



ENGINEERS
AUSTRALIA

3rd May 2021

Engineers Australia Feedback: *Professional Engineers Registration (Fees) Regulations 2021 (proposed Fees Regulations)* and the *Regulatory Impact Statement (RIS)*

Thank you for the opportunity to review the *Professional Engineers Registration (Fees) Regulations 2021 (proposed Fees Regulations)* and the *Regulatory Impact Statement (RIS)* pertaining to the *Professional Engineers Registration Act 2019*.

The RIS proposes that all costs associated with operating the Professional Engineer Registration Act and Regulations be funded on a user pays approach. The RIS identifies the beneficiaries of the Act and Regulations as the registered professional engineers, and so all costs are proposed to be borne by those registered engineers. Engineers Australia has previously provided feedback to the Government, in relation to the setting of fees, that the Victorian public gains benefit from the registration of professional engineers. We believe it would be reasonable for the scheme to be at least partially supported by the taxpayer. It is worth noting that the scheme passed Victorian parliament based on the premise of improved public safety and consumer protection.

We support a fee structure that results in charges that are comparable or less than those fees charged under existing schemes in Victoria (VBA scheme) or other jurisdictions (such as Queensland). We do feel that the base fees relating to the scheme are reasonable.

We are concerned that the additional costs relating to Building Endorsement result in a scheme that is significantly more expensive than the current VBA scheme costing \$393 over 3 years, \$1401 over 10 years. For a building endorsed engineer this will now rise to \$929 over 3 years, \$3786 over 10 years.

We are supportive of the aim of the fee structure to ensure the fees achieve the aims of:

- efficiency, effectiveness and equity; and
- horizontal and vertical equity.

In response to the three questions specifically posed by the RIS we offer the following feedback based on consultation with our members.

Do the different fees for practising and non-practising professional engineers proposed in the preferred option (Option 4) adequately reflect the different demands for government services of these two groups of professional engineers? If no, please explain why.

We believe that the ratio of fees for practicing and non-practicing engineers does adequately reflect the different demands for government services and we support the introduction of discounted fees for non-practising engineers.

Do the different fees for an initial registration and the renewal of a registration proposed in the preferred option (Option 4) adequately reflect the different financial capacities of early and later career professional engineers? If no, please explain why.

We believe that setting fees for later career engineers at 15% higher than early career engineers does adequately reflect the different financial capacities.

Are there any impacts that the fees proposed in the preferred option (Option 4) will have on professional engineers or professional engineering businesses that are not identified in this RIS? If yes, please provide details of those impacts.

The fees for endorsed engineers are higher than the fees currently payable under the Building Act. This may impact some small business owners working in the building sector (especially those working part-time and not having significant income).

The RIS states that the proposed fees will have no adverse effect on the engineering profession. This may not be entirely correct when the effect on small engineering businesses is considered or consideration of individual circumstances is taken. The additional fees being imposed may be a barrier to entry or make it harder to continue to operate in the market for a small number of engineers.

We recommend that **Temporary Financial Assistance or Fee Relief** be offered for professional engineers who may be experiencing financial hardship either due to business conditions or personal circumstance. We believe this is an important inclusion to support diversity in the engineering sector. This could include:

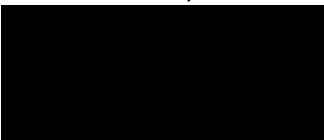
- small business owners and/or engineering start-ups facing financial difficulty;
- reduced earning capacity leading to financial hardship (reduced earning capacity) due to personal circumstances related to factors such as caring responsibilities for children or other family members who require additional assistance; or
- reduced earning capacity leading to financial hardship due to personal circumstances including mental or physical health.

The above items are particularly relevant for single income families.

Finally, the RIS estimates the number of engineers expected to be registered over the next 10 years based on a series of assumptions. We have previously advised that based on 2016 census data we would expect 28,000-30,000 engineers to register. We note that the RIS calculations show this number of registrants not expected until 2026-2027. The impact of this is that the cost of the scheme is recovered from fewer engineers and therefore individual registration is higher. We believe there is an opportunity to revisit these numbers and we would be pleased to provide further details of our underlying assumptions.

Thanks again for the opportunity to review this documentation. Please don't hesitate to contact myself or Lyal Douglas if you would like to discuss in any further detail.

Yours sincerely



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