



eea

Electricity Engineers'
Association

ANNUAL REPORT

2023

SUCCESS for EEA is that it has a high level of 'goodwill support' from its members and stakeholders and is being responsive and accountable for delivering quality outcomes to them.

The Electricity Engineers' Association ("EEA") provides a focal point for collaboration and thought leadership in engineering, safety and asset management across the electricity industry.

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Front cover: EEA Photo competition 2022 Winner:

'Ice buildup on an 11kV line after a hoar frost in Ophir' by Brian Campbell of Connetics

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Accountant Mike Coleman, KPMG

Auditor Moore Markhams Wellington Audit

Bankers Bank of New Zealand

EEA EXECUTIVE COMMITTEE

President Stephen Jay, Transpower

Vice President Geoff Douch, Network Waitaki

Members John Batchelor, Downer NZ Power and Gas
Josie Boyd, Northpower
Chris Ewers, Meridian Energy
Thahirah Jalal, Transpower
Steve Macdonald, Orion
Mat O'Neil, WEL Networks
Michael Whaley, MW Consultants

Executive Director Peter Berry



EEA Snapshot

OUR MEMBERSHIP

MEMBERS 686

CORPORATE MEMBERS 74

OUR EVENTS

VIRTUAL 14

VIRTUAL 1000+

FACE TO FACE 12

FACE TO FACE 350+

CONFERENCE + TRADE SHOW 1

ATTENDEES 753 + VIRTUAL 180

OUR FOLLOWERS

NEWSLETTER SUBSCRIBERS

LINKEDIN FOLLOWERS

3500+

3359

OUR WEBSITE

PUBLICATIONS / TECHNICAL NOTES

VISITS TO WEBSITE

68

59000+

OUR KNOWLEDGE NETWORK (KN)

COMPANY LICENCES 49

KN USERS 3894

INDIVIDUAL LICENCES 137

The EEA enables members to continuously learn and develop in a dynamic and rapidly changing environment.

President and Executive Director's Reports

The Executive Committee are pleased to present the annual report, including the financial statements of the Electricity Engineers' Association of NZ Inc., for the year ended 31st March 2023.



Steve Jay
EEA President



Peter Berry
Executive Director

Date: 9th June 2023



President's Report

Kia ora koutou,

This is an exciting time to be part of the electricity industry in Aotearoa New Zealand.

There is a growing call to action in the electricity sector to lead the response to delivering a net zero carbon energy future by 2050. The sheer size of the change, as highlighted in various industry and

government reports, will make it a significant challenge - further exacerbated by this being a global phenomenon being played out at a time when we are still navigating the ongoing economic and workforce impacts of COVID-19, uncertainty in the global economy, and growing global geo-political turbulence.

EEA and the net zero carbon energy future

What is clear, is that by 2050 our economy and communities will have greater reliance on electricity as their primary energy source and our members are going to play a key role in delivering and mitigating the transformation to a net zero carbon energy future and the effects of climate change on energy delivery. They are going to be operating in a dynamic environment with multiple complex challenges, so it is vital that there is an engineering lens across the development of government energy strategy and policy, and industry implementation to ensure the safe, sustainable, and reliable delivery of electricity to all Aotearoa.

The next three decades will present growth and opportunity for our sector. The potential for economic and environmental impact, as well as for transformative innovation and collaboration, is significant. Those who work in the electricity sector have a unique responsibility to enable the transformation of our economy in a sustainable and equitable fashion.

Late in 2022 the EEA Executive Committee held planning days looking at the future decarbonised world and understanding the EEA's place – who we are; where do we fit in; and from that, resetting our strategic framework. Specifically, we considered the question of where do we want to be by 2050?

The answer to this question underpins the EEA's 2050 Strategic Plan:

"The EEA and its members will have contributed to the realisation of a world where human activity is no longer having a significant negative impact on the planet's climate and ecosystem. The EEA and its members are fully engaged in the planet's challenges with respect to climate change, decarbonisation, energy supply resilience, environmental rehabilitation, economic circularity, secure energy systems, and a balanced and equitable world."

The journey to get there is going to be great!

Our role is to enable our members and support the industry to continually learn and develop in a dynamic and rapidly changing environment.

Existing electricity assets and systems are key to transitioning to a decarbonised future, so our on-going work on safety and asset management will continue and evolve as emerging technology changes the context and operating environment.

Aotearoa New Zealand's power system is set to become more dynamic and distributed as we move towards decarbonisation, with new investors and customer-accessible technologies creating a dynamic power system and more distributed energy resources (DER) (i.e., EVs, solar PV, batteries etc) and smart behind-the-meter technology are embedded into the networks.

In addition, there will be increasing numbers of smart technologies connecting to the system, such as home energy management systems, which will make demand more flexible and potentially less predictable.

All of these changes will impact upon future generation options, grid/network design, power system performance and modelling, safety, asset management, future workforce skill needs, capability, capacity, and the need to continue providing exceptional service to our members to support their development and aspirations.

Relevant, inclusive, and solution focused.

Through this plethora of change, the EEA's role is to provide a focal point for collaboration, learning, and thought leadership in engineering, safety, and asset management across the electricity sector and be a navigator, connector, leader, expert and capability builder supporting members and industry. We will do this in ways that support diversity and acknowledge and align with Te Tiriti o Waitangi.

More engagement with members is planned. We will be seeking your support and participation in ensuring EEA's services, membership, capability, and communications are best enabling members to understand and address the critical challenges facing us all.

We have started the journey – and the following CEOs Report from Peter Berry talks about the collaborative, future-focused work we have underway.

The joint EEA, EECA, and industry project, 'FlexTalk' is one example of EEA's work as a connector, navigator, and collaborator supporting our members and Aotearoa New Zealand grapple with the multiple complexities of decarbonisation.

We are also actively engaged in future engineering/technical capability issues. Industry skill sets are changing, and the EEA is focused on a collective and collaborative approach to professional and capability development, education, and training for our members. We are proud to be providing a more structured approach to supporting professional and capability development rather than continuing with our historically reactive approach.

Thank you!

This is my final AGM as EEA President. You will see from my report above that our work over the past year has been about our future membership and industry, the challenges they are facing, and the role the EEA will play in supporting you through these multiple complex issues.

I want to acknowledge and thank the EEA Board and Membership for the support you have given me during the last four years.

I would like to take this opportunity to thank Peter Berry and his team, and our member companies for the work they do and the support I have received as President of the EEA.

It is a great time to be in our industry and through your continued collaboration, coordination, and contribution I know that the EEA is well placed to support our industry to meet the challenges of delivering a safe, secure, and reliable electricity in a decarbonised future.

'Ehara taku toa i te toa takitahi, he toa takitini' - My strength is not as an individual, but as a collective.

Nga mihi nui,

Dr Stephen Jay
EEA President



Executive Director's Report

Kia ora koutou,

Introduction

EEA is a focal point for collaboration and thought leadership in engineering, safety, and asset management across the electricity sector. Over the last twelve months COVID 19, extreme weather events, and emerging policies and plans on decarbonisation have dominated much of the activities of industry and the EEA.

The 2022/23 year is the start of this important decarbonisation journey, as we learn to collaborate, connect, and navigate the way ahead with our members, industry, regulators and other stakeholders. This past year our activities have been about growing industry collective knowledge, engaging, and representing our members interests to key stakeholders to ensure policy and changes in the electricity industry are achievable and enable safe outcomes.

Coupled with a 'future focus' our work has also continued to support activities around existing assets and systems by sharing learnings, codifying good practice, leading collaborative work, and advocating on key policies and changes that impact on the 'here and now' of safety and engineering standards, asset management, emerging technologies and engineering/technical capability development.

Over the past twelve months we have engaged with our membership to share and make things happen through 'collabor-action' – collaboration plus action! Our volunteers and subject matter experts are critical to making successful changes and timely implementation of industry good practice. We couldn't have done it without your support. Thank you all.

Safety

The EEA's 2021/22 Electricity Supply Industry Safety Performance Indicators report provides a snapshot and overview of industry performance. In 2021/22, the industry had zero fatalities, continued reductions in the Lost Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR) metrics.

Reporting and auditing of critical risks continues to drive improved safety outcomes. It is essential that industry closely monitors critical risks and we are grateful to those companies sharing their incidents reports with the EEA. These reports provide the whole industry with insights into trends and highlights the value of sharing safety learnings. EEA continues to collect and see improved outcomes from lead indicator data relating to audits, corrective actions, health and safety visits, and public safety (notifiable events). While COVID-19 impacted on the 2021/2022 figures, we are seeing a renewed increase in engagement with these indicators post covid. Opportunities to review the current list of lead indicators will be a focus in 2023/24 and this work will be done in partnership with industry.

It is important that our workforce is healthy and well, and the spotlight for 2022/2023 has been squarely on health during the COVID-19 pandemic. The EEA is now looking to see how we can continue supporting companies with their health and wellbeing journey.

EEA's work also had a significant focus on Low Voltage (LV) safety and testing, with a number of safety webinars being held, covering implementation of new and updated LV safety guides.

With regard to advocacy, the EEA is continuing to work with Hīkina Whakatutuki / Ministry of Business, Innovation and Employment to review and amend safety distances in the Electrical Code of Practice 34; the Electricity (Hazards from Trees) Regulations; and the Electrical Code of Practice for Live Line Work (ECP 46). As regulatory reform priorities often change, progress on these reviews remains slow.

The project to review and digitise the 'Line Mechanic's and Cable Jointer's Handbook' was significantly impacted by both COVID-19, and the availability of subject matter experts to lead the process of revising the guide. This project has been carried over into 2023/24 and is expected to be completed, along with an associated learning management system, by early 2024.

Live work

The National Committee on Live Work (NCLW) continued to focus on live work safety and standardisation of work procedures. With distributed generation likely to play a greater role in network operation on the LV network their programme of work this year has been focused on common standards for Live Low Voltage (LV) Work Procedures; and a review of ECP 46 standards.

Resilience and asset management

Resilience and asset management remained key focus areas for the EEA this year. A series of weather events including Cyclone Gabrielle, saw many of our members reviewing their resilience and technical standards and requirements, emergency response protocols, and engaging with customers on possible changes.

To assist companies in their review process, the EEA promoted its Resilience Guide (2022) and Resilience Management Maturity Assessment Tool (RMMAT) - a self-assessment scoring spreadsheet that provides management reporting. The guide covers the principles of emergency management preparedness and provides a practical self-assessment tool that enables electricity distribution businesses (EDBs) and other EEA members to rate and review their organisation's overall resilience. The self-assessment tool has been structured around the 4R's framework as defined in the National Civil Defence and Emergency Management Plan Order.

The work of the EEA Asset Management Group also included meetings with the Commerce Commission, Electricity Authority, and a series of webinars to look at updating work on asset management and the impact of technology on network connections.

A key focus has also been on contributing to WorkSafe technical specifications (e.g EV chargers), technical standards (AS/NZS, ISO and IEC), and power quality issues arising from distributed energy resources (DER).

As a result of this work there are a number of reviews and updates underway for existing EEA Guides on power quality, DER connections requirements, and resilience.

FlexTalk

As Aotearoa New Zealand moves towards its goal of achieving 100 percent renewable electricity generation by 2030, the challenge of managing renewable energy sources that aren't always available or predictable becomes more pressing.

This year EECA partnered with the EEA and industry stakeholders on the FlexTalk project – which is exploring how demand flexibility can be integrated into New Zealand's energy system to optimise renewable energy use.

Through a two-part trial, FlexTalk is evaluating the systems and processes needed to actively manage the charging of EVs using the OpenADR 2.0 communication protocol. This protocol connects EDBs, flexibility providers, and real New Zealand homes to test demand flexibility in individual EV chargers across the motu.

Although the scope of this project is limited to EV charging, the same protocol (OpenADR) may be used in the future to request Demand Flexibility from other smart devices such as hot water cylinders and heat pumps.

By testing this two-way communication between EDBs and flexibility suppliers, the EEA can help improve outcomes for both electricity companies and consumers, and develop learnings for the wider New Zealand electricity sector.

The outputs of this project are due in 2023/24 and include an EEA technical guide providing direction on the application of the OpenADR communication protocol in New Zealand; and a supporting report summarising the project learnings and key insights as we move to an electric future.

The FlexTalk team recently released their first Project Update Report – which outlines the progress made so far, and what the trial looks like in detail.

People and capability

The latest update to the Informatics Infrastructure Pipeline Profile (IPP) Report suggests that in the next decade the New Zealand electricity sector will require NZ\$25.6b in infrastructure investment (distribution \$15.1b, transmission \$4.3b and generation \$6.2b). Cast against long-term workforce and skills pressures, this level of investment and delivery looks incredibly challenging.

Responding (in part) to this challenge alongside two previous industry surveys on current and future capability needs, the EEA is continuing to support professional and capability development for members. The EEA aims to provide a comprehensive, transparent, and structured knowledge framework to support professional learning and capability development.

An industry lead collaborative and collective approach to ongoing learning for our engineers and technical people will ensure improved, more efficient, and sustainable use of resources, and quality outcome.

As part of this framework, the EEA has developed and is offering two programmes of learning in: Overhead Line Design (OHLD) and, most recently, Power System Design (PSD). These programmes have been designed to meet the needs of asset owners, engineering graduates, post-vocational learners, and seasoned professionals. The PSD programme consists of eight courses focussing on introducing power systems assets, and providing the underpinning concepts and ideas behind power systems design in the New Zealand context.

The EEA utilises the concept of 'Kāhui Ako ('Communities of Learning') allowing us to engage in partnership with the very best industry experts, and to develop relevant practical training courses that support asset owners and learners in addressing current and future knowledge needs. Also, by focusing on information to support interpretation, examination, and problem solving, learners will (through examples and case-studies) gain a thorough understanding of tools, practices, and emerging technologies in power systems design.

The courses are delivered online, with a mix of webinars and/or face to face meetings supporting learner participation and engagement. The webinar component can be delivered either in-house or through group workshops. Modules are relevant to all industry sectors (generation, transmission, distribution, contractors, consultants, and equipment suppliers) and will support learning for other engineering professionals (e.g., civil, mechanical, mechatronics, and HV installations/private networks).

The response to these courses has been very positive with a number of new 'graduates' growing steadily and some companies incorporating the programmes into the professional development/CPD training of their engineering and technical staff. Full details of the EEA's Professional Development learning programmes are available on the EEA website.

Knowledge Network

A key outcome for 2022/23 was to grow the EEA Knowledge Network (KN) – a digital knowledge platform - in user numbers, content, and features to support members and industry.

There has been a 36% increase in KN users over the last 12 months and we now have over 3800 users. Further work will be done in 2023/24 to increase utilisation of KN and raise user numbers even higher.

Four additional guides are now available on the KN and the learning management system (LMS) for SM-EI is also now available. The LMS provides users with consistency of knowledge and assessment of SM-EI and digitised EEA Guides. There are also a number of

new user 'chat' forums for EEA projects groups to share discussion and leanings across the industry.

Conference 2022

Our September 2022 Conference in Hamilton was a huge success despite rescheduling the event from June due to COVID-19 related issues. The Conference is the largest power industry event in Aotearoa New Zealand and it was great to have so many young energy professionals who are the face of our sector's future, networking and engaging in the presentations and discussions on the challenges and opportunities of decarbonisation.

Conference attracted an audience of over 1000 people, and comprised a mixed-media format that included a selection of pre-conference events; a comprehensive programme of strategic and technical paper presentations; and a large trade exhibition showcasing emerging technologies.

A big thank you to the delegates, sponsors, trade exhibitors, keynote speakers, and technical paper presenters for their patience and support as we navigated the uncertainty of COVID-19.

Financial Report 2022/23

The EEA has remained agile and responsive to our members' needs and to opportunities for improvements in member services. Membership continues to grow and this year we partnered with government on a collaborative research project.

While the Audited Financial Statement shows a healthy surplus for the 2022/23 year we will continue reinvesting any surpluses to complete existing projects, support members in their decarbonisation transition, and improve members' services that will support our activities on behalf of industry.

The jointly funded EECA, electricity supply industry, and EEA 'FlexTalk' project is a clear example of the EEA's activity as a connector, navigator, and collaborator, engaging and supporting our members and Aotearoa New Zealand.

The unpredictability of the ongoing impacts of an endemic COVID-19 during 2022/23 meant that the Executive Committee and Financial Sub-Committee closely monitored our financial reports, work programme, and budgets throughout the year.

Our Future - Climate Change and Decarbonisation

For the next three decades the electricity industry, our engineers, and the application of engineering face unprecedented challenges as Aotearoa New Zealand decarbonises its economy.

A key activity this year was to reset the strategic focus of the EEA to make sure we are aligned and engaged in this important work. The President's Report goes into more detail around the vision and our journey. Our beacon will be our Strategic Foresighting Statement.

“By 2050 the EEA and its members will have contributed to the realisation of a world where human activity is no longer having a significant negative impact on the planet's climate and ecosystem. The EEA and its members are fully engaged in the planet's challenges with respect to climate change, decarbonisation, energy supply resilience, environmental rehabilitation, economic circularity, secure energy systems, and a balanced and equitable world.”

We look forward to you joining us in this exciting journey.

Thank you

At the 2023 AGM, EEA President Dr Stephen Jay will be stepping down. I want to acknowledge and thank him for his strong leadership over the last four years.

No one predicted COVID-19, and we had to adapt to a new way of working and supporting our members and industry. We even cancelled a Conference - not done since World War II.

Through Steve's strong leadership and the support, guidance, vision, and commitment of the current EEA Executive Committee, we've made it through to the other side. The EEA remains in a strong position to support members and industry on the future challenges of a dynamic and rapidly changing power industry and we are committed to enabling a low carbon future and supporting engineering and technical innovation in the electricity supply industry.

The EEA is a small team and we saw a couple of our team move on to new challenges – so it has been great to have two experienced industry leaders join us - Dr Stuart Johnston and Hayley Head.

We are also grateful to our standing committee convenors and members. Together their hard work, commitment to continual improvement, passion for what they do, and professional approach has enabled the EEA to deliver some important industry outcomes in 2023.

Thank you to all our members, volunteers, and their companies for supporting the EEA through another challenging year.

The EEA is about 'collabor-action' and delivering outcomes through partnerships with our members, and working with government, regulators, technical experts, and other industry stakeholders, so we can continue to ensure the safe, sustainable, and reliable delivery of electricity to all Aotearoa New Zealand.

Ngā mihi nui,

Peter Berry | Executive Director



Audited financial statements



Independent auditor's report

To the Members of Electricity Engineers' Association of New Zealand Inc

Opinion

We have audited the special purpose financial statements of Electricity Engineers' Association of New Zealand Inc on pages 5 to 16, which comprise the balance sheet as at 31 March 2023 and the statement of profit or loss, and statement of changes in equity for the year then ended, and notes to the special purpose financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of Electricity Engineers' Association of New Zealand Inc for the year ended 31 March 2023 are prepared, in all material respects, in accordance with the New Zealand Tax Administration (Financial Statements) Order 2014.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the special purpose financial statements' section of our report.

We are independent of Electricity Engineers' Association of New Zealand Inc 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 our capacity as auditor we have no relationship with, or interests in, Electricity Engineers' Association of New Zealand Inc.

Emphasis of Matter: Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared to assist the Executive Committee of Electricity Engineers' Association of New Zealand Inc in providing information regarding the financial performance and position of Electricity Engineers' Association of New Zealand Inc and so that the Association can meet its obligations under the Income Tax Act 2004. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for Electricity Engineers' Association of New Zealand Inc and its Executive Committee and should not be distributed to parties other than Electricity Engineers' Association of New Zealand Inc or its members.

Executive Committee's responsibilities for the special purpose financial statements

The Executive Committee are responsible on behalf of Electricity Engineers' Association of New Zealand Inc for the preparation of these special purpose financial statements in accordance with the accounting policies set out in the statement of accounting policies of the special purpose financial statements and for such internal control the Executive Committee determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee are responsible on behalf of Electricity Engineers' Association of New Zealand Inc for assessing Electricity Engineers' Association of New Zealand Inc'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 Executive Committee either intend to liquidate Electricity Engineers' Association of New Zealand Inc or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the special purpose financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements are 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) 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 decisions of users taken on the basis of these special purpose financial statements.

A further description of the auditor's responsibilities for the audit of the special purpose financial statements is located at the XRB's website at <http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>



Moore Markhams Wellington Audit | Qualified Auditors, Wellington, New Zealand
9 June 2023

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2023

	Note	2023	2022
		\$	\$
Revenue	1	2,630,716	2,229,323
Cost of goods sold	2	4,010	6,544
		Gross surplus	2,626,706
			2,222,779
Other trading expenses			
Operating	3	1,158,568	1,015,162
Administration	4	869,551	923,666
Non-cash items	5	243,601	215,069
		2,271,719	2,153,897
		Net business surplus/(deficit)	354,987
			68,882
Other income			
Interest income		32,217	6,931
Net profit/(loss) before tax		387,204	75,813
Tax expense	6	73,134	46,369
		Net surplus/(deficit)	314,070
			29,444

STATEMENT OF MOVEMENTS IN EQUITY
for the year ended 31 March 2023

	Note	2023	2022
		\$	\$
Net surplus/(deficit) for the year		314,070	29,444
Equity at the beginning of year		1,364,797	1,335,353
Equity at the end of year	7	1,678,868	1,364,797

These statements are to be read in conjunction with the notes to the financial statements

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2023

	Note	2023	2022
		\$	\$
Total equity	7	1,678,868	1,364,797
Current assets			
Cash and bank balances	8	777,880	1,036,147
Accounts receivable and accrued income		134,467	160,032
Prepayments	13	149,432	19,765
Stock on hand		3,352	7,362
Investments	10	1,195,990	482,135
Total Current assets		2,261,120	1,705,441
Non-current assets			
Property, plant and equipment	9	32,344	33,854
Intangibles	11	698,859	476,394
Total Non-current assets		731,203	510,248
Total assets		2,992,323	2,215,689
Current liabilities			
Cash and bank balances	8	5,097	-
Accounts payable and accrued expenses		398,139	231,356
Income received in advance	12	827,833	548,620
GST payable		12,151	20,378
Income tax payable	6	68,319	50,538
Current portion of finance leases	14	1,000	-
Total current liabilities		1,312,539	850,892
Non-current liabilities			
Non-current portion of finance leases	14	916	-
Total Liabilities		1,313,455	850,892
Total Net Assets	7	1,678,868	1,364,797

These statements are to be read in conjunction with the notes to the financial statements

Notes to the financial statements for the year ended 31 March 2023

STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

The Electricity Engineers' Association of NZ Inc. is an incorporated society registered under the Incorporated Societies Act 1908.

The financial statements comprise of profit and loss account, movements in equity, balance sheet and accounting policies as well as the notes to these statements.

The special purpose financial statements have been prepared applying the accounting principles of accrual accounting and the double entry method of recording financial transactions. They comply with the New Zealand Tax Administration (Financial Statements) Order 2014. The special purpose financial statements have been prepared on the basis of tax values.

Purpose

The purpose of the special purpose financial statements is to provide users with consistent year on year information regarding the financial performance and position of Electricity Engineers' Association of NZ Inc and so that the Association can meet its obligations under the Income Tax Act.

The following specific accounting policies have been applied in the preparation of these special purpose financial statements.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where an item of property, plant or equipment is disposed of, the gain or loss recognised in the profit and loss statement is calculated as the difference between the sale price and the carrying amount of the asset.

Depreciation

Depreciation is charged to the profit and loss at the same rate as allowed by the Income Tax Act 2007. The following rates have been used: Office equipment 11.4% - 67.0% diminishing value, Office fit out 10.0 - 12.0% diminishing value

Investments

Investments are stated at cost. Investments classed as current assets include term deposits that have original maturity dates between 3 months (90 days) and 12 months.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis.

Cash and bank

Cash and bank includes cash on hand, deposits and other short term highly liquid investments. The investments have an original maturity date of 3 months (90 days) or less.

Accounts receivable and accrued income

Accounts receivable and accrued income are stated at their estimated recoverable amount.

Accounts payable and accrued expenses

Accounts payable and accrued expenses are recorded at cost. Accrued expenses includes the Association's obligations in respect to annual leave and estimated bonuses earned by employees at balance date.

Revenue recognition/income in advance

Revenue shown in the profit and loss statement includes income received from members and customers for seminars, courses and conferences ("events"). Revenue for events is recognised in the period in which the event is delivered. Income received for events which have yet to be delivered at balance date is deferred and recorded as "income received in advance" in the balance sheet.

Taxation

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Current Tax for the Period

Current tax is recognised as an expense or income in the Statement of Profit and Loss, except when it relates to items credited or debited directly to equity, in which case the current tax is also recognised directly in equity.

Goods and services tax

All amounts are shown exclusive of Goods & Services Tax (GST), except for receivables and payables which are shown inclusive of GST.

Foreign currency

Foreign currency amounts are converted to New Zealand dollars at the exchange rate ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the exchange rate that day.

Intangibles

Intangible assets are held at cost, less impairment and amortised at the same rate as allowed by the Income Tax Act 2007 where applicable, or over their estimated useful life.

The following rates are used:

- Micro-Credential - 40% straight line
- Safety in Design - 40% straight line
- Safety Manual - 40% straight line
- Power System Earthing - 40% straight line
- Knowledge Network Program - 40% straight line
- Distributed Generation - 40% straight line

Change in accounting policies

The accounting policies adopted are consistent with those of the previous year.

Notes to the financial statements
for the year ended 31 March 2023

1	OPERATING REVENUE	2023	2022
		\$	\$
	Annual conference registration	517,150	487,216
	Annual conference sponsorship	100,500	123,700
	Annual conference trade exhibition	486,685	427,475
	Enforceable Undertakings	-	25,000
	Forums and Workshops	46,200	59,465
	Membership - Corporate	508,300	434,500
	Membership - Individual	62,773	52,543
	NEDeRS	50,150	50,919
	Other income	15,067	16,655
	Postage recovered	1,953	2,545
	Project: FlexTalk Common Comms	361,369	-
	Publications	366,187	407,703
	Professional Development Courses	114,380	141,602
		2,630,716	2,229,323
		<hr/>	
2	COST OF GOODS SOLD		
	Opening stock	7,362	13,905
	Closing stock	(3,352)	(7,362)
	Total Cost of sales	4,010	6,544
		<hr/>	
3	OPERATING EXPENSES	2023	2022
	Annual conference general expenses	275,407	230,702
	Annual conference sponsorship expenses	29,674	25,088
	Annual conference trade exhibition	203,364	271,842
	Awards and scholarships	35,114	24,073
	Consulting fees	133,339	316,700
	EEA executive meetings expenses	3,631	2,774
	EEA executive meetings honoraria	500	700
	EEA executive meetings travel	523	-
	Forums & Workshops	31,348	21,833
	Marketing & promotions	4,216	10,948
	Meetings expenses	26,600	5,617
	Membership expenses	31,491	37,010
	Office Equipment	88	195
	Printing & publications	26,574	31,684
	Professional Development Courses	63,309	27,217
	Project: FlexTalk Common Comms Expenses	269,181	-
	Standards Work	15,603	3,000
	Subscriptions	8,605	5,780
		1,158,568	1,015,162

4 ADMINISTRATION

	2023	2022
	\$	\$
Accident compensation	1,125	1,288
Accounting	15,638	17,489
Audit fees	9,580	8,722
Bank charges	10,712	9,653
IT & Website expenses	52,018	50,447
Donations & Sponsorships	15,810	12,950
Foreign exchange losses	23	(78)
General expenses	1,264	690
Insurance	17,188	15,459
Legal (deductible)	23,200	22,065
Postage and couriers	4,171	3,752
Office rent	57,361	53,927
Salaries	626,016	718,105
Staff costs	32,384	5,735
Stationery	1,199	717
Telecommunications	1,862	2,744
	869,551	923,666

5 NON-CASH ITEMS

Amortisation	236,057	206,352
Depreciation	7,544	8,313
Loss on disposal of fixed assets	-	404
	243,601	215,069

6 TAX

Total Net surplus/(deficit) before tax	387,204	75,813
Adjustments for differences		
Movement in accruals	10,877	10,626
Permanent differences		
Non-taxable (profit)/loss from association fees	(135,887)	80,163
Non-profit organisation tax deduction	(1,000)	(1,000)
Total Permanent differences	(136,887)	79,163
Surplus/(deficit) before losses brought forward	261,194	165,602
Taxable Income/(loss carried forward)	261,194	165,602
Tax payable at 28%	73,134	46,369
Tax adjustments		
Resident withholding tax paid	(11,337)	(2,171)
Provisional tax paid	(15,494)	(14,788)
Prior year tax payment/(refund) outstanding	22,015	21,127
Total Tax adjustments	(4,816)	4,169
Income tax payable/(refund)	68,318	50,538

7 EQUITY

	2023	2022
	\$	\$
Retained earnings	1,678,868	1,364,797
Equity	1,678,868	1,364,797
Movements in retained earnings		
Equity at beginning of year	1,364,797	1,335,353
Net surplus/(deficit)	314,070	29,444
Balance at end of year	1,678,868	1,364,797

8 CASH AND BANK BALANCES**Current Assets**

BNZ cheque account	56,248	43,480
BNZ call account (25)	169,014	40,809
BNZ call account (26)	257,397	659,706
Foreign Currency Call Account AUD	2,545	2,739
Term Deposit 3035*	292,677	289,412
Total Current assets	777,880	1,036,147

Current Liabilities

Credit Card (SJ)	541	-
Credit Card (HH)	4,556	-
Total Current liabilities	5,097	-

Total Cash and Bank Balances	772,783	1,036,147
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9 PROPERTY, PLANT AND EQUIPMENT

Office Equipment	116,214	110,181
Office Equipment - Accumulated Depreciation	(88,365)	(82,131)
Total Office Equipment	27,849	28,049
Office Fit-out	15,605	15,605
Office Fit-out - Accumulated Depreciation	(11,110)	(9,800)
Total Office Fit-out	4,495	5,805
Total Property, plant and equipment	32,344	33,854

*The term deposit 3035 was reinvested on 11 March 2023 at an interest rate of 3.75% per annum and matures on 9 June 2023.

10 INVESTMENTS

	2023	2022
	\$	\$
Term deposits		
Term deposit 3033	489,992	482,135
Term deposit 3037	201,690	-
Term deposit 3038	504,308	-
Total	1,195,990	482,135

Investments have been classified as current assets for both the current and prior accounting periods as all investments have a maturity date within 12 months of balance date.

Term Deposit 3033 was reinvested on 29 October 2022 at an interest rate of 3.75% per annum and matures on 27 April 2023.

Term Deposit 3037 commenced on 22 December 2022 and generates interest at a rate of 5.10% per annum and matures on 18 September 2023.

Term Deposit 3038 commenced on 22 December 2022 and generates interest at a rate of 5.20% per annum and matures on 22 December 2023.

11 INTANGIBLES

	2023	2022
<u>Micro-Credential</u>		
Micro-Credential	212,564	152,024
Accumulated amortisation of Micro-Credential	(130,296)	(78,188)
Total Micro-Credential	82,267	73,836
<u>Safety Manual</u>		
Safety Manual—Electricity Industry	319,965	319,965
Accumulated amortisation of Safety Manual - Electricity Industry	(287,969)	(159,983)
Total Safety Manual	31,997	159,983
<u>Safety in Design</u>		
Safety in Design	58,236	58,236
Accumulated amortisation of Safety in Design Programme	(44,108)	(20,814)
Total Safety in Design	14,128	37,422
<u>Knowledge Network Programme</u>		
Knowledge Network Programme	20,790	20,790
Accumulated amortisation of Knowledge Network Programme	(11,781)	(3,465)
Total Knowledge Network Programme	9,009	17,325
<u>Power System Earthing</u>		
Power System Earthing	53,205	53,205
Accumulated amortisation of Power System Earthing	(23,056)	(1,774)
Total Power System Earthing	30,150	51,432
<u>Distributed Generation</u>		
Distributed Generation	18,421	-
Accumulated amortisation of Distributed Generation	(3,070)	-
Total Distributed Generation	15,351	-

11 INTANGIBLES (CONTINUED)	2023	2022
<u>Intangibles work in progress</u>		
WIP Micro-credential	4,590	29,280
WIP Knowledge Network Programme	273,993	89,917
WIP Power Systems Design	104,445	-
WIP Asset Management	17,200	17,200
WIP Line Mechanics & Cable Jointers Handbook	115,730	-
Total Intangibles work in progress	515,958	136,397
Total Intangibles	698,859	476,394

The Micro-Credential intangible asset relates to the creation of an online training programme for design principles. This contains 8 modules of learning.

- The first module on OHLD Principles was completed on 1 March 2020 and is amortised using the straight line method at 40%. There were subsequent costs have been added since then and have been amortised from the dates they were added.
- The second module on OHLD Conductors was completed in March 2023 and will be amortised using the straight line method at 40% from 1 April 2024.
- The third, fourth, fifth and seventh modules, OHLD Insulator, OHCL Pole, OHLD Crossarms and OHLD Foundations have incurred costs during the 2023 year. These modules are still in development as at 31 March 2023.
- The sixth module on OHLD Stays second stage was completed in February 2023. Both the first and second stage of the module are amortised using the straight line method at 40%.
- The eight module on OHLD Practice was completed in February 2023 and is amortised using the straight line method at 40%.
- An additional OHLD Maths module was created and completed during the 2023 year and is amortised using the straight line method at 40%.

The Safety Manual - Electricity Industry project relates to the development of an electronic safety manual and platform. This project was completed on 20 January 2021 and is amortised using the straight line method at 40%.

The Safety in Design (SiD) intangible asset relates to a training program which comprises of online learning and interactive workshops. This first portion of this project was completed March 2021 and is amortised using the straight line method at 40%. Additional costs of \$12,060 were capitalised during the year and amortised using the same method.

The Knowledge Network Programme intangible asset relates to an online program which was still in development as at 31 March 2023. One module with costs of \$20,790 was completed in November 2021 and amortised using the straight line method at 40%.

The Power Systems Design intangible asset is made up of various modules. The Power Systems Earthing module relates to a course comprising of online learning and a webinar workshop series which was completed by 31 March 2022. It includes other modules such as Power System Components for Electricity Supply, Substation Design for Electricity Supply and High Voltage Plant for Heavy Industry which are still in progress at 31 March 2023.

The Asset Management intangible asset relates to a three-part course based on an international framework. This project was still in progress at 31 March 2023.

The Distributed Generation intangible asset was created during the 2023 year and was completed in October 2022 and is amortised using the straight line method at 40%.

The Line Mechanics & Cable Jointers Handbook intangible asset relates the digitalisation of a physical handbook. This project was still in progress at 31 March 2023.

12 INCOME RECEIVED IN ADVANCE	2023	2022
Conference Income	564,966	306,659
Professional Development & Publications income	262,867	241,961
	827,833	548,620

Income received in relation to the 2023 conference is held as income in advance on the basis that this will be used towards the 2023 Conference.

13 PREPAYMENTS

Conference Expenses	112,532	18,580
Prepayments	36,900	1,185
	149,432	19,765

14 FINANCE LEASES

Current portion of One NZ finance lease	1,000	-
Non-current portion of One NZ finance lease	916	-
Total Finance leases	1,916	-

The One NZ finance lease is paid monthly over a 24 month period starting on 4 March 2023. It will be repaid on 4 February 2025.

15 RELATED PARTY DISCLOSURE

The Electricity Engineers' Association (EEA) of New Zealand Inc is an incorporated society with a number of members throughout the country and accordingly EEA will be related to any transactions with these members.

16 CONTINGENCIES AND COMMITMENTS	2023	2022
	\$	\$
Current Portion	1,416	472
Non-current Portion	2,006	-
Total Contingencies and Commitments	3,422	472

The lease and rental commitments relate to the following:

A rental agreement for a printer between the Electricity Engineers' Association and Canon Finance NZ Ltd. The agreement was signed on 24 August 2022 and expires on 23 August 2025 with the annual amount payable amounting to \$1,416.

Other than the agreements stated above, as at balance date, the Electricity Engineers' Association had no commitments or contingent liabilities.

17 SUBSEQUENT EVENTS

There have been no events subsequent to balance date which would materially affect the financial statements. (2022: \$nil).



Large Corporate Members

Alpine Energy	Genesis Energy	PowerNet Ltd
Aurora Energy	MainPower	The Lines Company
Chorus	Manawa Energy	Top Energy
Contact Energy	Marlborough Lines	Transpower NZ
Counties Energy	Mercury Energy	Unison Networks
Downer NZ Ltd	Meridian Energy	Vector Ltd
EA Networks	Northpower	Ventia NZ Operations Ltd
Electra Ltd	Orion NZ Ltd	WEL Networks
Electrix Ltd	Powerco Ltd	Wellington Electricity



Medium Corporate Members

ABB Ltd
Delta
ElectroNet
ETEL Transformers
Firstlight Network
Horizon Energy Group
MB Century
Network Tasman
Network Waitaki
Pioneer Energy
Waipa Networks



EEA Corporate Members



Small Corporate Members

Alf Downs Street Lighting	Geo40	PLP NZ Ltd
AIS Accurate Infrastructure Solutions	Hiko Power Engineering	Power (2018) Ltd
Buller Electricity	Hitachi Energy	Power Jointing (2018) Ltd
Busck Prestressed Concrete	Hutec Engineering	PowerTech Nelson
Centralines	Infrastructure Solutions	PSC NZ Ltd
ChargeNet NZ	Lemacon	Scanpower
Complete AGL Ltd	McMahon Ltd	Sparrow Construction
Connetics	Nelson Electricity	Tesla Consultants
Design Engineering	NetCON	Todd Corporation/Nova Energy
Eastland Generation	NZ Steel	Utilegent
EATON Industries	NZ Windfarms	Wells Instrument & Electrical Services
Edison Consulting	Obertech Group	



Electricity Engineers'
Association

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