

MINUTES OF THE 105TH ANNUAL GENERAL MEETING OF THE INSTITUTION OF PROFESSIONAL ENGINEERS NEW ZEALAND INC. T/A ENGINEERING NEW ZEALAND

**Friday 29 March 2019, 3.06–5pm
Level 6, NEC House, 40 Taranaki Street, Wellington**

The President opened the Annual General Meeting and welcomed Distinguished Fellows, Fellows, Past Presidents, and those who had not been to the new premises at 40 Taranaki Street. The President confirmed that the procedure for the meeting is that set out in the Rules.

APOLOGIES

Apologies were received in advance of the meeting from Craig Price and Bryan Leyland.

IN MEMORIAM

The President acknowledged members who had passed on over the year, including those engineers who lost their lives on 15 March 2019 in a terror attack on the Al Noor and Linwood mosques in Christchurch . The meeting observed a moment's silence for the following:

John Raymond Guille Marsden	David Charlesworth	Antony Hamnet Julian
Ernest William Sinton	Kenneth James Stevenson	Alan Mcgregor Peart
Norman Colin McLeod	John Aubrey Crabtree	Dayasiri Atapattu
Colin Gordon McMilan	Rex Neil Burgess	Robert Edwin Reid
Henry McCallion	Robert Gardiner Heron	Robert Cecil Hall
Joseph John McArdle	John Robert Fitzmaurice	Roland John Blackman
Raymond Francis Meyer	Richard Sharpe Bolton	Denis Stephenson
Basil John Wakelin	Raymond Myles Thompson	Harvey Paul O'Sullivan
Normal David Hardie	George William Butcher	Reginald Motion
Paul Gilbey	Robert Keith Moir	Geoffrey David Willberg

Gilles Seve

Ronald Murdoch McLay

Christchurch, 15 March 2019

Moinir Soliman CMEngNZ CPEng

Ali Elmadani

Osama Adnan Youssef Kwaik

Talha Naeem (Student
Member)

Lilik Abdul Hamid

Haji-Daoud Nabi

Farhaj Ahsan

Zeeshan Raza

Zakaria Bhuiyan

Shahid Suhail

CONFIRMATION OF MINUTES OF THE 2018 ANNUAL GENERAL MEETING

The President tabled the draft minutes of the 2018 Annual General Meeting and put the motion for approval to the floor. There was no discussion.

Motion That the minutes of the Annual General Meeting held in Wellington on Friday 16 March 2018, and circulated to those present today, be taken as a true and accurate record of the meeting.

President | Deputy President | carried

APPROVAL OF 2018/19 ANNUAL REPORT AND STATEMENT OF ACCOUNTS

The President tabled the Annual Report and Financial Statements for 2018/19 and put the motion for approval to the floor.

Annual Report

The President and Chief Executive highlighted some of the initiatives in the annual report, including the Wonder Project, Diversity Agenda, Engineering New Zealand's work supporting the Greater Christchurch Claims Resolution Service, and the thought leadership series Engineering A Better New Zealand. The Chief Executive thanked the Board and volunteers across our committees, branches and groups, and highlighted key achievements over the year.

Financial Report

The President provided some context for the financial report, including around the significant expansion of work that Engineering New Zealand has done without raising members' fees apart from CPI increases. Over the past three years, the budget has operated at a surplus. A strategic decision was made by the Board to run a deficit in 2018/19, to invest in the future through new premises that will have long-term financial benefits with a significantly lower rent, and a new IT system that will help better interact with members and meet their changing needs in a way the current system cannot.

The financial statements have been favourably audited by an external auditor.

Motion That the 2018/19 Annual Report, available electronically from 1 March 2019, be approved.

President | Deputy President | carried

Motion That the 2018/19 full financial statements, available on the Engineering New Zealand website from 1 March 2019, be approved.

President | Deputy President | carried

NEW APPOINTMENTS TO THE BOARD

The President declared the results of the 2019/2020 elections as:

President	Ben Holland	One year term
Deputy President	Colin Crampton	One year term
Vice President	Rosalind Archer	One year term
Board Members	Jan Evans Freeman Bryan Leyland	Three year term Three year term
Governing Board members whose terms continue	Dean Kimpton	Immediate Past President

The President thanked the scrutineers for checking the results of the Board elections. He also acknowledged and thanked outgoing Director John Burden, and Craig Price – outgoing Past President.

APPOINTMENT OF AUDITOR

The President tabled the recommendation from the Audit, Risk and Finance Committee that Grant Thornton be appointed as auditor and put the motion for approval to the floor. There was no discussion.

Motion That on the recommendation of the Audit, Risk and Finance Committee, Grant Thornton is appointed as auditor at a fee to be approved by the Board.

President | Vice President | carried

PROPOSED RULE CHANGES

The President spoke to the proposed changes, noting there are five motions relating to the Rules to consider:

1. The Board's motion to pass the new draft Rules, which have been developed following a year-long consultation with members (the Original Motion); and
2. Four motions from Alex Chisholm and Lindsay Robertson relating to four particular provisions of the Governance and Management section of the Rules (Notices of Motions).

Background

The President noted that the current Rules are outdated. Without any bad or wrong intent, engineers aren't following them. The Rules are not clear or consistent, they are confusing and contain detail that push us towards being prescriptive and pedantic rather than enabling and connected. There is a need to empower branches and groups so they can do what they're doing well and remove unnecessary bureaucracy so that we can function as a modern, efficient organisation with a Board that governs rather than manages.

The President explained the approach to drafting the Rules, including that they include rights and responsibilities comparable to analogous organisation and are principles-based, with cascading detail in underpinning documents like regulations and procedures. The President explained the Board's governance involvement in reviewing feedback and approving the proposed new Rules, and the external legal review process to ensure an appropriate balance of powers and member rights in the Rules. The president noted that the Board's independent legal advisor Hayden Wilson from Kensington Swan was present to help address any legal questions arising.

The General Manager – Legal and Policy spoke to the year-long, three-stage consultation process, noting the level of engagement and overwhelming positive support for the proposed changes and approach of the new draft Rules.

Tenets

Board member Sina Cotter-Tait spoke to the proposed changes to part one of the tenets, which contain important sections relating to our name, purpose and how Engineering New Zealand upholds that purpose through member obligations. These changes include minor amendments to tidy the wording and to include recognition of Engineering New Zealand's important role in promoting diversity and inclusion in the profession.

There were no Notices of Motion in relation to this section of the Rules. There was no discussion from the floor on the proposed changes to the tenets.

Membership

Deputy President Ben Holland spoke to section two around membership, which includes member class definitions and how to become or cease to be a member, as well as rights of members and complaints. Proposed changes include allowing for reciprocal membership with associated reduced fees, a more inclusive definition for Member and Chartered Member to allow for the recognition of emerging disciplines, new Rules around ceasing to be a member and how membership fees can be paid, including Affiliate members in the definition of Voting Member, and a new Rule in relation to complaints to ensure alignment with the complaints regulations for CPEng and other regulated professions.

There were no Notices of Motion in relation to this section of the Rules. There was no discussion from the floor around the proposed changes to section two of the Rules.

Governance

The President provided an overview of section three of the Rules, which includes Board composition, elections and appointments, strategic and financial duties, AGMs, SGMs, Referendum, Rule and Regulation changes. Proposed changes include a new Rule to allow the Board to specify preferential voting in case we think this is appropriate in the future, more clarity around the processes for AGMs and SGMs, including in

relation to the process and timeframes for raising motions, and discretion to provide for remote attendance and voting at AGMs and SGMs.

The President noted that the Board is confident the provisions relating to the Board's strategic and financial duties, including in relation to delegations to the Chief Executive, are at the right level for an organisation like Engineering New Zealand, allowing Engineering New Zealand to efficiently carry out day-to-day activities to deliver on the strategy set by the Board without creating unnecessary bureaucracy, and external legal review supported this.

The President noted that there had been contrary feedback about whether the Rules should include a quorum for AGMs. Our current Rules require no quorum for an AGM, but members think there should be one, and the Board agreed. The Board proposed to keep the status quo until remote attendance AGM had been completed to get a good idea of what is achievable.

It was noted that the Board had committed to a substantive review of and consultation on our governance procedures in 2020, including eligibility for Senior Office Holder positions, greater Branch participation at the Board level and greater diversity. It was therefore proposed that that Rules relating to the composition of the Board stay substantially the same for now and be considered as part of that review.

It was noted from the floor there was a minor typo in Rule 17.8 which read 'the is' instead of 'there is'.

There were four Notices of Motions from Alex Chisholm and Lindsay Robertson in relation to this section. These were considered in turn:

1. Motion from Alex Chisholm and Lindsay Robertson to amend proposed Rule 15: Procedures, Powers and Duties of the Board" to add new clause: "Board has a duty to represent the views of voting members and shall ensure robust mechanisms are used to determine the views of voting members."

The mover and seconder were invited to speak to the motion. Alex Chisholm noted that the Rules frequently say the Board represents members but place no duty on the Board to do this. Lindsay Robertson stated that the Rules are for the bad times, and that because professional bodies are different from other bodies that have command hierarchy from top down, there is a need for the Board to have a clear duty to represent the views of members.

The Deputy President noted that the Board's legal duty and obligations are underpinned by the Board Charter, and that the Rules clearly state the Board needs to consider the views of members. The Deputy President noted that external legal advice was specifically sought to consider whether there was a reasonable and responsible balance between Board decision making and members' rights to have a say over the running and the direction of their representative organisation, and the external legal advisors confirmed there was. The Board are satisfied that the Board's duty to members, and duty to consult members, is well accounted for in the draft new Rules and consistent with like-organisations.

There was no further discussion from the floor. The motion was put to members.

Motion That the Board amend Rule 15: Procedures, Powers and Duties of the Board” to add new clause: “Board has a duty to represent the views of voting members and shall ensure robust mechanisms are used to determine the views of voting members.”

Not carried

2. Motion from Alex Chisholm and Lindsay Robertson to amend proposed Rule 17.8 to read: “The AGM requires a quorum of at least 100 members”.

The mover and seconder were invited to speak to the motion. Alex Chisholm and Lindsay Chisholm acknowledged the earlier comments for holding back requirements for a quorum until there was greater visibility on AGM remote attendance, but called for a realistic number to be adopted now.

The Deputy President replied on behalf of the Board, noting that the Board had held a long and robust discussion in relation to the quorum question. Comparable organisations provide no consistent guidance. It was important to the Board that there be a rational basis to the quorum – one that is achievable and appropriate for a membership of 22,000. The Board decided that at this stage it should propose we keep the status quo until we have run a remote attendance AGM, so we get a good idea of what is achievable. The Board had proposed to revisit this question in 2020 when it carries out the governance review, which it will consult on.

There was discussion from the floor supporting both choosing a number now as against making an informed decision in the future as part of an active review of the governance structure and framework.

The motion was put to members.

Motion That the Board amend Rule 17.8 to read: “The AGM requires a quorum of at least 100 members”

Not carried

3. Motion from Alex Chisholm and Lindsay Robertson to amend proposed Rule 17.9 to read: “The Board will take all practicable steps to make provision for Engineering New Zealand members to attend and vote at the Annual General Meeting remotely as soon as possible”

The mover and seconder were invited to speak to the motion. Alex Chisholm noted the move to head to remote attendance and online voting for AGMs, but wanted the obligation to provide for this to be more positive. Lindsay Robertson endorsed doing this with urgency.

The Deputy President replied on behalf of the Board, noting that the Board agrees it’s important for an organisation of Engineering New Zealand’s size and geographical spread to truly be inclusive. While it is the Board’s intention that remote attendance and voting will happen next year, without having explored how it can deliver on this, the Board didn’t want to include a Rule that will set us up to fail from the outset. The Board also didn’t want to be in the position where they were in breach of the Rules, or can’t hold the AGM, if technology fails. It was anticipated by the Board that once we have established a robust mechanism for doing this then the Rules can be amended then to make the expectation more definitive.

There was discussion from the floor, supporting the Board's direction but balancing the need to get it right as against a positive obligation and intent. It was agreed with the mover and seconder to amend the motion to ensure currency. An amended motion was put to vote.

Motion That the Board will take all practicable steps to make provision for Engineering New Zealand members to attend and vote at the Annual General Meetings remotely.

Carried

4. Motion from Alex Chisholm and Lindsay Robertson to amend Rule 16.3 to read: "The Board may delegate any of its powers under these Rules to specified persons. Delegations must be for defined scope and timeframe, must be publicised to members, and any delegation of powers must be accompanied by the delegation of associated responsibilities. The Board shall retain final responsibility for the exercise of any delegation, and shall have the power to rescind any delegation."

The mover and seconder were invited to speak to the motion. Alex Chisholm noted that the current proposed delegation provision lacks teeth. With Lindsay Robertson, they noted that the Rule should be clear and provide security for bad times.

The Deputy President replied on behalf of the Board, noting that the current and proposed delegation provisions are consistent with other organisations like ours, including the New Zealand Institute of Architects, the New Zealand Institute of Surveyors (trading as Survey and Spatial New Zealand), and the Institute of Directors. None of the Rules of these other organisations go into the detail proposed in the Notice of Motion relating to delegations and responsibilities. It was noted that there are clear lines of accountability between the Board and the CE. This is inherent in the laws relating to delegation. But there needs to be a balance that allows a business of Engineering New Zealand's size and activity levels to operate effectively and efficiently. The balance is currently managed through a financial delegation policy and an accountability pathway relating to the CE's activities and performance. The CE reports to the Board and their performance is monitored through the Performance and Remuneration Committee, which is chaired by the President and made up of three other Board members, including the Immediate Past President and the Deputy President. The Board's view is that the current accountability mechanisms around delegations and the CE's responsibilities are at the right level for an organisation of Engineering New Zealand's nature, and the provisions were reviewed favourably by our external advisors.

There was discussion from the floor noting the need to keep governance and operational activities separate, and that the level of constraints proposed would not normally be seen in organisation like this nor commercial organisations.

The motion was put to members.

Motion That the Board will amend Rule 16.3 to read: "The Board may delegate any of its powers under these Rules to specified persons. Delegations must be for defined scope and timeframe, must be publicised to members, and any delegation of powers must be accompanied by the delegation of associated responsibilities. The Board shall retain final responsibility for the exercise of any delegation, and shall have the power to rescind any delegation."

Branches and groups

Board member Tim Fisher spoke to the proposed changes to part four of the Rules relating to branches and groups. It was noted that there was strong support in the consultation to remove operational detail best left to individual branches and groups from the Rules while ensuring consistency through principles-based guidance and protocols issued by the Board. The intention is to empower volunteers who work in their communities to advance the profession by removing operational detail and administrative barriers. With greater flexibility on operations, the Board wanted to ensure that accountabilities and responsibilities were clear, which includes powers to respond when those accountabilities are not being met. This sits behind the provisions relating to the removal of members.

One amendment was proposed for discussion from the floor by Steve Abley. Steve Abley noted that members of groups who are not also Engineering New Zealand members are not required to meet Engineering New Zealand's good character and ethical obligations. An amendment was proposed that would require all members of groups to abide by the good character and ethical obligations of members, to address issues of reputational association.

There was discussion as to whether an amendment could be proposed from the floor, without the opportunity for member consultation, which the Board has an obligation to carry out given the substantive effect of the proposed change. The President noted as Chair that proper consultation on this point is required and it is appropriate for the issue to be referred to the Board and considered as part of the consultation programme when the Board reviews Engineering New Zealand's governance rules. That way the proposal can be taken back through a robust consultation process.

It was agreed that a motion could be moved, and it was moved by Steve Abley and seconded by Jack Mains.

The Board's legal advisor commented on whether the proposed amendment will have the intended effect, given that it doesn't deal with situations where a group member is an organisation, and that Engineering New Zealand has no jurisdiction to make a determination against a non-Engineering New Zealand member of a group. The legal advisor commented that further thought would need to be given as to how the intended outcome could be achieved within the jurisdictional constraints.

There was a discussion from the floor, with several members noting their support for the intent of the proposal, but recognising that consultation with the groups would be required (recognising that the groups have a strong membership in their own right and generally conduct themselves very well), along with consideration for the legal implications.

The Motion for amendment put forward by Steve Abley was voted on by members and not carried.

The President advised members that the Board has heard the issue and that it will consider the proposal, with group consultation, in the future.

The Original Motion was then voted on.

Motion That new draft rules, with the carried amendment to Rule 17.9, be approved as the new Engineering New Zealand Rules.

President | Vice President | carried

VOTE OF THANKS

The President moved a motion to formally thank all those members who have served on committees or as representatives of Engineering New Zealand over the past year.

Motion That all those members who have served on committees or as representatives of Engineering New Zealand during the past year be formally acknowledged and thanked.

President | Tim Fisher | carried

GENERAL BUSINESS

A vote of thanks was offered to Engineering New Zealand for its exceptional support to group conferences and events.

There was no other general business.

The meeting closed at 5pm.

Chair

Date