably considers there is a disciplinary finding, the Board may:

- for registered valuers; take disciplinary action or refer the matter to the Queensland Civil and Administrative Tribunal (QCAT) for determination; or
- for unregistered persons; initiate proceedings in the Magistrates Court.

Complaint and disciplinary action activity over the past five years:

Complaints and notifications	2018–19	2017–18	2016–17	2015–16	2014–15
Matters on hand at 1 July	16	4	6	5	8
Plus matters opened	15	26	22	10	15
Less matters dismissed	(22)	(13)	(21)	(5)	(16)
Less investigation matters closed	(4)	(1)	(3)	(4)	(2)
On hand at 30 June	5	16	4	6	5

Disciplinary action	2018–19	2016–17	2016–17	2015–16	2014–15
Matters on hand at 1 July	2	0	1	3	0
Plus matters opened	1	3	0	0	5
Less matters closed	(2)	(1)	(1)	(2)	(2)
On hand at 30 June	1	2	0	1	3

To provide for the monitoring and enforcement of compliance with the Act and the Regulation, and to impose standards of practice for registered valuers, in 2018–19 we:

- considered 15 new matters, including 12 complaints received from members of the public regarding the conduct of registered valuers, and three notifications of a person perceived to be falsely holding them self out to be a registered valuer. The Board also considered 13 matters from the previous year, and three complaints from 2016–17.
- re-opened one complaint marked as finalised during 2017-18 on recommendation from the Queensland Ombudsman to appoint an investigator to the matter. Of the five complaints not yet complete by 30 June 2019; four were received in May/June 2019 and continued to be considered by the Board; and one was subject to ongoing proceedings in QCAT.
- completed 26 complaints. 16 matters were dismissed due to unsubstantiated allegations of valuer conduct or having previously been considered by the Board, three matters resulted in a section 63 notification being issued, two investigated matters concluded there to be no professional misconduct, incompetence or negligence or were unable to be progressed, two matters were incompetence or negligence or were unable to be progressed, two matters were dismissed as they fell outside of the Board's jurisdiction, one matter was withdrawn due to being subject to personal court proceedings, one reopened matter on recommendation from the Queensland Ombudsman was later closed due to the Board not having jurisdiction to consider the matter further, and one complaint with the Magistrates Court was withdrawn due to the limitation period imposed by the *Justices Act 1886* (Qld) in an earlier judgement.
- commenced one new investigation where the findings presented no professional misconduct, incompetence or negligence. No investigations were ongoing at 30 June 2019.
- continued to receive payments through the State Penalties and Enforcement Registry relating to a prosecution from 2015–16.
- redrafted our complaints and disciplinary proceedings policy and procedure to ensure greater alliance with our legislative requirements, complaint standards and external review recommendations from the Queensland Ombudsman.

Regulatory challenges in mandating compliance with the Act

In June 2018, the Board initiated proceedings in the Brisbane Magistrates Court on determination by an independent investigator, that a person had contravened section 63 of the Act's prohibition to practice as a valuer whilst unregistered.

The Board had lodged its complaint with the Magistrates Court within one year of the notification being received, this being fifteen months after the occurrence of the offence. The decision confirmed strict application of section 52(1) of the *Justices Act 1886* (Qld), which mandates the requirement for court proceedings by the Board to be initiated within one year from the time when the complaint matter arose. Such determination affords the Board little ability to commence proceedings and mandate compliance with section 63 of the Act, as often the Board is not made aware of an alleged offence until some months after the conduct has occurred. An additional factor serving to jeopardise the Board's ability to initiate proceedings within one year limitation period, is the often lengthy time required to conduct and finalise an investigation.

Our 2019–20 Operational Plan outlines our continued efforts in drafting recommendations for legislative amendments to afford the Board greater jurisdiction in managing and responding to complaints and notifications.



Part 3: Achievements against our Strategic Plan

Objective 1: Driving a robust regulatory framework

To facilitate effective and efficient administration and implementation of the Act, in 2018–19 we:

- reviewed our 2018–22 Strategic Plan and developed our 2019–20 Operational Plan which includes a greater focus on driving a robust regulatory framework and taking a proportionate approach to regulatory compliance, engagement and enforcement.
- continued to monitor and review the effectiveness of the Act and the Regulation in their ability to increase professional standards of practice and to provide a measure of protection in the public interest.
In 2018–19, the Board identified over 30 provisions of the Act and the Regulation which require strengthening to better achieve the intent of the Act. Our 2019–20 Operational Plan outlines our commitment to making recommendations to government for potential legislative amendment, where it is anticipated that the Department will be consulted in the 2019–20 year.
- commenced development on the Board's own Rules of Professional Conduct for Registered Valuers to increase relevance and server reliance on the API Code of Professional Conduct.
- maintained oversight of the valuation profession both in Australia and in overseas jurisdictions, and continued discussions with the Valuers Registration Board of New Zealand to share information on strategic initiatives, regulation of the profession, and avenues to improve standards of valuation practice.
- undertook ongoing review of all policies and procedures to ensure currency, alignment to best practice and increased transparency. The development of practical policies, procedures and associated documentation for the Board, members of the public, valuers and other key stakeholders remains ongoing where it is anticipated that further work will be undertaken during the 2019–20 year.

Objective 2: Investing in professional excellence

To foster professional excellence in the standard of valuers in Queensland as a means to protect the public, in 2018–19 we:

- recognised and awarded the following top performing students in real estate valuation courses:
 - Tegan Copland, Bond University
 - Maree Smith, Central Queensland University

There were no recipients from the Queensland University of Technology, University of Queensland or the University of Sunshine Coast during the reporting period.

- continued to sponsor API conferences in our goal to achieve a nationally consistent standard for valuer education and continuing professional development. The Board was a sponsor of the API 2019 Rural Conference.
- continued to monitor and review the administration of *Mutual Recognition Act 1992* (Qld) and *Trans-Tasman Mutual Recognition Act 1997* (Qld) acknowledging that reciprocal recognition with jurisdictions that provide less stringent avenues for licensing or registration is a lesser preferred pathway to registration by the Board.
- reaffirmed our commitment to facilitate a specialist retail valuer workshop or e-learning option, where it is anticipated the program will be offered in the 2019–20 year.

Objective 3: Communicating to foster industry best practice

We recognise the importance of stakeholder engagement and consider communication with key stakeholders to be imperative in achieving our strategic and operational objectives. In 2018–19 we:

- maintained, via our website, the Register of Valuers of Queensland and the list of specialist retail valuers, allowing members of the public to access details of registered valuers.
- upgraded our website to increase access to pertinent information regarding the Board and the valuation profession.
- continued liaison with professional bodies including the API and the Royal Institution of Chartered Surveyors, universities and government to preserve interdependent relations.
- continued the dissemination of e-newsletters to registered valuers with the intent of keeping valuers abreast of pertinent regulatory information and promoting professionalism and standards of practice.
- committed to, via our 2019–20 Operational Plan, developing and implementing a stakeholder engagement strategy and upgrading the Board's website.
- sponsored and advocated on behalf of the Board at one API Queensland property conference.

Objective 4: Achieving effective complaint and notification management

To advance the development of an effective, efficient and fair complaints management framework to improve handling and responding to complaints, in 2018–19 we:

- implemented our revised Complaints and Disciplinary Proceedings Policy and Procedure to ensure greater alignment with; the Act, the Regulation and additional legislative requirements; provisions for best practise including the AS/NZS 10002:2014 Guidelines for complaint management in organisations; and recommendations made by the Queensland Ombudsman to review complaints management practises.
- continued to monitor communication with both complainant and complaint respondents throughout the complaint process.

Objective 5: Enabling a high performing culture.

To contribute to the development and shaping of professionalism and excellence for Board operations, in 2018–19 we:

- tightened performance measures and assessment against those measures for the Board and staff to positively achieve the obligations of the Board and to deliver quality frontline services.
- developed corporate governance training to ensure understanding of the Board's jurisdiction, roles and responsibilities and the achievement of operational and strategic objectives.
- undertook formal review of board and staff performance with identifiable avenues to achieve improvements.
- reaffirmed the need to conduct investigator training, and to expand our panel of investigators. Whilst investigator training was not facilitated throughout the year, it is envisaged that training will be offered in the 2019–20 year.
- continued to support flexible working arrangements for the Board's staff, including compressed hours arrangements and study leave.



Part 4: Our governance

The Board is committed to ensuring that good governance is part of our routine operations with the requirements of laws, regulations and standards of best practice being integrated in our day to day practices and procedures.

The core elements of our governance framework, which continued to progress in the 2018–19 year included:

- an effective organisational structure, skills and mechanisms for accountability and transparency
- avenues to safeguard the integrity of our operations
- a sound strategic plan, robust risk management, performance monitoring and timely reporting
- well defined corporate policies, procedures and guidelines
- routine compliance and systems assurance reviews, and
- effective stakeholder engagement and management.

The Board reports to the Minister for Natural Resources, Mines and Energy and has administrative ties with the Department. It is responsible for the administration of the Act and the Regulation and in governing the Board. The Act provides for the appointment of a Secretary to the Board, with certain powers permissible for delegation under the Act. The Secretary is responsible for the Board's day-to-day management and in implementing the Board's strategic and operational objectives.

The establishment of the Board, its composition, and its duties and responsibilities are prescribed by the Act. The primary responsibilities of the Board are to:

- register valuers who have attained recognised credentials, have sufficient practical experience, are of good fame and character, and have passed an examination approved by the Board
- register specialist retail valuers who have demonstrated their competence to make

determinations under the *Retail Shop Leases Act 1994* (Qld)

- keep and maintain the Register of Valuers of Queensland
- issue certificates of registration
- monitor and enforce compliance with the Act, and impose standards of practice for registered valuers, and
- ensure currency in the profession by mandating CPD.

The Act provides for board size, composition and terms of appointment. It outlines the number of members to be five, comprising of:

- one nominee, who is a valuer, of the Valuer-General
- two registered valuers, one of whom is appointed from names submitted by the API
- two nominees, from business, community or professional organisations.

Assistant members are appointed as nominees of registered valuers from the API and the Real Estate Institute of Queensland, and attend meetings when a member is unavailable.

Board meetings and remuneration

The Board meets on a monthly basis, or more frequently as required to administer its duties and responsibilities prescribed in the Act.

Members and Assistant Members are remunerated according to the Queensland Government's "regulation, administration and advice" fee structure. The annual fee payable to the Chairperson is \$7000, and to Members is \$5500. Assistant Members are remunerated at a \$500 daily fee, however if the Board meets for four hours or less, this amount is reduced by 50%. As the current Chairperson, Neil Bray, is a public sector employee, he and any employee of the Department attending as a proxy are not entitled to be paid annual allowances or daily fees.

The number of meetings of Members and Assistant Members, and the number of meetings attended during 2018–19 was:

	No. attended	No. eligible to attend	Fees	Appointment start	Appointment end	
Member						There were no reimbursements for out-of-pocket expenses during 2018–19.
Mr N Bray/proxy	14	14	nil	1/7/2016	30/6/2019	
Mr B McAuliffe	11	14	\$5500	1/7/2016	30/6/2019	
Ms L Murdoch	9	14	\$5500	1/7/2016	30/6/2019	
Ms G Tarditi	9	14	\$5500	1/7/2016	30/6/2019	
Mr P Willington	12	14	\$5500	1/7/2016	30/6/2019	The Board did not hold any special meetings, or undertake any overseas travel during the 2018–19 year.
Assistant Member						
Ms V Brewis	1	1	\$500	1/7/2016	30/6/2019	
Ms A Brookes	3	3	\$1500	1/7/2016	30/6/2019	
Mr A Crawford	4	4	\$2000	1/7/2016	30/6/2019	

Strategic planning, performance monitoring and reporting

Our strategic plan is reviewed annually to confirm and update our objectives, strategies and specified goals, and to assess progress in addition to identifying whether changes to our external environment require any adjustments to be made to the plan. Operational planning supports the Board's strategic plan and outlines the roadmap and initiatives that contribute to our broader strategic objectives. Our 2018–22 Strategic Plan outlines our longer term efforts in delivering our corporate objectives and is supported by our 2018–19 Operational Plan.

The Board routinely monitors its performance against our strategic objectives via quarterly performance reports and discussions and deliberations at its meetings.

Risk management

The Board's risk management framework continues to develop in line with the principles set out in AS/NZS ISO 31000:2009. Day-to-day risks are managed through accountability and delegation mechanisms, whilst significant strategic, financial and operational risks are managed through board oversight and delegation controls.

Internal reviews

We continue to test and systematically review our systems and operations to provide assurance that our processes are operating efficiently and effectively.

External reviews

External audits and reviews aid transparency in government and help us improve our performance. The Board was subject to the following external reviews during the 2018–19 year:

Queensland Ombudsman review of Board complaint file – 23 October 2018

Recommendations

In reviewing the Board's actions in managing a complaint received, and the determination made, the Queensland Ombudsman provided recommendation that the Board should reopen and investigate the matter.

Our response

The opinion of the Queensland Ombudsman resulted in a matter being reopened and investigated. Subsequently, the Board was provided with the investigation findings intending to progress the matter. However, it was found that the Board did not have jurisdiction to progress the matter.

Information systems and recordkeeping

We responsibly manage our information in compliance with the *Public Records Act 2002* (Qld) and Queensland Government's General Retention and Disposal Schedule. Throughout the 2018–19 year, we ensured that records contained in our business systems and databases were

managed appropriately and by suitably skilled staff as we continued efforts in assessing a transition from paper to digital records.

There were no reported breaches throughout the year to the Board's information security, and public records are currently being retained as long as prescribed by the General Retention and Disposal Schedule, with the schedule being routinely reviewed.

Public sector ethics

Our Code of Conduct came into effect in 2013 and provides for the operational standards and ethical safeguards pertaining to the Board's Members, Assistant Members and employees behaviour.

The Code is consistent with our obligations under the *Public Sector Ethics Act 1994* (Qld), and helps us to carry out our responsibilities with integrity, impartiality, accountability and transparency, whilst promoting the public good and our commitment to the system of government.

In order to maintain public confidence in the professional standards of registered valuers it is essential that those who participate in the registration, investigation and disciplining of such persons exhibit, and are seen to exhibit, ethical standards in carrying out these duties in the best interests of the people of Queensland. We align all of our business practices and governance structures with the Code, and it forms the basis of our quality assurance reviews. Our 2018–22 Strategic Plan is congruent with the public sector ethics principles and our Code, as we continue to review all of the Board's policies and procedures, we will routinely assess improvement opportunities pertaining to public sector ethics.

All of our people have been provided with a copy of our Code and in May 2019 we undertook a review where it was determined the Board would seek to rely on the Queensland Public Service Code of Conduct in place of its own.

Right to information and information privacy

As a public authority, the Board is subject to the *Right to Information Act 2009* (Qld) and *Information Privacy Act 2009* (Qld). These legislative mechanisms set out how Queensland Government agencies should collect and handle personal information, and how members of the community can access government-held information.

Throughout the 2018–19 year we:

- received two Right to Information applications.
- considered 827 pages within the scope of the applications.
- released 605 pages in full (with no information deleted), 172 pages in part (with only some information deleted) and refused access to 50 pages (with no information provided).
- conducted no internal reviews and had no external reviews referred to the Office of the Information Commissioner.

The Secretary to the Board exercises delegation from the Chairperson to deal with the Board's Right to Information and Information Privacy access and amendment applications.

Public interest disclosure

The *Public Interest Disclosure Act 2010* (Qld) encourages members of the public and public sector employees to make disclosures to help uncover corruption, misuse of public resources and poor administration of Queensland Government agencies. During the 2018–19 year, no public interest disclosures were made.



Part 5: Financial performance summary

We are a self-funded statutory body and operate as an independent entity. We control our funds in accordance with the *Financial Accountability Act 2009* (Qld) and Financial and Performance Management Standard 2009 (Qld), and seek to drive value for money outcomes via our procurement activities.

The Board obtains the majority of its total income from registration fees levied on valuers registered under the Act. Our registration fees for 2018–19 year were \$239.30 for application and roll fees, and \$68.70 for late and certificate fees. Registration fees accounted for \$405,825 or 91.12 per cent of the Board's total income of \$445,376.

The major expenses of the Board include wages and salaries which amounted to \$138,608 or 37.88 per cent of the Board's total expenses of \$365,882.

A significant influence on the Board's financial position is the number of complaints or notifications in a year that require legal advice, investigation and disciplinary action or prosecution, where cost recovery is limited.

Expenses pertaining to complaints and notifications were \$61,244 or 16.74 per cent of total expenses during the 2018–19 year.

The Board's opening balance as at 1 July 2018 and total revenue and expenditure in the 2018–19 year is provided below:

Item	2018–19	2016–17
Opening balance	\$208,137	\$169,656
Total income	\$445,376	\$407,231
Total expenses	\$365,882	\$368,750
Closing balance	\$287,631	\$208,137

Our certified annual financial statements are included on page 21 this Annual Report.

Contact

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Glossary of terms

API	Australian Property Institute
CPD	Continuing Professional Development
QCAT	Queensland Civil and Administrative Tribunal
the Act	<i>Valuers Registration Act 1992</i> (Qld)
the Board	Valuers Registration Board of Queensland
the Department	Department of Natural Resources, Mines and Energy
the Regulation	Valuers Registration Regulation 2013 (Qld)

Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	Page 4
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	Page 3 Page 18
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	Page 2
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Page 2
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	Page 2
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Page 2
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10.1	Page 6
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 31 and 32	Page 6
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2	Page 6
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3	Page 6
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs – section 11.1	Page 5
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 11.2	N/A
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3	Page 6
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4	Pages 9-12
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	Page 18
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	Page 7
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	Page 2 and 15
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	N/A
	<ul style="list-style-type: none"> <i>Public Sector Ethics Act 1994</i> 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 17
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.5	N/A
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	Page 16
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2	N/A
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3	Page 16
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4	Page 16
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5	Page 16
	<ul style="list-style-type: none"> Strategic workforce planning and performance 	ARRs – section 15.1	Page 14

Summary of requirement		Basis for requirement	Annual report reference
Governance – human resources	<ul style="list-style-type: none"> • Early retirement, redundancy and retrenchment 	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> Directive No.16/16 <i>Early Retirement, Redundancy and Retrenchment</i> (from 20 May 2016) ARRs – section 15.2	Page 7
Open Data	<ul style="list-style-type: none"> • Statement advising publication of information 	ARRs – section 16	N/A
	<ul style="list-style-type: none"> • Consultancies 	ARRs – section 33.1	N/A
	<ul style="list-style-type: none"> • Overseas travel 	ARRs – section 33.2	Page 16
	<ul style="list-style-type: none"> • Queensland Language Services Policy 	ARRs – section 33.3	N/A
Financial statements	<ul style="list-style-type: none"> • Certification of financial statements 	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	Page 18
	<ul style="list-style-type: none"> • Independent Auditor's Report 	FAA – section 62 FPMS – section 50 ARRs – section 17.2	Page 37

VALUERS REGISTRATION BOARD OF QUEENSLAND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

VALUERS REGISTRATION BOARD OF QUEENSLAND
Statement of Comprehensive Income
for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Income from Continuing Operations			
Revenue			
Roll fees	1(b)	405,825	379,448
Interest		13,453	11,901
Application and certificate fees		17,587	13,942
Restoration Fees		2,134	-
Other revenue		6,377	1,940
Total Income from Continuing Operations		445,376	407,231
Expenses from Continuing Operations			
Employee expenses	2	138,608	181,693
Professional fees	3	18,173	17,993
Board members' fees & expenses		28,719	26,281
Prizes, donations & sponsorships		4,500	22,045
Complaint management		61,244	7,769
Rent & relocation expenses		45,265	46,186
Printing & stationery		4,429	5,081
Postage and Telephone		6,895	7,100
Public Relations		2,927	3,410
Other expenses	4	55,122	51,192
Total Expenses from Continuing Operations		365,882	368,750
Operating Result from Continuing Operations		79,494	38,481
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss)		79,494	38,481

The accompanying notes form part of these statements.

VALUERS REGISTRATION BOARD OF QUEENSLAND
Statement of Financial Position
as at 30 June 2019

	Notes	2019 \$	2018 \$
Current Assets			
Cash assets	5	656,216	615,413
Receivables	6	9,263	6,098
Cabcharge Bond Held		200	200
Total Current Assets		665,679	621,711
Non-Current Assets			
Property, plant & equipment	7	-	-
Total Non-Current Assets		-	-
Total Assets		665,679	621,711
Current Liabilities			
Payables	8	372,743	404,741
Accrued Employee Benefits	9	3,753	8,368
Total Current Liabilities		376,496	413,109
Non-Current Liabilities			
Accrued Employee Benefits	9	1,552	465
Total Non-Current Liabilities		1,552	465
Total Liabilities		378,048	413,574
Net Assets		287,631	208,137
Equity			
Contributed equity		181,342	181,342
Accumulated Surpluses		106,289	26,795
Total Equity		287,631	208,137

The accompanying notes form part of these statements.

VALUERS REGISTRATION BOARD OF QUEENSLAND
Statement of Changes in Equity
for the year ended 30 June 2019

	Accumulated		Contributed Equity		TOTAL	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$		
Balance as at 1 July	26,795	(11,686)	181,342	181,342	208,137	169,656
Operating Result from Operations	79,494	38,481	-	-	79,494	38,481
Other Comprehensive Income		-	-	-		-
Total Comprehensive Income	79,494	38,481	-	-	79,494	38,481
Balance as at 30 June	106,289	26,795	181,342	181,342	287,631	208,137

The accompanying notes form part of these statements.

VALUERS REGISTRATION BOARD OF QUEENSLAND
Statement of Cash Flows
for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
<i>Inflows:</i>			
Fees and other receipts		402,792	395,882
Interest		13,408	11,980
Other revenue		8,511	2,510
GST input tax credits from ATO		21,602	15,669
GST collected from customers		56	-
<i>Outflows:</i>			
Employee expenses		(143,989)	(193,006)
Board members' fees		(28,719)	(26,281)
Administrative expenses		(141,566)	(155,429)
Investigations and Complaint management		(70,295)	581
GST paid to suppliers		(20,941)	(15,701)
GST remitted to ATO		(56)	-
Net cash provided by (used in) operating activities		40,803	36,204
Cash flows from investing activities			
<i>Outflows:</i>			
Payments for property, plant and equipment		-	-
Proceeds from investments		-	-
Payments for investments		-	-
Net cash provided by (used in) investing activities		-	-
Cash flows from financing activities			
<i>Inflows:</i>			
Proceeds from borrowings		-	-
<i>Outflows:</i>			
Repayments of borrowings		-	-
Net cash provided by (used in) financing activities		-	-
 Net increase (decrease) in cash and cash equivalents		 40,803	 36,204
Cash and cash equivalents at beginning of financial year		615,413	579,209
Cash and cash equivalents at end of financial year	5	656,216	615,413

The accompanying notes form part of these statements.

VALUERS REGISTRATION BOARD OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Objectives and Principal Activities of the Board

The objectives of the Valuers Registration Board of Queensland (the Board) are to provide a measure of protection for the public and to maintain the standard of valuers in Queensland by monitoring the registration, education, experience and professional conduct requirements.

To reflect these objectives the Board continues to adopt the following mission statement:

"Committed to fostering professional excellence of registered valuers in Queensland"

1 Summary of Significant Accounting Policies

(a) Statement of Compliance

The financial statements have been prepared in compliance with the *Financial Accountability Act 2009* and 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 Minimum Reporting Requirements for the year ended 30 June 2019, and other authoritative pronouncements.

All amounts throughout the financial statements are in Australian dollars.

With respect to compliance with Australian Accounting Standards and Interpretations, the Board 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 convention is used.

The Reporting Entity

The Board does not control other entities. The financial statements include the value of all income, expenses, assets, liabilities and equity for the Board as an individual entity.

Accounting policies

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year.

Classification between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the Board's operational cycle.

Rounding and Comparatives

Unless otherwise stated, amounts in the report have been rounded to the nearest dollar. Sub totals and totals may not add due to rounding, but the overall discrepancy is not greater than two.

(b) Revenue Recognition

The Roll Fee for this period is \$239.30. Roll Fees are levied each year by the Board on each valuer registered under the *Valuers Registration Act 1992* so as to provide, together with other receipts, sufficient funds to finance the operations of the Board for the year.

Roll fees are recognised as revenue on an accruals basis.

Interest Received

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

(c) Property, Plant & Equipment

Property, plant and equipment items with a purchase cost greater than \$5000 and a useful life of more than one year are recognised as an asset. All other items of property, plant and equipment are expensed on acquisition.

Plant and Equipment are measured on the cost basis less depreciation and impairment losses.

VALUERS REGISTRATION BOARD OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1 Summary of Significant Accounting Policies (cont)

(c) Property, Plant & Equipment (cont)

Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis so as to write-off the cost of each depreciable asset progressively over its estimated useful life to the Board.

Depreciation periods are listed below and are consistent with the prior year:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Computer Equipment	25%

(d) Cash and Cash Equivalents

For the purposes of the statement of financial position and the statement of cash flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions. Investments are measured at cost. Interest revenue is recognised as received.

(e) Employee Benefits

Provision for employee benefits

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 Board 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 Board does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement. 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 not yet completed the required period of service.

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. Refer to note 12 for the disclosures on key management personnel and remuneration.

Superannuation

Employer superannuation contributions are paid to the employee's superannuation funds. Contributions are expensed in the period in which they are paid or payable. The Board's obligation is limited to its contribution to each of the funds.

(f) Taxation

The activities of the Board are exempt from Commonwealth taxation under the *Income Tax Assessment Act 1936* except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). The Board is exempt from charging GST on Registration Fees. Input tax credits receivable from the Australian Taxation Office are recognised and accrued.

(g) Issuance of Financial Statements

The financial statements are authorised by a resolution of the Board for issue by the Chairman and Secretary at the date of signing the Management Certificate.

(h) Receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from the invoice date.

The collectability of receivables is assessed periodically with provision being made for expected credit losses. The loss allowance is estimated based on the probability and timing of potential defaults, and takes into account forecasts of future economic conditions as well as past events. All known bad debts were written-off as at 30 June.

VALUERS REGISTRATION BOARD OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1 Summary of Significant Accounting Policies (cont)

(i) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

(j) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight line basis in the periods in which they are incurred.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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 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 receipts from customers or payments to suppliers.

(l) Key Accounting Estimates and Judgements

Employee Benefits

Provision is made for the Board's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to 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 cash flows.

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.

(m) Financial Instruments

AASB 9 Financial Instruments

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

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

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

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.

1 Summary of Significant Accounting Policies (cont)

(m) Financial Instruments (cont)

Classification and subsequent measurement

Financial instruments are classified and measured as follows:

- Cash and Cash equivalents – held at amortised cost
- Receivables – held at amortised cost
- Payables – held at amortised cost

The Board does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Board holds no financial assets classified at fair value through profit and loss.

(n) Unearned Revenue

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

(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) New and Revised Accounting Standards

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

The Board applies Australian Accounting Standards and Interpretations in accordance with their respective commencement dates. At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below:

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

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

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

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

liabilities for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the relevant Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer; and

volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services shall be measured at fair value and any excess over the related amounts immediately recognised as income in profit or loss.

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

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

VALUERS REGISTRATION BOARD OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1 Summary of Significant Accounting Policies (cont)

(p) New and Revised Accounting Standards (cont)

AASB 16 Leases

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

Impact for Lessees

Under AASB 16, the majority of operating leases (as defined by the current AASB 117 and shown at Note 10) will be reported on the statement of financial position as right-of-use assets and lease liabilities.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the statement of comprehensive income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. In accordance with Queensland Treasury's policy, the company will apply the 'cumulative approach', and will not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

Outcome of review as lessee

The Board has completed its review of the impact of adoption of AASB 16 on the statement of financial position and statement of comprehensive income and has identified the following major impacts which are outlined below.

During the 2018/19 financial year, the non-cancellable lease commitment recognised under AASB 117 comprises the Board's office premises on 10.25 year terms, and other operating leases for photocopiers with the terms of 5 years.

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

Statement of financial position impact on 1 July 2019:

- \$382,803 increase in lease liabilities
- \$342,805 increase in right-of-use assets

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

- \$4,372.09 decrease in depreciation and amortisation expense
- \$7,058.90 increase in interest expense
- This results in a net increase of \$2,686.81 in total expenses

VALUERS REGISTRATION BOARD OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
2 Employee expenses		
Employee Benefits		
Wages and salaries	124,609	142,265
Employer's superannuation contribution	12,339	16,324
Salary sacrifice superannuation contribution	-	18,400
Other employee benefits	1,660	4,704
Total	138,608	181,693

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:

Number of Employees:	2	2
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3 Professional Fees

Audit fees	5,600	6,000
Accounting Fees	5,900	4,950
Bookkeeping Services	6,673	7,043
Total	18,173	17,993

	2019	2018
	\$	\$
4 Other expenses		
Advertising	1,241	2,140
Bank charges	2,422	2,507
Catering	1,252	882
Computer expenses	12,670	10,985
Conference expenses	2,545	5,633
Contractor Fees	4,853	-
Electricity	1,955	2,211
Insurance	1,314	1,187
Legal Expenses	6,549	16,459
Low Value Assets Written Off	930	-
Parking, Taxis and Tolls	1,025	1,808
Photocopier Rental and Office Amenities	4,119	6,773
Repairs and Maintenance	2,468	135
Brand & Website Development	11,597	-
Sundry Expenses	182	202
Currency Gain/Loss	-	270
Total	55,122	51,192

VALUERS REGISTRATION BOARD OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
5 Cash assets		
Cash on hand	-	250
Cash at bank	46,010	35,918
QTC Capital Guaranteed Cash Fund	610,206	579,245
Total	656,216	615,413
6 Receivables		
Accrued Interest	1,106	1,061
Prepaid Rent	4,396	86
Trade Debtors	-	430
GST receivable	3,761	4,521
Total	9,263	6,098
7 Property, plant & equipment		
Computer equipment (at cost)	7,555	7,555
Less: Accumulated depreciation	(7,555)	(7,555)
Total	-	-
8 Payables		
PAYG W Payable	2,504	2,492
Superannuation Payable	-	1,348
Accrued Expenses	16,456	23,309
Income Received in Advance	352,230	373,280
Trade Creditors	1,547	2,374
CBA Corporate Credit Card	6	1,938
Total	372,743	404,741
9 Accrued Employee Benefits		
	2019 \$	2018 \$
Current		
- Annual leave payable	3,753	3,211
- Long service leave payable - Current	-	5,157
Total current accrued employee benefits	3,753	8,368

VALUERS REGISTRATION BOARD OF QUEENSLAND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
9 Accrued Employee Benefits (cont)		
Non-Current		
- Long service leave payable - Non-Current	1,552	465
Total non-current accrued employee benefits	1,552	465
Total	5,305	8,833

10 Future Operating Commitments

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

Operating lease commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements

Payable – minimum lease payments:	2019	2018
- not later than 12 months	54,995	47,944
- between 12 months and 5 years	231,131	194,106
- later than 5 years	120,591	151,956
	<u>406,717</u>	<u>394,006</u>

The Board is party to a business premises lease with a 10.25 year term, with rent payable monthly in advance. Rental provisions within the lease agreement permit that lease payments can be increased by 3% once a year, during the rent review on 14 March. The Board is also party to a photocopier lease which is non-cancellable, fixed fee agreement with a 4 year term.

The lease is non-cancellable in a manner other than the following. This Lease can be terminated at any time after four (4) years from the Lease Commencement Date by the Tenant giving a minimum of twelve (12) months written notice to the Landlord only under circumstances where the Valuers Registration Act 1992 is repealed and the Valuers Registration Board of Queensland is abolished.

11 Contingent Assets

As at 30 June 2019, the Board had a number of fines and/or penalties owing to them as a result of successful legal cases finalised in the 2019 financial year. Whilst the possibility of an inflow of economic resources is probable based on legal representation, the Board are unable to provide an accurate estimate of any amounts receivable at the reporting date, as these fines and/or penalties were yet to be determined at 30 June 2019. Therefore, no amounts have been recognised for fines and/or penalties receivable on these particular legal cases at the reporting date.

12 Key management personnel compensation

Rumumeration paid to Board Members in connection with the management of the Board, including meeting fees and allowances.

	2019	2018
Number of Board members paid wages during the year	7	7

The names of current Board members are:

Brett McAuliffe
Lisa Murdoch
Gail Tarditi
Philip Willington
Neil Bray - Chair

The names of current Assistant Board members are:

Vanessa Brewis
Aleisha Brookes
Allen Crawford

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Board, directly or indirectly.

VALUERS REGISTRATION BOARD OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

12 Key management personnel compensation (cont)

Those persons having authority and responsibility for planning, directing and controlling the activities of the Board, directly or indirectly, during the year ended 30 June 2019 were:

Mr Neil Bray, Chairman

Position	Responsibilities	Contract classification and appointment authority	Date appointed to position
Chairman of the Board	The Chairman is responsible for the oversight, management and leadership of the Board. The role provides direction as to the economic and operations goals of the Board.	Board Member (Valuer General)	Board Member (appointed 1 July 2013) Chairman (appointed 1 July 2015)

Ms Nadine Fiers, Secretary

Position	Responsibilities	Contract classification and appointment authority	Date appointed to position
Secretary	The secretary is responsible for strategic leadership, management and direction over the efficient, effective and economic financial administration and operation of the Board.	Level 5/ <i>Valuers Registration Act 1992</i> (Equivalent to <i>AO6/Public Service ACT 2008</i>)	15 January 2018

The aggregate compensation made to key personnel is set out below.

Executive Remuneration 1 July 2018 – 30 June 2019

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$	Non- Monetary Benefits \$	\$	\$	\$	\$
Secretary (Nadine)	85,789	-	2,217	-	-	88,006
Chairman (Neil)	-	-	-	-	-	-
Total Remuneration	85,789	-	2,217	-	-	88,006

Executive Remuneration 1 July 2017 – 30 June 2018

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$	Non- Monetary Benefits \$	\$	\$	\$	\$
Acting Secretary (Narelle)	81,294	-	-	-	-	81,294
Secretary (Nadine)	36,375	-	3,516	-	-	39,891
Chairman (Neil)	-	-	-	-	-	-
Total Remuneration	117,669	-	3,516	-	-	121,185

VALUERS REGISTRATION BOARD OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

12 Key management personnel compensation (cont)

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

Long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Post-employment benefits are employee benefits (other than termination benefits and short term employee benefits) that are payable after the completion of employment.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept an offer of benefits in exchange for the termination of employment.

13 Events Occurring after Balance date

The Board has no events occurring after the balance date that would affect the financial package at 30 June 2019.

14 Related Party Transactions

There were no additional related party transactions except from those noted in note 12 – Key Management Personnel compensation.

15 Financial Instruments

The Board's financial instruments consists mainly of deposits with banks, receivables and payables.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments: Recognition and Measurement as detailed in the account policies to these financial statements, are as follows:

	Notes	2019 \$	2018 \$
Financial assets			
Cash and cash equivalents	5	656,216	615,413
Loans and receivables	6	9,263	6,098
Total financial assets		<u>665,479</u>	<u>621,511</u>
Financial liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	8	372,743	404,741
Total financial liabilities		<u>372,743</u>	<u>404,741</u>

VALUERS REGISTRATION BOARD OF QUEENSLAND

CERTIFICATE OF THE VALUERS REGISTRATION BOARD 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 compiled with in 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 Valuers Registration Board of Queensland for the financial year ended 30 June 2019 and of the financial position of the board at the end of that year;
- (c) We acknowledge responsibility under s.8 and s.15 of the *Financial and Performance Management Standard 2009* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

N. BRAY
Chairman

Date

27/8/19.

INDEPENDENT AUDITOR'S REPORT

To the Board of the Valuers Registration Board of Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Valuers Registration Board of Queensland.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards - Reduced Disclosure Requirements.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Other information

Other information comprises the information included in the entity's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.

The Board is responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards - Reduced Disclosure Requirements, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.

- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

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

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



30 August 2019

Melissa Fletcher
as delegate of the Auditor-General

Queensland Audit Office
Brisbane