Board of Trustees

We are pleased to provide this report to the 2019 Nursing Education and Research Foundation (NERF) Annual General meeting. There have been three face-to-face Board of Trustees’ meetings over the year. The Finance Committee also met three times during the year via teleconference or zoom conferencing.

At the November 2018 Board meeting, the Board was advised that Steve Stirrat had resigned. Steve had been a Board member since November 2013. The Board recorded their appreciation for Steve’s invaluable contribution and his key role in the establishment of NERF’s Statement of Investment Policies and Objectives document, and the appointment of NERF’s investment advisor in 2018.

The Board agreed at the November 2018 meeting that Aroha Hudson would replace Steve Stirrat as Business Advisor to attend Finance Committee meetings in addition to Board meetings. As Aroha has brought significant business and finance experience to the Board it was agreed that the vacancy arising from Steve’s resignation did not need to be filled externally by the appointment of a new Board member.

Te Rōpū Kaiārahi o Te Rūnanga

The purpose of the subcommittee is to advise, support and assist the Board to better understand what is required in order that the Board may give effect to Te Tiriti o Waitangi in terms of the Board’s processes and to assist the Board to better understand, uphold and incorporate Tikanga Māori within the Board’s processes.

Another purpose of Te Rōpū Kaiārahi o Te Rūnanga is to address and be responsible for representing and/or monitoring the interests of Māori and informing the Board from time to time as Te Rōpū Kaiārahi o Te Rūnanga in its collective view considered appropriate.

Tracy Haddon represented Te Rōpū Kaiārahi o Te Rūnanga on the NERF Grants Assessment Committee and at Board meetings during the year.

Service Level Agreement NZNO

At the March 2019 meeting the Board approved a revised and updated Service Level Agreement. This is expected to be executed with NZNO in August 2019.

Statement of Investment Policies and Objectives (SIPO)

In March 2018 the Board of Trustees approved a new SIPO for NERF. The new SIPO provides clear guidelines on the capital maintenance of NERF Funds and a process for setting NERF’s long term investment strategy, the budgeting of operating expenses and the funding of scholarships and grants on a consistent basis year on year.

The new SIPO set the stage for NERF to move towards a higher growth focussed strategy with a long-term benchmark asset allocation of; Growth Assets 65% and Income Assets 35% within a range of 60.0% - 70% and 30.0% - 40% respectively. At 31 March 2019 NERF’s investment asset allocation stood at 65% growth and 35% income.
The primary performance objective is to achieve a total return (after investment management fees) which is 4.0% in excess of inflation, as measured by the CPI, over rolling 5-year periods. NERF achieved a return of 4.6% in 2018/19 compared to target of 5.6%. Significant dips in international equity values in December 2018 contributed to a volatile last three months of the financial year for investment earnings.

**Scholarships and Grants**

A total of $79k was awarded for scholarships and grants during the year, with all funds contributing to this total with the exception of the McCutchan Trust Fund. However a further $21k was allocated within the McCutchan Trust Fund to a fund totalling $83.4k at 31 March 2019, which is being set aside for a collection of 30 oral histories of nurses who trained during the 1970s.

The Board of Trustees agreed during the year that 2018/19 would be the last year that book grants would be awarded. Book grants tended to be a significant number of small grants and this change will help accommodate more substantial grants in other areas.

The Board also agreed to rename the 'Special Projects' grant category to 'Innovation' with the aim of encouraging research into areas that could yield significant changes for nurses.

**Financial Results**

The audited financial statements for the 2018/19 year show income of $326k (2017/18 $315k) and expenses of $117k (2017/18 $119k) giving a net surplus before scholarships and grants of $209k (2017/18 $196k). After the payment of scholarships and grants of $79k (2017/18 $130k) the overall net surplus is $130k (2017/18 $66k). This surplus includes just over $5k in new funds (2017/18 $2k) through bequests and distributions from external sources. NERF accumulated funds held at 31 March 19 totalled $6.2m, almost all of which are invested with ANZ Private Bank and AMP Capital as managed funds.

Grant Brookes & Kerri Nuku

NERF Co-chairs 2019