



**Annual Report by the
Engineering Associates Registration Board
For the Period from 1 April 2013 to 31 March 2014**

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Executive Summary and Commentary

The Engineering Associates Registration Board (the Board) is pleased to present the annual report reviewing the activities for the year to 31 March 2014.

Decline in Registered Engineering Technicians and Technologists

The decline continues in the numbers of experienced engineering technicians and technologists seeking registration and is the prime matter for the Board's attention.

The rationalisation of the technical engineering diploma courses together with the new 'practical element' of the three main diploma disciplines and the BEngTech 3 year degrees should combine to see an improvement in the availability of appropriate technical engineering courses that have consistent curricula throughout NZ. These developments should start to see an increase in the numbers of applicants eligible for registration over the medium term.

Board Operations

At 31 March 2014 there were 1372 registered REAs, 81 less than at the same time in 2013.

The Board operations resulted in a deficit of \$14,683 for the financial year, reducing the Board's reserves to \$86,219. The annual audit by Audit NZ was completed during May 2014. The audit identified no matters of immediate concern, but the continuing decline in the numbers of REAs has been noted.

The Engineering Associates Fees Amendment Regulations were effective from 1 July 2013, which although they only applied to a low number of fees in this financial year, will improve the Board's financial position for subsequent years.

Titles of the Credential

The first significant recommendation from the Board's Strategic Plan is a proposal to change the titles awarded under the EA Act which is being considered by the Minister.

1. Legislative Context

The Board is appointed under the Engineering Associates Act 1961 (The Act) to fulfill the requirements of The Act and establish and maintain a register of those persons who apply and qualify to be registered as Engineering Associates. The Board's objectives are to encourage, support and promote excellence in engineering technology in New Zealand.

Registration as an Engineering Associate is a quality credential providing evidence that the registered individual has met specified academic and practical engineering competency standards plus supervisory experience as described in The Act.

Registered Engineering Associates (REAs) are generally senior engineering technologists employed in a wide range of disciplines such as engineering infrastructure design, implementation and maintenance or in engineering management roles within New Zealand and around the world.

The Act is administered by the Ministry of Business, Innovation and Employment (MBIE) reporting to the Minister for Building & Construction.

2. REA Credential and Registration Trends

The Board operates under the The Act. The purpose of The Act is to encourage, support and promote excellence in engineering technology in New Zealand. The Act authorises the registration of persons with an academic-plus-practical-experience qualification, equivalent to New Zealand Certificate in Engineering (NZCE) who have also completed a significant period of "responsible experience" in the engineering workplace and who have indicated competence in their recognized discipline. The REA credential indicates that a person is a senior engineering technician or technologist. Most REAs are employed in infrastructure design and implementation and engineering management roles in New Zealand. There are many REAs working in the international engineering market.

The total number of registered persons continued to reduce during the 2014 year. This trend is the result of:

- Changes to engineering training during the 1990's, restructure of those government departments that traditionally employed technical engineering graduates, resulted in a steady drop in numbers of persons entering this field. Although industry is now encouraging new entrants it is not keeping pace with the rate of retirement of older REAs.
- The new New Zealand Diploma in Engineering (NZDE) and its 'Practice' element replacing the NZCE and the various subsequent diplomas has now gained nationwide acceptance but it will be some years before these graduates will be eligible for registration under the current criteria.

Registration Statistics

Registration categories under The Act:

R(a) Engineering technicians and technologists who have not completed a recognized technical engineering education qualification but have completed basic engineering training, and have at least 12 years of engineering experience, including 6 years in a responsible position, and were born before 1 January 1936.

- R(b) Engineering technicians and technologists who have completed NZ Certificate of Engineering or First Class Marine Engineer's Certificate (or an equivalent qualification), plus a basic engineering training and at least 6 years of engineering experience, including 1 year in a position of responsibility.
- R(c) Engineering technicians and technologists who have not completed a recognized technical engineering education qualification but have completed a basic engineering training, and have at least 12 years of engineering experience, including 6 years in a responsible position. The (c) applicants submit a 4,000 word written statement on an approved engineering topic, in lieu of the education qualification.

Summary of registrations during the year:-

Number registered at 31 March 2013	1453
Plus new applicants registered between 1 April 2013 & 31 March 2014	5
Less nett reduction from deceased, retired, resigned & restored	<u>86</u>
Number registered at 31 March 2014	<u>1372</u>

Categories:	R(a)	37
	R(b)	1255
	R(c)	<u>80</u>
	Total	<u>1372</u>

Code of Ethics

The Code of Ethics for REAs issued by the Board has remained unchanged for the period under review. The Code of Ethics is published on the Board's website and is in the information pack sent out to prospective applicants for registration. It is formally issued to all new REAs.

Current Competency Assurance – REAcap

The REA competency assessed practitioner scheme (REAcap) was implemented by the Board to provide assurance to the public and potential engineering employers that a currently registered REA remains competent in their chosen discipline. REAcap is voluntary with competency reassessment undertaken every four years. The competency principles embedded in The Act for initial registration are also the standards used for REAcap competency assessment including knowledge development, experience and responsibility performance. Continuing work in the engineering industry is also a requirement for REAcap recognition.

The Board believes that, in the current engineering market, the lack of ongoing competency assessment provisions within The Act disadvantages the REA credential compared with other occupational registration legislation.

REAcap was implemented during 2005, and at 31 March 2014 the number of REAs with REAcap validation was 105. Reassessments continue as they fall due. The Board is concerned at the low level of new applications for REAcap validations and continues to endeavour to stimulate interest. The website list of REAs is regularly updated to indicate successful REAcap validations.

3. Board Business

The Board continued normal operations during the year.

Members of the Board

Following a process in which the Associations and Institutes named in The Act nominate suitable individuals, the Minister appoints a Board with a range of relevant knowledge and experience. Board Members' terms of appointment are for a nominal 2 years and can be extended at the discretion of the Minister.

The Members of the Board at 31 March 2013 were:

Board Member	Position - Date Appointed	Nominating Organisation
Dr R J Dunlop QSO; FNZIM; DistFIPENZ; FCILTNZ; MIOD.	Chair – April 2010	Ministerial appointment
Mr A D Blackler REA; MNZIHEEM	Member – August 2006 Deputy Chair February 2013	NZ Institute of Healthcare Engineering Inc
Mr G M Cowley MNZIRHACE	Member – December 2013	NZ Inst Refrig Htng & Air Con Engineers Inc
Ms D J Cranko NZ Reg Arch; BArch (hons) FNZIA	Member – December 2013	Ministerial appointment
Mr R W Grant CEngFIMarEST(UK)	Member – April 2003	NZ Institute of Marine & Power Engineers Inc
Mr D R McArthur NZDEP(Civil); CertETn; AIPENZ	Member – December 2013	Ministerial appointment
Mr G D Wells REA; FDANZ	Member – August 2006	Design Association of NZ Inc
Mr M B Wheeler	Member – August 2006	NZ Electronics Institute Inc

Committee Roles

- **Finance (& Audit Committee if required)** – Chair & Registrar
- **Staff Committee** – Ms D J Cranko & Mr R W Grant

Board Remuneration (per day attendance)

Up to 28 February 2014: Chair \$515.00; Deputy Chair \$375.00; Member \$300.00
From 1 March 2014: Chair \$530.00; Deputy Chair \$386.00; Member \$309.00.

Responsibilities and Operation of the Board

The Members of the Board are accountable to the Minister for the performance of their duties including direction, oversight and implementation of The Act. The Board is responsible for the appointment of the Registrar. The Staff Committee is responsible for the annual review of the Registrar's conditions of employment. The Chair, Registrar and Board continue to have effective working relationships with MBIE.

The Act requires the establishment of an Investigation Committee (effectively a tribunal) if there are appeals against decisions of the Board. The Committee has not been required to date and there were no appeals against any decision of the Board during the year.

Registrar

The position of Registrar, held by Mr John V. Edgar REA, continued unchanged during the year. The EARB office remains staffed for 3 days per week.

Technical Engineering Institutions Recognised in the Act

Technical Engineering Associations currently recognised under the Act are:

- Design Association of New Zealand Inc
- New Zealand Institute of Engineering Sciences Inc
- New Zealand Institute of Marine & Power Engineers Inc.
- New Zealand Institute of Healthcare Engineering Inc
- New Zealand Institute of Refrigeration, Heating & Air Conditioning Engineers Inc
- New Zealand Electronics Institute Inc
- Institute of Automotive Mechanical Engineers of New Zealand Inc
- New Zealand Institution of Gas Engineers Inc
- Society of Licensed Aircraft Engineers & Technologies (has been struck-off the Register of Incorporated Societies).

The NZ Electrical Institute Inc was no longer recognized under the Act effective 31 January 2014.

The Board has an ongoing responsibility to keep the recognized associations informed of its activities and to encourage the advancement of technical engineering issues and standards.

Board Meetings

The Board held four meetings during the year - May, August, September, and November 2013. At the September meeting the Board discussed with MBIE their review of the Engineer's Registration legislation. The Registrar attended all Board meetings. In addition to the routine overview and approval of the registration of REAs, the Board has continued developing the major outcomes of the Strategic Plan and the REA credential.

Accountability Agreement

An Accountability Agreement between the Board and the Minister is in place for the period to 31 March 2014. This documents the Minister's expectations of the Board's performance as follows.

Governance

Conflicts of Interest Register in place and updated at the start of each meeting:-

Introduced at the April 2009 Board Meeting and continues as Appendix VI to the Minutes.

Board Self Review:-

A yearly review of the Board's performance is carried out.

Service Delivery

To determine the standards of training, experience, responsibility and technical qualifications necessary for registration as a REA:-

Each applicant is considered individually and assessed by submission of written evidence of qualifications, experience and responsibility under a statutory declaration.

To determine the standards of continuing training, experience, responsibility and technical qualifications necessary for voluntary competency assessment programme (REAcap). Standards for 'Ongoing Knowledge Development', continuing experience in the applicant's discipline', and continuing responsibility in the applicant's discipline':-

No changes to the programme during the year.

To maintain a register of registered persons, to issue certificates of registration and to keep other essential records. Register containing relevant details available to public:-

Projected numbers 2013/14:	Registrations:	1450	<i>Actual</i> 1372
	Nett Removals:	100	<i>Actual</i> 86
	New registrations:	20	<i>Actual</i> 5

The register is held on 'M-S Access' database, and details can be obtained on request from the Registrar. Names of current REAs, their regional location, discipline, registration No, REAcap No, and year of commencement of continuous registration are available on the Board's website.

Strategy and Capability

Explore pathways to engage with industry and interested parties on use and value of REA credentials and increase awareness of REA and REAcap:-

Continued during the year with presentations to the AGM's of some of the Associations recognized under the Act, and to other interested parties.

Provide an annual report (with Financial Statements):-

Completed.

Request the Minister to change the name of the credential under the EA Act.

After widespread consultation with stakeholders and other interested parties, the matter is now with the Minister.

Develop a working relationship with other occupational licensing boards in the Building and Construction sector.

No joint meetings were arranged by MBIE during the year.

Promotional & Communication Activities

The Board continues to distribute a brochure promoting the values of the REA credential, updates the website, and ensures the REA applicants' information packs encourage registration and the REAcap scheme. Communication with REAs continues through the annual circular delivered with the annual fees renewal notice. This cost effective method, is limited to communication once per year. REA's email addresses are used for informal communications.

During the year, the Chair met with interested parties and gave presentations on the Board, possible future directions and the REA credential including ongoing professional development.

The NZ Board for Engineering Diplomas included a reference to the REA credential in their new brochures describing their NZ Diplomas in Engineering.

Website (<http://www.engineering-associates.org.nz>)

The Engineering Associates website, continues to receive a monthly average of over 15,000 'hits'. The 'List of REAs' is a feature of the website, providing web access to the list names of current REAs. Details provided include surname and initials, regional location (with non residents listed as overseas), registered engineering discipline, certificate of registration number, the commencement year for continuous registration and the applicable REAcap validation. This web listing is updated following each Board meeting.

5. Financial Aspects

Auditors

The Board has contracted Audit New Zealand as its auditors.

Financial Performance

Fees charged for registration during the period were a combination of the Engineering Associates Fees Amendment Regulations 2006, and the 2013 amendments effective 1 July 2013. This resulted in a modest increase in Revenue. The routine annual operations show an increase of 9.6% in expenses, the increase resulting from a \$9,064 expenditure refurbishing the Board's office. There was a net deficit of \$14,683 and the total net assets, were \$86,219 at the end of the year.

The Board is concerned about the ability to continue to operate in a financial sustainable way and is attempting to address the decline in registrations. Audited accounts for the Engineering Associates Registration Board for the year ended 31 March 2014 are available upon request to the Registrar. The annual audit by Audit NZ was conducted and completed during May 2014 and identified no other matters of concern.

In conclusion, I would like to record my appreciation to the members of the Board and the Registrar, and to the staff of the MBIE for their advice and support.

Dr R J Dunlop QSO, FNZIM, DistFIPENZ, FCILTNZ, MIOD.

Chair, Engineering Associates Registration Board.