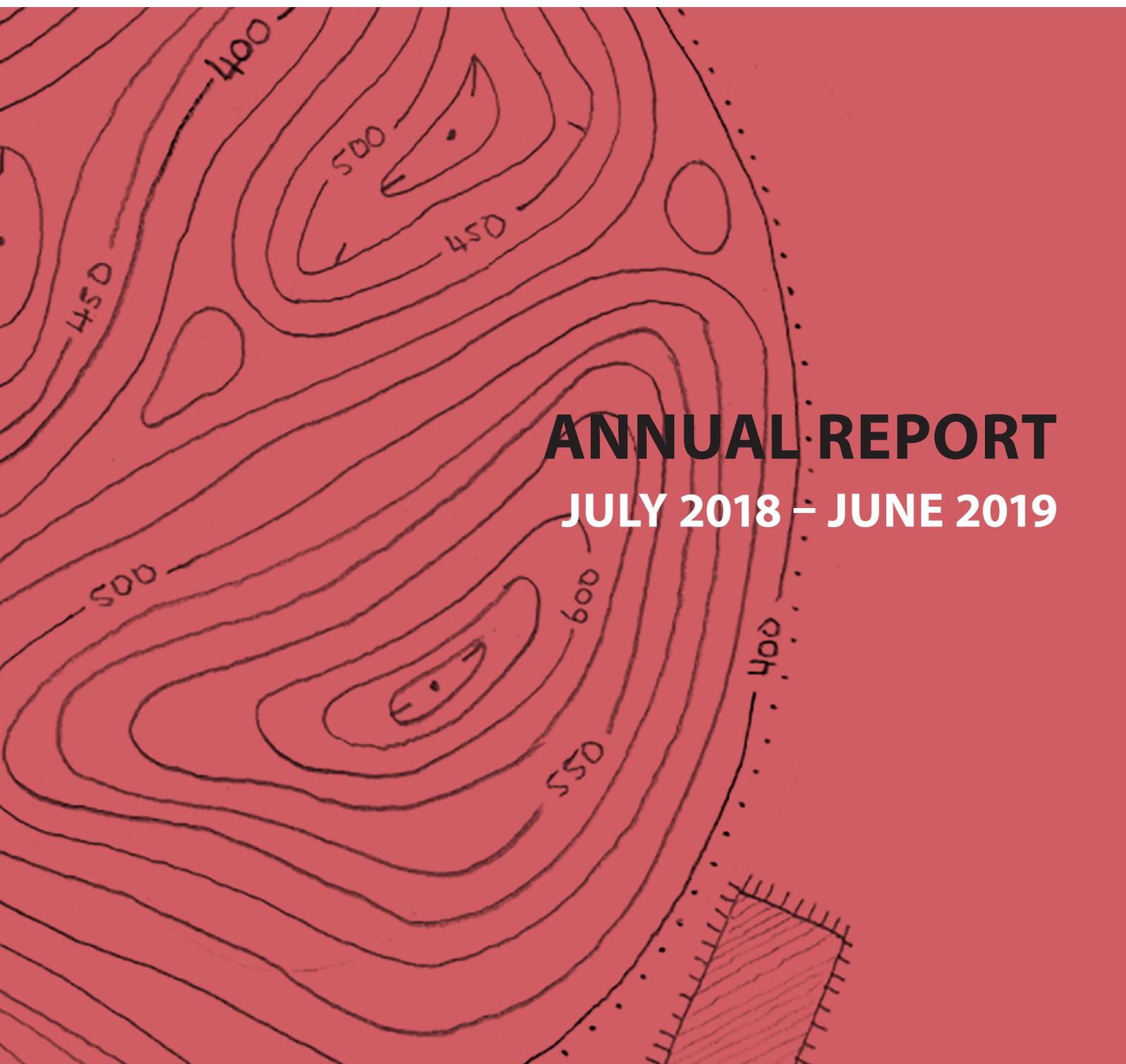




**Motu Economic and Public Policy Research Trust
and Motu Research and Education Foundation**



ANNUAL REPORT
JULY 2018 – JUNE 2019

OUR GOALS

Producing high-quality research

Promoting reasoned debate

Disseminating topical economic & public policy research

PATRONS



Ministry of **Transport**
TE MANATŪ WAKA



Ministry of **Business,
Innovation & Employment**



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In my second year as Chair of the Motu Trust Board, my understanding of this unique organisation has deepened and my admiration grown. Motu staff are passionate about undertaking and disseminating high-quality independent research, and about the opportunity to develop New Zealand's future researchers and economists. Because of these staff members, Motu is New Zealand's top economic organisation, beating universities and consultancies alike. Even more commendably, it is truly world class, ranking in both the top ten economic think tanks and climate change policy organisations internationally.

Everyone associated directly with Motu – especially my fellow Board members and the staff – believe that policy will work for the long-run wellbeing of New Zealand, so long as our policymakers understand the facts and have a clear analysis of the economic forces at work. Our aim is to ensure that Motu's blend of academic research and policy advice is valued by both government agencies and business. The ongoing, systematic research undertaken by Motu is exceptional in both its quality and its focus, both in New Zealand and, increasingly, overseas.

The biggest change in Motu this year has been in staffing at the management level. In March, we welcomed a new Executive Director in John McDermott. John is well known in Aotearoa and internationally as a

macroeconomist and has been a Motu Affiliate since 2002. His depth of knowledge and careful management are making important inroads to business and industry. In April, founding Senior Fellow Suzi Kerr left Motu to take up a position as Chief Economist of Environmental Defense Fund in the USA. Suzi's career move can be viewed as part of Motu's rising influence on the international stage. We look to our continuing relationship with former Motu Director Adam Jaffe as an inspiration for how we can work with our distinguished alumni.

As Chair, I'd like to extend my thanks to all Board members, past and present. I am greatly privileged to help steer this energetic and academically rigorous organisation. I would like to extend special thanks to Lesley Haines and Isabelle Sin, who acted as Interim Directors while we recruited John McDermott. Their assistance in keeping this small but fast-paced organisation running was invaluable. I also extend my thanks and admiration to the entire research and support staff at Motu, who punch well above their weight in both academic and policy circles.

I want to acknowledge and thank the organisations that provide annual funding to support Motu's capacity building and public policy seminars. Finally, I would also like to thank those who commission work from Motu and allow our researchers access to the information about which they are passionate. Their support, and the excellence of the staff, has ensured Motu continues on a stable and sustainable path.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Bruce Wills', with a long, sweeping underline.

Bruce Wills
Chair, Motu Economic and Public Policy Research Trust
10 October 2019



Before I began at Motu in March this year, I already knew of the incredible team here and that Motu ranks top in economics organisations in New Zealand. I have been a Motu Affiliate since 2002 and believed I knew the organisation well, but even in my first six months here, I have discovered the incredible variety of work our staff undertake.

I know that many people think of Motu as a climate change think tank. And while it is a world leader in that field and is now expanding into environmental economic modelling, it does so much more. It undertakes world-leading research on science policy and innovation, led by Senior Research Associate Adam Jaffe, alongside Fellow Trinh Le. In addition, there is Arthur Grimes' influential work in wellbeing economics, Dave Maré's research in economic demographics, Isabelle Sin's renowned studies in labour diversity, and Lynn Riggs' burgeoning expertise in health economics in Aotearoa. Dean Hyslop is a world-leading econometrician and Anne-Marie Brook's work on the Human Rights Measurement Initiative is literally world changing.

Over the last year Motu has undertaken an exciting range of important projects. The following examples illustrate their breadth and depth:

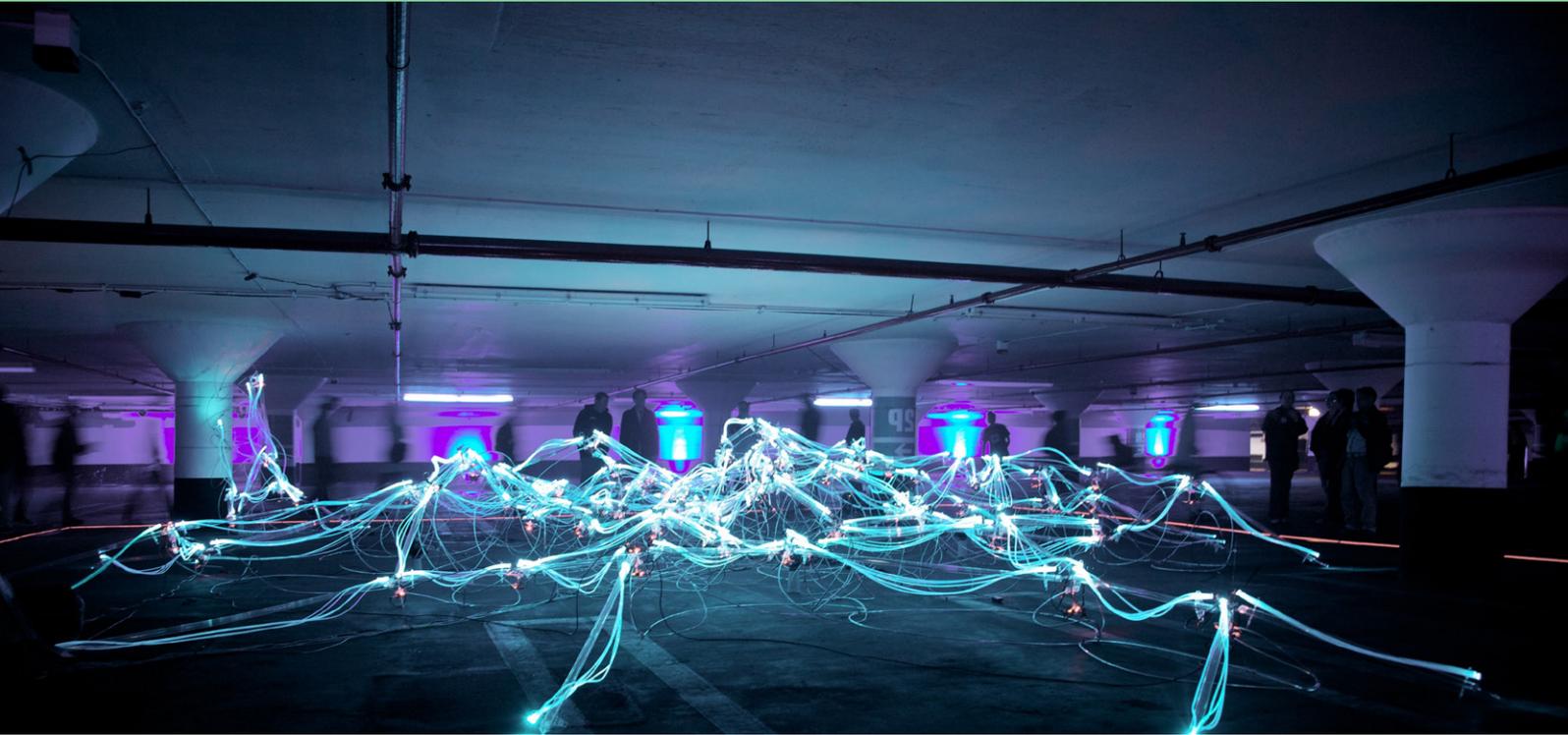
- nearly 40 external presentations, 30 externally published articles, 18 Motu Working Papers and, in several cases, significant media comment;
- the continuation of Shaping New Zealand's Low-Emission Future, a project to help inform climate change policymaking and private-sector actions, and significantly benefit New Zealand's longer-term development;
- the beginning of a significant investment in environmental and climate modelling;
- research to increase the role that native forests can play in helping to bring economic, environmental and social benefits to Māori on the East Cape;
- the completion of the second phase of the Human Rights Measurement Initiative, including harnessing international enthusiasm and funding;
- work with two National Science Challenges – the Deep South and Building Better Homes, Towns and Cities; and
- ongoing work with Te Pūnaha Matatini, a Centre of Research Excellence focused on the characterisation and analysis of complex systems and networks.

It is an honour and a privilege for me to be part of Motu's journey. I'm enjoying the personal treat of getting to know the excellent Boards of both our Trust and the Research Foundation, and our talented staff. I am also relishing the intellectual challenge of becoming familiar with the wide range of work Motu produces.

One of the things that most appeals to me is that Motu researchers value the opportunity to pursue quality research in a setting with little or no bureaucracy. We don't require five signatures when one will do. Our organisational structure is flat, and our office culture casual, committed and collegial. We're a small group that functions largely as a cooperative; we support each other as we pursue common goals in our individual ways. In addition, the small size of New Zealand means its politicians and businesspeople are accessible, and Motu's reputation opens doors. At Motu, one individual can make a genuine difference.

Sincerely,

John McDermott
Executive Director
10 October 2019



In a modest office up an inconspicuous set of stairs on Cuba Street, you'll find a small team of world-class economic and public policy researchers undertaking independent work that directly impacts government policy, and that is lauded and referenced around the world. This is Motu, which was first dreamed up at Harvard University in the early 1990s, when a group of Kiwi graduate students – including Suzi Kerr and Dave Maré – discussed a vision to return to New Zealand and dedicate themselves full time to independent public policy research. They had encountered non-political research institutes in the United States, where cutting-edge research was funded by grants and donations, and wanted to create a New Zealand equivalent – to fill a hole of non-ideological contributions to economics and public policy.

UNDERTAKING HIGH-QUALITY RESEARCH

Since its inception, Motu has developed a sound reputation for its well-informed, well-reasoned and fastidiously researched information on public policy issues. This, combined with its fully independent status (not compromised by any ideology or political position), the experience and qualification of its senior researchers, and its links to a large pool of internationally renowned experts, is the secret to its success.

Motu's Senior Fellows – all of whom have PhDs from top international universities, as well as extensive public

Motu was registered as a charitable trust on 1 September 2000, and in 2002 it was accepted as an affiliate organisation of the Royal Society of New Zealand. It now has more than 25 staff and is the top-ranked research organisation in New Zealand and in the top ten think tanks in the world, according to the RePEc (Research Papers in Economics) website, which ranks all economists and economic research organisations in the world based on the quantity and quality of their research publications. Motu also ranks tenth in the world for climate change work internationally and second for climate think tanks outside Europe and North America, according to the standardised ranking of the International Center for Climate Governance.

policy experience – work together as a cooperative. Each Fellow and Senior Fellow identifies valuable research questions that they can potentially answer, and finds funding to support their work on these topics and the running of the organisation as a whole. They work individually or collaborate with researchers inside or outside Motu, and may use junior Motu researchers as research assistants (RAs). Senior Fellows also have the option, but not requirement, to teach in a university.



BUILDING NEW ZEALAND'S NEXT GENERATION OF RESEARCHERS

Motu is the destination of choice of the top microeconomics graduates in the country, and we have a vibrant community of highly talented early-career economists who act as RAs to the Senior Fellows. While graduate positions at other organisations involve fulfilling tasks for their seniors, Motu RAs are encouraged to develop their own analytical skills and author papers alongside Senior Fellows. Motu has now employed 33 RAs and 46 interns, five of whom have gone on to complete economics PhDs from top international graduate schools, and seven of whom

are currently studying towards their doctorates. Other former RAs and interns have taken up senior roles at the World Bank, the New Zealand Treasury, and in the Ministry for Business, Innovation and Employment and other government departments.

Beyond the RA programme, Motu offers summer internships and scholarships, and provides opportunities for Motu researchers to further their own training, while Motu Fellows teach university courses and supervise thesis students.

FREELY DISSEMINATING RESEARCH

One of Motu's guiding principles is its commitment to freely disseminating research findings. Every piece of Motu research is made publicly available free of charge, and Senior Fellows share their research findings, knowledge and expertise through published papers, seminars and presentations, media appearances, non-technical summaries and discussions with policymakers.

Motu releases full reports and Working Papers, which are available to the New Zealand public policy service, economic and public policy researchers, private sector organisations, Māori organisations and non-profit organisations. Motu also releases datasets from its work, so that others can use the research at its most profound level. Motu insists on a clause in every research contract

stating that the results of the research will be published publicly, rather than allowing the research funder to decide whether the results will be released or not.

Motu has also undertaken significant new work in communicating information to individual stakeholder groups, often through innovative media. Motu regularly runs dialogue groups to bring together a variety of viewpoints on a subject, and has created videos, songs and games as a way of demonstrating complex information.

To enhance its communications, Motu works to disseminate its Fellows' research through its website, on social media and through subscription-based email.



HUMAN RIGHTS MEASUREMENT INITIATIVE

The Human Rights Measurement Initiative, or HRMI for short, co-founded by Motu Policy Fellow Anne-Marie Brook, has published its second annual human rights dataset. All data are freely available on HRMI's new data portal: data.humanrightsmasurement.org.

In 2019, HRMI produced economic and social rights data for around 170 countries, and civil and political

rights data for 19 countries, with more to come in 2020. NGOs around the world are beginning to use the data to support their work.

When the 2019 dataset was launched in New York in June, Vox.com featured the United States data on the front page of its website and New Zealand's One News interviewed Anne-Marie.

CLIMATE CHANGE MITIGATION MODELLING

As New Zealand joins other countries aiming to achieve net zero greenhouse gas emissions later this century, it will come under increasing pressure from changing economic opportunities, potentially disruptive new technologies, and evolving social and political drivers. Aotearoa faces the challenge of developing its economy in ways that will make it resilient to future pressures, while sustaining the wellbeing of urban and rural communities as well as our natural environment.

Models enable us to better understand complex systems in order to solve complicated problems. High-quality modelling tools and data are essential for making robust decisions on New Zealand's transition to a low-emissions economy. In collaboration with a broad range of experts, Motu's researchers are working to develop an integrated collection of models that each focus on different aspects of climate change mitigation modelling in New Zealand.



OTHER RESEARCH

- In 2018–2019, Motu produced publications showing detailed economic policy work on topics as diverse as:
- how to measure civil and political rights around the world;
- valuing cultural diversity;
- how entrepreneurs get their start in self-employment;
- quality of life and quality of business for migrants in New Zealand;
- the barriers to no-cost climate mitigation practices in New Zealand agriculture;
- the attractiveness of different New Zealand towns and cities;
- ways for countries to work together across borders to mitigate climate change;
- the experience of Pacific migrants in New Zealand;
- detailed technical elements of the New Zealand Emissions Trading Scheme;
- improved ways of measuring productivity in New Zealand;
- whether housing allowances increase rents; and
- carbon farming for Māori landowners and emitters.

Motu's work also appeared in many prestigious international journals, including *NBER*; *Nature Biotechnology*; *Econometrics*; *Journal of Business and Economic Statistics*; *Climate Change Economics*; *Journal of Human Rights*; *Australian Economic Review*; *Science and Public Policy*; *New Zealand Population Review*; *Resilience and Urban Disasters*; *MPRA Paper 92533*, *University Library of Munich, Germany*; *Modelling Aging and Migration Effects on Spatial Labor Markets*; *Studies in the Sociology of Population: International Perspectives*; *International Migration*; *Social Indicators Research*; *Review of Income and Wealth*; *New Zealand Economic Papers*; *Agenda*; and *Journal of Air Transport Management*.



Motu is committed to making the results of its research on key issues facing New Zealand accessible to public and private decision-makers and the general public. Our two publication series, the Motu Working Paper series and Motu Notes, are both available free from our website, <http://motu.nz>. Motu Working Papers are

technical papers, intended for working economists and other experts. Motu also provides executive summaries of our Working Papers, which along with Motu Notes are less technical and designed to appeal to a general or policy audience. Motu also maintains an online archive of our public datasets.

MOTU WORKING PAPERS

19-11 Fleming, David, Suzi Kerr and Edmund Lou. 2019. "Cows, cash and climate: Low stocking rates, high-performing cows, emissions and profitability across New Zealand farms."

19-10 Cortés-Acosta, Sandra, David A. Fleming, Loïc Henry, Edmund Lou, Sally Owen and Bruce Small. 2019. "Identifying barriers to adoption of 'no-cost' greenhouse gas mitigation practices in pastoral systems."

19-09 Kerr, Suzi and Catherine Leining. 2019. "Paying for mitigation: How New Zealand can contribute to others' efforts."

19-08 Kerr, Suzi and Catherine Leining. 2019. "Uncertainty, risk and investment and the NZ ETS."

19-07 Leining, Catherine and Suzi Kerr. 2019. "Managing scarcity and ambition in the NZ ETS."

19-06 Grimes, Arthur, Kate Preston, David C Maré and Shaan Badenhorst. 2019. "The contrasting importance of quality of life and quality of business for domestic and international migrants."

19-05 Maré, David C and Jacques Poot. 2019. "Valuing cultural diversity."

19-04 Kerr, Suzi, Steffen Lippert and Edmund Lou. 2019. "Financial transfers and climate cooperation."

19-03 Fabling, Richard and David C Maré. 2019. "Improved productivity measurement in New Zealand's Longitudinal Business Database."

19-02 Sin, Isabelle and Judd Ormsby. 2019. "The settlement experience of Pacific migrants in New Zealand: Insights from LISNZ and the IDI."

19-01 Davies, Benjamin and David C Maré. 2019. "Relatedness, complexity and local growth."

18-16 Hendy, Jo, Anne-Gaelle Ausseil, Isaac Bain, Élodie Blanc, David Fleming, Joel Gibbs, Alistair Hall, Alexander Herzig, Patrick Kavanagh, Suzi Kerr, Catherine Leining, Laëtitia Leroy, Edmund Lou, Juan Monge, Andy Reisinger, Jim Risk, Tarek Soliman, Adolf Stroombergen, Levente Timar, Tony van der Weerdan, Dominic White and Christian Zammit. 2018. "Land-use modelling in New Zealand: Current practice and future needs."



18-15 White, Dominic, Niven Winchester, Martin Atkins, John Ballingall, Simon Coates, Ferran de Miguel Mercader, Suzie Greenhalgh, Andrew Kerr, Suzi Kerr, Jonathan Leaver, Catherine Leining, Juan Monge, James Neale, Andrew Philpott, Vincent Smart, Adolf Stroombergen, and Kiti Suomalainen. 2018. “Energy- and multi-sector modelling of climate change mitigation in New Zealand: current practice and future needs.”

18-14 Preston, Kate, David C Maré, Arthur Grimes and Stuart Donovan. 2018. “Amenities and the attractiveness of New Zealand cities.”

18-13 Alimi, Omoniyi, David C Maré and Jacques Poot. 2018. “Who partners up? Educational assortative matching and the distribution of income in New Zealand.”

MOTU NOTES

#36 Fleming, David, Pike Brown, Sandra Cortés-Acosta, Cecile de Klein, Robyn Dynes, Loïc Henry, Suzi Kerr, Jorie Knook and Bruce Small. 2019. “Barriers to adoption of no-cost agricultural mitigation practices.”

#35 Timar, Levente. 2019. “Climate and land use change: A synthesis of LURNZ modelling.”

#34 Leining, Catherine and Suzi Kerr. 2019. “Outfitting the NZ ETS in post-Paris style: Top ten list for 2019.”

#33 Hale, Sophie and Suzi Kerr. 2019. “Contracts for native forest carbon: perspectives from large-scale emitters.”

18-12 Fabling, Richard. 2018. “Entrepreneurial beginnings: Transitions to self-employment and the creation of jobs.”

18-11 Fleming, David A and Kate Preston. 2018. “International agricultural mitigation research and the impacts and value of two SLMACC research projects.” (Also a Ministry for Primary Industries publication.)

18-10 Hyslop, Dean and David Rea. 2018. “Do housing allowances increase rents? Evidence from a discrete policy change.”

18-09 Fleming, David A, Ilan Noy, Jacob Pástor-Paz and Sally Owen. 2018. “Public insurance and climate change (part one): Past trends in weather-related insurance in New Zealand.”

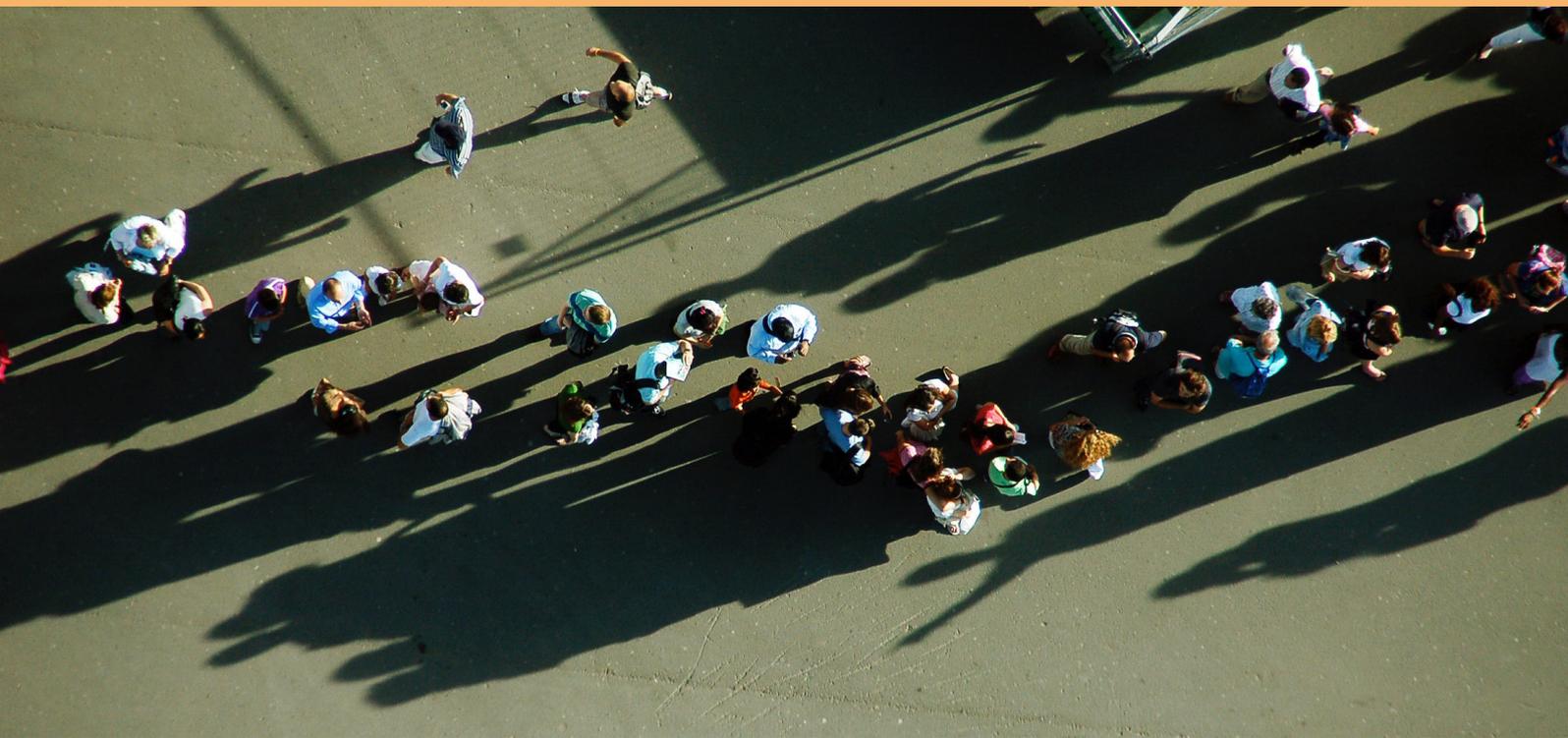
#32 Cortés Acosta, Sandra. 2019. “Carbon farming on Māori land: insights on the decision-making process.”

#31 Jo Hendy, Suzi Kerr, Angela Halliday, Sally Owen, Anne-Gaelle Ausseil, Rob Burton, Kenny Bell, Neil Deans, Blair Dickie, James Hale, Sophie Hale, Wageed Kamish, Jane Kitson, Brett Mullan, Rata Rodgers, Suzanne Rosier, Belinda Storey and Christian Zammit. 2018. “Drought and climate change adaptation: Impacts and projections.”



Following is a full list of grants and funding sources (of greater than NZ\$50,000) active during the 2018–2019 financial year:

CLIENT	DESCRIPTION	DURATION	2018–19
University of Auckland	Te Pūnaha Matatini	2015–2020	\$194,000
University of Waikato	Capturing the Diversity Dividend of New Zealand	2015–2020	\$55,000
Ministry for Primary Industries	No-cost mitigation	2015–2019	\$84,000
Royal Society of New Zealand (Marsden Fund)	Skilled migration	2016–2019	\$58,000
Building Better Homes, Towns and Cities National Science Challenge	Quality of life and quality of business	2016–2019	\$714,000
National Institute of Water and Atmospheric Research	Public insurance and climate change	2017–2019	\$84,000
Ministry for Primary Industries	Sustainable Land Management and Climate Change native forest	2017–2020	\$186,000
Foundation to Promote Open Societies	Human Rights Measurement Initiative	2017–2020	\$291,000
Ministry for Business Innovation and Employment	Competition and productivity	2017–2018	\$112,000
Deep South National Science Challenge	Tailored engagement	2018	\$77,000
Ministry for the Environment	Interim Climate Change Committee	2018–2019	\$56,000
University of Otago	Housing research	2018–2019	\$80,000
New Forests Asset Management	New Zealand forestry	2019–2022	\$75,000
Ministry of Social Development	Econometric and specialist research	2018–2019	\$90,000
New Zealand Transport Agency	Integrated Data Infrastructure Commuting	2018-2019	\$75,000
Ministry of Foreign Affairs and Trade	Human Rights Measurement Initiative – Pacific region	2019-2020	\$440,000
Department of Internal Affairs	Wellbeing and internet access	2019	\$59,000



MOTU RESEARCH & EDUCATION FOUNDATION

The Motu Research and Education Foundation was established in 2006 with the objective of building capability of economic research and public decision-making. It aims to achieve this by funding and promoting research into public policy issues affecting New Zealand without advocating an ideological or political position.

Specifically, it provides:

- funding for internships;

- funding for Māori scholarships;
- funding for visiting academics to present in New Zealand; and
- seed funding to explore new areas of economic and policy research.

The foundation is not an operational entity. It does not carry out its own research, so in pursuing these objectives it cooperates with a range of people and organisations, particularly Motu Research.

PATRONS & DONORS – MOTU RESEARCH & EDUCATION FOUNDATION

Our activities are funded through generous support from patrons, and other donations. Our patrons are the backbone of the Motu Research and Education Foundation. Their commitment provides an ongoing level of financial support that makes the foundation's work possible.

The foundation had two patrons in 2018–2019:

- Ministry of Business, Innovation and Employment; and
- Ministry of Transport.

MOTU ECONOMIC & PUBLIC POLICY RESEARCH TRUST

SUMMARY GROUP AUDITED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019

SUMMARY GROUP STATEMENT OF FINANCIAL PERFORMANCE

	2019 \$	2018 \$
INCOME		
Research Grants	3,431,436	3,196,287
Interest Received	71,445	71,992
Patron Income and Donations	43,530	65,530
Other Income	22,530	25,674
TOTAL INCOME	3,568,941	3,359,483
LESS EXPENSES		
Personnel	2,064,828	1,665,907
Research Project Costs	1,208,246	1,186,845
Other Operating Expenses	405,102	338,331
TOTAL OPERATING EXPENSES	3,678,176	3,191,083
SURPLUS/(DEFICIT)	(109,235)	168,400
OTHER EXPENSES		
Senior Fellow Research Accounts	27,874	27,791
TOTAL EXPENSES	3,706,050	3,218,874
NET SURPLUS/(DEFICIT)	(137,109)	140,609

SUMMARY GROUP STATEMENT OF MOVEMENTS IN EQUITY

	2019	2018
	\$	\$
Net Surplus for the Year	(137,109)	140,609
Total Recognised Revenues and Expenses	(137,109)	140,609
Opening Equity	<u>1,953,359</u>	<u>1,812,750</u>
Closing Equity	1,816,250	1,953,359
SENIOR FELLOW RESEARCH RESERVE		
Opening Senior Fellow Research Reserve	257,866	247,387
Transfers from/(to) Accumulated Funds	(17,679)	38,270
Expenses Funded by Reserve	<u>(27,874)</u>	<u>(27,791)</u>
Closing Senior Fellow Research Reserve	212,313	257,866
ACCUMULATED FUNDS		
Opening Accumulated Funds	1,695,493	1,565,363
Net Surplus/(Deficit) for the Year	137,109	140,609
Net Transfers (to)/from Senior Fellow Research Reserve	<u>45,553</u>	<u>(10,479)</u>
Closing Accumulated Funds	1,603,937	1,695,493

SUMMARY GROUP STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
RECEIPTS		
Research Grants	3,588,147	3,356,391
Patron Income and Donations	53,530	80,530
Other Income	<u>115,207</u>	<u>71,548</u>
	3,756,884	3,508,469
PAYMENTS		
Personnel	2,132,253	1,710,525
Research Project Costs	1,287,827	1,420,548
Premises Rental Costs	141,250	99,450
Audit Fees	12,812	12,813
Senior Fellow Research Account Expenses	30,088	25,577
Other Operating Expenses	<u>224,685</u>	<u>181,281</u>
	3,828,915	3,450,194
Net GST (Paid)/Received	91,218	(32,244)
Net cash flows from operating activities	19,187	26,031
CASH FLOWS FROM INVESTING ACTIVITIES		
RECEIPTS		
Interest Received	70,534	76,420
Withdrawal of Term Deposits	<u>1,412,619</u>	<u>487,447</u>
	1,483,153	563,867
PAYMENTS		
Investment in Term Deposits	1,419,955	505,639
Purchase of Fixed Assets	<u>46,066</u>	<u>102,882</u>
	1,466,021	608,521
Net cash flows from investing activities	17,132	(44,654)
Net Increase/(Decrease) in Cash and Cash Equivalents	36,319	(18,623)
Cash and Cash Equivalents at 1 July	340,001	358,624
Cash and Cash Equivalents at 30 June	376,320	340,001

SUMMARY GROUP STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	2019	2018
	\$	\$
CURRENT ASSETS		
Cash and Bank	376,320	340,001
Investments	2,178,778	2,171,441
Accounts Receivable	572,810	669,732
Work in Progress	<u>152,641</u>	<u>142,851</u>
Total Current Assets	3,280,549	3,324,025
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	474,556	334,294
Income Received in Advance	<u>1,088,887</u>	<u>1,152,403</u>
Total Current Liabilities	1,563,443	1,486,697
WORKING CAPITAL	1,717,106	1,837,328
NON-CURRENT ASSETS		
Plant, Property & Equipment	99,144	116,031
Total Non-Current Assets	99,144	116,031
NET ASSETS	1,816,250	1,953,359
Represented by;		
Accumulated Funds	1,603,937	1,695,493
Senior Fellow Research Reserve	212,313	257,866
EQUITY	1,816,250	1,953,359

NOTE TO THE SUMMARY GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The summary financial statements for Motu Economic and Public Policy Research Trust for the year ended 30 June 2019 on pages 12 to 15 have been extracted from the full financial reports. The full financial reports were adopted by the Board of Trustees on 24 October 2019. The full financial statements were prepared in accordance with New Zealand generally accepted accounting practice ("NZ GAAP"). For the purposes of complying with NZ GAAP, the Trust is a public benefit entity and is eligible to apply Tier 2 Not-For-Profit Public Benefit Entity International Public Sector Accounting Standards on the basis that it does not have public accountability and it is not defined as large. These summary financial statements comply with PBE standards as they relate to summary financial statements.

The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial reports. A copy of the full financial reports can be obtained by email to: finance@motu.org.nz.

The auditor KPMG Wellington has examined the summary financial statements for consistency with the audited full financial statements. An unmodified audit opinion has been issued. These summary financial statements have been approved for issue by the Board of Trustees.

Bruce Wills, Chairperson



24 October 2019



Independent Auditor's Report

To the Trustees of Motu Economic and Public Research Group

Report on the summary consolidated financial statements

Opinion

In our opinion, the accompanying summary consolidated financial statements of Motu Economic and Public Research Group (the trust) and its subsidiary (the group) on pages 12 to 15:

- i. Has been correctly derived from the audited Group financial statements for the year ended on that date; and
- ii. Is a fair summary of the Group financial statements, in accordance with the basis as described in note 1.

The accompanying summary consolidated financial statements comprises:

- the summary consolidated statement of financial position as at 30 June 2019;
- the summary consolidated statements of financial performance, movements in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for opinion

We conducted our audit in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Other than in our capacity as auditor we have no relationship with, or interests in, the group.



Use of this Independent Auditor's Report

This report is made solely to the Trustees as a body. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in the Independent 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 Trustees as a body for our audit work, this report, or any of the opinions we have formed.



Responsibilities of the Trustees for the summary Consolidated Financial Statements

The Trustees, on behalf of the Group, are responsible for:

- the preparation and fair presentation of the summary consolidated financial statements in accordance with the basis as described in note 1; and
- implementing necessary internal control to enable the preparation of a summary consolidated set of financial statements that is correctly derived from the audited consolidated financial statements.



Auditor's Responsibilities for the summary Consolidated Financial Statements

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with (or are a fair summary of) the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

We expressed an unmodified audit opinion on the consolidated financial statements in our audit report dated 24 October 2019.

The summary consolidated financial statements do not contain all the disclosures required for a full set of consolidated financial statements under generally accepted accounting practice in New Zealand. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the group.

A handwritten signature in blue ink, appearing to read 'KPMG'.

KPMG
Wellington
24 October 2019



MOTU ECONOMIC & PUBLIC POLICY RESEARCH

STAFF

Executive Director: John McDermott.

Senior Fellows: Arthur Grimes, Dean Hyslop, Dave Maré, Isabelle Sin, Niven Winchester.

Fellows: Élodie Blanc, Trinh Le, Lynn Riggs, Levente Timar.

Policy Fellows: Anne-Marie Brook, Angela Halliday (until November 2018), Catherine Leining.

Senior Research Associate: Adam Jaffe.

Research analysts: Shaan Badenhorst (from March 2019), Bronwyn Bruce-Brand (from January 2019), Ben Davies, Sophie Hale, Edmund Lou (until September 2018), Sally Owen (until April 2019), Kate Preston (until April 2019), Dom White.

Support staff: Pela Arathimos, Catherine Chong (from July 2019), Grant Coppersmith, Hannah Griffin, Thalia Kehoe-Rowden, Ceridwyn Roberts, Tilomai Solia-O'Hara (from June 2019), Maxine Watene.

MOTU ECONOMIC & PUBLIC POLICY RESEARCH BOARD OF TRUSTEES

Bruce Wills (Chair), Stephen Goldson, Lesley Haines, Dean Hyslop, John McDermott, Peter O'Shea, Jo Wills.

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