

Property Council
New Zealand

A woman with dark hair tied back, wearing a purple dress with black geometric patterns, stands at a dark podium. She is gesturing with her hands while speaking into a microphone. The background is dark with a green light wash and a blurred plant on the right.

Annual Report 2019/20

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CORPORATE SPONSORS





KA TARAIA TAHI NGATAONE NUI KIA TU HAPORI ORA

Together, shaping cities where communities thrive

WELCOME TO OUR REPORT

As a not-for-profit membership organisation, measurement of Property Council's success is less about dollars and cents and more about impact and outcomes.

For a second year, we are integrating Impact Reporting (IR) methodologies and classifications into our reporting, in the hope this better explains our work and the impact we are making.



Highlights

1 NEW
strategic plan

607
member companies

↑ 6.90%
increase in members represented

10,724
EVENT ATTENDEES

93% member
retention
rate

142 key
stakeholder
meetings

82 events and
training
seminars

\$4.74m
IN REVENUE

43% 
female speakers at events

37 submissions to
central and local
government

\$41,274
OPERATING SURPLUS

40% FEMALE
EVENT
ATTENDEES

Our impact

Statement of Service Performance 2019/20

Inputs



Strategic approach



Our team

The expertise, energy and efficiency of our team drive us forward.

Our volunteers

The depth of skill and industry knowledge of our volunteers is second to none.

Our diverse membership

Our ability to traverse disciplines and connect different sector groups allows us to create opportunities for greater industry collaboration.

Our financial capability

Our long-term partners and Corporate Members give us the security to plan into the future.



Supported by strong governance



NATIONAL COUNCIL

REGIONAL EXECUTIVES

OUR PURPOSE

Together, shaping cities where communities thrive.

Outputs

The **40:40:20 Panel Pledge** was launched, along with the Speakers Index.

Increased interaction with journalists, officials and the 'policy public'.

Major advocacy wins secured, including the **reinstatement of depreciation** on commercial and industrial buildings.

Improved relationships with Ministers, policy makers and local government.

82 events and training seminars which hosted **10,000+** people.

6.90% increase in members represented.

6,500+ social media followers who share, engage and help us stay informed.

75 people and projects recognised through our awards programmes.

\$4.74m revenue.

\$41, 274 operating surplus, despite the Residential Development Summit being postponed into FY21.

A new **strategy** and **purpose statement** that sets the tone for Property Council's future endeavours.

Fully reviewed and documented **systems and processes** throughout the organisation, including detailed budgeting, financial forecasting and methodologies for all areas of the business.

Outcomes

1 Greater conversation about diversity in the property industry, with measured average benchmarks for this financial year of 40% female attendance and 43% female speakers across all Property Council events nationwide.

2 Better engagement increases our influence, creating a platform for us to promote the property industry as the backbone of the economy. Celebrating it as a vibrant, engaging, important sector that provides the infrastructure for business and houses our communities.

3 Our events provide an opportunity for our members – and the wider industry – to connect, be inspired and be educated on new ideas and innovations.

4 Our growing membership increases our influence with policy makers, demonstrating our collective experience and national footprint.

5 By recognising industry achievement, we help to set the standard for innovation and industry best practice.

6 The achievement of an operating surplus, despite the postponement of the Residential Development Summit, is a huge win for Property Council. The team have worked very hard to cut costs, increase efficiency and run a lean organisation through challenging times.

The year in review

April

- Property Council submitted on the Tauranga City, Wellington, Dunedin and Queenstown Lakes District Council Annual Plans.



May

- Property Council submitted on the reform of the Overseas Investment Act and on the New Zealand Infrastructure Commission / Te Waihanga Bill.

June

- The Property Council New Zealand Rider Levett Bucknall Property Industry Awards were held in Auckland, with over 1,400 guests in attendance.
- Property Council submitted on the Building System Legislative Reform Programme.
- The second annual Property Industry Awards magazine was published.



July

- The New Zealand Council of Retail Property hosted 378 attendees at Retail Conference 2019.
- The Minister for the Environment, David Parker, announced a comprehensive overhaul of the Resource Management System. This is a nation-building opportunity that should lead to enhanced environmental and social wellbeing outcomes. It is a significant step towards cutting complexity and costs to enable better urban development, while also improving protection of the environment.

August

- Property Council submitted on the proposed scope for a comprehensive review of the resource management system.



September

- National Conference was held in Sydney, with 360 delegates coming together to dissect the latest in market analysis, housing policy, technology, design trends and economic updates.
- The Bay of Plenty Branch hosted their second annual Property People Awards, welcoming a sell-out crowd as they celebrated seven outstanding local legends.

October

- Property Council released our **Top Five Local Government Priorities** during the local body elections, hosting debates around the country and engaging directly with Mayors and councillors to strengthen these relationships.
- Wellington, Waikato and the South Island put on a show for the annual **Property People Awards**.
- We submitted on both the **National Policy Statement on Urban Development (NPS-UD)** and on **Highly Productive Land (NPS-HPL)**, calling for a commitment to coordinated planning between central government and local authorities.
- Property Council submitted on **Auckland Council's Central City Masterplan Refresh** and on **Hamilton City Council's proposed plan change 11**.



November

- The fourth annual **Auckland Property People Awards** were held.

February

- Property Council submitted on the **Urban Development Bill**, the review panel looking at transforming the resource management system and the **Fire and Emergency New Zealand Funding Review**.
- COVID-19 began to make waves on a global scale.



March

- Property Council submitted on the **Infrastructure Funding and Financing Bill**.
- The **2019 Operating Expenses Benchmark** for office buildings and shopping centres was released.
- The Government announced that **depreciation on commercial and industrial buildings will be reinstated** as part of the COVID-19 economic support package – a change Property Council has been advocating for since the policy was first changed in 2010. The move will put over \$2.1bn back into the pockets of property owners and therefore the economy.



- Property Council submitted on the **Auckland Council Annual Plan**.
- Work commenced on the issue of a proposed mandatory **Code of Conduct for Commercial Tenants** that would force landlords to provide rent relief to tenants due to the pandemic. This workstream would go on to dominate the headlines, and our team's capacity, for the months of March, April and May.

2020



Leadership report

REMEMBERING A TIME BEFORE COVID

It is very difficult to look back on the year and not have one issue monopolise your mind. Without a doubt, 2020 will be remembered as the year the COVID-19 pandemic took hold of the world, bringing with it uncertainty and instability never seen before. In hindsight some of the pre-COVID issues may seem trivial, but issues they were and Property Council was well-poised to respond.

A GOVERNMENT WITH ITS FEET UNDER THE DESK

The 2019/20 financial year kicked off with a focus on fighting the capital gains tax, with huge potential costs to our membership. When the Tax Working Group (TWG) issued its final report in February, the Property Council worked tirelessly to explain why this would be damaging to businesses, the economy and negatively affect KiwiSaver. The Government's announcement in April that it had

backed away from many of the TWG's recommendations, including a capital gains tax, was a big win for the commercial property sector.

Property Council took a leadership role in uniting the commercial property industry as one collective voice. We formed a primary working group representing members with various interests in the sector.

We also spent countless hours reviewing the papers and statements released by the TWG, distilling the information, engaging with members to collate their questions and concerns and meeting with members of the TWG, MPs, like-minded organisations and officials to provide feedback on the review and share your views.

In March, the Government announced that they would be reviewing how Fire and Emergency New Zealand (FENZ) would be funded to provide a stable, simple funding system that is fair to individuals and businesses. Property Council's advocacy team have worked tirelessly over several years to achieve this review. The Government has gone from being uninterested in engaging on the topic to agreeing to a full review, and so we are very pleased with this significant progress. In February 2020 we submitted on the consultation document. We continue to advocate a move away from an insurance-based model to a mixed funding model to enable provision of the fire and emergency services that New Zealanders need and expect.

At the local government level, we submitted on a number of Annual Plans across the country. We opposed the increase of rates differentials in Wellington and saw a wind-back of plans to increase development contribution fees in Hamilton. A lot of collaboration and work went into achieving this outcome and it was a real victory for our advocacy team.

On overseas investment, we have been working with officials to simplify the rules and ensure the property sector isn't burdened with unnecessarily prohibitive regulations. We welcomed the Government's consultation in April on the second phase of its reforms to the Overseas



Investment Act, which aims to cut red tape and give decision-makers the ability to consider the broader impact of potential investments on New Zealand as a whole. The Minister's announcement in the latter part of 2019 was encouraging and we have continued to advocate on this during several consultation touchpoints throughout the year.

In June, the Ministry of Business, Innovation and Employment (MBIE) proposed major changes to New Zealand's building laws to improve the quality of building work. These are the most significant reforms since the current Building Act was introduced in 2004 and we were very pleased that the proposed changes announced in May 2020 largely aligned with our recommendations.

In July, the Minister for the Environment, David Parker, announced a comprehensive overhaul of the Resource Management System. This nation-building opportunity should lead to enhanced environmental and social wellbeing outcomes. It is a significant step towards cutting complexity and costs to enable better urban development, while also improving protection of the environment.

We worked closely with members to respond to the Review Panel's issues and options paper, and welcomed the recommendation to create a separate Strategic Planning Act. However, the devil will be in the detail as to how Spatial Plans will be integrated and implemented across the country.

We were pleased to see the creation of both Kāinga Ora – Homes and Communities and the Infrastructure Commission during the year, which in principle could play an important part in planning for New Zealand's growth over the next 30 years. With a more integrated approach





to New Zealand's infrastructure planning and urban development we hope there will be greater alignment and coherence. A long-term outlook will provide the property sector with clarity on how New Zealand's cities and regions are likely to grow and develop.

During the local government elections in October, Property Council released our top five priorities that councils across the country need to focus on to enable development and help shape cities and regions where communities thrive.

We continued to meet with Mayors and councillors throughout the regions to discuss these priorities, building on existing relationships and developing relationships with those who are new to the role.

In August 2020, the Government released the NPS-UD which is a step in the right direction, adopting many of our recommendations submitted during consultation.

Throughout the year we responded to several reports from the Productivity Commission's inquiry into Local Government Funding and Financing. While we welcomed

some of the recommendations from the final report in December, we were disappointed that it removed the recommendation to abolish differential rating for business. We hope the report encourages both local and central government to follow through with many of the recommendations rather than shelve them like previous local government funding inquiries.

In January 2020 the Government announced one of the biggest infrastructure packages in New Zealand history, with \$12 billion ear-marked for transport, roading and rail infrastructure, a move we welcomed whole-heartedly.

In March, Property Council submitted to the Transport and Infrastructure Select Committee on the Infrastructure Funding and Financing Bill, calling for cohesion and recommending several amendments to ensure the Bill is fit for purpose.

Only a few days after this submission, as we were in the midst of annual plan submissions, a new word entered our vocabulary; COVID-19.

It quickly became apparent that this event was unlike anything seen before, with the country moving into Alert Level 2 on 21 March, Alert Level 3 on 23 March and into a full lockdown at Alert Level 4 on 25 March.

From an advocacy perspective, COVID-19 had an enormous effect. The issue of rent relief and the Government's consideration of a controversial proposal to mandate rent relief to tenants put the property sector in the spotlight and monopolised our time for the coming months.

Property Council called for collaboration, asking landlords to negotiate reasonably with tenants and working with a group of members to create a rent subsidy proposal similar to the previously-announced COVID subsidy that would see money continuing to cycle around the property ecosystem.

The significant work undertaken over several years held us in good stead with policy makers. Our consistent campaign of solutions-focused messaging saw the Property Council able to call on those relationships with local and central government politicians when the pandemic hit. Unlike many organisations, who had relied on informal working groups and acquaintances to affect governmental change, we were able to maintain a direct line to Ministers. This offered politicians insight into industry issues and positioned us as a conduit between the property industry and policy makers.

All of us, as a collective group,
connected and belonging
despite our broad range of
stakeholders and disciplines.

Not just planning, building,
developing and creating,
but shaping our urban
landscape.



Showcasing the link between
property and people – property
creates spaces for people to live,
work, play and shop.

Positive and enduring.
Active but evolving.

TRANSFORMATIONAL CHANGE ON A GRAND SCALE

From an organisational perspective, 2019 was the beginning of huge transformational change. With newly minted Chief Executive Leonie Freeman at the helm, Property Council embarked on a series of 17 consultative workshops with members and stakeholders, culminating in a new strategic plan released at National Conference in September 2019.

The development of the strategic plan was not only a huge opportunity for engagement with our members, it also allowed members to fully consider the role of the organisation, what their future needs may be and how we can serve them better.

At the heart of this strategy is a new purpose statement:

Together, shaping cities where
communities thrive

More comprehensive than being 'the voice of commercial property', this strategy redefines our purpose to create a united, consistent approach to advocacy, events, education and collective industry leadership. This strategy is less about talk and more about action, creating the foundations

for an organisation ready to adapt to the demands of an evolving industry.

Through our consultation with members, we identified five clear goals: strong industry leadership, influential advocacy, impactful communications, exceptional member value and building a dynamic and secure organisation.

To achieve these goals, we defined 19 priorities across five areas of the organisation. Some of these priorities were already in place while others are new, but all aimed to deliver value to members and showcase property as New Zealand's most significant industry. These priorities are ordered to ensure the organisation first has the capability and capacity to deliver, and secondly, focuses on expanding Property Council's agenda from an insular perspective to a much broader collaborative approach.

With renewed vigour, streamlined processes and a refreshed team, we approached 2020 with enthusiasm and optimism, buoyed by the increasing engagement from members and the wave of support for this new purpose and vision.

RESPONDING TO A GLOBAL CRISIS

Like many businesses, the pandemic turned our business model on its head. Previously reliant on events for over 50% of our income, we quickly found ourselves hamstrung by restrictions on gatherings, forcing us to postpone the Residential Development Summit (scheduled for 25 March) to 27 August, with this event eventually being delivered virtually due to a second wave of lockdowns that came into place in mid-August 2020.

All branch events were also restricted. At first to 100 people, then completely as we moved up Alert Levels into a nationwide lockdown. As these restrictions fluctuated with Alert Levels, planning events became extraordinarily difficult.

We acted quickly to create new opportunities for members to engage and get relevant, topical information by implementing member only webinars free of charge. Property Council delivered six webinars with Ministers, industry leaders and experts in the month of April and a total of 28 webinars between April and June.

We published several media releases to coincide with our advocacy work and saw a huge increase in engagement with members, both online (with LinkedIn followers increasing by nearly 500 followers and website traffic increasing by 73%) and via phone as the significance of the rent relief issue became more apparent over time. Our engagement with media increased three-fold, with significant exposure in all major publications and news outlets.

We also created a steady stream of member communications, with a dedicated COVID-19 webpage and twice weekly member alerts sent to our database of 5,500, keeping members informed and up to date with the very latest in developments.

Internally, the reduction in event income came with unfortunate consequences as we farewelled our external public relations consultant, reduced our administrative support, and restructured both the Marketing and Graphic Design and the Branch Operations Manager roles. We cut all unnecessary costs and worked with our team to ensure the organisation was running as efficiently as possible, all while supporting our staff in their new work-from-home environment.

Like a bad April Fools joke, our 2020/21 annual membership renewal invoices were sent on 1 April, coinciding with whispers of possibly the largest recession in living memory.

Our team worked extraordinarily hard to continue to provide excellent service to members, producing regular webinars, invaluable communications and working diligently to advocate on their behalf with local and central government.

As of 30 August 2020, 93% of members have renewed their membership, a testament to the incredible work done over this time and the faith of our member community.



Our governance

NATIONAL COUNCIL

National Council is the board tasked with guiding Property Council's strategic direction in close consultation with members.

In late 2019, we farewelled several Branch Presidents who had reached the end of their term, including Michael Holloway (Kiwi Property), Brooke Courtney (Sharpe Tudhope), Denis Wood (Munro Bengel) and Roger Davidson (Foodstuffs South Island).

Steve Evans of Fletcher Building stepped down from his role on National Council in May 2020.



JOHN DAKIN
National President
Goodman New Zealand



SCOTT PRITCHARD
National Vice-President
Precinct Properties



MARK THOMSON
National Vice President
Auckland Airport



PETER MENCE
Argosy Property



PATRICK DOUGHERTY
Kāinga Ora – Homes and
Communities



SIMON WOODHAMS
Property for Industry



STEPHEN GRACEY
Rider Levett Bucknall



ANNA CROSBIE
Russell McVeagh



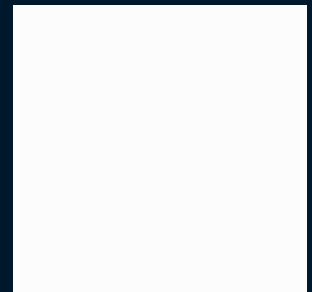
PHIL LITTLEWOOD
Stride Property



CAMPBELL BARBOUR
Chair, New Zealand Council
of Retail Property
NZRPG



JAMES RIDDOCH
South Island Branch
President
Greenwood Roche



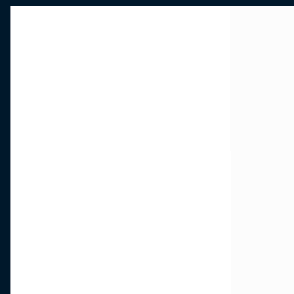
SCOTT ADAMS
Bay of Plenty Branch
President
Carrus Properties



PAUL ROBINSON
Wellington Branch President
The Woolstore



BRIAN SQUAIR
Waikato Branch President
Chow: Hill Architects



ANDREW HAY
Auckland Branch President
Stride Property

Leadership team



LEONIE FREEMAN
Chief Executive

Leonie is a well-respected industry leader with extensive experience in the New Zealand property industry, having held top positions in both the public and private sector. In 2011, Leonie was appointed to the board of NZX listed company Goodman Property Trust, and up until her 2018 appointment as Property Council's chief executive, she dedicated her time to leading an independent philanthropic initiative to solve Auckland's housing crisis.

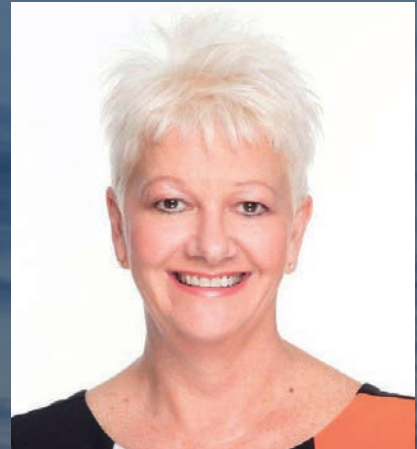
Leonie holds a Master of Commerce, majoring in valuation and property management and is a life member of the Property Institute of New Zealand, a chartered member of the Institute of Directors, and a member of Global Women. Leonie is a strategic thinker, capable of seeing the big picture whilst also digging into the detail – a rare combination that makes her both an inspirational leader and exemplary spokesperson.



JAMES KENNELLY
Head of Advocacy

James leads our advocacy team, providing sound judgement, a natural flair for communicating the complex and an easy-going manner that makes him approachable yet reliable. Based in Wellington but frequently found in all corners of the country, James has his finger on the pulse of central and local government, providing valuable insights for our membership and acting as the conduit between our members and the country's movers, shakers and policy makers.

James has experience both here and abroad, most recently in the UK where he worked in the House of Commons, then in government relations roles for several regulators, including the Nursing and Midwifery Council, the Charity Commission and a UK Exam Board. Prior to this he resided in Wellington, and walked our parliamentary halls under the leadership of Phil Twyford and the then Leader of the Opposition, Phil Goff.



MARYANNE SHEEHY
Head of Finance

Maryanne has been involved in the property industry for over 30 years, joining Harcourts in 1989 and going on to become an agent, manager, business development specialist across 32 Australian offices and, eventually, achieving her dream of becoming a franchise holder.

Throughout her career she has amassed a Diploma in Business Studies and a Masters in Business Administration through Massey University, equipping her with a refined business acumen that complements her easy going nature and optimistic outlook.

These days she has returned to our shores to be closer to her grandchildren and we are lucky enough to have her share her extensive management and business experience with the Property Council team.



SARA-JANE EVANS
Head of Membership and
Commercial Services

With over 15 years' experience across the public, private and not-for-profit sectors, Sara-Jane (SJ) has risen through the Property Council ranks over the past eight years to become a focused and passionate manager. She leads her large team of branch managers, event experts and membership support staff with enthusiasm and care.

Prior to joining Property Council, SJ worked in project management and administration, where she sharpened her leadership skills and honed her ability to bring people together to achieve project success.

SJ's unrivalled understanding of our membership, governance and organisational history make her an asset to the leadership team and the organisation.



KELLY TAYLOR
Head of Communications

Originally joining Property Council as South Island Branch Manager, Kelly has an excellent overview of the organisation, our membership and how all the moving parts work together. She holds a Bachelor of Broadcasting Communications and a Graduate Diploma in Event Management and has a firm belief that every problem can be solved if approached in the right way.

Ruthlessly organised, meticulously detailed and a lover of words, Kelly's role is to tell Property Council's story. She takes the complex and makes it simple, opens doors for member engagement and positions us as approachable, credible and influential.



RONA MILLER
EA to the Chief Executive

A long-standing member of the Property Council team, Rona holds a Bachelor of Business majoring in Management and a Diploma in Health Science. Her conscientious and methodical working style makes her the perfect person to oversee a large portion of Property Council's internal operations and governance, all the while supporting our Chief Executive in exemplary fashion.

Prior to her current position as EA to the Chief Executive, Rona held several administration and customer service roles, fine-tuning her ability to build rapport with stakeholders. She has a rare ability to take care of fine detail while also keeping one eye on the big picture, making her a valuable contributor to the Leadership Team.

Our people



HARRY WRIGHT
Membership Manager



NATALIA TROPOTOVA
Senior Advocacy Advisor



KATHERINE WILSON
Senior Advocacy Advisor



CATIE HARRIS
Events Manager



TASCH DODSON
Auckland Regional Manager



SAHRA GRINHAM
South Island Regional Manager



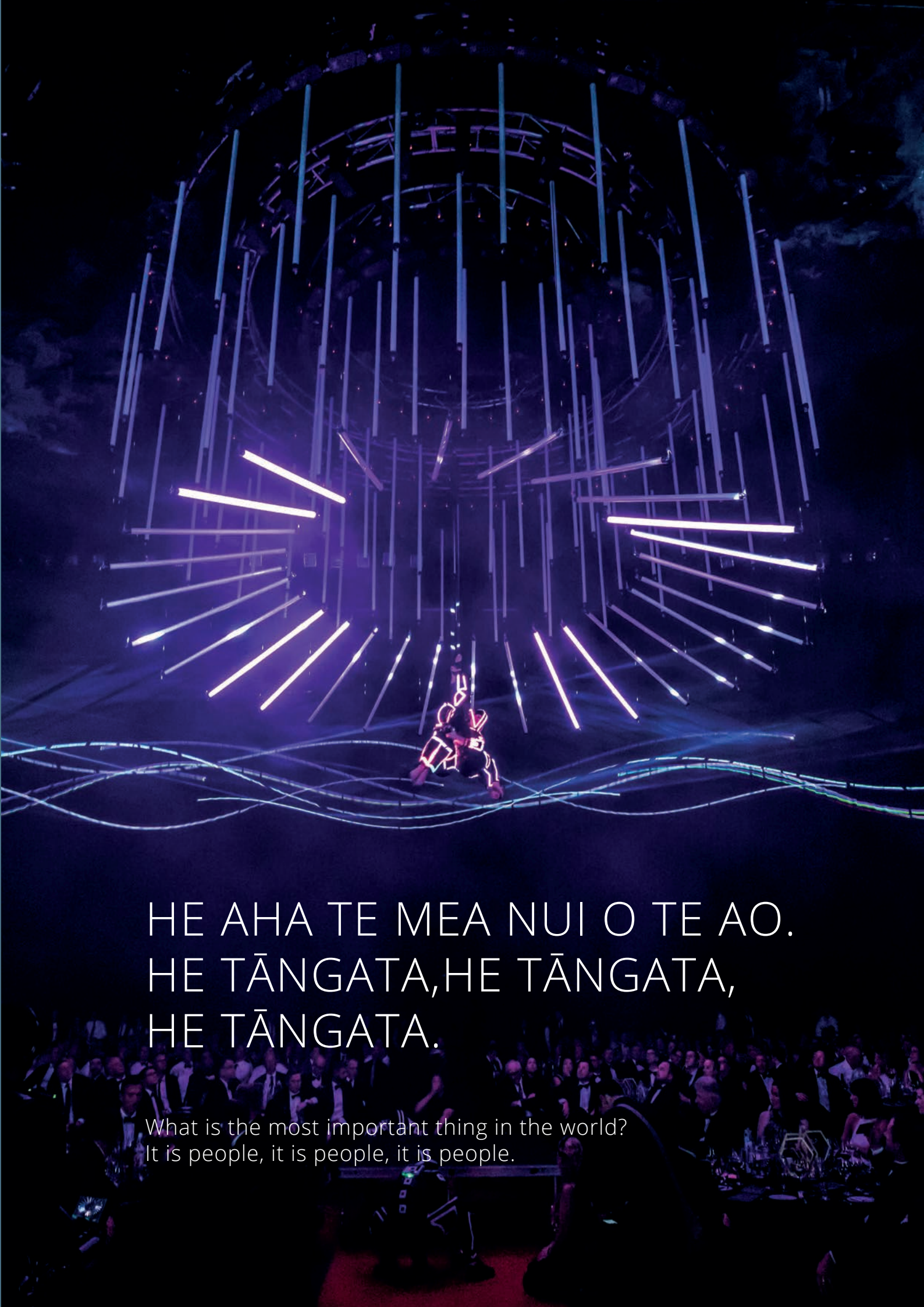
NICOLE RAMAGE
Wellington Regional Manager



SARAH RUNDSTROM
Central Regional Manager



EDEN IMLACH
Events & Office Administrator



HE AHA TE MEA NUI O TE AO.
HE TĀNGATA, HE TĀNGATA,
HE TĀNGATA.

What is the most important thing in the world?
It is people, it is people, it is people.

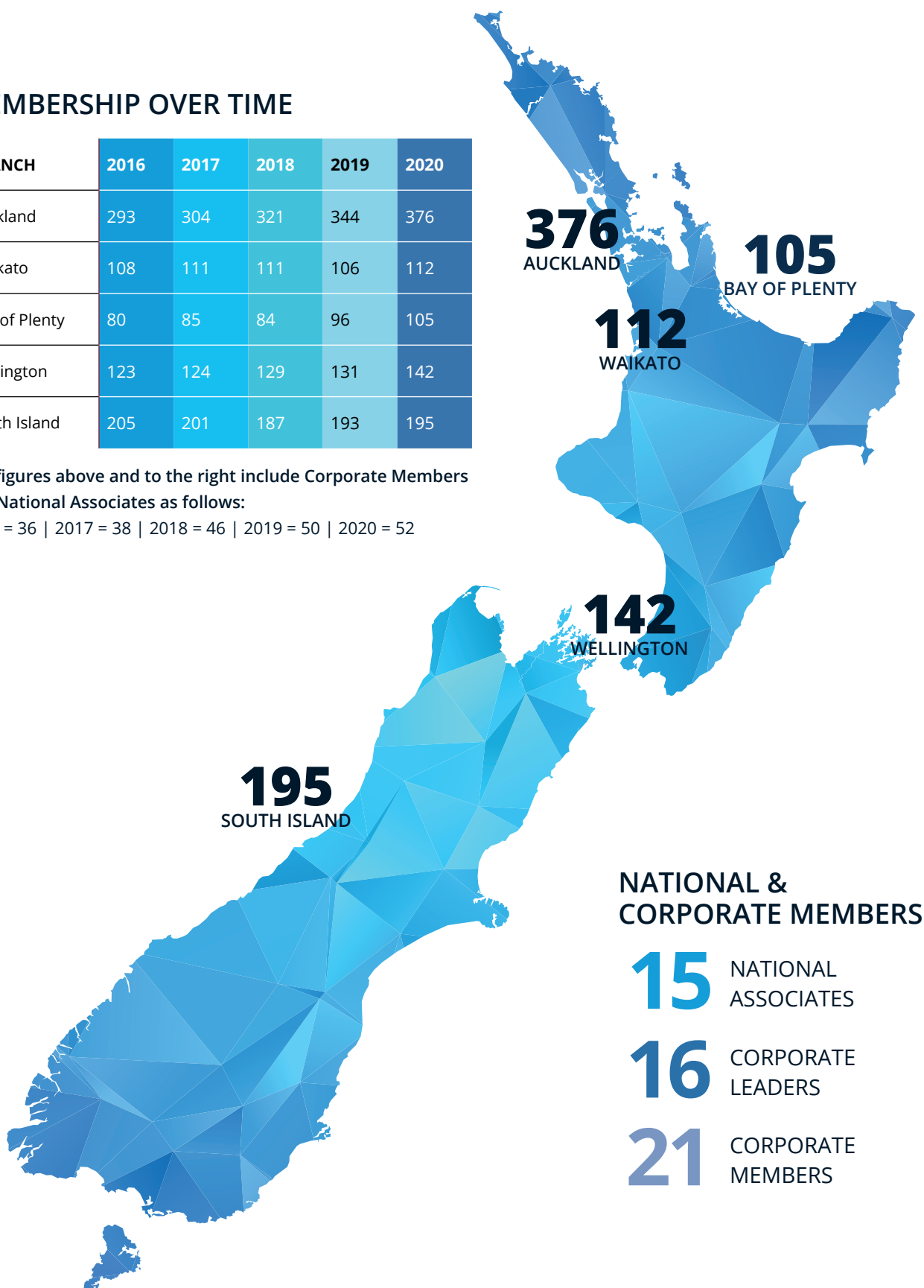
Our members

MEMBERSHIP OVER TIME

BRANCH	2016	2017	2018	2019	2020
Auckland	293	304	321	344	376
Waikato	108	111	111	106	112
Bay of Plenty	80	85	84	96	105
Wellington	123	124	129	131	142
South Island	205	201	187	193	195

The figures above and to the right include Corporate Members and National Associates as follows:

2016 = 36 | 2017 = 38 | 2018 = 46 | 2019 = 50 | 2020 = 52





2019/20 saw continued development of the NZCoRP Retail Property Education Programme, with further courses held and excellent feedback from attendees. The programme includes the Retail Property Introduction 01 course and the Retail Property Advanced 02 course that teaches participants an overall understanding of how the retail property sector operates, the methodologies of making sound retail decisions and creating a practical toolkit for working with retailers.

The annual Retail Conference was held in July 2019 and attracted an audience of 378 attendees. We received positive feedback and planning for the 2020 Conference (originally scheduled for July 2020 but eventually postponed to October 2020 due to the pandemic) was well underway.

The importance of the NZCoRP Committee really came into focus at the very end of the financial year, when the COVID-19 pandemic caused huge issues for retail property owners and tenants as we navigated the repercussions of lockdown. Special commendation must go to Chair Campbell Barbour and the Committee, who spearheaded a spirited and pragmatic campaign to ensure the voice of retail property was heard by both media and government.

The 2020/21 year ahead will see NZCoRP continue our progress in the retail property training space, with the Retail Conference scheduled for 28 October 2020, and an accompanying Retail Training Introductory Course scheduled for 27 October 2020.

At the start of 2019, it was decided by the members of the Residential Development Council (RDC) Committee to await the outcome of Property Council's new Strategic Plan to then take the opportunity to look at how residential members are best supported by the Property Council.

The findings from the Strategic Plan clearly identified a focus of championing thriving communities, precincts and cities, which include all property sectors (retail, commercial, industrial and residential) understanding that all components are inter-connected.

A workshop was organised in July 2019 with a wide range of residential and interested members as we sought to agree on an appropriate structure for the residential component of the Property Council going forward.

Following recommendations from this workshop, a small working group was formed to discuss the future of the Residential Development Council, who then made a recommendation to National Council in August 2019 that the RDC be disbanded in favour of residential issues and workstreams coming under the broader Property Council banner. This saw national residential issues and the Residential Development Summit be brought back under National Council's strategic direction while local events and issues would be managed at a branch level.

This proposal was approved and the RDC was officially disbanded on 29 August 2019.





Looking ahead

As we look ahead to the remainder of 2020, it is with cautious optimism and faith in our team's ability to adapt, overcome challenges and band together when the going gets tough.

While 2020 will be remembered as the year that COVID-19 made its presence felt, the pandemic also provided us with the opportunity to streamline our operations and kick started a review of our membership and governance structures, a project to recapitalise the organisation as well as reinforcing the need for a more reliable and robust membership software to better support our growing needs.

We entered the 2020/21 year with huge uncertainty, and while it's clear that this uncertainty is now a part of the 'new normal', it's also clear that despite our limited resources, we have the capacity and capability to respond quickly to our ever-changing environment.

Our members are city shapers, creating spaces for communities to thrive. They are the dreamers and the doers shaping New Zealand and we will support them and make their voice heard, no matter the economic climate.

It is a pleasure to continue to serve you in this new era.

Ngā mihi nui.



John Dakin
National President
Chief Executive
Goodman New Zealand



Leonie Freeman
Chief Executive
Property Council New Zealand

TOGETHER, SHAPING CITIES WHERE COMMUNITIES THRIVE

Property Council New Zealand is the leading advocate for New Zealand's most significant industry - property.

A not-for-profit organisation, the Property Council connects more than 10,000 property professionals, championing the interests of over 600 member companies who have a collective \$50 billion investment in New Zealand property.

Our membership is broad and includes some of the largest commercial and residential property owners and developers in New Zealand. The property industry comes together at our 80+ Property Council events, which offer professional development, exceptional networking and access to industry-leading research.

Property Council acts as a collective voice, giving our members a seat at the table with policy makers, ensuring they make informed decisions that benefit our industry whilst enabling a strong economy and thriving communities.

10,000

property professionals connected

607

member companies

\$50 BILLION

investment in New Zealand property





Our finances

THE COST OF IMPACT & INFLUENCE

In the last financial year, the cost of providing advocacy, event and research services to our membership was \$4.743 million.

Total revenue was only up marginally from last year with operational income up 3% to \$4.748 million due to slight increases in both membership and event income and a slight reduction in payments to employees, but other income and interest income remained similar.

Key expenses in the period included:

- \$528,851 paid in operational expenses
- \$2,013,630 to run our events
- \$166,918 paid to keep a roof over our heads in both Auckland and Wellington.
- Employee costs continue to be the biggest outlay for the organisation.

Movements on the previous year include:

- A decrease in restructuring and transition expenses, with the transition costs now completed.
- Increased employee costs and significantly lower contributions to fight issues.
- Through careful management of costs, the organisation was able to achieve an overall surplus of \$41,274, a huge turnaround from the \$123,018 deficit in 2019 and the \$104,129 deficit in 2018.

SURPLUS/DEFICIT OVER TIME

YEAR	SURPLUS/ DEFICIT	YEAR	SURPLUS/ DEFICIT
2020	\$41,274	2015	\$30,507
2019	(\$123,018)	2014	(\$64,157)
2018	(\$104,129)	2013	\$84,754
2017	\$50,467	2012	(\$112,430)
2016	(\$19,197)	2011	\$30,308

WHERE DOES THE FUNDING COME FROM?

Property Council New Zealand's total revenue was \$4.785 million, an increase of \$46,903 on the previous year. Our two key funding streams are membership subscriptions and event revenue.

Of note in the period was:

- An increase in membership revenue of \$89,225.
- A minor increase in event revenue of \$15,069.
- An increase in publication sales of \$23,803.

At the end of FY19-20, Property Council's net assets have increased by \$41,274, being the surplus for the year.

Retained earnings now sit at \$797,820.

Changes in the balance sheet for FY19-20 include:

- An increase in membership income in advance of \$117,101. This was primarily from several corporate leaders offering to pay in advance in order to improve our cashflow.
- An increase of event revenue in advance of \$107,223.
- A decrease of receivables of \$176,928 due to an increased focus on collecting overdue debt.
- An increase in cash and term deposits of \$380,885. This is primarily due to the increase of income in advance and the reduction of receivables.

As an organisation, we have worked extremely hard to reduce overheads and cut costs where possible. Achieving a \$41k surplus, despite the Residential Development Summit having to be postponed and held in the 2021 financial year as a virtual event, is a huge shift from where the organisation has been in the past.

Our reserves remain lower than acceptable, exacerbated by the arrival of COVID-19 in late March which halted our event revenue, and amplified by the timing of our 2020/21 membership invoices on 1 April 2020. Work is underway to rebuild the capital reserves the organisation has to ensure a position of long-term financial sustainability, and we thank our members and our governance team for their support during this time.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 31 MARCH 2020

	NOTE	2020	2019
		\$	\$
Revenue from exchange transactions			
Operating revenue	3	4,747,720	4,609,205
Less: Cost of sales			
Cost of sales	4	(2,013,630)	(1,936,382)
Gross profit		2,734,090	2,672,823
Other revenue and income from exchange transactions			
Interest income	3	21,372	18,528
Other income	3	15,483	110,939
		36,855	129,467
		2,770,945	2,802,290
Less: expenses			
Operational expenses		(528,851)	(512,079)
Depreciation and amortisation expense	4	(75,150)	(72,929)
Employee benefits expense	4	(1,876,252)	(2,031,096)
Occupancy expense		(166,918)	(173,411)
Restructuring and transition expenses	4	(82,500)	(135,793)
		(2,729,671)	(2,925,308)
Surplus / (Deficit) before income tax expense		41,274	(123,018)
Other comprehensive revenue and expense		0	0
Total comprehensive revenue and expense for the year		41,274	(123,018)

STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Retained earnings	Total equity
	\$	\$
Balance as at 1 April 2018	879,564	879,564
Loss for the year	(123,018)	(123,018)
Total comprehensive revenue and expense for the year	(123,018)	(123,018)
Balance as at 31 March 2019	756,546	756,546
Balance as at 1 April 2019	756,546	756,546
Surplus for the year	41,274	41,274
Total comprehensive revenue and expense for the year	41,274	41,274
Balance as at 31 March 2020	797,820	797,820

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	NOTE	2020	2019
		\$	\$
Current assets			
Cash and cash equivalents	6	572,098	337,679
Receivables from exchange transactions	7	303,952	480,880
Inventories	8	20,173	20,085
Other financial assets	9	490,984	344,518
Other assets	10	404,603	347,303
Total current assets		1,791,810	1,530,465
Non-current assets			
Property, plant and equipment	11	162,356	192,206
Intangible assets	12	35,318	58,420
Total non-current assets		197,674	250,626
Total assets		1,989,484	1,781,091
Current liabilities			
Payables from exchange transactions	13	409,760	472,039
Borrowings	14	0	554
Income in advance	15	781,904	551,952
Total current liabilities		1,191,664	1,024,545
Total liabilities		1,191,664	1,024,545
Net assets		797,820	756,546
Equity			
Retained earnings		797,820	756,546
Total equity		797,820	756,546

Approved on behalf of National Council:



Leonie Freeman, Chief Executive

14/09/2020
Date



John Dakin, National President

14/09/2020
Date

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

NOTE	2020	2019
	\$	\$
Cash flow from operating activities		
Proceeds from members	2,124,688	2,054,528
Proceeds from events	2,879,616	2,571,959
Proceeds from other	167,918	230,685
Interest received	24,134	20,652
Payments to suppliers	(2,996,807)	(2,990,162)
Payments to employees	(1,793,827)	(1,968,479)
Net cash used in operating activities	405,722	(80,817)
Cash flow from investing activities		
Payment for property, plant and equipment	(15,473)	(166,075)
Payment for intangible assets	(8,810)	(34,135)
Proceeds from short term deposits	(146,466)	164,784
Net cash provided by / (used in) investing activities	(170,749)	(35,426)
Reconciliation of cash		
Cash at beginning of the financial year	337,125	453,368
Net increase/ (decrease) in cash held	234,973	(116,243)
Cash at end of financial year 17(a)	572,098	337,125

These statements are extracts from our full set of statutory financial statements for the year, which contain other details such as accounting policies and detailed notes to the financial statements. Our full financial statements have been audited and contain an unmodified audit opinion from our independent auditors RSM Hayes Audit.

Our full audited financial statements are available for viewing on our website www.propertynz.co.nz/annual-reports.

Alternatively, should you wish to have a copy of the full Financial Statements sent to you, please contact us at enquiries@propertynz.co.nz or 09 373 3086.

The accompanying notes form part of these financial statements.

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