

New Zealand Association of Economists

# Annual Report 2022



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# Directory

as at 31 December 2022

Council	Gail Pacheco Dennis Wesselbaum Peter Tait Michael Bealing John Gallagher David Heatley Tim Ng Donna Purdue John Saunders Graham Squires Julia Talbot-Jones Evelyn Truong Dennis Wesselbaum Mary Jo Vergara John Yeabsley  Maxine Watene	President Vice President Past President  Treasurer Editor AI appointed 30.01.2022  Resigned 10.02.2022   Appointed 18.10.2022 Editor, NZ Economic Papers  Editor, AI. Resigned 30.01.2022  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	Crowe New Zealand Audit Partnership PO Box 11.976 Wellington 6142	
Solicitors	Franks & Ogilvie PO Box 10-388 Wellington 6143	
Bankers	Bank of New Zealand North End Branch Wellington	
Website	<a href="http://www.nzae.org.nz">www.nzae.org.nz</a>	

# Objectives of the Association

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 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
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
Dr Suzanne Snively	2022
Dr Allan Bollard	2022

# Annual Report of the President



I present the Annual Report for the year to December 2022, for and on behalf of the Council of the New Zealand Association of Economists Inc.

## **Council**

It has been my privilege to serve alongside an amazing team of Council members, who volunteer so much of their time to serve the association and its members. I particularly admire our collective commitment to regularly be asking what we can change and where we can innovate our processes in the future, such that their default mindset isn't only the status quo. During this year we welcomed a new Council member – Evelyn Truong from the Reserve Bank of New Zealand. The full list of councillors is detailed in this report.

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 221 financial members, and 15 Life Members at the end of 2022.

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 Tim Ng.

## **Annual Conference 2022**

We were able to put the upheavals of the last two years behind us and convene a conference that enabled participants to engage with one

another and enjoy the interaction that is really only achieved by presentation to a physically present audience.

The conference committee was John Saunders (Chair), Julia Talbot-Jones and Graham Squires. A feature of this committee work is the long lead times they must follow, so that work for the current 2023 conference had begun in earnest in 2022, while they simultaneously attended to the 2022 project workload.

There were 208 in attendance, which compares favourably with numbers achieved before the last two abnormal years and the academic standard of papers and presentations was high

We record our appreciation of the Committee's work and for the quality of the event they delivered. Survey results are carefully scrutinised for ways to continuously improve our event, and so this is an opportunity to encourage all attendees to complete the feedback process.

### **Finances**

Support from our major stakeholders ensured a viable conference was possible. Appreciation goes out to the financial support provided by the Reserve Bank of New Zealand, Treasury, Stats NZ, Victoria University, Motu, NZIER and SD&AS.

Success with the conference puts the Association in a better position to undertake its other activities without draining resources, and this was achieved in the year under review. The Association returned a surplus after tax of \$14,290 for the year (\$18,750 in the prior year) which was added to reserve, so that there were \$136,970 in Accumulated Funds held at balance date, a solid advance on the \$122,680 prior year figure.

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.

The return to a "normal" conference with full participation by those registered and accordingly a return to "normal" pricing meant there was a real bounce back effect in the surplus on our whole year's operations. It was decided that a donation of \$30,000 could be made to the Education Trust which would strengthen its position without weakening the capital capacity of the Association, and this was done.

Accumulated capital in the Education Trust is owned and managed at arm's length, and was \$384,460 at year-end compared to \$354,140 for the prior year.

### **NZAE Education Trust**

Trust activities were overseen by Anthony Byett as Chairman, with Peter Tait, Dennis Wesselbaum and John Gallagher comprising the board.

The recent period of low rates of return may have ended but its effects will linger, because Trustees managed the portfolio to keep an average duration of several years.

In 2022 Trustees made a conscious decision to maintain the level of Awards and Study Grants, although investment earnings barely covered their outlay costs. Trustees expect a return to higher earnings levels will quickly improve the income/expenditure position, and note that the donation from the Association will also improve the Trust earning capacity.

Trustees' Capital stood at \$384,460 at 31 December, which was all invested in trading bank call accounts and term deposits.

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).

### **New Zealand Economic Papers**

The New Zealand Economic Papers is now indexed by the Web of Science (being Q2 ranked) and we

were able to increase the impact factor of the Journal from 0.31 to 0.41. We increased the citations and reduced the share of uncited published papers. We have a robust supply of papers for upcoming issues, with a significant number already accepted or in 'Revise & resubmit' phase. New Special Issues are in planning. Editor Dennis Wesselbaum has maintained standards while managing for increased output and continues to produce a journal which brings credit to our Association.

#### **Asymmetric Information**

We re-launched Asymmetric Information (AI) as a digital newsletter on 1 July 2022. The first post 'An economist staggers into a hospital' was emailed to 232 NZAE members, and attracted 20 free subscriptions. The new AI format has a quick turnaround, proving well-suited to essays, book reviews, event notices, member surveys, and more. In its first 11 months, we've sent 68 posts written by 16 different authors, and nearly tripled our subscription list to 636. Interesting posts now attract around 1400 readers. Dave Heatley as Editor, and Olivia Wills as Associate Editor, have

overseen this transformation, and built on the work of previous editors.

#### **Conclusion**

This AGM will mark the end of my time as President of NZAE. It will be a pleasure to be the Past President observer over the next two years, before departing from Council after nearly 16 years. The membership is a formidable talent bank and we are fortunate in the calibre of councillors who contribute to the continued success of our Association. As the presidency transfers I am sure that NZAE is in good condition and well-resourced to ensure we continue to provide good value for our members.



Gail Pacheco  
President

# Statement of Financial Responsibility

for the year ended 31 December 2022

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 2022 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 2022.

The Council of the New Zealand Association of Economists Inc authorised these financial statements for issue on 21 March 2023.



GA Pacheco  
President



JP Gallagher  
Treasurer

# Statement of financial performance

for the year ended 31 December 2022

	2022	2021
	\$	\$
<b>INCOME</b>		
Conference Income (Note 5)	126,742	70,510
Interest	2,468	525
Members subscriptions (Note 3)	27,151	27,987
Publishing income – NZEP (Note 4)	6,847	4,000
Sundry income	2,014	261
TOTAL INCOME	165,221	103,282
<b>EXPENDITURE</b>		
Audit	6,114	4,031
Bank charges	493	482
Conference costs (Note 5)	63,152	30,796
General expenses	529	53
Donation	30,000	1,000
Newsletter costs	2,657	3,613
Officers expenses	23,701	23,604
Printing, Postage & Stationery	1,083	4,626
Publishing costs – NZEP (Note 4)	9,729	9,631
Software costs	570	545
Subscriptions & sponsorship	3,274	174
Telecommunication costs	292	292
Travel costs	2,621	1,640
Website costs	1,160	1,089
TOTAL EXPENDITURE	145,374	82,058
OPERATING SURPLUS BEFORE TAX	19,847	21,224
TAX EXPENSE (Note 6)	(5,557)	(2,475)
<b>SURPLUS ON OPERATIONS</b>	14,290	18,749

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 2022

	2022 \$	2021 \$
Equity at start of the year	122,681	103,931
Net surplus for the year	14,290	18,749
<b>EQUITY AT END OF THE YEAR</b>	<u>136,971</u>	<u>122,680</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 2022

	2022	2021
<b>EQUITY</b>	<b><u>136,971</u></b>	<b><u>122,680</u></b>
<b>CURRENT ASSETS</b>		
Bank accounts (Note 8)	9,045	13,048
Withholding tax credit	342	200
Accounts receivable (Note 10)	6,504	3,879
GST Refund	9,578	790
Provisional tax (Note 7)	3,999	7,000
RWT tax credit	241	
Investments (Note 9)	<u>120,346</u>	<u>110,000</u>
<b>TOTAL CURRENT ASSETS</b>	<b>150,056</b>	<b>134,916</b>
<b>NON CURRENT ASSETS</b>		
<b>TOTAL ASSETS</b>	<b><u>150,056</u></b>	<b><u>134,916</u></b>
<b>CURRENT LIABILITIES</b>		
Accounts payable (Note 11)	7,406	9,760
Provision for tax (Note 7)	5,557	2,475
Income in advance	<u>122</u>	
<b>TOTAL CURRENT LIABILITIES</b>	<b>13,085</b>	<b>12,236</b>
<b>NET ASSETS</b>	<b><u>136,971</u></b>	<b><u>122,680</u></b>

For and on behalf of NZ Association of Economists Inc.



President



Treasurer

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

# Notes to the financial statements

for the year ended 31 December 2022

## 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 2022

## 2.0 Related Party transactions

Three NZAE Councillors are Trustees of an affiliate, the NZAE Education Trust.

One Councillor is the principal of Cronadun Consulting, which was paid \$11,543 (2021 – \$11,543) as professional fees for accounting and related administrative services in 2022.

The Secretary is an executive of Motu Economic & Public Policy Research Trust which was paid \$12,157 (2021 – \$13,300) as fees for administrative support and secretarial services in 2022.

## 3.0 Allocation of subscriptions to income

	2022	2021
Gross subscriptions income for the year	27,151	27,987
Less: 1/3 allocation to NZEP (Note 4)	(9,049)	(9,236)
Net after internal allocation	18,101	18,751

## 4.0 Economic papers

	2022	2021
Publishing income	6,847	4,000
Income allocated from members' subscriptions (Note 3.0)	9,049	9,236
Income from subscribers ( Pt.I, II & III )	15,896	13,236
Less Expenditure		
Direct publishing costs	(9,729)	(9,631)
Notional surplus on publishing	6,167	3,604

## 5.0 Conferences

	2022	2021
Conference income		
Registration and Sponsorships	126,742	70,510
Less Direct conference costs		
Accommodation, hireage, catering and expenses	(63,152)	(30,796)
Conference surplus for year	63,591	39,714

# Notes to the financial statements

for the year ended 31 December 2022

## 6.0 Income tax expense

	2022	2021
Taxable surplus on annual conference		39,714
Taxable sales of Economic Paper		281
	<u>-</u>	<u>39,995</u>
Less:		
Portion of expenses relating to taxable income	<u>-</u>	<u>(10,891)</u>
		29,104
Add Interest and other income less related expenses	<u>-</u>	<u>(3,023)</u>
		26,080
Less Exempt income		1,000
Loss Carried forward		(16,241)
Taxable income	<u>19,847</u>	<u>8,839</u>
Tax expense @ 28.0%	<u>(5,557)</u>	<u>(2,475)</u>
Tax expense	<u>(5,557)</u>	<u>(2,475)</u>

## 7.0 Provision for tax

	2022	2021
Provisional tax paid	3,999	7,000
Provision for tax on operating surplus	<u>(5,557)</u>	<u>(2,475)</u>
Terminal tax Refund (Payable)	<u>(1,558)</u>	<u>4,525</u>

## 8.0 Bank accounts

	2022	2021
Bank of New Zealand -		
Cheque account	825	1,456
No 3 account	50	-
Interest bearing Call account	8,170	11,592
	<u>9,045</u>	<u>13,048</u>

## 9.0 Investments

	2022	2021
BNZ term deposit 3.00% 15.02.2023	40,346	40,000
BNZ term deposit 2.90% 30.03.2023	40,000	40,000
BNZ term deposit 4.50% 22.06.2023	40,000	30,000
	<u>120,346</u>	<u>110,000</u>

# Notes to the financial statements

for the year ended 31 December 2022

## 10.0 Receivables

	2022	2021
Publishing agreement	6,504	3,799
Accrued interest		80
	<u>6,504</u>	<u>3,879</u>

## 11.0 Payables

	2022	2021
Audit fees	6,000	4,000
Fees & services	110	107
Conference costs		3,000
Secretarial costs	1,296	270
Postage		1,223
NZ Education Trust		1,160
	<u>7,406</u>	<u>9,760</u>

## 12.0 Contingent liabilities & commitments

There are no known liabilities as at balance date other than those reported in these statements.  
(2021 : Nil )

## 13.0 Post balance date events

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

# Statement of Service Performance

*"What did we do?", When did we do it?"*  
for the year ended 31 December 2022

## 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*	Budget	Actual*
Description and Quantification (to the extent practicable) of the Entity's Outputs:*	This Year	This Year	Last Year
Publication of NZ Economic Papers – number of issues	3	3	3
Hold annual conference			
Numbers attending	208		100
Overseas Speakers presenting	-		-
Papers presented	65		-
Blog/Newsletter: Asymmetric Information published	64		3
Advertising of Economist vacancies on website continued			



**Crowe New Zealand Audit Partnership**

Level 1, Findex House  
57 Willis St, Wellington 6011  
PO Box 11976  
Manners St, Wellington 6142 New Zealand

Main +64 4 471 0006

Fax +64 4 566 6077

[www.crowe.nz](http://www.crowe.nz)

**INDEPENDENT AUDITOR'S REPORT**

**To the Council of New Zealand Association of Economists**

**Opinion**

We have audited the special purpose financial statements of New Zealand Association of Economists (the Association) on pages 8 to 15, which comprise the statement of financial position as at 31 December 2022 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 special purpose financial statements present fairly, in all material respects, the financial position as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the accounting policies as disclosed in the statement of accounting policies of the special purpose financial statements.

**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 the Association in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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.

**Emphasis of Matter – Basis of Accounting and Restriction on Distribution**

We draw attention to the statement of accounting policies, which describes the basis of accounting. The special purpose financial statements are prepared to provide information about its activities for the year. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the Association's Council, as a body and should not be distributed to parties other than the Association and its Council. Our opinion is not modified in respect of this matter.

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### **Councils' Responsibilities for the Special Purpose Financial Statements**

The Councils are responsible on behalf of the Association for the preparation and fair presentation of the special purpose financial statements in accordance with the accounting policies as disclosed in the statement of accounting policies of the special purpose financial statements and for such internal control as the Council 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 Council are responsible for assessing the Association'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 Council either intend to liquidate the Association 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.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Other matter**

The financial statements of the Association for the year ended 31 December 2021, were audited by another auditor who expressed unmodified opinion on those financial statements on 20 June 2022.

**Restriction on Use**

This report is made solely to the Association's council members, as a body. Our audit has been undertaken so that we might state to the Association's council members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's council members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink that reads "Crowe".

**Crowe New Zealand Audit Partnership**  
CHARTERED ACCOUNTANTS

Dated at Wellington this 20th day of June 2023

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

## Notice of Annual General Meeting

The Annual General Meeting of the New Zealand Association of Economists Inc. will be held on Thursday 29 June 2023 at 1.15 pm, Room WG 803, AUT Campus, 2 Governor Fitzroy Place. Auckland

### Agenda

1. Apologies
2. Minutes of the 2022 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 2022
5. Appointment of Councillors
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 – 2022

The 2022 Annual General Meeting of the New Zealand Association of Economists was held at room RHMZ03 Victoria University of Wellington on Thursday 30 June 2022, starting at 1:30 pm.

## Present

### *Council Members:*

Gail Pacheco (President – Chair), Dennis Wesselbaum (Vice-President), John Gallagher (Treasurer), Grant Coppersmith (Secretary-Manager), John Saunders, Julia Talbot-Jones and Tim Ng.

13 members.

## Apologies

Peter Tait (Immediate Past President), Alan Bollard, Frank Scrimgeour, Caroline Saunders.

## Minutes of the 2021 AGM

The minutes were noted as being an accurate record of the meeting held on 14 July 2021.

### **Arthur Grimes/Gail Pacheco**

**All in favour**

## President's report

Gail Pacheco referred to the President's report and noted that following two challenging years, the operations of NZAE are returning to normal with a full Conference underway this year.

The President's report was adopted by the members.

### **Gail Pacheco/Mark Holmes**

**All in favour**

## 2021 Annual Report and 2021 Financial Statements

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

- The 2020 financial year result was impacted negatively by COVID which restricted activities. The cancellation of the 2020 Conference in particular resulted in a financial deficit.
- 2021 was a bounce back year which almost recovered the deficit and restored the pre 2020 financial position.
- John noted that the ongoing financial support from supporters and sponsors was very important in 2021 and made a difference in the path to recovery.

In response to a question from the floor, John explained that the cash reserves held by NZAE are for capital purposes to support ongoing operations including the conference.

Members received and adopted the 2021 annual report and financial statements of the Association for the year ended 31 December 2021.

### **John Gallagher/Tim Ng**

**All in favour**

## Appointment of Auditor

John Gallagher advised that a proposal from an auditor had yet to be considered by Council. He recommended that the appointment of the 2022 auditor be deferred until the Council had met and that the AGM approve Council making the appointment.

Members resolved to approve that Council receive the auditor proposal for 2022 and confirm the appointment if it is acceptable.

### **Gail Pacheco/Donal Curtin**

**All in favour**

### **NZAE Constitution – Update**

Julia Talbot-Jones spoke to the covering notes and amendments proposed to the NZAE 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.

Tim Ng spoke to the subsequent revision of Clause 7 (b) regarding authority to operate banking facilities.

Members resolved to approve the amendments to the NZAE Constitution as proposed.

**John Gallagher/Mary Hedges**  
**All in favour**

### **General Business**

Donal Curtin asked if physical/hybrid combined conferences could be considered in future. John Saunders (2022 Conference Convenor) advised that the current venue has limited Zoom capacity but that Council would consider this possibility.

Arthur Grimes noted the benefits of having a physical conference such as direct conversations and networking which make that format preferable.

*Meeting closed at 1.55pm.*

*Confirmed as a true and correct record of the meeting:*

A handwritten signature in black ink, appearing to read 'Gail Pacheco', with a stylized flourish underneath.

Gail Pacheco  
President

## Explanatory Note

### **Proposed Constitution Changes:**

*The Association objectives broadly encompass promotion of the Economics profession and fostering its development by increasing the depth of knowledge of and access to economic research work.*

*Regulators have contacted the Association to require that specific Constitutional amendments be made and have promoted these changes as making explicit rules which declare the nature of the relationship between the Association and its members in ordinary dealings.*

*It is not intended that members would have any entitlement to distributions of Association resources, either during its operations or upon its cessation. In other words, it is intended that members have no ownership right to participate in Association surpluses and the new statement of the rule on application and control of funds makes that clear.*

*While future members must have the ability to alter rules when changes are considered as necessary or desirable, the Rules must ensure that “non-enrichment provisions” will survive through changes made.*

*The new rule governing how constitutional changes are made is intended to entrench the Not-for-Profit character of the Association, and prohibit future members from having any entitlement to Association resources as a result of their membership status.*

*The ability to adopt rule changes by convening a special meeting should improve our administrative & compliance efficiency, enabling NZAE to choose the timing of this work. At present, NZAE rules only permit this to be done at an AGM.*

*The Incorporated Societies Act (1908) provides for possession and authorised use of a common seal. The proposed new rule will bring within our Constitution a specific provision for authorisation and operation of a seal.*

*It should be noted that The Incorporated Societies Act (2022) came into law on 1 April 2022 and all incorporated societies are now regarded as being in a transitional stage, pending re-registration with a Constitution that complies with the new Act. This means NZAE will need to return once again to considering the constitution for any necessary updates or changes, and arrange for their adoption before April 2026.*

## Proposed constitution changes

### 7. FINANCE

7. [f] The Income and property of the Association from whatever source derived, shall be applied solely towards the promotion of the Objects of the Association as set forth in these rules, and no part thereof shall be paid or transferred directly or indirectly by way of dividend, bonus, or otherwise howsoever, by way of profit to the members of the Association or any of them, provided that nothing herein contained shall prevent the payment in good faith of any remuneration to any salaried officer, nor the award of any prize given by the Association to any member, or prevent the bona fide borrowing of money by the Association from any member thereof at any rate of interest per annum approved by the Council.

7. [g] No member shall derive any pecuniary gain, except as a salaried officer, from any of the property or operations of the Association. No member of the Association or any person associated with a member shall participate in or materially influence any decision made by the Association in respect of payment to or on behalf of that member or associated person, or of any income, benefit or advantage whatsoever.

7. [h] This clause shall not preclude payment of fees or salary made on arm's length terms with members for delivery of services, and shall expressly permit payments to reimburse expenses incurred in pursuit of Association business.

### 9. AMENDMENTS TO THE CONSTITUTION

9. [a] These Rules, or any of them (including the name of the Association), may be altered in any manner by resolution passed at any Annual General Meeting (AGM) or Special general Meeting (SGM) by a three fifths majority of the votes cast by members present or represented by proxy at that meeting.

9. [b] Any proposed motion to alter or amend or replace these Rules shall be signed by at least (ten) eligible members and given in writing to the secretary at least three weeks before the meeting at which the motion is to be considered, and accompanied by a written explanation of the reasons for the proposal.

9. [c] A copy of any proposed amendment or alteration must have been sent to each member for consideration at least ten days before the meeting at which it is to be considered; provided, however, that any proposed amendment or alteration may be altered or varied by that meeting.

9. [d] No Rule change (alteration) approved by an AGM or SGM is valid until it is filed with the Registrar of Incorporated Societies.

9. [e] No addition or alteration of these Rules shall be adopted if it in any way affects the Winding Up rules. No alteration or addition to the rules shall be approved if it affects the personal benefit clause or the Winding Up clause. The provisions and effect of these clauses shall not be removed and shall be included and implied into any document replacing this document.

### 12.0 COMMON SEAL

12. [a] The Council shall provide a common seal which has the name of the Association engraved or inscribed on it, and may from time to time replace it with a new one.

12. [b] The Secretary shall have custody of the common seal, which shall only be used by the authority of the Council. Every document to which the common seal is affixed shall be signed by the President or a Councillor and countersigned by a Councillor or the Secretary.



# Education Trust report

for the year ended 31 December 2022

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# Trustees' report on 2022

## Governance

Trustees at balance date were Anthony Byett (Chair), John Gallagher, Peter Tait and Dennis Wesselbaum. During 2022 Trustees met in March, July 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 2022, 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 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 Crowe Audit Wellington.

## Investment of funds

The Trust earned \$10,320 (\$9,553 in pc) from investments in 2022, generating a return of 2.7% (2.7% 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 2022 were \$8,000 (\$9,500 in pc) including:

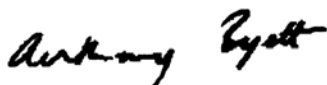
- (i) The Honours Dissertation Prize of \$500 for best paper was awarded to Shannon Minehan for her paper "The Face of Success".
- (ii) The David Teece Prize in Industrial Organisation and Firm Behaviour of \$2,500 was awarded to Tim Ng for his paper "Business practices, dynamic capabilities and firm performance in New Zealand: unpacking the black box of innovation".

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

as at 31 December

	2022	2021	2020	2019	2018
<b>Unaudited summary financial performance</b>					
Investment income	10,115	9,553	11,435	11,869	12,677
Donation	30,000			42,500	2,500
Total income	40,115	9,553	11,435	54,369	15,177
<b>Grants for educational purposes</b>					
Presentations, prizes, study awards	8,000	9,500	1,000	8,000	8,00
Conference assistants	8,000	9,500	1,000	8,000	8,000
Audit fees	1,755	1,147	1,812	1,517	1,468
Other administration costs	40	91	91	206	10
Total expenditures	9,795	10,738	2,903	9,723	9,574
<b>Surplus on operations</b>	30,320	(1,185)	8,532	44,646	5,60
<b>Unaudited summary financial position</b>					
Bank & Call accounts	55,804	5,045	37,312	42,370	37,611
Accruals	1,864	2,533	1,763	2,033	1,849
Investment portfolio	328,000	348,000	318,000	304,000	269,000
Total assets employed	385,668	355,578	357,075	348,403	308,460
Liabilities	1208	1,438	1,750	1,610	6,313
Trustees' capital	384,460	354,140	355,325	346,793	302,147
Average return	2.73%	2.69%	3.24%	3.61%	4.23%

# Directory

as at 31 December 2022

Status	Registered 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>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</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	Crowe Audit Wellington PO Box 11-796 Wellington 6142

## Supporters





**graphic design**

Layout and design by Walter Walraven

**ph 021-174 6614**