

New Zealand



**IPWEA**

INSTITUTE OF PUBLIC WORKS  
ENGINEERING AUSTRALASIA

## **PRESIDENT'S ANNUAL REPORT 2017/18**

### **31<sup>TH</sup> ANNUAL GENERAL MEETING**

**ROTORUA**

**20 JUNE 2018**

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#### **1. Overview and highlights**

This is my annual report as President on the performance and activities of IPWEA NZ (the Institute of Public Works Engineering Australasia New Zealand Division Incorporated) for the 2017/18 financial year, which concluded on 31 March 2018.

This last year has been a period of both change and consolidation to ensure that we remain the peak body for asset management and public works in New Zealand and that our organisation is financially sustainable.

We are developing closer ties with IPWEA (Australasia) and other Divisions. Collaboration is improving across the IPWEA family, with Divisions sharing ideas and collateral. An MOU has been signed relating to NAMS work in New Zealand (through our NAMS committee) and across Australasia (through the IPWEA NAMS Council). We receive excellent service from IPWEA under a service level agreement in website, communications and membership management services, and will extend that arrangement to provision of financial services in 2018/19.

During the year we established a Training Working Group to review the suite of training courses offered, with the intent of refreshing the offerings if required, and becoming more nimble in providing training on topical issues, as they arise. As a result, new material is being developed and more attention is being paid to financial performance in this important income stream.

We also established a Membership Engagement Working Group towards the end of the financial year, after we received the results of the Beaton survey, which showed membership engagement in IPWEA NZ was generally lower than for the other IPWEA Divisions. We have recognised that we can do more to effectively engage with and retain our members, and grow the membership.

A change of government in October 2017 has meant some different infrastructure priorities, with a particular focus on housing and water, and a broader focus in transport. IPWEA NZ has opportunities to provide products and services, and increase membership, to improve asset management in these areas. We are keeping abreast of and engaged with likely reforms relating to water supply, through working with the Department of Internal Affairs on the Three

Waters Review, and LGNZ in their 'Water 2050' programme. This will get a lot of attention in the forthcoming year.

Sector capacity and capability is an issue, and we are involved in work to address this. For example:

- During the year we continued our involvement in Tertiary Education Commission's 'Fostering our Future' programme, particularly regarding developing a case for microcredentials, and looking at an employer-led degree apprenticeship programme. This is being received positively by various tertiary providers and employers alike.
- IPWEA NZ is supporting the 'Diversity Agenda' established by Engineering NZ, ACENZ and NZIA, as a Changemaker. The Diversity Agenda has a target of increasing the number of women in engineering and architecture by 20% by 2021.

Finally, as our financial results show, we still have challenges to our financial sustainability. Your Board will have a particular focus on this in the forthcoming financial year.

## 2. Governance

### 2.1. Board

The Board for the 2017/18 year comprised:

President: Samantha Gain	
Elected member: Myles Lind (VP)	Northern Branch Chair: Sarah Sinclair
Elected member: Lisa Roberts	East Coast Branch Chair: Jamie Cox
Elected member: Al Monro	Wellington/Taranaki Branch Chair: Chris French
Elected member: Roger Oakley	Northern South Island Branch Chair: John Mackie
Elected member: Chris Chapman	Otago/Southland Branch Chair: Erin Moogan

The Board met four times during the year:

- 22 June 2017, Dunedin
- 7 September 2017, Wellington
- 29 November 2017, Wellington
- 7 March 2018, Wellington

The Chairs of the IPWEA NZ committees and entities and of Young IPWEA NZ attend Board meetings to ensure there is closer alignment with the strategic direction of the organisation. See below for a summary of our committees and entities.

### 2.2. Election

This year there is no election for President as I am mid-term of my two year presidency.

There were 5 nominations for 3 vacancies on the Board. The results of the election will be announced at the AGM.

### 2.3. Departing Board Members

- **Lisa Roberts**  
This year Lisa's two year term on the board comes to an end and she is not seeking re-election due to work and other commitments. Lisa has made a great contribution to IPWEA NZ during her term on the Board, bringing the perspective of her significant work in our training and development of IPWEA NZ guidance material and publications. My thanks go to Lisa for her continued support and dedication to the organisation.
- **John Mackie**  
John has stepped down from his role as Chair of the Northern South Island branch due to work and other commitments. As many of you will know John is on the Board of WaterNZ and presently is very much involved with the water reform issues.

### 2.4. Board members seeking re-election

The other two board members who come to the end of their two year term, are both seeking re-election. I would like to acknowledge their respective significant contributions to IPWEA NZ to date.

- **Myles Lind**  
Myles is current Vice President, Chair of the Audit & Risk committee and has been instrumental in focusing the Board on risk.

- **Al Monro**  
Al is Chair of the NAMS committee, sits on the NAMS Council, is a member of the Audit & Risk committee and brings a pragmatic, business focus to all he does.

## 2.5. Branches

Branch meetings are the lifeblood of IPWEA NZ. They are the forum that lets members share ideas, enthusiasm, experiences and support via technical papers and site visits. Branch meetings are an ideal place for younger or inexperienced practitioners to get practice at presenting technical papers and meet others in the sector. They can also be a window into IPWEA NZ for non-members and we should be taking the opportunity of encouraging non-members who attend branch meetings to consider all that IPWEA NZ offers.

Thank you to our five branch Chairs, all the presenters and all the sponsors that have contributed to a strong branch programme in the past year. Including the 'best branch presentation' in the conference programme provides a further opportunity to gain experience presenting to a larger audience, and has been a great way of connecting the branches in to the wider organisation.

I was fortunate to be able to attend a number of these branch meetings over the last year and I am happy to report that the organisation is in good health at the grass roots level.

I welcome new Board member **Hugh Blake-Manson** as Chair of Northern South Island branch for the forthcoming year.

## 2.6. Committees

IPWEA NZ has a number of committees and entities that enable us to deliver on our strategic plan. The Board is going through a process of reviewing the terms of reference of each committee, in order to ensure they remain relevant.

A brief summary of each committee follows. My thanks to all these people for their great work.

- **NAMS Committee**

This Committee is the 'engine room' of the NAMS operation and therefore is also a crucial part of IPWEA NZ. It oversees the updating of the IIMM, and development of other manuals, practice notes and guidance material; engages with the NAMS Partners; runs the biannual NAMS forum.

NAMS committee members: Al Monro (Chair), Kathy Dever-Tod, Dukessa Blackburn-Huettner, Brian Smith.

- **RIMS Committee**

This is an enthusiastic committee under the leadership of Gordon Hart and they are working on a range of relevant projects for the sector, in close consultation with all key stakeholders. The Terms of Reference for RIMS is currently under review. The RIMS forum, in association with IDS and NZUAG, was held in Palmerston North and was a great success – lead by Gary Porteous and the organising committee.

RIMS committee members: Gordon Hart (Chair), Erin Moogan, Gary Porteous, Damon Norden, Jag Panu, Vaughan McEwan, Tony Lange, Dave Darwin, Adam Bevins and Matt Hendry

- **Land Development Engineering Group (LDEG)**

LDEG is a special interest group. The Chair for 2017/18 was Paula Meredith. A very successful Forum was held in Tauranga in March with around 70 attendees.

We have two standing committees

- **Executive Sub-committee** comprises of the President, Vice President and one other senior board member. The role of this committee is to undertake the performance review of the management and to deal with any matters that cannot wait until the next programmed board meeting.

Committee members: Samantha Gain, Myles Lind, Al Monro, Priyani de Silva-Currie, John Mackie.

- **Audit & Risk Committee** is chaired by the Vice President and has three other members, with the President ex-officio. The role of this committee is to undertake detailed assessment of financial planning and reporting and to ensure the Board is kept apprised of emerging risks. A key aspect of the committee's responsibility is to assist the Board with financial oversight, the development of policies and their implementation, and development and review of the risk management plan.

Committee members: Myles Lind (Chair), Al Monro, Sarah Sinclair, Chris French, Brian Smith.

In addition, we have **Working Groups** and **conference/forum organising committees** which include people from outside the Board and other committees. Current working groups are:

- **Training Working Group** – Steve Browning (Chair), Priyani de Silva-Currie, Nicola Chisnall, Duncan Smith, Kathy Dever-Tod
- **Membership Engagement Working Group** – Chris French, Chris Chapman, Roger Oakley and IPWEA NZ staff

We also have a **Young IPWEA** group, charged with engagement of younger members (under 35 or so). Young IPWEA NZ is chaired by Elliot Egan, and other members of the committee are Caitlin Donovan, Anu Ileperuma, James Thorne and Jae Barratt.

## 2.7. Entities

IPWEA NZ is the shareholder of two charitable companies.

- **NAMS Group Ltd**

The role of NAMS Group Limited is to hold and manage funds and intellectual property to further its charitable purpose, which relates to fostering liaison and dissemination of information, holding conferences and encouraging and promoting research, all relating to the public asset management and engineering. NAMS Group Ltd will invest funds in a manner that meets its funding criteria. A process for calling for applications for funding will be considered in the forthcoming financial year.

NAMS Group Ltd Board members are Samantha Gain (Chair), Kathy Dever-Tod, Brian Smith. Our thanks to these people for being responsible stewards of the assets involved.

The consolidated IPWEA NZ group financial statements include NAMS Group Ltd.

- **Infrastructure Decision Support (Holding) Ltd (IDS)**

IDS has continued its focus on refining the technical content of IDS offerings and rollout of a decision support system for Water assets. The new legislative requirement for 30 year infrastructure strategies is a major opportunity for IDS to get greater market penetration and lift the industry game in long term decision making.

IDS' Chief Executive is Dr Theuns Henning. IDS Directors are Neil Cook (Chair), Gordon Hart, Julie Muir and Peter Allen.

The consolidated IPWEA NZ group financial statements include IDS.

IDS will report separately to the AGM.

### 3. Financial performance

Two years ago, for the 2015/2016 financial year, we reported a very disappointing deficit of \$123,990. Last year we achieved a surplus of \$103,682 for the 2016/2017 financial year. This year we have a reported loss of \$33,312.

Net Equity as at 31 March 2018 is \$105.1k, which is \$33.3k lower than the 31 March 2017 position.

The following table shows the Group performance, which includes NAMS Group Ltd and IDS Ltd, over the last 3 years:

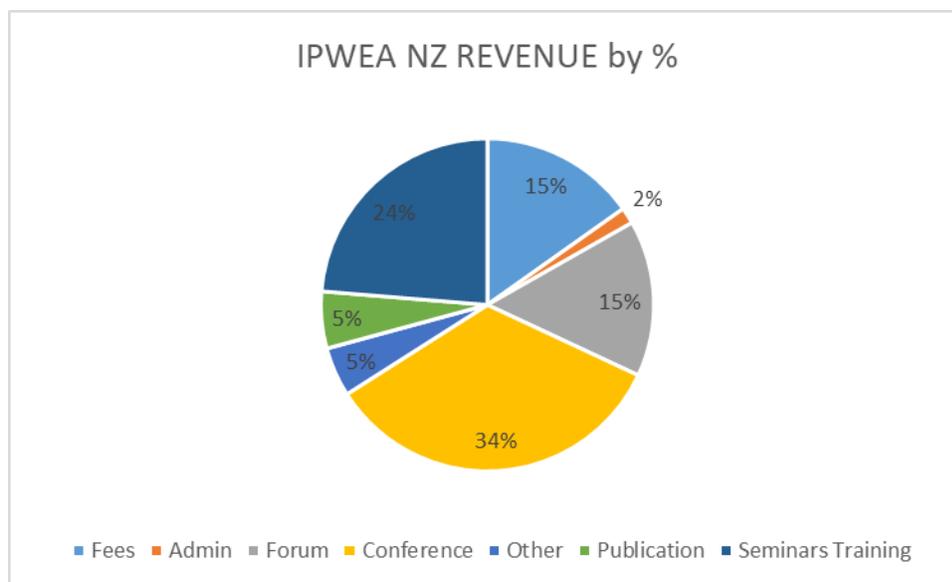
Entity	2018	2017	2016
IPWEA NZ	(33,312)	113,284	(123,990)
NGL	2,201	(1,240)	5,266
IDS	72,670	(170,989)	(11,075)
<b>Group</b>	<b>44,559</b>	<b>(58,945)</b>	<b>(128,764)</b>

The overall result for the group shows a positive trend with a surplus this year of \$44,559 compared to the previous year deficit of \$58,945, and the year before that a deficit of \$128,764.

#### ***What are we doing about it?***

The overall Group result shows we need to continue to budget and operate the business conservatively. We are limited in our income streams, and the Board has identified that if any one of these income streams does not deliver, then our financial sustainability is vulnerable.

The following chart provides an insight into the relevant income streams.



Specific areas of focus for 2018/19 will include the following:

- The Board will focus on security and development of revenue, along with a close eye on costs.

- Membership: A key area of concern in 2017/18 is a deficit of ~\$42.5k in income from membership. The budget was based on previous year's annual figures, and did not factor in the large number of members who have resigned due to being incorrectly rolled over for the 2017/18 membership year. Many of our members have their fees paid by their employers. Many of our members are employed by corporates so that when members move on to other positions/employers, their membership is not transferred. Nor are we aware of these movements.

We have now spent effort in “cleansing” our membership database to better reflect the true membership levels.

The Membership Engagement Working Group will focus on retaining and increasing membership. This also includes looking at our membership categories. We are considering whether / how to include a ‘corporate’ membership category that is not related to individual members, which better reflects the needs of our corporate sponsors and supporters.

At this AGM, we will consider proposed changes to the Constitution to allow more flexibility to change membership categories.

- Marketing: In the last year we have significantly increased our in-house marketing capabilities with the employment of additional staff, which is making a difference to our ability to communicate with members, promote training and conferences, and be seen at events.
- NAMS forum: This forum occurs every second year. So, a reduced surplus (of ~\$25k) is expected in those off years – the 2017/18 year being an “off” year.
- We have shifted our financial services delivery to IPWEA (Australasia) (with effect from 1 July 2018) with a potential saving of ~\$40k in 2018/19.

## 4. Collaboration

Collaboration is an important method of promoting asset management awareness and understanding.

There has been a greater focus on collaboration and improving relationships with other organisations in the past year. This includes:

- Engineering Leadership Forum (ELF) – made up of IPENZ, ACENZ, WaterNZ, Civil Contractors, Electrical Engineers, Concrete Association, IPWEA NZ.
- SOLGM – Carried out a joint seminar on Lessons Learned from 30 Year Infrastructure Strategies
- LGNZ – participated in their Local Government Excellence workshop and exploring areas of collaboration, including the Water 2050 project.
- WaterNZ and IPWEA NZ are looking at opportunities to work together and particularly with the potential Water reforms. We have signed an MOU Water NZ and the Quake Centre to prepare guidance for pipeline renewals and establishment a joint governance group to oversee the development.
- ACENZ – on a working party reviewing the Agreement for Engagement of a Consultant (CCCS)
- WorkSafe – involved with the launch of the WorkSafe programme
- Civil Contractors – There are opportunities to support their Level 4 qualification and competency for infrastructure as part of a wider asset management education and training pathway.
- Institute of Management (IMNZ) – Discussions on opportunities for collaborating on training and professional development. IMNZ is a key sponsor along with AECOM for the Young Leaders and Study awards.
- Engineering NZ (formerly IPENZ) – Part of the IPENZ Professional forum and discussed opportunities to collaborate and work with training options.
- National Infrastructure Unit – regular meetings in supporting the National Infrastructure Plan and developing next steps.
- Office of Auditor General – Regular meetings and contributions to a seminar on the learnings of the 30 Year Infrastructure Strategies, and reviewer of OAG publications
- Roading Efficiency Group (REG) – Discussions on how all the different roading groups can better work together
- NZTA – Contribution to their procurement review.

International relationships are also important. These include:

- American Public Works Association (APWA) – mutual invitation for President to attend annual conference. IPWEA NZ President attends PWX in the USA each year.
- International Federation of Municipal Engineering (IFME) - IPWEA NZ is a full member of IFME and contributes to this organisation. While it is costly to attend IFME meetings, they have arranged their meetings around other international conferences. This has enabled us to have representation at IFME by Board members who are attending the conferences. Thanks to Priyani de Silva-Currie for representing IPWEA NZ at IFME meetings in Perth (where she also won the award for best paper) and then again at Fiji.

## 5. Operational Matters

### Structure and Resourcing

IPWEA NZ has a permanent staff of 4 (business manager, office manager, marketing manager, training manager).

Membership, communication and website management are delivered by IPWEA (Australasia) under a service level agreement. Particular initiatives over the last year include:

- We are working closely with IPWEA (Australasia) to improve the functionality of the website. In particular, NAMS and RIMS and the migration of IDS.
- We are now sending out a fortnightly newsletter called 'intouch'. This delivers news and events for members of the NZ Division, and includes access to the newsletter content for all other IPWEA divisions.
- We'd love more member contributions for inclusion in 'intouch'.

Financial services delivery is outsourced and has been provided by Grant Thornton for 10 years. Thanks to Tania Bailey and her team for their service and support over this time. From 1 July 2018 financial services will be provided by IPWEA (Australasia).

## 6. Sponsorships

On behalf of all members, I sincerely thank all of our sponsors both of this conference and of IPWEA NZ in general. Without this significant contribution, IPWEA NZ would not be able to be involved in all it is. Sponsorship support is vital to the success of our organisation and is greatly appreciated.

Sponsorship takes many forms including but not limited to the following;

- Support for our Annual Conference
- Membership of Conference Organising Committees
- Study awards both nationally and internationally
- Paper of the year at our Annual Conference
- Support for branch meetings
- Allowing staff to give their time to IPWEA NZ initiatives
- General encouragement and advocacy of IPWEA NZ's activities
- NAMS Partners.

I encourage all members to actively support those who have helped us and have taken an interest in developing our organization. Without a strong sponsorship base a number of initiatives, which benefit the industry as a whole, would not be possible.

## 7. Conclusion

From an external viewpoint, the organisation is on track and, with our members, we continue to do great work and positively influence public works practice in New Zealand and abroad. However we can do better! We have more to do to get our name recognised; to cement our role and our work in the minds of decision makers.

Internally, there have been significant challenges that are now being addressed and I ask that you all continue to support the organisation to make that step change to continue to be the peak body in asset management and public works infrastructure.

Thank you to everyone who has supported IPWEA NZ since the last AGM. It has been an honour and a pleasure to be your President for the last 12 months.

Finally, a special thank you to the Board and staff for all of your support of and guidance to me in this role. It has been my pleasure to serve you.

A handwritten signature in cursive script, appearing to read 'Samantha Gain'.

Samantha Gain  
**PRESIDENT**  
**IPWEA NZ**