

New Zealand Association of Economists

# Annual Report 2017

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## Directory

as at 31 December 2017

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Council	Mark Holmes	President	Elected 14.07.2017
	Peter Tait	Vice President	
	Joey Au		Elected 14.07.2017
	Pike Brown		Elected 14.07.2017, retired 16.03.17
	Anthony Byett		
	Lydia Cheung		
	Ian Duncan		Elected 14.07.2017
	John Gallagher	Treasurer	
	Arthur Grimes	Past President	Appointed 14.07.2017
	John McDermott		
	Andrea Menclova		
	Gail Pacheco	Editor in Chief, NZ Economic Papers	
	Donna Purdue		Elected 14.07.2017
	John Yeabsley	Editor, Asymmetric Information	Appointed 14.07.2017
	John Creedy		Retired 14.07.2017
	Viv Hall		Retired 14.07.2017
	Bill Kaye-Blake		Retired 14.07.2017
	Anita King		Retired 14.07.2017
	Maxine Watene	Secretary Manager	
Date of Incorporation	6 October 1959		
IRD Number	16-217-315		
Registry Number	216 494		
Registered Office	F/1. 97 Cuba Street PO Box 568 Wellington 6140		
Auditors	Moore Stephens Wellington Audit PO Box 24.324 Wellington 6142		
Solicitors	Franks & Ogilvie PO Box 10-388 Wellington 6143		
Bankers	Bank of New Zealand North End Branch Wellington		
Website	<a href="http://www.nzae.org.nz">www.nzae.org.nz</a>		

## Objectives of the Association

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The constitution provides that Association resources shall be applied to

- Promote collaboration and discussion amongst professional economists in New Zealand;
  - Encourage research and to publish the results of that research and such other material as may be relevant to the objects of the Association, but the Association as such may not make public statements on economic policy;
  - Obtain and disseminate information on research projects in progress or anticipated;
  - Promote in general the profession of economics in New Zealand;
  - Foster in all sections of the community interest in, and understanding of, economic issues in New Zealand.
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## Life Members

## Distinguished Fellows

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John Shearer	1965	Frank Holmes (d 2011)	2004
Julia Crouch	2003	Conrad Blyth (d 2012)	2004
Jack McFaul (d 2010)	2004	Roderick Deane	2004
Kerrin Vautier	2004	Peter Phillips	2004
John Pryde (d 2012)	2004	Brian Easton	2005
Len Bayliss (d 2018)	2005	Lewis Evans	2005
Brian Silverstone	2007	Gary Hawke	2005
Bob Buckle	2009	John McMillan (d 2007)	2005
Frank Holmes (d 2011)	2009	John Gould	2006
Grant Scobie	2009	Peter Lloyd	2006
AD (Bert) Brownlie	2010	Don Brash	2007
John Yeabsley	2010	Bruce Ross	2007
Stuart Birks	2011	Stephen Turnovsky	2012
Frank Scrimgeour	2012	Leslie Young	2012
Allan Bollard	2013	John Riley	2013
Gary Hawke	2014	David Giles	2014
Dorian Owen	2014	Arthur Robson	2015
Anthony Byett	2017	David Teece	2016
Mary Hedges	2017	John Gibson	2017

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## Annual Report of the President, 2017

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It is my pleasure to present the Annual Report for the year to December 2017, for and on behalf of the Council of the New Zealand Association of Economists Inc.

### **Council**

I wish to thank the NZAE Council for their constructive contributions during the year to ensure the smooth functioning of the Association. A full list of Council members is available in the Report. In addition, I wish to thank the Motu staff who provide Secretary-Manager support to the Association, especially Grant Coppersmith and Maxine Watene. Annual Conference 2017

The 2017 NZAE annual conference was held at University of Victoria, Wellington. This proved to be an excellent Wellington-based venue to hold the conference (despite the weather), and the conference will again be held there in 2019. The conference was well attended with members and non-members from academia and the public and private sectors. There were 219 registered delegates for the conference equally split between members and non-members. Keynote speakers comprised Andrew Atkeson, Lisa Cameron, John Gibson and William Strange.

The conference included 108 oral presentations and 11 poster presentations.

I would like to thank last year's Conference Committee – Peter Tait (convenor), Lydia Cheung and Anita King – together with our conference organisers, On-Cue, for their excellent work in putting together a very successful conference.

In a further move to encourage student participation in the Association, we saw the successful launch of a one-day doctoral student workshop on the day prior to the main conference. This is a forum at which PhD students presented work-in-progress to their peers and to more experienced colleagues. I would like to thank Andrea Menclova for organising this.

### **Membership**

NZAE had 271 financial members, and 11 complimentary memberships (including life members) at the end of 2017. Council continued our free e-membership category for economics students at fourth-year level or higher; student e-members receive electronic communications (including Asymmetric



Information) without receiving any written materials.

### **Finances**

Our improved operating performance has been continued so that in 2017 we made a tax paid surplus of \$14,712 (\$12,115 in 2016) and our Accumulated Funds stood at \$131,243 (\$116,531 in 2016) in the Association, at balance date.

The Education Trust has also continued its steady progress and now has Trustees Capital of \$296,544 (\$291,958) at the same balance date. Overall, the Association is in sound financial condition and councillors consider our planned activities can be met from the resources we have in hand.

### **Auditors**

Moore Stephens have continued in office

### **Sponsors**

We are very fortunate to have financial and practical support from The Treasury, Reserve Bank of New Zealand and Statistics New Zealand, both for our flagship conference and the general activities of our Association. With them behind us, we are able to deliver bigger and better returns to members – and the wider economic community – than would otherwise be possible, and we record our appreciation for their contributions.

### **New Zealand Economic Papers**

NZEP gets a high standard of direction from our Editor-in-Chief Gail Pacheco and her panel of five Associate Editors. The consistent standard being achieved has meant high quality submissions are coming to NZEP from within New Zealand and others in the wider Asian academic sphere, in increasing numbers. We have a “B” ranking on the Australasian Business Deans’ Council list and encourage our members to submit their research work to our own journal for publication.

Our publishers Taylor & Francis have steadily increased NZEP exposure to its international base.

### **Asymmetric Information**

The NZAE published three issues of its newsletter, Asymmetric Information, during 2017. Council was delighted to appoint John Yeabsley as the new editor, starting with the August 2017 issue. The newsletter is available to read on our NZAE website.

### **NZAE Education Trust**

As at December 2017, accumulated funds in the Trust were \$296,544, invested in bank deposits and call accounts. Trustees at the end of the year were Anthony Byett (Chair), John Gallagher, Mark Holmes, Leo Krippner and Gail Pacheco.

In 2017 the Trust disbursed grants & prizes totalling \$10,100 for student presentations at the conference, Conference Assistants awards and Graduate Study awards. Awards were made in honour of Rex Bergstrom and past presidents Jan Whitwell and Seamus Hogan, as well as Study Grants for senior students. Trustees are investigating other awards which will advance the aims of the Trust, and introduced the David Teece Prize in Organisational Behaviour at this conference.

NZIER and Statistics NZ have shown their interest in the Education Trust and its objectives – and continued our encouragement of economic research reported in poster presentations, by their direct award of prizes to students judged to have excelled. We record our appreciation for their support.

### **Secretary-Manager**

Our contract with Motu for the provision of Secretary-Manager services and this contract was negotiated and renewed through to the end of 2018. These services are essential to the day-to-day operations of the Association

and are point of first contact for many members.

**Distinguished Fellow Award**

John Gibson was made a Distinguished Fellow of the Association in 2017. He is Professor of Economics at the University of Waikato. John has made a sustained and outstanding contribution on the world stage to development economics and related aspects of the discipline. He has also played a major role in supervision of, and co-authorship with, graduate students, and in co-authorship with junior colleagues.

This contribution to capability development within New Zealand is an important aspect of

John's work. A full citation for the award will be published in New Zealand Economic Papers and is currently available online through the NZAE website or through the Taylor and Francis webpages for New Zealand Economic Papers.

A handwritten signature in black ink, appearing to read 'Mark Holmes', with a stylized flourish at the end.

Mark Holmes  
President

## Statement of Financial Responsibility

for the year ended 31 December 2017

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Governance of Association assets and undertakings is in the hands of an elected Council.

The Council is responsible for ensuring that financial statements of the Association give a true and fair view of the financial position as at 31 December 2017 and its financial performance for the year ended on that date.

Councillors consider that these financial statements have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

Councillors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the association.

The Council is responsible for the control framework overall, but as a risk management strategy relies on a code of ethics observed by executives, external auditors, internal control systems and financial monitoring & reporting.

Council considers that it has taken adequate steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

The Council has pleasure in presenting these financial statements, set out on pages 8 to 15 for the year ended 31 December 2017.

The Council of the New Zealand Association of Economists Incorporated authorised these financial statements for issue on 21 March 2018.



MJ Holmes  
President



JP Gallagher  
Treasurer



# Statement of financial performance

for the year ended 31 December 2017

	2017	2016
	\$	\$
<b>INCOME</b>		
Conference Income (Note 4)	130,330	129,793
Interest	2,348	2,908
Members subscriptions (Note 5)	32,648	29,439
Publishing income – NZ Economic Papers (Note 3)	4,234	2,317
Sundry income	1,491	767
	<hr/>	<hr/>
TOTAL INCOME	171,051	165,224
<b>EXPENDITURE</b>		
Audit	4,263	4,633
Bank charges	290	1,920
Conference costs	97,325	96,536
General expenses	1,107	1,541
Interest paid	175	
Newsletter costs	5,336	4,929
Officers expenses	22,150	21,669
Printing, Postage & Stationery	3,795	3,728
Publishing costs – NZEP	12,395	8,938
Subscriptions	261	236
Telecommunication costs	272	339
Travel costs	2,695	2,414
Website costs	448	268
	<hr/>	<hr/>
TOTAL EXPENDITURE	150,510	147,151
OPERATING SURPLUS BEFORE TAX	20,541	18,073
Tax expense (Note 6)	(5,829)	(5,958)
	<hr/>	<hr/>
<b>SURPLUS ON OPERATIONS</b>	<u>14,712</u>	<u>12,115</u>

The attached Notes to the accounts form part of and should be read in conjunction with the financial statements.

## Statement of movements in equity

for the year ended 31 December 2017

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	2017	2016
	\$	\$
Equity at start of the year	116,531	104,415
Net surplus for the year	14,712	12,115
	<hr/>	<hr/>
<b>EQUITY AT END OF THE YEAR</b>	<u><u>131,243</u></u>	<u><u>116,531</u></u>

*The attached Notes to the accounts form part of and should be read in conjunction with the financial statements.*

## Statement of financial position

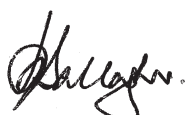
as at 31 December 2017

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	2017 \$	2016 \$
<b>EQUITY</b>	<b><u>131,243</u></b>	<b><u>116,531</u></b>
CURRENT ASSETS		
Bank accounts (Note 8)	47,556	44,967
Interest accrued	178	152
Accounts receivable (Note 10)	8,584	6,623
GST Refund	11,183	7,522
Prepayments	2,000	800
Investments (Note 9)	70,000	70,000
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	139,502	130,064
NON CURRENT ASSETS	-	-
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b><u>139,502</u></b>	<b><u>130,064</u></b>
CURRENT LIABILITIES		
Accounts payable (Note 11)	5,288	7,575
Provision for tax (Note 7)	2,971	5,958
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	8,259	13,533
<b>NET ASSETS</b>	<b><u>131,243</u></b>	<b><u>116,531</u></b>



President



Treasurer

*The attached Notes to the accounts form part of and should be read in conjunction with the financial statements.*

# Notes to the financial statements

for the year ended 31 December 2017

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## 1.0 Statement of accounting policies

### Basis of preparation

The reporting entity is the New Zealand Association of Economists Inc, a society constituted under the Incorporated Societies Act 1908. The financial statements comprise the profit and loss account, movements in equity, balance sheet and accounting policies as well as the notes to these statements.

These financial statements report results of activities of the New Zealand Association of Economists, which aims to promote the economics profession, economics education and research in New Zealand.

The special purpose financial statements have been prepared applying the accounting policies of accrual accounting. They comply with the New Zealand Tax Administration (Financial Statements) Order 2014. The special purpose financial statements have been prepared on the basis of tax values.

### Purpose

The purpose of special purpose financial statements is to provide users with consistent year on year information regarding the financial performance and position of New Zealand Association of Economists Inc, and so that the Association can meet its obligations under the Income Tax Act.

The following specific accounting policies have been applied in the preparation of these statements:

### Income tax

Current liabilities in the statement of financial position include a provision for any liability for tax on income earned from transactions other than Association subscriptions, after taking account of all deductions available.

### Accounts receivable

Amounts receivable are stated at estimated net realisable value.

### Investments

Investments are shown in the statement of financial position at cost. Income earned and accrued at balance date is included among current assets.

### Goods and Services Tax

As the Association is registered for GST, these financial statements have been prepared on a GST exclusive basis.

### Revenue

Revenue is recognised in the period to which it relates.

### Changes in accounting policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those of the previous years.

## Notes to the financial statements

for the year ended 31 December 2017

### 2.0 Related Party transactions

Four NZAE Councillors are Trustees of the NZAE Education Trust.

One Councillor is the principal of Cronadun Consulting, which was paid \$11,543 (2016 – \$11,543) as professional fees for accounting and related administrative services in 2017.

One Councillor and the Secretary are executives of Motu Economic & Public Policy Research Trust which was paid \$10,606 (2016 – \$10,125) as fees for administrative support and secretarial services in 2017.

The Association has paid audit fees on behalf of the Education Trust, which are recoverable from the Trust.

<b>3.0 Economic papers</b>	<b>2017</b>	<b>2016</b>
Copyright licensing	4,234	2,317
Income allocated from members' subscriptions (Note 5.0)	10,882	9,812
Income from subscribers (Vol.51. Pt.I, II & III )	<u>15,116</u>	<u>12,129</u>
Less Expenditure		
Direct publishing costs	<u>(12,395)</u>	<u>(8,938)</u>
Notional surplus on publishing Economic Papers	<u>2,721</u>	<u>3,191</u>
<b>4.0 Conferences</b>	<b>2017</b>	<b>2016</b>
Conference income		
Registration and Sponsorships	130,330	129,793
Less Direct conference costs		
Accommodation, hireage, catering and expenses	<u>(97,325)</u>	<u>(96,536)</u>
Surplus for year	<u>33,005</u>	<u>33,257</u>
<b>5.0 Allocation of subscriptions to income</b>	<b>2017</b>	<b>2016</b>
Gross subscriptions income for the year	32,648	29,439
Less: 1/3 allocation to NZEP (Note 3)	<u>(10,882)</u>	<u>(9,812)</u>
Net after internal allocation	<u>21,766</u>	<u>19,627</u>

## Notes to the financial statements

for the year ended 31 December 2017

<b>6.0</b>	<b>Income tax expense</b>	<b>2017</b>	<b>2016</b>
	Taxable surplus on annual conference	33,006	33,257
	Taxable sales of Economic Papers	(1)	18
		<u>33,005</u>	<u>33,275</u>
	Less:		
	Portion of expenses relating to taxable income	<u>(11,096)</u>	<u>(14,670)</u>
		21,909	18,605
	Add Interest and other income less related expenses	<u>(91)</u>	<u>3,674</u>
		21,818	22,279
	Less Exempt income	<u>(1,000)</u>	<u>(1,000)</u>
	Taxable income	20,818	21,279
	Tax expense @ 28.0%	<u>(5,829)</u>	<u>(5,958)</u>
		<u><u>          </u></u>	<u><u>          </u></u>
<b>7.0</b>	<b>Provision for tax</b>	<b>2017</b>	<b>2016</b>
	Provisional tax paid	(2,858)	–
	Provision for tax on operating surplus	<u>5,829</u>	<u>5,958</u>
	Terminal tax payable	<u>2,971</u>	<u>5,958</u>
		<u><u>          </u></u>	<u><u>          </u></u>
<b>8.0</b>	<b>Bank accounts</b>	<b>2017</b>	<b>2016</b>
	Bank of New Zealand –		
	Cheque account	432	620
	No 2 account	–	–
	No 3 account	–	–
	Interest bearing Call accounts	<u>47,124</u>	<u>44,347</u>
		<u>47,556</u>	<u>44,967</u>
		<u><u>          </u></u>	<u><u>          </u></u>
<b>9.0</b>	<b>Investments</b>	<b>2017</b>	<b>2016</b>
	BNZ term deposit 3.10% 12/02/18	40,000	40,000
	BNZ term deposit 3.20% 24/05/2018	<u>30,000</u>	<u>30,000</u>
		<u>70,000</u>	<u>70,000</u>
		<u><u>          </u></u>	<u><u>          </u></u>



## Notes to the financial statements

for the year ended 31 December 2017

<b>10.0 Receivables</b>	<b>2017</b>	<b>2016</b>
Publishing agreement	4,234	2,272
Reimbursing payment from Education Trust	4,350	4,350
	<hr/>	<hr/>
	8,584	6,622
Accrued interest	177	152
	<hr/>	<hr/>
	<u>8,761</u>	<u>6,774</u>
<b>11.0 Payables</b>	<b>2017</b>	<b>2016</b>
Audit fees	4,200	5,000
Fees & services	1,088	75
Travel costs	–	2,500
	<hr/>	<hr/>
	<u>5,288</u>	<u>7,575</u>

### 12.0 Contingent liabilities & commitments

There are no known liabilities as at balance date other than those reported in these statements. (2016 : Nil). The Association has contracted with a Conference venue organiser for the costs of hosting Conference 2018, which is considered a liability occurring in the ordinary course of business.

### 13.0 Post balance date events

No subsequent events have a material effect on these financial statements.

# Independent auditor's report

## To the Members of New Zealand Association of Economists Incorporated

### Opinion

We have audited the special purpose financial statements of New Zealand Association of Economists Incorporated on pages 8 to 14, which comprise the balance sheet as at 31 December 2017 and the statement of profit or loss, and statement of changes in equity for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of New Zealand Association of Economists Incorporated for the year ended 31 December 2017 are prepared, in all material respects, in accordance with the New Zealand Tax Administration (Financial Statements) Order 2014.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the special purpose financial statements' section of our report.

We are independent of New Zealand Association of Economists Incorporated in accordance with Professional and Ethical Standard 1 (Revised) 'Code of ethics for assurance practitioners' issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than our capacity as auditor we have no relationship with, or interests in, New Zealand Association of Economists Incorporated.

### Executive Committee's responsibilities for the special purpose financial statements

The Executive Committee are responsible on behalf of New Zealand Association of Economists Incorporated for the preparation of these special purpose financial statements in accordance with the New Zealand Tax Administration (Financial Statements) Order 2014 and for such internal control the Executive Committee determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee are responsible on behalf of New Zealand Association of Economists Incorporated for assessing New Zealand Association of Economists Incorporated's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intend to liquidate New Zealand Association of Economists Incorporated or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the special purpose financial statements**

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these special purpose financial statements.

A further description of the auditor's responsibilities for the audit of the special purpose financial statements is located at the XRB's website at <http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>



**Moore Stephens Wellington Audit** | Qualified Auditors, Wellington, New Zealand  
19 June 2018

## Statement of Service Performance

for the year ended 31 December 2017

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### “What did we do?, When did we do it?”

The Association serves as a network link for academic and practitioner economists. Publishing NZEP provides New Zealand based economists with a platform to publish their research work in a journal that is promoted world wide and which enjoys a favourable rating for its content and standards. Convening an annual conference enables economists from diverse backgrounds to gather and consider work done in fields of interest more diverse than their own involvements and to present their work for evaluation by peers. NZAE publishes a Newsletter that reports on academic and commercial research work being undertaken around the the country, as well as serving as a channel for member communication and reports on recently published literature.

Description and Quantification (to the extent practicable) of the Entity's Outputs:	Actual* This Year	Budget This Year	Actual* Last Year
Publication of NZ Economic Papers – number of issues	3	3	3
Hold annual conference			
Numbers attending	219	200	200
Overseas Speakers presenting	3	3	3
Papers presented	108		108
Newsletter: Asymmetric Information published	3	3	3
Facilitate meetings of Economic Faculty Heads to exchange information on workplace trends.	1	1	1
Blog system based on NZAE Home page to channel member communication.			
Advertising of Economist vacancies on website further promoted.			

## Notice of Annual General Meeting

The Annual General Meeting of the New Zealand Association of Economists Inc will be held on **Thursday 28th June 2018 at 1.15 pm** in Lecture Room WG 801, Sir Paul Reeves Building, AUT Campus, Mayoral Drive Auckland.

### Agenda

1. Apologies
2. Minutes of the 2017 AGM
3. President's report
4. To receive and adopt the annual report and financial statements of the Association for the year ended 31 December 2017
5. Appointment of auditors
6. Life membership
7. General business



Maxine Watene  
Secretary-Manager

*Conference registration is not necessary for an NZAE member to attend the AGM only.*

## Minutes of Annual General Meeting

*The Annual General Meeting of the New Zealand Association of Economists was held on Thursday 13 July 2017, at Rutherford House, Victoria University of Wellington starting at 1:15 pm.*

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### PRESENT

Arthur Grimes (President), Mark Holmes (Vice-President), John Gallagher (Treasurer), Grant Coppersmith (Secretary-Manager) and 29 members.

### APOLOGIES

Bill Kaye-Blake (Immediate Past President), Bill Rosenberg.

### MINUTES OF THE 2016 AGM

The minutes were approved as an accurate record of the meeting held on 30 June 2016.

**Arthur Grimes/Peter Tait**  
**All in favour**

### PRESIDENT'S REPORT

Arthur Grimes summarised the President's report and highlighted the following:

NZAE Council

Thanks to past and new Council members whose contribution was invaluable. In particular he noted that John Creedy, Bill Kaye-Blake and Anita King who all served for a good number of years have concluded their time as councillors.

Conference

Conference 2016 and now Conference 2017 have been successes. The 2018 conference will be held at AUT Auckland.

PhD Workshop

This was successfully held for the first time prior to Conference 2017. Council hopes to continue this in future years.

Economists in Government (as noted at the 2016 AGM)

During the year Arthur had discussed the role of economics training with a range of government departments. Two issues were raised:

1. Is there a real supply shortage of trained economists?

2. Do some of those that have economics training have as much breadth and/or writing skills as other graduates in other fields relevant to public policy?

This topic and the issues were mentioned at the Conference 2017 Heads of Departments dinner.

The President's report was accepted by members.

### 2016 ANNUAL REPORT AND 2016 FINANCIAL STATEMENTS

Bob Buckle referred to the inclusion of member titles and honours in NZAE publications such as the Annual Report. Bob had noted that a number of these were incorrect or inconsistent. The inclusion of member titles and honours in future publications was referred to the Council for consideration.

John Gallagher, Treasurer, presented the Financial Report. Note was made of the following:

- In recent years NZAE has operated in a small financial deficit position. These are not expected to continue.
- Capital retained by NZAE is now greater than that required to support operations. Given this Council will be considering a payment of excess capital to the NZAE Education Trust.
- NZAE's balance sheet represents a strong financial position.
- The 2016 audit report is unqualified.

Members received and adopted the 2016 annual report and financial statements of the Association for the year ended 31 December 2016.

**Viv Hall/Gail Pacheco**  
**All in favour**

### APPOINTMENT OF AUDITOR

Members resolved that the Association retain Moore Stephens as auditor for 2017.

**John Gallagher/Arthur Grimes**  
**All in favour**



## SUBSCRIPTIONS 2018

Anita King spoke as Chair of the Membership Committee. She noted that NZAE has incurred small financial deficits in recent years during which time membership subscriptions had not increased. A small increase was therefore proposed from 2018.

Members resolved to increase member subscriptions by \$10 for full members and \$5 for student members from 2018.

**Anita King/John Gallagher**  
**All in favour**

## LIFE MEMBERSHIPS

Arthur Grimes spoke about two additional NZAE members who have been nominated by Council. The following members were unanimously elected by members:

- Mary Hedges
- Anthony Byett

**Arthur Grimes/Bob Buckle**

## ELECTION OF COUNCIL

Grant Coppersmith advised the AGM that the number of Council nominations received equalled that number of vacancies. The 2017 Council was therefore elected at the AGM:

President: Mark Holmes

Vice-President: Peter Tait

Immediate Past President: Arthur Grimes

Treasurer: John Gallagher

Secretary-Manager: Grant Coppersmith & Maxine Watene (Motu)

NZEP Editor: Gail Pacheco

AI Editor: John Yeabsley

John McDermott (\*) Peter Tait Anthony Byett (\*) Lydia Cheung

Pike Brown Andrea Menclova Donna Purdue Joey Au Ian Duncan

\* = Nominated at the meeting

Mark Holmes took the Chair of the AGM as President.

## GENERAL BUSINESS

**PhD Workshop:** The meeting noted that the benefit of this will be considered by Council in planning future workshops.

### Donal Curtin:

- Donal commended the editor for the quality of the latest issue of NZEP.
- *Chatham House Rule (CHR) at Conference:*  
Donal noted that the current policy of imposing CHR has had a negative impact on social media coverage of Conference. He recommended that in order to encourage coverage CHR be requested by speakers at each conference session as necessary rather than it being the default position.

Following discussion, members agreed to support this proposal.

**Donal Curtin/Eric Tong**  
**All in favour**

### Bob Buckle:

Bob expressed a note of thanks on behalf of NZAE to Arthur Grimes for his term as President and the positive outcomes arising from University Heads of Department and Government Department meetings.

Mark Holmes also expressed his thanks to Arthur who took on the role as President on short notice following the passing of Seamus Hogan.

Meeting closed at 1.50pm.

Confirmed as a true and correct record of the meeting:



MJ Holmes  
President

# Education Trust summary annual report

for the year ended 31 December 2017

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## Chairman's report

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### Governance

Trustees at balance date were Anthony Byett (Chair), John Gallagher, Mark Holmes, Leo Krippner and Gail Pacheco. Bill Kaye-Blake and John Creedy retired during the year – John after three years' service and Bill after ten – and we record our thanks for their contributions.

Secretary/Treasurers costs are borne by the Association. During 2017 Trustees met in March, July and October, with informal emails and phone conversations between meetings.

### Objectives and guidelines

The Trust was established 1990 and the empowering Deed states its mission, in brief, to be “the furtherance of education”, “advance the interests of members” and to “encourage overseas speakers to come to New Zealand” for the benefit of economists here.

The Deed further states that annual spending should be kept within annual income unless “it is imperative in that year to further the aims of the Trust”. Criteria and guidelines for investment decisions have been established which apply restrictions on types and concentrations of investments.

During 2017 Trustees acted within the objectives and guidelines, and continue to do so.

### General business

Accounts were audited by Moore Stephens.

### Investment of funds

The Trust earned \$12,569 (\$13,694 in pcp) from investments in 2017, generating a return of 4.2% (4.7% in the prior year) on the average amount invested. In the period under review funds were placed with BNZ and ASB in fixed-rate term deposits with a spread of duration or in short-term accounts. Bond/debenture and certain other investments are also permitted within the investment guidelines, although there are none currently held in the portfolio. Trustees continue to monitor all investments to ensure prudent management of investment risks.

### Distribution of funds

Distributions in 2017 were \$10,100 (\$7,400 in pcp) comprising:

- (i) Graduate Study Awards of \$500 were awarded to 2 graduates for presentations at the NZAE conference;
- (ii) Conference Assistant Awards totalling \$1,100 were paid to attendees at the conference;
- (iii) Jan Whitwell prizes of \$1,000 each were awarded at conference to Doctoral student Nazilia Alinaghi and to Masters student Cameron Hobbs;
- (iv) The NZ Economic Policy Prize of \$1,000 was awarded at conference to Richard Meade for his paper judged best contribution to analysis of NZ economic policy;
- (v) The Honours Dissertation Prize of \$500 for best dissertation was awarded to Nam Phan Van.
- (vi) The Rex Bergstrom Prize of \$1,000 for econometric research was awarded to Daan Steenkamp.
- (vii) A newly introduced David Teece Prize of \$2,500 for study of Industrial Organisation and Firm Behaviour was awarded to Richard Meade.
- (viii) The Seamus Hogan Research prize of \$1,000 was awarded to Nazilia Alinaghi.

Our generous supporters NZIER (Poster Prizes) and Statistics NZ (research using statistics) also sponsored awards, which they presented directly to successful candidates at conference. We thank them too, for their contribution to advancing economics education.

The above prizes are expected to be awarded in 2018 at similar levels, except the (biennial) Rex Bergstrom Prize. Trustees will continue to look for wider opportunities to make grants that further the aims of the Trust. My thanks go to my fellow Trustees for their contributions.



Anthony Byett  
Chairman

## Summarised unaudited financial data

for the year ended 31 December 2017

	2017	2016	2015	2014
<b>Unaudited summary financial performance</b>				
Investment income	12,569	13,694	14,722	14,378
Donation	2,500			13,000
Sundry income	1,364			
Total income	<u>16,433</u>	<u>13,694</u>	<u>14,722</u>	<u>27,378</u>
<b>Grants for educational purposes</b>				
Presentations, prizes, study awards	9,000	6,500	6,500	6,200
Conference assistants	1,100	900	1,400	
	<u>10,100</u>	<u>7,400</u>	<u>7,900</u>	<u>6,200</u>
Audit fees	1,660	2,091	2,185	2,703
Other administration costs	91	96	81	91
	<u></u>	<u></u>	<u></u>	<u></u>
Total expenditures	11,851	9,587	10,166	8,994
<b>Surplus on operations</b>	<u>4,582</u>	<u>4,107</u>	<u>4,556</u>	<u>18,384</u>
<b>Unaudited summary financial position</b>				
Bank & Call accounts	19,984	12,662	18,815	8,761
Accruals	1,882	1,948	1,927	2,642
Investment portfolio	281,040	284,000	274,000	276,637
	<u>302,906</u>	<u>298,610</u>	<u>294,742</u>	<u>288,040</u>
Liabilities	6,363	6,653	6,888	4,743
	<u></u>	<u></u>	<u></u>	<u></u>
Trustees' capital	<u>296,544</u>	<u>291,957</u>	<u>287,854</u>	<u>283,297</u>
Average return	4.18%	4.72%	5.16%	5.20%

## Directory

as at 31 December 2017

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Status	Charitable Trust	
Incorporation Date	5th September 1990	
Registration No	CC 41.123	
IRD No	55-988-277	
Trustees	Anthony Byett Chairman	
	John Creedy	Resigned 13 July 2017
	Mark Holmes	Appointed 21 October 2017
	John Gallagher	
	Bill Kaye-Blake	Resigned 13 July 2017
	Leo Krippner	
	Gail Pacheco	Appointed 21 October 2017
Address	F/1. 97 Cuba Street PO Box 568 Wellington Tel (04) 939-4250	
Bankers	Bank of New Zealand Wellington	
Solicitors	Franks & Ogilvie PO Box 10-388 Wellington 6143	
Auditors	Moore Stephens Wellington Audit PO Box 24-324 Wellington 6142	

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