

New Zealand Association of Economists

Annual Report 2019

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Directory

as at 31 December 2019

Council	Peter Tait	President
	Gail Pacheco	Vice President
	Joey Au	
	Chris Ball	
	Anthony Byett	
	Ian Duncan	
	John Gallagher	Treasurer
	Mark Holmes	Past President
	Tim Ng	
	Donna Purdue	
	John Saunders	
	Julia Talbot-Jones	
	Dennis Wesselbaum	Editor, NZ Economic Papers
	John Yeabsley	Editor, Asymmetric Information
	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 Markhams Wellington 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

Assoc Prof John Shearer	1965
Julia Crouch	2003
Jack McFaull (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
Anthony Byett	2017
Prof Ralph Lattimore	2018
Prof Caroline Saunders	2019

Distinguished Fellows

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
Prof Stephen Jenkins	2019

Annual Report of the President



It is my privilege and honour to present the Annual Report for the year to December 2019, for and on behalf of the Council of the New Zealand Association of Economists Inc.

Council

It is with sincere appreciation that I find myself in the fortunate position to serve alongside a team of professionals dedicated in their roles. I wish to thank them all for their hard work during the year, it is their generous commitment that ensures the Association functions competently and smoothly. Particular thanks go to Mark Holmes, President from 2018-2019, and to those who finished their Council terms in mid-2019: Arthur Grimes, President from 2016-2017; Lydia Cheung, John McDermott, and Andrea Menclova. A full list of councillors is available in this Report. Additionally, and in no small part the Association is supported by Motu staff as Secretary-Manager especially Grant Coppersmith and Maxine Watene. Ever increasing financial reporting demands continue to be professionally and reliably met to a high standard by our Treasurer, John Gallagher.

Membership

NZAE had 234 financial members, and 18 complimentary members comprising mostly Life Members (16). Council continues to offer a free e-membership category for economics students at fourth-year or higher; student e-members receive electronic communications including Asymmetric Information. I thank the membership committee, Chaired by Donna Purdue, for their enthusiasm and effort.

Annual Conference 2019

The 2019 annual conference was held at Victoria University of Wellington on Pipitea campus, which continues to be a very popular Wellington based venue. There were 240 registered delegates for the conference across academia, and public and private sectors. A full programme of 140 oral and poster presentations was on offer alongside Keynote speakers Prasanna Gai, Lata Gangadharan, Patricia Apps and Stephen Jenkins.

The conference provides an important opportunity for the Association to engage and support a

broad community applying economic thought in New Zealand. We envisage that the event acts as a hub for this community to meet, communicate, and commune. Getting this right is a priority and requires significant input by all Councillors. In particular, I thank the devoted efforts of the Conference Committee, Lydia Cheung, Andrea Menclova and Ian Duncan for organising a very successful conference. The Association was also extremely fortunate and grateful to be the recipient of in-kind support by Victoria University. It must be acknowledged that this level of support provides broader benefit to the economics community, beyond the conference, in bolstering the ability of the Association to nurture economics thought in New Zealand.

Finances

Conference 2019 was more successful than anticipated. Several factors contributed; the unfortunate withdrawal of Keynote Lee Ohanian reduced international travel expenses, higher registration rates played a part, and the venue fee waiver afforded by VUW elevated the result significantly. This enabled Council to donate \$40,000 to the Education Trust to help maintain an ability to administer its financial awards as part of conference activities, while generating a surplus at the Association level of \$3,558.

After including this surplus, the Association holds accumulated funds of \$127,792. Council is satisfied that we have the necessary capacity to undertake our various activities and services to members in the year ahead. While the materiality of the cancelled 2020 conference is a matter for the next periods reporting, and the level of loss is not precisely known at this time, it is anticipated to be well within the capacity of the accumulated funds to meet.

Accumulated capital in the Education Trust is managed separately, standing at \$346,793 at year-end compared to \$302,148 at prior years end. These funds generate money for awards, prizes and study grants.

Sponsors

The Reserve Bank of New Zealand, The Treasury and Statistics New Zealand again provided NZAE with very generous ongoing financial support for the conference and the work of the Association. Important ongoing sponsorship was also gratefully received from Motu and the Agribusiness and Economics Research Unit at Lincoln University. Without the support of our sponsors, it would simply not be possible to provide the level of services that we do. I would like to record our Association's sincere appreciation to them and recognise their strong commitment to supporting the economics community.

New Zealand Economic Papers

Professor Gail Pacheco stepped down from the Editor-in-Chief role at the end of 2019. Gail's tenure is the longest served to date and it is with great pleasure that I thank Gail for her excellent service and commitment to ensuring a high quality research outlet. The Australian Business Deans Council updated journal ranking was issued over this period and NZEP retained its 'B' ranking. The journal is a central function of the NZAE and the Association has been fortunate to have an Editor so committed and capable.

I want to take this opportunity to offer a warm welcome to the new Editor-in-Chief, Dr Dennis Wesselbaum. Dennis is a macroeconomist in the Department of Economics at the University of Otago, with main research interests focusing on fiscal and monetary policy, and labour market dynamics.

Asymmetric Information

The NZAE published three issues of its newsletter, Asymmetric Information, during 2019. Thanks go to Editor John Yeabsley, who continues to generate an engaging and interesting read, including insightful interviews with key economists. The newsletter is available to read on our website, nzae.org.nz.

NZAE Education Trust

As noted above, as at December 2019 accumulated funds in the Trust were \$346,793, all invested in bank deposits and call accounts. Trustees at the end of the year were Anthony Byett (Chair), John Gallagher, Mark Holmes and Peter Tait. In 2019, the Trust disbursed \$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 Professor Teece, for the David Teece Prize in Organisational Behaviour. A full description of prizes, awards and grants is available here nzae.org.nz/prizes.

Life Member

Professor Caroline Saunders was elected a Life Member of the Association in 2019. Caroline was an NZAE Council member from 1997 to 2006 and was President of the Association from 2001 to 2003. Her service to the wider economics profession is admirable and this accolade is much deserved.

A full award citation can be found here nzae.org.nz/nzae-news/life-member.

Distinguished Fellow

Professor Stephen Jenkins was made a Distinguished Fellow of the Association in 2019.

Stephen is one of the world's leading scholars in the economics of inequality and poverty. He has contributed significantly to applied econometrics and in doing so, his work has addressed topics such as the rise in top incomes and their contribution to recent increases in inequality, how to measure poverty persistence and assess which factors trigger exits from a poverty spell. A full award citation can be found here nzae.org.nz/nzae-news/distinguished-fellow.

Events subsequent to Balance date

Our new Council settled in to our various conference and publication projects and we were going well. By the time of writing however, we know this year's plans were rendered inoperative by the turn of unexpected events.

Just as many others have done, we are adjusting by finding new ways of working and collaborating, and looking for ways to increase the utility of our website. We look forward to more interesting times, for our Association and for the communities around us, as we meet the challenges ahead.



Peter Tait
President

Statement of Financial Responsibility

for the year ended 31 December 2019

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 2019 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 14 for the year ended 31 December 2019.

The Council of the New Zealand Association of Economists Incorporated authorised these financial statements for issue on 26 June 2020.



PR Tait
President



JP Gallagher
Treasurer

Statement of financial performance

for the year ended 31 December 2019

	2019	2018
	\$	\$
INCOME		
Conference Income (Note 4)	147,551	112,883
Interest	2,537	2,408
Members subscriptions (Note 5)	28,736	28,622
Publishing income – NZ Economic Papers (Note 3)	4,336	3,922
Sundry income	813	491
	<hr/>	<hr/>
TOTAL INCOME	183,974	148,326
EXPENDITURE		
Audit	4,264	3,811
Bank charges	336	845
Conference costs (Note 4)	82,894	100,318
General expenses	684	868
Donation	40,000	
Newsletter costs	6,720	3,402
Officers expenses	24,307	22,344
Printing, Postage & Stationery	3,929	2,271
Publishing costs – NZEP (Note 3)	10,969	11,010
Subscriptions	198	174
Telecommunication costs	292	244
Travel costs	2,268	2,989
Website costs	1,051	7,059
	<hr/>	<hr/>
TOTAL EXPENDITURE	177,912	155,335
	<hr/>	<hr/>
OPERATING (DEFICIT) SURPLUS BEFORE TAX	6,061	(7,009)
	<hr/>	<hr/>
TAX EXPENSE (Note 6)	(2,504)	–
	<hr/>	<hr/>
SURPLUS (DEFICIT) ON OPERATIONS	3,558	(7,009)
	<hr/> <hr/>	<hr/> <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 2019

	2019 \$	2018 \$
Equity at start of the year	124,234	131,243
Net surplus (deficit) for the year	3,558	(7,009)
EQUITY AT END OF THE YEAR	<u>127,792</u>	<u>124,234</u>

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

Statement of financial position

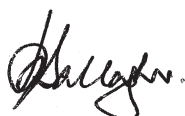
as at 31 December 2019

	2019 \$	2018 \$
EQUITY	127,792	124,234
CURRENT ASSETS		
Bank accounts (Note 8)	9,402	38,518
Withholding tax credit	826	294
Accounts receivable (Note 10)	4,410	8,272
GST Refund	6,024	10,077
Provisional tax (Note 7)	6,250	1,079
Prepayments	800	800
Investments (Note 9)	110,000	70,000
TOTAL CURRENT ASSETS	137,711	129,039
NON CURRENT ASSETS	-	-
TOTAL ASSETS	137,711	129,039
CURRENT LIABILITIES		
Accounts payable (Note 11)	7,415	4,805
Provision for tax (Note 7)	2,504	-
TOTAL CURRENT LIABILITIES	9,919	4,805
NET ASSETS	127,792	124,234

For and on behalf of NZ Association of Economists Inc.



PR Tait
President



Treasurer

Dated: 26 June 2020

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 2019

1 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 2019

2.0 Related Party transactions

Four NZAE Councillors are Trustees of the NZAE Education Trust.

A donation of \$40,000 was paid to the NZAE Education Trust without conditions.

One Councillor is the principal of Cronadun Consulting, which was paid \$11,543 (2018 – \$11,543) as professional fees for accounting and related administrative services in 2019.

One Councillor and the Secretary are executives of Motu Economic Policy Research Trust which was paid \$12,763 (2018 – \$10,800) as fees for administrative support and secretarial services in 2019.

3.0 Economic papers

	2019	2018
Copyright licensing	3,903	3,922
Income allocated from members' subscriptions (Note 5.0)	9,578	9,540
Income from subscribers (Vol.53. Pt.I, II & III)		
	<u>13,481</u>	<u>13,461</u>
Less Expenditure		
Direct publishing costs	<u>(10,969)</u>	<u>(11,010)</u>
Notional surplus on publishing Economic Papers	<u>2,512</u>	<u>2,451</u>

4.0 Conferences

	2019	2018
Conference income		
Registration and Sponsorships	147,551	112,883
Less Direct conference costs		
Accommodation, hireage, catering and expenses	<u>(82,894)</u>	<u>(100,318)</u>
Surplus for year	<u>64,657</u>	<u>12,564</u>

5.0 Allocation of subscriptions to income

	2019	2018
Gross subscriptions income for the year	28,736	28,622
Less: 1/3 allocation to NZEP (Note 3)	<u>(9,578)</u>	<u>(9,540)</u>
Net after internal allocation	<u>19,159</u>	<u>19,082</u>

Notes to the financial statements

for the year ended 31 December 2019

6.0 Income tax expense

	2019	2018
Taxable surplus on annual conference	64,657	12,564
Taxable sales of Economic Papers	50	(205)
	<u>64,707</u>	<u>12,359</u>
Less:	-	-
Portion of expenses relating to taxable income	(11,428)	(14,329)
	<u>53,279</u>	<u>(1,970)</u>
Add Interest and other income less related expenses	(459)	(909)
	<u>52,820</u>	<u>(2,879)</u>
Less Exempt income	(41,000)	-
Loss Carried forward	<u>(2,879)</u>	<u>-</u>
Taxable income	<u>8,941</u>	<u>(2,879)</u>
Tax expense @ 28.0%	<u>2,504</u>	<u>-</u>

7.0 Provision for tax

	2019	2018
Provisional tax paid	6,250	1,079
Provision for tax on operating surplus	(2,504)	-
	<u>-</u>	<u>-</u>
Terminal tax Refund (Payable)	<u>3,746</u>	<u>1,079</u>

8.0 Bank accounts

	2019	2018
Bank of New Zealand -		
Cheque account	549	534
No 2 account	-	-
No 3 account	672	-
Interest bearing Call accounts	8,180	37,984
	<u>9,402</u>	<u>38,518</u>

9.0 Investments

	2019	2018
BNZ term deposit 3.05% 02 02 2020	40,000	40,000
BNZ term deposit 2.80% 19 04 2020	40,000	-
BNZ term deposit 2.65% 13 05 2020	30,000	30,000
	<u>110,000</u>	<u>70,000</u>

Notes to the financial statements

for the year ended 31 December 2019

10.0 Receivables

	2019	2018
Publishing agreement	3,903	3,922
Reimbursing payment from Education Trust	–	4,350
	<hr/>	<hr/>
	3,903	8,272
Accrued interest	507	294
	<hr/>	<hr/>
	4,410	8,565
	<hr/> <hr/>	<hr/> <hr/>

11.0 Payables

	2019	2018
Audit fees	4,250	4,000
Fees & services	60	
Newsletter costs	1,500	–
Secretarial costs	720	805
Postage	400	–
Travel costs	485	
	<hr/>	<hr/>
	7,415	4,805
	<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. (2018 : 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 2019 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 2019 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.

Emphasis of Matter: Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared to assist the Board of New Zealand Association of Economists Incorporated in providing information regarding the financial performance and position of New Zealand Association of Economists Incorporated and allowing New Zealand Association of Economists Incorporated to meet its obligations under the New Zealand Income Tax Act 2004. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for New Zealand Association of Economists Incorporated and its Board and should not be distributed to parties other than New Zealand Association of Economists Incorporated.

Board's responsibilities for the special purpose financial statements

The Board 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 Board 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 Board 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 Board 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 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 Markhams Wellington Audit | Qualified Auditors, Wellington, New Zealand
26 June 2020

Statement of Service Performance

for the year ended 31 December 2019

Description of the Entity's Outcomes*:

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.

	Actual This year	Budget This year	Actual Last year
Description and Quantification of the Entity's Outputs:			
Publication of NZ Economic Papers – Number of issues	3	3	3
Hold annual conference			
Numbers attending	240		170
Overseas speakers presenting	4		4
Papers presented	140		120
Newsletter: Asymetric Information published	3	3	3
Facilitate meetings of Economic Faculty Heads to exchange information on workplace trends.	1	1	1
Advertising of Economist vacancies on website continued			

Notice of Annual General Meeting

The Annual General Meeting of the New Zealand Association of Economists Inc will be held via Zoom Video Conference on
Wednesday 22nd July 2020 at 12.30 pm.

Please click on the following link to join the meeting or copy and paste the URL into your browser. It requires a password to join which is below
<https://us02web.zoom.us/j/84374020696?pwd=OEtSc3Q3dHY5SXJ3dHUzMjFNNzQxQT09>
Password: AGM2020

Agenda

1. Apologies
2. Minutes of the 2019 AGM
3. President's report
4. To receive and adopt the Association annual report and financial statements for the year ended 31 December 2019
5. Appointment of auditors
6. General business
(Note: no Life Membership proposed)



Maxine Watene
Secretary-Manager

Minutes of Annual General Meeting – 2019

The 2019 Annual General Meeting of the New Zealand Association of Economists was held on Thursday 4 July 2019, at RHMZ02, Victoria University Wellington starting at 1:15 pm.

Present

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

Apologies

John Yeabsley, Mary Hedges

Minutes of the 2018 AGM

The minutes were noted as being an accurate record of the meeting held on 28 June 2018.

Mark Holmes/Eric Crampton

All in favour

President's report

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

NZAE Council

Thanks to Council members whose hard work and contribution was invaluable. Special mention was made to Arthur Grimes (Immediate Past President), Andrea Menclova, John McDermott and Lydia Cheung who are standing down.

Conference

The 2020 conference will be held at Victoria University Wellington.

Membership

It was noted that there has been an increase on e and student members. Two NZAE members John Creedy and John Gibson have been elected as Fellows of the Royal Society during the year.

Finances

The financial position of NZAE is in good shape.

Sponsors

NZAE remains very grateful to its sponsors. It was noted that Victoria University had provided significant support via Arthur Grimes as faculty in hosting the 2019 conference free of charge.

Publications

It was noted that a new NZEP editor will be sought in the coming months to replace Gail Pacheco who is standing down.

The President's report was accepted by members.

2018 Annual Report and 2018 Financial Statements

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

- The financial result of conference 2018 conference was short of budget expectations. However given the objective in providing a quality conference each year NZAE can afford financial outcomes that are under/over budget over time.
- NZAE's balance sheet represents a strong financial position.

Grant Scobie asked for an explanation regarding the investment returns achieved and capital objectives of the NZAE Education Trust. John explained that the Trust aimed to achieve a return of 1% over inflation over time. However such return may be challenging in the current investment environment therefore capital base expansion is being targeted to compensate. Antony Byett noted that the current higher rates of return are due to the investments being based on a 5 year rolling period. This will reduce

over time in the current environment. Finding and funding Trust prize winners continues to be a challenge.

Bob Buckle noted that NZAE membership numbers are relatively static and asked if there are any initiatives to increase these. Donna Purdue (as chair of the membership committee) spoke and advised that there are two initiatives being actioned or considered:

1. Working with the Women in Economics Network members and encouraging those who are not NZAE members to join.
2. Mentoring Programme: A paper will be tabled under the general business agenda item for this meeting.

Eric Crampton noted that NZAE membership subscriptions should be payable by annual renewable credit card debit. This would enable easy payment for those members who receive and pay for memberships themselves. This will be looked at for 2020 by the Treasurer and Secretary.

Members received and adopted the 2018 annual report and financial statements of the Association for the year ended 31 December 2018.

John Gallagher/Mark Holmes
All in favour

Appointment of Auditor

Members resolved that the Association retain Moore Stephens as auditor for 2019.

John Gallagher/Mark Holmes
All in favour

Election of Councillors

Grant Coppersmith advised the AGM that the number of Council nominations for

appointed positions received equalled that number of vacancies. In addition there had been 6 nominations received for other Council members. As there were no other nominations put forward at the meeting the 2019/20 Council was therefore elected at the AGM:

President: Peter Tait (meeting chair following election)

Vice-President: Gail Pacheco

Immediate Past President: Mark Holmes

Treasurer: John Gallagher

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

NZEP Editor: Gail Pacheco (until a replacement editor is appointed)

AI Editor: John Yeabsley

Anthony Byett (Education Trust Chair)

Joey Au

Ian Duncan

Donna Purdue

Tim Ng

Julia Talbot-Jones

John Saunders

Caroline Saunders wished the meeting record it's thanks to Mark Holmes for the work done by him as NZAE President over the last two years – carried with acclamation

Life Membership

Arthur Grimes spoke to the NZAE Council nomination that Caroline Saunders be awarded Life Membership. He noted that Caroline had made a significant contribution to NZAE as a Council member and past President as well as a number of other organisations over many years.

Arthur Grimes/ Mark Holmes
All in favour

General Business

NZAE Mentoring Programme:

Donna Purdue tabled a discussion paper for consideration. Following discussion the meeting agreed to support the proposed initiative for members:

- Expressions of interest will be advertised for mentees and potential mentors
- Should there be enough interest, an introductory event would be held. Target date is late August 2019

Model used by published journals producers – reference to NZEP

Donal Curtin noted that the financial and publication model run by many publishers is costly and restrictive. NZAE may wish to look at

options when the current NZEP contract is up for renewal.

Caroline Saunders noted her experience with AES is that costs and restrictions are negotiable.

Meeting closed at 1.55pm.

Confirmed as a true and correct record of the meeting:

A handwritten signature in black ink, appearing to be 'P. R. Tait', with a long horizontal stroke extending to the right.

P. R. Tait, President

Education Trust summary report

for the year ended 31 December 2019

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Trustees' report

Governance

Trustees at balance date were Anthony Byett (Chair), John Gallagher, Mark Holmes and Peter Tait. Secretary/Treasurers costs are borne by the Association. During 2019 Trustees met in April and October, with informal emails and phone conversations between meetings. Leo Krippner and Gail Pacheco retired during the year and we record our thanks for their contributions to Trust activities while they were in office.

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 the objectives and guidelines during 2019, and continue to do so.

General business

Accounts were audited by Moore Stephens.

The Trust acknowledges and thanks David Teece for his donation; likewise the Association of Economists for their donation of \$40,000.

Investment of funds

The Trust earned \$11,869 (\$12,677 in pcip) from investments in 2019, generating a return of 3.6% (4.2% 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 durations. 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 2019 were \$8,000 (\$8,000 in pcip) comprising:

- (i) Jan Whitwell prizes of \$1,000 each were awarded at conference to Doctoral student Hanna Habibi and to Masters student Livvy Mitchell;
- (ii) The Honours Dissertation Prize of \$500 for best dissertation was awarded to Katy Krauts.
- (iii) The NZ Economic Policy Prize of \$1,000 was awarded at conference to John Creedy, Nazila Alinaghi & Norman Gemmell for their paper judged best contribution to analysis of NZ economic policy
- (iv) The David Teece Prize of \$2,500 for study of Industrial Organisation and Firm Behaviour was awarded to Geoffrey Brooke & Lydia Cheung.
- (v) The Seamus Hogan Research prize of \$1,000 was awarded to Bronwyn Bruce-Brand.
- (vi) The 13th A R Bergstrom Prize in Econometrics of \$1000 was awarded to James Graham.

Prizes are expected to be significantly fewer in 2020 due to Covid-19 restrictions but are expected to return to similar levels in 2021. Trustees 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 2019

	2019	2018	2017	2016	2015
Unaudited summary financial performance					
Investment income	11,869	12,677	12,569	13,694	14,722
Donation	42,500	2,500	2,500		
Sundry income			1,364		
Total income	<u>54,369</u>	<u>15,177</u>	<u>16,433</u>	<u>13,694</u>	<u>14,722</u>
Grants for educational purposes					
Presentations, prizes, study awards	8,000	8,000	9,000	6,500	6,500
Conference assistants			1,100	900	1,400
	<u>8,000</u>	<u>8,000</u>	<u>10,100</u>	<u>7,400</u>	<u>7,900</u>
Audit fees	1,517	1,468	1,660	2,091	2,185
Other administration costs	206	106	91	96	81
Total expenditures	<u>9,723</u>	<u>9,574</u>	<u>11,851</u>	<u>9,587</u>	<u>10,166</u>
Surplus on operations	<u>44,645</u>	<u>5,603</u>	<u>4,582</u>	<u>4,107</u>	<u>4,556</u>
Unaudited summary financial position					
Bank & Call accounts	42,370	37,611	19,984	12,662	18,815
Accruals	2,033	1,849	1,882	1,948	1,927
Investment portfolio	<u>304,000</u>	<u>269,000</u>	<u>281,040</u>	<u>284,000</u>	<u>274,000</u>
	348,403	308,460	302,906	298,610	294,742
Liabilities	1,610	6,313	6,363	6,653	6,888
Trustees' capital	<u>346,793</u>	<u>302,148</u>	<u>296,544</u>	<u>291,957</u>	<u>287,854</u>
Average return	3.61%	4.23%	4.27%	4.72%	5.16%

Directory

as at 31 December 2019

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 Resigned 22.10.2019 Gail Pacheco Resigned 22.10.2019 Peter Tait Appointed 22.10.2019
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

