

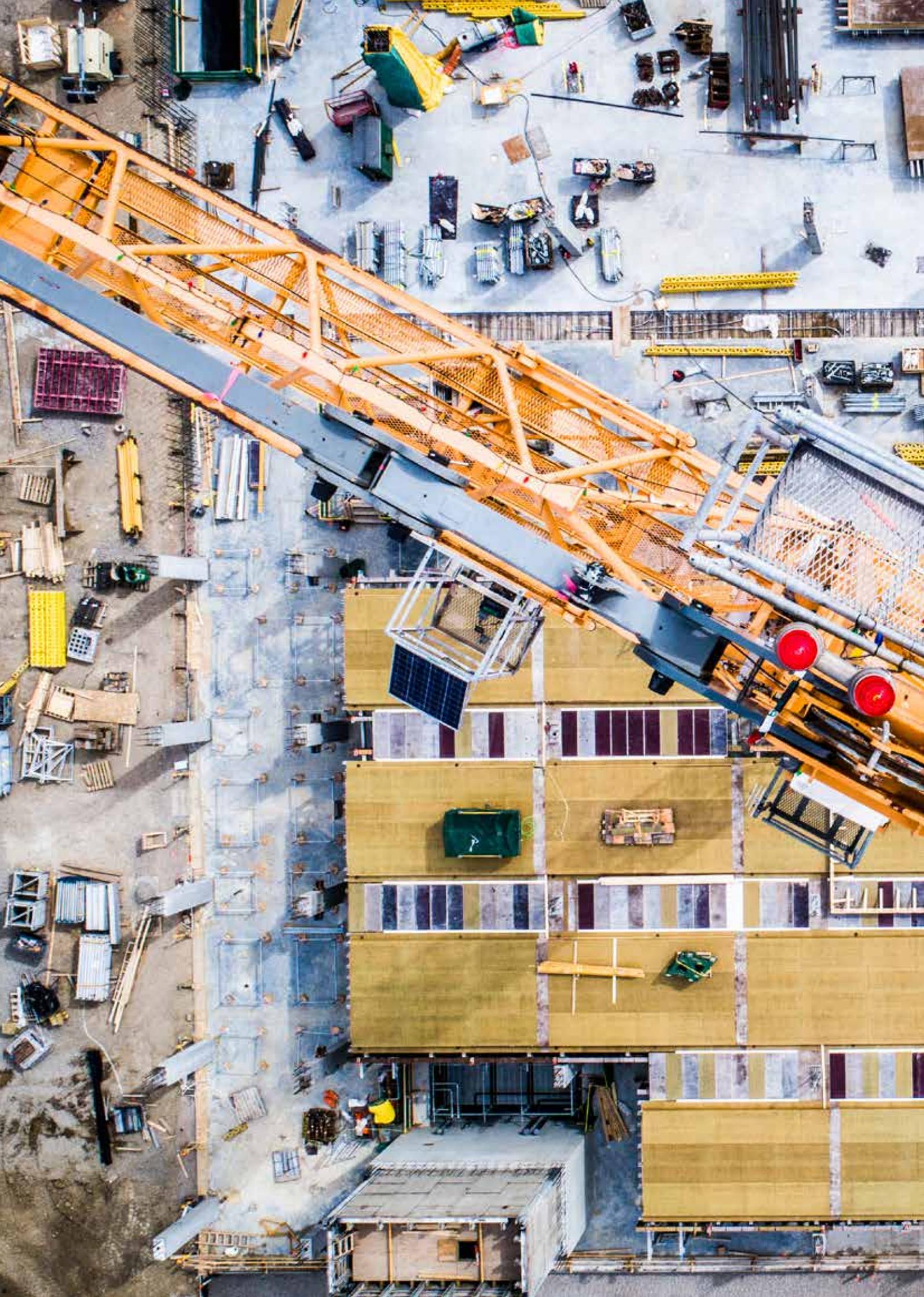
**NZBFD**

NEW ZEALAND BOARD FOR  
ENGINEERING DIPLOMAS

**2018**

**ANNUAL**

**REPORT**



# Contents

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# Chair's Report

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2018 began with the sudden and sad passing of one of our Board members, Stuart Allan in February. Stuart was Senior Lecturer – Electrical and Bachelor of Engineering Technology Programmes, School of Architecture, Building and Engineering, Otago Polytechnic. He was a provider representative on the Board and was an extremely active and conscientious Board member.

The Annual General Meeting elected Paul Hollings (Manukau Institute of Technology) to fill the position left by Stuart Allen's sad passing and Shelley Wilson (Wintec) was elected for an additional term. In addition to those elected at the AGM, Mike Grumball replaced Peter Benfell as the Connexis representative on the Board.

In 2017 the Board approved the establishment of the position of 'secretary' for each of the three Management Committees. The Board duly approved the following Management Committee secretaries during 2018: Debbie Hogan (Civil), Steve Tomsett (Mechanical) and Brent Phillips (Electrical/Electronics).

The annual NZDE/BEngTech Joint Tutor Forum was held at Weltec on 12/13 February. The Forum had the theme of 'Excellence in Teaching and Learning' with a particular focus on graduate profiles. It was attended by more than 100 people and the evaluation feedback showed that the event was a considerable success.

The Quality Assurance Committee had a particularly busy year in 2018. The committee provided guidance on the introduction of the Fire Engineering strand, undertook careful oversight of two accreditation applications, made significant progress on improving the external moderation system, addressed the issues facing the New Zealand



Diploma in Engineering Practice, oversaw the work undertaken to prepare for the Consistency Review and began work on proposed changes to the Mechanical specialisation.

The NZBED participated in two applications from providers for accreditation to deliver the NZDE. Such applications are made to NZQA and the role of NZBED is to assess whether to support such applications. Panels were established by the Board to evaluate the applications and in both cases the decisions were that NZBED could not support the applications.

During the course of the year work was undertaken to develop an additional strand to the NZDE, Fire Engineering. This initiative was led by the fire industry itself, in particular by Trent Fearnley of Fire Emergency. The

additional strand itself was approved by NZQA and the details of the strand were included in the amended National Curriculum Document (Version 3) in July.

The annual on-line student survey was conducted in September. There were 422 respondents. The 2018 survey contained the identical questions to the 2017 survey thereby enabling a valid comparison. The 2018 survey results were remarkably like the 2017 version with the exception of the question: *The assessments are clear and relate to the material being taught*. The ranking of this question moved from 8<sup>th</sup> in 2017 to first in 2018. This would indicate that efforts made during the year to improve the quality of assessment have been effective. It will be interesting to see if the quality of assessment continues to rank highly in 2019.

The New Zealand Qualifications Authority conducted a 'Consistency Review' of the NZDE in October. The purpose of the review was to determine the extent to which each provider of the NZDE provides evidence that its graduates have achieved the stated graduate profile. All providers of the NZDE were encouraged to participate in an exercise designed to prepare providers for the Consistency Review. This was overseen by the Quality Assurance Committee. At the time of writing (January 2019) no NZQA report on the exercise is yet available. The low numbers of NZDE graduates pursuing the New Zealand Diploma

in Engineering Practice (NZDEP) has been a cause of concern for the Board. Work was begun during the year to identify the cause of the problem and seek a solution. This work will continue during 2019.

The Quality Assurance Committee has been overseeing a review of the place of Mathematics in the NZDE. It is anticipated that a decision on this matter should be made during 2019. The purpose of the review is to consider the extent to which the Mathematics taught in the NZDE aligns with the Mathematics required of an engineering technician in the workplace.

The NZBED's revenue is driven almost entirely by the number of Equivalent Full Time Students (EFTS) enrolled in the NZDE. These numbers have been declining somewhat over the past few years and this has resulted in a drop in revenue for NZBED. On the positive side, the Board's Balance Sheet is very strong with cash reserves of more than one year's revenue. The Board has resolved not to increase the fees charged to providers and if necessary allow the cash reserves to decline over the next few years.



**Lisa Drysdale**  
BE (Hon), MSc (Hon), GIPENZ  
Chair

**The Unified Diploma (NZDE/NZDEP) qualification provides a structured pathway for engineering technicians to undertake rewarding careers in the manufacturing or infrastructure sector.**



# NZBED Qualifications

## NEW ZEALAND DIPLOMA IN ENGINEERING

The New Zealand Diploma in Engineering (NZDE) is an applied academic qualification that is offered through a number of accredited Tertiary Educational Organisations.

It is a two-year full time (240 credit) programme at Level 6 on the New Zealand Qualifications Framework. Students may major in Civil, Electrical, Electronic, Mechanical or Fire Engineering.

A standardised curriculum, national examinations and moderation processes provide the industry with confidence that the graduates have achieved a consistently high standard. Furthermore, the strong industry involvement in overseeing the qualification through the NZBED ensures NZDE will continue to be aligned with industry needs.

NZDE is available in five strands and a number of specialisations:

### Civil engineering

- Elective specialisations

### Electrical engineering

- Elective specialisations

### Electronic engineering

- Elective specialisations

### Mechanical engineering

- Elective specialisations

### Fire engineering

- Elective specialisations

## NEW ZEALAND DIPLOMA IN ENGINEERING PRACTICE

The New Zealand Diploma in Engineering Practice (NZDEP) is a work-based qualification aligned with a trainee's chosen major and the industry sector to which they belong. The NZDEP is assessed on the job through the relevant Industry Training Organisation.

The qualification tests the trainee's practical application of engineering knowledge and skill in a particular industry sector. It is benchmarked to the competence standard for independent practice for engineering technicians defined by Engineering New Zealand – the professional body for engineers in New Zealand.

The qualification and associated professional certification as Certified Technicians (CertEng) or Registered Engineering Associate (REA), provides technicians with professional credibility.

## CAREER PATH

The Unified Diploma (NZDE/NZDEP) qualification provides a structured pathway for engineering technicians to undertake rewarding careers in the manufacturing or infrastructure sector. Forecasts predict sustained demand for increasing numbers of skilled technicians in these areas, which are seen as central to New Zealand's future development and prosperity.

FULL-TIME STUDY OPTION



COMPANY CADETSHIP OPTION



# NZBED Goals and Objectives

During the course of 2018 the Board reviewed the Society's Goals and Performance Indicators. This process resulted in the development of a new value proposition.

The value proposition as approved, reads:

*The economic and social wellbeing of New Zealand is determined by a combination of numerous factors.*

*These factors include:*

- *Meeting New Zealand's social and economic needs across a wide spectrum including infrastructure, built environment, manufacturing and achieving sustainability.*

*Engineering, and especially achieving and supporting a world-class engineering profession are central to the development and maintenance of those factors.*

- *Developing and maintaining a world-class cohort of technician engineers are critical elements in a successful engineering profession.*
- *Developing and seeking to constantly improve the NZDE and NZDEP which are essential to maintaining a cohort of world-class engineering technicians.*

The following goals and objectives were approved by the Board:

## GOAL 1.

**Ensure the qualifications themselves continue to meet the needs of industry.**

Objectives:

- 1.1. Increase the participation rates in the NZDEP electrical and mechanical.
- 1.2. Achieve greater consistency of graduate outcomes by engaging industry players in the process of developing guidelines to achieve that end.
- 1.3. Ensure providers conform to Dublin accord requirements.

## GOAL 2.

**Achieve measurable improvements in the delivery of the NZDE and NZDEP qualifications.**

Objectives:

- 2.1 Improve the quality of graduates by working with moderation panels to develop methodologies to ensure recommendations from moderation panels are actioned.
- 2.2 Update the National Curriculum Document to Version 3 and submit it to NZQA for approval
- 2.3 Assist in building a culture of continuous improvement by undertaking accreditation site visits as required and providing meaningful feedback to the visited providers.
- 2.4 Identify opportunities to improve the quality of teaching and learning by working with industry players and providers in organising a teaching and learning forum for that specific purpose.
- 2.5 Develop a plan for ensuring that providers will share information between (a) providers, (b) tutors in the same discipline and (c) tutors in the same organisation.
- 2.6 Inform the search for continuous improvement by considering the results of a student survey which includes feedback on the quality of teaching.
- 2.7 Commission research to ensure that assessment of students appropriately ensures that all NZDE graduate profiles are met.
- 2.8 Take steps to assist Management Committees in their performance.

- 2.9 Organise and conduct training seminars for providers in preparation for the Consistency Review scheduled for October

- 2.10 Complete work on the development of a Fire Engineering strand, submit it to NZQA for approval

## GOAL 3.

**Support the NZBED and its committees by providing efficient secretarial support and seek to improve processes.**

Objectives:

- 3.1 Ensure all Board and Quality Assurance Committee (QAC) meetings are supported in a timely and efficient manner.
- 3.2 Work with Chairs of Management Committees (MCs) in developing work plans including budgetary considerations.
- 3.3 Monitor the performance of NZBED MCs and report regularly to the NZBED Board.
- 3.4 Update Operations Manual and get Board approval

## GOAL 4.

**Achieve a growing awareness of the value of the NZDE and NZDEP among all relevant stakeholders.**

Objectives:

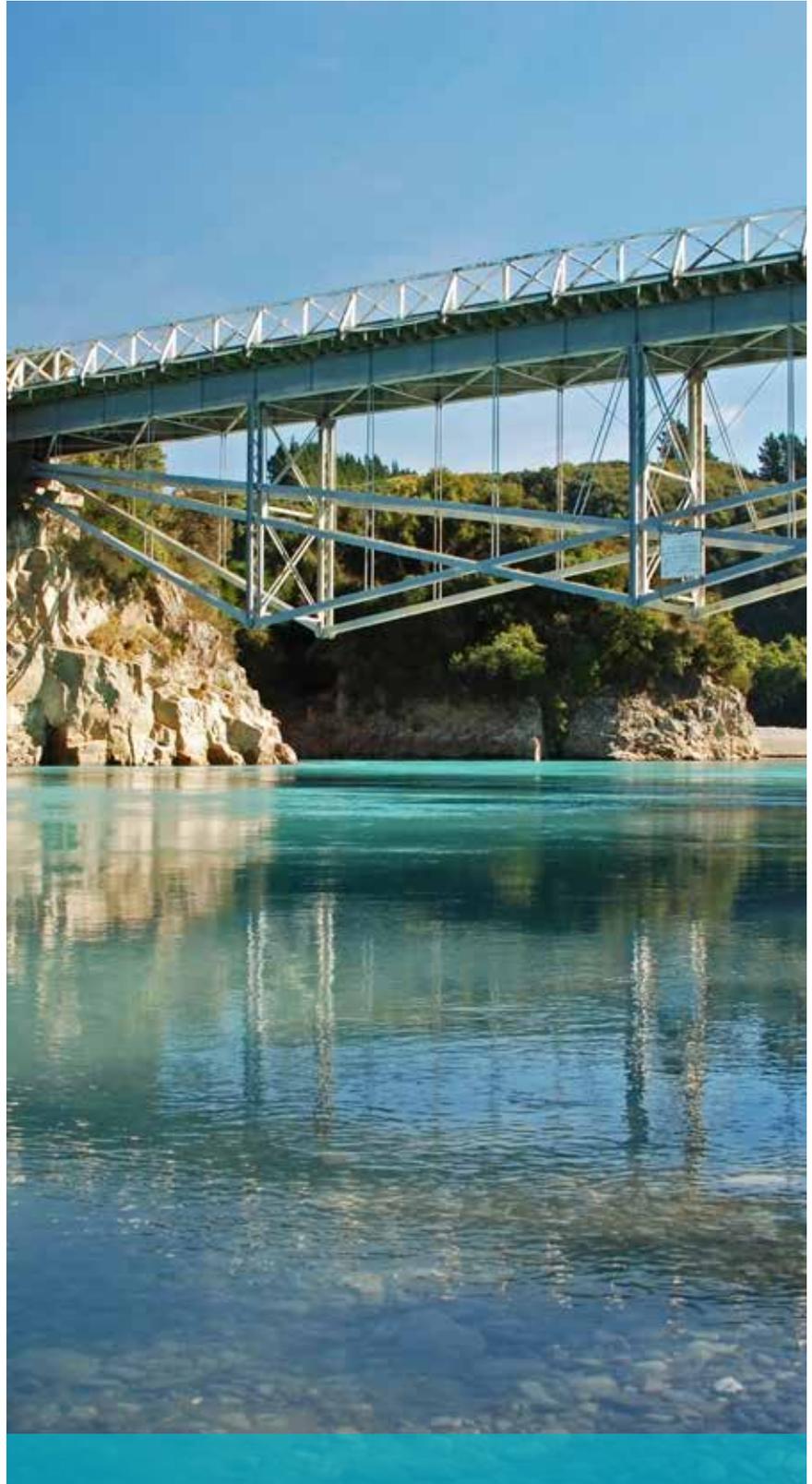
- 4.1 Ensure all relevant industry stakeholders are identified.
- 4.2 Raise the level of awareness of the value of the NZDE and the NZDEP qualifications by engaging identified stakeholders.
- 4.3 Achieve a higher positive profile for the 'unified diploma' by availing of all opportunities to promote its value.

## GOAL 5.

**Develop and maintain constructive relationships with key 'external' stakeholders.**

Objectives:

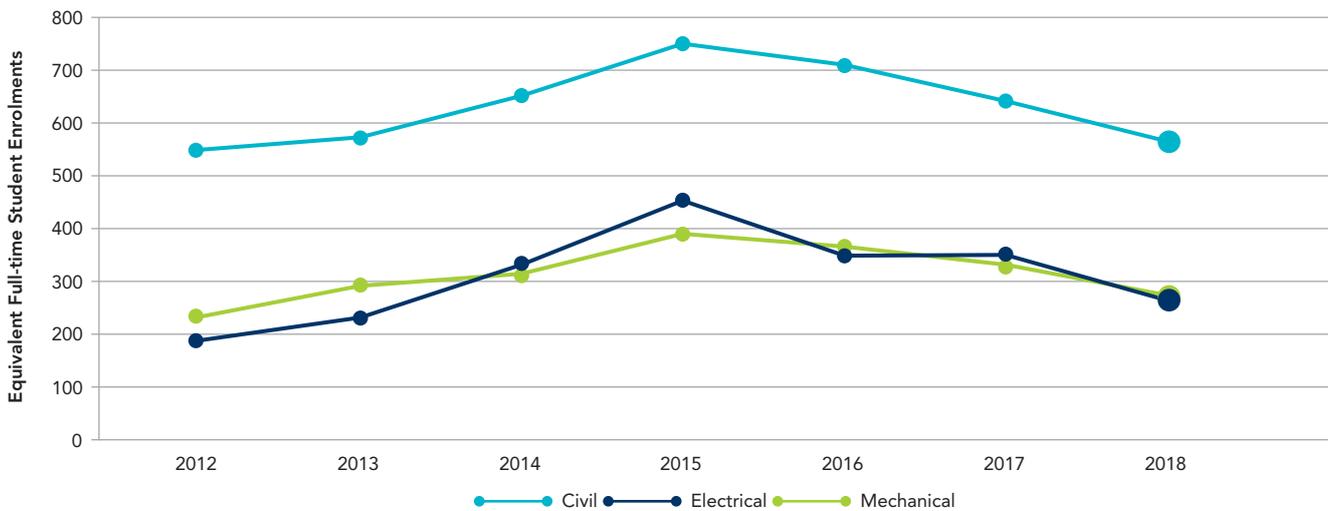
- 5.1 Identify ways to improve the delivery and promotion of the NZDE and NZDEP by engaging with TEC and the E2E Steering Group.
- 5.2 Maintain a constructive working relationship with NZQA.
- 5.3 Ensure key stakeholders (Board members, NZBED committee members, industry, Engineering New Zealand, NZQA, provider HoDs, tutors) have a sound understanding of NZBED and its work.



## 2018 NZBED STATISTICS

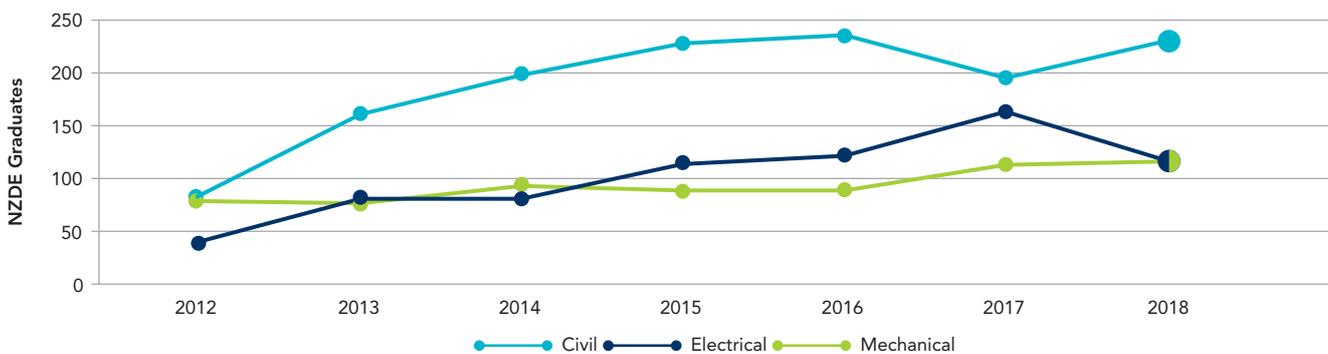
### Equivalent Full-time Student Enrolments

	2012	2013	2014	2015	2016	2017	2018
<b>Civil</b>	561	589	651	754	702	648	579
<b>Electrical</b>	190	223	327	461	356	356	284
<b>Mechanical</b>	239	297	303	390	374	344	285
<b>TOTAL</b>	990	1109	1281	1605	1432	1348	1149



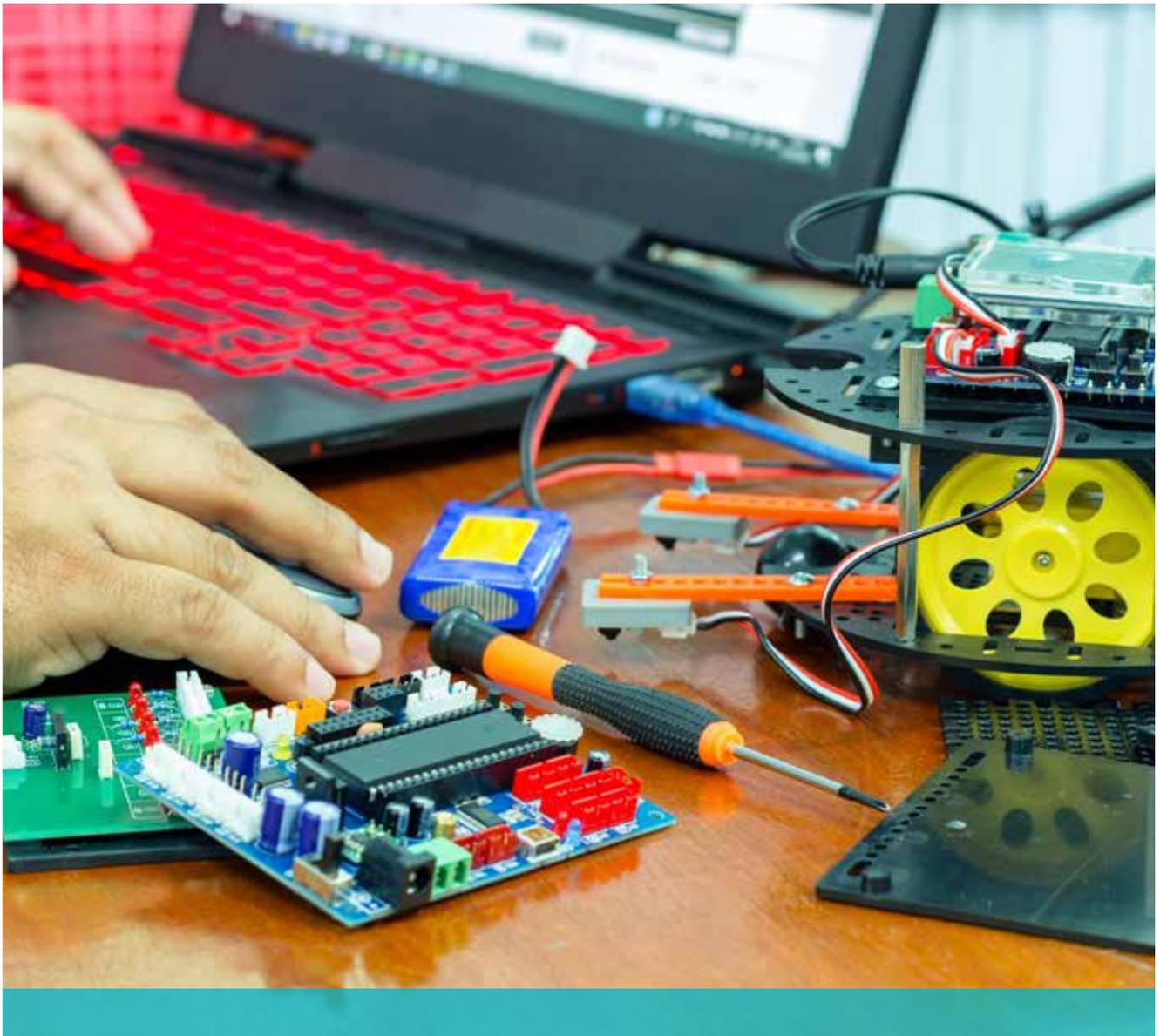
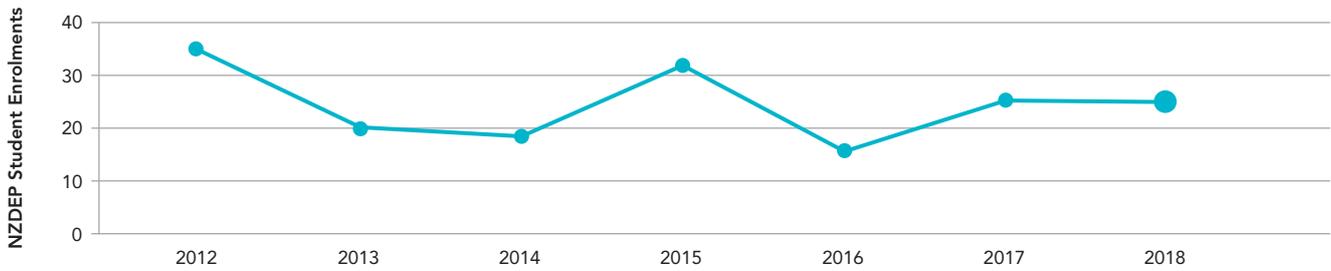
### NZDE Graduate Numbers

	2012	2013	2014	2015	2016	2017	2018
<b>Civil</b>	85	156	197	227	232	199	230
<b>Electrical</b>	45	57	57	110	116	160	116
<b>Mechanical</b>	76	72	90	85	85	107	116
<b>TOTAL</b>	206	285	344	422	433	466	462



## NZDEP Student Enrolments

	2012	2013	2014	2015	2016	2017	2018
	34	20	18	32	17	27	26



# Our People

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## 2018 BOARD MEMBERS

### Industry representatives

**Lisa Drysdale** (Chair) – Waikato Regional Council

**Bob Simpson**

**Michael Kerr** – Beca

### Provider representatives

**Robert Dantzer** – Ara

**Stuart Allan** – Otago Polytechnic  
January – February 2018

**Paul Hollings** – Manukau IT  
March – December 2018

**Shelley Wilson** – Wintec

### Industry Training

### Organisation representatives

**Samantha McNaughton** – Competenz

**Ashley Chisholm**, Connexis  
(February – June)

**Mike Grumball**, Connexis  
(June – December)

**Kharen Hope** – The Skills Organisation

### Co-opted Non-Voting

**Harry Leader** – Provider Quality Assurance Representative

**Bill Sole** – ITO Quality Assurance Representative

## 2018 QUALITY ASSURANCE COMMITTEE:

**Bill Sole** – Quality Assurance Chair – ITO & Board Member

**Michael Kerr** (March – August) - Board Representative Role

**Harry Leader** – ITP & Board Member Representative

**Aidan Bigham** – Provider Representative (Civil)

**Konstantin Shukhmin** – Provider Representative (Electrical)

**Steve Tomsett** – Provider Representative (Mechanical)

**Jim Doyle** – NZBED Executive Officer

## 2018 MANAGEMENT COMMITTEE CHAIRS:

**Jim Muir** Management Committee (Civil)

**David Maples** – Management Committee (Electrical)

**Stewart Gutsell** – Management Committee (Mechanical)

## EXECUTIVE OFFICER:

**Jim Doyle**

## CO-ORDINATOR:

**Kim Willis**

# Providers

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## NZDE PROVIDERS

ARA

[www.ara.ac.nz](http://www.ara.ac.nz)

ASPIRE2

[www.aspire2.co.nz](http://www.aspire2.co.nz)

MANUKAU INSTITUTE OF TECHNOLOGY  
(MANUKAU IT)

[www.manukau.ac.nz](http://www.manukau.ac.nz)

NELSON MARLBOROUGH INSTITUTE OF  
TECHNOLOGY (NMIT)

[www.nmit.ac.nz](http://www.nmit.ac.nz)

NEW ZEALAND INSTITUTE OF HIGHWAY  
TECHNOLOGY (NZIHT)

[www.nziht.co.nz](http://www.nziht.co.nz)

NORTHTEC

[www.northtec.ac.nz](http://www.northtec.ac.nz)

THE OPEN POLYTECHNIC OF NEW ZEALAND

[www.openpolytechnic.ac.nz](http://www.openpolytechnic.ac.nz)

OTAGO POLYTECHNIC

[www.op.ac.nz](http://www.op.ac.nz)

SOUTHERN INSTITUTE OF TECHNOLOGY (SIT)

[WWW.SIT.AC.NZ](http://WWW.SIT.AC.NZ)

TOI-OHOMAI

[www.toiohohamai.ac.nz](http://www.toiohohamai.ac.nz)

UNITEC INSTITUTE OF TECHNOLOGY (UNITEC)

[www.unitec.ac.nz](http://www.unitec.ac.nz)

UNIVERSAL COLLEGE OF LEARNING (UCOL)

[www.ucol.ac.nz](http://www.ucol.ac.nz)

WAIKATO INSTITUTE OF TECHNOLOGY (WINTEREC)

[www.wintec.ac.nz](http://www.wintec.ac.nz)

WELLINGTON INSTITUTE OF TECHNOLOGY  
(WELTEC)

[www.weltec.ac.nz](http://www.weltec.ac.nz)

WESTERN INSTITUTE OF TECHNOLOGY AT  
TARANAKI (WITT)

[www.witt.ac.nz](http://www.witt.ac.nz)

## ORGANISATIONS OFFERING THE NZDEP

COMPETENZ

[www.competenz.org.nz](http://www.competenz.org.nz)

CONNEXIS

[www.connexis.org.nz](http://www.connexis.org.nz)

THE SKILLS ORGANISATION

[www.skills.org.nz](http://www.skills.org.nz)

# Financial Statements

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## THE NEW ZEALAND BOARD FOR ENGINEERING DIPLOMAS INC PERFORMANCE REPORT 31 DECEMBER 2018

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#### FINANCIAL INFORMATION

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## DIRECTORY

<b>Chair</b>	Lisa Drysdale
<b>Board members</b>	Bob Simpson Michael Kerr Kharen Hope Bill Sole Mike Grumball Samantha McNaughton Shelley Wilson Rob Dantzer Harry Leder (non voting) Paul Hollings
<b>Secretariat</b>	The Institution of Professional Engineers New Zealand Inc.
<b>Auditors</b>	Grant Thornton New Zealand Audit Partnership
<b>Bankers</b>	Westpac
<b>Business Address</b>	P O Box 2193 Wellington New Zealand
<b>Incorporation Number</b>	2555859

## ENTITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2018

The New Zealand Board for Engineering Diplomas Inc. (the Society) was incorporated on 9th December 2011 and is registered under the Incorporated Societies Act 1908.

The Society operates with the objective of strategic oversight of the unified diploma system for the New Zealand Diploma in Engineering (NZDE) and the New Zealand Diploma in Engineering Practice (NZDEP). The Society oversees national processes of moderation and programme review to ensure qualification consistency and quality of graduates.

The Society governs and guides the unified diploma system with collaboration from representatives from industry training organisations (ITOs), tertiary providers and industry, to ensure engineering education for technicians at Level 6 meets the needs of industry, students and other tertiary providers offering higher level engineering qualifications and meets the ongoing approval and accreditation requirements of the New Zealand Qualifications Authority (NZQA).

The Society ensures that the NZDE conforms to the requirements established by the Institution of Professional Engineers New Zealand (IPENZ) to provide recognition of the qualification under the Dublin Accord and the NZDEP conforms to the IPENZ competence standard for independent practice as an engineering technician.

The financial year for the Board is 1 January to 31 December to coincide with the academic years for Industry Training Organisations and Providers (ITO and ITP).

The Board's main sources of income are provider and enrolment membership fees and ITO and ITP fees.

The Institution of Professional Engineers New Zealand Inc. (IPENZ) is the secretariat of the Board.

## STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2018

GOALS AND OBJECTIVES	ACTIONS AND OUTPUTS	DELIVERY/STATUS
<b>Ensure the qualifications of NZDE and NZDEP meet the needs of industry</b>		
Work with The BEngTech Management Group providers to explore pathway opportunities between NZDE and the BEngTech qualifications.	Engaged with The BEngTech Management Group.	Ongoing
Complete NZQA Consistency review requirements	Conduct a 'mock' consistency review for all providers.	Complete Consistency Review
Respond to Fire Engineering sector to introduce a Fire Engineering strand	Work with Fire sector, providers and NZQA to progress the matter.	Strand approved by NZQA.
<b>Achieve measurable improvements in the delivery of the NZDE and NZDEP qualifications</b>		
Build a culture of continuous improvement by undertaking accreditation site visits as required and providing feedback to providers.	Respond to application by convening panels. Ensure panels are briefed. Ensure panels visit providers and report on a timely basis. Ensure Quality Assurance Committee considers panels' recommendations.	All actions completed.
Update moderation procedures	Quality Assurance Committee considered changes	Changes approved by Quality Assurance Committee
Identify opportunities to improve the quality of teaching and learning by working with industry players and providers	Organised a teaching and learning forum. Student survey conducted.	Forum delivered on time with changes. Actual costs 10% over budget. Survey completed and results analysed.
Improve the quality of graduates by working with moderation panels to develop methodologies to ensure recommendations from moderation panels are actioned.	QAC to monitor and recommend actions.	Ongoing
<b>Promote a growing awareness of the value of NZDE and NZDEP qualifications</b>		
Develop terms of reference for an award for the best Engineering project (DE6102).	Award terms of reference considered by NZBED and Engineering New Zealand.	Terms of reference approved.
Update National Curriculum Document	Work with Board and Quality assurance Committee	Amended document approved by NZQA.
Update Operations Manual	Work with Board and Quality Assurance Committee	Amended manual approved by the Board.

## STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2017\*

GOALS AND OBJECTIVES	ACTIONS AND OUTPUTS	DELIVERY/STATUS
<b>Ensure the qualifications of NZDE and NZDEP meet the needs of industry</b>		
Work with The Metro Group providers to explore pathway opportunities between NZDE and the BEngTech qualifications.	Engaged with The Metro Group.	Engagement has been completed..
<b>Achieve measurable improvements in the delivery of the NZDE and NZDEP qualifications</b>		
Improve the quality of assessment by providing an assessment and moderation professional development package.	On-line package made available.	On-line package used.
Build a culture of continuous improvement by undertaking accreditation site visits as required and providing feedback to providers.	Respond to application by convening panels. Ensure panels are briefed. Ensure panels visit providers and report on a timely basis.	All actions completed.
Identify opportunities to improve the quality of teaching and learning by working with industry players and providers	Ensure Quality Assurance Committee considers panels' recommendations.	Forum delivered on time with changes. Actual costs 10% over budget.
Improve the quality of graduates by working with moderation panels to develop methodologies to ensure recommendations from moderation panels are actioned.	Organised a teaching and learning forum.	Survey completed and results analysed.
<b>Promote a growing awareness of the value of NZDE and NZDEP qualifications</b>		
Introduce an award for an outstanding young NZDE or NZDEP graduate.	Award terms of reference considered by NZBED and Engineering New Zealand.	Terms of reference approved.
Redesign the NZBED website.	New design approved by Board.	New website launched.
<b>Develop and maintain constructive relationships with key external stakeholders</b>		
Maintain a constructive working relationship with New Zealand Qualifications Authority (NZQA).	NZBED and NZQA each appointed a relationship manager.	Relationship managers met on four occasions.

\* Due to our goals and objectives changing each year, we are not able to provide directly comparative information. We have included our 2017 Statement of Service Performance to enhance our members' understanding of how we perform against our broad goals and objectives year on year.

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
<b>Income</b>			
Membership Fees		213,044	255,403
Examination & Moderation		25,200	–
Interest Income		6,623	6,747
Sundry Income		2,609	–
<b>Total Revenue</b>		<b>247,476</b>	<b>262,150</b>
<b>Expenditure Secretariat</b>			
Secretariat	4	110,000	110,000
Audit Fees		3,623	3,657
Administration Expenses		19,459	29,335
Travel & Meeting Expenses		21,163	49,457
Board Expenses		6,776	9,503
Assessment & Moderation		107,758	67,491
Project Expenses		936	10,237
<b>Total Expenditure</b>		<b>269,715</b>	<b>279,680</b>
<b>Deficit before Tax</b>		<b>(22,239)</b>	<b>(17,530)</b>
Income Tax	6	(1,482)	(1,515)
<b>Deficit after Tax</b>		<b>(23,721)</b>	<b>(19,045)</b>

The accompanying notes form part of and should be read in conjunction with these financial statements.

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current</b>			
Bank Accounts & Cash	7	154,134	180,843
Investments	8	206,945	203,428
Receivables and Prepayments		6,913	28,516
Interest Receivable		3,343	4,001
<b>Total Current Assets</b>		<b>371,335</b>	<b>416,788</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts Payable		7,348	30,562
Tax Payable		2,997	1,515
<b>Total Current Liabilities</b>		<b>10,345</b>	<b>32,077</b>
<b>NET ASSETS</b>		<b>360,990</b>	<b>384,711</b>
<b>Represented By:</b>			
Accumulated Funds		360,990	384,711
<b>TOTAL EQUITY</b>	9	<b>360,990</b>	<b>384,711</b>

For and on behalf of the Board



**Lisa Drysdale**  
Chair  
6 March 2019

*The accompanying notes form part of and should be read in conjunction with these financial statements.*

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

Notes	2018 \$	2017 \$
<b>Cash Flows from Operating Activities</b>		
<b>Cash was provided from:</b>		
Membership Fees	235,464	226,887
Interest	25,200	–
Interest	7,281	6,211
Sundry	2,609	–
	270,554	233,098
<b>Cash was disbursed to:</b>		
Service Delivery Payments	293,746	280,125
Income Tax	–	1,417
	293,746	281,542
<b>Net Cash Flow from Operating Activities</b>	<b>(23,192)</b>	<b>(48,444)</b>
<b>Cash Flows From Investing &amp; Financing Activities</b>		
<b>Cash was disbursed to:</b>		
Term Investment	(3,517)	(3,428)
<b>Net decrease in cash</b>	<b>(26,709)</b>	<b>(51,872)</b>
<b>Add opening cash brought forward</b>	<b>180,843</b>	<b>232,715</b>
<b>Closing Cash carried forward</b>	<b>154,134</b>	<b>180,843</b>
<b>Represented by:</b>		
<b>Bank Accounts &amp; Cash</b>	<b>154,134</b>	<b>180,843</b>

The accompanying notes form part of and should be read in conjunction with these financial statements.

## NOTES TO THE PERFORMANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

### 1. STATEMENT OF ACCOUNTING POLICIES

#### a. Basis of Preparation

The New Zealand Board for Engineering Diplomas Inc. 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 less than \$2,000,000 for the last two annual reporting periods.

All transactions are reported using the accrual basis of accounting.

The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

This performance report is presented in New Zealand dollars.

#### b. Revenue

Annual membership and enrolment fees are invoiced twice yearly: Once for projected Equivalent Full-Time Study (EFTS) students with the annual membership fee and a second invoice towards the end of the year to cover additional EFTS. Income is recognised at these points. Interest income is recognised on an accruals basis.

#### c. Goods & Services Tax (GST)

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

#### d. Income Tax

The Board is not liable for income tax relating to members' activities. Income tax is payable on non-members income after deduction of tax-deductible expenses. Any amount payable is provided for using the liabilities method.

#### e. Bank and Cash

Bank and Cash in the Statement of Cash Flows comprise cash balances and bank balances with original maturities of 90 days or less which is exposed to insignificant risks.

#### f. Debtors

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

#### g. Changes in Accounting Policies

There have been no changes in accounting policies during the annual reporting period.

### 2. CONTINGENT LIABILITIES

The New Zealand Board for Engineering Diplomas Inc. had no contingent liabilities as at the reporting date (2017 nil).

### 3. COMMITMENTS

The New Zealand Board for Engineering Diplomas Inc. had no commitments as at the reporting date (2017 nil).

#### 4. RELATED PARTY TRANSACTIONS

The Institution of Professional Engineers New Zealand Inc. (IPENZ) provides secretariat and accounting services to The New Zealand Board for Engineering Diplomas Inc. for an annual fee of

\$110,000 (2017: \$110,000). In addition, a further \$22,334 was paid to IPENZ as reimbursement for travel expenses (2017: \$55,845). There were no other related party transactions during the year ended 31 December 2018 (2017: nil). The IPENZ receivable was \$3,158 in 2018 (2017: nil).

Honoraria are also paid to consultants whom through their role offer advice to the Board. For the year ended 31 December 2018, their fee was \$15,370 (2017: \$18,148).

#### 5. SUBSEQUENT EVENTS

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

#### 6. INCOME TAX

	2018	2017
	\$	\$
Interest Income	6,623	6,747
Less Interest Collection Cost	(331)	(337)
Taxable Income	6,292	6,410
Less \$1,000 exemption (Sec DV 8)	(1,000)	(1,000)
Net Taxable Income	5,292	5,410
<b>Residual Income Tax</b>	<b>1,482</b>	<b>1,515</b>

#### 7. Bank Accounts & Cash

	2018	2017
	\$	\$
Westpac Cheque Account	154,134	180,843
	154,134	180,843

#### 8. Investments

	2018	2017
	\$	\$
Westpac Term Deposits	206,945	203,428
	206,945	203,428

#### 9. Total Equity

	2018	2017
	\$	\$
<b>ACCUMULATED FUNDS</b>		
<b>Opening Balance</b>	<b>384,711</b>	<b>403,756</b>
Net Surplus	(23,721)	(19,045)
<b>Closing Balance</b>	<b>360,990</b>	<b>384,711</b>

## Independent Auditor's Report

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### To the Members of The New Zealand Board for Engineering Diplomas Incorporated

#### Report on the Performance Report

##### Opinion

We have audited the performance report of The New Zealand Board for Engineering Diplomas Incorporated (the "Society") on pages 13 to 20, 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 New Zealand Board for Engineering Diplomas Incorporated 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 Society 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 Society.

### Responsibilities of the Board Members for the Performance Report

The Board Members are 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 Society 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 on New Zealand by the New Zealand Accounting Standards Board, and

- c for such internal control as the Board Members 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 Members are responsible on behalf of The New Zealand Board for Engineering Diplomas for assessing the Society'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 Members either intend to liquidate the Society 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 Society'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 Members and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society'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 Society 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 Members 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 Society's members, as a body. Our audit work has been undertaken so that we might state to the Society's 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 Society and the Society's 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**

**6 March 2019**

