

Board Report

2020 AGM

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Table of Contents

1.	<i>Introduction</i>	3
2.	<i>Formation of the Australian Section</i>	3
3.	<i>Strategic Plan</i>	3
4.	<i>Board</i>	4
5.	<i>Statement of Purposes and Rules</i>	5
6.	<i>Financial</i>	5
6.1.	2019 Financial Year Results	5
6.2.	Goals for 2020 Financial Year.....	6
7.	<i>Membership</i>	6
8.	<i>Website and Social Media</i>	6
9.	<i>Sponsorship and Alliances</i>	6
10.	<i>Training and Development</i>	7
11.	<i>Events</i>	7
12.	<i>Reporting</i>	7
13.	<i>Area Subcommittees</i>	7
13.1.	New South Wales.....	7
13.2.	Victoria / Tasmania.....	8
13.3.	Queensland	8
13.4.	Western Australia	8
13.5.	Other Areas	8
APPENDIX A	<i>Financial Report for 2019</i>	9

1. Introduction

This is the Board report for the Inaugural Annual General Meeting for the AACE Australian Section Incorporated to be held on 5th August 2020. This report contains a summary of activities by the Section from inception to the current date as well as strategic plans going forward until the next AGM in March 2021.

2. Formation of the Australian Section

AACE involvement in Australia started in 1977 in Melbourne and expanded over the years to Perth, Sydney and Brisbane. In the 1990's we helped start the Australian Cost Engineering Society (ACES), a Society of Engineers Australia and operated jointly with them for a number of years. In 2018, an AACE constitution issue required the separation of AACE from ACES resulting in the re-establishment of the AACE Australia Section.

As a first step, the AACE Australia Section held nominations and elections in the first quarter of 2019 and announced the new AACE Australia Section Board. The Section was formally registered as an Incorporated Association with the Consumer Affairs Victoria (CAV) on 9 May 2019 and as a Registered Body with ASIC on 23rd July 2019.

3. Strategic Plan

Initial activities in 2019 have focused on establishing the entity and included:

- Development of draft Statement of Purpose and Rules
- Registration with Consumer Affairs Victoria as an Incorporated Association
- Registration of Australian Business Number (ABN)
- Registration with Australian Securities & Investment Commission (ASIC) with an ARBN as a registered not-for-profit which allows us to operate across all states and territories in Australia
- Recruitment of additional board members
- Establishment of bank account and transfer of funds from the joint fund with ACES
- Agreed mission, vision and values
- Development of operational procedures
- Development of a website and email accounts
- Development of short-term and longer-term objectives as part of a strategic plan

Short term objectives planned and achieved in 2020 to date include:

- Further board positions and roles filled
- Publication of monthly newsletters to members
- Held monthly Technical Meetings as Webinars commencing April 2020
- Area Subcommittee Chairpersons appointed for Queensland, New South Wales and Victoria/Tasmania
- Established accounting record system and financial reporting procedures
- Reporting procedures in place for statutory and AACE International reporting
- Website published and operational
- LinkedIn site established
- Review and revision to draft Statement of Purpose and Rules
- Planning for Inaugural Annual General Meeting 5 August 2020

Longer term objectives following the Inaugural Annual General Meeting include:

- Establish annual budget for the 2021 financial year
- Continue holding Technical Meeting Webinars (during COVID 19 restrictions)
- Commence holding regular events in major cities (as lifting of COVID 19 restrictions allow)
- Engage with existing and potential AACE Corporate members
- Encourage AACE members residing and working in Australia to register with the Section
- Further develop the strategy for 2020 and beyond with a focus in the following areas:

- Develop policy and strategy for training and development to offer the opportunity for members to take AACE certification exams and other opportunities via AACE. This could include the ability for training organisations to advertise their courses through AACE-AU or partnering arrangements.
- Develop alliances with other PM organisation including PMI, AIPM and ACES for shared training & development and event opportunities.
- Become involved in the Project Management conferences either as sponsors or assisting in the organisation of the conferences.
- Develop Sponsorship opportunities with industry partners. These could take many forms including paid advertising, or a “quid quo pro” opportunities where companies could provide meeting facilities in return for promotion in our email newsletter or on our website.

4. Board

The original board elected in early 2019 consisted of:

- President - Ralph Padilla
- Vice President - Vacant
- Treasurer - Magued Shalibi
- Secretary – Peter Downie
- Directors:
 - Mohamed Abdalla Nada
 - Yazeed Abdelhadi
 - Paul Harris

During 2019 and first half of 2020 the make-up of the board underwent some changes with some resignations due to personal commitments, a number of members joining as casual vacancies and existing members taking on Office Bearer positions. The current board prior to the AGM consists of:

- President – Paul Harris
- Vice President - Vacant
- Treasurer – Yazeed Abdelhadi
- Secretary – Karen Chew
- Directors:
 - Peter Downie
 - Alberto Sanchez
 - Louis Vidotto
 - Raphael Dua
 - Cameron Baker

All positions are to be declared vacant at the Inaugural Annual General Meeting on 5 August 2020 and a call for nominations was issued on 25th May 2020. There were no contested Office Bearer positions and there were less than required nomination for Directors and therefore all nominations have been accepted by the Board and a formal ballot by members is not required, in accordance with our current Statement of Purposes and Rules.

Peter Downie is not renominating, and the Board would like to formally acknowledge Peter and give thanks for his tireless contribution to getting us to where we are now.

Alberto Sanchez has not renominated for a Board position but will be continuing as the Chairperson for the NSW Subcommittee so we will look forward to his future contributions in this space.

We welcome Islam Sabbar and Frank Vera onto the Board and their roles will be agreed with the Board following the AGM.

The new Board following the AGM will consist of:

- President – Paul Harris

- Vice President – Louis Vidotto
- Treasurer – Yazeed Abdelhadi
- Secretary – Karen Chew
- Directors:
 - Raphael Dua (Sponsorship & Alliances Coordinator)
 - Cameron Baker (Website & Social Media Coordinator)
 - Islam Sabbar (Membership Secretary)
 - Frank Vera (Events Coordinator)

There are three remaining vacant Director positions and the Board will be actively seeking volunteers to fill these positions as casual vacancies during the remainder of the year. Vacant roles include:

- Training & Development Coordinator
- Publications Coordinator
- Reporting Coordinator

For further details refer to the Board Nomination Report provided together with the AGM invite and agenda. For further details of the candidates [click here](#).

5. Statement of Purposes and Rules

The current Statement of Purposes and Rules of AACE Australian were originally developed and lodged with Consumer Affairs Victoria (CAV) together with our incorporation association registration

These original rules were drafted based primarily on the model rules provided by CAV with some additional clauses and terminology adopted from the Sample Section Rules provided by AACE.

The Section has now operated for over 12 months and during this time the board has progressed the development of its operational procedures and governance policies to ensure the organisation works effectively on behalf of its members while recognising the Board members are volunteers, many with full time work responsibilities. As part of this, the Statement of Purposes and Rules have undergone substantial review and revision from its original draft submitted for incorporation and this revision has been sent to member together with a list of proposed changes via email on 5th July 2020.

At the AGM, a special resolution will be moved at the AGM to adopt the proposed rules for a vote by members.

6. Financial

6.1. 2019 Financial Year Results

This financial report is for the 2019 financial year commencing 1 January 2019 and ending 31 December 2019.

The Section commenced with an initial funding of \$10,000 which was transferred from previous AACE related funds held by ACES. Expenditure to 31 December 2019 relates primarily to Australian registration costs related to our Incorporated Association and Registered Body costs which were required to legally operate as a not for profit organisation in Australia as well as website development costs.

Sections are funded by AACE by a small proportion of member fees paid (Section Fee) according to the number of registered Section members. Funding also requires minimum standards in terms of number and attendance at technical meetings and other prerequisites. As this period was focused on establishing the Section, the minimum standards were not met during this period, and therefore no funding was provided by AACE.

A summary of the financial results is provided in the table below and a full report is provided in 0.

Item	AUD
Starting Balance	Nil
Income	\$10,000
Expenditure	\$1,652
Net Surplus	\$8,348
Ending Balance	\$8,348

6.2. Goals for 2020 Financial Year

The amount of funding provided by AACE as the Section fee is generally insufficient to operate the Section due to administrative and legal costs involved in operating a not for profit organisation especially across all Australian States and Territories as well as holding events particularly when we return to face to face events. Therefore, in addition to Section fees and increasing our membership, the Section will be seeking suitable sponsorships to support our administration and event costs which may be monetary or by provision of services in kind.

7. Membership

Our membership is made of AACE members in good standing who have registered for Region 8 Australia in their AACE profile via the AACE website.

As of 12 July 2020, we have 182 members of the Section which is summarised in the table below.

Location	Number of members
ACT	3
NSW	39
NT	1
QLD	53
SA	4
TAS	1
VIC	36
WA	43
Other Countries	2
Grand Total	182

When members join AACE they are automatically registered as “At large” and after joining they must update their profile to select the Section that they wish to belong to. This has resulted in a large number of AACE members residing and working in Australia (approximately 400) who are not members of the AACE Australian Section.

The funding for our Section is tied to the number of registered members and therefore in order for us to provide member services, in terms of events, training and development and certification support, we need to maximise our membership. With this goal in mind, following the AGM the Board will be actively contacting these “At large” members to request them to register for our Section.

8. Website and Social Media

The website was first published on 29 June 2020 and as strategies are developed for Sponsorship, Alliances, Training & Development and Publications there will be more content on this site.

9. Sponsorship and Alliances

The Sponsorship & Alliances Coordinator is in the process of developing some proposals for the board to consider.

10. Training and Development

We are actively seeking a Board Director to fulfil this role and once this is filled, we will develop a strategy for supporting Training and Development for members further.

11. Events

The COVID-19 issues have prevented face to face Technical Meetings, and we are currently conducting online monthly Technical Events via Zoom which will continue in the near future. Once face to face meetings are allowed it is intended to broadcast these events for any member to attend remotely.

We have held the following Technical Meetings during this period:

- 29th August 2019, Perth, “Integrated Software Based Project Controls on Major Capital Projects” by Gideon Klipstein, Cleopatra Enterprise and Networking Event
- 30th April 2020, Webinar, “Understanding the Techniques to Updating a Schedule” by Paul Harris
- 28th May 2020, Webinar, “Construction Planning, A Risky Business – Decision and Risk Management” by Alberto Sanchez
- 25th June 2020, Webinar, “How Project Failure Threatens Board Room Governance – Some Prevention Strategies” by Raphael Dua

12. Reporting

There are some complex reporting requirements required by both AACE and Australian statutory authorities and thus the board has a specific position to ensure all reporting requirements are met which will ensure that we will obtain funding from AACE and will not receive fines from Australian authorities.

The activities this period as focused on the registration with CAV and ASIC as well as score card reporting with AACE.

13. Area Subcommittees

13.1. New South Wales

Alberto Sanchez is the current NSW Subcommittee Chair.

During this period activities included:

- Completed first webinar about “Construction Planning, a Risky Business - Decision and Risk Management” with a major focus on AACE recommended practices:
 - 39R-06, Project Planning -As Applied in Engineering and Construction for Capital Projects
 - 15R-81, Profitability Methods
 - 16R-90, Conducting Technical and Economic Evaluations – As Applied for the Process and Utility Industries
 - 32R-04, Determining Activity Durations
 - 56R-08 Cost Estimate Classification System

Activities planned for the next period include:

- Prepare and present second webinar about “Schedule Risk Analysis Practices During the Bid Phase” using AACE recommended practices as reference (64R-11, 41R-08) and presenting the construction of a new football stadium as case study
- Prepare more webinars particularly in key areas such as strategic planning, schedule and cost risk analysis, decision and risk management
- Work with the board to seek more industry collaboration in the Australian construction industry
 - In the absence of standard planning and scheduling practices in the public sector how can AACE-AU influence government agencies to refer to AACE for planning and scheduling

requirements (e.g. similar to how most private companies refer to AACE for the cost estimate classification)

- Support the Training and Development Coordinator to seek ways to support large engineering and construction companies to certify their planning staffs as part of their training and development programs

13.2. Victoria / Tasmania

Raphael Dua has recently come on board as the VIC Subcommittee Chair

Activities planned for the next period include:

- Commence local meetings via Zoom to engage with local members

13.3. Queensland

Louis Vidotto has recently come on board as the QLD Subcommittee Chair.

During this period activities included:

- Commenced discussions about a sponsored venue with Comms for AACE meetings

Actions planned next period

- Prepare and present Webinar – “Basic skills required of a Cost Engineer to understand what their role is and why – A mandate for training and mentoring”
- Contact Queensland AACE members and start an ongoing discussion about what they want from the AACE.
- Plan to have Q&As
- Plan to have face to face catchups when travel restrictions permit
- Plan to have a Webinar every 3 months
- Provide regular feedback to the Board
- Promote AACE membership to our large Project Controls constituency in QLD
- Promote Certification to Construction and Engineering companies, working closely with the AACE board

13.4. Western Australia

We are currently actively seeking a WA Subcommittee Chairperson.

During this period activities included:

- Held a Technical Meeting and Networking Event on 29th August 2019 at the Grand Bar and Bistro with a presentation provided by Gideon Klipstein of Cleopatra Enterprises on “Integrated Software Based Project Controls on Major Capital Projects”
- Commenced discussions with potential sponsor for venue for AACE meetings

Activities planned for the next period include:

- Seek nomination of a WA Subcommittee Chairperson to be supported by Karen Chew, Board Secretary
- Commence in person events follow lifting of restrictions currently anticipated in August 2020.

13.5. Other Areas

Members can propose further Area Subcommittees by petitioning the Board. The minimum requirement is at least 10 local members to petition and the nomination of an Area Subcommittee Chairperson.

AACE Australian Section Incorporated

2019 Treasurer's Report

By: Yazeed Abdelhadi

Date: 14 May 2020

Board's Financial Statement: 1 January 2019 to 31 December 2019

- Starting balance: \$0
- Income: \$10,000
- Expenditure: \$1,652.20
- Net Surplus: \$8,347.80
- End balance: \$8,347.80

Attachments

Attachment 1: Financial Report 2019

In accordance with Part 7, Division 2, Provision 94 (2)(b) of the Associations Incorporation Reform Act 2012, the Board certifies that this Financial Statement gives a true and fair view of the financial position and performance of the association during and at the end of 2019 financial year.

The board also confirms it reviewed its status, for the report period, and confirms it is a "Not For Profit (NFP)" organization that is income tax exempt.

Treasurer



Yazeed Abdelhadi



President:

Paul E Harris

Secretary:



Karen Chew



AAACE Australian Section Incorporated
ABN 82 298 423 018 / ARBN 634 477 446
Vic Reg A0106430P

Attachment 1: Financial Report 2019

Report

Errors on sheet ●

Total errors ●

Income and Expenditure Report

Current Reporting Year

Financial Year

Current Reporting Month

Year
 Month

Account

Income

205 Initial Funding	10,000.00	0.00
Total Income	10,000.00	0.00

Expenditure

321 Com: Website: Development & Maintenance	-700.00	0.00
322 Com: Website & Email Hosting	-258.85	0.00
405 Gen: Other	-77.00	0.00
402 Gen: Registrations	-612.50	0.00
500 Banking fees	-3.85	0.00
Total Expenditure	-1,652.20	0.00
Net Surplus	8,347.80	0.00

Balance Sheet

Account

Assets

Bank & Cash

101 Bank Account: Main	8,347.80
Total Bank and Cash	8,347.80

Total Assets	8,347.80
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Liabilities

Current Liabilities

601 Accounts Payable	0.00
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Total Current Liabilities	0.00
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Net Assets	8,347.80
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Equity

Current Year Earnings	8,347.80
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600 Accounts Receivable	FY2020	0.00
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Total Equity	8,347.80
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End