

2018

Annual Report



PROPERTY INSTITUTE

We represent professionals who play an active role in New Zealand's property industry. Our members include valuers, property managers, and property advisors, and are from local bodies, banks, insurance firms, large corporates, and small family businesses. Their aspiration for continuous professional learning and development has led us to offer a wide range of events, including regional property networking events, seminars, CPD opportunities, and Annual Conference, to name a few. Through these events we seek to promote professionalism, ethical conduct, and innovative thinking within the property industry.

The Property Institute works with government, industry and other professional associations, and the media to promote our members' interests, property standards, and the Institute's views. Our sponsors get unparalleled access to decision makers right across the property industry – as well as the close to 2000 property professionals we represent.

The Property Institute would like to thank all its sponsors:



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General Manager Property – Trust Management

PINZ President Patrick O'Reilly is a career investment manager who has specialised in commercial investment property. He has nearly 30 years of property experience.

Having completed his property degree and postgraduate diploma at Lincoln, he worked in Christchurch before moving to Wellington and then Auckland. He has had roles that have provided exposure to valuation, property consultancy, and property, asset and fund management for real estate/consultancy businesses, as well as listed and unlisted property funds. In his various roles he has overseen the management of circa \$3bn of property assets throughout New Zealand.

Patrick has a professional Masters Degree in Property Studies and a Graduate Certificate in Applied Finance from the Securities Institute of Australia.

PRESIDENT'S REPORT

For the Property Institute of New Zealand 2018 was an eventful year.

New Chief Executive Officer

After 4 years as CEO of the Institute, Ashley Church left in February 2019. In announcing his resignation the Board acknowledged Ashley's enthusiasm and commitment to our organisation during his tenure as CEO. A key focus on the appointment of Ashley in 2015 was to increase the profile of PINZ and this was a highlight of Ashley's time with the organisation. We wish Ashley all the best for his future endeavours.

To identify a replacement CEO, the Board established an Appointment Panel to lead the search for the new PINZ CEO. The Panel was made up of the PINZ President, PINZ Vice-President (Luke van den Broek), NZIV President (Roger Gordon) and Gwendoline Callaghan, a senior member of the valuation profession who is based in Wellington. At the time of writing this report a formal announcement on the successful candidate has not been made but it is close with an employment offer being made by the Institute. I would like to thank the Panel members for their time and diligence with the rigorous process that was adopted for the search.

The Board's guidance for the Panel was to find a CEO that will focus on service and relevance for our members. The role delivery is focused on meeting the needs of our Councils, Branches, Committees and our members. We are not looking for a change manager; we need a person that has experience and has successfully delivered service within a membership based organisation.

PINZ Board Strategy Sessions – Six Pillars

Since taking office in 2017, the current PINZ Board has held a number of workshop sessions to consider the future of the Institute. It was a timely exercise as a review had not been undertaken for a number of years. The outcome of the sessions was an over-arching strategy for the Institute in the form of Six Pillars. The Pillars are a framework for the current activities of Institute and the future of the organisation. The most recent workshop was held in late 2018, where with the knowledge that there would be new leadership at national office, the Board identifies specific focus areas for 2019 – addressing diversity within the Institute with a particular focus on gender balance; more resourcing for the Young Leaders Programme and Women in Property, and providing resourcing for government property manager engagement. The Board also adopted Service and Relevance as the key philosophical approach to the activities of the Institute.

Diversity

The Young Leaders Programme was a great initiative embarked on more than six years ago. The success of the Programme is reflected in the make-up of the PINZ Board. Three people who were part of the Programme are now elected Board members in their own right. This means that the average age of the Board has dropped significantly, and the views of our younger members are being



The need for an organisation that represents property professionals is as relevant today as it has been in the past. It is my focus to see that the standing of our profession continues to be elevated and compared to the likes of solicitors and accountants.

expressed at the Institute's governance level. Also, just as important, is that two of the three leaders are women – it is refreshing to have greater diversity on the Board. We can always do better, but I am pleased that we have a better level of representation on your PINZ Board than there has been for a number of years.

As part of the Diversity & Inclusion focus of the Board, PINZ has partnered with the Keystone Education Trust to provide a scholarship for a second or third year female student. The first scholarship will be directed to a valuation student. Keystone provides a wrap-around scholarship service that includes support and a focus on student well-being, mentoring and developing resilience.

AGMS

A highlight of not having a CEO in place, was the opportunity to attend a greater number of AGMs throughout the country. The 17 meetings were shared between

myself, NZIV President Roger Gordon and PINZ Vice-President Luke van den Broek. It was a valuable experience and it was great to meet members in their own regions to obtain a better understanding of the issues that they are experiencing. It is fair to say that for a small country we provide services to a diverse group of property professionals.

The meetings also again highlighted to me the enthusiasm and commitment of local branch committees and chairs. It was pleasing to see the continuing drive coming from our grass roots. There is challenges to provide CPD events to some of our more isolated and smaller branches but with the likes of improving technology such as Webinar facilities, delivery is becoming more flexible to address some of these issues. It was clear from the meetings held that getting our members together for events is still an important part of the fellowship that the Institute provides. The connection with branches is extremely important and

something that the Institute needs to be more focused on. The annual branch chairs meeting is something that needs to be undertaken and has been missing for a number of years. It was undertaken in 2018 and has been programmed for later in 2019.

NZIV Relationship

With the confirmation received from Minister Eugenie Sage's office that the deregulation of the Valuers Act is a low priority, for our valuer members it has meant that the focus can be redirected from this issue to issues relating to the well-being of the valuation profession and furthering the professional standing of this community's members.

NZIV, under the leadership of its President, Roger Gordon has moved to direct the Council's energy to its members. This includes increasing its focus on the delivery of services by PINZ as agreed under the Service Level



PINZ Staff stepped up during the transition to a new CEO



The 2018 Conference drew one of the largest ever crowds for a PINZ event

Agreement. I am pleased to report that the relationship between the NZIV and PINZ is improving and this is in part due to NZIV having clearer objectives on delivery to its community and an increased level of focus by PINZ on addressing the requirements of the NZIV Council. Communication has improved and the parties are well positioned to provide better services to members in the future.

New Community/Council

In 2018 a Service Level Agreement was entered into between PINZ and the Independent Property Managers Association (IPMA). This seeds an important residential property management community within PINZ. It also means that focus of our existing property management community is directed to commercial property management. Under the leadership of its President, Karen Withers, IPMA has more recently rebranded as PROMINZ – Property Managers Institute of New Zealand. Professional standards in the residential property management arena is becoming a bigger issue in New Zealand and it is positive that PINZ is taking a proactive and leadership role in this area.

Community Rebranding

To better reflect the activity of its community, the Property Management Council has rebranded as Commercial Property Management Institute (COMPRO) while the Property Advisor Council has become the Institute of Property Advisors & Consultants (IPAC). The new council/community names will take some time to get use to but it provides a better platform for these communities. There has also been new leadership of these communities with Des Wai taking the Chair of IPAC and Phil Porteous Chairing COMPRO.

Advocacy

A frustration of my term was not achieving an exemption for real estate transactions within the Real Estate Agents Act legislation for our Property Advisory and Commercial Property Management members. While the issue is not dead, there is not appetite to address the issue from within government. It may be a matter of timing as the accounting profession, that are involved with business (and property) sales have not resolved an exemption either.

Conference

The National Conference in Auckland was a highlight of 2018. It was a polished event with one of the largest turnouts ever for a PINZ Conference. I commend Jenny Houdalakis and the national office conference team for their efforts. I am looking forward to the 2019 conference which is being held in Wellington. An increase focus has been placed on providing content that relates to the diverse nature of our membership.

National Office

I would like to acknowledge and thank David Clark for stepping into the Acting CEO role for the Institute. David was the CEO prior to Ashely and having David lead the team at national office during the transition period has been invaluable for the continuity of service delivery to our members. Many of the Council and Board members know David and as such it has assisted in a smooth transition period.

Notwithstanding David taking on the Acting CEO role, the staff at National Office have really stepped up. It is pleasing to see their level of commitment to our organisation. On behalf of the



PINZ is focused on service & relevance

Board and members, I would like recognise and thank Jenny Houdalakis, Jason Ede, Rebeca van Etten, Vanessa Delegat, Emma Prestidge, Carlos Castro and Robyn Mathews for their efforts and delivery.

PINZ Board

I would like to recognise the members that make up the Board and the professional way they represent the members. There are a number of changes pending with new leadership in the coming year for PINZ with Vice-President Luke van den Broek looking to step up to take the role of PINZ President. Jeff Alexander is also expected to take up the role of NZIV President as Roger Gordon steps down in 2019.

PINZ Immediate Past President, Greg Ball will be leaving the Board after contributing 2 years in his current role. Greg has provided a high level of service to the Board – as a Board member and member of the Finance Audit and Risk Committee. My appreciation to Greg for his guidance and commitment to the Institute over a long period. He has been on the Board for more than eight years

in total and as such has put an incredible amount of time to his senior roles within the Institute.

Board member and Northern Region representative Katie Beveridge has advised that she will not be standing for re-election after 2018. Katie was a Young Leaders programme graduate and she will be missed on the Board. Recognition also to Boris Babic who was the Young Leader on the PINZ Board during 2018.

Parting comments

I have enjoyed my two year role as President, representing the PINZ members. The Institute is well positioned in the market place. The professionalism of our members is recognised. We all have a passion to make our industry better, and to create a more professional and encouraging industry. As a member-based organisation, it is up to PINZ members to continually lift the bar and look to elevate our professional standing.



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▲67%

NUMBER OF PEOPLE
REGISTERING FOR
WEBINARS



138

EVENTS
THROUGHOUT
NEW ZEALAND



1,748

PEOPLE ATTENDED
EVENTS ORGANISED BY
REGIONAL BRANCHES

MOVING FORWARD



Staff within the office have demonstrated the ability to adapt, to step up, and juggle a heavy workload while remaining focused on the agenda to improve service and relevance. For this the staff at national office deserve special credit for keeping the place humming.

For the Property Institute and its associated communities, 2018 was a year of significant change behind the scenes.

Many members will be unaware of the quite substantial body of work that has been undertaken by our elected representatives and the staff at national office. The detail will be fleshed out in the pages that follow, however, it is important to state early on in this 'review of the year', that the commitment and professionalism of the people at national office is worthy of special mention and praise.

As members will know, the former Chief Executive of the Property Institute, Ashley Church, moved on at the beginning of 2019. Ashley stated he was ready for new challenges, having provided the change of direction and emphasis which he was employed for.

At around the same time, our longstanding Operations Manager of 17 years, Jenny Houdalakis, announced that she was to pursue her lifelong dream to run her own business and was stepping back from her day-to-day role to focus on

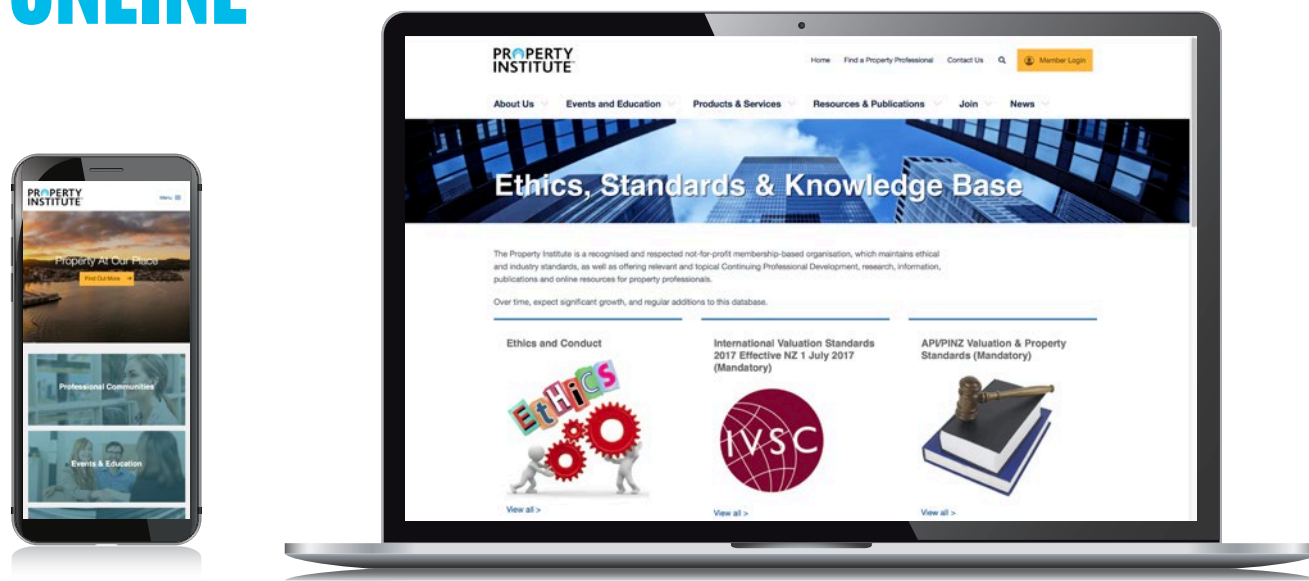
building her own enterprise. Jenny has stayed on in a part-time capacity with a focus on Conference planning.

But our team has continued on their path of improvement. Staff within the office have demonstrated the ability to adapt, to step up, and juggle a heavy workload while remaining focused on the agenda to improve service and relevance. For this the staff at national office deserve special credit for keeping the place humming and indeed, delivering on our other strategic priorities.

Members have still been getting the support they rely on and expect, the education they need, and the attention they require. Indeed, in some areas real progress continues to be made – particularly with education, collaboration with other industry groups, and online resources. More on that later.

But at the time of writing this contribution for the 2018 Annual Report, the search for a new Chief Executive is ongoing, with a Board-appointed panel continuing the search for a candidate who best meets the needs of members and the culture which we want to build within the organisation now – and into the future.

ONLINE



In the opening of this report, in the latter part of 2018 the Property Institute undertook the biggest data project in its nearly 20-year history.

Most members will probably be unaware that there was a change in website/database suppliers in November, with a complete migration of all the data that is held by PINZ/NZIV. It is not often this sort of immense task can be completed without some major glitches. However, this transition was almost seamless with a product which has resulted in a more user-friendly experience, and far more functionality for front end and back end users.

This very complex project was preceded by an equally ambitious initiative to have higher quality information about members, including those who don't

have regular contact with the Institute/s. This initiative saw members invited to update their details and was followed up by in-person phone calls to about 600 members who were asked a series of simple questions about what they did, who they were, and how we should contact them in the future.

The result means that PINZ now has better information about its members than it has ever had. It also means that some of the data which appears in this Annual Report looks very different to previous years. This is because it is more accurate and reliable. For instance, a number of student members have been removed from our books because they are no longer students. Surprisingly this sort of maintenance of our data has been lacking in years past. But the increased sophistication of our online platform has many practical benefits, such as being able to better identify members who

might be registered valuers but specialise in another field. This is an important tool for PINZ and NZIV decision-makers so we are able to track trends and get a clearer picture of our place within the industry.

A lot of resource has been committed to tidying up that database, and with that out of the way, the team has been able to focus on delivering projects that have been in hiatus while those major IT issues were resolved. These projects include;

- new online learning modules,
- updated and improved standards pages,
- a searchable case law database,
- an expanded PIQA (Property Industry Quality Assurance) toolbox, to name a few.

And in 2019 the rollout of these sorts of practical member-focused resources is expected to continue.



Join the conversation on LinkedIn find us at:
[linkedin.com/company/property-institute-of-nz](https://www.linkedin.com/company/property-institute-of-nz)

PARTICIPATION



“the flexibility and functionality of online learning has been embraced by members, particularly in areas where the time it takes to travel to face-to-face seminars and events is a significant barrier to engagement.”

As a not-for-profit organisation, the main priority for us is to encourage participation in ongoing education or as we call it CPD (Continuing Professional Development).

A highlight result from 2018 is the number of members actively participating in our education programme. The price of that education was cut in half following the introduction of our CPD levy in 2017, but that reduction in price, combined with a promise of future CPD audits, appears to have motivated members to be more engaged in relevant and engaging topics which benefit their professional development.

Our education programme has improved exponentially in recent years, and special thanks needs to be offered to our Education Advisory Panel, which is made up from representatives from all our main communities. Their constructive feedback and industry insight is now helping shape our education programme allowing for far better forward planning, more relevant subject matter, and co-ordination with outside agencies like the VRB (Valuers

Registration Board) and others. It is no accident that this has become a real focus for the Institute, as the drive for higher standards and better quality education is one of the key planks in the Six Pillars strategy which the Board has ratified and endorsed.

Webinar participation is up considerably on last year, which was also up considerably on the year before. We believe that after teething issues in earlier years, the flexibility and functionality of online learning has been embraced by members, particularly in areas where the time it takes to travel to face-to-face seminars and events is a significant barrier to engagement.

Of course, last year's Annual Conference at Auckland's SkyCity was a tremendous success which received rave reviews from those who attended, while the Valuers Summits held in the main centres during September were among the best attended events held in 2018. Those sorts of results and that sort of feedback tells us we are on the right track, and it's hugely encouraging that so many members are supporting and seeking out quality education.

COMMUNITIES



The residential property management industry is likely to be in line for some sort of regulation in the future, and IPMA decision-makers had the foresight to ‘jump before they were pushed’

The Property Institute’s existing four main communities became five in 2018.

The Independent Property Managers Association (IPMA) joined as a fully-formed community, in the pursuit of higher standards and ongoing education for its residential property manager members.

The residential property management industry is likely to be in line for some sort of regulation in the future, and IPMA decision-makers had the foresight to ‘jump before they were pushed’, by moving towards better disciplinary processes and adherence to a set of rules and ethics that will set their members apart from the rest.

The Property Institute Board made some minor changes to by-laws Governing affiliates to allow this integration to occur, and since then IPMA has become a stand-alone community within the PINZ family. Since that time, IPMA has moved to a new name and logo, and in the early part of 2019 it adopted PROMINZ (Property Managers Institute of New Zealand) as its new masthead.

With the bedding down of this new community now well underway, the PROMINZ Community has high expectations and a strong belief that their association with PINZ and the structure of our organisation will deliver tangible and useful benefits for its members who’ve so far demonstrated that they are engaged and future focused.

By the time this report goes to print, it is also expected that the remaining communities working within the PINZ framework will also have settled on new logos, names and branding – completing a project that was set in train during 2017. This provides an opportunity for those very distinct and diverse communities to carve out their own identities in order to focus on the specialities and promote the issues that their members consider priorities.



COMMUNICATIONS

The Property Institute team continues its drive to better inform and engage members in its communications.

Members generally hear from PINZ about once a day, be it with education, the magazine, information via newsletters, and bespoke communications to specific communities. In 2018 that included a one-off project of personalised phone calls to members to confirm their membership requirements.

The upgrade of the website's back end has allowed for better targeting of material and resulted in a higher open rate of our electronic communications – which has in turn led to an improvement in CPD participation rates, as mentioned earlier.

The Chief Executive's fortnightly newsletter, which is always full of relevant information about upcoming events, strategy, policies and issues, remains

among the best read of all the PINZ offerings and it scores more than 90% in our annual satisfaction surveys.

Meanwhile, the magazine continues to be highly regarded. Property Professional maintains its position as a document that most members want to see arriving in hard copy, rather than via a cheaper electronic alternative. Despite this, the online publication of the magazine through social media channels has also proven to be popular. The magazine has gone through significant transformation in recent years, with a stronger focus on the celebration of success, be that through the publication of advancements, registration & branch news, to the insight and wisdom that is passed down by those who are profiled and the experts who feature in its pages.

The Property Institute's relationship with Ministers, officials and the Government remains strong, as evidenced by the engagement of Housing, Infrastructure & Urban Development Minister Phil

Twyford with our magazine, and at Conference. The recent approval of PINZ as an approved professional body which can deliver accredited CPD on behalf of the Real Estate Authority (REA) is another feather in the Institute's cap and further cements the PINZ reputation as a trusted and relevant provider of ongoing education. It also ticks a major box for members who are also REA licensees and have complained for years that the education provided by the REA is not relevant to their daily activities.

Also, for the first time last year we published videos of major Conference presentations and the awards ceremony. The presentations were turned into a purchasable resource, and even in 2019 members continue to download the videos as part of their CPD programme.

2018 also saw a considerable ramping up of the PINZ presence on social media, where it is steadily building audiences and regularly posting content on both the Facebook and Linked In platforms.

SIX PILLARS

The Six Pillars are a strategic framework which shapes the way the Property Institute conducts its daily business.

In 2018, the Six Pillars were formalised by the PINZ Board and widely socialised with members via the Property Professional Magazine and online.

They are a nod to the founding documents of the organisation and lay out a 'back to basics' approach to PINZ activities, prioritising:

- Status & Standards
- Networking and fellowship
- Technology and Information
- Promoting the Industry
- Lifetime Learning
- Leadership and Advocacy.

The celebration of status and standards has been underlined by a 2018 Board decision to allow professional communities to nominate & recommend candidates for awards and post-nominal recognition, which clears the way for professionals working in specific and specialised areas to have further opportunities to advance within the PINZ framework.

The Six Pillars continue to shape the way national office deals with members and stakeholders, reports to the Board and plans its annual programme.



The focus on Service and Relevance to Councils, Branches and Members is paramount



STATUS AND STANDARDS



NETWORKING AND FELLOWSHIP



TECHNOLOGY AND INFORMATION



PROMOTING THE INDUSTRY



LIFETIME LEARNING



LEADERSHIP AND ADVOCACY

A YEAR OF TWO HALVES

The accounts in this annual report show that the Property Institute posted a \$17,000 deficit in the year ended 31 December 2018.

Financially, the first half of 2018 was very challenging for the PINZ team, with a number of unexpected expenses, combined with lower than forecast revenue.

The second half of 2018 was a completely different story, with greater participation, higher ticket sales to events, more disciplined & targeted spending as well as improved member engagement.

This brought PINZ back to a near even keel, with the accounts in 2019 so far running well ahead of forecast, providing opportunities for the investment of both time and resource into some important longer-term projects.

2019 AND BEYOND

The current year is likely to signal the turning of a new page for the Institute and the beginning of a new chapter.

A new CEO will join the team and there will be new leadership at a Governance level both within the PINZ Board and the NZIV Council.

PINZ President Patrick O'Reilly will step down from the top job and remain on the Board as Immediate Past President. Current Vice-President Luke van den Broek is expected to assume the Chair, while NZIV President Roger Gordon is also standing down with his successor nominated as Jeff Alexander.

Both Roger and Patrick have devoted considerable, time, energy and strategic oversight to PINZ & NZIV during their tenures, and that has set both Institutes up for a future that is focused on the things that really matter to members. It is an exciting time.

There are also further changes at Board level, with former PINZ President Greg Ball stepping down this year. Greg was instrumental in helping drive the organisation to become more relevant, engaging and sensitive to member needs.

These three deserve particular thanks for their contributions.

Of course none of what PINZ and NZIV have been able to achieve would be possible without the commitment of hundreds of loyal and devoted branch members who step up time-and-time again to offer leadership, advice, and feet on the ground, in our cities, towns and communities throughout New Zealand.

Thank-you all, your efforts are appreciated and critical to the survival and health of our organisations.



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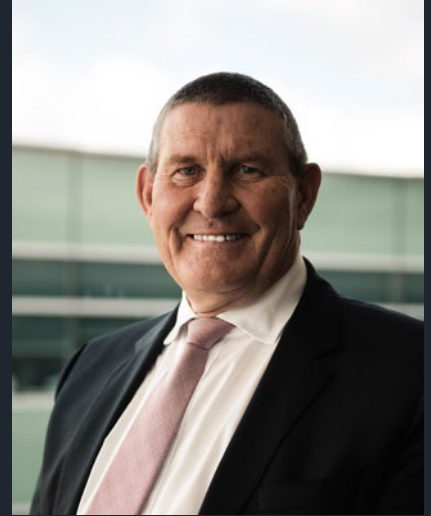
BOARD MEMBERS



PATRICK O'REILLY
President



LUKE VAN DEN BROEK
*Vice-President and Southern
Regional Representative*



GREG BALL
Immediate Past President



STEVE.C.BOWN
Plant & Machinery Council Chair



KATIE BEVERIDGE
Northern Region Representative



SUZIE PENROSE
Central Region Representative



ROGER GORDON
*New Zealand Institute of
Valuers President*



PHIL PORTEOUS
*Property & Facilities Management
Council Chair*



DES WAI
Property Advisory Council Chair



ADAM BINNS
*New Zealand Institute of
Valuers Representative*



PHILLIP MERFIELD
Independent Director



BORIS BABIC
Young Leader

ROGER GORDON



New Zealand Institute of Valuers President

Roger became Chair of the Valuers Council in 2016. He has spent most of the past two decades working in the Waikato region where he is the Director of TelferYoung Waikato. Most of his work in the past ten years has been undertaken in Hamilton, Cambridge, Morrinsville and Te Aroha.

He specialises in motel and camp-ground valuation, as well as the residential market with active involvement in the higher priced residential and lifestyle properties, coastal subdivision and development projects. He maintains an active involvement in industrial valuations and the insurance assessment market within Hamilton City and provincial towns. Roger has experience in advisory work, including project development options for private developers.

NEW ZEALAND INSTITUTE OF VALUERS

For the year ended December 2018 the Valuers Council had a new focus with the change of Government in 2017 and the Review of the Valuers Act off the agenda by February 2018.

The Valuers Council engaged in a review of the Professional Practices Committee (PPC) functions and processes, with the co-operation of both the Valuers Registration Board (VRB) and the Valuer General.

We engaged legal counsel Richard Moon, to assist us as we worked our way through the issues. There have been numerous white papers which have been presented to Council and branches which look at best practice under the current legislation. A project that has been slower than expected.

PPC & Standards Committees

The PPC has been chaired by David Paterson. This committee will have new members in 2019 as it transitions its name from the PPC to the PCC, Professional Conduct Committee.

We owe thanks to John Darroch for his efforts as chair of the Standards Committee over the years, and now chaired by Blue Hancock, the group is producing a planned education programme, and closer interaction with members. The Standards Committee has co-ordinated their work with their Australian counterparts and as a result, they have shepherded in a number of changes to standards and TIPS. A project to produce a summary table on the website has also been completed.

The operations of the PPC and the standards committee largely fly under the radar, and that is a credit to them, and a reflection of a job very well done.

On behalf of the Valuers Council and the wider profession, I would like to give

great thanks to all those members who serve on our committees, and give up their time and energy to help make our profession stronger.

Valuer Profile

NZIV Council is taking a staged approach to the promotion of Registered Valuers and the promotion needed to have a distinct NZIV flavour.

Members would have seen some marketing and the challenge in 2019 is to make this more relevant and focused to create a marketing programme to raise public awareness of the work that Registered Valuers do. The restyled and refreshed NZIV logo was adopted in the first part of 2018.

In the past couple of years, the profession has been attracting good numbers of graduates applying for registration, but overall however, there is a large number of Registered Valuers within the older age brackets. As they retire and move on, this will create new opportunities for those entering our profession.

Submissions

The NZIV prepared several submissions, among them were contributions to the fire service review and the tax review. On the latter, the NZIV position was that NZIV had no opinion on the pros and cons of tax policy, however if the process included valuations, then these need to have a defined process to include standards such as IVS and the like.

The CPD programme is always under review and there's a greater focus on relevance, better briefing of speakers and



The operations of the PPC and the standards committee largely fly under the radar, and that is a credit to them, and a reflection of a job very well done.

pursuing member suggestions with respect to topics and speakers.

As operating costs continue to rise and with valuer numbers expected to decrease, this may place NZIV under more financial pressure. The NZIV Council will have a busy agenda over the coming years and pressure on SLA agreements. The pending appointment of a new PINZ CEO and the side lining of the Valuers Act review changes the horizon for both organisations and a new phase of Service and Relevance is being applied. Defining what we want is a question often raised with branches and Councillors. Standing for council or having branch involvement is critical to a good grassroots organisation, and we encourage member involvement at all levels.

Thank-You

At this point, I would like to thank Councillors including Nigel Kenny from Northland, Jason Williams from Auckland who sits on the Standards Committee and attends the residential forum meetings. I also want to thank NZIV president-elect Jeff Alexander from the Waikato and recognise his work progressing ANZIV, fellowships, membership issues and steering the PPC review. Thanks too to Rob Boyd from Whanganui, and Anna Paget from Hawke's Bay (our young leader on Council). Tim Truebridge resigned during the year and Peter Ward from Wellington was voted formally onto the Council in 2019, Blue Hancock from Nelson, also now chairing the Standards Committee, John Tappenden from Christchurch and Adam Binns from Dunedin who also sat on the PINZ board have also made great contributions in the past couple of years.

In closing, we are a volunteer-based organisation and we all need to give thanks to those who have contributed over the past year. This includes all the Branch Chairs and committee members who give their valuable feedback directly to their regional representatives and directly to the Valuers Council.

The Branch committees have a big task of bringing members together for education and to celebrate advancements, retirements and in organising social networking functions. I thank-you all for your support during the year.

DESMOND WAI



With more than 25 years' experience in property consulting, negotiation, development management and market analysis, Desmond is a Director of RCG Limited and RCG Realty Limited both of which act on behalf of Investors, Developers, Retailers, Iwls, Councils and Government Departments throughout New Zealand. Desmond is also a licensed real estate agent and has a Bachelor of Property Management & Valuation degree. He is an industry association leader and has served on the NZ Committee of Shopping Centres of the Property Council and was appointed as chair of the Institute of Property Advisors and Consultants Council in 2018.



There is no doubt clients take comfort from the fact that I am a member of New Zealand's most highly respected property organisation

PROPERTY ADVISORY COUNCIL

I took up my role as Chair of the Property Advisory Council in the middle of 2018, having been an active member of PINZ since 2015.

In 2017 I was fortunate enough to take part in a Study Tour to the USA organised by PINZ and I've been a strong supporter of the events and education we deliver as part of the Institute, our Branches and our Communities.

Despite having a very active and intense business life, I accepted the role as Chair because I firmly believe my membership means something, not only to me in a professional capacity but most importantly it means something to the clients I deal with on a daily basis. There is no doubt they take comfort from the fact that I am a member of New Zealand's most highly respected property organisation that prioritises high standards and strong ethical conduct for professional individuals. In a world where it's harder to tell the fakes from the real thing, having strong ties to PINZ does help mark me out as a serious and scrupulous property professional who's worthy of the trust my clients and stakeholders place in me.

I also believe that contributing to PINZ as Chair, enables me to give something back to an industry I love and want to see grow and prosper. I have gained much from my engagement in professional organisations and making a commitment to PINZ seemed like the right thing to do. Having explained my personal motivations, I'll now turn to the business of our committee and the focus for us in the coming months.

We've been working collaboratively with the Commercial Property and Facilities Managers Council on a number of shared initiatives. Education is certainly a major priority for us with new opportunities to design and influence topics, content, frequency, and quality.

The community council is also in the process of developing a more focused approach to delivering on the Six Pillars strategy, with individual members assuming responsibilities for specialised and specific projects. This includes how we exercise our new ability to nominate and facilitate advancements from within our own community, rather than relying entirely on the Branch process as has been the case previously.

More recently the Property Advisors and Consultancy Council has also completed a major exercise in rebranding. We have decided on a new name and logo which, at the time of writing, is awaiting its launch. While not huge news on its own, it does signal a new kind of autonomy for us within the PINZ structure, and demonstrates that the professionals who work in our fields do have unique challenges, needs, and points of view. The rebranding will identify with these key elements.

Finally, I'd like to thank all the members of the Committee; James Puketapu, Phillip Merfield, Ian Brown, Shaun Dombusch and "Young Leader" Tim Brown for their individual commitment during the past year and their ongoing support. I would also like to thank the staff at national office who have helped me establish myself as Chair and given me much helpful advice when required. In particular many thanks to Pat O'Reilly, PINZ President and Phil Porteous of the Property and Facilities Management Community for sharing their experience and offering guidance over the past year.

It's an incredibly exciting time to be part of the organisation as it modernises and adapts to a rapidly changing industry and I relish the opportunity that the future affords us.

PROPERTY & FACILITIES MANAGEMENT COUNCIL

As we pause to reflect on the year that has been, it is reassuring that in a time of change, we as property professionals still remain relevant in providing, management, analysis and sage advice on a range of property matters.

Certainly, it hasn't all been plain sailing, and while we are operating within a changing tide, the Property Institute professional has access to a range of education, professional development, and networking events to keep well equipped and stay ahead of the game when it comes to dealing with changing client expectations and needs.

The new Government is now well settled and is apparently poised to start delivering on its pre-election promises. For the property management profession this brings rise to a number of challenges and uncertainties. Kiwibuild its success or failure, new land or property taxes, an increased regulatory environment, and the healthy homes changes will all create opportunities for our industry to deliver real value as we navigate the inevitable twists and turns.

The market continues to grow, crane count is up, and the regions are following the main centres with growth. While the main centres are cooling somewhat, continued low interest rates underpin a stable market at present. Additional human resource has been attracted to the industry as the workload has increased, and we'd encourage all members to put forward new staff as Property Institute members to gain access to its many benefits.

The property management council continues to serve its members well. The strategic Six Pillars are aligned with the council's strategic vision, and there were some notable achievements over the past year. A full review of the current online learning modules is nearly

complete, and specialist conference and webinar education has been developed for property managers. In addition, we have a very dedicated council liaison down at head office who assisted in making our latest networking event one to remember.

If you or one of your team is working in the property management industry, we need you. I urge you to look for opportunities to be involved, we are always welcoming to new committee members and giving back to the profession is respected industry wide. With an increase in networking opportunities the value and learnings in rubbing shoulders with other like minds cannot be underestimated.

In closing I would like to thank our committee members who have supported the council with their time throughout the year, Pat O'Reilly, Katherine Marshall, Helen Brumby, Saatyesh Bhana, Ian Campbell and Glenda Whitehead. Their continued commitment is appreciated.



Kiwibuild's success or failure, new land or property taxes, an increased regulatory environment, and the healthy homes changes will all create opportunities for our industry to deliver real value as we navigate the inevitable twists and turns.



PHIL PORTEOUS

Phil Porteous is the owner of One Place for Property, a boutique property management firm in Auckland which manages \$400 million of assets for private clients and bodies corporate. He is the co-founder of umanest.com a tenant profiling tool that helps tenants prepare to navigate the rental market. With over 15 years experience investing and managing property he has a wide-ranging oversight on residential, commercial and facilities management.

STEVE C BOWN



Plant & Machinery Valuers Institute Chair

In February 2017 Steve became chair of the Infrastructure, Plant & Machinery Council, now the Plant & Machinery Valuers Institute he has been a been a Plant & Machinery Valuer and Auctioneer, for over 40 years, having plied his trade in the UK and Europe before moving to Aotearoa some 13 years ago. He is currently a Senior Plant & Machinery Valuer with JLL in their offices in Wellington.

PLANT & MACHINERY INSTITUTE OF NZ

Over the past two years as chair, both myself and my ever supportive, able and active committee of eight, have strived to establish our profession in the minds of Banks, Financial Institutions and Insurers as the go to Registered Valuers, for all assets, that are not land and buildings.

As a committee representing a small community of specialised professional valuers, we have always been aware of the lack of dedicated training, for our diverse membership and ultimately their ability to gain the required CPD points. To this end we have been lobbying universities and working closely with industrial sectors to supply and present relevant webinars for our fellow members. Bearing this in mind, I would like to thank Andrew Liew (last year's runner up for the Valocity Young Property Professional of the Year Award) in particular, for spearheading this area of the committee's work.

Our last PMVI conference was held in Wellington in November 2018, with our turnout once again being in the mid 30's, which in percentage terms, is above the expectations of most professional bodies. Our speakers in Wellington included then CEO Ashley Church, who gave a run-down on the aims of 'The Six Pillars'. Vanessa Deleat from national office also gave a progress report on Continuing Profession Development, Shaun Selwood spoke about what's required

from a Plant Valuation, Tony Alexander gave us a humorous presentation on the economy, Mark McKenzie spoke about Plant System Design & Delivery at Transmission Gully, Brendan Hearle talked about the BNZ requirements for a valuation, and Kirsten Beer of the NZ Police Financial intelligence Unit clarified our legal requirement with respect to Money Laundering.

This year we are forgoing our own national conference and have agreed to support ICPVME – a bi-annual, international Plant and Machinery Valuation conference being held in Auckland, with over 27 speakers from around the globe, including RICS, API, ASA and IVSC spread over three days.

This year we have seen one affiliate, Robert Berghuis advance to full membership, and also currently have eight new members who've joined our community.

In closing I would like to thank David Clark and the staff at PINZ national office, for all pulling together throughout the current transition.



This year we have agreed to support ICPVME – a bi-annual, international Plant and Machinery Valuation conference being held in Auckland, with over 27 speakers from around the globe

PROMINZ

To say 2018 was an extremely busy year for the IPMA would be an understatement. For our organisation, (which has recently rebranded as PROMINZ – the Property Management Institute of New Zealand) the biggest change in 2018 was our joining forces with the Property Institute. We signed a memorandum of understanding to become the residential property arm of PINZ.

The IPMA is extremely excited about this partnership – enabling a full focus on driving industry standards higher and giving residential property management professionals a strong and influential voice – both publicly and to government sectors.

As IPMA /PINZ affiliates, our members will benefit from the raised professional credibility membership provides.

Our members have been very supportive during the move over of their memberships to the Property Institute format. Feedback has been positive and members eager to take up the educational and networking opportunities on offer. We have already begun offering some of the residential-specific webinars for members and look forward to more quality presentations. The biannual conference in August is expected to be full following the success of the 2017 event.

The property management sector is also looking down the barrel of some major overhauls following two main pieces of legislation from the Government.

The IPMA presented submissions on the Letting Fee Ban bill, the Healthy Homes Guarantee bill as well as the more-controversial proposals on amending the Residential Tenancies Act.

As well as formal submissions on these, the IPMA presented an oral submission before the Parliamentary Select Committee on the Letting Fees bill. We were placed high on the presentation list and were very pleased to have our

organisation recognised as one of the main industry stakeholders. Some of our recommendations were quoted in subsequent commentaries.

The Healthy Homes Guarantee standards (from the HHG bill) were announced in February. This will be a major change to how rental properties are measured and our members are already busy planning for the 2021 deadline.

For the first time ever in 2018, we received more nominations for council representatives than we had spaces for. We currently have a full council of 10 passionate committee members from all over New Zealand with a depth of experience suitable to lead our organisation forward.

Our regular council meetings and strategy session has cemented our clear vision moving forward – to become the leading professional property management body in New Zealand.

More than ever in 2018, the residential property management industry was the target of criticism from tenancy sector groups. The call for the regulation of the industry grows. We continue to prepare our members for this eventuality, confident that our ethics, standards and ongoing education framework places PROMINZ ready to be leaders in a regulated environment.

We are looking forward to further increasing our membership numbers and further raising industry standards in 2019.



KAREN WITHERS

PROMINZ President Karen Withers is passionate about improving standards within the property management industry. She has been operating her own, independent property management company in Auckland since 2011 and has been involved in property management for over 20 years.

Karen has been a member of the IPMA since 2013, becoming the current Chair in 2015. Karen has been an integral part of facilitating the partnership with PINZ in 2018 and is excited about the opportunity to take PROMINZ to the next level in 2019.

“
As IPMA/PINZ affiliates, our members will benefit from the raised professional credibility membership provides.”

MEMBERSHIP

The Property Institute's diverse membership crosses an increasingly broad range of the industry and the professional property sector. A significant focus of the Institute in 2018 was a complete overhaul of the data it holds and collects for its members resulting in more robust information for planning and decision-making. Over time this will be a key component in the delivery targeted education, with an emphasis on relevance and stronger communications.



1,994

MEMBERS FOR
THE 2018 YEAR



181

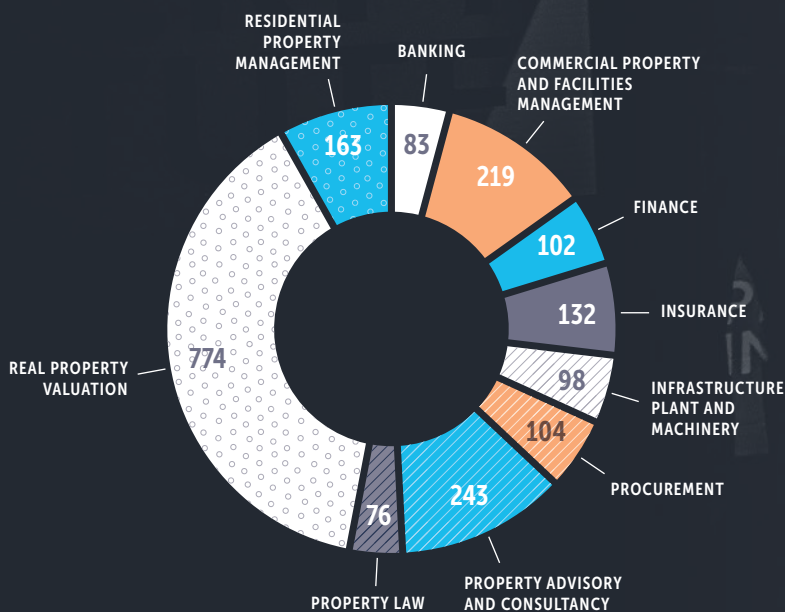
STUDENT MEMBERS
TRANSITIONED TO
GRADUATE MEMBERSHIP



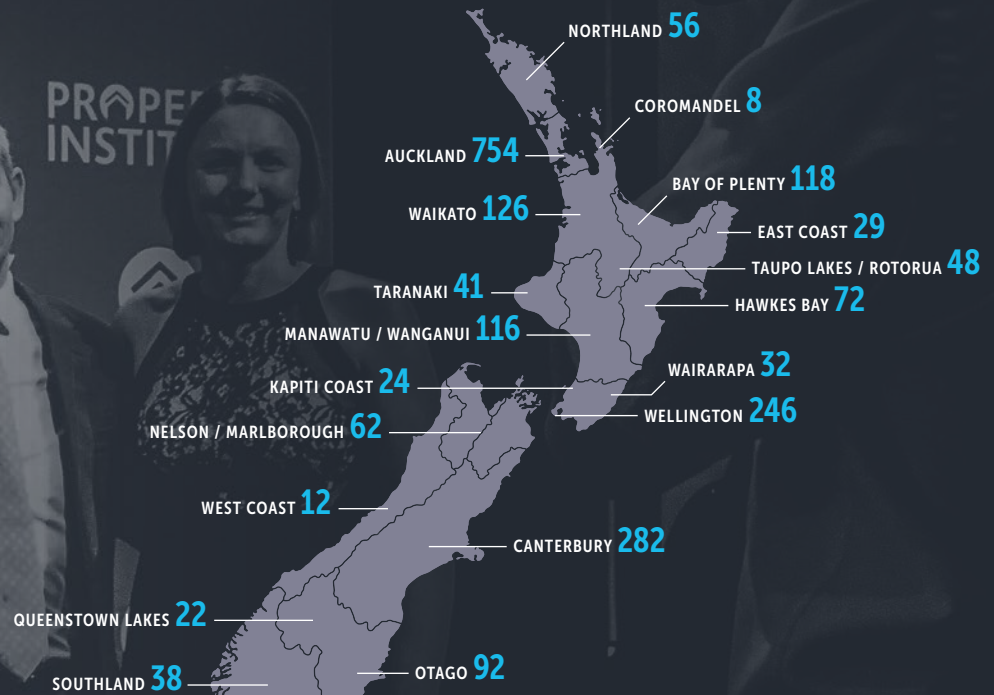
386

UNIVERSITY STUDENTS
SIGNED UP AS
STUDENT MEMBERS

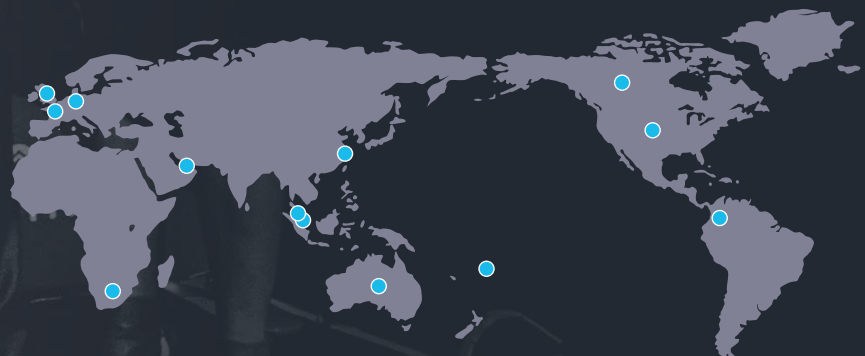
MEMBERSHIP BY SECTOR



NEW ZEALAND MEMBERSHIP



MEMBERS AROUND THE WORLD



AUSTRALIA 37
 CANADA 1
 GERMANY 1
 FIJI 2
 SINGAPORE 5

UNITED KINGDOM 11
 UNITED STATES 1
 SOUTH AFRICA 1
 COLUMBIA 1
 DUBAI 1

FRANCE 1
 KUALA LUMPUR 1
 SHANGHAI 1

MEET THE TEAM

The Property Institute of New Zealand national office is made up of a small team that punches well above its weight. PINZ staff are multi-taskers who balance large and varied workloads to deliver services to members and administrative support to the Institute's elected representatives.



DAVID CLARK

Interim CEO

David Clark is the former PINZ CEO and returned to the Institute at the beginning of 2019 following the departure of Ashley Church. David has immense experience within the organisation and has provided stability for members and staff during a period which could have been unsettling.



JASON EDE

Communications & Strategy Manager

Jason joined PINZ in late 2016. He's responsible for all of the Institute's communications and managing the content and design for the property Professional magazine and PINZ email newsletters. With a background in Government, he is also responsible for driving PINZ advocacy work and implementing strategic objectives.



REBECCA VAN ETTEN

Key Relationships Manager

Rebecca joined PINZ in late 2016 in a newly created business and relationships focused role. She works with sponsors, branches and has also taken the lead role in organising our education programme. Rebecca is also responsible for managing our PropertyJobs & PIQA products.



CARLOS CASTRO

Finance Manager

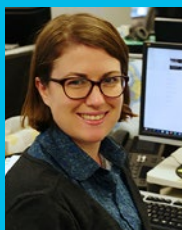
In 2018, Carlos celebrated his 10th anniversary at the Property Institute. Carlos crunches the numbers for the organisation and also manages the accounts for the New Zealand Institute of Valuers.



VANESSA DELEAT

Professional Development Manager

Vanessa joined PINZ in December 2017 after a four-year stint at the New Zealand Institute of Surveyors. She is a data expert, with expertise in education both in ITO's and private training establishments. With a background in quality assurance she is also the brains behind the popular PIQA project.



EMMA PRESTIDGE

Membership Services Manager

Emma joined PINZ in October 2017. She joined us from the Pharmaceutical Society, another not-for-profit. She is the person that PINZ members are most likely to deal with when making inquiries about their membership status.



ROBYN MATTHEWS

Executive Assistant

Robyn is a typing wizard. She provides the meeting minutes for all of our various communities, committees and the Board. She also organises flights and provides logistical support for our elected representatives as they carry out their duties.



JENNY HOUDALAKIS

Conference Manager

After 17 years at the Institute, Jenny has taken a step back from her Operations Management role to focus on her own business, and has transitioned into a part-time role specialising in PINZ conference organisation. Her knowledge in this area is second to none.

BRANCHES & COMMITTEES

REGIONAL BRANCHES

Between them the Property Institute and NZIV have 18 Branches throughout New Zealand and one in London. Branch Chairs and their committees organise CPD workshops, site visits, sessions with guest speakers and regular meetings with members within their areas.

Northland Diana Signal	Wellington PINZ Gerry Glynn
Auckland Phil White	Wellington NZIV Hamish Bills
Waikato Andrew Don	Nelson/Marlborough Blair Harvey
Tairāngia Paul Higson	Canterbury/Westland Simon Newberry
Rotorua/Taupo Kendall Russ	South Mid Canterbury Alistar Wing
Gisborne Che Whitaker	Otago Warwick Reid
Taranaki Ben Hunt	Central Otago Barry Murphy
Hawke's Bay George Macmillian	Southland Hunter Milne
Whanganui Diana Signal	
Manawatu Jason Hockly	

PROPERTY INSTITUTE COMMITTEES

The Property Institute Committees are made up of members and staff who volunteer their time for the Institute. Without their hard work the Property Institute could not run as smoothly as it does.

Valuation & Property Standards Board

Blue Hancock (Chair)

John Darroch
Chris Stanley
Gary Sellars
Jay Sorensen
Ian Campbell
Jason Williams
David Baxter
Tim Gemmell
Olivia Roberts (Young Leader)

Finance Audit & Risk Committee

Luke van den Broek (Chair)
Greg Ball
Patrick O'Reilly
Roger Gordon
Stephen Reid
Boyd Gross
Courtney Paterson (Young Leader)

Professional Practice Committee

David Paterson (Chair)
Graeme Kirkcaldie
Mark Dow
Steve Dunlop
Nigel Kenny

Education Advisory Panel

Patrick O'Reilly
Roger Gordon
Phillip Merfield
Phil Porteous
Steve Bown
Genevieve Grant
Karen Withers
Luke van den Broek
Boyd Gross
Adam Binns
Des Wai
Anna Paget



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INDEPENDENT AUDITOR'S REPORT

To the Members of The Property Institute of New Zealand Incorporated Group

Report on the Performance Report

Opinion

We have audited the performance report of The Property Institute of New Zealand Incorporated ("the Group") on pages 28 to 45 which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 December 2018, the statement of financial position as at 31 December 2018, and notes to the consolidated performance report, including summary of significant accounting policies and other explanatory information.

In our opinion:

- a. the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b. the accompanying performance report presents fairly, in all material respects:
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position of the Group as at 31 December 2018 and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our

responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

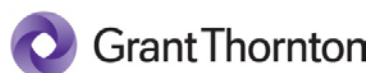
Our firm carries out other assignments for the group in the area of taxation. The firm has no other interest in the Group

Responsibilities of the Board for the Performance Report

The Board is responsible for:

- a. Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b. the preparation and fair presentation of the performance report on behalf of the entity which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report
- c. for such internal control as the Board determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, The Board is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the performance 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up

to the date of our 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 performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We 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 we identify during our audit.

Restriction on use of our report

This report is made solely to the Group's Board Members, as a body. Our audit work has been undertaken so that we might state to the Group's Board Members, as a body those matters which we are required to state to them in our audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and its Board Members, as a body for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Partnership

B Kennerley

Partner
Wellington

18 April 2019

CONSOLIDATED PERFORMANCE REPORT

For the year ended 31 December 2018

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ENTITY INFORMATION

Legal Name of Entity:

The Property Institute of New Zealand Incorporated

Type of Entity and Legal Basis (if any):

The Property Institute of New Zealand Incorporated is an Incorporated Society registered under the Incorporated Societies Act 1908.

The Property Institute of New Zealand Incorporated's Purpose / Mission

Mission Statement

- Creating extraordinary people through professional learning and continuing professional development;
- Exemplary ethical practice and behaviour, integrity and transparency;
- Pursuing excellence in all areas of the property industry; and
- Being socially responsible and working responsibly.

Entity Structure

The Property Institute of New Zealand Incorporated ("the Institute") is an incorporated society focused on being the leading professional body for standards, qualifications and ethics across all facets of the property professions within New Zealand.

The performance report comprising of the Institute and its controlled entity, Property Education and Training Limited, together the "Group", are presented for the year ended 31 December 2018.

The Group is governed by a Board comprising 11 members and 2 observers. The members of the governing body are as follows:

- Patrick O'Reilly (President)
- Greg Ball (Immediate Past President)
- Katie Beveridge
- Roger Gordon
- Phillip Merfield
- Luke van den Broek (Vice President)
- Steve Bown

- Susie Penrose
- Phil Porteous
- Adam Binns
- Des Wai
- Boris Babic (Young Leader Program) Observer
- Karen Withers (IPMA) Observer

The Group is structured in order to support its key strategic objectives as follows:

- To increase and broaden the professional representation of the organisation;
- To advocate on behalf of member with government, government agencies and local bodies;
- To promote the professional activities of our members; and
- To provide continual professional development and other education to members.

The Board meet on a two-monthly basis. The Finance, Audit and Risk Committee has responsibility for monitoring the finances of the Institute, internal control systems and processes, the budget, and the results of the annual audit, in addition the committee has input on the following:

- Input into development of the annual budget and the recommendation for annual member subscription rates.
- Review of management financial reports during the financial year including meeting with management.
- Review of internal controls.
- Input into the recommendation to Council.
- Meetings with the auditor to discuss the financial statements, annual audit and any recommendations in the auditor's management letter.

Main Sources of the Entity's Cash and Resources

The Property Institute of New Zealand Incorporated's primary source of income are:

- Provision of goods and services to members.
- Fees, subscriptions and other revenue from members.

Additional sources of funding include:

- Service Level Agreement with NZIV.
- Sponsorship revenue.

STATEMENT OF SERVICE PERFORMANCE

Description of the Entity's Outcomes

Key strategic objectives and outcomes The Property Institute of New Zealand Incorporated aims to achieve, influence and deliver include:

Education

To increase the number & quality of online webinars and seminars; expand the range of topics on offer; ensure the education provided to members is relevant, timely and value for money.

Membership and Governance

Introduce networking events for members and other property professionals. Advocate on behalf of members on legislative changes i.e. Unit Titles Act Review, Urban Development Authority. Legislation and other legislation that is under review. Become more responsive to members with regular surveys of needs and satisfaction, inviting input to the PINZ education programme.

Annual Conference

A positive satisfaction rating of more than 70%, the 2018 Property Institute conference was a very successful event which further contributed to building the brand of the Institute as a professional property organisation. The event offered learning and networking opportunities for delegates as well as valuable exposure to PINZ sponsors.

Membership Communication

Continuing improvement of our communication channels through publications including Property Professional Magazine and the fortnightly CEO newsletter; increasing the profile and stature of the Institute through regular and positive media coverage; improving data collection, research, and production of relevant reports & standards.

The costs of delivery to achieve the entity Outcomes are:	Actual 2018	Budget 2018	Actual 2017
Education	\$176,529	\$108,496	\$110,765
Membership and Governance	\$79,008	\$81,002	\$91,159
Annual Conference	\$196,088	\$229,745	\$150,548
Membership Communication	\$39,903	\$81,500	\$66,061

Additional Output

For the 2018 calendar year the number of attendees to the Institute's run events (webinars/seminars) was 2,912 an increase of 1,220 on the previous year (2017).

The number of attendees to the 2017 Conference in Queenstown were 237 and, the number of paying attendees to the 2018 Conference in Auckland were 290.

STATEMENT OF SERVICE PERFORMANCE (CONTINUED)

Education

In 2018 the Institute delivered educational opportunities to institute members in the form of Webinars, Seminars, Property Networks meetings and conferences.

Objectives

The Institute established a range of Education Objectives and determined that their achievement should be measured as a percentage of the 2018 Members Satisfaction Survey. The measures were as follows:

- The quality of the educational program to be rated as acceptable, or higher, by 65% of Institute members
- The content of the educational program to be rated as acceptable, or higher, by 65% of Institute members
- The delivery method of the educational program to be rated as acceptable, or higher, by 65% of Institute members
- The range of choice of educational options to be rate as acceptable, or higher, by 65% of Institute members
- The length of educational options to be rated as acceptable, or higher, by 65% of Institute members
- The frequency of educational options to be rated as acceptable, or higher, by 65% of Institute members

Outcomes

	Very Good or Excellent	Good	Acceptable	Poor	Doesn't apply	Total
Quality	5.45% 12	50.45% 111	34.09% 75	6.37% 14	3.64% 8	220
Content	5.48% 12	44.75% 98	36.99% 81	9.59% 21	3.19% 8	220
Delivery method	9.13% 20	44.75% 98	31.51% 69	10.96% 24	3.65% 8	219
Range and choice	5.48% 12	35.62% 78	36.53% 80	18.26% 41	4.11% 9	220
Length	6.88% 15	44.50% 97	38.53% 84	5.50% 12	4.59% 10	218
Frequency	5.05% 11	39.91% 87	40.37% 88	11.01% 24	3.66% 8	218

STATEMENT OF SERVICE PERFORMANCE (CONTINUED)

PINZ Board

In 2018 the Board of the Property Institute governed the organisation in accordance with the Constitution of the Institute, the Strategic Plan of the Institute and relevant legislation.

Objective

The Board of the Institute determined that their performance should be measured as a percentage of the 2018 Members Satisfaction Survey and set a target of their performance being rated as acceptable, or higher, by 75% of Institute members

Outcome

Very Good or Excellent	12.50%	29
Good	42.24%	98
Acceptable	28.88%	67
Poor	7.76%	18
I don't Know	7.33%	17
Other comments	1.29%	3
Total		232

STATEMENT OF SERVICE PERFORMANCE (CONTINUED)

PINZ CEO

In 2018 the Board of the Property Institute employed a Chief Executive Officer to manage the organisation in accordance with the Constitution of the Institute, the Strategic Plan of the Institute, Board directives and relevant legislation.

Objectives

The Board of the Institute established a range of targets by which the performance of the CEO should be measured and determined that their achievement should be measured as a percentage of the 2018 Members Satisfaction Survey. The measures were as follows:

- The leadership and vision of the CEO to be rated as acceptable, or higher, by 75% of Institute members
- The initiative of the CEO to be rated as acceptable, or higher, by 75% of Institute members
- The competence of the CEO to be rated as acceptable, or higher, by 75% of Institute members
- The quality of work of the CEO to be rated as acceptable, or higher, by 75% of Institute members
- The accessibility of the CEO to be rated as acceptable, or higher, by 75% of Institute members
- The overall performance of the CEO to be rated as acceptable, or higher, by 75% of Institute members

Outcomes

	Very Good or Excellent	Good	Acceptable	Poor	I don't know	Total
Leadership and vision	23.64% 52	40.91% 90	21.82% 48	9.09% 20	4.54% 12	222
Initiative	30.88% 67	35.02% 76	21.66% 47	5.07% 11	7.37% 18	219
Competence	24.42% 53	35.02% 76	23.50% 51	7.37% 16	9.69% 21	217
Quality of work	19.07% 41	35.81% 77	26.05% 56	6.05% 14	13.02% 28	216
Accessibility	23.39% 51	28.44% 62	24.77% 54	8.26% 18	15.14% 34	219
Media representation	43.84% 96	29.68% 65	15.98% 35	6.39% 15	4.11% 9	220
Overall performance	22.48% 49	34.86% 76	28.44% 65	9.17% 20	5.05% 13	223

STATEMENT OF SERVICE PERFORMANCE (CONTINUED)

Membership Communication

In 2018 the Institute communicated with members in a variety of different ways.

Objectives

The Institute communicated with members in a variety of different ways and determined that the success of these channels should be measured as a percentage of the 2018 Members Survey.

The measures were as follows:

- Emails Newsletters to be rated as acceptable, or higher, by 65% of members
- Event Promotions to be rated as acceptable, or higher, by 65% of members
- Presentations to members to be rated as acceptable, or higher, by 65% of members
- Property Professional Magazine to be rated as acceptable, or higher, by 65% of members
- Website to be rated as acceptable, or higher, by 65% of members
- Publications to be rated as acceptable, or higher, by 65% of members
- Social Media activity to be rated as acceptable, or higher, by 65% of members
- Collateral and Brochures to be rated as acceptable, or higher, by 65% of members
- Annual Report to be rated as acceptable, or higher, by 65% of members
- Personal dealing with PINZ staff to be rated as acceptable, or higher, by 65% of members

Outcomes

	Very Good or Excellent	Good	Acceptable	Poor	Don't know/ Didn't receive	Total
Email Newsletters	30.00% 66	48.64% 107	18.18% 40	1.82% 4	1.36% 3	220
Event promotions	20.64% 45	51.83% 113	21.10% 46	5.51% 12	0.92% 2	218
Presentations to members	13.89% 30	41.67% 90	32.41% 70	6.47% 15	5.56% 12	217
Magazine	21.60% 46	46.48% 99	23.47% 50	5.16% 11	3.29% 7	213
Website	10.96% 24	31.51% 69	34.70% 76	21.46% 48	1.37% 3	220
Publications	11.21% 24	43.93% 94	30.37% 65	3.27% 7	11.22% 25	215
Social media	5.61% 12	18.22% 39	17.76% 38	13.55% 29	44.86% 96	214
Collateral/ brochures	4.74% 10	18.96% 40	23.70% 50	6.15% 13	46.45% 98	211
Annual Report	9.72% 21	31.02% 67	32.41% 70	2.31% 5	24.54% 53	216
Personal dealings (phone, email, etc)	25.35% 55	33.18% 72	25.35% 55	3.22% 8	12.90% 28	218

This Consolidated Performance Report should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2018 \$	2017 \$
Revenue			
Interest income		15,920	27,454
Grants, donations, fundraising and other similar revenue		58,250	139,115
Fees, subscriptions and other revenue from members		593,154	595,439
Revenue from providing goods or services		1,024,757	945,852
Other revenue	1	123,955	112,906
Total Revenue		1,816,036	1,820,766
Expenses			
<i>Costs related to providing goods or services</i>			
Seminar Expenses		61,141	115,007
USA Study Tour		-	112,441
Salaries and wages		975,838	941,092
Conference		196,088	150,549
<i>Other administration and overhead costs</i>			
Board expenses		25,588	20,852
General expenses		13,481	22,359
National Committee expenses		6,851	9,464
Other expenses	2	507,828	507,205
Valuers Council expenses		46,569	34,806
Total Expenses		1,833,383	1,913,775
(Deficit) for the period before tax		(17,347)	(93,009)
Income Tax		-	-
(Deficit) for the period after tax		(17,347)	(93,009)

This Consolidated Performance Report should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2018 \$	2017 \$
Assets			
<i>Current Assets</i>			
Bank and Cash		233,130	683,181
Investments		612,416	61,916
Amounts due from The New Zealand Institute of Valuers		13,030	183,191
Debtors and Prepayments		54,122	67,348
Total Current Assets		912,697	995,636
<i>Non-Current Assets</i>			
Property, Plant and Equipment	4	16,180	14,021
Intangible Assets	5	115,487	108,767
Total Non-Current Assets		131,667	122,787
Total Assets		1,044,364	1,118,424
Liabilities			
<i>Current Liabilities</i>			
Creditors and accruals		106,734	146,069
Employee entitlements		56,837	31,057
Subscription revenue in advance		80,555	57,213
Amount due to NZ Institute of Valuers		23,724	76,527
GST payable		17,668	31,643
Total Current Liabilities		285,518	342,509
Total Liabilities		285,518	342,509
Net Assets		758,845	775,915
Accumulated Funds			
Accumulated surplus	6	758,845	775,915
Total Accumulated Funds		758,845	775,915

This Consolidated Performance Report should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Approval of Performance Report

The Board are pleased to present the approved performance report, including the historical financial statements of the Property Institute of New Zealand Incorporated for the year ended 31 December 2018.

APPROVED

For and behalf of the Board.



Patrick O'Reilly
President

18 April 2019

CONSOLIDATED STATEMENT OF CASH FLOWS

	2018 \$	2017 \$
Cash Flows from Operating Activities		
<i>Cash was received from</i>		
Donations, fundraising and other similar receipts	84,030	153,256
Fees, subscriptions, and other receipts from members	616,497	596,843
Receipts from providing goods or services	1,024,757	945,853
Interest, dividends and other investment receipts	15,920	27,454
Other Revenue	123,955	112,904
<i>Cash was applied to:</i>		
Payments to suppliers and employees	(976,138)	(941,092)
Costs related to providing goods or services	(210,403)	(348,695)
USA Study Tour	-	(112,442)
Other Expenses	(599,470)	(507,205)
Net Cash Flows from Operating Activities	79,148	(73,125)
Cash Flows from Investing and Financing Activities		
<i>Cash was received from:</i>		
Receipts from disposal/(purchase) of investments	(550,500)	698,496
Creditors and accrued expenses		-
<i>Cash was applied to:</i>		
Acquisition of property, plant and equipment	2,240	5,429
Acquisition of intangible assets	19,061	(46,271)
Net Cash Flows from Investing and Financing Activities	(529,199)	657,654
Net Increase / (Decrease) in Cash	(450,051)	584,529
Opening Cash	683,181	98,652
Closing Cash	233,130	683,181
This is represented by:		
Bank & Cash	233,130	683,181

This Consolidated Performance Report should be read in conjunction with the accompanying notes.

STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The Group has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000 for the last two annual reporting periods. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the Group will continue to operate as a going concern in the foreseeable future.

The performance report comprising of The Property Institute of New Zealand Incorporated and its controlled entity, Property Education and Training Limited, together the “Group”, are presented for the year ended 31 December 2018.

The consolidated performance report has been approved and were authorised for issue by the Board on 18 April 2019.

Functional and Presentation Currency

The Group has presented its numbers in NZ\$ all numbers have been rounded to the nearest thousand.

Revenue

Revenue is accounted for as follows:

Fees, subscriptions and other revenue from members

Fees and subscriptions received in exchange for monthly access to member's facilities are initially recorded as income in advance and recognised in revenue evenly over the membership period.

Where members purchase specific services (for example, attendance at the coaching and development course), revenue is initially recorded as revenue in advance, and then recognised proportionally on the basis of the value of each session relative to the total value of the purchased services.

Other fees and subscriptions are recorded as revenue when cash is received.

Grants, donations, fundraising and other similar income

Fundraising and Grant income is accounted for depending on whether or not it has a "use or return" condition attached. Where no use or return, conditions are attached, the revenue is recorded as income when the cash is received. Where income includes a use, or return condition, it is initially recorded as a liability on receipt. The income is then subsequently recognised within the Statement of Financial Performance as the performance conditions are met.

Interest Income

Interest income is recognised on an accruals basis.

Revenue from providing goods or services

Where members purchase specific services (for example attendance at professional development course), revenue is initially recorded as revenue in advance, and then recognised proportionally on the basis of the value of the purchased services.

Event/Conference Income

Entrance fees for functions and events are recorded as revenue when the function or event takes place.

Other Income

All other income is accounted for on an accruals basis and accounted for in accordance with the substance of the transaction.

Basis of consolidation

Controlled entities are all those entities over which the controlling entity has the power to govern the financial and operating policies so as to benefit from its activities. The controlled entities are consolidated from the date on which control is transferred and are de-consolidated from the date that control ceases. In preparing the consolidated performance report, all inter entity balances and transactions, and unrealised gains and losses arising within the consolidated entity are eliminated in full.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

The accounting policies of the controlled entity are consistent with the policies adopted by the Group and have a 31 December 2018 reporting date.

Income Tax

Taxation is provided on the income earned by the Institute on transactions outside of its membership – this Income tax is accounted for using the taxes payable method. The Institute is not liable for tax on its dealing with members as per the Incorporated Societies Act 1908.

Bank Accounts and Cash

Bank and Cash in the Consolidated Statement of Cash Flow comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Goods and Services Tax (GST)

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Debtors

Debtors are carried at estimated realisable value after providing against debts where collection is doubtful.

Property, plant and equipment

Property, plant and equipment are shown at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is provided on a diminishing value basis on all property, plant and equipment, at rates that will reduce the cost of the assets to their estimated residual values over their useful lives. The depreciation rates and useful lives associated with major classes of assets have been estimated as follows:

Furniture and fittings	20% – 48%
Office equipment	20% – 48%
Computers	40% – 48%

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. The Group does not hold any intangible assets that have an indefinite life.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

The amortisation periods for the Groups assets are as follows:

Website	20% – 48%
---------	-----------

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Employee Costs

Employee entitlements are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to reporting date and annual leave earned but not taken at reporting date.

The Group recognises a liability and an expense for bonuses it is contractually obliged to pay, or where a past event has created a constructive obligation.

Tier 2 PBE Accounting Standards Applied

In line with the requirements of PBE SFR-A (NFP) the Institute has accounted for the following transactions in accordance with PBE IPSAS Tier 2 (NFP):

- preparation of a consolidated performance report which combines the assets, liabilities, net assets/equity, revenue and expenses of the controlling entity with those of the controlled entity in accordance with the requirements in PBE IPSAS 6 (NFP) *Consolidated and Separate Financial Statements (Not-for-profit)*; and
- accounting for intangible assets in accordance with the requirements in PBE IPSAS 31 (NFP) *Intangible Assets (Not-for-profit)*.

Changes in Accounting Policies

There have been no changes in accounting policies during the annual reporting period (2017: Nil) other than noted above.

NOTES TO THE CONSOLIDATED PERFORMANCE REPORT

Note 1 – Analysis of Revenue

	2018 \$	2017 \$
Revenue from providing goods and services		
Annual/Property summit conference	259,983	188,515
Publications	26,077	30,220
Service level agreement with The New Zealand Institute of Valuers	738,696	721,392
Seminar Income	165,555	156,659
Total	1,190,311	1,096,786
Other revenue		
Branch revenue	101,085	79,430
PIQA Accreditation Scheme	22,870	33,461
Total	123,955	112,891

Note 2 – Analysis of Expenses

	2018 \$	2017 \$
Other Expenses		
Accident Compensation Levy	1,867	1,756
Amortisation	25,781	22,680
Audit Fees	15,979	15,382
Bank Charges	4,610	9,320
Branch Costs	115,702	83,507
Communication	15,125	19,470
Computer Expenses	74,592	62,421
Depreciation	5,188	4,400
Equipment Lease Costs	3,589	3,589
Functions/Awards	2,126	9,923
Information Services – Publications	34,336	66,060
Insurance	7,174	4,691
International Costs	68,363	49,115
Legal Fees	9,789	15,948
Marketing Expenses	6,786	20,285
Membership Subscription	1,348	5,074
Contractors	28,621	19,022
Premises Costs	40,452	40,331
Printing, Stationery & Postage	3,527	-739
PIQA Expenses	-	15,600
Staff Costs	7,250	11,087
Travelling Expenses	35,623	28,283
Total	507,828	507,205

NOTES TO THE CONSOLIDATED PERFORMANCE REPORT (CONTINUED)

Note 3 – Group information Subsidiaries

The consolidated performance report of the Group include the following subsidiaries:

Name of subsidiary	Principal activities	Country of incorporation	Percentage equity interest 2018	Percentage equity interest 2017
Property Education and Training Limited.	Property education opportunities in NZ and overseas	NZ	100%	99.9%

The reporting date of the Institute and its subsidiary is 31 December.

There are no significant restrictions on the ability of the subsidiary to transfer funds to the Institute in the form of cash distributions or to repay loans or advances.

Note 4 – Property, Plant and Equipment

	Opening Carrying Amount \$	Purchases \$	Sales/ Disposals \$	Current Year Depreciation and Impairment \$	Closing Carrying Amount \$
2018 Asset Class					
Furniture and fixtures	1,796	-		1,307	489
Office equipment	6,177	2,522	-	602	8,097
Computers (including software)	6,048	6,931	2,106	3,279	7,594
Total	14,021	9,453	2,106	5,188	16,180
2017 Asset Class					
Furniture and fixtures	2,248	-	-	(452)	1,796
Office equipment	6,930	-	-	(753)	6,177
Computers (including software)	5,871	3,372	-	(3,195)	6,048
Total	15,049	3,372	-	(4,400)	14,021

NOTES TO THE CONSOLIDATED PERFORMANCE REPORT (CONTINUED)

Note 5 – Intangible Assets

	Opening Carrying Amount \$	Purchase \$	Sales Disposal \$	Current Year Amortisation \$	Closing Carrying Amount \$
31 December 2018					
Website	98,587			19,812	78,775
QAAS	1,840	-	-	881	959
PIQA	8,338	-	-	4,002	4,336
Website Transfer & Enhancements	-	32,500	-	1,083	31,417
Net book value	108,765	32,500		25,778	115,487
31 December 2017					
Website	666	111,206	-	(13,285)	98,587
QAAS	3,539	-	-	(1,699)	1,840
PIQA	16,034	-	-	(7,696)	8,338
Work in Progress	-	-	-	-	-
Net book value	20,239	111,206	-	(22,680)	108,765

Note 6 – Accumulated Funds

	Non-controlling Interest \$	Accumulated Surpluses or Deficits \$	Total \$
2018			
Description			
Opening Balance	(6,847)	783,039	776,192
Surplus/(Deficit)	6,847	(24,194)	(17,347)
Total	0.00	758,845	758,845
2017			
Description			
Opening Balance	(12,399)	881,323	868,924
Surplus/(Deficit)	5,552	(98,284)	(92,732)
Total	(6,847)	783,039	776,192

During the year the Property Institute's ownership of Property Education and Training Ltd has changed from 99.9% up to 100%.

NOTES TO THE CONSOLIDATED PERFORMANCE REPORT (CONTINUED)

Note 7 – Commitments and contingencies

	2018 \$	2017 \$
Commitments to lease or rent assets		
Future photocopier operating lease payments (42-month lease)	8,973	8,973

There are no capital commitments, contingent liabilities or guarantees as at balance date (2017: Nil)

Note 8 – Related Party Transactions

Description of Related Party Relationship	Description of the Transaction (whether in cash or amount in kind)	Value of Transactions 2018 \$	Value of Transactions 2017 \$
The New Zealand Institute of Valuers*	Service level agreement payment from The New Zealand Institute of Valuers to the Institute	738,696	721,392
The Property Institute of NZ	Accounts Receivable	13,030	183,191
	Accounts Payable	23,724	76,527

*The Institute has a related party relationship with The New Zealand Institute of Valuers due to the two entities having some common Board members of governance. Despite similarities in operations and governance The Property Institute of New Zealand Incorporated does not exercise control over The New Zealand Institute of Valuers and therefore does not consolidate their results in the consolidated performance report.

All Board members are also the members of the Property Institute.

Note 9 – PETL Debt Forgiveness

During the year Property Education and Training Limited (PETL) was wound up. While the Entity was wound up, Property Institute of New Zealand forgave the PETL debt of \$77,612. This amount has been included in the consolidation of the financial performance.

Note 10 – Events After the Reporting Date

There were no events that have occurred after the reporting date that would have a material impact on the Performance Report. (2017: Nil)



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INDEPENDENT AUDITOR'S REPORT

To the Members of New Zealand Institute of Valuers Council

Report on the Performance Report

Opinion

We have audited the performance report of New Zealand Institute of Valuers Council (the "institute") on pages 48 to 59, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 December 2018, the statement of financial position as at 31 December 2018, and notes to the performance report, including summary of significant accounting policies and other explanatory information.

In our opinion:

- a. the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b. the accompanying performance report presents fairly, in all material respects:
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position of the Institute as at 31 December 2018 and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in

the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Institute in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Institute.

Responsibilities of the Council for the Performance Report

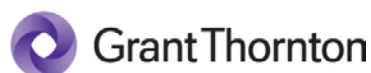
The Council is responsible for:

- a. Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b. the preparation and fair presentation of the performance report on behalf of the entity which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and

- c. for such internal control as the Council determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, The Council is responsible on behalf of the Institute for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Council 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on use of our report

This report is made solely to the Council. Our audit work has been undertaken so that we might state to the Council those matters which we are required to state to them in our audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council as a body for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Partnership

Grant Thornton

B Kennerley
Partner
Wellington

1 May 2019

PERFORMANCE REPORT

For the year ended 31 December 2018

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ENTITY INFORMATION

Legal Name of Entity:

The New Zealand Institute of Valuers

Type of Entity and Legal Basis (if any):

The New Zealand Institute of Valuers is a body corporate constituted under the Valuers Act 1948

The New Zealand Institute of Valuers Purpose / Mission

Mission Statement

The New Zealand Institute of Valuers encourages its membership to develop high standards of professionalism and excellence through the provision of education, support services and promotion.

The New Zealand Institute of Valuers membership comprises professionally qualified persons who value, appraise, advise, consult, manage, arbitrate, and negotiate in all respect of land, buildings and other real and personal assets.

Entity Structure

The New Zealand Institute of Valuers (NZIV) was formed in 1938, and given a statutory role in 1948 with the passage of the Valuers Act 1948.

The NZIV merged operations with the Property Institute in the year 2000, however, due to its duties in section 10 of the Valuers Act, the NZIV continues to exist as a legal entity itself, with a separate governing body, NZIV Council.

Operational and administrative functions of the NZIV are delivered by the Property Institute, and this relationship is governed by a Service Level Agreement and the NZIV annual budget.

The Institute is governed by a Council. The members of the governing body are as follows:

- Roger Gordon (President)
- Boyd Gross (Vice President)
- Jeff Alexander (Vice President)
- Blue Hancock
- John Tappenden
- Nigel Kenny
- Peter Ward
- Neill Sullivan (Valuer General)
- Anna Paget (Young Leaders Program)
- Jason Williams
- Adam Binns
- Jeff Alexander
- Rob Boyd

The Council meets on a two-monthly basis.

The Institute is structured to support its key strategic objectives as follows:

- Advancing the Valuation Profession
Through – Representation and Advocacy Education
Ethics & Standards

Main Sources of the Entity's Cash and Resources

The New Zealand Institute of Valuers primary source of funding is through receipt of subscription fees.

Additional sources of funding include:

- VRB recoveries
- Interest income

STATEMENT OF SERVICE PERFORMANCE

Description of the Entity's Outcomes

Education

In 2018 the Institute delivered educational opportunities to NZIV members in the form of Webinars, Seminars, Keynote meetings and conferences.

Objectives

The Institute established a range of Educational Objectives and determined that their achievement should be measured as a percentage of the 2018 Members Satisfaction Survey completed by the Property Institute. The measures were as follows:

- The quality of the educational program to be rated as acceptable, or higher, by 65% of NZIV members
- The content of the educational program to be rated as acceptable, or higher, by 65% of NZIV members
- The delivery method of the educational program to be rated as acceptable, or higher, by 65% of NZIV members
- The range and choice of educational options to be rated as acceptable, or higher, by 65% of NZIV members
- The length of educational options to be rated as acceptable, or higher, by 65% of NZIV members
- The frequency of educational options to be rated as acceptable, or higher, by 65% of NZIV members

Outcome

	Very Good or Excellent	Good	Acceptable	Poor	Doesn't apply	Total
Quality	5.37% 8	55.03% 82	31.55% 47	7.38% 11	0.67% 1	149
Content	6.04% 9	44.30% 66	37.58% 56	11.41% 17	0.67% 1	149
Delivery method	7.38% 11	47.65% 71	33.56% 50	10.74% 16	0.67% 1	149
Range and choice	5.37% 8	34.23% 51	39.60% 59	20.13% 30	0.67% 1	149
Length	6.04% 9	46.98% 70	38.93% 58	6.71% 10	1.34% 2	149
Frequency	4.70% 7	42.28% 63	41.61% 62	10.74% 16	0.67% 1	149

STATEMENT OF SERVICE PERFORMANCE (CONTINUED)

Membership Communication

In 2018 under the Service Level Agreement with the Property Institute, NZIV members received a variety of different communications.

Objectives

The Institute communications determined that the success of these channels should be measured as a percentage of the 2018 Members Satisfaction Survey. The measures were as follows:

- Email Newsletters to be rated as acceptable, or higher, by 65% of NZIV members
- Event Promotions to be rated as acceptable, or higher, by 65% of NZIV members
- Property Professional Magazine to be rated as acceptable, or higher, by 65% of NZIV members
- Website to be rated as acceptable, or higher, by 65% of NZIV members
- Publications to be rated as acceptable, or higher, by 65% of NZIV members
- Annual Report to be rated as acceptable, or higher, by 65% of NZIV members
- Personal dealings with PINZ staff to be rated as acceptable, or higher, by 65% of NZIV members

Outcome

	Very Good or Excellent	Good	Acceptable	Poor	Don't know/ Didn't receive	Total
Email Newsletters	30.20% 45	48.99% 73	20.14% 30	0.67% 1	0% 0	149
Event promotions	20.95% 31	54.05% 80	20.95% 31	4.05% 6	0% 0	148
Presentations to members	14.29% 21	42.18% 63	34.01% 50	6.80% 10	2.72% 4	148
Magazine	21.37% 31	47.59% 69	23.45% 34	4.14% 6	3.45% 5	145
Website	9.40% 14	30.87% 46	36.24% 54	22.82% 34	0.67% 1	149
Publications	11.65% 17	43.15% 63	32.19% 47	2.74% 4	10.27% 15	146
Social media	5.52% 8	19.31% 28	18.62% 27	14.48% 21	42.07% 61	145
Collateral/ brochures	4.22% 6	20.42% 29	23.24% 33	4.23% 6	47.89% 68	142
Annual Report	7.54% 11	31.51% 46	34.93% 51	3.42% 5	22.60% 33	146
Personal dealings (phone, email, etc)	22.97% 34	37.16% 55	25.01% 38	4.05% 6	10.81% 16	149

STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2018 \$	2017 \$
Revenue			
Subscriptions revenue from members		828,720	780,184
Interest revenue		11,122	10,458
Other revenue	1	94,884	18,464
Total Revenue		934,726	809,106
Expenses			
<i>Costs related to providing goods or services</i>			
Professional practices committee		7,000	34,308
Professional practices investigations		95,784	22,504
Service level agreement with Property Institute New Zealand	5	738,696	721,392
<i>Other administration and overhead costs</i>			
Audit and accounting fees		8,461	8,161
Bank charges		-	50
General expenses		-	802
Insurance		4,059	4,106
Presidents honorarium		34,783	34,783
Legal fees		18,529	13,170
Total Expenses		907,312	839,276
Operating Surplus/(Deficit) for the period		27,414	(30,170)
Unrealised gain/(loss) on investment in associates		-	-
Surplus/(Deficit) for the period before tax		27,414	(30,170)
Income Tax		-	-
Surplus/(Deficit) for the period after tax		27,414	(30,170)

This Performance Report should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

	Notes	2018 \$	2017 \$
Assets			
Current Assets			
Bank and Cash		176,041	538,517
Investments		252,977	-
Debtors and Prepayments		43,893	76,525
GST receivable		24,108	40,643
Accrued interest		1,334	-
Total Current Assets		498,353	655,685
Non-Current Assets			
Investment in associate	2	-	-
Total Non-Current Assets		-	-
Total Assets		498,353	655,685
Current Liabilities			
Creditors and accruals		13,574	12,595
Amounts due to Property Institute New Zealand		13,029	183,191
Subscription revenue in advance		93,400	108,963
Total Current Liabilities		120,003	304,749
Total Liabilities		120,003	304,749
Net Assets		378,350	350,936
Accumulated Funds	3		
Accumulated surplus		378,350	350,936
Total Accumulated Funds		378,350	350,936

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Approval of Performance Report

The Council are pleased to present the approved performance report, including the historical financial statements of The New Zealand Institute of Valuers for the year ended 31 December 2018.

APPROVED

For and behalf of the Council



Roger Gordon

President

1 May 2019

STATEMENT OF CASH FLOWS

	2018 \$	2017 \$
Cash Flows from Operating Activities		
<i>Cash was received from:</i>		
Fees, subscriptions and other receipts from members	845,788	723,300
Interest, dividends and other investment receipts	11,122	10,458
Other Revenue	94,884	18,464
<i>Cash was applied to:</i>		
Payments to suppliers and employees	(\$41,783)	(69,090)
Costs related to providing goods or service	(\$891,343)	(1,055,831)
Other expenses	(\$126,832)	(48,795)
Net Cash Flows from Operating Activities	(\$108,164)	(421,494)
Cash Flows from Investing and Financing Activities		
<i>Cash was received from:</i>		
Disposal of investments	(\$254,311)	\$202,334
<i>Cash was applied to:</i>		
Net Cash Flows from Investing and Financing Activities	(254,311)	\$202,334
Net Increase / (Decrease) in Cash	(\$362,475)	(\$219,160)
Opening Cash	\$538,516	\$757,676
Closing Cash	\$176,041	\$538,516
This is represented by:		
Bank & Cash	\$176,041	\$538,516

STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The Institute has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit). All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the Institute will continue to operate as a going concern in the foreseeable future.

Revenue

Revenue is accounted for as follows:

Subscription revenue

Subscriptions received in exchange for monthly access to member's facilities are initially recorded as revenue in advance and recognised in revenue evenly over the membership period.

Where members purchase specific services (for example, attendance at the coaching and development course), revenue is initially recorded as revenue in advance, and then recognised proportionally on the basis of the value of each session relative to the total value of the purchased services.

Other fees and subscriptions are recorded as revenue when cash is received.

Interest revenue

Interest revenue is recognised on an accruals basis.

Other revenue

All other revenue is accounted for on an accruals basis and accounted for in accordance with the substance of the transaction.

Investment in Associate

The Institute's investment in its associates is accounted for using the equity method of accounting in the performance report.

Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost. The carrying amount of the

investment is adjusted to recognise post-acquisition changes in the Institute's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised.

The Institute's share of an associate's surplus or deficit is recognised in the statement of financial performance. The cumulative movements are adjusted against the carrying amount of the investment. Unrealised gains and losses resulting from transactions between the Institute and the associate are eliminated to the extent of the Institute's interest in the associate.

The share of surplus or deficit of associates is shown on the face of the statement of financial performance. This is the surplus attributable to equity holders of the associate and therefore is surplus after tax and minority interests in the controlled entities of the associates.

After application of the equity method, the Institute determines whether it is necessary to recognise an impairment loss on the Institute's investment in its associate. The Institute determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Institute calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the "share of surplus of an associate" in the statement of financial performance. Goodwill included in the carrying amount of the investment in associate is not tested for impairment separately; rather the entire carrying amount of the investment is tested as a single asset.

When the Institute's share of losses in an associate equal or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Institute does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The financial statements of the associate are prepared for the same reporting period as the Institute. When necessary, adjustments are made to bring the accounting policies in line with those of the Institute.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Income Tax

Taxation is provided on the income earned by the Institute on transactions outside of its membership – this Income tax is accounted for using the taxes payable method. The Institute is not liable for tax on its dealing with members.

Bank Accounts and Cash

Bank and Cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Goods and Services Tax (GST)

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Debtors

Debtors are carried at estimated realisable value after providing against debts where collection is doubtful.

Tier 2 PBE Accounting Standards Applied

In line with the requirements of PBE SFR-A (NFP) the Institute has accounted for its interest in associate in accordance with the requirements in PBE IPSAS 7 Investments in Associates.

Changes in Accounting Policies

There have been no changes in accounting policies during the annual reporting period (2017: Nil) other than noted above.

NOTES TO THE PERFORMANCE REPORT

Note 1 – Analysis of Revenue

	2018 \$	2017 \$
Other revenue		
VRB Recoveries	94,884	18,464
Total	94,884	18,464

Note 2 – Investment in Associate

The shareholding in Headway Systems Ltd is 267,647 shares, equity to 50% of the company shares. Headway Systems Ltd was fully impaired in the year ended 31 December 2014 as they incurred significant losses. The financial performance of Headway Systems Ltd for the years ending 31 December 2017 and 31 December 2018 has not indicated an impairment reversal is appropriate.

The associate had no contingent liabilities or capital commitments as at 31 December 2017 and 2018. The Institute has not provided any guarantees in relation to its interest in the associate (2017: Nil).

Note 3 – Accumulated Funds

	Accumulated Surpluses or Deficits \$
2018	
Opening Balance	350,936
Surplus/(Deficit)	27,414
Total	378,350
2017	
Opening Balance	381,106
Surplus/(Deficit)	(30,170)
Total	350,936

Note 4 – Commitments and contingencies

There are no capital commitments, contingent liabilities or guarantees as at balance date (2017: Nil)

NOTES TO THE PERFORMANCE REPORT (CONTINUED)

Note 5 – Related Party Transactions

Description of Related Party Relationship	Description of the Transaction (whether in cash or amount in kind)	Value of Transactions 2018 \$	Value of Transactions 2017 \$	Amount Outstanding 2018 \$	Amount Outstanding 2017 \$
Property Institute of New Zealand Inc.*	Service level agreement payment from the Institute to PINZ	738,696	721,392	10,695	106,665

*The Institute has a related party relationship with the Property Institute of New Zealand Inc. due to the two entities having largely the same management and some members of governance. Despite similarities in operations and governance The Property Institute of New Zealand Incorporated does not exercise control over The New Zealand Institute of Valuers and therefore does not consolidate their results in the performance report.

The Institute has a 50% interest in an associated company Headway Systems Ltd. Refer to note 2 for details of the investment in associate.

Note 6 – Events After the Reporting Date

There were no events that have occurred after the reporting date that would have a material impact on the Performance Report. (2017: Nil).

POSTSCRIPT

Shortly before going to press with this Annual Report, the PINZ Appointment Panel and the Board confirmed Viv Gurrey as the next PINZ Chief Executive.

Viv has a strong background in the corporate and NGO sectors which is underpinned with governance experience.

She is currently finishing a contract role as the CEO of Crohn's and Colitis New Zealand (CCNZ). CCNZ is a not-for-profit organisation and provides services across 14 regions with volunteer Support Councils.

- Viv was Chief Executive of Parents Centres NZ Inc (PCNZ) for a period of 15 years. PCNZ is New Zealand's largest parenting NGO (Non-Government Organisation) providing service to c. 20,000 families with 100 contract staff, a national support team of 11 and a volunteer workforce of c. 3,500 across 50 branches. PCNZ also publishes the Kiwiparent Magazine with readership of c. 300,000. The organisation is responsible for service delivery of the childbirth education and antenatal care.
- In the corporate sector Viv has led a number of tech-based organisations, including SAP (New Zealand) Limited as its Managing Director & CEO. In this role she had fiscal budget responsibility of c. \$100m for the region.

- Viv has been a Board member of the Pharmacy Council of New Zealand since 2012 and has been involved in various subcommittees including Finance & Audit Risk, Complaints Screening, Professional Standards and Professional Conduct.

The Board believe that Viv brings a strong governance, management and strategic skillset to the PINZ CEO role. Coupled with her experience in the corporate and NGO sector she will provide strong leadership for the delivery of services to PINZ members, Institute Councils, and Branches.

For the team at National Office Viv has shown that she has delivered to membership-based organisations by working closely with a small national office team and will also deliver on the PINZ Six Pillar Strategy.

Viv will be completing her contract role in the coming months after which she is having a family holiday in Europe. She will be commencing with the Institute on September 2.

LIFE MEMBERS

PINZ

E E Harris
R V Thompson
A J Robertson
P P Keane
A Beverley
L Freeman
J R Cameron

NZIV

M R Mander QSO
S L Speedy
R P Young
R L Jefferies
G J Horsley MNZM
M R Hanna
J P Larmer
M E L Gamby
N K Darroch
D J Armstrong
R Hargreaves
P J Mahoney
G P L Callaghan
K G Stevenson QSM
M Steur
K E Parker
E F Gordon





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