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EXTRACT FROM 2009 ANNUAL REPORT

Chairman's Report

The 2008/09 financial year has brought significant change to the industry including a new Government, financial crisis and recession, the ongoing establishment of the New Zealand Transport Authority (NZTA), not to mention unforeseen bitumen price movements.

Sustainability has been a key focus; however, not in the true environmental sense, but in the general 'health and well-being' of our industry. Astute management is needed in these challenging times to ensure the ongoing profitability of our businesses and at the same time secure the overall capability and skills of our sector. The need for better skills, productivity improvements and waste reduction is more valid than ever before, and has seen Roading NZ taking a more proactive involvement in training development.

Significant effort has been made in building relationships with the new Government and NZTA, reinforcing the commitment to our members to be recognised by both the Government and key stakeholders as an expert commentator on infrastructure issues. With the formation of the new Auckland Super City, considerable focus will be directed towards the Auckland Transitional Agency over the next year to ensure work programmes are not adversely affected as would normally be experienced during any major organisational and governance change.

Along with other industry bodies, Roading NZ has participated in an Industry Liaison Group working with NZTA to collaboratively develop solutions to deliver their work programmes to ensure efficient use of the industry resources, transparency of workload, value for money and maintaining momentum in the State Highway projects programme. This will remain an important focus for the year ahead.

Our technical committees have successfully continued the development of our self-governance initiatives such as Operate Safe Bronze, Silver and Gold Cards, the Asphalt Plant Accreditation System (APAS) and environment site practices. We are indebted to the large number of people who contribute their valuable time and knowledge to these activities.

The benefits of better industry collaboration are obvious: none more so than in the area of health and safety. Roading NZ will proactively work with key industry organisations over the next year to explore an industry approach that will uphold our Operate Safe standards.

The introduction of new procurement strategies for the NZTA and local authorities will require significant representation and input over the coming year, along with establishing a more equitable industry bitumen escalation formula to avoid the adverse financial costs experienced by members during the past year.

The need for strong industry leadership has never been more important and Roading NZ is well placed to represent and continue to add value for its members.

Thank you to Chris, Lyn and Alan for their efforts and contribution during the past year. I would also like to thank the Executive Council members for their support, wise counsel and advocacy on our many business issues.

Finally, thank you to all our members for your continued support during this year and I look forward to a mutually rewarding year ahead.

Cos Bruyn
Chairman, Roading New Zealand Inc.

Chief Executive's Report

It is my pleasure to report another successful year for Roading New Zealand. We have built new relationships across the sector and maintained our credibility as an expert commentator and leader in the sector. We have also weathered the recession well, with a 10 percent net increase in membership, setting aside industry consolidation, and only a slight drop in revenue.

During the year we have focused on

- Working with the new Government
- Working collaboratively across the sector
- Working with NZTA to speed up the construction and value for money of projects
- Building our regional structure
- Improving the cost efficiencies and sustainability of Operate Safe
- Improving the effectiveness of unit standards and qualifications
- Involving our Associates more at a regional level
- Upgrading our website.

We held our most successful Excellence in Roading Awards Dinner and Conference in August with 30 Award entries and over 200 people attending each event.

We worked very hard on the technical front as well:

- to improve the market fluctuations formula for bitumen price changes
- to bed down the Asphalt Plant Accreditation System (APAS) to improve the quality of asphalt manufacture
- to finalise our Code of Practice for the Safe Handling of Bitumen with ERMA
- to prepare for publication a Practitioners Guide for Basecourse, a Reversing Vehicles Guideline and the Quality of Aggregates for Roads Guideline.

Our 2008/09 financial report shows Roading New Zealand to be in a sound financial position with a very small deficit of around $20,000 incurred for the year. This compares to a deficit of $70,000 for the previous year and leaves $48,000 in reserves. This is consistent with the Executive Council financial policy.

A big thank you to Cos Bruyn, Roading New Zealand's new Chairman, for his support and guidance over this past year. A very special thank you to the Executive Council as well for its wisdom and direction. Thanks also to Tim Warren who left during the year and of course to Lyn and Alan for their outstanding work.

I must also thank the members of Roading New Zealand's committees for their commitment and contributions throughout the year. Without the input from all these groups and individuals Roading New Zealand simply would not exist.

Most importantly, thank you to our members for their support over this past year. I look forward to working with you this coming year to further improve the value of Roading New Zealand to you all.

Chris Olsen
Chief Executive, Roading New Zealand Inc.