

VALUERS
REGISTRATION
BOARD OF QUEENSLAND



ANNUAL
REPORT
2019–20

This Annual Report provides information about the Valuers Registration Board of Queensland's financial and non-financial performance for the 2019–20 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 effectively communicate the report to you.

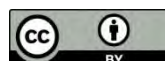


Public Availability

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 2019–20
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ISSN 2208-407X - online
ISSN 2208-4061 - print

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Letter of Compliance

11 September 2020

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 2019–20 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* and the Financial and Performance Management Standard 2019 (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 18 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 (the Board) Annual Report for 2019–20. It outlines our work to protect the community through the regulation of the valuation profession in Queensland, and our achievements in contributing to Government's objectives.

This has been a challenging year for all, with COVID-19 forcing valuers to actively manage additional risks to themselves and the community, while still practicing their profession to the highest standards. The profession acted quickly and responsively to incorporate government directives and recommendations to minimise the spread of COVID-19. This agility will need to be maintained into the future as we continue to deal with the pandemic.

In terms of the Board's operations, both the staff and Board members we were able to implement alternative strategies to ensure that the general business of the Board continued without interruption. This is highlighted by our normal registration renewal process that was successfully completed at the height of the first COVID-19 wave.

Despite the impact from COVID-19, 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 subsequent 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 progress the development of Rules of Professional Conduct for valuers to follow, along with reviewing supporting policies, procedures, and associated documentation to ensure currency, alignment to best practice and increased transparency. This contributes to the Government's objective of being a responsive government.

Throughout the year the Board conducted 39 interviews to evidence capability in valuing land in Queensland, granted 62 new valuer registrations, and processed 1471 valuer registration renewals. Page 9 of this report provides more detail on registrations.

Five complaints were open as at 1 July 2019. During 2019–20, an additional 10 matters were referred to the Board. Of these matters, eight were dismissed due to insufficient evidence, one matter was dismissed after it was determined that the complainant was not an aggrieved person under the Act, and three notifications were issued to persons suspected to be falsely holding themselves out to be a registered valuer. No investigations were pending as at 30 June 2019.

Three matters remain outstanding as at 30 June 2020. Two of these matters were received in May 2020 and are currently being processed. One matter, which carried over from the previous reporting year, is still before QCAT. An appeal was heard in February 2020 and a decision is expected soon.

We continue to support the delivery of continuing professional development with the Board delivering its first webinar this year. In addition, the Board expanded its University Award prizes this year to start including mentoring sessions as part of the award. This has been met with great enthusiasm. These activities support the Governments priority to engage young Queenslanders in education, training, and work.

I offer this Annual Report as a record of the Board's achievements for the 2019–20 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 2019–20 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 Regulations are 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

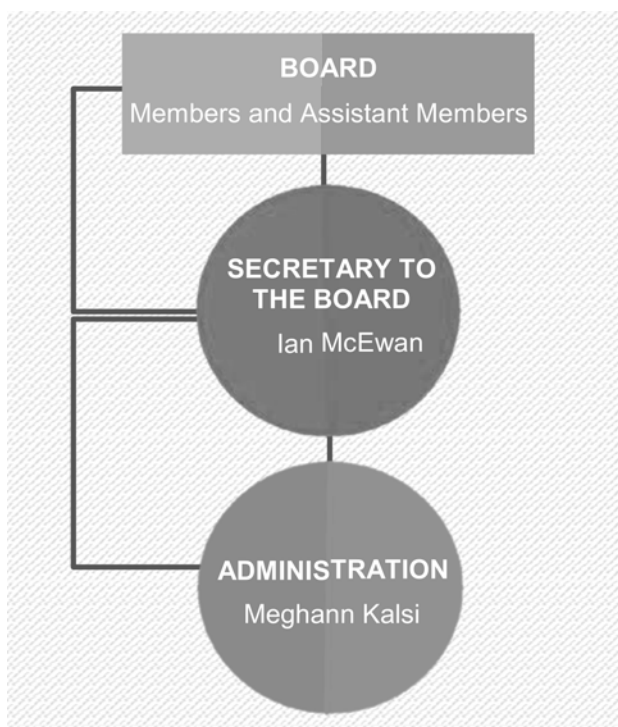
Appointed by the Governor in Council, the Board consists of five members and three assistant members who are responsible for governing, directing and monitoring the Board's business, affairs and operations.

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 1 July 2019

Neil Bray *FAP I 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 has been involved in valuation, property development and disposal of surplus government assets throughout Queensland. In 1995 he was appointed by Queensland Treasury to prepare the valuation of all non-current physical assets for all budget sector agencies. He was subsequently appointed Program Director Valuation Commercialisation in the State Government. He was appointed the Valuer-General for South Australia under the *Valuation of Land Act 1971* (SA) in 1999 and was the first Valuer-General appointed under the *Land Valuation Act 2010* (Qld) in 2010.

Andrea Blake *AAP I*

Registered Valuer

Dr Andrea Blake was appointed a member of the Valuers Registration Board in 2019 and has over 15 years' experience in property education at the Queensland University of Technology. During this time Andrea has held course leadership positions and had extensive experience in teaching property valuation and property law to property and built environment students. Andrea has published papers and spoken at international academic conferences on valuation practice and liability, retirement villages and property rights. Andrea holds a PhD in carbon sequestration and valuation practice.

Andrea also has extensive experience in the property industry in the government and private sectors, and government policy and law. Andrea was registered as a valuer in Queensland in 1994 and currently acts as an Independent Chair for site valuation objections over \$5 million.

Lisa Murdoch *AAP I*

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 lawfirm.

Frances Rex *AAPV*
Registered Valuer

Frances Rex has been Senior Manager, Property Risk at ANZ since 2010, overseeing ANZ's valuation and other property consultancy panels, and providing internal valuation advice and risk assessments for all property classes in QLD and WA. Her role includes liaising with clients, Relationship managers and credit, and overseeing risk management on large construction projects throughout QLD.

Frances has been a registered valuer and member of Australian Property Institute since 1990, and prior to joining ANZ was working in valuation across a number of sectors including, residential development commercial, retail, statutory and litigation, in both QLD and NSW.

Frances is a QLD State Committee member for the Australian Property Institute, and a Member of Property Council Aust QLD Division Council.

Our Assistant Members as at 1 July 2019**Lucy Craddock** *LLB, LL.M (TechLaw), SJD, MQLS*

Dr Lucy Craddock was appointed as Assistant Member to the Board in 2019. She holds a current practising certificate as a solicitor and has worked as a commercial/property lawyer in private law firms and as well as holding various legal roles within government. Lucy is currently a Senior Lecturer in the Faculty of Law at QUT, where she is the Chair of the Faculty's Academic Misconduct Committee. Previously she was a law lecturer at the University of the Sunshine Coast, and its inaugural Student Ombudsman. She has lectured to law, property economics and other non-law graduate and post-graduate students on ethics, IP and property related laws. Her research interests include property and technology related issues, as well as the impact of these in practice and for valuers.

Aleisha Brookes *FAPV BAppSc(PropEcon)*
Registered Valuer

Registered Valuer Aleisha Brookes was appointed as Assistant Member to the Board in 2016. She has over 20 years valuation experience and is currently a Risk Director at JLL Valuation Advisory, responsible for maintaining its risk framework which includes the management of the Residential Quality Assurance Team. She has extensive experience in residential valuations including valuations of prestige properties, residential and rural residential properties. Aleisha also holds several committee roles with the API.

Allen Crawford *FRICS FAPV* 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. Allen's valuation experience spans across all forms of valuation from small standalone 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 on the Standard Setting Committee for the International Property Measurement Standards, after having spent 5 years as vice chair and is on the Standards Steering 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 2020, 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 listing 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 affected if the applicant has:

- been deemed as fit to practice
- 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:

	2019–20	2018–19	2017–18	2016–17	2015–16
New registrations					
• through examination	39	31	36	41	39
• through mutual recognition*	23	21	13	25	59
Refused registrations	0	0	0	1	0
Restored registrations	5	10	10	7	5
Retired/Cancelled/Deceased	(67)	(95)	(89)	(110)	(107)
Total number of registered valuers	1471	1471	1504	1534	1571
Total number of specialist retail valuers	24	24	24	24	24

*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 license 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 2019–20 we:

- conducted 39 interviews before the Board to evidence capability in valuing land in Queensland via four sample valuation reports.
- granted 39 new registrations on passing an examination approved by the Board, in addition to receipting documentary evidence of educational standing, practical experience and of being fit to practice.
- granted 23 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 1519 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 five 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 practice.
- 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.
- Developed and released the Board's first webinar titled *What Constitutes a Valid Determination for Specialist Retail Valuers?* to ensure that additional free professional development was provided for this niche market segment.
- consulted with the API and Queensland universities on course content to identify Board recognised courses and credentials.

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.

To ensure transparency, the Board will outline the reasons for its decisions in its responses to all parties.

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	2019–20	2018–19	2017–18	2016–17	2015–16
Matters on hand at 1 July	5	16	4	6	5
Plus matters opened	10	15	26	22	10
Less matters dismissed	(12)	(22)	(13)	(21)	(5)
Less investigation matters closed	(0)	(4)	(1)	(3)	(4)
On hand at 30 June	3	5	16	4	6

Disciplinary action	2019–20	2018–19	2017–18	2016–17	2015–16
Matters on hand at 1 July	1	2	0	1	3
Plus matters opened	(0)	1	3	0	0
Less matters closed	(0)	(2)	(1)	(1)	(2)
On hand at 30 June	1	1	2	0	1

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 2019–20 we:

- considered five matters carried forward from the previous year, of which one remains subject to ongoing proceedings in QCAT.
- considered 10 new matters, including eight complaints received from members of the public regarding the conduct of registered valuers, and two notifications of a person perceived to be falsely holding themselves out to be a registered valuer.
- re-opened one complaint marked as finalised during 2018–2019 on request from the complainant and on the submission of additional information. This complaint was subsequently dismissed due to insufficient evidence to support the allegations made.
- Of the three complaints carried over into the 2020–21 year; two were received in May 2020 and continue to be considered by the Board; and one was subject to ongoing proceedings in QCAT.
- recognised the introduction of The *Human Rights Act 2019* in Queensland during the year. This Act aims to ensure that public powers and functions are exercised in a principled way and that public power is not misused. The Board is incorporating the *Human Rights Act* within its processes, most noticeably our complaints process.
- progressed the development of a Rules of Professional Conduct to provide greater clarity to registered valuers. This should be finalised in the 2020–21 year. We have also drafted an update to our complaints and disciplinary policy and proceedings in anticipation of the completion of the Rules of Professional Conduct and also to recognise the introduction of the *Human Rights Act*. This will be finalised once the Rules of Professional Conduct has been completed.

Driving value for money and providing easy to use services

The Board is a self-funded statutory body that regulates the valuation profession in Queensland. With the vast majority of its income generated from the profession by the payment of registration fees, the Board does not call on public funds to support its activities.

The existence of the Act and the Board provides the community with an effective and efficient means of ensuring standards within the valuation profession are maintained. The complaints process is free and accessible, and the Board takes responsibility for and funds the cost of investigations and pursuing individuals through QCAT or Magistrates Court as appropriate.

The findings and recommendations from the Royal Commission into Misconduct in the Banking, Superannuation, and Financial Services Industry highlight the pressure that can be brought to bare on valuers as they undertake their duties. The existence of the Act, coupled with the Board to administer it, provides strong guidance on the appropriate standards required to practice as a valuer, and an efficient and accessible mechanism to enforce these standards on behalf of the community and the profession.

This supports the Government's priority to ensure that services are easy for the community to access and use. Without it, the community would be forced to go through the legal system to progress issues against valuers, which can be an expensive and time-consuming process.



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 2019–20 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. The Board identified over 30 provisions of the Act and the Regulation which require strengthening to better achieve the intent of the Act, and made approaches to government for potential legislative amendment. Further approaches will be made in the year ahead.
- neared completion of the development of the Board's own Rules of Professional Conduct for Registered Valuers to increase relevance and remove reliance on the API Code of Professional Conduct.
- 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. The completion of the Board's own Rules of Professional Conduct will facilitate the finalisation on our policies and procedures to ensure that they align.

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 2019–20 we:

- recognised and awarded the following top performing students in real estate valuation courses:
 - Richard Patriquin, Bond University
 - Angela Engelbrecht, Central Queensland University.
 - Zoe Ong, Queensland University of Technology
- while COVID-19 and other factors reduced the opportunity for the Board to sponsor professional development activities, we are confident that suitable opportunities will be available for the Board to support in the coming year.
- 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.
- delivered a specialist retail valuer webinar to provide enhanced development opportunities for this niche market segment.

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 2019–20 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.
- updated our website to increase access to pertinent information regarding the Board and the valuation profession. This included disseminating information on undertaking valuations in COVID-19 times to mitigate health risks to valuers and the community, while still maintaining appropriate valuation standards.
- continued liaison with professional bodies including the API and the Royal Institution of Chartered Surveyors, universities, and Government to leverage opportunities and preserve interdependent relations.
- continued the dissemination of newsletters and one-off alerts to registered valuers with the intent of keeping valuers abreast of pertinent regulatory information, promoting professionalism and standards of practice. This was especially important to provide guidance on the impacts of COVID-19.

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 2019–20 we:

- implemented changes to our Complaints and Disciplinary Proceedings Policy and Procedure to ensure greater alignment with the Act, the Regulation and additional legislative requirements; provisions for best practice including the AS/NZS 10002:2014 Guidelines for complaint management in organisations; and recommendations made by the Queensland Ombudsman to review complaints management practices.
- continued to monitor communication with both complainant and complaint respondents throughout the complaint process. Apart from one small delay on one matter during the transition between Secretaries', all complaints were responded to and processed efficiently and effectively.

Objective 5: Enabling a high performing culture.

To contribute to the development and shaping of professionalism and excellence for Board operations, in 2019–20 we:

- formally adopted the Queensland Public Service Public Service Code of Conduct for all Board members and staff.
- continued to support flexible working arrangements for the Board's staff. This was critical to ensure the Board was able to operate without interruption to normal business activities while complying with the Queensland and Federal government COVID-19 directions.
- prepared our investigator training manual for updating once the Board's Rules of Professional Conduct have been finalised.
- commenced a review of our registration renewal process with a view to move from a manual approach to an automated approach.
- undertook benchmarking exercises with other statutory bodies to identify opportunities to enhance performance.



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 2019–20 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 2019–20 was:

	No. attended	No. eligible to attend	Fees	Appointment start	Appointment end
Member					
Mr N Bray/proxy	15	15	nil	1/7/2019	31/01/2021
Ms A Blake	13	15	\$5500	1/7/2019	31/01/2021
Ms L Murdoch	13	15	\$5500	1/7/2019	31/01/2021
Ms G Tarditi	10	15	\$5500	1/7/2019	31/01/2021
Ms F Rex	13	15	\$5500	1/7/2019	31/01/2021
Assistant Member					
Ms L Cradock	0	0	\$0	1/7/2019	31/01/2021
Ms A Brookes	2	2	\$1000	1/7/2019	31/01/2021
Mr A Crawford	2	2	\$1000	1/7/2019	31/01/2021

The Board did not undertake any overseas travel during the 2019–20 year.

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 2019–20 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 not subject to external reviews during the 2019–20 year.

Information systems and record keeping

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 2019–20 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

The Board adopted the Queensland Public Service Code of Conduct in the 2019–20 year. This Code of Conduct applies to all Board Members, Assistant Members and employees of the Board. The Code is consistent with the ethics principles and values contained within the *Public Sector Ethics Act 1994*.

This is important as it ties individuals who are involved in the registration, investigation and disciplining of valuers under the Act to ethical standards in carrying out these duties.

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 2019–20 year were \$244.70 for application and roll fees, and \$70.25 for late and certificate fees. Registration fees accounted for \$367,289 or 93% of the Board's total income of \$396,756.

The major expenses of the Board include wages and salaries which amounted to \$164,968 or 44% of the Board's total expenses of \$376,607.

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 \$55,160 or 15% of total expenses during the 2019-20 year.

A new accounting standard (AASB 16) was applied to the Board's finances this year. The new standard records lease commitments over \$10,000 on our balance sheet. As a result of this, our equity has been reduced by \$21,253 to adjust for the impact this new standard has had on previous financial year accounts. While the Board made an operating surplus of \$20,149 this financial year, the introduction of the new accounting standard has reduced our overall closing balance by \$1,104.

The Board's opening balance as at 1 July 2019 and total revenue and expenditure in the 2019–20 year is provided below:

Item	2019–20	2018–19
Opening balance	\$287,631	\$208,137
Total income	\$396,756	\$445,376
Total expenses	\$376,607	\$365,882
New Accounting Standard	(\$21,253)	
Closing balance	\$286,527	\$287,631

Our certified annual financial statements are included on page 20 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 17
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	Page 2
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 9.3	Page 2
	<ul style="list-style-type: none"> Copyright notice 	Copyright Act 1968 ARRs – section 9.4	Page 2
	<ul style="list-style-type: none"> Information Licensing 	QGEA – Information Licensing 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 and 12
	<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 9-14
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	Page 17
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 7 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"> Public Sector Ethics Act 1994 	Public Sector Ethics Act 1994 ARRs – section 13.4	Page 16
	<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 record keeping 	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 20
	<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 2020

VALUERS REGISTRATION BOARD OF QUEENSLAND
Statement of Comprehensive Income
for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Income from Operations			
<i>Revenue</i>			
Roll Fees	1(b)	367,289	405,825
Interest		8,966	13,453
Application & Certificate Fees		17,451	17,587
Restoration Fees		1,223	2,134
Other Revenue		1,827	6,377
Total Income from Operations		396,756	445,376
Expenses from Operations			
Employee Expenses	2	169,884	138,608
Professional Fees	3	14,527	18,173
Board Members' Fees & Expenses		27,129	28,719
Prizes, Donations & Sponsorships		3,000	4,500
Complaint Management		55,180	61,244
Rent Expenses		-	45,265
Printing & Stationery		4,514	4,429
Postage & Telephone		7,199	6,895
Public Relations		3,063	2,927
Depreciation - Right-of-use Assets	16	46,940	-
Interest - Lease Liabilities	16	6,249	-
Other Expenses	4	38,912	55,122
Total Expenses from Operations		376,607	365,882
Operating Result		20,149	79,494
Total Comprehensive Income		20,149	79,494

The accompanying notes form part of these statements.

VALUERS REGISTRATION BOARD OF QUEENSLAND
Statement of Financial Position
as at 30 June 2020

	Notes	2020 \$	2019 \$
Current Assets			
Cash Assets	5	759,578	656,216
Receivables	6	3,447	9,283
Cashcharge Bond Held		200	200
Total Current Assets		763,225	665,679
Non-Current Assets			
Right-of-use Assets	16	270,695	-
Property, Plant & Equipment	7	-	-
Total Non-Current Assets		270,695	-
Total Assets		1,033,920	665,679
Current Liabilities			
Payables	8	444,050	372,743
Accrued Employee Benefits	9	6,645	3,753
Lease Liabilities	16	45,305	-
Total Current Liabilities		496,000	376,496
Non-Current Liabilities			
Accrued Employee Benefits	9	1,243	1,552
Lease Liabilities	16	250,150	-
Total Non-Current Liabilities		251,393	1,552
Total Liabilities		747,393	378,048
Net Assets		286,527	287,631
Equity			
Contributed Equity		181,342	181,342
Accumulated Surplus		105,185	106,289
Total Equity		286,527	287,631

The accompanying notes form part of these statements.

VALUERS REGISTRATION BOARD OF QUEENSLAND
Statement of Changes in Equity
for the year ended 30 June 2020

	Accumulated Surplus		Contributed Equity		TOTAL	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Balance as at 1 July	106,289	26,795	181,342	181,342	287,631	208,137
Impact from Implementation of New Standards	(21,253)	-	-	-	(21,253)	-
Restated Balance as at 1 July	85,036	26,795	181,342	181,342	266,378	208,137
Operating Result	20,149	79,494	-	-	20,149	79,494
Total Comprehensive Income	20,149	79,494	-	-	20,149	79,494
Balance as at 30 June	105,185	106,289	181,342	181,342	286,527	287,531

The accompanying notes form part of these statements.

VALUERS REGISTRATION BOARD OF QUEENSLAND
Statement of Cash Flows
for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Cash Flows from Operating Activities			
<i>Inflows:</i>			
Fees & Other Receipts		410,766	402,792
Interest		9,847	13,408
Other Revenue		3,050	8,511
GST Input Tax Credits from ATO		14,355	21,802
GST Collected from Customers		-	56
<i>Outflows:</i>			
Employee Expenses		(164,968)	(143,989)
Board Members' Fees		(27,128)	(28,719)
Administrative Expenses		(70,165)	(141,566)
Investigations & Complaint Management		(14,592)	(70,295)
GST Paid to Suppliers		(12,317)	(20,941)
GST Remitted to ATO		-	(56)
Net Cash Provided by (used in) Operating Activities		148,648	40,803
Cash Flows from Financing Activities			
<i>Outflows:</i>			
Lease Liability Payments		(45,286)	-
Net Cash provided by (used in) Financing Activities		(45,286)	-
Net Increase (Decrease) in Cash & Cash Equivalents		103,362	40,803
Cash & Cash Equivalents at Beginning of Financial Year		658,218	616,413
Cash & Cash Equivalents at End of Financial Year	5	759,578	656,216

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 2020

Objectives and Principal Activities of the Board

The objectives of the Valuers Registration Board of Queensland (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 section 62 of the *Financial Accountability Act 2009* and section 39 of the *Financial and Performance Management Standard 2019*.

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 2020, 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

Roll Fees and Restoration Fees

The Roll Fee for this period is \$244,700. 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.

Application and Certificate Fees

Application and Certificate Fees are non-refundable upfront fees and are recognised in the year the roll fee is first recognised.

Interest Received

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

Other Revenue

Other revenue including credit card surcharges received in the year are recognised upon receipt.

(c) Property, Plant & Equipment

Property, plant and equipment items with a purchase cost greater than \$5,000 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 2020

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 2020 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.

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 1997* 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 Chairperson 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 2020.

(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.

VALUERS REGISTRATION BOARD OF QUEENSLAND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 Summary of Significant Accounting Policies (cont)

(j) Lease Expenses

Lease expenses include lease rentals for short-term leases, leases of low value assets and variable lease payments. Refer to Note 16 for breakdown of lease expenses and other lease disclosures.

(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

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Board becomes party to the contractual provisions of the financial instrument.

Classification and subsequent measurement

Financial instruments are classified and measured as follows:

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

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

VALUERS REGISTRATION BOARD OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 Summary of Significant Accounting Policies (cont)

(n) Contract Liabilities

Contract liabilities arise from contracts with customers (registered valuers) whereby the Board has received consideration from the customer but still has an obligation to perform a service.

Annual Renewal fees received during March, April, May and June 2020, Late fees received during May & June 2020 and Application and Certificate fees received during June 2020 for the registration year commencing 1 July 2020 are recognised as Contract Liabilities in 2019-20.

(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 2019-20.

The Board applies Australian Accounting Standards and Interpretations in accordance with their respective commencement dates. The impacts of new Australian Accounting Standards issued and applied for the first time in 2019-20 are set out below:

AASB 15 Revenue from Contracts with Customers

The Board applied AASB 15 *Revenue from Contracts with Customers* for the first time in 2019-20.

The Board's revenue line items recognised under this standard from 1 July 2019 include roll fees, application and certificate fees and restoration fees.

To align with new terminology in AASB 15, trade receivables and unearned revenue arising from contracts with customers have been renamed as contract assets and contract liabilities respectively.

The timing of revenue recognised for application and certificate fees has been adjusted to better reflect the satisfaction of performance obligations and refund obligations. Compared to previously applicable revenue standards, AASB 15 had the following impact on the 2019-20 financial statements line items:

	As Reported	AASB 15 Changes	Previous Standards
	\$	\$	\$
Application and Certificate Fees	17,451	(1,223)	18,674

AASB 1058 Income of Not-for-Profit Entities

The Board applied AASB 1058 *Income of Not-for-Profit Entities* for the first time in 2019-20.

AASB 1058 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.

The Board's revenue line items recognised under this standard from 1 July 2019 include interest and other revenue. Revenue recognition for the Board's interest and other revenue did not change under AASB 1058.

VALUERS REGISTRATION BOARD OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 Summary of Significant Accounting Policies (cont)

(p) New and Revised Accounting Standards (cont)

AASB 16 Leases

The Board applied AASB 16 *Leases* for the first time in 2019-20. The nature and effect of changes resulting from the adoption of AASB 16 are described below.

Impact for Lessees

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

The right-of-use asset is 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 gives rise to a depreciation expense.

The lease liability is 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 are no longer expensed in the statement of comprehensive income. They are 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 is also 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 Board has applied the 'cumulative approach', and has not restated comparative information. Instead, the cumulative effect of applying the standard has been recognised as an adjustment to accumulated surplus on the statement of changes in equity at 1 July 2019.

Transitional Impact

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 2019-20 financial year, the non-cancellable lease commitment recognised under AASB 117 comprised the Board's office premises on a 10.25 year term, and other operating leases for photocopiers with a term of 4 years. They are now recognised on the statement of financial position as right-of-use assets and lease liabilities.

On transition, the lease liabilities were measured at the present value of the remaining lease payments discounted at the QTC 10-year bond rate at 1 July 2019. The QTC 10-year bond rate on 1 July 2019 was 1.844%.

The right-of-use assets were measured at the carrying amount as if AASB 16 had always been applied since lease commencement, discounted using the Board's incremental borrowing rate at 1 July 2019.

The new right-of-use assets were tested for impairment on transition and none were found to be impaired.

The following summarises the reconciliation of operating lease commitments at 30 June 2019 to the lease liabilities at 1 July 2019:

<i>Operating Lease Commitments at 30 June 2019 (GST excl.)</i>					\$
Within 1 year					49,682
Later than 1 year but not later than 5 years					207,177
Later than 5 years					107,872
					<u>364,731</u>
Total undiscounted operating lease commitments at 30 June 2019					364,731
- discounted using the incremental borrowing rate at 1 July 2019 (1.844%)					<u>(25,843)</u>
Finance Lease liabilities at 30 June 2019					<u>338,888</u>
Lease liabilities at 1 July 2019					
	Total	< 1 Year	1 - 5 Years	> 5 Years	
<i>Finance Lease Liabilities at 30 June 2019</i>	\$	\$	\$	\$	
Lease Payments	364,731	49,682	207,177	107,872	
Less: Future Finance Charges	(25,843)	(900)	(12,854)	(12,089)	
Present Value of Lease Payments	338,888	48,782	194,323	95,783	

VALUERS REGISTRATION BOARD OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 Summary of Significant Accounting Policies (cont)

(p) New and Revised Accounting Standards (cont)

The following summarises the on-transition adjustments to asset and liability balances at 1 July 2019 in relation to former operating leases.

	\$
Right-of-use Assets - Business Premises	305,010
Right-of-use Assets - Photocopier	12,625
Lease Liabilities - Business Premises	(326,418)
Lease Liabilities - Photocopier	(12,470)
Accumulated Surplus	(21,253)

	2020 \$	2019 \$
2 Employee Expenses		
Employee Benefits		
Wages & Salaries	142,292	124,609
Employer's Superannuation Contributions	14,168	12,339
Salary Sacrifice Superannuation Contributions	12,809	-
Other Employee Benefits	615	1,660
Total	169,884	138,608

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	6,560	5,600
Accounting Fees	7,308	5,900
Bookkeeping Services	659	6,673
Total	14,527	18,173

Audit Fees

- (a) Total audit fees quoted by the Queensland Audit Office relating to the 2019-20 financial statements are \$6,500 (2019: \$6,300).
(b) There are no other audit services related to the audit of the report.

	2020 \$	2019 \$
4 Other Expenses		
Advertising	285	1,241
Bank Charges	2,578	2,422
Catering	719	1,252
Computer Expenses	9,908	12,670
Conference Expenses	507	2,545
Contractor Fees	2,418	4,853
Electricity	1,489	1,955
Insurance	1,338	1,314
Legal Expenses	2,822	6,548
Low Value Assets Written Off	2,525	930
Parking, Taxis & Tolls	930	1,025
Photocopier Rental & Office Amenities	345	4,119
Repairs & Maintenance	4,953	2,468
Brand & Website Development	7,939	11,597
Sundry Expenses	149	182
Total	38,912	55,122

VALUERS REGISTRATION BOARD OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
5 Cash Assets		
Cash at bank	30,978	46,010
QTC Capital Guaranteed Cash Fund	728,600	610,205
Total	759,578	656,215
6 Receivables		
Accrued Interest	425	1,106
Prepaid Rent	-	4,396
Contract Assets	1,263	-
GST Receivable	1,769	3,781
Total	3,447	9,263
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	3,128	2,504
Accrued Expenses	58,433	18,456
Contract Liabilities	379,519	352,230
Trade Creditors	2,938	1,547
CBA Corporate Credit Card	32	6
Total	444,050	372,743
9 Accrued Employee Benefits		
Current		
- Annual Leave Payable	6,645	3,753
- Long Service Leave Payable - Current	-	-
Total Current Accrued Employee Benefits	6,645	3,753
Non-Current		
- Long Service Leave Payable - Non-Current	1,243	1,552
Total non-current accrued employee benefits	1,243	1,552
Total	7,888	5,305

10 Future Operating Commitments

The Board had no capital commitments of material nature at 30 June 2020.

11 Contingent Assets and Liabilities

As at 30 June 2020, the Board had a legal case outstanding. The Board may have fines and/or penalties owing to them if the legal case is successful. The Board is unable to provide an accurate estimate of any amounts receivable at the reporting date, as the outcome of the legal case was yet to be determined at 30 June 2020. Therefore, no amounts have been recognised for fines and/or penalties receivable on the particular legal case at the reporting date.

The Board has estimated legal fees payable of \$35,000 exclusive of GST regardless of the result of the legal case. The Board has recognised these legal fees as accrued expenses.

VALUERS REGISTRATION BOARD OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

12 Key management personnel compensation

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.

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

	2020	2019
Number of Board members paid wages during the year	6	7

The names of current Board members are:

Andrea Blake
 Lisa Murdoch
 Gall Tarditi
 Frances Rex
 Neil Bray - Chairperson

The names of current Assistant Board members are:

Lucy Craddock
 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. Key management personnel during the year ended 30 June 2020 were:

Mr Neil Bray, Chairperson

Position	Responsibilities	Contract classification and appointment authority	Date appointed to position
Chairperson of the Board	The Chairperson 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) Chairperson (appointed 1 July 2015)

Ms Nadine Fiers, Secretary (Until 21 July 2018)

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

Mrs Narelle Rendalis, Acting Secretary (Until 13 September 2019)

Position	Responsibilities	Contract classification and appointment authority	Date appointed to position
Acting Secretary	The secretary is responsible for strategic leadership, management and direction over the efficient, effective and economic financial administration and operation of the Board.	AO6 / <i>Public Service Act 2008</i>	16 July 2019

VALUERS REGISTRATION BOARD OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

12 Key management personnel compensation (cont)

Mr Ian McEwan, 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>)	9 September 2019

Executive Remuneration 1 July 2019 – 30 June 2020

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

Position	Short-Term Employee Benefits		Long-Term Employee Benefits	Post-Employment Benefits	Termination Benefits	Total Remuneration
	Base \$	Non-Monetary Benefits \$	\$	\$	\$	\$
Secretary (Ian)	88,407	-	3,749	-	-	90,156
Secretary (Nadine)	9,296	-	-	-	-	9,296
Acting Secretary (Narelle)	12,609	-	-	-	-	12,609
Chairperson (Neil)	-	-	-	-	-	-
Total Remuneration	108,512	-	3,749	-	-	112,261

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
Chairperson (Neil)	-	-	-	-	-	-
Total Remuneration	85,789	-	2,217	-	-	88,006

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 2020.

14 Related Party Transactions

The Board did not have any related party transactions.

VALUERS REGISTRATION BOARD OF QUEENSLAND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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* as detailed in the account policies to these financial statements, are as follows:

	Notes	2020 \$	2019 \$
Financial Assets			
Cash & Cash Equivalents	5	759,578	658,216
Loans & Receivables	6	3,447	8,263
Total Financial Assets		763,025	666,479
Financial Liabilities			
Financial Liabilities at Amortised Cost:			
- Trade & Other Payables	8	444,050	372,743
Total financial liabilities		444,050	372,743

16 Right-of-Use Assets and Lease Liabilities

A new accounting standard AASB 16 *Leases* came into effect in 2019-20, resulting in significant changes to the Board's accounting for leases for which it is a lessee. The transitional impacts of the new standard are disclosed in Note 1(p).

Leases as Lessee

Right-of-use Assets

	Buildings \$	Plant and Equipment \$	Total \$
2020			
Opening Balance at 1 July 2019	305,010	12,625	317,635
Additions	-	-	-
Depreciation Charge	(43,573)	(3,367)	(46,940)
Disposals / Derecognition	-	-	-
Other Adjustments	-	-	-
Closing Balance at 30 June 2020	261,437	9,258	270,695

Lease Liabilities

	2020 \$	2019 \$
Current		
Lease Liabilities - Business Premises (2019: Finance Lease Liabilities)	41,981	-
Lease Liabilities - Photocopier (2019: Finance Lease Liabilities)	3,324	-
Total Current	45,305	-
Non-Current		
Lease Liabilities - Business Premises (2019: Finance Lease Liabilities)	244,227	-
Lease Liabilities - Photocopier (2019: Finance Lease Liabilities)	5,923	-
Total Non-Current	250,150	-
Total	295,455	-

AASB 16 requires all leases to be accounted for on the statement of financial position as right-of-use assets and lease liabilities, except for short-term leases and leases of low value assets. The Board measures right-of-use assets from leases at cost on initial recognition, and subsequently depreciates the right-of-use asset and recognises interest expense on the lease liability.

The Board has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. An asset is considered low value where it is expected to cost less than \$10,000 when new.

VALUERS REGISTRATION BOARD OF QUEENSLAND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

16 Right-of-Use Assets and Lease Liabilities (cont)

Where a contract contains both a lease and non-lease components such as asset maintenance services, the Board allocates the contractual payments to each component on the basis of their stand-alone prices. However, for leases of plant and equipment, the Board has elected not to separate lease and non-lease components and instead accounts for them as a single lease component.

When measuring the lease liabilities, the Board uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all of the Board's leases. To determine the incremental borrowing rate, the Board uses the 10-year bond rate provided by Queensland Treasury Corporation of 1.844%.

Disclosures - Leases as Lessee

(a) Details of Leasing Arrangements as Lessee

Business Premises

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 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 Board is abolished.

Plant and Equipment

The Board is also party to a photocopier lease which is non-cancellable, fixed fee agreement with a 4 year term.

(b) Amounts Recognised in Profit or Loss

	2020
	\$
Interest Expense on Lease Liabilities	6,249
Breakdown of Lease Expenses	
Expenses Relating to Short-term Lease	-
Expenses Relating to Leases of Low Value Assets	-
Expenses Relating to Variable Lease Payments	-
(c) Total Cash Outflow for Leases	45,286

(d) 2018-19 Disclosures Under AASB 117

	2019
	\$
Operating lease commitments at 30 June 2019 (GST Incl.)	
Within 1 Year	54,995
Later than 1 year but not later than 5 years	231,131
Later than 5 years	120,591
	<u>406,717</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 39 of the *Financial and Performance Management Standard 2019* 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 financial 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 2020 and of the financial position of the Board at the end of that year;

We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* 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
Chairperson

Date

17 August 2020.

INDEPENDENT AUDITOR'S REPORT

To the members 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 2020, 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 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, 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 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 Auditing Standards*.

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

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- 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 Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

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

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



28 August 2020

Melissa Fletcher
as delegate of the Auditor-General

Queensland Audit Office
Brisbane