

**Chairs Report for the Nursing Education and Research Foundation
AGM - 18 August 2020**

2019/20 YEAR IN REVIEW

Board of Trustees

I am pleased to provide this report to the 2020 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 conference calls.

Margaret Hand resigned as trustee with effect from 31 January 2020 on the completion of a three year term. The Board thanks Margaret for her valuable contribution during this time and for bringing a sensitive, considered and common sense approach to NERF's governance.

On 24 April 2020 Grant Brookes Co-Chair of NERF resigned as President of the New Zealand Nurses Organisation (NZNO). By virtue of his resignation from NZNO (NERF's founder) Grant relinquished his positions as Trustee and Co-Chair of NERF effective from the same date.

Grant has served on the Board continuously since 15 September 2015 and as Trustee and Co-Chair made a significant contribution to NERF's progress and development over four and a half years, with particular emphasis on ensuring grants and scholarships were awarded in areas of research, innovation and higher learning across all nursing sectors and ethnic groups. Grant also contributed to the introduction and implementation of NERF's Statement of Investment Policies and Objectives in March 2018 ensuring that the balance of investments in growth and income assets was in accordance with NERF's long term objectives and sustainability.

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 NERF and NZNO

At its March 2019 meeting the Board approved a revised and updated Service Level Agreement (SLA) with NZNO. The SLA was executed with NZNO in February 2020. The Board acknowledges the high level of service and support provided by NZNO staff to NERF over the last twelve months.

Scholarships and Grants

A total of \$124.5k was awarded for scholarships and grants during the year, with all funds contributing to this total with the exception of the Margaret Blackwell Fund. This fund will be awarding a substantial travel grant in 2020/21.

In December 2019 NERF entered into a contract with Manakau Institute of Technology for the provision of research services with respect to the Nursing Oral History Project. The project will collect 30 oral histories of nurses who trained during the 1970s. Funding for this project is provided from the McCutchan Trust Fund. The contract is for a maximum of \$124.8k payable in 8 instalments. The first instalment of \$20.4k is included in the scholarships and grants total in 2019/20. A further \$71.9k is payable in 2021/22 and \$32.5k in 2021/22.

Financial Results

The audited financial statements for the 2019/20 year show negative revenue of \$233.3k compared to positive revenue of \$326.3k in 2018/19. The Covid19 pandemic resulted in a major fall in the value of international equity markets. This fall negatively impacted on the value of NERF's investment in AMP Capital during February and March 2020 by \$916k, offsetting unrealised gains recorded by AMP Capital in the previous ten months. As a result of the drop in the value of NERF's AMP Capital portfolio NERF recorded a loss of \$480.3k in 2019/20.

The loss in 2019/20 resulted in a shortfall in NERF's minimum capital Base (original capital base adjusted for CPI) of \$226.3 with NERF funds held in perpetuity sitting at \$5,693.2k compared to a minimum capital base of \$5,919.5k.

Subsequently this position has been corrected, with NERF recording a surplus in investment earnings from its AMP Capital portfolio of \$625.6k in the four months April to July 2020, driven by increases in the value of international equity markets. Nevertheless further volatility in equity markets is anticipated as Covid19 continues to weigh heavily on the world economy.

In 2019/20 NERF received a further contribution of \$20k from the Norah Hamblin Memorial Trust which was added to the corpus of the Gretta & Harry Hamblin Trust Fund.

Operating Expenses in 2019/20 of \$122.6k compares to \$117.1k in 2018/19 an increase of \$5.5k mainly due to an increase in fund management fees of \$7.4k charged in total by AMP Capital and ANZ Private Bank, \$45.1k in 2019/20 compared to \$37.7k in 2018/19.

Kerri Nuku

Chair 2020