

New Zealand Association of Economists

Annual Report 2020

Contents

	Page
NZ Association of Economists	
Directory	2
Objectives	3
President's report	4
Statement of financial responsibility	7
Statement of financial performance	8
Statement of movements in equity	9
Statement of financial position	10
Notes to financial statements	11
Statement of service performance	15
Auditor's report	16
NZ Association of Economists	
Notice of meeting	19
Minutes of previous AGM	20
NZ Association of Economists – Education Trust	
Trustees' report	2
Summarised unaudited financial statements	3
Directory	4

Directory

as at 31 December 2020

Council	Peter Tait Gail Pacheco Joey Au Chris Ball Anthony Byett Ian Duncan John Gallagher Mark Holmes Tim Ng Donna Purdue John Saunders Graham Squires Julia Talbot-Jones Dennis Wesselbaum John Yeabsley Maxine Watene	President Vice President Resigned 17 March 2020 Treasurer Past President Appointed 15 October 2020 Editor, NZ Economic Papers Editor, Asymmetric Information 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 788
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 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
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 to present the Annual Report for the year to December 2020, for and on behalf of the Council of the New Zealand Association of Economists Inc.

Council

2020 was a challenging year for managing Council affairs, a sentiment shared I am sure by other organisations who found themselves navigating a particularly uncertain planning environment.

So it is with gratitude that I thank Council members for their contribution to traversing the uncharted waters we found ourselves on. It is their generous commitment that the Association relies on to operate capably. A full list of councillors is available in this Report. Additionally, and in no small part the Association is supported by Motu staff Grant Coppersmith and Maxine Watene as Secretary-Manager. Our Treasurer, John Gallagher,

continued to deliver reliably rigorous and detailed financial reporting.

Membership

NZAE had 181 financial members, and 14 Life Members at the end of 2020. Membership numbers are correlated to timing of the Conference and therefore this lower level of membership is consistent with cancellation of the event. Membership Committee members at the end of the year were Donna Purdue (Chair), Tim Ng, and Graham Squires. 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.

Annual Conference 2020

The unfortunate circumstances and risk of ongoing COVID19 constraints lead to our cancellation of the 2020 Conference. It

was a decision intensely scrutinised, long laboured over and difficult to agree to take. Our conference is a focal point of activity for the Association and provides an important opportunity to engage and support a broad community applying economic thought in New Zealand. We have looked optimistically to the future and planned for resumption of a normal state of affairs in 2021.

Finances

Cancellation of Conference 2020 led directly to a material loss of \$23,861 on operations overall. After charging this deficit to capital, the Association holds accumulated funds of \$103,931. At this level of capital in hand, 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 owned and managed separately, standing at \$355,325 at year-end compared to \$346,793 at prior year's end. These funds generate income for application to awards, prizes and study grants made by the Trust.

New Zealand Economic Papers

The New Zealand Economic Papers published 15 articles in 2020. Circulation of the Journal increased by 1.4% and we have a robust supply of papers for coming issues, with a significant number already accepted or in 'Revise & resubmit' phase. Most importantly, the Journal introduced a Special Issue (guest editors: David Fielding, John Gibson, Ilan Noy) on COVID impacts. We received a large number of submissions and the final Issue will contain high quality papers addressing various impacts COVID had in 2020. This resulted in a 76% increase of downloads year-on-year. Finally, the Journal has introduced a research note (2,000-3,000 words, up to 4 display items, and up to 30 references) and a commentary (1,000-2,000 words, up to 2 display items, and up to 15 references). Editor Dennis Wesselbaum maintained standards while managing for increased output and continues to produce a journal which brings credit to our Association.

Asymmetric Information

Asymmetric Information faced many of the same challenges as the rest of the productive world in 2020 – but was able to handle it reasonably well. We produced our regulation three editions and are pleased with them. Luckily the way it is pulled together and finally produced is largely these days a matter of electronic communication. So in lockdown and the distanced situation that followed, most of the regular contributions kept coming. On top of that, earlier spade work allowed the editor to keep taking advantage of the goodwill of many in our economics community to write or be interviewed. These people's generosity is what maintains this journal – long may it continue.

John is to step down from the Editor's role and we are seeking his replacement. Thank you John, for the breadth of your economics experience that the Association has enjoyed and benefitted from during your tenure(s), and for your contributions to wider Council discussions that have been greatly appreciated.

NZAE Education Trust

Trustees at the end of the year were Anthony Byett (Chair), John Gallagher, Mark Holmes and Peter Tait. Trust disbursements are linked primarily but not exclusively to Conference activities and, with cancellation of the event, disbursements were reduced to \$1,000 from a normal level of around \$8,000. As noted earlier, accumulated funds in the Trust were \$355,325 at December 2020, all invested in bank term deposits and call accounts. Lower disbursement levels meant an increased surplus of \$8,532, in spite of the effect of lower earning rates on capital. A full description of prizes, awards and grants made by the Trust is available at www.nzae.org.nz/prizes.

Conclusion

As I step down from my role as President, I want to record my sincere thanks and appreciation for the support that the Council and the wider economics community have

generously given. If the ordeal of COVID19 has a silver lining for the Association, it is to have spurred a period of inward reflection by Council. Activities that the Association undertakes, the offerings and value to members provided and how these remain relevant or otherwise are important issues to consider. Preferences and expectations are not often static, and this period serves as a time for reassessing and taking stock of who we are as an Association, how we can evolve to match the emerging requirements of the next generation of economists, while preserving the traditions and heritage that underpin the Association's reputation. Many have served before me so their contributions and efforts weigh on the expectations of all Presidents; my hope is that I have contributed to this legacy and hand over the reins in a fashion honouring the Association's values and commitment to the economics community.

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

Peter Tait
President

Statement of Financial Responsibility

for the year ended 31 December 2020

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 2020 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 2020.

The Council of the New Zealand Association of Economists Incorporated authorised these financial statements for issue on 28 May 2021.



PR Tait
President



JP Gallagher
Treasurer

Statement of financial performance

for the year ended 31 December 2020

	2020	2019
INCOME	\$	\$
Conference Income (Note 5)		147,551
Interest	1,908	2,537
Members subscriptions (Note 3)	22,852	28,736
Publishing income - NZ Economic Papers (Note 4)	4,162	4,336
Sundry income	391	813
TOTAL INCOME	<u>29,313</u>	<u>183,974</u>
EXPENDITURE		
Audit	3,865	4,264
Bank charges	560	336
Conference costs (Note 5)	3,800	82,894
General expenses,	637	684
Donation		40,000
Newsletter costs	2,679	6,720
Officers expenses	24,844	24,307
Printing, Postage & Stationery	3,230	3,929
Publishing costs - NZEP (Note 4)	8,918	10,969
Software costs	150	
Subscriptions	348	198
Telecommunication costs	219	292
Travel costs	2,980	2,268
Website costs	944	1,051
TOTAL EXPENDITURE	<u>53,174</u>	<u>177,912</u>
OPERATING (DEFICIT) SURPLUS BEFORE TAX	<u>(23,861)</u>	<u>6,061</u>
TAX EXPENSE (Note 6)	-	(2,504)
DEFICIT (SURPLUS) ON OPERATIONS	<u>(23,861)</u>	<u>3,558</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 2020

	2020	2019
	\$	\$
Equity at start of the year	127,792	124,234
Net (deficit) surplus for the year	(23,861)	3,558
EQUITY AT END OF THE YEAR	103,931	127,791

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 2020

	2020	2019
	\$	\$
EQUITY	103,931	127,792
CURRENT ASSETS		
Bank accounts (Note 8)	29,308	9,402
Withholding tax credit		826
Accounts receivable (Note 10)	4,692	4,410
GST Refund	2,621	6,024
Provisional tax (Note 7)	1,000	6,250
Prepayments	173	800
Investments (Note 9)	70,000	110,000
TOTAL CURRENT ASSETS	107,794	137,711
NON CURRENT ASSETS	-	-
TOTAL ASSETS	107,794	137,711
CURRENT LIABILITIES		
Accounts payable (Note 11)	3,715	7,415
Provision for tax (Note 7)	-	2,504
Income in advance	148	
TOTAL CURRENT LIABILITIES	3,863	9,919
NET ASSETS	103,931	127,792

For and on behalf of NZ Association of Economists Inc.



President



Treasurer

Dated: 24 March 2021

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 2020

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 2020

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 (2019 - \$11,543) as professional fees for accounting and related administrative services in 2020.

One Councillor and the Secretary are executives of Motu Economic Policy Research Trust which was paid \$13,300 (2019 - \$12,763) as fees for administrative support and secretarial services in 2020.

3.0 Allocation of subscriptions to income

	2020	2019
Gross subscriptions income for the year	22,852	28,737
Less: 1/3 allocation to NZEP (Note 4)	(7,617)	(9,578)
Net after internal allocation	<u>15,235</u>	<u>19,159</u>

4.0 Economic papers

	2020	2019
Copyright licensing	4,162	4,336
Income allocated from members' subscriptions (Note 3.0)	7,617	9,578
Income from subscribers (Vol.54. Pt.I, II & III)	<u>11,778</u>	<u>13,914</u>
Less Expenditure		
Direct publishing costs	<u>(8,918)</u>	<u>(10,969)</u>
Notional surplus on publishing Economic Papers	<u>2,861</u>	<u>2,945</u>

5.0 Conferences

	2020	2019
Conference income		
Registration and Sponsorships	-	147,551
Less Direct conference costs		
Accommodation, hireage, catering and expenses	<u>(3,800)</u>	<u>(82,894)</u>
Surplus for year	<u>(3,800)</u>	<u>64,657</u>

Notes to the financial statements

for the year ended 31 December 2020

6.0 Income tax expense

	2020	2019
Taxable surplus on annual conference	(3,800)	64,657
Taxable sales of Economic Papers	655	50
	<u>(3,145)</u>	<u>64,707</u>
Less:		-
Portion of expenses relating to taxable income	(11,586)	(11,428)
	<u>(14,731)</u>	<u>53,279</u>
Add Interest and other income less related expenses	(1,510)	(459)
	<u>(16,241)</u>	<u>52,820</u>
Less Exempt income	-	(41,000)
Loss Carried forward	-	(2,879)
Taxable income	<u>(16,241)</u>	<u>8,941</u>
Tax expense @ 28.0%	-	2,504
Tax expense	<u>-</u>	<u>2,504</u>

7.0 Provision for tax

	2020	2019
Provisional tax paid	1,000	6,250
Provision for tax on operating surplus	-	(2,504)
Terminal tax Refund (Payable)	<u>1,000</u>	<u>3,746</u>

8.0 Bank accounts

	2020	2019
Bank of New Zealand -		
Cheque account	708	549
No 2 account	-	-
No 3 account	140	672
Interest bearing Call accounts	28,460	8,180
	<u>29,308</u>	<u>9,402</u>

9.0 Investments

	2020	2019
BNZ term deposit 3.05% 02 02 2020		40,000
BNZ term deposit 1.50% 27 01 2021	40,000	40,000
BNZ term deposit 0.85% 08 05 2021	30,000	30,000
	<u>70,000</u>	<u>110,000</u>

Notes to the financial statements

for the year ended 31 December 2020

10.0 Receivables

	2020	2019
Publishing agreement	4,554	3,903
	<u>4,554</u>	<u>3,903</u>
Accrued interest	138	507
	<u>4,692</u>	<u>4,410</u>

11.0 Payables

	2020	2019
Audit fees	3,250	4,250
Fees & services	85	60
Newsletter costs	1,500	
Secretarial costs	360	720
Postage	20	400
Travel costs		485
	<u>3,715</u>	<u>7,415</u>

12.0 Contingent liabilities & commitments

There are no known liabilities as at balance date other than those reported in these statements. (2019 : Nil)

13.0 Post balance date events

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

In response to a public health emergency risk from the spread of Covid 19 Virus the New Zealand Government declared in March that the Economy was put into Lockdown. This affected the whole country and was accompanied by Fiscal and Monetary policies which inter alia had a major impact on investment asset prices. Concurrent social restrictions affected the ability of most organisations to conduct their operations and business activities. Assembly of large numbers of people was proscribed and the Association cancelled its annual conference. Most investment asset prices recovered quickly, but interest rates reached record low levels and this reduced investment income.

Membership numbers declined as some did not renew their subscriptions when there was no Conference.

Councillors have monitored the situation and consider that if Lockdown conditions are repeated:

- (i) Some expenditures could be adjusted to compensate for lower gross income this year.
- (ii) the Association has adequate resources to remain a Going Concern.

Statement of Service Performance

"What did we do?", When did we do it?"
for the year ended 31 December 2020

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.

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			150
Overseas Speakers presenting	-		-
Papers presented			65
Newsletter: Asymmetric Information published	3	3	3
Facilitate meetings of Economic Faculty Heads to exchange information on workplace trends.	-	-	-
Advertising of Economist vacancies on website continued			

Additional Output Measures:

Additional Information:

Annual Conference was cancelled in March 2020, when the required certainty levels could not be achieved. Conference 2021 is planned to be held jointly as a physical assembly at Victoria University of Wellington and in a digital format enabling virtual attendances.

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 2020 and the statement of financial performance, and statement of movements 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 2020 are prepared, in all material respects, in accordance with the financial reporting provisions of the 'Special Purpose Financial Reporting Framework for use by for-profit entities' issued by Chartered Accountants Australia and New Zealand.

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 'Special Purpose Financial Reporting Framework for use by for-profit entities' issued by Chartered Accountants Australia and New Zealand and for such internal control the Board determine is necessary to enable

Moore Markhams is a network of independent firms that are each members of Moore Global Network Limited. Member firms in principal cities throughout the world.

Moore Markhams Wellington Audit is a partnership of MK Rania and AJ Steel. Moore Markhams independent member firms in New Zealand are in [Auckland](#) - [Christchurch](#) - [Dunedin](#) - [Hawke's Bay](#) - [Queenstown](#) - [Wairarapa](#) - [Wanganui](#) - [Waverley](#) - [Wellington](#).

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 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 Markhams Wellington Audit | Qualified Auditors, Wellington, New Zealand
28 May 2021

Notice of Annual General Meeting

The Annual General Meeting of the New Zealand Association of Economists Inc will be held on **Thursday 24 June 2021 at 2.00 pm** in Room RHMZ 01 at Victoria University, Rutherford House, Bunny Street, Wellington

Agenda

1. Apologies
2. Minutes of the 2020 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 2020
5. Appointment of auditors
6. Appointment of Councillors
7. Life Membership
8. General business

POSTPONED



Maxine Watene
Secretary-Manager

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

Notice of Annual General Meeting

The Annual General Meeting of the New Zealand Association of Economists Inc will be held on Wednesday 14 July 2021 at 1.45pm to 2.30pm by linkage to a Virtual Meeting held via Zoom VC.

Link details at the foot of this page can be pasted to a Web Browser.

Agenda

1. Apologies
2. Minutes of the 2020 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 2020
5. Appointment of auditors
6. Appointment of Councillors
7. Life Membership
8. General business



Maxine Watene
Secretary-Manager

The Link:

<https://us02web.zoom.us/j/88178989328?pwd=dVpaQitrNXhvT3VhaktqQWFtZi9Wdz09>

Meeting ID: 881 7898 9328

Please note Passcode: agm21

Minutes of Annual General Meeting

The Annual General Meeting of the New Zealand Association of Economists was held via Zoom on Wednesday 22 July 2020, starting at 12:47 pm.

Present

Peter Tait (President – Chair), Mark Holmes (Immediate Past President), Gail Pacheco (Vice-President), John Gallagher (Treasurer), Grant Coppersmith & Maxine Watene (Secretary-Manager) and Donal Curtin, John Yeabsley, Chris Ball, Viv Hall, Dennis Wesselbaum, Sean Kimpton, Arthur Grimes, Tim Ng, Donna Purdue, Stephen Knowles, Anthony Byett, Ian Duncan, John Saunders.

Apologies

Mary Hedges, Chris Livesey

Minutes of the 2019 AGM

The minutes were noted as being an accurate record of the meeting held on 4 July 2019.

Peter Tait/Anthony Byett

All in favour

President's report

Peter Tait summarised the President's report and highlighted the following;

NZAE Council

Thanks to Council members whose co-operative collaboration was invaluable. Special mention was made for the contributions of Mark Holmes during his term as President.

New Council members John Saunders, Chris Ball and Julia Talbot-Jones were welcomed.

Conference

The 2019 conference was held at Victoria University Wellington which again proved to be successful. However the 2020 conference was

cancelled due to COVID 19. The 2021 conference is due to be held in late June at AUT University Auckland.

Finances

The financial position of NZAE remains in good shape with a surplus resulting from the current year.

Included in the 2019 financial statements is a \$40,000 donation made to the NZAE Education Trust which was approved by Council. This donation will be used by the Education Trust to extend its activities including awards presented at conferences.

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

The significant contribution of Gail Pacheco as NZEP Editor-in-Chief was noted. Her replacement is Dennis Wesselbaum who was welcomed.

Life Membership and Distinguished Memberships

Caroline Saunders (Life Member) and Stephen Jenkins (Distinguished Fellow Member) were both noted for their significant contribution to economics.

The President's report was adopted by the members.

Peter Tait/Mark Holmes

All in favour

2019 Annual Report and 2019 Financial Statements

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

- The financial result of conference 2019 conference exceeded budget expectations.
- The annual surplus is reported after a \$40,000 donation to the NZAE Education Trust which was within the financial capacity of the Association, and which will assist the Trust to achieve its long term objectives.
- The financial result for 2020 will be a deficit. Donal Curtin asked what this is likely to be. The Treasurer advised this is expected to amount to \$25,000 to \$30,000.
- 2021 is expected to return to surplus with the conference being held at AUT.
- NZAE's balance sheet represents a strong financial position.

Arthur Grimes asked if the NZAE Education Trust donation should be approved by the AGM rather than Council alone. John Gallagher noted that the donation had no effect on liquidity and it was considered by the NZAE Finance & Audit Committee. There was no specific reference to this in the NZAE Constitution.

Members received and adopted the 2019 annual report and financial statements of the Association for the year ended 31 December 2019.

John Gallagher/Peter Tait
All in favour

Appointment of Auditor

Members resolved that the Association retain Moore Markhams Wellington Audit as auditor for 2020.

John Gallagher/Peter Tait
All in favour

Meeting closed at 1.17pm.

Confirmed as a true and correct record of the meeting:



P. R. Tait, President

Education Trust summary report

for the year ended 31 December 2020

	PAGE
Trustees' report	2
Summarised unaudited financial performance.....	3
Directory	4

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 2020 Trustees met in April 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 the objectives and guidelines during 2020, and continue to do so.

General business

General conditions were affected by Covid Virus problems and responses to them, so that the only awards made were for an Honours Student Dissertation and to Doctoral students who participated in a Workshop. Other awards were planned for papers and presentations made in connection with the NZAE Conference but, as this was cancelled for 2020, no submissions were received. Accounts were audited by Moore Markhams.

Investment of funds

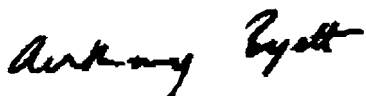
The Trust earned \$11,435 (\$11,869 in pcp) from investments in 2020, generating a return of 3.2% (3.6% in the prior year) on the average amount invested. In the period under review funds were placed with BNZ and ASB in fixed-rate term deposits with a spread of durations. Bond/debenture and Equity investments 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 2020 were \$1,000 (\$8,000 in pcp) comprising:

- (i) The Honours Dissertation Prize of \$500 for best paper was awarded to Chanelle Duley for her paper "Democracy or Technocracy? Policy delegation and populism."
- (ii) A Doctoral Student Workshop was convened and two prizes were awarded. The best paper was submitted by Chanelle Duley (Auckland U) who was awarded \$300 and Dawnelle Clyne (Otago U) was awarded \$200 having been judged as the best presentation made.

Prizes levels are expected to return to historical past levels as an NZAE Conference has been confirmed for June 2021 and 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 2020

	2020	2019	2018	2017	2016
Unaudited summary financial performance					
Investment income	11,435	11,869	12,677	12,569	13,694
Donation		42,500	2,500	2,500	
Miscellaneous income				1,364	
Total income	<u>11,435</u>	<u>54,369</u>	<u>15,177</u>	<u>16,433</u>	<u>13,694</u>
Grants for educational purposes					
Presentations, prizes, study awards	1,000	8,000	8,000	9,000	6,500
Conference assistants				1,100	900
	<u>1,000</u>	<u>8,000</u>	<u>8,000</u>	<u>10,100</u>	<u>7,400</u>
Audit fees	1,812	1,517	1,468	1,660	2,091
Other administration costs	91	206	106	91	96
Total expenditures	<u>2,903</u>	<u>9,723</u>	<u>9,574</u>	<u>11,851</u>	<u>9,587</u>
Surplus on operations	<u>8,532</u>	<u>44,646</u>	<u>5,603</u>	<u>4,582</u>	<u>4,107</u>
Unaudited summary financial position					
Bank & Call accounts	37,312	42,370	37,611	19,984	12,662
Accruals	1,763	2,033	1,849	1,882	1,948
Investment portfolio	<u>318,000</u>	<u>304,000</u>	<u>269,000</u>	<u>281,040</u>	<u>284,000</u>
Total assets employed	357,075	348,403	308,460	302,906	298,610
Liabilities	1,750	1,610	6,313	6,362	6,653
Trustees' capital	<u>355,325</u>	<u>346,793</u>	<u>302,147</u>	<u>296,544</u>	<u>291,957</u>
Average return	3.24%	3.61%	4.23%	4.27%	4.72%

Directory

as at 31 December 2020

Status	Charitable Trust
Incorporation Date	5th September 1990
Registration No	CC 41.123
IRD No	55-988-277
Trustees	Anthony Byett Chairman PO Box 1673 Taupo 3351 Mark Holmes Private Bag 3105, Hamilton John Gallagher GPO Box 788 Wellington 6140 Peter Tait PO Box 85-084, Lincoln 7647
Address	F/1. 97 Cuba Street PO Box 788 Wellington Tel (04) 939-4250
Bankers	Bank of New Zealand Wellington
Solicitors	Franks & Ogilvie PO Box 10-388 Wellington 6143
Auditors	Moore Markhams Wellington Audit PO Box 24-324 Wellington 6142

Supporters





graphic design

Layout and design by Walter Walraven

ph 021-174 6614