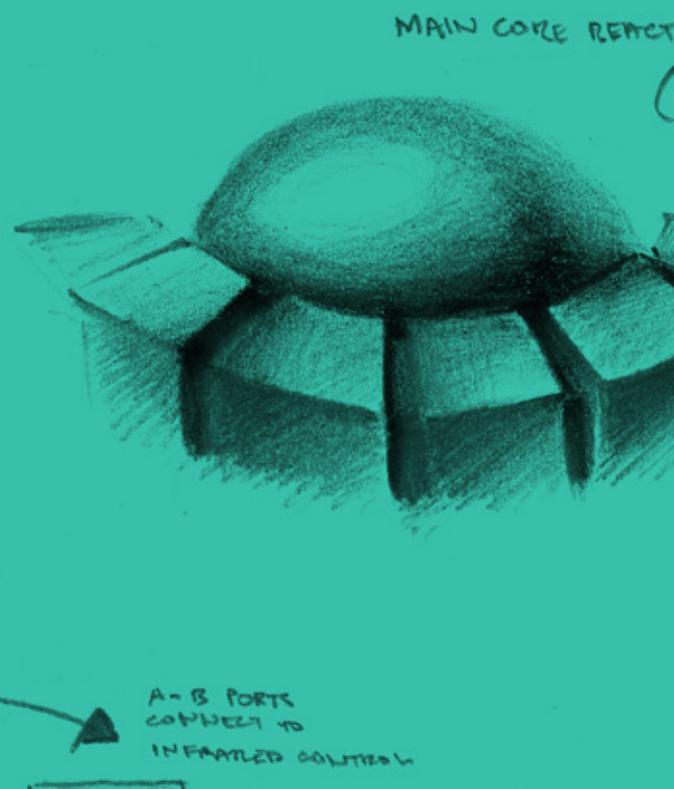
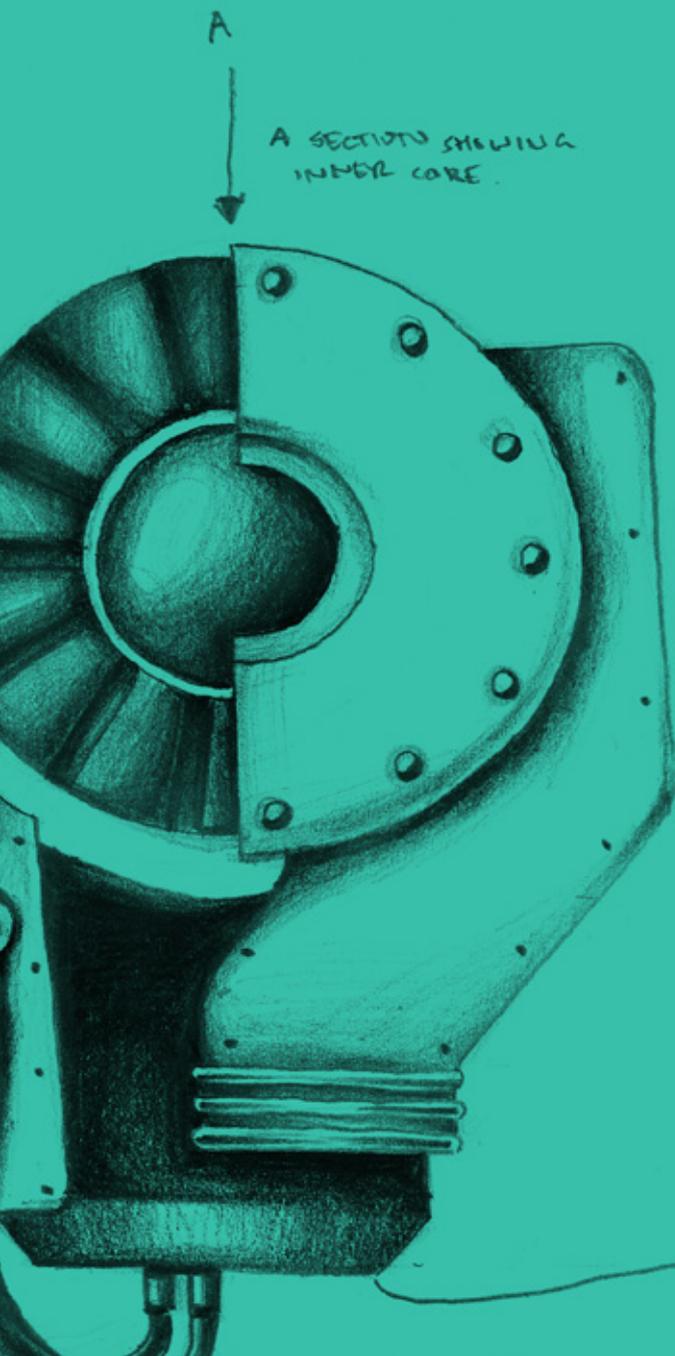




**Motu Economic and Public Policy Research Trust
and Motu Research and Education Foundation**

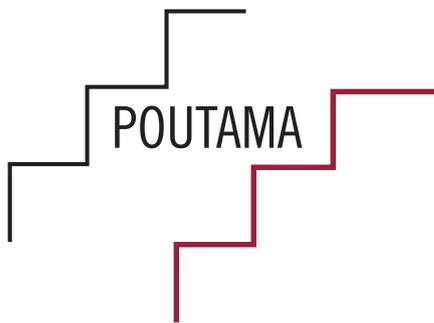
ANNUAL REPORT

JULY 2014 – JUNE 2015



A-B PORTS
CONNECT TO
INFLATED COLLECTOR

PRODUCING HIGH-QUALITY RESEARCH
PROMOTING REASONED DEBATE
**DISSEMINATING TOPICAL ECONOMIC &
PUBLIC POLICY RESEARCH**





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Motu Economic and Public Policy Research Trust performs an essential role in informing government policy in the economic, environmental and social sectors of New Zealand. Over the last year it has continued its unrelenting commitment to high-quality research. This is a tribute to the founding Senior Fellows, Suzi Kerr and Dave Maré; the Director, Adam Jaffe; and all the senior fellows and fellows who work, and have worked, at Motu.

Motu's commitment to independence and transparency, its policy of consistently publishing all of its findings without fear or favour occasionally provokes the ire of its clients. However this requirement is clear in all Motu's contracts and a major element of its constitution and mission. To ensure good policy and a favourable result for the country as a whole, it is vital for research to be freely available and widely debated. Motu holds a strong position in ensuring scientific, economic research is at the heart of decision-making.

Another of Motu's crucial roles in Aotearoa is to expand this country's economic and policy capability through the employment of up-and-coming research analysts and summer interns, all of whom are very impressive, intelligent young people. This year two of Motu's research analysts have left for PhD studies – one to the University of Cambridge and one to the University of Chicago. I am proud of Motu's part in building this kind of future for New Zealand's bright and talented best.

In the past year, Motu has opened itself more widely to the public. The public seminars and lectures have always

been well attended, and the Motu Working Papers and Notes eagerly sought. Now however, with Motu's involvement in Te Pūnaha Matatini and the Productivity Hub, it is gaining further influence on policy-making. This was evidenced by Motu's inclusion as a finalist in the 2015 Wellington Gold Awards and in the wider public recognition it is gaining.

During 2014/15 Motu welcomed Dean Hyslop as a new senior fellow. He has brought further depth to Motu's abilities in labour markets and research econometrics and balances the departure of previous Senior Fellow Richard Fabling in June 2015.

I became a Trustee in 2008 and Chair in 2011; with my reappointment last year I am currently in my third three-year term as Chair. My experience with Motu has been tremendous and I have huge admiration for the research and support teams from the Director down.

A special thanks to members of both the Trust and Foundation Boards for their commitment and hard work. All give their time willingly, cheerfully and freely. I would like to make special mention of Horiana Easthope-Irwin, who joined the Board in July 2014, and Rob Fenwick, who stepped down from the Board in July 2015. We wish Rob all the best for the future and for a complete recovery.

Finally, I wish to thank our advocates, patrons and clients for their continued support, without whom we could not survive.

Sincerely,

A handwritten signature in dark ink that reads "John Hay". The signature is written in a cursive, slightly slanted style.

John Hay
Chair

1 November 2015



Motu Economic and Public Policy Research Trust was established in 2000 to promote high-quality research, broad dissemination of research results, and building of New Zealand's capability for economic analysis applied to public policy. Motu is independent and has a reputation for world-class research that is not compromised by any ideology or political position. Motu is funded through research grants, sponsorship for our Public Policy Seminar Series, and philanthropic support through the Motu Research and Education Foundation.

I became Motu Director and Senior Fellow in May 2013. My experience since then has confirmed the reasons why I chose to come. Motu offers a distinctive blend of world-class research, policy analysis, mentoring and capacity building. I am very proud of the strength of Motu's reputation, and the consensus that Motu plays a uniquely important role in supporting good public policy in New Zealand.

Public policy in a democracy is built on a complex base of political forces, judgement and ideology. But I believe firmly that understanding the facts and analysing the economic forces at work can make a difference in ensuring that policy will work for the long-run wellbeing of New Zealand. And economic analysis of specific, immediate policy issues is going to be much more effective if it is built on a base of research over a number of years that elucidates the overall structure and functioning of the relevant parts of the socio-economic system in New Zealand. Economists and other social scientists in universities are often focused on relatively general, abstract research, rather than research focused specifically on understanding New Zealand. Thus Motu fills a vital and distinctive niche between the academic researchers and the policy consultants/advisers, by undertaking ongoing, systematic research on New Zealand.

We at Motu believe that dissemination and capacity building should go hand-in-hand with undertaking the best research. We hold Public Policy Seminars to better disseminate new economic ideas and research and offer

mentorship and internship programmes to nurture the future economists of New Zealand. We also try to incorporate capacity building directly into our research projects using conferences, workshops and dialogue groups.

Motu's unique place in the New Zealand research ecosystem is demonstrated by our role in the successful proposal to establish a new Centre of Research Excellence (CoRE), Te Pūnaha Matatini, led by the University of Auckland. The CoRE programme, funded by the Tertiary Education System, is highly competitive. In 2014, six proposals were accepted for funding out of approximately 30 submitted. Te Pūnaha Matatini studies methods for the analysis of complex systems and networks, and applies those methods to ecological and economic/social systems. Motu researchers form the core of the Economics and Social Systems Research Theme, and I am the Theme Leader. This represents the only significant economic or social science research theme in any of the CoREs.

In 2014/15, Motu researchers undertook important research in environment and resources, urban and regional economics, population and labour, productivity and innovation, and macroeconomics and wellbeing. Highlights of this work are summarised in this Report. We added a new Senior Fellow, Dean Hyslop, one of New Zealand's leading experts on labour markets and econometrics. In addition we have significantly upped our game in terms of communicating our work to the wider world, with the addition of Ceridwyn Roberts as our Communications Director, and the launch of a new website. As a partial reflection of these efforts, we were a finalist in the Dominion Post Gold Awards.

Our financial performance in 2014/15 reflects a return to stable and sustainable balance. We expect to continue to grow our research activity and revenue at a steady pace. In the coming year, we will seek new funding sources to allow us to establish a new research programme in agricultural economics, and to strengthen our efforts to build economic capability and economic understanding in New Zealand.

I encourage you to browse this report for a snapshot of our people and programmes. If you would like further information about anything we do, please email me at adam.jaffe@motu.org.nz.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam B. Jaffe'.

Adam B. Jaffe
Director and Senior Fellow
1 November 2015



Up an inconspicuous set of stairs and into a modest office in Cuba Mall, you'll find a small team of world-class economic and public policy researchers undertaking independent work that directly impacts government policy, and which 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 Motu Senior Fellows Suzi Kerr and Dave Maré, discussed a vision to return to New Zealand and dedicate themselves full-time to independent public policy research. They saw 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.

Motu was registered as a charitable trust on 1 September 2000 and in 2002 was accepted as an affiliate organisation of the Royal Society of New Zealand. It now has 20 staff and is the top-ranked research organisation in New Zealand and in the top ten think-tanks in the world, according to the Research Papers in Economics (RePEc) website, which ranks all economists and economic research organisations in the world based on the quantity and quality of their research publications.

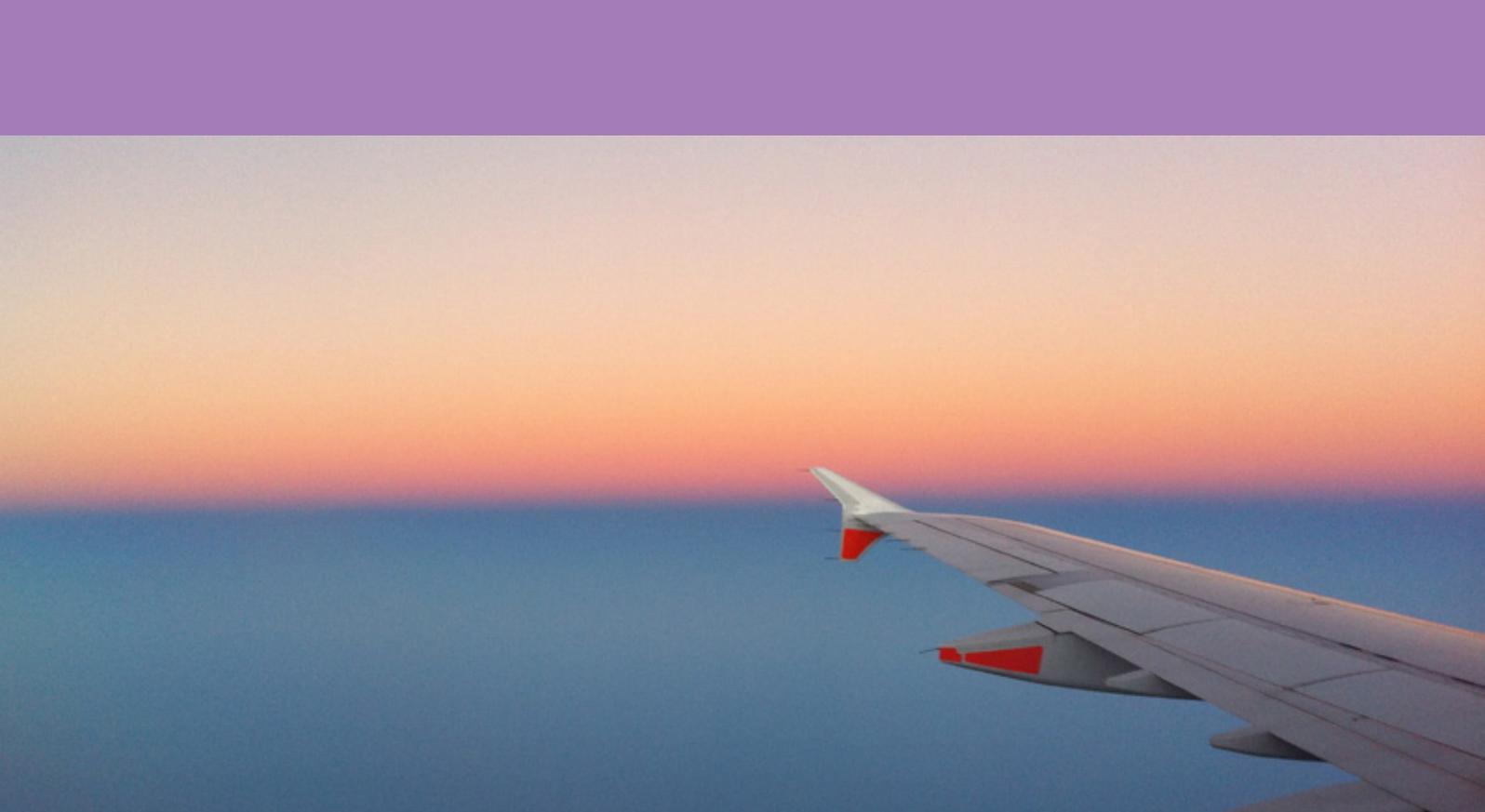
“They are probably the most august organisation of their type in New Zealand and are very highly regarded internationally for the quality of their work.”

HARVEY BROOKES
MANAGER, ECONOMIC DEVELOPMENT,
AUCKLAND COUNCIL

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 five senior fellows – who all have PhDs from top international universities, as well as extensive public policy experience – work together as a cooperative: each 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.



BUILDING NEW ZEALAND'S NEXT GENERATION OF RESEARCHERS

Motu offers salaried positions to smart and motivated undergraduates. While other grad positions involve fulfilling tasks for their seniors, Motu research analysts are encouraged to develop their own analytical skills, and author papers alongside senior fellows. Motu has now employed 25 research analysts and 34 interns, four of whom have gone on to complete economics PhDs

“I don’t think there exists an institution that provides the same development to junior research staff; I would not have achieved as much as I have without my RA experience. Most importantly, Motu set me a high bar in terms of what high-quality work looks like.”

JASON TIMMINS
PRINCIPAL RESEARCHER, SUPERU
(SOCIAL POLICY EVALUATION AND RESEARCH UNIT)

from top international graduate schools, and seven more are currently studying towards their doctorates. Other former RAs and interns have taken up senior roles at the Treasury, the Parliamentary Commissioner for the Environment, 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. It releases full reports and working papers that 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. So committed are they to this free dissemination that Motu insists on a clause in every research contract stating that the results 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 mediums. Motu



regularly runs dialogue groups to bring together a variety of viewpoints on a subject, and has created videos and games as a way of demonstrating complex information, for example, to allow participants to assume the role of a farmer or a policy maker during an emissions trading scheme scenario.

To enhance its communications, Motu, along with Wellington design firm Heyday, launched a new website in June 2015. This is a platform for enhanced education and outreach that presents Motu research to the public in a reliable, comprehensible form.

OUR WORK IN 2014/15

In March 2015, Dean Hyslop, one of New Zealand's top economists, left his position at Victoria University of Wellington to join Motu. Dean will be researching the importance of skills in workers' wages and firm performance in New Zealand.

Over the last year, Motu cemented its position as New Zealand's pre-eminent economics and public policy research organisation with its leadership in the creation of Te Pūnaha Matatini, a new Centre of Research Excellence (CoRE) focused on the characterisation and analysis of complex systems and networks. The CoREs are multi-institution, multidisciplinary research collaborations funded by the Tertiary Education

“This was a radical initiative which showed that self-authorising, bottom-up initiatives could be very influential. It was one of the early examples of a working collaborative process which gave encouragement to later and larger scale initiatives like the Land and Water Forum, and to regional collaborative approaches.”

ALASTAIR BISLEY

CHAIR OF THE LAND AND WATER FORUM

Commission. Te Pūnaha Matatini is hosted by the University of Auckland, and includes researchers from several other universities. Four Motu researchers are Principal Investigators, and Motu Director Adam Jaffe is the Research Theme Leader for the Complex Economic and Social Systems Research Theme.

In addition, the last financial year saw Motu awarded two major contracts:

“New Zealand’s Low-Emissions Future”, a two-year programme funded by the Aotearoa Foundation, part of the Robertson Foundation in New York. This programme includes research, stakeholder dialogue and capacity building in understanding the effectiveness and consequences of different private actions and policy instruments for mitigating greenhouse gas emissions in New Zealand and around the globe.

A research partnership between Motu and the Productivity Hub (the Treasury; the Ministry of Business, Innovation and Employment; Statistics NZ; and the Productivity Commission). This two-year programme – secured through a competitive selection process – for research and capability building focuses on expanding the use of the microeconomic data held by Statistics NZ to study patterns and causes of productivity in New Zealand firms.

In 2014/15, Motu produced 21 papers showing detailed economic policy work on topics as diverse as the change in risk after a major disaster, water quality policy, the changing role of infrastructure, and innovation and the role of immigrants.

Motu’s work also appeared in many prestigious international journals including *Science*, *Journal of Economic Literature*, *International Review of Environmental and Resource Economics*, *Asia-Pacific Journal of Accounting and Economics*, *Environmental Science and Policy*, *Energy and Environment*, *Industrial and Labor Relations Review*, *New Zealand Economic Papers*, and *Company Lawyer*.

Over the next financial year, Motu will also build on the significant work done in its first fifteen years.

Taking Suzi Kerr’s significant work on emissions trading schemes in New Zealand to a new level, Motu is undertaking a new project, funded by the World Bank. Motu will lead a team of international collaborators in constructing a new manual for less-developed countries that wish to develop emissions trading systems.

Arthur Grimes continues his closely followed work on the factors affecting the supply and demand for housing in New Zealand, and on the measurement and determinants of well-being as a broader and more appropriate goal of public policy than income.

Adam Jaffe is working with the Ministry of Business, Innovation and Employment (MBIE) to apply the lessons from his studies of the processes of research

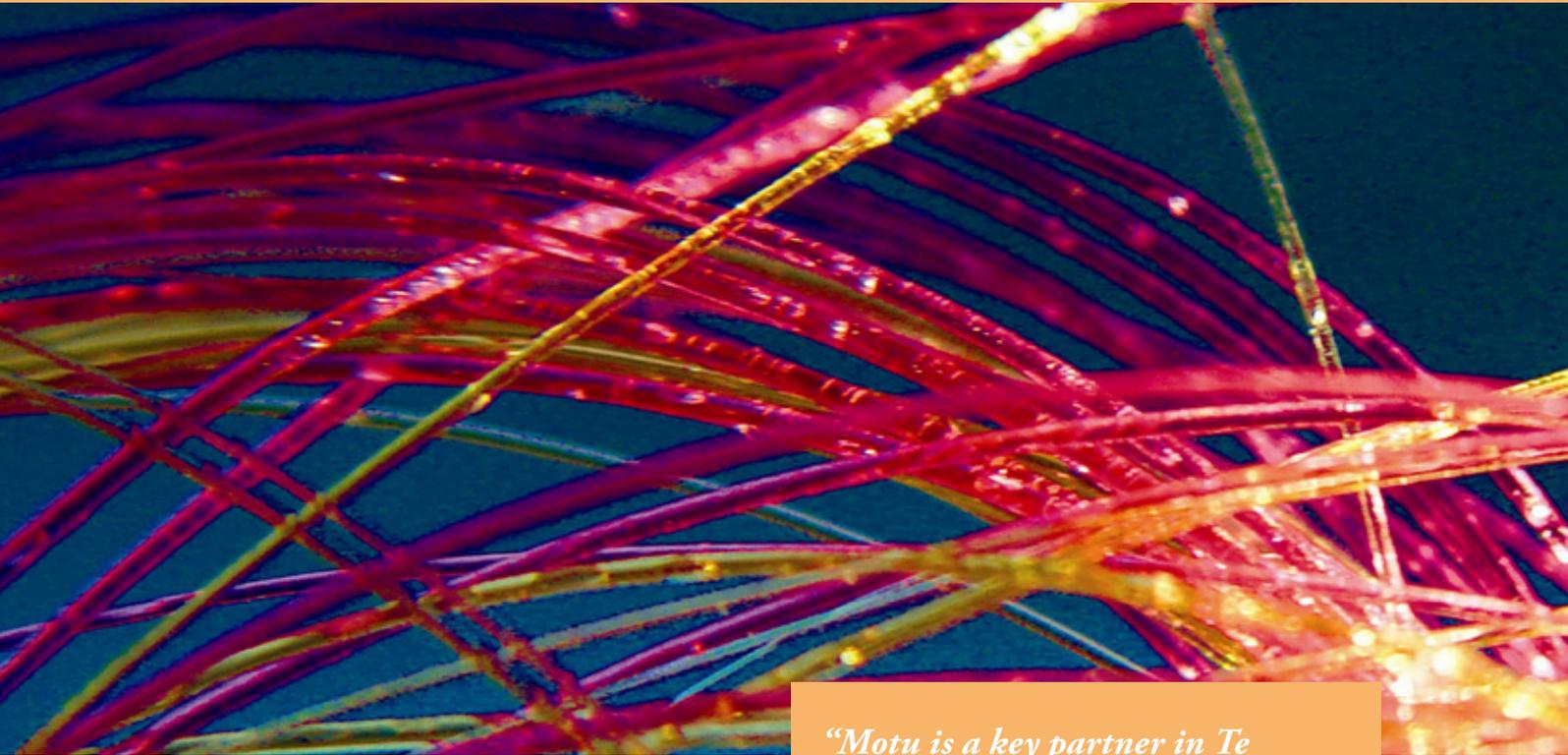


“The Ministry was very pleased with the ‘Warm Up New Zealand: Heat Smart’ evaluation and the way it helped support and guide policy. The level of analysis undertaken, linking data from a variety of sources, was greater than is the norm for programme evaluation exercises.”

GARETH WILSON
FORMER POLICY MANAGER, MINISTRY
OF BUSINESS, INNOVATION AND
EMPLOYMENT

grant evaluation to improve the effectiveness and efficiency of the government’s research funding.

Policy Fellow Anne-Marie Brook is working with international human rights experts to begin the design of a global index of human rights.



PUBLICATIONS

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, www.motu.org.nz. Motu Working Papers are technical papers intended for working economists and other experts, while 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 is a key partner in Te Pūnaha Matatini, contributing expertise in economics. Motu’s focus on excellent research with relevance to New Zealand is a perfect fit for what we want to achieve with Te Pūnaha Matatini.”

SHAUN HENDY
DIRECTOR, TE PŪNAHA MATATINI

MOTU NOTES

Motu Note #19 Leining, Catherine and Scott White. 2015. “From Fact to Act: New Zealanders’ Beliefs and Actions on Climate Change.”

Motu Note #18 Leining, Catherine. 2015. “Not a Problem, Someone Else’s Problem, My Problem or Our Opportunity? Shifting Attitudes and Behaviour on Mitigating Climate Change.”

Motu Note #17 Ormsby, Judd and Suzi Kerr. 2015. “A Few Lessons for Climate Change Action from the Literature on Cooperation and Behavioural Economics.”

Motu Note #16 Leining, Catherine. 2015. “New Zealand’s Journey toward a Low-Emission Future: Today’s Climate Change Landscape.”

Motu Note #15 Jaffe, Adam B. 2015. “A Framework for Evaluating the Beneficial Impacts of Publicly Funded Research.”



WORKING PAPERS

15-08 Jaffe, Adam B. and Trinh Le. 2015. "The Impact of R&D Subsidy of Innovation: A Study of New Zealand Firms."

15-07 Duhon, Madeline; Hugh McDonald and Suzi Kerr. 2015 "Nitrogen Trading in Lake Taupo: An Analysis and Evaluation of an Innovative Water Management Policy."

15-05 Fabling, Richard and Lynda Sanderson. 2015. "Exchange Rate Fluctuations and the Margins of Exports."

15-04 Fabling, Richard; Richard Kneller and Lynda Sanderson. 2015. "The Impact of Tax Changes on the Short-run Investment Behaviour of New Zealand Firms."

15-03 Sin, Isabelle and Steven Stillman. 2015. "Economic Liberalisation and the Mobility of Minority Groups: Evidence for Māori in New Zealand."

15-02 Grimes, Arthur and Ian Mitchell. 2015. "Impacts of Planning Rules, Regulations, Uncertainty and Delay on Residential Property Development."

15-01 De Rassenfosse, Gaétan and Adam B. Jaffe. 2015. "Are Patent Fees Effective at Weeding Out Low-Quality Patents?"

14-15 Sin, Isabelle; Richard Fabling, Adam B. Jaffe, David C. Maré and Lynda Sanderson. 2014. "Exporting, Innovation and the Role of Immigrants."

14-14 McLeod, Keith; Richard Fabling and David C. Maré. 2014. "Hiring New Ideas: International Migration and Firm Innovation in New Zealand."

14-13 Timar, Levente; Arthur Grimes and Richard Fabling. 2014. "That Sinking Feeling: The Changing Price of Disaster Risk Following an Earthquake."

14-12 Dorner, Zack and Dean R. Hyslop. 2014. "Modelling Changing Rural Land Use in New Zealand 1997 to 2008 Using a Multinomial Logit Approach."

14-11 Grimes, Arthur; Eyal Apatov, Larissa Lutchman and Anna Robinson. 2014. "Infrastructure's Long-lived Impact on Urban Development: Theory and Empirics."

14-10 Maré, David C.; Lynda Sanderson and Richard Fabling. 2014. "Earnings and Employment in Foreign-owned Firms."

14-09 Kerr, Suzi and Vicki Duscha. 2014. "Going to the Source: Using an Upstream Point of Regulation for Energy in a National Chinese Emissions Trading System."

14-08 Fabling, Richard; Arthur Grimes and Levente Timar. 2014. "Natural Selection: Firm Performance Following the Canterbury Earthquakes."

14-07 Anastasiadis, Simon; Suzi Kerr, Wei Zhang, Corey Allan and William Power. 2014. "Land Use in Rural New Zealand: Spatial Land Use, Land-use Change, and Model Validation."



LIST OF GRANTS – MOTU ECONOMIC AND PUBLIC POLICY RESEARCH TRUST

The following is a full list of grants and funding sources (of sums greater than \$30,000) active during the 2014/15 financial year:

Aotearoa Foundation – “Shaping New Zealand’s Low Emissions Future”

Te Pūnaha Matatini

Research Partnership for Use of the Longitudinal Business Database (LBD)

Tertiary Education Commission (TEC) – “Tertiary IDI Pathways Project”, 2013–2015

Marsden Grant – “Testing the Validity and Robustness of National Wellbeing and Sustainability Measures”, 2012–2015

University of Otago, Wellington – “Resilient Urban Futures”, 2012–2016

University of Waikato – “The Sub-national Mechanisms of the Ending of Population Growth: Towards a Theory of Depopulation”, 2014–2017

BRANZ – “Construction Productivity”, 2014–2015

Institute of Geological & Nuclear Sciences Limited (GNS Science) – “MSI Natural Hazards”, 2012–2015

National Institute of Water and Atmospheric Research Limited (NIWA) – “Climate Impacts”, 2012–2016

Queensland University of Technology – “Consultancy Services to QUT”, 2014–2016

The Royal Society of New Zealand – “Testing the Validity and Robustness of National Wellbeing”, 2013–2016

University of Otago, Wellington – “Mind The Gap”, 2014–2016

Waikato University – “Nga Tangata Oho Mairangi (NTOM)”, 2013–2015

World Bank – “ETS Handbook”, 2014–2015



MOTU RESEARCH AND EDUCATION FOUNDATION

The Motu Research and Education Foundation was established in 2006, with the aim of building capability of economic research and public decision-making. Its aim is to build capability in the public sector 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 Motu Foundation is not an operational entity. It doesn't carry out its own research, so in pursuing these objectives, the Foundation co-operates with a range of people and organisations, particularly Motu Research.

PATRONS AND DONORS – MOTU 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 seven patrons during 2014/15:

Auckland Council

Environmental Protection Agency

Fletcher Building Limited

Mighty River Power Limited

Ministry of Business, Innovation and Employment

Ministry for the Environment

Spark

In addition, the Foundation received funding from the Poutama Trust and the Kelliher Trust in support of our internship and mentorship programs.

MOTU ECONOMIC AND PUBLIC POLICY RESEARCH TRUST

SUMMARY GROUP AUDITED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2015

SUMMARY GROUP STATEMENT OF FINANCIAL PERFORMANCE

	2015 \$	2014 \$
INCOME		
Research Grants	2,049,820	1,321,087
Interest Received	68,445	69,254
Patron Income and Donations	70,000	90,000
Other Income	17,636	65,190
TOTAL INCOME	2,205,901	1,545,531
LESS EXPENSES		
Personnel	1,400,085	1,091,964
Research Project Costs	374,724	190,887
Other Operating Expenses	<u>333,190</u>	<u>278,801</u>
Total Operating Expenses	2,107,999	1,561,652
SURPLUS/(DEFICIT)	97,902	(16,121)
OTHER EXPENSES		
Senior Fellow Research Accounts	18,568	34,689
TOTAL EXPENSES	2,126,567	1,596,341
NET SURPLUS/(DEFICIT)	79,334	(50,810)

SUMMARY GROUP STATEMENT OF MOVEMENTS IN EQUITY

	2015	2014
	\$	\$
Net (Deficit) for the Year	79,334	(50,810)
Total Recognised Revenues and Expenses	79,334	(50,810)
Opening Equity	<u>1,463,593</u>	<u>1,514,403</u>
Closing Equity	1,542,927	1,463,593
 SENIOR FELLOW RESEARCH RESERVE		
Opening Senior Fellow Research Reserve	204,133	257,200
Transfers from/(to) Accumulated Funds	26,984	(18,378)
Expenses Funded by Reserve	<u>(18,568)</u>	<u>(34,689)</u>
Closing Senior Fellow Research Reserve	212,549	204,133
 ACCUMULATED FUNDS		
Opening Accumulated Funds	1,259,460	1,257,203
Net Surplus/(Deficit) for the Year	79,334	(50,810)
Net Transfers (to)/from Senior Fellow Research Reserve	<u>(8,416)</u>	<u>53,067</u>
Closing Accumulated Funds	1,330,378	1,259,460

SUMMARY GROUP STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	2015	2014
	\$	\$
CURRENT ASSETS		
Cash and Bank	176,539	90,652
Investments	1,541,865	1,673,199
Accounts Receivable	340,196	274,724
Work in Progress	<u>117,489</u>	<u>20,202</u>
Total Current Assets	2,176,089	2,058,777
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	331,361	211,764
Income Received in Advance	<u>387,334</u>	<u>454,561</u>
Total Current Liabilities	718,695	666,325
WORKING CAPITAL	1,457,394	1,392,452
NON-CURRENT ASSETS		
Plant, Property & Equipment	77,171	63,830
Accounts Receivable	<u>8,362</u>	<u>7,311</u>
Total Non-Current Assets	85,533	71,141
NET ASSETS	1,542,927	1,463,593
Represented by;		
Accumulated Funds	1,330,378	1,259,460
Senior Fellow Research Reserve	212,549	204,133
EQUITY	1,542,927	1,463,593

NOTE TO THE SUMMARY GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

The summary financial statements for Motu Economic and Public Policy Research Trust for the year ended 30 June 2015 on pages 12-14 have been extracted from the full financial reports. The full financial reports were adopted by the Board of Trustees on 29 October 2015. The full financial statements were prepared in accordance with New Zealand generally accepted accounting practice ("NZ GAAP"). NZ GAAP in the case of the Group means Statement of Standard Account Practice and Financial Reporting Standards. The Group qualifies for the Framework for Differential Reporting.

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 BDO Wellington has reviewed the summary financial statements for consistency with the audited full financial statements. An unqualified audit opinion has been issued. These summary financial statements have been approved for issue by the Board of Trustees.

John Hay

Chairperson

29 October 2015

**REPORT OF THE INDEPENDENT AUDITOR ON THE GROUP SUMMARY FINANCIAL STATEMENTS
TO THE MEMBERS OF MOTU ECONOMIC AND PUBLIC POLICY RESEARCH TRUST**

The accompanying group summary financial statements which comprise the summarised group statement of financial position as at 30 June 2015, the summarised group statement of financial performance, and the summarised group statement of movements in equity for the year then ended, and related notes, are derived from the group audited financial statements of Motu Economic and Public Policy Research Trust for the year ended 30 June 2015. We expressed an unqualified audit opinion on those financial statements in our report dated 29 October 2015.

The group summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements. Reading the group summary financial statements, therefore, is not a substitute for reading the audited group financial statements of Motu Economic and Public Policy Research Trust.

Board of Trustees' Responsibility for the Summary Financial Statements

The Board of Trustees are responsible for the preparation of a summary of the audited financial statements in accordance with FRS-43 *Summary Financial Reports*.

Auditor's Responsibility

Our responsibility is to express an opinion on the group summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 *Engagements to Report on Summary Financial Statements*.

Other than in our capacity as auditor we have no relationship with, or interests in, Motu Economic and Public Policy Research Trust and its subsidiary.

Opinion

In our opinion, the group summary financial statements derived from the audited group financial statements of Motu Economic and Public Policy Research Trust for the year ended 30 June 2015 are consistent, in all material respects, with those financial statements, in accordance with FRS-43 *Summary Financial Reports*.



BDO Wellington
29 October 2015
Wellington
New Zealand



STAFF

Senior Fellows: Adam B. Jaffe, Arthur Grimes, David C. Maré, Dean R. Hyslop (from March 2015), Richard Fabling (until June 2015), Suzi Kerr

Fellows: Isabelle Sin, Levente Timar, Trinh Le

Policy Fellows: Anne-Marie Brooke, Catherine Leining

Research Analysts: Anna Robinson, Athene Laws, Corey Allan, Eyal Apatov, Nathan Chappell, Judd Ormsby, Sean Hyland

Support Staff: Grant Coppersmith, Ceridwyn Roberts (from March 2015), Lynette Campbell, Maxine Watene, Tui Head (until February 2015)

MOTU ECONOMIC AND PUBLIC POLICY RESEARCH TRUST BOARD OF TRUSTEES

John Hay, (Chair) Adam B. Jaffe, Arthur Grimes, Bruce Wills, Horiana Irwin-Easthope, Neil Green (until July 2015), Peter O'Shea, Rob Fenwick (until July 2015), Stephen Goldson

MOTU EDUCATION AND RESEARCH FOUNDATION BOARD OF TRUSTEES

Neil Green (Chair, until July 2015), Adam B. Jaffe, Colin James (interim Chair from July 2015), John Roberts, Kerry Prendergast

AFFILIATES

Adolf Stroombergen, Andrew Coleman, Deborah Cobb-Clark, Grant Scobie, Jacques Poot, James Sanchirico, John McDermott, Les Oxley, Lew Evans, Lynda Sanderson, Malathi Velamuri, Philip McCann, Richard Fabling, Richard Newell, Robert MacCulloch, Sholeh Maani, Steven Stillman, Tim Maloney, Viv Hall



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