

AGM 2022 Questions & Answers

Question	Response
<i>Questions asked and answered at the AGM</i>	
<p>1. How does the increase in membership numbers reflect Australian and Overseas chapters? Is the increase being driven by local members (Australian-based) or overseas members or a combination of the two?</p>	<p>CEO: Growth has been driven by Australia. Overseas membership numbers are stable at approximately 7000 members. We are fortunate to have 6 overseas chapters with office bearer committees supporting members locally and promoting Engineers Australia, and also working in partnership with local engineering institutions.</p>
<p>2. Could you please elaborate on the large drop in cashflow this year?</p>	<p>Audit & Risk Committee Chair: There are a couple of reasons for this. Primarily, volatility in global financial markets meant that we took a sizeable hit in our investment portfolio, and, secondly, beginning our investment in our digital transformation program.</p>
<p>3. Could you please elaborate on the proposed support for volunteers?</p>	<p>National President: There's many things we're doing at Engineers Australia to not only support but extend the engagement with our volunteers. As Engineers Australia, I often talk about us having 340 full-time employees, but I actually think of our workforce of being approximately 3000. The reason for that is because on any one day we have anywhere up to about 2,500 or so members who are choosing to volunteer as office bearers and also volunteers in the work of Engineers Australia. If we think also about the untapped potential growth to expand the impact that we have as an organisation, it exists within our volunteer ranks.</p> <p>The work that we've been doing that was initially triggered by the Learned Society review and has now flowed into numerous activities and also the Future Now program, is all about unleashing and giving focus and direction to the work of our volunteers. That focus is not just about activity, fundamentally it's also about outcomes and impact. This is core to all the work that we do: how do</p>



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we have a greater impact with our full workforce of our volunteers and employees working together to benefit our profession and society.

To that end, we're making a series of modifications and transformations in the way that Engineers Australia works. Fundamentally, part of that is about how we work together and so through the Future Now Program we've co-designed and prototyped three areas of activity our volunteers are particularly enthusiastic about and actively engaged in. The first of these is our continuing professional development (CPD) activity, the second relates to member events including networking and speaking events, and the third is areas like policy and advocacy. We've had hundreds of our volunteers actively involved in those prototyping activities over the last year to help us understand what works and how do we improve those to the point that allows us to then scale that up. The key underlying principle in that too is how do we again engage and unleash the talents, expertise and insight of our volunteers in a way that doesn't require significant escalation of our employee numbers and therefore costs to run the organisation. So it's all about a cost-effective, highly engaging, scalable way of us working together as the professional community that we are at Engineers Australia.

Linked with that then, is the work being done by Sarah Jenkins (Group Executive, Member and Customer) and Astrid Kauffman (Victorian Division President and National Congress Delegate), who have been working together to conceive what is a volunteer strategy. What we mean by that is what are the things that we can do to strengthen that engagement of members who are perhaps passive members of Engineers Australia into active volunteers.

Something that underpins all of that, is the digital platforms that allow us to collaborate effectively. And that relates to not only the ways that we work today, and we see that in the many different ways that we're working virtually, but also the ability to connect people across discipline and geographic areas. So these collaboration platforms that not only allow our volunteers to connect but also then to work together, to communicate, to share and store documents, are all part of the modern way of collaborating that's important not just to equip our current volunteers to participate but, if this works well, the growing number of volunteers. Therefore we want this way



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	<p>of working to be fundamentally scalable. So we're making significant investments not only just to modernise and improve the robustness of our underpinning digital systems, but to also set up systems for now and the future that help us to unleash that full potential of our volunteers.</p> <p>There's a lot of activity on multiple fronts to engage and tap into the talents and energy of our volunteer network because it is such a core part of growing the impact that we as the Engineers Australia community can achieve.</p>
<p>4. How can Engineers Australia enhance job opportunities for members?</p>	<p>CEO: There are a number of pathways by which Engineers Australia can support job opportunities, including through volunteering, networking (in-person, virtually or hybrid), continuing professional development, as well as the College of Leadership and Management which can help uplift skills. There are multiple ways that the tools Engineers Australia offers can support engineers in the different stages of their career. There are also platforms available through the Divisions, Colleges and Technical Societies. It really does depend on what you're looking for and where you are in your career in how Engineers Australia can support your development and growth.</p>
<p>5. Is there a defined and approved set of projects and budgets for expenditure from our reserves?</p>	<p>NP: Every year we go through a budgeting process and as part of that budgeting process, which is tabled by the Executive, we review a distinct set of both ongoing operational expenditure requirements as well as specific projects. Perhaps the major investment and program of work that we are currently looking at is of course our digital strategy and improving our digital systems. That is a series of projects that have a significant investment scheme. So not only do we look closely at the budget on an annual basis, we look at the ramifications of that over a multi-year period and of course all of the parameters and assumptions around that. We've also put in place additional governance and risk control measures around major investments like that, in terms of getting external oversight, as well as even the composition and skill set of our Board of Directors, and the way we work with our Audit and Risk Committee and others. We have quite comprehensive arrangements not only in terms of oversight of a budget that includes a series of particular projects and key investments, but also in terms of the way that we then oversee those investments on a monthly and annual basis.</p>



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6. Could you please briefly highlight the initiatives to attract young people to do engineering?

CEO: I mentioned briefly two reports that Engineers Australia had released last year through the Office of the Chief Engineer, and one that was released this year coming into the Jobs and Skills Summit was *Strengthening the engineering workforce in Australia*. There are a number of levers in the report that identify the opportunities of attracting young Australians or overseas skilled migrants into engineering. A couple of the suggestions are supporting the teaching of STEM subjects and dispelling myths around what engineering is about as there are so many opportunities in engineering across so many different areas. There are multiple programs that we're involved in in STEM which you can find on our website. We're being very proactive in schools, specifically with parents, teachers and career advisors, around attracting kids to the opportunities that engineering has as well as the importance of doing maths and science.

The other element is, you may have studied another degree at university, for instance, and consider moving across to engineering through a number of different pathways. We're seeing, because of the skills shortage in Australia, there is a highlighted focus on attracting our younger generation into engineering.

We've also found that most children will choose engineering because there is an engineer in their family or my family knew an engineer, however, this doesn't cover off the disadvantaged or our First Nations generations. So it's about really making sure that all the work that we do is highlighting the opportunities around engineering.

The final thing I'll touch on is we did a wonderful brand campaign this year, *Engineering: making life happen*. This was really for non-engineers to showcase and highlight the different types of engineering opportunities around Australia that could attract kids to engineering and also allow their parents to think of opportunities for their children in engineering. On LinkedIn we had a great campaign #IAmAnEngineer and it was engineers all around Australia sharing their stories. We know that primary and high school children don't look at LinkedIn, but maybe their parents, teachers and career advisors do and that they will share those stories about the exciting opportunities there are in the engineering profession with the younger generations.



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<i>Questions asked at the AGM which were not answered at the meeting</i>	
7. What is Engineers Australia doing in terms of reporting on and reducing its carbon footprint?	<p>Engineers Australia has almost completed our 'Climate Active Certification' for the calendar year 2022. The process is in the final stage which includes a comprehensive third-party audit of all data relating to emissions. Once this process is completed over the next few weeks, EA will be Carbon Neutral Certified by Climate Active. The certification process will include the creation of a 5-10 year strategy and implementation plan that will be rolled out to the organisation in 2024.</p> <p>Internally, EA is already implementing initiatives such as partnering with a national e-waste company to recycle old equipment, testing environmentally-friendly cleaning products, and measuring and managing waste streams. External factors, such as utilities from leased buildings and third-party services, account for 70% of Engineers Australia's emissions and will be the focal point of the strategy and implementation plan to drive change over the coming years.</p> <p>Examples of things to come include installing solar panels on strata-owned buildings, leasing property from carbon neutral property owners, partnering with carbon neutral service providers, and further educating our employees and improving our internal processes and procedures.</p>
8. It is difficult to clearly frame what questions there are when there is no report information available to review before the meeting. For future AGMs via webinar, can slides and draft annual report be available before the webinar session?	<p>The notice of the AGM (which members will have received via email) includes a link to the pre-reading materials i.e., the Annual Report, the financial statements, and the minutes of the previous AGM.</p>
9. How do you measure the success of the brand campaign?	<p>The brand campaign has two key objectives: to raise the profile of engineering and to increase awareness of Engineers Australia. To understand if the brand campaign has delivered against these two objectives, Engineers Australia conducts market research with a third party on an annual basis to measure the impact the campaign has had.</p>



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10. Given the current cash surplus and strategy to reinvest, what capacity exists for EA groups to put up bids for specific programs consistent with priorities in the EA strategic plan?	Our focus is on maximising our impact against our purpose of advancing society through great engineering. Each year EA employees and office bearer groups plan a portfolio of activities that will deliver our strategy and maximise our impact. As part of this process the Engineers Australia Board provides guidance to office bearer groups on focus areas. Office bearer groups then document their plans in conjunction with their employee contact/s. This is the main opportunity to recommend programs, which will then be considered in the context of all other programs and activities by the employee team in order to compile the annual plan and budget. This EA-wide plan and budget is then reviewed and approved (or otherwise) by the Engineers Australia Board each year in June.
<i>Questions asked and answered after the AGM via email</i>	
11. This year has been very successful in many ways. I do have a worry about staff and consultant costs, I think they have gone up by over 30% in the one year. Is this a one off and is it under control?	NP: We are paying close attention to our cost base of which employee costs are a considerable proportion. Historically, as our work has grown we have expanded our employee numbers, but the Board and executive recognise this is not sustainable or optimal. Consequently we are looking closely at how we make best use of our workforce (in combination with the talents of volunteers) and using digital technologies to automate tasks. In this transition, there are skills we simply don't have access to that have required consultants (e.g. business model review, digital skills, etc). So we are not creating a dependency on consultants but will nonetheless have specific requirements in future that will require their use.
12. As part of the above, I am concerned that we are, as an organisation, living off the assessment of migrants and education courses which made a profit of 60% and I'm not too sure how ethical that is. I would rather it be under 10%. There used to be a time probably about 10 years ago when the staff and consultant costs matched members fees and now they are well over that amount.	NP: I don't believe the profitability is as high as you have calculated, principally because the baseline costs of operating EA are not always sheeted home to the respective cost centre. EA has simply not operated in a commercial manner and accounted for costs in a way that permit P&L visibility at an operation centre level. The Board and exec have done a lot of work to improve this situation, and more to be done. So I would be cautious about drawing those conclusions. And while EA is a not-for-profit entity, we must make profits in order to invest in the organisation and have some retained earnings to cover difficult years. Indeed, EA has arguably been lucky not to encounter considerable financial difficulties in the past when operating on thin margins which I presume was one of several reasons for instituting more professional governance practices.



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	<p>Further, EA delivers many, indeed most, of its services to the profession and members within the member subscriptions. There are also many 'free riders' on these services, e.g. university accreditation, international management of professional accords, etc. In those areas where we can offer services to customers, e.g. education services to commercial clients, we are able to charge market competitive rates and deliver services that customers are happy with. These sources of income are important to maintain the sustainability of EA and allow us to invest as we are currently doing. The Board has discussed the MSA arrangement on many occasions, which has been reviewed by government at least once in the past few years to ensure EAs fees represent value for money. We believe the key area of concern is ensuring skilled migrants are equipped and enabled to secure meaningful employment in the profession when they are encouraged/permitted to enter Australia on that basis. This is one of our key areas of work which is escalating further in 2023 to enhance its effectiveness nationally.</p>
<p>13. My final concern is that while central numbers increase there seems to be only a slight increase if any in support for the divisions which are where membership growth comes from. Again 10 years ago divisional numbers use be one in three, and they are now one and 10 and I'm not too sure that members have benefited as a result.</p>	<p>NP: While I don't have the specific historical numbers to hand (by which I presume you mean staff numbers), I'm fairly comfortable that your observation is reasonable. Romilly and I recognise the opportunity to rebalance our capital investments (staff, finances, etc) to better match the functional roles across the organisation and the ways in which value is created for members. Divisions have an important role in building relationships that foster member engagement and subsequently members choosing to become volunteers. Our more mature approach to strategy and operating model is helping all of us gain a better appreciation of where we can/should invest and why. As a consequence, I think you'll see more activity and support for the important role of Divisions. This will take a little time because we need to manage the transition in capability and get the supporting systems in place, but the trend is likely to be in that direction.</p>