

New Zealand Association of Economists

# Annual Report 2021



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# Directory

as at 31 December 2021

Council	Gail Pacheco Dennis Wesselbaum Peter Tait Michael Bealing John Gallagher Tim Ng Donna Purdue John Saunders Graham Squires Julia Talbot-Jones Mary Jo Vergara John Yeabsley Maxine Watene	President Vice President. Editor, NZ Economic Papers Past President Appointed 14 July 2021 Treasurer      Appointed 14 July 2021 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 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	<a href="http://www.nzae.org.nz">www.nzae.org.nz</a>	

# 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 (d 2022)	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
Prof Ralph Lattimore	2018
Prof Caroline Saunders	2019
Prof Prof Stephen Knowles	2021

## 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 (d 2022)	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
Prof John Creedy	2021

# Annual Report of the President



It is my privilege to present the Annual Report for the year to December 2021, for and on behalf of the Council of the New Zealand Association of Economists Inc.

## **Council**

2021 was another challenging year for managing Council matters, with the impact of extended lockdowns in Auckland in particular. I thank Council for their contribution and willingness to serve the economics community so tirelessly. I must record a note of thanks to Council members who stepped down at the last election (Chris Ball and Ian Duncan) and also Donna Purdue who resigned from Council earlier this year due to work commitments.

At the last AGM we welcomed new Councillors Michael Bealing and Mary-Jo Vergara, to

continue our drawing on an increasingly diverse range of skills. Subsequent to the AGM John Yeabsley retired from his role as Editor of *Asymmetric Information*. Thereafter we invited expressions of interest for the role, and have co-opted Dave Heatley onto Council as the new editor of *Asymmetric Information*. John Yeabsley had already been awarded Life Membership way back in 2010, in recognition of his many faceted involvements in Association affairs over such a long time, which leaves me with again thanking him for his interest in Association progress, his input and stewardship.

Finally, I need to note my appreciation for the support provided 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 223 financial members, and 16 Life Members at the end of 2021.

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 2021**

The unfortunate circumstances and risk of ongoing COVID-19 constraints led to a difficult decision in reducing the scope of the 2021 Conference to two days, and it was further reduced by a sudden alert level change announced for 6.00pm at the end of our first day.

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 2022.

### **Finances**

With a reduced conference in 2021 our registration prices were lowered and numbers restricted as part of compliance with COVID-19 rules. Our major partner stake holders, Treasury, Reserve Bank, Statistics NZ, Victoria University and Stats EDS all continued their support at past levels, and the conference made a surplus which was almost enough to cover the deficit caused by cancellation in 2020.

The Association returned a surplus after tax of \$18,750 for the year which was added to reserve, so that there were \$122,680 in Accumulated Funds held at balance date. This capital base is regularly evaluated to ensure it is adequate for Council to undertake the commercial risks inherent in convening and

hosting our large event and providing our range of member services.

Accumulated capital in the Education Trust is owned and managed separately, standing at \$354,141 at year-end compared to \$355,325 at prior year's end. The following section has a comment on the reduction, drawn from advice from Trustees.

### **NZAE Education Trust**

Trustee Mark Holmes retired from Council in November 2021 and was replaced by Dennis Wesselbaum, joining Anthony Byett (Chair), John Gallagher and Peter Tait. We thank Mark for his stewardship of Trust affairs during his time in office.

Trust disbursements are not exclusively linked to Conference activities and with resumption of a near normal event, submissions could be called and submitted to our judges panel. Eight awards were made by the Trust, and we are fortunate to also have generous benefactors who awarded a Statistics NZ prize, a Stata EDS prize and two NZIER Poster prizes. The David Teece Prize and the (biennial) Bergstrom prize were also awarded. This meant that a \$9,500 outlay on awards was barely covered by Trust investment income as recent interest rate declines start to be reflected in overall portfolio returns, and therefore reduced gross income.

A full description of prizes, awards and grants made by the Trust is available at [www.nzae.org.nz/prizes](http://www.nzae.org.nz/prizes).

Trustees monitor earnings and liquidity carefully and were satisfied that making all the awards was well within longer term Trust capacity. This has been vindicated by interest rate rises in the first half of 2022, which will help the recovery. Trustees' Capital stood at \$354,140 at 31 December, all invested in bank call accounts and term deposits.

**New Zealand Economic Papers**

The New Zealand Economic Papers published 22 articles, research notes, and policy papers in 2021. Downloads increased by 148 percent from 2020 to 2021, which was mainly driven by the COVID Special Issue. We have a robust supply of papers for coming issues, with a significant number already accepted or in 'Revise & resubmit' phase. The acceptance rate of the Journal is 39%. New Special Issues are in planning. Editor Dennis Wesselbaum maintained standards while managing for increased output and continues to produce a journal which brings credit to our Association.

**Asymmetric Information**

Three issues were produced over the year and we thank the contributors to the newsletter, whether it be via interviews, book reviews, or other material. As mentioned earlier, John

Yeabsley has stepped down as Editor and Council has appointed Dave Heatley as Editor, as well as Olivia Wills as Associate Editor. This heralds a new phase for the newsletter, with a plan to change the format to more of a blog style and to move to electronic versions delivered straight to your inbox. We look forward to the updates in this space.

A handwritten signature in black ink, reading "Gail Pacheco". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gail Pacheco  
President



# Statement of Financial Responsibility

for the year ended 31 December 2021

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 2021 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 2021.

The Council of the New Zealand Association of Economists Inc authorised these financial statements for issue on 23 March 2022.



GA Pacheco  
President



JP Gallagher  
Treasurer

# Statement of financial performance

for the year ended 31 December 2021

	2021	2020
	\$	\$
<b>INCOME</b>		
Conference Income (Note 5)	70,510	
Interest	525	1,908
Members subscriptions (Note 3)	27,987	22,852
Publishing income – NZ Economic Papers (Note 4)	4,000	4,162
Sundry income	261	391
TOTAL INCOME	103,282	29,313
<b>EXPENDITURE</b>		
Audit	4,031	3,865
Bank charges	482	560
Conference costs (Note 5)	30,796	3,800
General expenses,	535	637
Donation	1,000	
Newsletter costs	3,613	2,679
Officers expenses	23,604	24,844
Printing, Postage & Stationery	4,626	3,230
Publishing costs – NZEP (Note 4)	9,631	8,918
Software costs	545	150
Subscriptions	174	348
Telecommunication costs	292	219
Travel costs	1,640	2,980
Website costs	1,089	944
TOTAL EXPENDITURE	82,058	53,174
OPERATING (DEFICIT) SURPLUS BEFORE TAX	21,224	(23,861)
TAX EXPENSE (Note 6)	(2,475)	-
<b>SURPLUS (Deficit) on operations</b>	<b>18,749</b>	<b>(23,861)</b>

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 2021

	2021 \$	2020 \$
Equity at start of the year	103,931	127,792
Net surplus (deficit) for the year	18,749	(23,861)
<b>EQUITY AT END OF THE YEAR</b>	<u>122,680</u>	<u>103,931</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 2021

	2021 \$	2020 \$
<b>EQUITY</b>	<b><u>122,680</u></b>	<b><u>103,931</u></b>
<b>CURRENT ASSETS</b>		
Bank accounts (Note 8)	13,048	29,308
Withholding tax credit	200	
Accounts receivable (Note 10)	3,879	4,692
GST Refund	790	2,621
Provisional tax (Note 7)	7,000	1,000
Prepayments		173
Investments (Note 9)	<u>110,000</u>	<u>70,000</u>
<b>TOTAL CURRENT ASSETS</b>	<b>134,916</b>	<b>107,794</b>
<b>NON CURRENT ASSETS</b>		-
<b>TOTAL ASSETS</b>	<b><u>134,916</u></b>	<b><u>107,794</u></b>
<b>CURRENT LIABILITIES</b>		
Accounts payable (Note 11)	9,760	3,715
Provision for tax (Note 7)	2,475	-
Income in advance	<u></u>	<u>148</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>12,236</b>	<b>3,863</b>
<b>NET ASSETS</b>	<b><u>122,680</u></b>	<b><u>103,931</u></b>

For and on behalf of NZ Association of Economists Inc.

  
President

  
Treasurer

Dated:

*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 2021

## 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 2021

## 2.0 Related Party transactions

Three NZAE Councillors are Trustees of the NZAE Education Trust.

One Councillor is the principal of Cronadun Consulting, which was paid \$11,543 (2020 – \$11,543) as professional fees for accounting and related administrative services in 2021.

The Secretary is an executive of Motu Economic Policy Research Trust which was paid \$12,060 (2020 – \$13,300) as fees for administrative support and secretarial services in 2021.

## 3.0 Allocation of subscriptions to income

	2021	2020
Gross subscriptions income for the year	27,987	22,852
Less: 1/3 allocation to NZEP (Note 4)	(9,236)	(7,617)
Net after internal allocation	<u>18,751</u>	<u>15,235</u>

## 4.0 Economic papers

	2021	2020
Copyright licensing	4,000	4,162
Income allocated from members' subscriptions (Note 3.0)	9,236	7,617
Income from subscribers (Vol.55. Pt.I, II & III )	<u>13,235</u>	<u>11,778</u>
Less Expenditure		
Direct publishing costs	<u>(9,631)</u>	<u>(8,918)</u>
Notional surplus on publishing Economic Papers	<u>3,604</u>	<u>2,86</u>

## 5.0 Conferences

	2021	2020
Conference income		
Registration and Sponsorships	70,510	-
Less Direct conference costs		
Accommodation, hireage, catering and expenses	<u>(30,796)</u>	<u>(3,800)</u>
Surplus for year	<u>39,714</u>	<u>(3,800)</u>



# Notes to the financial statements

for the year ended 31 December 2021

## 6.0 Income tax expense

	2021	2020
Taxable surplus on annual conference	39,714	(3,800)
Taxable sales of Economic Papers	281	655
	<u>39,995</u>	<u>(3,145)</u>
Less:		
Portion of expenses relating to taxable income	<u>(10,891)</u>	<u>(11,586)</u>
	29,104	(14,731)
Add Interest and other income less related expenses	<u>(3,022)</u>	<u>(1,510)</u>
	26,081	(16,241)
Less Exempt income	(1,000)	
Loss Carried forward	(16,241)	-
Taxable income	<u>8,840</u>	<u>(16,241)</u>
Tax expense @ 28.0%	(2,475)	-
Tax expense	<u>(2,475)</u>	<u>-</u>

## 7.0 Provision for tax

	2021	2020
Provisional tax paid	7,000	1,000
Provision for tax on operating surplus	(2,475)	-
NRWT credits	200	
Terminal tax Refund	<u>4,725</u>	<u>1,000</u>

## 8.0 Bank accounts

	2021	2020
Bank of New Zealand –		
Cheque account	1,456	708
No 3 account	-	140
Interest bearing Call accounts	<u>11,592</u>	<u>28,460</u>
	<u>13,048</u>	<u>29,308</u>

## 9.0 Investments

	2021	2020
BNZ term deposit 1.55% 27 06 2022	40,000	
BNZ term deposit 1.25% 30 05 2022	40,000	40,000
BNZ term deposit 1.50% 02 06 2022	30,000	30,000
	<u>110,000</u>	<u>70,000</u>

# Notes to the financial statements

for the year ended 31 December 2021

## 10.0 Receivables

	2021	2020
Publishing agreement	3,799	4,554
Accrued interest	80	138
	<u>3,879</u>	<u>4,692</u>

## 11.0 Payables

	2021	2020
Audit fees	4,000	3250
Fees & services	107	85
Conference costs	3,000	
Secretarial costs	270	360
Postage	1,223	20
NZ Education Trust	1,160	
	<u>9,760</u>	<u>3,715</u>

## 12.0 Contingent liabilities & commitments

There are no known liabilities as at balance date other than those reported in these statements.  
(2020 : Nil)

## 13.0 Post balance date events

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

The New Zealand Government put the economy into lockdown in March 2020 in response to a public health emergency. New Fiscal and Monetary policies affected some asset prices and investment incomes, while restrictions on business and social activities affected the ability of organisations to conduct ordinary operations. The 2020 NZAE Conference, planned for three days in July, was cancelled in March 2020 and in response to anticipated easing of restrictions, a Conference was planned to be held on a reduced scale in 2021.

New restrictions were announced which took effect during the Conference and caused later sessions to be deferred for substitute arrangements to be made. Some papers and presentations were able to be held on a digital platform later in July.

At balance date 2021 the outlook for NZAE 2022 was uncertain because a new strain of the Virus has begun to spread and the NZAE Council cannot anticipate future Public Health Regulations which could generally affect all organisations planning to assemble large groups of people, and the Association in particular.

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 2021

## 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	211		-
Overseas Speakers presenting	-		-
Papers presented	65		-
Newsletter: Asymmetric Information published	3	3	2
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 was 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 15, which comprise the balance sheet as at 31 December 2021 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 2021 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

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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  
20 June 2022





## Notice of Annual General Meeting

The Annual General Meeting of the New Zealand Association of Economists Inc will be held on **Thursday 30 June 2022 at 1.15 pm** in Rutherford House, Room MZ03, at Victoria University of Wellington, City Campus, Bunny Street.

### Agenda

1. Apologies
2. Minutes of the 2021 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 2021
5. Appointment of auditors
6. Update of Constitution
6. 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 – 2021

The Annual General Meeting of the New Zealand Association of Economists was held via Zoom on Wednesday 14 July 2021, starting at 1:45 pm.

## Present

Peter Tait (President – Chair), Mark Holmes (Immediate Past President), Gail Pacheco (Vice-President), Chris Ball, Eric Crampton, Grant Coppersmith & Maxine Watene (Secretary-Managers), Donal Curtin, Paul Dalziel, John Gallagher (Treasurer), Arthur Grimes, Dave Heatley, Mary Hedges, John Saunders, Alexandra Turcu and Dennis Wesselbaum.

## Apologies

Ian Duncan, Stephen Knowles, Chris Livesey, Rachael Milichich, Frank Scrimgeour and John Yeabsley.

## Minutes of the 2020 AGM

The minutes were noted as being an accurate record of the meeting held on 22 July 2020.

**Peter Tait/Gail Pacheco**

**All in favour**

## President's report

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

### *2020 Overview*

The 2020 year proved to be very challenging for managing NZAE affairs:

- The 2020 Conference was cancelled due to COVID 19. This actually created more work for Council as we investigated alternative ways to hold and present it.
- Membership numbers decreased as a result of the conference cancellation but have since returned to expected levels during 2021 to date.
- The conference cancellation has led directly to a financial loss being incurred for 2020. The NZAE financial position does however remain strong with accumulated funds of over \$100,000.

## *Publications*

NZEP is doing very well under the editorship of Dennis Wesselbaum. The special editions have been well received. AI continues to serve a valuable role for member updates and information.

## *NZAE Council*

Thanks to Council members whose co-operative collaboration was invaluable over the last two years.

The President's report was adopted by the members.

**Peter Tait/Mark Holmes**

**All in favour**

## **2020 Annual Report and 2020 Financial Statements**

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

- The 2020 financial year result (deficit of \$23,861) highlights the structural risks to NZAE's financial performance with no annual conference being held. That risk does however have to be accepted.
- Membership numbers and associated subscription revenue has declined due to no conference being held.
- The financial deficit for 2020 was within the capacity of balance sheet reserves to be sustained.
- It is expected that the financial result for 2021 will be at break-even.

Members received and adopted the 2020 annual report and financial statements of the Association for the year ended 31 December 2020.

**John Gallagher/Peter Tait**

**All in favour**

### **Appointment of Auditor**

Members resolved that the Association retain Moore Markhams Wellington Audit as auditor for 2021.

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

Mary Hedges and Arthur Grimes asked that Council consider putting the audit to tender from 2022 as a matter of good governance practice.

### **Appointment of NZAE Council**

Grant Coppersmith spoke to the nominations for Council 2021 that have been received. The nominations equalled the number of Council members that are elected by members. There being no other nominees received at the meeting, the following were duly elected  
**(All in favour):**

President:	Gail Pacheco
Vice- President/NZEP Editor:	Dennis Wesselbaum
Council Members:	Mary Jo Vergara
	John Saunders
	Tim Ng
	Graham Squires
	Donna Purdue
	Michael Bealing
	Julia Talbot-Jones

### **Non-Elected Council Members:**

Immediate Past President:	Peter Tait
Treasurer:	John Gallagher
Secretary:	Maxine Watene/ Grant Coppersmith
AI Editor:	John Yeabsley
NZEP Editor:	Dennis Wesselbaum

Gail Pacheco took over as meeting Chair and thanked Peter Tait for his significant efforts as NZAE President over the last two years. The meeting passed a motion of thanks to Peter by acclamation.

### **Life Membership**

Mark Holmes spoke to the NZAE Council nomination that Stephen Knowles be awarded Life Membership. He noted that Stephen had made a significant contribution to NZAE as a long term Council member and past President. In addition, Mark noted Stephen's long term academic position at Otago University.

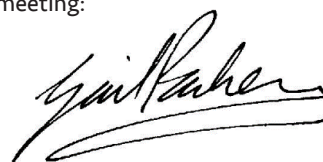
### **Mark Holmes/Dennis Wesselbaum All in favour**

### **General Business**

1. Eric Crampton asked if an auto-renewal process of NZAE membership could be established.
2. Mark Holmes asked that Council review the NZAE Constitution in 2021/22. Peter Tait asked that any member comments or proposals be directed to Gail Pacheco for presentation at the 2022 Annual General Meeting.
3. Gail Pacheco noted with thanks the contributions of those Council members who were stepping down at the meeting. Peter Tait noted the contribution of Mark Holmes to Council and assistance to him during his own term as NZAE President.

Meeting closed at 2.28pm.

Confirmed as a true and correct record of the meeting:



Gail Pacheco  
President



# New Zealand Association of Economists

Annual General Meeting 30 June 2022

## Proposal to Update the Constitution

The Council of NZAE have undertaken a review of the Constitution for three reasons.

First, the experience of Covid has demonstrated that we need to ensure that we are able to fully operate with virtual means of meeting and communicating. Second, we have also taken this opportunity to ensure the language of the Constitution is non-binary gender inclusive. Lastly, we have clarified the nomination process to ensure all nominations for office holders are made by members.

Below is the proposed new Constitution, with the proposed changes underlined.

The existing constitution can be found on the NZAE website at:

<http://www.nzae.org.nz/about-nzae/constitution/>

## Commentary on the Reasons for Each Proposed Change

1. Previous gender specific reference such as his/her have been replaced with gender neutral plurals throughout.
2. All reference to the editors of NZEP and Asymmetric Information have been changed to 'editor(s) of Association publications' or similar. This is to make the language about the editors of NZEP and AI both being on Council more fluid. Purpose is to accommodate developments/changes in the publication types that the Association supports.
- 4 c [c/d] Split [c] into two sub-sections.  
This change serves two purposes:  
to specify that the nomination must be made by a member. Previous version it only specified that the seconder needed to be a member.  
To encourage organisation by any nominee by submitting nomination in time for it to be circulated with AGM papers. It is a signal of the administrative role of Council.  
Note: requires the rest of the sub-section in 4 C to be re-numbered.
- 7[b] Change made to permit different authority requirements for internal and external bank account transactions

This change brings procedures into line with current practice where business is transacted using Web Banking systems. Different arrangements for internal transfers recognise that funds movements that do not involve an external party can safely be done on delegated authorities.







# CONSTITUTION

Approved by AGM 2002

Amended 2004 & 2011 & 2013

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# **NEW ZEALAND ASSOCIATION OF ECONOMISTS CONSTITUTION**

## **1. NAME:**

The name of the Association shall be –

"The New Zealand Association of Economists Incorporated"

## **1A. DEFINITIONS:**

In this document unless the context indicates otherwise:

- [a] "The Association" is The New Zealand Association of Economists;
- [b] "Council" is the management group of the Association as defined in Clause 4.
- [c] "In writing" includes not only hard copy communication, but electronic forms of communication that can readily be printed and/or permanently stored (for example, email).
- [d] "Ballots" include not only ballots submitted in hard copy form, but also ballots or voting submitted in electronic forms of communication that can readily be printed and/or permanently stored (for example, email).

## **2. OBJECTS:**

The objects of the Association shall be –

- [a] to promote collaboration and discussion amongst professional economists in New Zealand;
- [b] to 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;
- [c] to obtain and disseminate information on research projects in progress or anticipated;
- [d] in general to promote the profession of economics in New Zealand; and
- [e] to foster, in all sections of the community, interest in and understanding of economic issues in New Zealand.

### **3. MEMBERSHIP:**

- [a] Membership of the Association shall be open to anyone who has an interest or background in economics or commerce or business or management, and who supports the objects of the Association.
- [b] Applications for membership shall be approved by the President; and in the case of non-acceptance shall be referred to the Council for ratification, before advising the applicant of the decision.
- [c] Each member of the Association who is not in arrears of **their** subscription may attend any meeting of the Association, take part in discussions, vote on any matter submitted to a ballot of members of the Association, and hold elective office in the Association and shall receive one copy of notices of meetings and of such other material as may be issued or distributed by the Association.
- [d] Any member may resign from membership by giving the Secretary notice in writing to that effect. Non payment of annual subscriptions for two consecutive years will also be taken as formal notice to resign from membership.

### **3A. LIFE MEMBERS:**

Any member or retired member who has made a significant contribution toward the development of the Association may be nominated for life membership of the Association in the following manner.

- [a] Nominations are to be forwarded to the Council. Such nominations are to be signed by two members of the Association with a brief profile of the nominee's achievements/service/career, as appropriate, for consideration by the Council.
- [b] All such nominations will be considered by the Council which, at its sole discretion, may place suitable nominations before those attending the Annual General Meeting for confirmation by that meeting. If present at the Annual General Meeting, the proposer(s) and/or seconder(s) of the original nomination(s) shall be given the opportunity to speak on behalf of their nominee(s).

### 3B. DISTINGUISHED FELLOWS:

The Association will maintain a roll of Distinguished Fellows.

- [a] The objectives of the award are to honour distinguished New Zealand economists for their sustained and outstanding contribution to the development of economics (including econometrics) and/or its application; to encourage excellence in the areas of research and/or application of economics; and to further the objectives in the NZAE Constitution and in particular "to promote the profession of economics in New Zealand."
- [b] For this purpose, a New Zealander is defined as a person normally resident and able to work in New Zealand, or a New Zealand citizen living and working abroad, at the time **they are** awarded the title of Distinguished Fellow.
- [c] Awards of Distinguished Fellow will be made by the President of the Association on recommendation by a Distinguished Fellow sub-committee of Council. The sub-committee decision will then need to be ratified at a full Council meeting prior to any announcement being made.
- [d] Criteria:
  - (i) Any nominee must have made a sustained contribution in the area of economic research and/or its application, normally evidenced by a distinguished record of publications.
  - (ii) The contribution must have enhanced the reputation of professional economists.
  - (iii) The person must be alive at the time of the nomination.

### 4. COUNCIL:

- [a] The affairs of the Association shall be managed by the Council consisting of a President, Vice President, Immediate Past President, Secretary- Manager, Treasurer, the Editor(s) of **any publication run by the Association**, and not more than seven other members of the Association.
- [b] All members of the Council, except the Immediate Past President, Secretary-Manager, Treasurer, and Editor(s) of **Association publications**, shall be elected at every second Annual General Meeting, and shall continue to hold office until their successors are elected, or if they resign. The President shall not hold office for two consecutive terms. The Editor(s) of **Association publications**, Treasurer, and Secretary-Manager shall be appointed by the Council and hold office on such terms and conditions as the Council may determine from time to time.
- [c] Nominations for membership of the Council can be made **by any member of the Association** in writing, seconded by one **other** member of the Association and received by the Secretary or Secretary-Manager of the Association seven days before the Annual General Meeting.
- (d) **Oral nominations by any member present** at the Annual General Meeting **will**

only be accepted if insufficient written nominations have been received prior to the AGM. and must still seconded by one other member of the Association.

- [e] The Council of the Association shall meet at least twice a year.
- [f] A quorum of the Council shall consist of five of its members, at least one of whom must be an elected member.
- [g] The Council may from time to time appoint such sub-committees, not necessarily from among members of the Council, as it may deem necessary to assist in the conduct of the affairs of the Association. Any such committee shall be responsible to and report regularly to the Council.
- [h] If any vacancy shall occur in the elected membership of the Council the Council may appoint a member of the Association to officiate for the unexpired term of the original member.
- [i] The Council shall do all such other lawful things as are incidental or conducive to the attainment of the objects of the Association.

## 5. GENERAL MEETINGS:

- [a] The Council shall convene and hold an Annual General Meeting of the Association at such time and place as it shall determine. The following shall be the order of business:-
  - [i] Reading and certification of the correctness of the Minutes of the previous Annual General Meeting and of any special General Meetings held during the year.
  - [ii] Consideration of the Annual Report and Financial Statement.
  - [iii] Election of Officers and up to seven Council members.
  - [iv] Discussion of any proposed alteration of these rules notice of which has been given as hereinafter provided.
  - [v] General business.
- [b] The Council shall convene a Special General Meeting or arrange a ballot upon a requisition of any ten members stating the reason or reasons.
- [c] Members shall be given ten clear days notice in writing of any General Meeting or for return of any ballot papers, and the notice calling the Annual General Meeting shall be accompanied by a copy of the Annual Report and Financial Statement.
- [d] No business shall be transacted at any general meeting or result from a ballot unless a quorum of members is present when the meeting proceeds to business or unless a quorum of members return votes on ballot forms to the Secretary. Fifteen members shall constitute a quorum in each case.
- [e] (i) At all general meetings the President or in their absence any other duly elected Chairperson shall take the Chair and every member personally present or sending in properly completed ballot papers shall be entitled on every motion to one vote and in the case of an equality of votes the



Chairperson shall have a casting vote as well as a deliberative vote.

- (ii) The normal mode of voting on all questions shall be by voices, or ballot, or if the Chairperson or any member shall require for those members present, by a show of hands.
- (iii) The voting on any election at the Annual General Meeting shall be by secret ballot if called for by any member, for which purpose a sufficient number of scrutineers shall be appointed by the chairperson.

## **6. SUBSCRIPTION:**

The annual subscription payable by members shall be such amount as from time to time may be determined by the Council, and ratified at an Annual General Meeting.

## **7. FINANCE:**

- [a] The accounts of the Association shall be audited each year by a qualified person (but is not a member of the Council) appointed by the Council and ratified at the Annual General Meeting.
- [b] ~~The Council of the Association shall have power to open a bank account, and any two members of the Council given authority, shall have power to operate such an account.~~
- [b] The Council shall have the power to open bank Current and Call accounts, which shall be operated on a single authority for internal transfers between Association accounts and on two authorities for all external payments. Council may authorise any Councillor or Officer of the Association to operate on the accounts and invest Association funds with the bank.
- [c] The Council may from time to time invest in such securities and upon such terms as it shall think fit the whole or any part of the funds of the Association which shall not be required for the immediate business of the Association.
- [d] The Association shall have power to borrow or raise money from time to time by the issue of debentures, bonds, mortgages or of any other security founded or based on all or any of the assets, property or rights of the Association or without any such security and upon such terms as to priority or otherwise as shall seem fit to the Council who shall also be entitled to exercise such power and to borrow or raise money on behalf of the Association.
- [e] The financial year of the Association shall terminate on the 31<sup>st</sup> December of each year, or such other date deemed appropriate by the Council.

## **8. NOTICES:**

A notice may be given by the Association to any member either personally or in writing. Service shall be deemed to be effected by properly addressing the notice (including to an electronic address) to the address on file and reasonable endeavour will be made to maintain correct details. The accidental non-delivery/non-receipt of a notice of a meeting to any member shall not invalidate the proceedings at any meeting of the Association.

## **9. AMENDMENT TO THE CONSTITUTION:**

The constitution may be amended at any Annual General Meeting of the Association by vote of three-fifths of the members present and voting or voting by proxy provided that notice of such an amendment shall reach the Secretary- Manager of the Association at least five weeks before the Annual General Meeting and that notice be given in writing to all members at least ten days before the Annual General Meeting.

## **10. WINDING UP:**

The Association may be wound up voluntarily if the Association at an Annual General Meeting or Special General Meeting, through a notice of motion, passes a resolution requiring the Association so to be wound up, and the resolution is confirmed at a subsequent Special General Meeting called for that purpose and held not earlier than Thirty (30) days nor more than Two (2) calendar months after the date on which the resolution so to be confirmed was passed and such subsequent Special General Meeting shall direct the manner in which the assets (if any) of the Association after paying all liabilities shall be disposed of.

If upon the winding up or dissolution of the Association there remains after the satisfaction of all debts and liabilities any property whatsoever, the same shall be transferred to or applied towards any concern or association or concerns or associations not being concerns or associations that are members of the Association, having substantially similar objects and activities to those of the Association to be used by it or by them for purposes similar to the objects for which the Association was established and in such manner and upon such conditions as the then members of the Association in Special General meeting may determine and if at the time of winding up or dissolution of the Association there is not existent any other concern or Association having similar objects and activities to those of the Association, or if the then members of the Association do not in Special General meeting determine that the property shall be transferred to or applied towards any such concern or association, then the property of the Association shall be applied towards such charitable purposes in New Zealand as the then members of the Association in Special General meeting may determine.

## **11. REGISTERED OFFICE:**

The Registered Office of the Association shall be at such address as may be determined from time to time by the Council.

-----  
*Original Constitution registered:*

*6 October 1959*

*Amendments registered:*

*12 April 1967*

*14 May 1985*

14 July 1997  
26 August 1997  
27 June 2002

Constitution revised and replaced with this Constitution	27 June 2002
Registered	25 September 2002
Amendments registered	16 May 2005
Amendments registered	4 September 2013



# Education Trust summary report

for the year ended 31 December 2021

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# Trustees' report on 2021

## Governance

Trustees at balance date were Anthony Byett (Chair), John Gallagher, Peter Tait and Dennis Wesselbaum. Mark Holmes retired in November and we record our thanks for his contribution. During 2021 Trustees met in March, August and November, and had 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 restrict types and concentrations of investments. Trustees acted within the objectives and guidelines during 2021, and continue to do so.

## General business

We continued our support of the PhD students' Workshop and the Honours Student Dissertation prize, in addition to the biennial Bergstrom Prize and our other awards usually made at the Association's Conference.

We record our thanks to those who served as Judges in each of the specialised areas covered by the pleasing number of research papers submitted.

Annual Accounts were audited by Moore Markhams.

## Investment of funds

The Trust earned \$9,553 (\$11,435 in pc) from investments in 2021, generating a return of 2.7% (3.2% in the prior year) on the average amount invested. In the period under review funds were placed with BNZ in fixed-rate term deposits with a spread of durations. Trustees continue to monitor all investments to ensure prudent management of investment risks. Bond/debenture and Equity investments are also permitted within the investment guidelines, although there are none currently held in the portfolio.

## Distribution of funds

Distributions in 2021 were \$9,500 (\$1,000 in pc) including:

- (i) The Honours Dissertation Prize of \$500 for best paper was awarded to Julie Sandilands for her paper "Deal-Making & Soft Commitment: A Behavioural Choice Model."
- (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 Dominic White (AUT) was awarded \$200 having been judged as the best presentation made.
- (iii) Special mention is made of Shakked Noy, who was awarded the (Masters) Jan Whitwell Prize and the Seamus Hogan prize at the annual NZAE conference.

Full details of our awards and the recipients are shown on the NZAE Website.

Although Trust Income has reduced it has adequate ability to maintain Prizes at historical past levels. 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 2021

	2021	2020	2019	2018	2017
<b>Unaudited summary financial performance</b>					
Investment income	9,553	11,435	11,869	12,677	12,569
Donation			42,500	2,500	2,500
Miscellaneous income					1,364
Total income	9,553	11,435	54,369	15,177	16,433
<b>Grants for educational purposes</b>					
Presentations, prizes, study awards	9,500	1,000	8,000	8,000	9,000
Conference assistants					1,100
	9,500	1,000	8,000	8,000	10,100
Audit fees	1,147	1,812	1,517	1,468	1,660
Other administration costs	91	91	206	106	91
Total expenditures	10,738	2,903	9,723	9,574	11,851
<b>Surplus on operations</b>	(1,185)	8,532	44,646	5,603	4,582
<b>Unaudited summary financial position</b>					
Bank & Call accounts	5,045	37,312	42,370	37,611	19,984
Accruals	2,533	1,763	2,033	1,849	1,882
Investment portfolio	348,000	318,000	304,000	269,000	281,040
Total assets employed	355,578	357,075	348,403	308,460	302,906
Liabilities	1,438	1,750	1,610	6,313	6,362
Trustees' capital	354,140	355,325	346,793	302,147	296,544
Average return	2.69%	3.24%	3.61%	4.23%	4.27%

# Directory

as at 31 December 2021

Status	Charitable Trust
Incorporation Date	5th September 1990
Registration No	CC 41.123
IRD No	55-988-277
Trustees	<p>Anthony Byett Chairman PO Box 1673 Taupo 3351</p> <p>Mark Holmes Private Bag 3105, Hamilton Retired 10 November 2021</p> <p>John Gallagher GPO Box 788 Wellington 6140</p> <p>Peter Tait PO Box 85-084, Lincoln 7647</p> <p>Dennis Wesselbaum PO Box 56, Dunedin 9054 Appointed 10 November 2021</p>
Address	<p>F/1. 97 Cuba Street PO Box 788 Wellington Tel (04) 939-4250</p>
Bankers	Bank of New Zealand Wellington
Solicitors	Franks & Ogilvie PO Box 10-388 Wellington 6143
Auditors	Moore Markhams Audit PO Box 24-324



## Supporters





**graphic design**

Layout and design by Walter Walraven

**ph 021-174 6614**