

New Zealand Association of Economists

Annual Report 2018



nzae
New Zealand Association of Economists

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Directory

as at 31 December 2018

Council	Mark Holmes	President
	Peter Tait	Vice President
	Joey Au	
	Anthony Byett	
	Lydia Cheung	
	Ian Duncan	
	John Gallagher	Treasurer
	Arthur Grimes	Past President
	John McDermott	
	Andrea Menclova	
	Gail Pacheco	Editor in Chief, NZ Economic Papers
	Donna Purdue	
	John Yeabsley	Editor, Asymmetric Information
	Pike Brown	Retired 14.03.2018
	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 Audit
PO Box 24.324
Wellington 6143

Solicitors Franks & Ogilvie
PO Box 10-388
Wellington 6143

Bankers Bank of New Zealand
North End Branch
Wellington

Website www.nzae.org.nz

Objectives of the Association

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.

Life Members Distinguished Fellows

Assoc Prof John Shearer	1965
Julia Crouch	2003
Jack McFaul (d 2010)	2004
Kerrin Vautier	2004
John Pryde (d 2012)	2004
Len Bayliss (d 2018)	2005
Brian Silverstone	2007
Prof Bob Buckle	2009
Sir Frank Holmes (d 2011)	2009
Dr Grant Scobie	2009
Prof AD (Bert) Brownlie	2010
Dr John Yeabsley	2010
Dr Stuart Birks	2011
Prof Frank Scrimgeour	2012
Dr Allan Bollard	2013
Prof Gary Hawke	2014
Prof Dorian Owen	2014
Anthony Byett	2017
Dr Mary Hedges	2017
Prof Ralph Lattimore	2018

Sir Frank Holmes (d 2011)	2004
Prof Conrad Blyth (d 2012)	2004
Sir Roderick Deane	2004
Prof Peter Phillips	2004
Dr Brian Easton	2005
Prof Lewis Evans	2005
Prof Gary Hawke	2005
Prof John McMillan (d 2007)	2005
Prof John Gould	2006
Prof Peter Lloyd	2006
Dr Don Brash	2007
Prof Bruce Ross	2007
Prof Stephen Turnovsky	2012
Prof Leslie Young	2012
Prof John Riley	2013
Prof David Giles	2014
Prof Arthur Robson	2015
Prof David Teece	2016
Prof John Gibson	2017
Prof Julia Lane	2018

Annual Report of the President



It is my pleasure to present the Annual Report for the year to December 2018, 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. Our Treasurer, John Gallagher, continues to keep the finances of the Association in top shape.

Annual Conference 2018

The 2018 NZAE annual conference was held at Auckland University of Technology. This proved to be an excellent Auckland-based venue to hold the conference, and we hope that the conference will again be held there

in 2021. There were 182 registered delegates for the 2018 conference evenly split between members and non-members. Registrations came from a broad cross section of those working in academia and the public and private sectors, which we take as confirmation of our aim to appeal to a broad spectrum of economists. The conference included 120 oral presentations and 7 poster presentations. Our keynote speakers comprised Ralph Bayer, Robert King, Julia Lane and Flavio Menezes

I would like to thank last year's Conference Committee – Peter Tait (co-convenor), Lydia Cheung (co-convenor), Ian Duncan and Andrea Menclova – 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 continued success 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.

Membership

NZAE had 205 financial members, 33 student members (including e-memberships) and 16 complimentary memberships (including life members) at the end of 2018. Council continued our free e-membership category for 28 economics students at fourth-year level or higher; student e-members receive electronic communications (including Asymmetric Information) without receiving any written materials. I thank our membership committee comprising Donna Purdue (Chair), Andrea Menclova and Joey Au for their work.

Finances

Attendances at Conference 2018 were below what were anticipated and a project surplus was a creditable achievement in the circumstances. However, the result was lower than what is needed to keep the Association in surplus overall and accordingly, our year's activities resulted in a \$7,009 deficit.

After absorbing this cost the Association holds accumulated funds of \$124,234. Council is satisfied that we have the necessary capacity to undertake our various activities and services to members in the year ahead.

Accumulated Capital in the Education Trust is managed separately, standing at \$302,147 at year end compared to \$296,544 at prior year's end. These funds generate money for our awards, prizes and study grants, and in small steps Trustees are increasing the capacity of the Trust while increasing the amount of awards disbursed.

Sponsors

The Reserve Bank of New Zealand, Statistics New Zealand and The Treasury again provided NZAE with very generous ongoing financial support for the conference and for the work of the Association. Without this support of our sponsors, it would not be

possible to provide the level of services that we do. I would like to record our Association's sincere appreciation to them for their interest and support and record that they are an integral part of our success.

New Zealand Economic Papers (NZEP)

Gail Pacheco continues to do a splendid job in the role of NZEP Editor-in-Chief, assisted by a team of five Associate Editors. The journal is attracting high quality submissions from within New Zealand and Asia, and from some high profile academics internationally. We encourage members to submit their research to the journal, which maintains its B ranking in the Australasian Business Deans' Council list. The existing publishing contract with Taylor and Francis runs through until the close of 2022.

Asymmetric Information (AI)

The NZAE published three issues of its newsletter, Asymmetric Information, during 2018. The newsletter is available to read on our NZAE website. I would like to thank John Yeabsley for his valuable contribution here as Editor.

NZAE Education Trust

As noted above December 2018 accumulated funds in the Trust were \$302,147, all 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 2018 the Trust disbursed prizes totalling \$8,000 for student presentations at the conference, named Prizes 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. We received a further endowment from Prof Teece, for the David Teece Prize in Organisational Behaviour. We

are very grateful for his support and applaud his practical enthusiasm for promoting interest in this field of study. I am to very grateful to all those who gave up some of their valuable time to act as judges for the various prizes.

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 2019. These services are essential to the day-to-day operations of the Association and are point of first contact for many members.

Other Matters

I was delighted to hear that two NZAE members were recognised for their professional achievements. John Creedy (former AI Editor) and John Gibson (Distinguished Fellow) were elected last

year as Fellows of the Royal Society of New Zealand in a welcome acknowledgement of Economics' role as a contributing social science, and the quality of their work over a sustained period of time.

This year sees a set of elections to various positions on the NZAE Council. I would like to express my heartfelt thanks to Lydia Cheung, Arthur Grimes, John McDermott and Andrea Menclova who will be standing down from Council.

A handwritten signature in black ink, appearing to read 'Mark Holmes', with a small '6' written above the first part of the signature.

Mark Holmes
President

Statement of Financial Responsibility

for the year ended 31 December 2018

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 2018 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 2018.

The Council of the New Zealand Association of Economists Incorporated authorised these financial statements for issue on 9 March 2019.



MJ Holmes
President



JP Gallagher
Treasurer

Statement of financial performance

for the year ended 31 December 2018

	2018	2017
	\$	\$
INCOME		
Conference Income (Note 4)	112,883	130,330
Interest	2,408	2,348
Members subscriptions (Note 5)	28,622	32,648
Publishing income - NZ Economic Papers (Note 3)	3,922	4,234
Sundry income	491	1,491
	<hr/>	<hr/>
TOTAL INCOME	148,326	171,051
EXPENDITURE		
Audit	3,811	4,263
Bank charges	845	290
Conference costs (Note 4)	100,318	97,325
General expenses	868	1,107
Interest paid	-	175
Newsletter costs	3,402	5,336
Officers expenses	22,344	22,150
Printing, Postage & Stationery	2,271	3,795
Publishing costs - NZEP (Note 3)	11,010	12,395
Subscriptions	174	261
Telecommunication costs	244	272
Travel costs	2,989	2,695
Website costs	7,059	448
	<hr/>	<hr/>
TOTAL EXPENDITURE	155,335	150,510
OPERATING (DEFICIT) SURPLUS BEFORE TAX	<hr/> (7,009) <hr/>	<hr/> 20,541 <hr/>
TAX EXPENSE (Note 6)	-	(5,829)
	<hr/>	<hr/>
SURPLUS (DEFICIT) ON OPERATIONS	<hr/> (7,009) <hr/>	<hr/> 14,712 <hr/>

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 2018

	2018 \$	2017 \$
Equity at start of the year	131,243	116,531
Net (deficit) surplus for the year	(7,009)	14,712
EQUITY AT END OF THE YEAR	<u>124,234</u>	<u>131,243</u>

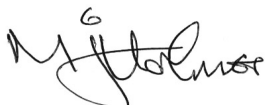
The attached Notes to the accounts form part of and should be read in conjunction with the financial statements.

Statement of financial position

as at 31 December 2018

	2018 \$	2017 \$
EQUITY	124,234	131,243
CURRENT ASSETS		
Bank accounts (Note 8)	38,518	47,556
Interest accrued	294	178
Accounts receivable (Note 10)	8,272	8,584
GST Refund	10,077	11,183
Provisional tax (Note 7)	1,079	-
Prepayments	800	2,000
Investments (Note 9)	70,000	70,000
TOTAL CURRENT ASSETS	129,039	139,502
NON CURRENT ASSETS	-	-
TOTAL ASSETS	129,039	139,502
CURRENT LIABILITIES		
Accounts payable (Note 11)	4,805	5,288
Provision for tax (Note 7)	-	2,971
TOTAL CURRENT LIABILITIES	4,805	8,259
NET ASSETS	124,234	131,243

For and on behalf of NZ Association of Economists Inc.



President



Treasurer

Dated: 18 June 2019

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 2018

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 2018

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 (2017 - \$11,543) as professional fees for accounting and related administrative services in 2018.

One Councillor and the Secretary are executives of Motu Economic Policy Research Trust which was paid \$10,800 (2017 - \$10,606) as fees for administrative support and secretarial services in 2018.

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

3.0 Economic papers

	2018	2017
Copyright licensing	3,922	4,234
Income allocated from members' subscriptions (Note 5.0)	9,540	10,882
Income from subscribers (Vol.52. Pt.I, II & III)		
	<u>13,461</u>	<u>15,116</u>
Less Expenditure		
Direct publishing costs	<u>(11,010)</u>	<u>(12,395)</u>
Notional surplus on publishing Economic Papers	<u>2,451</u>	<u>2,721</u>

4.0 Conferences

	2018	2017
Conference income		
Registration and Sponsorships	112,883	130,330
Less Direct conference costs		
Accommodation, hireage, catering and expenses	<u>(100,318)</u>	<u>(97,325)</u>
Surplus for year	<u>12,564</u>	<u>33,005</u>

5.0 Allocation of subscriptions to income

	2018	2017
Gross subscription income for the year	28,622	32,648
Less: 1/3 allocation to NZEP (Note 3)	<u>(9,540)</u>	<u>(10,882)</u>
Net after internal allocation	<u>19,082</u>	<u>21,766</u>

Notes to the financial statements

for the year ended 31 December 2018

6.0 Income tax expense

	2018	2017
Taxable surplus on annual conference	12,564	33,006
Taxable sales of Economic Papers	(205)	(1)
	<u>12,359</u>	<u>33,005</u>
Less:		
Portion of expenses relating to taxable income	(14,329)	(11,096)
	<u>(1,970)</u>	<u>21,909</u>
Add Interest and other income less related expenses	(909)	(91)
	<u>(2,879)</u>	<u>21,818</u>
Less Exempt income	-	(1,000)
	<u>(2,879)</u>	<u>20,818</u>
Taxable income	(2,879)	20,818
Tax expense @ 28.0%	-	(5,829)
	<u>-</u>	<u>(5,829)</u>
Tax expense	<u>-</u>	<u>(5,829)</u>

7.0 Provision for tax

	2018	2017
Provisional tax paid	1,079	2,858
Provision for tax on operating surplus	-	(5,829)
	<u>1,079</u>	<u>(2,971)</u>
Terminal tax Refund (Payable)	<u>1,079</u>	<u>(2,971)</u>

8.0 Bank accounts

	2018	2017
Bank of New Zealand -		
Cheque account	534	432
No 2 account	-	-
No 3 account	-	-
Interest bearing Call account	37,984	47,124
	<u>38,518</u>	<u>47,556</u>
	<u>38,518</u>	<u>47,556</u>

9.0 Investments

	2018	2017
BNZ term deposit 3.25% 7/02/19	40,000	40,000
BNZ term deposit 3.25% 22/05/2019	30,000	30,000
	<u>70,000</u>	<u>70,000</u>
	<u>70,000</u>	<u>70,000</u>

Notes to the financial statements

for the year ended 31 December 2018

10.0 Receivables

	2018	2017
Publishing agreement	3,922	4,234
Reimbursing payment from Education Trust	4,350	4,350
	<hr/>	<hr/>
	8,272	8,584
Accrued interest	294	177
	<hr/>	<hr/>
	8,565	8,761
	<hr/> <hr/>	<hr/> <hr/>

11.0 Payables

	2018	2017
Audit fees	4,000	4,200
Fees & services	1,088	-
Secretarial costs	805	-
	<hr/>	<hr/>
	4,805	5,288
	<hr/> <hr/>	<hr/> <hr/>

12.0 Contingent liabilities & commitments

There are no known liabilities as at balance date other than those reported in these statements.
(2017 : Nil)

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 2018 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 2018 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
18 June 2019

Statement of Service Performance

for the year ended 31 December 2018

“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 country, as well as serving as a channel for member communication and reports on recently published literature.

	Actual This year	Budget This year	Actual Last year
Description and Quantification of the Entity's Outputs:			
Publication of NZEP – number of issues	3	3	3
Hold annual Conference			
Numbers attending	182	200	219
Overseas speakers presenting	4	4	3
Papers presented	120	110	108
Newsletter: Asymmetric Information published	3	3	3
Facilitate meeting of Faculty Heads to examine workplace trend information	1	1	1
Blog system based on NZAE Home page to channel member communication			
Advertising employment 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 4th July 2019 at 1.15 pm** in Lecture Room RH105, Rutherford House, Victoria University, 23 Lambton Quay, Wellington.

Agenda

1. Apologies
2. Minutes of the 2018 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 2018
5. Appointment of auditors
6. Election of Councillors
7. Life membership
8. 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 – 2018

The 2018 Annual General Meeting of the New Zealand Association of Economists was held at Lecture Room 801, AUT University Auckland starting at 1:15 pm on Thursday 28 June 2018

Present

Mark Holmes Grimes (President), Peter Tait (Vice-President), John Gallagher (Treasurer), Grant Coppersmith (Secretary-Manager) and 19 members.

Apologies

John Yeabsley, Caroline Saunders, Stephen Knowles, Anthony Byett

Minutes of the 2017 AGM

The minutes were noted as being an accurate record of the meeting held on 10 July 2017.

Arthur Grimes/Gail Pacheco

All in favour

Matters Arising from the 2017 Minutes:

- Mark Holmes reported that Pike Brown had resigned from Council due to personal reasons.
- Conference Chatham House Rule: Mark Holmes noted that the Chatham House rules no longer apply at conference unless requested and noted by a speaker.
- Conference Social Media Coverage: Mark Holmes noted that the conference now has a social media (Twitter) facility.
- Reference to NZAE members going forward will be by name only - honours and titles will be excluded.

President's report

Mark Holmes summarised the President's report and highlighted the following;

NZAE Council

Thanks to past and new Council members whose contribution was invaluable.

2017/18 has been a productive year for Council

Conference

Conference 2017 and now Conference 2018 have been successes.

The 2019 conference will be held at Victoria University of Wellington.

PhD Workshop

This was successfully held again.

The President's report was accepted by members.

2017 Annual Report and 2017 Financial Statements

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

- The NZAE financial performance is strong. Income comes primarily from membership subscriptions and conference surpluses. John noted that conference surpluses are taxable income to NZAE due to the conference not being solely for the benefit of members.
- NZAE's balance sheet represents a strong financial position.
- The 2017 audit report is unqualified

Members received and adopted the 2017 annual report and financial statements of the Association for the year ended 31 December 2017.

Mark Homes/John Gallagher

All in favour

Grant Scobie (Life Member) wished the meeting record it's thanks to John Gallagher for the work done by him regarding NZAE's finances – carried with acclamation.

Appointment of Auditor

Members resolved that the Association retain Moore Stephens as auditor for 2018.

Mark Holmes/Arthur Grimes
All in favour

Life Memberships

Grant Scobie spoke to the NZAE Council nomination that Ralph Lattimore be awarded Life Membership. He noted that Ralph had made a significant contribution to economics in NZAE and a number of other organisations over a large number of years.

John Yeabsley/ Grant Scobie
All in favour

General Business

Women in Economics Network: John McDermott advised that he has received a note from Vicki Plater of Treasury advising that she is establishing a Women in Economics

Network and is seeking NZAE agreement that she can publicise the network through NZAE's membership.

John will be taking the note to Council for consideration and support.

2019 Conference Dates - possible clash with ESAM? John Gibson noted that the proposed dates may conflict. Mark Holmes noted that the conference dates are set by the availability of a venue (Victoria University) and the need to have it during the trimester break.

Meeting closed at 1.40pm.

Confirmed as a true and correct record of the meeting:

A handwritten signature in black ink, appearing to read 'Mark Holmes', with a small number '6' written above the first part of the signature.

Mark Holmes, President.

Education Trust summary report

for the year ended 31 December 2018

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Trustees' report

Governance

Trustees at balance date were Anthony Byett (Chair), John Gallagher, Mark Holmes, Leo Krippner and Gail Pacheco. Secretary/Treasurers costs are borne by the Association. During 2018 Trustees met in March 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. Trustees acted within these objectives and guidelines during 2018, and continue to do so.

General business

The Trust acknowledges and thanks David Teece for his donation. Moore Stephens audited XRB-format financial statements for compliance filing with the Charities Register.

Investment of funds

The Trust earned \$12,677 (\$12,569 in pcg) from investments in 2018, generating a return of 4.2% (4.3% 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 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 2018 were \$8,000 (\$9,000 in pcg) comprising:

- (i) Graduate Study Awards of \$500 were awarded to 2 graduates for presentations at the NZAE conference;
- (ii) Jan Whitwell prizes of \$1,000 each were awarded at conference to Doctoral student Li Yaxiong and to Masters student Ben Davies;
- (iii) The NZ Economic Policy Prize of \$1,000 was awarded at conference to Fang Yao for his paper judged best contribution to analysis of NZ economic policy;
- (iv) The Honours Dissertation Prize of \$500 for best dissertation was awarded to Chris Purdie.
- (v) The David Teece Prize of \$2,500 for study of Industrial Organisation and Firm Behaviour was awarded to Richard Meade.
- (vi) The Seamus Hogan Research prize of \$1,000 was awarded to Sally Owen.

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 2019 at similar levels, plus the (biennial) Rex Bergstrom Prize and a new prize sponsored by SDAS/STATA for work presenting statistics in graphical formats. 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

	2018	2017	2016	2015	2014
Unaudited summary financial performance					
Investment income	12,677	12,569	13,694	14,722	14,378
Donation	2,500	2,500	-	-	13,000
Miscellaneous income	-	1,364	-	-	-
Total income	<u>15,177</u>	<u>16,433</u>	<u>13,694</u>	<u>14,722</u>	<u>27,378</u>
Grants for educational purposes					
Presentations, prizes, study awards	8,000	9,000	6,500	6,500	6200
Conference assistants	-	1,100	900	1,400	-
	<u>8,000</u>	<u>10,100</u>	<u>7,400</u>	<u>7,900</u>	<u>6200</u>
Audit fees	1,468	1,660	2,091	2,185	2,703
Other administration costs	106	91	96	81	91
Total expenditures	<u>9,574</u>	<u>11,851</u>	<u>9,587</u>	<u>10,166</u>	<u>8,994</u>
Surplus on operations	<u>5,603</u>	<u>4,582</u>	<u>4,107</u>	<u>4,556</u>	<u>18,384</u>
Unaudited summary financial position					
Bank & Call accounts	37,611	19,984	12,662	18,815	8,761
Accruals	1,849	1,882	1,948	1,927	2,642
Investment portfolio	<u>269,000</u>	<u>281,040</u>	<u>284,000</u>	<u>274,000</u>	<u>276,637</u>
Total assets employed	308,460	302,906	298,610	294,742	288,040
Liabilities	6,313	6,362	6,653	6,888	4,743
Trustees' capital	<u>302,147</u>	<u>296,544</u>	<u>291,957</u>	<u>287,854</u>	<u>283,297</u>
Average return	4.23%	4.27%	4.72%	5.16%	5.25%

Directory

as at 31 December 2018

Status	Charitable Trust
Incorporation Date	5th September 1990
Registration No	CC 41.123
IRD No	55-988-277
Trustees	Anthony Byett Chairman Mark Holmes John Gallagher Leo Krippner Gail Pacheco
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

Supporters

