

- ix. The scholarship selection process is indicating that the students applying in the power field are of a very high calibre.
- x. A \$10,000 AUPEC Conference grant has returned to the EPECentre a conference surplus of \$9,400 (i.e. it cost \$600 of industry support to bring that 150 delegate conference to New Zealand).
- xi. The EPECentre convention in 2003 was attended by 130 students interested in the power sector.
- xii. A PEET sponsored survey of students in 2003 showed an increase of 10% for students wanting to participate in the power engineering sector (while interest in other fields of the electrical engineering sector had dropped significantly).
- xiii. Nearly 100% of students entering 1st Pro now see the power sector as a high quality, high attraction employment destination
- xiv. The EPECentre has developed strong partnerships with the IEE, the IEEE PS, and ENSOC (University of Canterbury Engineering Society – New Zealand's largest student engineering organisation).

The Trustees of PEET are absolutely delighted with the rapid turnaround in attitude towards the power sector. We have succeeded well beyond our expectations from that first meeting in 2001.

We have succeeded to an extent that we are now being asked to provide guidance to many other universities seeking to establish better links between their endeavour and the industry which they support. It is clear to me, as Chairman, that we have created a novel but yet highly effective model. I know that our success will stimulate a response by other electrical engineering disciplines and we must continue our effort in the following years with new programmes, successful post-graduate scholarships and expansion of the EPECentre activities to make it a vibrant industry centric research centre.

In our first year we received \$252,500 of funding from the industry. We have established a Trust to which donations are recognised as tax deductible. The Trust is administered by the University of Canterbury to minimise annual transaction fees. Trustees can account for all donations and all expenditures of the Trust.

For 2003, funding reduced to \$142,500, in part due to some companies considering the initial funding as a one-off but also in part the industry waiting to see evidence of the benefits that the Trust is bringing. With the second successive growth year in student numbers, the benefits of the Trust cannot be doubted. We will be looking to all sectors of the industry to contribute in 2004.

We can do much more with a little more resource, particularly in the area of teaching. At the moment the University has some 8 or 9 full time allocated positions to power engineering but is only able to fill 5 of those positions with satisfactory candidates. International recruitment is demonstrating that New Zealand university salaries are uncompetitive and yet with a little support from the industry we could bring some of the best power engineering teachers and researchers to the EPECentre, such is the reputation that it is building overseas.

The Trustees for 2003 were: Dr Keith Turner (Chairman), Professor Pat Bodger (University of Canterbury), Geoff Hunt (Contracting), Richard Aitken (Consulting), Chandra Kumble (Transpower), Peter Berry (Electrical Engineers' Association), and Chris Laurie (Distribution) (replaced by Tas Scott during the year).

The Trustees meet approximately 4 times per year. The Trustees act for both PEET and as a Board of Management of the EPECentre, a novel delegation of control from the university. The Trustees solicit support across the industry, establish the budget and vote funds to the EPECentre based on initiatives undertaken by the EPECentre that further the Trust's objectives. The Trust monitors the progress of the EPECentre and because of the dual role is able to develop the EPECentre strategy consistent with PEET goals. The EPECentre employs a full time Manager (Joseph Lawrence) who is dedicated to furthering the EPECentre's activities and co-ordinating student and research initiatives, business plan and industry liaison. The EPECentre itself is now reaching a stage where both staffing and laboratory facilities are coming under pressure from the growth and interest in the industry and we anticipate more focus being given to these areas in the coming 12 months.

In conclusion, the Power Engineering Excellence Trust has been successful beyond expectations. It is clearly an initiative that is timely and is working well. We need to establish more longer-term funding provisions. The Trustees have taken a conservative approach to financial management in the first two years. We are excited about the prospects that more durable funding could create and are clear about the Electricity Industry's needs to achieve power engineering excellence within New Zealand.

On behalf of the Trustees, I would like to thank all those who have financially contributed to the Trust in 2003.

I also wish to thank the Trustees themselves for their unpaid effort and commitment to this industry-wide initiative.

Dr Keith Turner
Chairman,
Power Engineering Excellence Trust
June 2004

FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2003

STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The Power Engineering Excellence Trust is a charitable trust established in 2002. The Objects of the trust are:

- ◆ Encourage a greater number of students to study power engineering, thus increasing the quantity and quality of power engineers in New Zealand
- ◆ Maintain, enhance and sustain research into, and the study of, power engineering.
- ◆ Create closer, stronger and synergistic relationships between students of power engineering and the power industry.
- ◆ Provide for and foster power engineering innovation as a product of education.
- ◆ Provide better awareness of the existence and benefits of the Department's power engineering courses to the power industry.

GENERAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standards and Statements of Standard Accounting Practice issued by the Institute of Chartered Accountants of New Zealand. The Foundation applies differential reporting in the preparation of these financial statements. Full advantage has been taken of all differential reporting exemptions.

The general policies adopted in the preparation of these financial statements are the measurement and reporting of financial performance and position on a historical cost basis.

PARTICULAR ACCOUNTING POLICIES

The following are the particular accounting policies which have a material effect on the measurement of financial performance and the financial position:-

INVESTMENTS

Investments are held in fixed interest investments and are stated at cost.

GOODS AND SERVICES TAX

All amounts are stated net of the Goods and Services Tax.

COMPARATIVE FIGURES

The 2002 comparative figures are not representative of a full years operations as the Power Engineering Excellence Trust did not commence operations until 12 July 2002.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies.

STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ending 31 December 2003		31-Dec-02	31-Dec-03
		NOTE	
INCOME			
Sundry Income	1	5,000	142,500
Investment income	2	<u>6,773</u>	<u>10,140</u>
TOTAL INCOME		<u>11,773</u>	<u>152,640</u>
EXPENDITURE			
Scholarships		10,000	50,000
Establishment Costs		31,301	810
Promotional Costs		2,414	2,025
Power Engineering Education Support		16,668	10,000
Field Trips			15,000
Sundry	3	0	4,984
TOTAL EXPENDITURE		<u>60,383</u>	<u>82,819</u>
NET SURPLUS / (DEFICIT)		<u>(48,610)</u>	<u>69,821</u>

STATEMENT OF MOVEMENTS IN EQUITY

For the Year Ending 31 December 2003			
Balance as at 1 January		249,394	200,784
Net Surplus / (Deficit) for period		(48,610)	69,821
Total Recognised Income & Expenditure		<u>(48,610)</u>	<u>69,821</u>
Balance as at 31 December		<u>200,784</u>	<u>270,605</u>

STATEMENT OF FINANCIAL POSITION

As at 31 December 2003			
NON-CURRENT ASSETS			
INVESTMENTS	4	200,784	270,605
Total Non-Current Assets		<u>200,784</u>	<u>270,605</u>
TOTAL NET ASSETS		<u>200,784</u>	<u>270,605</u>
REPRESENTED BY:			
Trust Funds	5	200,784	270,605
TOTAL TRUST FUNDS		<u>200,784</u>	<u>270,605</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Period Ending 31 December 2003

	31-Dec-02	31-Dec-03
1 Sundry Income		
Industry Funding	5,000	142,500
	<u>5,000</u>	<u>142,500</u>
2 Investment Income		
Interest (Interest Income for 2003 was calculated monthly on the closing balance)	6,773	10,140
	<u>6,773</u>	<u>10,140</u>
3 Sundry Expenditure		
This expenditure relates to contributions towards the costs of the Manager for the Electric Power Engineering Centre		
4 Investments		
As at 31 December 2003 the amount of \$270,605 was invested through the University Trust Fund. Investment of these funds is overseen by Mercer Investment Consulting and is governed by the Statement of Investment Policy and Objectives which is approved by University Council.		
5 Trust Funds		
Balance at beginning of period	249,394	200,784
Net surplus / (Deficit) for period	(48,610)	69,821
	<u>200,784</u>	<u>270,605</u>
Balance at end of period		

Financial contributors for 2003 were:



Industry-academia interaction highlights from 2003 - field trips, conferences, onsite lectures, and presentations

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“promoting and supporting the education of power engineers and the study of power engineering as field of excellence in New Zealand”

www.epecentre.ac.nz/peet



ANNUAL REPORT 2003

CHAIRMAN'S STATEMENT

Three years ago student intake into the power option represented less than 15% of the electrical engineering student intake at the University of Canterbury. The viability of the power course was being questioned and the university itself was reviewing funding for the programme through lack of support.

In 2001, I chaired a meeting at the University of Canterbury that included all major power enterprises (lines, transmission, generation, consulting and contracting). The meeting decided to establish a joint industry and university initiative to reverse this dangerous trend.

The industry has reached a point where major new development is essential and the demand for power engineering skills will be a critical constraint on industry capability. The cost of recruitment from overseas and the time for adjustment to New Zealand requirements makes local skills a premium.

There was unanimous industry support for the establishment of a Power Engineering Excellence Trust (PEET) and the establishment of the Electric Power Engineering Centre (EPECentre) to promote and support power engineering education as a field of excellence in New Zealand.

When we look back at the timing for this initiative, it was just in time and absolutely imperative for the infrastructure growth needs of New Zealand. Power Engineering is an acknowledged field in short supply within New Zealand and yet we have between \$5B and \$7.5B of investment to put in place over the next 10-15 years across the industry from generation to high voltage transmission to local distribution.

Today, as Chairman of PEET I am delighted to report a significant turnaround in student interest in the power industry. The results speak for themselves;

- i. Intake into the Electric Power Engineering course of 2nd Pro has almost doubled since 2001, from 20 students in 2001 to 38 students in 2004.
- ii. Students taking the Power Systems 3rd Pro option have doubled since 2002, from 14 students in 2002 to 28 students in 2004 i.e. a 100% increase.
- iii. Students taking the Power Engineering Applications 3rd Pro option have increased by 75%, from 16 students in 2002 to 28 in 2004.
- iv. We had 75 applicants for a North Island power industry field trip on which we could only take 45.
- v. The 2004 South Island Power Systems Field Trip took 30 students, and the North Island Trip in 2003 took 40, while the 2004 trip in August will take another 30 students.
- vi. We have placed over 70 students within through a range of vacancies, saving most firms fees averaging about \$5000 per placement (an industry-wide saving of up to \$350,000!).
- vii. The EPECentre scholarship programme for under graduates has received nearly twice as many applications as scholarships for both 2003 and 2004 (in 2004, 21 high quality applicants for 10 scholarships).
- viii. We now have postgraduate scholarships being taken up.