

2023

The Property Institute of New Zealand: The voice of the industry

We represent property 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 keynote meetings, seminars, CPD opportunities, and our Annual Conference. 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 more than 2000 property professionals we represent.

SOME 2016 HIGHLIGHTS:

Over
3,400
tickets sold
to national
and
regional
events

\$546,585
revenue
generated
from
Property
Institute
events

A crowd of
327
at the 2016
Annual
Conference



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President's Report



Greg Ball

FPINZ, Registered Property Consultant and Property Manager, CMInstD.

Greg has been President of the Property Institute Board since June 2015. He is Executive Director of The Property Group Limited (TPG), a company he founded in 1999. TPG is New Zealand's largest specialist property consultancy delivering technical expertise in a range of property services to corporate, government and private property owners.

The Institute is now a powerful voice for the wider property profession.

The 2016 year was a significant year for the New Zealand property market. Prices continued to surge in main cities and also into many of the provinces.

The political and public debate about the first home buyer struggle only excelled as the Kaikoura earthquake put increasing pressure on insurance companies, and the Reserve Bank continued to put in place LVR restrictions. Throughout this the Property Institute, under Chief Executive Ashley Church's leadership, became a strong and prominent voice for the industry. The Board and I are immensely proud of the direction the Institute has moved to under his stewardship, the stamina and passion he has thrown into driving the development of the Institute, and his firm sense of direction that has lead the National Office to grow and improve the services and events they provide members. The Institute is now a powerful voice for the wider property profession, and our profile is

now more strongly recognised by the general public and media. Ashley and his team at National Office have once again delivered for our members.

When I first became President of this organisation I wanted to see all our members represented and valued. I believe we have achieved this. Our four communities (property valuers, property advisors, property managers and infrastructure and machinery) are more autonomous and are driving their own destinies. Our communities are now working alongside each other collaboratively under the Property Institute umbrella – this will only make us stronger as an Institute.

A change I can particularly delight in has been the development of our membership base. I would not be



alone in feeling that the Institute has succeeded in working more closely with other property professionals and organisations to ensure we are aligned in our outcomes. At the same time, we have also continued to improve the membership advancement process, making it simpler and more straightforward for members to navigate. This challenge was identified last year and I am pleased that we are working to see these changes through to fruition.

I have been delighted to have had the opportunity over these past two years to be the President of such a highly-regarded Institute. I am pleased to see out my term with the Institute in such a

strong financial position, with our final year end outcome greatly exceeding budget expectations. The Institute is well placed going forward to continue to be a strong voice for the property industry and to provide leadership for a wide range of property professionals. It has been a pleasure to work with the Board, the four communities, and represent the many members who belong to our organisation. The Institute would be nothing without its members – who are an increasingly diverse bunch in both age and their place within the property industry. I feel confident that the future will only see further gains and successes for your Institute.

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Chief Executive's Report



Ashley Church

*Chief Executive
Property Institute of New Zealand*

Ashley has been the Chief Executive of the Property Institute since the start of 2015. A self-described change manager, Ashley has put in place significant changes and a bold new direction since joining the Institute.

The number of students taking Property degrees at Lincoln alone has doubled, and the Institute is being credited with helping to achieve that.

2016 was a year of significant reform and change within our organisation and we came through it in good shape. The proof is in the delivery and we delivered a lot.

Nearly 3,500 tickets were sold to national and regional events, more than 1,500 people attended our regional branch events, and more than 100 events were organised throughout New Zealand. These are solid results, but we're more ambitious for the years ahead.

In the two years since I became Chief Executive I have made it my priority to deliver on the strategic plan and goals that we set ourselves in 2015. There were five, including a goal to expand the range of activities and services provided to members, expansion of the membership of the Institute to incorporate other property professions, and reform of the revenue structure.

We have already gone a long way down the track to achieving these and the other basic measures that we set and there has been ongoing and strong support for them, as measured in our annual satisfaction surveys. Most importantly, we are now building from a solid platform and our relevance and credibility has grown. But our focus as an Institute needs to continue to be forward looking, and we are now well placed to start leveraging off what we've achieved. We're already seeing good progress on this front.

This year, we have launched a new website, hosted a Ministerial pre-Budget announcement, approached and signed new sponsors, and made a great impression at five of the main careers expos up and down the country. The number of students taking Property degrees at Lincoln alone has doubled, and the Institute is being credited with helping to achieve that.



These are but a few of our successes and there is more in the pipeline as 2017 unfolds. We have more, higher quality CPD planned, new models for delivery such as better use of technology, and a revamped series of social events called Property Networks that are being targeted beyond the main centres into the regions. We have restructured the way we charge for CPD, and we are being taken far more seriously as a key voice for the wider industry, with regular polling, ongoing research and data collection – the list goes on.

Internally, the Institute staffing structure has been significantly reworked with a series of appointments, including some new roles that are allowing us to further improve the service and value we offer to members, and which position us to deliver on our other main strategic goal of expanding our membership base. This includes collaborating with other industry-related bodies like the Royal Institute of Chartered Surveyors (RICS), the Property Council, and others.

We've significantly upped our game in the way we interact with Government on legislation and other relevant matters,

and we have finally applied for an exemption to the Real Estate Agents Act for PINZ members who may be inadvertently and wrongly caught by that piece of law.

Finally, as we reset our sights for the next year and beyond, I want to thank the Board, all the professional communities, all those giving up their time to faithfully serve on our Branches, and the broader membership for your support during what has been a period of significant reform and change within our organisation.

In particular, I would like to acknowledge the enormous contribution made by outgoing PINZ Chair, Greg Ball. Greg has been a strong and inspirational Chairman of the Board – and an invaluable confidante and mentor to me. His unwavering support and wise counsel have formed the basis of our achievements over the past couple of years and I am extremely grateful to him.

I expect even more exciting developments within our organisation in 2017, and I look forward to reporting on those successes in our next annual report.

Ready, set, go.

Back in March 2015 – in the face of legislative uncertainty and growing member discontent – the Property Institute implemented a 5 Step strategic plan. The objectives of the plan were simple:

1.

To improve operational performance

2.

To expand the range of activities and services provided to members

3.

To expand the membership of the Institute to incorporate other property professions.

4.

To change the structure of the Institute to empower existing professional communities and to enable growth and a greater focus on members

5.

To reform the Revenue model of the Institute.

Since that time, the Institute has been systematically working toward those targets and 2016 was a watershed year in terms of clearing the last remaining hurdles that will allow the organisation to move into the next phase of that ambitious agenda – which is expand and broaden the PINZ membership.

A Working Party established to guide the process of organisational change, in 2015, completed its work last year and concluded that significant rule changes were not required for PINZ to move ahead and broaden its membership base to include other property professions.

Over that same period – our existing professional communities have been given more autonomy and have benefited from a range of specific events that are targeted at their members,

and through the introduction of regular Keynote Meetings in Auckland and Wellington (since renamed Property Networks). These are designed to reach out to other property professionals who may not have previously considered involvement with PINZ and this year those events are being rolled out to regional centres giving branches an opportunity to broaden their local professional networks.

The price of Continuing Professional Development has also been reduced and in 2017 there will be a significant drive to improve the quality and variety of that CPD by encouraging even more member input.

A particularly successful aspect of our changes has been the dramatic improvement in the way in which we communicate – both to members

through a regular newsletter, much-improved event promotions, a big increase in face-to-face activity at Branch level, and the introduction of the very popular New Zealand Property Professional Magazine – and also through a huge lift in our profile as a result of greater media engagement and sustained opinion leadership.

The response to these changes from members has been very positive.

While the threat of deregulation of the Valuer profession through legislation has receded, it remains a very real possibility at some point in the next couple of years. And although the law remains in place, the threat of change has provided a useful catalyst for the Institute to future-proof its operations to become a more modern, diverse, and flexible membership organisation.

Next steps

PINZ is not standing still. As previously mentioned 2017 is all about members and membership.

In 2017 the Institute is progressively introducing a number of initiatives with the intention of further expanding the range of services on offer.

1. The Property Industry Quality Assurance (PIQA) programme is being rolled out to new members, having been given very positive reviews by those who were part of the previous Quality Assurance Accreditation Scheme (QAAS). PIQA is substantially different and has taken on board significant feedback from members of QAAS. So far, PIQA has been offered to those who were part of QAAS and will shortly be available to new members. A free self-assessment module will also be offered to individuals.
2. PINZ is in the final stages of negotiating a new health benefits portal that will be made available to members. This will feature discounts and vouchers for certain goods and services (like optometrists) and will have nationwide reach. Being a member of PINZ will automatically qualify you to take advantage of this initiative.
3. A new member website will be introduced shortly. We've changed the address to www.PropertyInstitute.nz, and we have a new service provider, one that our sister organisation across the Tasman, the Australian Property Institute (API), also uses. Members will notice more personalised communications and a range of new functions that our previous system could not match. The new providers are also more timely and responsive to requests for service.
4. During May, the Property Institute attended most of the major careers expos throughout the country. There is a growing global demand for property professionals and here in New Zealand too few students are signing up for tertiary study in this field. There is a strong push by the Institute to tackle this looming industry shortage, including the creation of a new non-aligned membership class, that aims to capture potential property professionals earlier, and include them in networking, regular communications, and other Institute events.
5. Technology is an increasingly important part of PINZ operations, and this year the Institute is introducing some new online resources, that will target the public and the wider property industry.
6. Growing revenue & expanding services, without raising fees. This year the Institute's been getting more proactive in approaching and signing company and corporate sponsors. Every dollar raised in this way, is one less dollar PINZ has to raise through subscriptions. As members will note at our annual conference, there are a number of first-timers who are taking advantage of the promotional opportunity, while more of our events are attracting strong support from companies that are keen to be involved as 'Key Partners'.

Summary

The Property Institute has undergone significant reform in the past two years.

Much of that restructuring has occurred in the 'back office' and may have gone unnoticed by members as the Institute has worked very hard to achieve a smooth transition at the same time as maintaining and improving services to members.

But, now most of the 'nuts and bolts' processes are in place, the Institute is very much in the implementation phase, and building on the strong foundations that have been laid since that strategy document was first floated in March 2015.

PINZ has an enthusiastic, and dedicated team that is focused on improving and delivering member services in an increasingly diverse and engaging variety of ways.

Members can be assured the Institute will continue to build on the momentum it has achieved in the past couple of years.

Media, Advocacy, and Research


Securing the Institute as a reliable voice of New Zealand's property industry

Building upon the success of the 2015 year, 2016 saw the Property Institute secure its position as a reliable and strong commentator in the media. Chief Executive Ashley Church has continued to be a go-to commentator for major media outlets in New Zealand, with further growth over television, radio and print media. The Institute's deliberate strategy to provide a timely and independent viewpoint for the property industry has reinforced the public perception of the Institute. In the past year the Property Institute has grown from being seen by the media and public as a relevant voice for industry specific stories, to one whose opinion drives media stories. The Institute is now a relevant and respected voice for a wide range of New Zealand property matters.

The Institute continues to release regular Media Statements on topical and ongoing issues, and ensures it is quick to wade into debate on proposed measures put forward by Government, the Reserve Bank and Councils. In particular, the Institute has continued to address Auckland housing supply issues, local council policies, Reserve Bank decisions and its ability to influence housing policy – predominantly the LVR restrictions for first home buyers. However, the 2016 year has also seen the Institute seek to proactively address such issues preemptively, such as providing a 'four-point plan' to address Auckland's housing problems, as well as a focus on developing the Institute's ability to provide new and empirical information on the property sector. This has allowed the Institute to provide commentary that drives media stories and public debate, as well as being a reactive voice to topical issues in the property industry.

Yearly predictions

The Institute's reputation has also been proven through the respect given to its yearly predictions. Past years have proven that predictions made by the Institute, under guidance from the Chief Executive, often come to fruition over the course of the year. Confidence in the predictions meant that the Property Institute's 2017 list of seven housing predictions were picked up widely by New Zealand and Australian media outlets. Key among the seven predictions were house price inflation (predicted to fall away from the highs of the last few years), rising interest rates, and continued strong growth – particularly in Auckland – with these predictions often being made before gaining wider currency through other Commentators.

A photograph of a man in a suit and glasses speaking at a dark wooden podium. A gooseneck microphone is positioned in front of him. The background is a light blue wall with a subtle geometric pattern.

In the past year the Property Institute has grown from being seen by the media and public as a relevant voice for industry specific stories, to one whose opinion drives media stories.



Roger Gordon, President of the Valuers Council, addressing the 2016 conference

The Institute's quarterly magazine has had a significant revamp. Some stories and research published by the magazine have been regurgitated in mainstream media, and reprinted on property specific websites like PropertyClick.

Regular polling

In late 2016 the Institute commissioned research with Curia polling to run an ongoing survey every two months with the aim of measuring public perceptions around housing. The survey also looks at the perceived impact on house prices of five factors: foreign investors, local investors, immigrants, central and local government and banks. The results of the first poll, released in December 2016, received wide pick up from media outlets. Notable findings included the belief by 56% of those surveyed that a property crash is not likely in the near future and that house prices would continue to rise, the slowdown in the Auckland market is due to the Reserve Banks LVR restrictions (rather than a drop in buyer confidence), and an unexpectedly broad view that foreign investors are the largest influence on New Zealand house prices. The Institute's second poll of public perceptions, conducted in February, shows a softening of house price expectations by the public.

A reputable magazine

Over the past year the Institute's quarterly magazine has had a significant revamp in both look and content. Some stories and research published by the magazine have been regurgitated in mainstream media, and reprinted on property specific websites like PropertyClick. The Institute has also focused strongly on building relationships with local government and political figures, leading to more current content specific to the industry at the time of publication.

Continuing to work for REAA exemption for property professionals

After many hours, legal advice and discussion with stakeholders, the Institute team and our legal partners have finally submitted a formal application to the Ministry of Justice seeking an exemption from the Real Estate Agents Act of 2008 (REAA). The application made applies to PINZ registered property managers, advisors, and consultants, as we concluded the Valuers were already exempt from the REAA providing they were acting only in their capacity as a Valuer. What PINZ wanted to do is provide a safety net for those who occasionally acted as a property advisor or consultant. This is unlikely to be a quick process, but now there is an exemption precedent, we remain hopeful of a good outcome.

Standout Year for Property Events

**OVER
3,400**
tickets sold to
national and
regional events

1556
people attended
events organized
by our regional
branches

\$546,585
GROSS REVENUE
generated from
PINZ events

**OVER
100**
EVENTS
throughout
New Zealand

The 2016 year saw a fifty percent increase in tickets sold to regional events compared to the 2015 year.

A word from National Operations Manager Jenny Houdalakis

National events

Year on year the Property Institute has increased the number and scope of events on offer for our members. Over the past year we have run nine webinars, nine Master Series events, and 14 Keynote meetings (now known as 'Property Networks') which were attended by 1,354 members. Our Master Series seminars were newly introduced in 2016 and have proven a resounding success across the country. 'The Science of Subdivision' in particular pulled a sell-out crowd at all four regional events. The year also saw us better aligning our CPD topics with member needs, with our online webinars gaining a significant growth in attendance.

The Property Institute's 2016 Annual Conference was held in Auckland over two days in June, and attracted more than 350 property professionals from throughout the country. The theme of 'Riding the wave' fitted perfectly with the sense of optimism among delegates about demand for their services. The conference was an opportunity for many different property professionals to get together and exchange notes, as well as hearing from some of our industry's opinion shapers and leaders – covering everything from leaky homes, house prices, the economy, infrastructure, and population changes. We were ecstatic with the interest shown at the 'Property Awards' ceremony at the conference – with seven categories highly contested. The Young Property Professional of the Year award, in particular, was a resounding success in terms of the diversity of applicants with the impressive Natasha Sarkar taking out the prize.



Regional branches

Events run by our local branches have accelerated significantly over the past year, with a fifty percent increase in tickets sold to regional events compared to the 2015 year. This success is primarily due to the incredible work carried out by the branch chairs and committees of the 17 regional branches throughout New Zealand.

As well as social events and networking opportunities, our regional branches have grown their CPD and educational events over the past year, with a greater number of guest speakers covering region specific issues. While Auckland remains our busiest branch, the large number of small but active branches throughout the country continue to be a driver of our success. Most branches hold events at least bi-monthly for their members. These events are in addition to those run by the national office in Wellington, which numbered 23 for the 2016-2017 year.



Board Members 2016/2017



Greg Ball
President



Ashley Church
PINZ Chief
Executive



Mike Morales
Chair of the
Infrastructure,
Plant and
Machinery Valuers
Council



Peter Bollmann
Chair of the
Property Advisory
Council



Patrick O'Reilly
Chair of the
Property and
Facilities
Management
Council



Katie Beveridge
formerly Grindley
– Northern Region
Representative



Roger Gordon
President of the
Valuers Council



Phillip Merfield
Independent
Director



Susie Penrose
Young Leader



**Luke
Van Den Broek**
Southern Region
Representative



Gary Garner
Southern Region
Representative,
resigned June 2016



Peter Loveridge
previous President
of the Valuers
Council, resigned
June 2016



Blue Hancock
previous Board
President
2015/2016



Paul Mautz
previous Chair
of the Property
Advisory Council,
resigned May 2016



Ben Gill
previous Chair
of the Property
Advisory Council
from May 2016 –
March 2017.

National Office Staff 2017



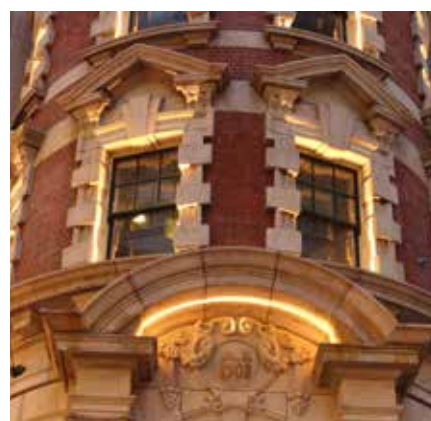
Ashley Church,
Chief Executive



Allan Smees
Research and
Information
Manager



Emma Findlay
Client Services
Manager



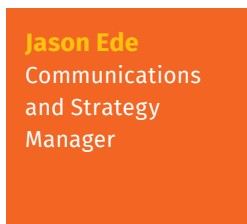
Jenny Houdalakis
National
Operations
Manager



Carlos Castro
Financial
Controller



**Rebecca
van Etten**
Key Relationship
Manager



Jason Ede
Communications
and Strategy
Manager

Chair of the Valuers Council



Roger Gordon

Roger became Chair of the Valuers Council in 2016. He has spent most of the past ten years working in the Waikato region, where he is the Director of TelferYoung Waikato.

It's in the interest of every member that we do not undervalue the role our profession plays in the transparency and health of the wider property market.

Roger became Chair of the Valuers Council in June 2016, and has been a member of the Property Institute since 1986.

Roger has spent most of the past twenty years working in the Waikato region, where he is the Director of TelferYoung Waikato.

The Valuers Council has completed and endorsed a strategic plan. The stated vision is "to advance the valuation professional through representation, education, standards, and ethics". This document identifies and outlines principles, priority areas and programs for the NZIV going forward and I recommend that members take a look at it and provide feedback. Standards and Ethics Roadshows in 2016 were an important area of focus, and these will be available at future AGM's to provide a greater opportunity for members to attend.

In April Council meet with all the branch chairperson and created an "education steering forum" to connect the membership with the education program. In addition to suggesting relevant topics the group will provide the speakers with a briefing of what the issues are that need to be covered. The purposes are two-fold, to provide the members with a direct link to the program through the branch network, and to improve the quality of education.

During 2015/16 there was a significant focus on the proposed new Valuers Act, the Council in 2016 adopted the view of "getting on with business" even with the threat of a new Valuers Act hanging over us. It is our understanding that this process is currently on the back burner as the review of other legislation takes priority. However, the review of the Act remains on the radar and it is still our understanding that LINZ intends to progress the review of the Act in the future. The Council has also supported submissions on the Fire and Emergency Bill, Units Titles Act review, Land Transfer Bill, and has met with the Minister, Hon. Mark Mitchell.

In terms of the progress on the Valuers Education Integrity Foundation, which is separate to the NZIV Council, it is our understanding that the Foundation

Committee is currently working through its terms and the tests that applicants will be judged with regard to grants. The NZIV accounts show that the transfer of our \$400,000 contribution was not requested in the 2016 financial year.

There is an important role of your NZIV area representative in providing your voice for our profession. These are, from the Northern Region, Nigel Kenny (Whangarei), Jason Williams (Auckland) and Jeff Alexander (Hamilton). Our Central Region representatives are Boyd Gross (Hawkes Bay) Tim Truebridge (Wellington) and Peter Loveridge from the Manawatu and, in the South Island your representatives are Blue Hancock (Nelson/Marlborough), John Tappendon (Canterbury) and Adam Binns (Otago). Ms. Kelly Beckett is our young person's representative from the Auckland Region. We welcome your comments and feedback so Council can have an appreciation of viewpoints on the various issues.

Change within our profession will occur, and probably at an increasing rate in the future, it is in the interest of every member that we do not undervalue the role our profession plays in the transparency and health of the wider property market. The vast majority of members are very positive about our profession and the variety of people and the diversity of properties they come into contact with, and realise that this is a very rewarding profession in many ways. Not all share or reflect this viewpoint, and this is a challenge for the profession going forward.

In closing, we are a volunteer-based professional organisation and we all need to give thanks to those contributing their time in all the functions on behalf of our profession, in many cases there is a significant time commitment. I would like to thank all these members for their input on the committee's and in the branches organising events and bringing members together.

Chair of the Property & Facilities Management Council



Patrick O'Reilly

Patrick is a career investment manager that has specialized in commercial investment property for over 25 years. In his various roles he has overseen the management of circa \$3b of property assets throughout New Zealand. In 2014 he was recognized by the property industry by being awarded a Fellowship in the Property Institute of New Zealand.

...the biggest impact of the last year has been the introduction of the Health & Safety at Work Act 2015.

For our community members new and updated legislation has been a feature and focus for the last year.

Seismic remains an area where structural engineers are again reviewing assumptions on building performance and this has impact the Wellington commercial market in particular. The requirement to identify asbestos at properties and to hold a register is another piece of work our members will be currently addressing.

Notwithstanding the strong market conditions making Property and Facilities Managers busy, the biggest impact of the last year has been the introduction of the Health & Safety at Work Act 2015. This has created a new body of work as members look to review and tighten systems and procedures in relation to health and safety at sites. The legislation is about keeping people safe and we need to positively embrace the goals of the Act. For our industry it highlights and recognises the need for property professionals to be managing commercial property.

The situation where our members are involved with "transactions" under the Real Estate Agents Act has been a work stream for PINZ for a number of years. I am pleased to say that we are now very close to obtaining some clarity, and hopefully a solution, for this situation.

Under the leadership of Ashley Church the Institute has increased its focus on providing services to its members. The number and variety of seminars and events has been a great achievement of the National office, who have worked alongside the community councils and branches. The visibility of the Institute has also been increased by the Chief Executive proactively making press releases on property issues. For our Community there has been a broader range of activities such as the Key Note Speaker series supplementing more specific seminars and webinars of interest. Using the likes of the membership surveys, events have been facilitated on the basis of the areas of interest identified by the members.

A special recognition to the Property and Facilities Management Council for their contribution. The council members being; Saatyesh Bhana, Helen Brumby, Ian Campbell, Joanne McCracken, Nicole Owen, Phil Porteous and Glenda Whitehead.

Finally, I would like to acknowledge the staff at the National office. Under the leadership of Ashley they have stepped up and refocused on providing support to the members. Their contribution is appreciated.



Chair of the Infrastructure, Plant and Machinery Council



Mike Morales

Mike has been the Chair of the Infrastructure, Plant and Machinery Council since 2015. He has been employed in Heavy Mechanical Engineering for 18 years, and has worked in Plant & Machinery Valuations for 20 years. He is currently the National Director Plant & Machinery Valuations at Knight Frank.

It has been great to see the continued enthusiasm and interest from our members about the Institute and the events on offer.

The changes within the Property Institute over my term as Chair of the Infrastructure, Plant, and Machinery (IPM) Council have been immense.

I would like to extend a special thanks to Jenny Houdalakis and her team at National office for their efforts in organising and running yet another successful conference. Over the year it has been great to see the continued enthusiasm and interest from our members about the Institute and the events on offer. Members will be pleased to see that the coming year should see more Plant and Machinery specific CPD events being offered and more new members entering the IPM profession. The 2016 IPM conference was held in Auckland during November and attracted a record number of attendants. We would like to extend special thanks to Ian Walker and Harry Maidment for their informative presentations about the respective specialist fields of marine and aviation valuation.

The 2016 year saw some new faces join the institute and I was pleased to welcome Simon Taylor, James Nicholls and Peter Goodwin as affiliate members, Max King, Evan Broadwell and Murray Rendle as members (MPINZ) and Ian Walker and Robert Berghaus as registered Plant & Machinery Valuers. I would also like to thank retiring committee member Brett Williams for his valued contributions whilst serving on the committee.

As of February this year I handed my duties of chair over to Steve Brown, who I feel confident will continue to look out for the Plant and Machinery industry and our members. It has been a pleasure serving the IPM community.



Chair of the Property Advisory Council



Peter Bollmann

Peter Bollman was appointed Chairman of the Property Advisory Council in March 2017 and has been a member of the Institute since 2007. Peter is currently Director of Portfolio Management with the Defence Property Group at the New Zealand Defence Force.

The Service Level Agreement has got us closer to delivering on what members have told us they want, while also recognising the importance of our community to the Institute.

Having only recently joined the Property Advisory Council, I am surprised by the array of issues facing the advisory community.

The biggest remains helping members operate within the requirements of the Real Estate Agents Act when providing advisory services to external clients. The Council has continued to assist the Institute over the past year to help get us closer to obtaining an exemption from REAA licencing for members who meet the proposed criteria. The effect of the exemption will enable our members to fulfil their obligations under the act through their membership of PINZ. A formal exemption application is close to being lodged with the Ministry of Justice and we look forward to significant progress in the coming year.

This year has been the first year during which our Service Level Agreement with the Institute has been in place. I am pleased to say that our requirements in terms of the deliverables under that agreement were met to the extent that that was possible, with the primary focus being on network events, education and issues relevant to our particular needs. The SLA has got us closer to delivering on what members have told us they want, while also recognising the

importance of our community to PINZ. There are still matters to address where more input is required from the Council, and it is our intention to address these during the next 12 months.

Work continued throughout the year processing applications for the various levels of membership of the community, recognising achievement within our fields of speciality through the awarding of fellowships, initiating new events such as the Government Property Seminar in Wellington, and working with younger members to develop their skills and knowledge while also promoting property as a career. This year was the first year we awarded the Property Advisor of the Year Award. Congratulations to Paul Mautz on being our first recipient.

Members who have selected Property Advisory as their primary community sit at 240 at the time of writing.

I would like to extend my thanks to the members of the Council for their work and efforts over the past year.



Membership

2,241
MEMBERS

for the 2016/17 year

181

**STUDENT
MEMBERS**

transitioned to

**GRADUATE
MEMBERSHIP**

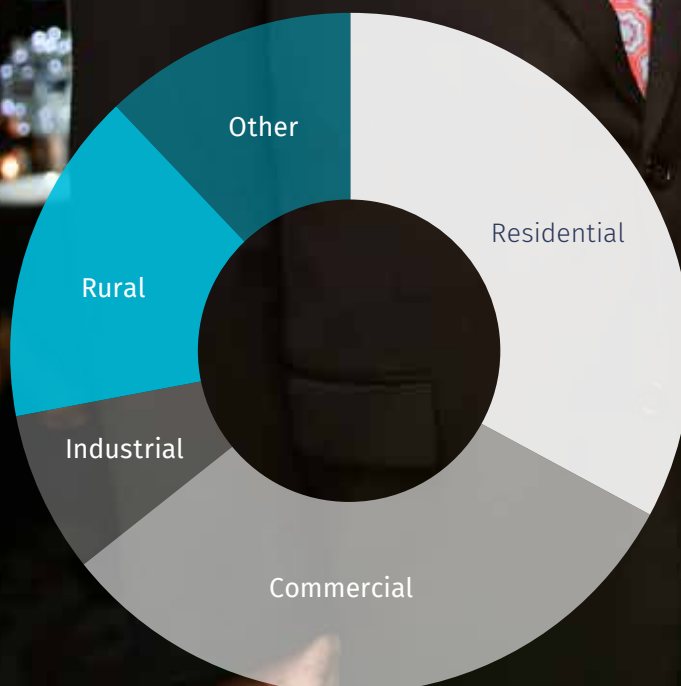
in 2017

386

**UNIVERSITY
STUDENTS**

signed up as Student
Members for 2017

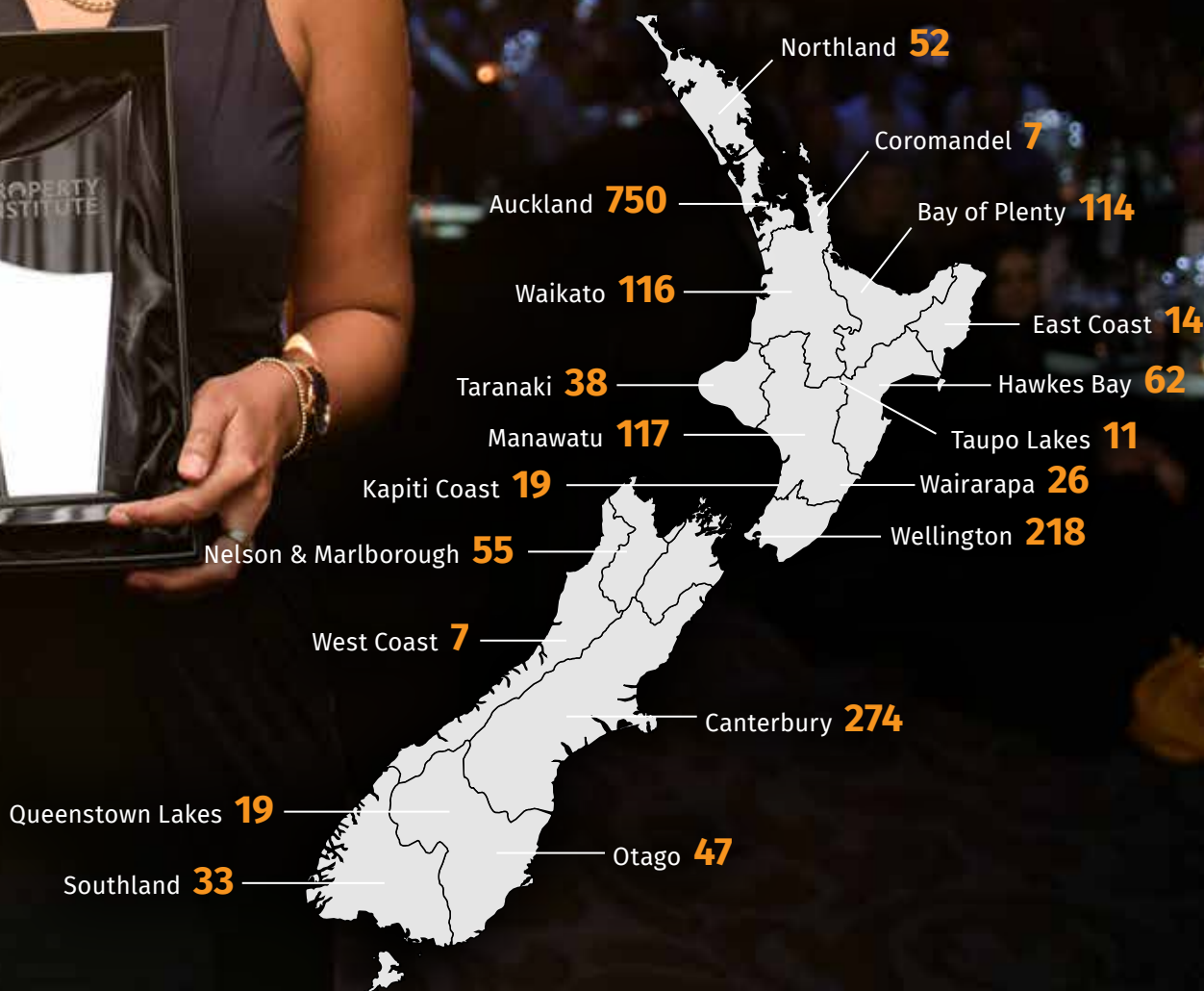
**SECTORS OUR MEMBERS
(MOSTLY) WORK IN**





The Property Institute's steady membership crosses a broad range of industry groups in the property sector. Recognising the importance of attracting young people into the property sector, we have actively engaged in Careers Expo's and school career events to build student membership and encourage the growth of young people entering the property industry. Many of our Graduate Members continue on to full membership as they transition into the workforce.

SNAPSHOT OF NEW ZEALAND-BASED PAYING MEMBERSHIP



Data as at March 2017 (excludes overseas based members). Figures exclude any locally based paying members who have not provided address details.

Young People in the Property Institute

The Property Institute Young Leaders Program was launched in April 2013 to provide a succession plan for the Property Institute and to invest in the Institute's future leaders. The program gives up and coming members of the Institute first-hand exposure to the governance of their professions and the inner workings of a professional organisation.

A word from 2016/2017 PINZ Young Leaders

This year the participants in the Young Leaders Program have worked alongside the National office on several initiatives such as the Real Experience Program, as well as being involved in organising PINZ representation at Careers Expos.

Several initiatives in which the Young Leaders Program participants are involved include:

- The PINZ Real Experience Program initiative is under consideration in order to create work experience opportunities for new people entering the property profession.
- Young Guns events around the country as well as new opportunities for young property professionals to get

together where there are currently no organised groups.

- Working with national office to assist in the selection process for the new intake in 2017 and look to provide our thoughts on where we think the program can be improved so both the national office and the young leaders can get maximum benefits.
- Luke Van Den Broek and Susie Penrose will retain their positions on the PINZ board.

It's a great time to be part of the institute and the group has really enjoyed their time as Young Leaders. We look forward to the challenges the year ahead is sure to bring and bringing a new group of young professionals through the ranks.

Property Institute Young Leaders intake for 2015 – 2017

Luke van den Broek
PINZ Board Member

Susie Penrose
ex Valuers Council
Representative and now PINZ
Board representative

Helen Brumby
Property and Facilities
Management

Benjamin Gill
Property Advisory

Andrew Liew
Infrastructure, Plant and
Machinery



The program gives... first-hand
exposure to the inner workings of
a professional organisation

Branches and Committees



Regional Branches

The Property Institute has 17 branches throughout New Zealand. Branch Chairs and their committees organize CPD workshops, site visits, talks with guest speakers, and regular meetings with members within their areas.

Northland

Branch Chair:
Melody Richards

Taranaki

Branch Chair:
Stephen Hodge

Canterbury

Branch Chair:
Simon Newberry

Auckland

Branch Chair:
Patrick Foote

Hawkes Bay

Branch Chair:
Trevor Kitchin

South/Mid Canterbury

Branch Chair:
Alistair Wing

Waikato

Branch Chair:
Glenda Whitehead

Wanganui

Branch Chair:
Rob Boyd

Central Otago

Branch Chair:
Heather Beard

Rotorua

Branch Chair:
Kendall Russ

Manawatu

Branch Chair:
Bruce Lavender

Otago

Branch Chair:
Adam Binns

Tauranga

Branch Chair:
Paul Higson

Wellington

Branch Chair (PINZ):
Callum Taylor
Branch Chair (NZIV):
Hamish Bills

Southland

Branch Chair:
Phil Janssen

Gisborne

Branch Chair:
Che Whitaker

Nelson

Branch Chair:
Simon Charles

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 would not run as smoothly as it does.

Finance Audit & Risk Committee

Craig Russell (Chair)
Ian Campbell
Greg Ball
Roger Gordon
Ashley Church
Carlos Castro

Valuation & Property Standards Board

John Darroch (Chair)
Gary Sellars
Graham Barton
Chris Stanley
Roger Soulsby
Blue Hancock
Tony Van Zijl
Kerry Stewart
Nicki Bilbrough
Jay Sorensen

Professional Practice Committee

Earl Gordon (Chair)
David Paterson
Graeme Kirkcaldie
Steve Sampson
Mark Dow
Steve Dunlop

Consolidated Performance Report

For the year ended 31 December 2016

Independent Auditor's Report

Audit

Grant Thornton New Zealand Audit
Partnership
Level 15, Grant Thornton House
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www.grantthornton.co.nz

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 Group on pages 3 to 19, which comprises the entity information, the consolidated statement of service performance, the consolidated statement of financial performance and consolidated statement of cash flows for the year ended 31 December 2016, consolidated statement of financial position as at 31 December 2016, 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 consolidated 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 Property Institute of New Zealand Incorporated Group as at 31 December 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 consolidated statement of financial performance, consolidated statement of financial position, consolidated 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 consolidated statement of service performance in accordance with the

Chartered Accountants
Member of Grant Thornton International Ltd

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.

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

Responsibilities of the Members for the Performance Report

The 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 entity which comprises:
 - the entity information;
 - the consolidated statement of service performance; and
 - the consolidated statement of financial performance, consolidated statement of financial position, consolidated 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 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 Members are responsible on behalf of The Property Institute of New Zealand Incorporated 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 Members either intend to liquidate The Property Institute of New Zealand Incorporated 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 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 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 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 Group's members. Our audit work has been undertaken so that we might state to the Group's members those matters which we are required to state to them in an auditor's 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 the Group's members for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Partnership



K Price

Partner

Wellington

24 May 2017

Chartered Accountants
Member of Grant Thornton International Ltd

The Property Institute of New Zealand Incorporated

Entity Information

For the year ended 31 December 2016

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

The Property Institute of New Zealand's mission is to be and to become known as the pre-eminent organisation of property professionals in New Zealand.

To complete its Mission, the objects of the Property Institute of New Zealand (PINZ) are to:

- 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 2016.

The Group is governed by a Board comprising 10 members. The members of the governing body are as follows:

- Greg Ball (President)
- Blue Hancock
- Mike Morales
- Patrick O'Reilly
- Ben Gill
- Katie Beveridge
- Luke van den Broek
- Roger Gordon
- Phillip Merfield
- Susie Penrose (Young Leader Program)

The Group is structured in order 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 continuing professional development and 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.
- Service Level Agreement with NZIV.

Additional sources of funding include:

- Grants, donations, fundraising and other similar revenue

The Property Institute of New Zealand Incorporated

Consolidated Statement of Service Performance

For the year ended 31 December 2016

Education

In 2016 the Institute delivered educational opportunities to Institute 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 2016 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 and choice** of educational options to be rated 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 Respondents
Quality	9.59% 26	48.02% 117	29.15% 79	9.96% 27	8.66% 24	271
Content	7.01% 19	39.11% 106	32.47% 88	13.28% 36	8.49% 23	271
Delivery method	5.93% 16	37.41% 101	36.67% 99	11.85% 32	8.52% 23	270
Range and choice	5.54% 15	31.37% 85	37.64% 102	17.34% 47	8.86% 24	271
Length	4.71% 13	39.26% 106	41.11% 111	4.81% 13	10.00% 27	270
Frequency	6.02% 16	33.46% 89	42.11% 112	9.40% 25	9.02% 24	266

PINZ Board

In 2016 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 2016 Members Satisfaction Survey and set a target of their performance being rated as acceptable, or higher, by **75%** of Institute members

The Property Institute of New Zealand Incorporated

Consolidated Statement of Service Performance

For the year ended 31 December 2016

Outcome

Answer Choices	Responses	
Very Good or Excellent	12.14%	34
Good	43.21%	121
Acceptable	27.50%	77
Poor	5.36%	15
I dont Know	10.36%	29
Another comments	1.43%	4
Total		280

PINZ CEO

In 2016 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 2016 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 Respondents
Leadership and vision	35.14% 97	42.75% 118	12.32% 34	3.99% 11	5.80% 16	276
Initiative	33.33% 92	43.48% 120	11.23% 31	4.71% 13	7.61% 21	276
Competence	27.01% 74	44.53% 122	16.42% 45	2.55% 7	9.85% 27	274
Quality of work	21.82% 60	42.55% 117	20.00% 55	2.91% 8	13.09% 36	275
Accessibility	27.74% 76	36.13% 99	16.42% 45	3.28% 9	16.42% 45	274
Overall performance	25.64% 53	46.89% 114	16.85% 42	2.93% 6	8.06% 22	273

The Property Institute of New Zealand Incorporated

Consolidated Statement of Service Performance

For the year ended 31 December 2016

Membership Communication

In 2016 the Institute communicated with members in a variety of different ways.

Objectives

The Institute communicated with NZIV members in a variety of different ways and determined that the success of these channels should be measured as a percentage of the 2016 Members Satisfaction Survey. The measures were as follows:

- **Email 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 dealings 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	Total Respondents
Email Newsletters	27.11% 74	54.58% 149	15.02% 41	1.83% 5	1.86% 5	273
Event promotions	21.69% 59	49.26% 134	23.53% 64	4.41% 12	1.47% 4	272
Presentations to members	12.70% 28	48.23% 109	28.32% 64	7.52% 17	4.42% 10	270
Magazine	18.68% 37	52.01% 142	19.41% 53	5.49% 15	4.76% 13	273
Website	6.99% 19	31.62% 86	30.88% 84	25.74% 70	4.78% 13	272
Publications	11.81% 32	37.27% 101	35.79% 97	4.43% 12	10.70% 29	271
Social media	3.73% 16	20.15% 55	20.82% 56	12.64% 34	40.52% 109	269
Collateral/brochures	3.73% 10	20.15% 54	26.49% 71	7.46% 20	42.54% 114	268
Annual Report	6.37% 17	32.96% 88	34.46% 92	2.62% 7	23.60% 63	267
Personal dealings (phone, email, etc)	14.50% 39	39.03% 105	23.42% 63	4.09% 11	18.96% 51	269

The Property Institute of New Zealand Incorporated
Consolidated Statement of Financial Performance
For the year ended 31 December 2016

	Notes	2016 \$	2015 \$
Revenue			
Interest income		25,718	27,132
Grants, donations, fundraising and other similar revenue		166,827	91,797
Fees, subscriptions and other revenue from members		326,527	331,530
Revenue from providing goods or services	2	1,198,875	1,079,697
Other revenue	2	105,121	130,430
Total Revenue		1,823,068	1,660,586
Expenses			
<i>Costs related to providing goods or services</i>			
Seminar Expenses		125,265	40,072
PINZ/RICS property ball		105,251	-
Salaries and wages		829,361	830,572
Conference		202,593	147,003
<i>Other administration and overhead costs</i>			
Board expenses		10,064	31,668
General expenses		22,050	64,840
National Committee expenses		9,921	15,408
Other expenses	3	489,573	376,550
Valuers Council expenses		29,277	27,334
Total Expenses		1,823,355	1,533,447
Surplus/(Deficit) for the period before tax		(287)	127,139
Income Tax		-	-
Surplus/(Deficit) for the period after tax		(287)	127,139
Total surplus/(deficit) for the year attributable to:			
Non-controlling interest		2,760	(1,455)
Institute		(3,047)	128,594
		(287)	127,139

This financial statement should be read in conjunction with the accompanying notes.

The Property Institute of New Zealand Incorporated
Consolidated Statement of Financial Position
For the year ended 31 December 2016

	Notes	2016 \$	2015 \$
Assets			
Current Assets			
Bank and Cash		98,652	71,197
Investments		760,412	774,393
Amounts due from The New Zealand Institute of Valuers		91,441	98,653
Debtors and Prepayments		77,572	47,413
Total Current Assets		1,028,077	991,656
Non-Current Assets			
Property, Plant and Equipment	5	15,049	18,152
Intangible Assets	6	85,176	35,445
Total Non-Current Assets		100,225	53,597
Total Assets		1,128,302	1,045,253
Current Liabilities			
Creditors and accruals		133,599	75,481
Employee entitlements		48,154	68,572
Subscription revenue in advance		55,810	13,034
GST payable		21,815	18,954
Total Current Liabilities		259,378	176,041
Total Liabilities		259,378	176,041
Net Assets		868,924	869,212
Accumulated Funds			
Accumulated surplus	7	868,924	869,212
Total Accumulated Funds		868,924	869,212

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 2016.

APPROVED

For and behalf of the Board.



Greg Ball – President

Date: 17 May 2017

This financial statement should be read in conjunction with the accompanying notes.

The Property Institute of New Zealand Incorporated
Consolidated Statement of Cash Flows
For the year ended 31 December 2016

	2016 \$	2015 \$
Cash Flows from Operating Activities		
Cash was received from		
Donations, fundraising and other similar receipts	209,604	42,468
Fees, subscriptions, and other receipts from members	303,578	514,558
Receipts from providing goods or services	1,198,875	1,197,428
Interest, dividends and other investment receipts	25,718	27,132
PINZ/RICS Property Ball	105,121	-
Cash was applied to:		
Payments to suppliers and employees	(849,779)	(820,324)
Costs related to providing goods or service	(326,679)	(453,624)
Other Expenses	(489,573)	(363,205)
PINZ/RICS Property Ball	(105,251)	-
Net Cash Flows from Operating Activities	71,614	144,433
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Receipts from disposal/ (Purchase) of investments	13,981	(707,724)
Cash was applied to:		
Acquisition of property, plant and equipment	(2,430)	(8,177)
Acquisition of intangible assets	(55,710)	(27,595)
Net Cash Flows from Investing and Financing Activities	(44,159)	(743,496)
Net Increase / (Decrease) in Cash	27,455	(599,063)
Opening Cash	71,197	670,260
Closing Cash	98,652	71,197
This is represented by:		
Bank & Cash	98,652	71,197

This financial statement should be read in conjunction with the accompanying notes.

The Property Institute of New Zealand Incorporated

Consolidated Statement of Accounting Policies

For the year ended 31 December 2016

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. This is the first year of its adoption considering the new financial reporting requirements. It previously followed NZ GAAP and the comparative numbers have not been restated. 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 2016.

The consolidated performance report has been approved and were authorised for issue by the Board on 20th of April 2017.

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.

The accounting policies of the controlled entity are consistent with the policies adopted by the Group and have a 31 December 2016 reporting date.

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.

Event/Conference Income

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

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.

Other Income

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

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 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.

The Property Institute of New Zealand Incorporated

Consolidated Statement of Accounting Policies

For the year ended 31 December 2016

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 write off 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%
Leasehold improvements	21.6 %

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

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	40% – 48%
---------	-----------

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 balance date and annual leave earned but not taken at balance 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).

The Property Institute of New Zealand Incorporated
Notes to the Performance Report
For the year ended 31 December 2016

Note 1 – Effect of first-time adoption of PBE standards on accounting policies

The Institutes transition date is 1 January 2015 – There were no material adjustments made as a result of the transition.

Note 2 - Analysis of Revenue

	2016 \$	2015 \$
Revenue from providing goods and services		
Annual/Property summit conference	281,553	241,905
Publications	32,061	28,437
Service level agreement with The New Zealand Institute of Valuers	700,000	700,000
Sales	21,801	-
Seminar Income	163,460	109,355
Total	1,198,875	1,079,697
Other revenue		
Branch revenue	79,771	104,496
PIQA Accreditation Scheme	25,350	25,934
Total	105,121	130,430

The Property Institute of New Zealand Incorporated
Notes to the Performance Report
For the year ended 31 December 2016

Note 3 – Analysis of Expenses

	2016 \$	2015 \$
Other Expenses		
Accident Compensation Levy	1,872	2,358
Amortisation	5,979	7,246
Audit Fees	13,065	10,695
Bank Charges	19,256	7,153
Branch Costs	85,815	60,570
Communication	15,943	19,872
Computer Expenses	28,680	28,296
Depreciation	5,577	6,099
Equipment Lease Costs	3,589	3,716
Functions/Awards	2,855	2,935
Information Services - Publications	58,453	59,378
Insurance	3,483	11,594
International Costs	32,075	11,985
Legal Fees	79,041	2,800
Marketing Expenses	18,475	9,123
Membership Subscription	3,725	3,375
Contractors	1,880	-
Premises Costs	42,090	44,405
Printing, Stationery & Postage	9,317	2,337
PIQA Expenses	10,712	9,277
Staff Costs	10,105	21,654
Travelling Expenses	37,585	51,682
Total	489,573	376,550

The Property Institute of New Zealand Incorporated
Notes to the Performance Report
For the year ended 31 December 2016

Note 4 – Group information Subsidiaries

The consolidated financial statements of the Group include the following subsidiaries:

Name of subsidiary	Principal activities	Country of incorporation	Percentage equity interest	
			2016	2015
Property Education and Training Limited.	Property education opportunities in NZ and overseas	NZ	85%	85%

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 5 - Property, Plant and Equipment

2016 Asset Class	Opening Carrying Amount \$	Purchases \$	Sales/ Disposals \$	Current Year Depreciation \$	Closing Carrying Amount \$
Furniture and fixtures	2,813	-	-	(565)	2,248
Office equipment	7,872	-	-	(942)	6,930
Computers (including software)	7,467	2,430	-	(4,026)	5,871
Total	18,152	2,430	-	(5,533)	15,049
2015 Asset Class	Opening Carrying Amount \$	Purchases \$	Sales/ Disposals \$	Current Year Depreciation \$	Closing Carrying Amount \$
Furniture and fixtures	3,519	-	-	(706)	2,813
Office equipment	5,921	3,214	-	(1,263)	7,872
Computers (including software)	6,633	4,964	-	(4,130)	7,467
Total	16,073	8,178	-	(6,099)	18,152

The Property Institute of New Zealand Incorporated
Notes to the Performance Report
For the year ended 31 December 2016

Note 6 – Intangible Assets

31 December 2016	Opening Carrying Amount \$	Purchases \$	Sales Disposal	Current Year Amortisation \$	Closing Carrying Amount \$
Website	1,044	148	-	(526)	666
QAAS	6,806	-	-	(3,267)	3,539
PIQA	-	18,220	-	(2,186)	14,034
Work in progress	27,595	37,342	-	-	64,937
Net book value	35,445	55,710		(5,979)	85,176
31 December 2015	Opening Carrying Amount \$	Purchases \$	Sales Disposal	Current Year Amortisation \$	Closing Carrying Amount \$
Website	2,007	-	-	(963)	1,044
QAAS	13,089	-	-	(6,283)	6,806
Work in progress	-	27,595	-	-	27,595
Net book value	15,096	27,595		(7,246)	35,445

Note 7 – Accumulated Funds

2016 Description	Non-controlling Interest \$	Accumulated Surpluses or Deficits \$	Total \$
Opening Balance	(15,159)	884,370	869,212
Surplus/(Deficit)	2,760	(3,047)	(287)
Total	(12,399)	881,323	868,924
2015 Description	Non-controlling Interest \$	Accumulated Surpluses or Deficits \$	Total \$
Opening Balance	(13,704)	755,777	742,073
Surplus/(Deficit)	(1,455)	128,594	127,139
Total	(15,159)	884,371	869,212

The Property Institute of New Zealand Incorporated
Notes to the Performance Report
For the year ended 31 December 2016

Note 8 - Commitments and contingencies

	2016 \$	2015 \$
Commitments to lease or rent assets		
Future photocopier operating lease payments (42 month lease)	12,563	16,152

There are no capital commitments, contingent liabilities or guarantees as at balance date (2015: Nil)

Note 9 - Related Party Transactions

Description of Related Party Relationship	Description of the Transaction (whether in cash or amount in kind)	2016 \$ Value of Transactions	2015 \$ Value of Transactions	2016 \$ Amount Outstanding	2015 \$ Amount Outstanding
The New Zealand Institute of Valuers*	Service level agreement payment from The New Zealand Institute of Valuers to the Institute	700,000	700,000	91,441	99,023

* The Institute has a related party relationship with The New Zealand Institute of Valuers 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 consolidated performance report.

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. (2015: Nil)

Performance Report

For the year ended 31 December 2016

Independent Auditor's Report

Audit

Grant Thornton New Zealand Audit
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To the Members of New Zealand Institute of Valuers

Report on the Performance Report

Opinion

We have audited the performance report of The New Zealand Institute of Valuers on pages 3 to 13, 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 2016, statement of financial position as at 31 December 2016, 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 Institute of Valuers as at 31 December 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 Members for the Performance Report

The 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 Institute 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 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 Members are responsible on behalf of The New Zealand Institute of Valuers 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 Members either intend to liquidate The New Zealand Institute of Valuers 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 Institute'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 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 Institute'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 Institute 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 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 Institute's members. Our audit work has been undertaken so that we might state to the Institute's members those matters which we are required to state to them in an auditor's 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 Institute and the Institute's members for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Partnership



K Price

Partner

Wellington

19 May 2017

Chartered Accountants
Member of Grant Thornton International Ltd

The New Zealand Institute of Valuers Entity Information For the year ended 31 December 2016

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 corporate body 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 of the profession.

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.

Operational and administrative functions of the NZIV are delivered by the Property Institute, and this relationship is governed by a Service Level Agreement. The Property Institute of New Zealand (PINZ) was formed in 2000 through an amalgamation of the New Zealand Institute of Valuers (NZIV), the Property Land Economy Institute of New Zealand (PLEINZ), and the Institute of Plant and Machinery Valuers (IPMV) 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.

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

- Roger Gordon (President)
- Peter Loveridge (Vice President)
- Blue Hancock
- John Tappenden
- Nigel Kenny
- Tim Truebridge
- Boyd Gross (Vice President)
- Jason Williams
- Adam Binns
- Jeff Alexander
- Kelly Beckett (Young Leaders Program)
- Neill Sullivan (Valuer General)

The Council meets on a two-monthly basis.

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

- To advance the Valuation Profession' through representation & advocacy, education and 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

The New Zealand Institute of Valuers Statement of Service Performance For the year ended 31 December 2016

Education

In 2016 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 2016 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

Outcomes

	Very Good or Excellent	Good	Acceptable	Poor	Doesn't apply	Total Respondents
Quality	8.37% 19	48.02% 109	31.28% 71	9.69% 22	3.96% 9	230
Content	6.17% 14	42.29% 96	37.00% 84	11.89% 27	3.52% 8	229
Delivery method	6.64% 15	37.61% 85	41.15% 93	11.95% 27	3.54% 8	228
Range and choice	6.17% 14	33.04% 75	41.85% 95	16.30% 37	3.52% 8	229
Length	5.73% 13	40.97% 93	45.37% 103	3.08% 7	5.29% 12	228
Frequency	6.70% 15	36.16% 81	42.86% 96	10.71% 24	4.02% 9	225

The New Zealand Institute of Valuers Statement of Service Performance For the year ended 31 December 2016

Membership Communication

In 2016 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 2016 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

Outcomes

	Very Good or Excellent	Good	Acceptable	Poor	Don't know	Total Respondents
Email Newsletters	24.23% 55	57.71% 131	16.30% 37	0.88% 2	1.32% 3	228
Event promotions	19.30% 44	52.19% 119	23.25% 53	3.95% 9	1.32% 3	228
Magazine	17.33% 39	53.78% 121	20.44% 46	3.56% 8	5.33% 12	226
Website	5.31% 12	35.84% 81	29.65% 67	26.99% 61	2.65% 6	227
Publications	8.00% 18	40.89% 92	40.00% 90	3.11% 7	8.44% 19	226
Annual Report	6.33% 14	33.03% 73	36.20% 80	1.81% 4	22.62% 50	221
Personal dealings with PINZ Staff	9.50% 21	40.72% 90	24.89% 55	5.43% 12	19.91% 44	221

Note: The above services are provided to members on behalf of NZ Institute of Valuers by The Property Institute of NZ

**The New Zealand Institute of Valuers
Statement of Financial Performance
For the year ended 31 December 2016**

	Notes	2016 \$	2015 \$
Revenue			
Subscriptions revenue from members		794,945	787,719
Interest revenue		17,925	38,208
Other revenue	2	20,010	42,007
Total Revenue		832,880	867,934
Expenses			
<i>Costs related to providing goods or services</i>			
Professional practices committee		35,581	25,682
Professional practices investigations		19,572	34,940
Service level agreement with Property Institute New Zealand	7	700,000	700,000
<i>Administration and overhead costs</i>			
Audit and accounting fees		9,031	8,062
Bank charges		50	50
Consultancy		11,174	-
International Travel		2,258	-
General expenses		2,267	409
Insurance		3,511	3,144
Presidents honorarium		27,887	23,550
Legal fees		3,449	34,485
VEIF Grant Expense	6	400,000	-
Total Expenses		1,214,780	830,322
Operating Surplus/(Deficit) for the period		(381,900)	37,612
Unrealised gain/(loss) on investment in associates		-	-
Surplus/(Deficit) for the period before tax		(381,900)	37,612
Income Tax		-	-
Surplus/(Deficit) for the period after tax		(381,900)	37,612

This financial statement should be read in conjunction with the accompanying notes.

The New Zealand Institute of Valuers
Statement of Financial Position
As at 31 December 2016

	Notes	2016 \$	2015 \$
Assets			
Current Assets			
Bank and Cash		757,676	472,985
Investments		201,310	421,024
Debtors and Prepayments		4,021	21,321
GST receivable		15,318	23,119
Accrued interest		1,023	2,425
Total Current Assets		979,348	940,874
Non-Current Assets			
Investment in associate	3	-	-
Total Non-Current Assets		-	-
Total Assets		979,348	940,874
Current Liabilities			
Creditors and accruals		13,459	13,130
Grant liability (VEIF)	6	400,000	-
Amounts due to Property Institute New Zealand	7	91,441	119,912
Subscription revenue in advance		93,342	44,826
Total Current Liabilities		598,242	177,868
Total Liabilities		598,242	177,868
Net Assets		381,106	763,006
Accumulated Funds	4		
Accumulated surplus		381,106	763,006
Total Accumulated Funds		381,106	763,006

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 2016.

APPROVED

For and behalf of the Council.



Roger Gordon – President

Date: 19 May 2017

This financial statement should be read in conjunction with the accompanying notes.

The New Zealand Institute of Valuers
Statement of Cash Flows
For the year ended 31 December 2016

	2016 \$	2015 \$
Cash Flows from Operating Activities		
Cash was received from		
Fees, subscriptions, and other receipts from members	860,761	760,306
Receipts from providing goods or services	20,010	42,007
Interest, dividends and other investment receipts	17,925	38,208
Cash was applied to:		
Payments to suppliers and employees	(55,153)	(57,726)
Costs related to providing goods or service	(779,968)	(942,228)
Net Cash Flows from Operating Activities	63,575	(159,433)
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Receipt from disposal of investments	221,116	126,062
Net Cash Flows from Investing and Financing Activities	221,116	126,062
Net Increase / (Decrease) in Cash	284,691	(33,371)
Opening Cash	472,985	506,356
Closing Cash	757,676	472,985
This is represented by:		
Bank & Cash	757,676	472,985

This financial statement should be read in conjunction with the accompanying notes.

The New Zealand Institute of Valuers

Statement of Accounting Policies

For the year ended 31 December 2016

Basis of Preparation

The Institute 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. This is the first year of its adoption in light of the financial reporting changes. It previously followed NZ GAAP and the comparative numbers have not been restated. 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 from members

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.

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 1948 Valuers Act.

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.

**The New Zealand Institute of Valuers
Statement of Accounting Policies
For the year ended 31 December 2016**

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.

The New Zealand Institute of Valuers

Notes to the Performance Report

For the year ended 31 December 2016

Note 1 – Effect of first-time adoption of PBE standards on accounting policies

The Institutes transition date is 1 January 2015 – There were no material adjustments made as a result of the transition.

Note 2 - Analysis of other Revenue

	2016 \$	2015 \$
Other revenue		
VRB Recoveries	19,760	38,783
Other Income	250	3,224
Total	20,010	42,007

Note 3 – 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 2016 and 31 December 2015 has not indicated an impairment reversal is appropriate.

The associate had no contingent liabilities or capital commitments as at 31 December 2016 and 2015. The Institute has not provided any guarantees in relation to its interest in the associate (2015: Nil).

Note 4 - Accumulated Funds

	2016 \$	2015 \$
Opening Balance	763,006	725,394
Surplus/(Deficit)	(381,900)	37,612
Closing balance	381,106	763,006

Note 5 - Commitments and Contingencies

There are no capital commitments, or guarantees as at balance date (2015: Nil).

Note 6 - Other Liabilities

On 16 June 2016 the Valuers' Education and Integrity Foundation (VEIF) was established under a Deed of Charitable Trust.

The Agreement commits the Institute to provide a grant to VEIF amounting to \$400,000. The grant has been approved by the Institute and accepted by VEIF but remains unpaid at balance date.

VEIF is governed by a Board of Trustees that are independent and unrelated from the Institute.

The New Zealand Institute of Valuers
Notes to the Performance Report
For the year ended 31 December 2016

Note 7 - Related Party Transactions

Description of Related Party Relationship	Description of the Transaction (whether in cash or amount in kind)	2016 \$ Value of Transactions	2015 \$ Value of Transactions	2016 \$ Amount Outstanding	2015 \$ Amount Outstanding
Property Institute of New Zealand Inc.*	Service level agreement payment from the Institute to PINZ	700,000	700,000	91,441	99,023

* 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 (Note 3).

Note 8 - 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. (2015: Nil).

Life Members

Donn Armstrong

Anthony Beverley

Gwendoline Callaghan

Neil Darroch

Evan Gamby

Malcolm Hanna

Robert Hargreaves

Evan Harris

Graeme Horsley

Rodney Jefferies

John Larmer

Peter Mahoney

Murray Mander

Kenneth Stevenson

Roy Thompson

Robert Young

Gordon Davies

Paul Keane

Anthony Robertson

Squire Speedy

Mike Steur



