



Motu

Motu Economic and Public Policy Research Trust and Group

ANNUAL REPORT 2022 - 23



Contents

Chairpersons Report	3
Directors Report	4
Financial Reports	
Statement of Service Performance	5
Statement of Financial Performance	17
Statement of Movements in Equity	18
Statement of Financial Position	19
Statement of Cash Flow	20
Note to the Financial Statements	21
Audit Report	22



Chairpersons Report

As has been frequently acknowledged by my predecessors, chairing the Motu Research Board is a privilege and a pleasure, and I am grateful for their significant contributions. Thank you to all Motu Research board members, past and present, for their service to this unique research institute.

This year, Motu Research celebrates its 23rd anniversary. It continues to offer its distinctive blend of world class economic and public policy research, capacity building of younger researchers and free dissemination of knowledge. Motu Research's work is of exceptional quality and addresses issues of vital importance to New Zealanders. We look forward to another year of excellent research and debate. The need for Motu's unbiased, independent research on vitally important issues continues to grow, and if anything, becomes even more significant.

I also acknowledge the founders of Motu Research, whose vision and hard work have placed Motu Research as Aotearoa New Zealand's top economic research institute.

A special thank you also to all Motu research and support staff. They are a passionate, dedicated and talented team. We welcomed two new staff members this year. Jaimie Monk and Kyle Higham joined us Research Fellows.

We were sad to farewell a few staff members this year. Isabelle Sin resigned from Motu, after making a significant contribution to Motu during her time with us. She is well known for her research on labour issues affecting women, among other research topics. Caroline Fyfe, our public health researcher, left to take up a position at the prestigious Karolinska Institutet in Sweden. One of our Research Analysts, Shannon Minehan, left Motu Research for overseas travel and work. We wish them well.



Motu Research's work is only possible with the generous support of organisations who help fund our capacity building. I acknowledge the generous support of the Ministry of Social Development, Ministry of Business, Innovation and Employment, the Ministry of Transport, ASB, Inland Revenue and the NZ SuperFund. We are very grateful to our public policy seminar supporters too – The Treasury, Stats NZ, The Productivity Commission and Energy Efficiency and Conservation Authority. They have allowed us to deliver a comprehensive seminar programme this year.

I also thank those who commission work from Motu Research and allow our researchers access to information they are passionate about. Their support has enabled Motu Research to continue to deliver high-quality, independent research at a time where public policy excellence is more important than ever.

Sincerely,

Jo Wills
Chair, Motu Economic and Public Policy Research Trust

October 2023



Director's Report

We have had another busy year at Motu Research as we lead the way with independent research projects on Aotearoa's most pressing economic and policy issues.

Our work continues to be highly influential, informing government policy development. For example, this year, our Policy Fellow Catherine Leining and others published a Just Transitions Guide, designed to help communities in Aotearoa New Zealand tackle major challenges.

Over the last year, Motu has published 11 working papers and six Motu notes and worked on a range of essential projects with far-reaching impacts:

- Our Warmer Kiwis Study team released their final report evaluating the impact of the government's Warmer Kiwi Homes programme.
- Trinh Le and Euan Richardson looked at expenditure patterns of New Zealand retiree households.
- Dean Hyslop, Lynn Riggs and Dave Maré evaluated the impact of the 2018 Families Package Winter Energy Payment policy.
- Livvy Mitchell, Isabelle Sin, and others looked at if parents are involved in passing on gendered stereotypes, using evidence from the Growing Up in New Zealand survey.
- Isabelle Sin looked at how access to childcare impacts mothers' work in Aotearoa.

Dissemination of research is always a strong focus for Motu. We ran four public policy seminar series in partnership with the Treasury, the Productivity Commission, EECA and Stats NZ. Each seminar included a panel of experts to help broaden the discussion and support agency enquiry.

In keeping with our mission to increase economic research capability, our dedicated team are proud to support the development and learning of younger researchers and government employees. We have hosted several interns and put our research analysts on various training courses.

We were delighted to award James Hancock of the University of Auckland the Sir Frank Holmes prize for top economics undergraduate student in Aotearoa. Thank you to our generous supporters and Foundation Patrons for helping us to continue developing this research capability.

Sincerely,

John McDermott
Executive Director

October 2023



MOTU ECONOMIC AND PUBLIC POLICY RESEARCH TRUST

Group Statement of Service Performance

for the year ended 30 June 2023

We set up Motu Research in 2000 as a New Zealand registered charitable trust.

Our unbiased, high-quality research is highly sought after.

We have a reputation for independent economic and public policy research of an international standard. Our research helps public policy decision makers make informed decisions.

Motu is split into two separate organisations:

Motu Economic and Public Policy Research Trust

This is the charitable trust that runs our research programmes. These are funded by grants from various organisations, including government departments and private companies.

The trust's purpose is to conduct economic research, education and dissemination of research for the benefit of Aotearoa New Zealand. Motu is committed to three broad goals: quality research, capacity building in economic research and dissemination.

Motu Research and Education Foundation

This is the charitable trust, set up to manage our non-contract capability-building function. The funding comes in the form of endowments and donations from public and private institutions and interested individuals.

The Motu Research and Education Foundation was established in 2006, with the aim of building capability of economic research and public decision-making. We build capability in the public sector by funding and promoting research into public policy issues affecting Aotearoa New Zealand without advocating an ideological or political position.

Specifically, we provide:

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

The Motu Foundation is not an operational entity. We don't carry out our own research, so in pursuing these objectives, the Foundation co-operates with a range of people and organisations, particularly Motu Research. The Motu Foundation is governed by a Board of Trustees, which consists of some of New Zealand's most distinguished business people and academics.

Under our Trust Deed, the Foundation can meet the following purpose within Aotearoa New Zealand: Commission, carry out, and facilitate empirical and theoretical research into public policy issues of importance and relevance to Aotearoa New Zealand. In all cases, research supported by the Foundation must meet international academic standards and be suitable for publication in reputable academic journals.



Our relationship with our sponsors and patrons

Motu's work is only possible with generous support from our patrons who help fund our capacity building in research and public policy (internships, training Research Analysts and scholarships). More details are in the 'Building Research and Public Policy Capability' section below. Our patrons are the Ministry of Business, Innovation and Employment, the Ministry of Transport, The Productivity Commission, ASB bank, the Inland Revenue Department and the NZ Superannuation Fund.


We also have Public Policy Seminar supporters – The Treasury, Stats NZ, The Productivity Commission and the Energy Efficiency and Conservation Authority. Their support allowed us to deliver a comprehensive Public Policy Seminar programme.

THANK YOU TO OUR PATRONS



THANK YOU TO OUR PUBLIC POLICY SEMINAR PROGRAMM SUPPORTERS





Our vision, purpose and objectives

Since Motu was founded, our objectives have remained the same. As a charitable trust, we were established to promote well informed and reasoned debate on public policy issues relevant to New Zealand decision making.

To this end, we are committed to three broad goals: quality research, capacity building, and dissemination.
We elaborate on these goals in the following pages

Quality Research

Motu's success is built on our high-quality research. Our distinctive contribution to the Aotearoa New Zealand public policy environment comes from an emphasis on sound empirical analysis, supported by expertise in and knowledge of economic theory and institutional design. We choose research areas that build on the interests and expertise of our researchers.

Motu's Senior Fellows all have PhDs (mostly from top international universities) and extensive public policy experience – and work together as a cooperative. Each Fellow and Senior Fellow identifies valuable research questions they can potentially answer, then find funding to support their research and the

running of Motu Research. They work individually or collaborate with researchers inside or outside Motu Research. They sometimes use junior Motu researchers as Research Analysts. Senior Fellows also sometimes teach in universities.

How we achieved this goal...

PUBLICATIONS

Our two-publication series, the Motu Working Paper series and Motu Notes, are both available free from our website, www.motu.nz. Motu Working Papers are technical papers, intended for working economists and other experts.

Motu also maintains an online archive of our public data sets.

MOTU WORKING PAPERS AND NOTES published between 1 July 2022 to 30 June 2023. (16 in total)

22-02 Thomas Benison and Isabelle Sin. 2023. The wage cost of a lack of access to affordable childcare in Aotearoa New Zealand.

22-14 Fyfe, Caroline, Arthur Grimes, Shannon Minehan and Phoebe Taptiklis. 2022. Evaluation of the Warmer Kiwis Homes Programme: Full Report including Cost Benefit Analysis

22-13 Fyfe, Caroline, Arthur Grimes, Shannon Minehan and Phoebe Taptiklis. 2022. Evaluation of the Warmer Kiwis Homes Programme: Summary Report including Cost Benefit Analysis.

22-12 Levente Timar. 2022. Modelling private land-use decisions affecting forest cover: the effect of land tenure and environmental policy.

22-11 Hannah Kotula. 2022. Valuing forest ecosystem services in New Zealand.

22-10 Mitchell, L, Isabelle Sin, Maanaima Soa-Lafoai, and Colleen Ward. 2022. Gendered parenting and the intergenerational transmission of gendered stereotypes: Evidence from the Growing Up in New Zealand survey.

22-09 Dean Hyslop, Riggs, L, Maré, D. 2022. The impact of the 2018 Families Package Winter Energy Payment policy.

22-08 Lynn Riggs. 2022. "Carbon Policy Design and Distributional Impacts: What does the research tell us?".

22-07 Abramitzky, Ran, Travis Baseler and Isabelle Sin. 2022. Persecution and migrant self-selection: evidence from the collapse of the communist bloc.

22-06 Lynn Riggs, Hyslop, D, Maré, D. 2022. Estimating the impact of the Families Package changes in financial incentives.

Isabelle Sin. 2022. How do childcare access issues affect mothers' work in the long term? Motu Note 50

Isabelle Sin. 2022. How are childcare access issues reflected in mothers' work? Motu Note 49

Isabelle Sin. 2022. How do childcare experiences differ by ethnicity and for families with previous childcare access issues? Motu Note 48

Isabelle Sin. 2022. How persistent are issues with access to affordable childcare? Motu Note 47

Isabelle Sin. 2022. Who has difficulty accessing affordable childcare? Motu Note 46

Dave Maré. 2022. Pay gaps – an \$18 billion a year issue. Motu Note 45

MOTU WORKING PAPERS AND NOTES published between 1 July 2021 to 30 June 2022. (14 in total)

22-05 Sin, Isabelle, Shannon Minehan and Nicholas Watson. 2022. "Effective pathways through education to good labour market outcomes for Māori: Literature summary".

22-04 Maré, Dave and Jacques Poot. 2022. "Accounting for social difference when measuring cultural diversity".

22-03 Allan, Corey and Dave Maré. 2022. "Who benefits from firm success? Heterogeneous rent-sharing in New Zealand".

22-02 Fyfe, Caroline, Arthur Grimes, Shannon Minehan and Phoebe Taptiklis. 2022. "Warmer Kiwis Study: Interim Report. An impact evaluation of the Warmer Kiwi Homes programme"

22-01 Hyslop, Dean and Dave Maré. 2022. "The Impact of 2018 Families Package Accommodation Supplement area changes on housing outcomes".

21-16 Pourzand, Farnaz and Kendon Bell. 2021. "How climate affects agricultural land values in Aotearoa New Zealand".

21-15 Allan, Corey and Dave Maré. 2021. "Do workers share in firm success? Pass-through estimates for New Zealand".

21-14 Riggs, Lynn and Livvy Mitchell. 2021. "Methodology for Modelling Distributional Impacts of Emissions Budgets on Employment in New Zealand".

21-13 Rontard, Benjamin and Catherine Leining. 2021. "Future Options for Industrial Free Allocation in the NZ ETS".

21-12 Mitchell, Livvy, Paddy Baylis and Susan Randolph. 2021. "Monitoring enjoyment of the rights to adequate housing and health care and protection in Aotearoa New Zealand".

21-11 Randolph, Susan, Shaan Badenhorst and John Stewart. 2021. "Finding the Gaps: Monitoring Economic and Social Rights in the Pacific".

21-10 Randolph, Susan, Shaan Badenhorst and John Stewart. 2021. "Monitoring Economic and Social Rights in the Pacific".

21-09 Levi, Eugenio, Isabelle Sin, Steven Stillman. 2021. "Understanding the Origins of Populist Political Parties and the Role of External Shocks".

Sin, I and Hannah Kotula. 2021. "Rates of driver licence holding in Aotearoa New Zealand". Motu Research Note 44

JOURNAL PUBLICATIONS BY OUR RESEARCHERS published between 1 July 2022 to 30 June 2023 (19 in total)

- Fyfe C., Telfar Barnard L., Howden-Chapman P. Douwes J, Crane J. Retrofitting home insulation reduces incidence and severity of chronic respiratory disease. *Indoor Air*. In press.
- Fabling, Richard, Arthur Grimes, Levente Timar. Emigration and employment impacts of a disastrous earthquake: Country of birth matters. *Regional Studies*, forthcoming. <https://doi.org/10.1080/00343404.2022.2129607>
- Donovan, Stuart, Thomas de Graaff, Henri L.F. de Groot, Arthur Grimes, Dave Maré. "Cities with forking paths? Agglomeration economies in New Zealand 1976-2018", *Regional Science and Urban Economics*, forthcoming.
- Howden-Chapman P, Crane J, Keall M, Piers N, Baker M, Cunningham C, Amore K, Aspinall C, Bennett J, Bierre S, Boulic M, Chapman R, Chisholm E, Davies C, Fougere G, Fraser B, Fyfe C, Grant L, Grimes A, Halley C, Logan-Riley A, Nathan K, Olin C, Omlber J, O'Sullivan K, Pehei T, Penny G, Phipps R, Plagman M, Randal E, Riggs L, Robson B, Ruru J, Shaw C, Schrader B, Teariki M, Barnard L, Tiatia R, Toy-Cronin B, Tupara B, Viggers H, Wall T, Wilkie M, Woodward A, Zhang W. He Kāinga Oranga: 25 years of measuring how better housing can improve health, wellbeing and sustainability. *Journal of the Royal Society of New Zealand*, forthcoming. <https://doi.org/10.1080/03036758.2023.2170427>
- Bennett, J, Caroline Shorter, Amanda Kvalsvig, Lucy Telfar Barnard, Nick Wilson, Julian Crane, Jeroen Douwes, Chris Cunningham, Phoebe Taptiklis, Robyn Phipps, Bill Trompetter, Manfred Plagmann, Mikael Boulic, Jennifer Summers, Terri-Ann berry, Michael G Baker & Philippa Howden-Chapman. 2022. "Indoor Air quality, largely neglected and in urgent need of a refresh". Letter to the Editor. *NZMJ*: 135(1559), 136-139.
- Nicolas Héroult, Dean Hyslop, Stephen Jenkins and Roger Wilkins. "Rising top-income persistence in Australia: evidence from income tax data", *Review of Income and Wealth*, (forthcoming).
- Grimes A, Badenhorst S, Maré D, Poot J, Sin I. "Quality of life, quality of business, and destinations of recent graduates - Fields of study matter." *The Annals of Regional Science*, 70(1), 55-80. <https://link.springer.com/article/10.1007/s00168-022-01117-x>
- K Chad Clay, Mennah Abdelwahab, Stephen Bagwell, Morgan Barney, Eduardo Burkle, Tori Hawley, Thalia Kehoe Rowden, Meridith LaVelle, Asia Parker and Matthew Rains, 'The effect of the COVID-19 pandemic on human rights practices: Findings from the Human Rights Measurement Initiative's 2021 Practitioner Survey' (2022) *Journal of Human Rights*, 21:3, 317-333, DOI: 10.1080/14754835.2022.2082244

JOURNAL PUBLICATIONS BY OUR RESEARCHERS published between 1 July 2021 to 30 June 2022. (11 in total)

- Alimi, O, Maré, D C & Poot, J (2022) "International migration and income distribution in New Zealand metropolitan and non-metropolitan areas" *New Zealand Economic Papers* DOI: 10.1080/00779954.2022.2091469.
- Thom R, Grimes A. "Land loss and the intergenerational transmission of wellbeing: The experience of iwi in Aotearoa New Zealand", *Social Science & Medicine*.
- Howden-Chapman P. Fyfe C, Nathan K, Keall M, Riggs L, Piers N, (2021). The effects of housing on health and well-being in Aotearoa New Zealand. *New Zealand Population Review*. 47, 16-32.
- Messenger B, Beliveau A, Clark M, Fyfe C, Green A (2021). How has contraceptive provision at Family Planning clinics in Aotearoa New Zealand changed between 2009, 2014 and 2019: a cross-sectional analysis. 124: 21-32.
- Grimes A, Badenhorst S, Maré D, Poot J, Sin I. "Quality of life, quality of business, and destinations of recent graduates - Fields of study matter." *The Annals of Regional Science*, forthcoming.
- Alimi, O.B., Maré, D.C. and Poot, J., (2021) Who partners up? Homogamy and income inequality in New Zealand cities. *Journal of Regional Science*. <https://doi.org/10.1111/jors.12558>
- Winchester, N. (2022). Climate Policy Insights from an open-source economy-wide model, *New Zealand Economic Papers*. (<https://doi.org/10.1080/00779954.2022.2142153>)
- White, D. and N. Winchester (2022). The plastic intensity of industries in the US: The Devil wears plastic, *Environmental Modeling and Assessment*, 28, 15-28 (<https://doi.org/10.1007/s10666-022-09848-z>).
- Grimes, Arthur, Shine Wu. Sustainable Consumption Growth: New Zealand's Surprising Performance. *New Zealand Economic Papers*, forthcoming. <http://dx.doi.org/10.1080/00779954.2022.2138517>.
- Grimes, Arthur, Stephen Jenkins, Florencia Tranquilli. The relationship between subjective wellbeing and subjective wellbeing inequality: An important role for skewness. *Journal of Happiness Studies*, forthcoming, <https://doi.org/10.1007/s10902-022-00591-6>
- Piosang, Tristan, Arthur Grimes. Trust in institutions and subjective wellbeing: Evidence from the Philippines. *Asian Politics and Policy*.
- Tam, Diana, Arthur Grimes. "Migration of dual-earner couples: A subjective wellbeing approach." *Review of Economics of the Household*, 21(1), 269-289. <https://link.springer.com/article/10.1007/s11150-021-09598-z>
- Maré, D.C. (2022) "The labor market in New Zealand, 2000-2021" IZA World of Labour: Country Studies *IZA World of Labor* 2022:427. Published online at <https://wol.iza.org/subject-areas/country-labor-markets> doi: 10.15185/izawol.427.v2
- Thomas Carver, Patrick Dawson, Sophie O'Brien, Hannah Kotula, Suzi Kerr, and Catherine Leining. "Including Forestry in an Emissions Trading Scheme: Lessons from New Zealand. *Frontiers in] Forests and Global Change*. <https://doi.org/10.3389/ffgc.2022.956196>.
- Grimes A. "Measuring pandemic and lockdown impacts on wellbeing", *Review of Income and Wealth*.
- Kickbusch I, Demayo S, Grimes A, Williams C, de Leeuw E, Herriot M. The wellbeing economy is within reach—let's grasp it for better health. *Health Promotion International*, 37, 1-4.
- Stroombergen, A, Byett, A, Maré, D C & Fabling, R (2021) "Accessibility: its role and impact on labour and housing markets in New Zealand's main metropolitan areas", *NZ Transport Agency research report 682*.
- Alimi, O, Maré, D C & Poot, J (2022) "Immigration, skills and changing urban income inequality in New Zealand: two decomposition approaches" *Australian Journal of Labour Economics*. 25(1), 81-109.
- Nicolas Héroult, Dean Hyslop, Stephen Jenkins and Roger Wilkins. 2021 "Rising Top-Income Persistence in Australia: Evidence from Income Tax Data", IZA discussion paper, DP No. 14737, September (also London School of Economics, International Inequalities Institute Working Paper No. 69; CUNY Stone Center on Socio-Economic Inequality Working Paper No. 44, <https://doi.org/10.31235/osf.io/az7tf>).
- Fabling, R & Grimes, A. (forthcoming). "Picking up speed: Does ultrafast broadband increase firm productivity?" *Information Economics and Policy*. <https://doi.org/10.1016/j.infoecopol.2021.100937>
- Grimes, A., Preston, K., Maré, D. C., Badenhorst, S., & Donovan, S. (2021). The contrasting importance of quality of life and quality of business for domestic and international migrants. In W. Cochrane, M. P. Cameron, & O. Alimi (Eds.), *Labor markets, migration, and mobility: Essays in honor of Jacques Poot* (pp. 97-122). Springer Nature.

OTHER MOTU PUBLICATIONS

We published these other Motu publications between 1 July 2021 to 30 June 2022

Leining, Catherine. 2022. "A guide to the New Zealand Emissions Trading Scheme: 2022 update." Motu Economic and Public Policy Research. Wellington, New Zealand.




Climate Action Teams (CAT): mini-lateral cooperation to accelerate ambitious decarbonization.

Climate Action Teams (CATs)



Researchers (including some from Motu Research) have developed Climate Action Teams (CATs), an innovative way for countries to use the latest global climate summit (COP26) rulebook for international carbon markets – in a way that ensures environmental integrity and high emissions reduction ambition.

 Climate Action Teams mini lateral cooperation to accelerate ambitious decarbonization 11 v3.21 (923 KB)

Published: 2021

Motu Research, in collaboration with EDF, Universidad Catolica de Chile and Perspectives, has prepared this policy brief to describe CAT.

Authors: Ana Pueyo, Catherine Leining, Suzi Kerr

Honours and awards won by our researchers:

The quality of our research is regularly recognised by honours and awards.

In 2022-23, our researchers won the following awards:

In 2023, Arthur Grimes was elected as an NZ Association of Economists Life Member.

In 2021-22, our researchers won the following awards:

Arthur Grimes, Dave Maré and affiliate Stuart Donovan won the 2022 NZ Association of Economists NZ Economic Policy Prize – and the Stata Prize (for excellence in graphics communications).

Jaimie Monk won the 2022 NZ Association of Economists Jan Whitwell Prize.



Building capability in economic and public policy research

One of our objectives is to build economic and public policy research capability in New Zealand.

How we achieved this goal

Our researchers teach university courses and supervise thesis students. We offer junior research roles and we provide opportunities for Motu researchers to further their training.

We also make data more available, host international academic visitors, and run conferences, dialogue groups and workshops.

TEACHING BY OUR RESEARCH FELLOWS

Motu's Senior Fellows build research capability through their work with universities and other organisations. This includes research collaboration, teaching and supervising thesis students.

Lynn Riggs taught Labour Economics through the Government Economics Network. She taught the class for MBIE in November 2021 and a more general class in January 2022.

Eloide Blanc is teaching BUSINESS 115 - Economics, Markets and Law (at University of Auckland)

Arthur Grimes

- supervises five PhD students at Victoria University of Wellington.
- Has a 30% position as Professor and Chair of Wellbeing and Public Policy at Victoria University of Wellington's School of Government.
- teaches GOVT521 (Economics and Policy) and GOVT543 (Public Policy and the Economics of Wellbeing) for the Master of Public Policy.

Dave Maré is an adjunct professor of Economics at Waikato, where he is also a research associate of NIDEA (National Institute for Demographic and Economic analysis). He is co-supervisor for one PhD student at the University of Auckland.

Dean Hyslop is continuing to co-supervise a PhD student at Victoria University of Wellington.

Isabelle Sin is co-supervising three PhD students through Victoria University of Wellington and is co-supervising one PhD student through the University of Auckland.

John McDermott is an adjunct professor of Economics at Victoria University of Wellington, teaching Macroeconomics.

Niven Winchester has a part-time position as Professor of Economics at Auckland University of Technology. At AUT, Niven is supervising two PhD students and one master's student, and teaches courses on microeconomics, international trade, and behavioural economics.

Catherine Leining does occasional single lectures on emissions trading at Victoria University of Wellington. She did one lecture in December 2021. For the SSP 1 July 2022 to 30 June 2023 - She did one lecture in August 2022

INTERNSHIPS

Motu offers paid summer internships, provided by our funding from our patrons.

This internship programme is designed to apply and extend students' empirical skills and assist with their development as researchers. Its underlying aim is to build research capability, improving the skills of young researchers and the quality of research in Aotearoa. Motu interns work on research projects led by one of the Senior Fellows and are encouraged to think critically about the public policy and research issues involved. Internships build students' skills, as well as providing our researchers with useful research assistance.

Ultimately, we hope our interns will be better equipped to consider a career in research or public policy analysis. More than 52 young researchers have 'graduated' from this programme since 2000.

We hosted three interns over the summer of 2022/2023 - Rangimaria Aperahama, Justine Lee and Ju Kim's (whose internship we funded for the Human Rights Measurement Initiative).

We hosted three interns over the summer of 2021/2022 - Callum Murray, Lily Stelling and Katja Phutaraksa Neef.

SCHOLARSHIPS

Motu Research currently provides:

- o the Motu Doctoral Scholarship
- o the Āheitanga Thesis Scholarship
- o the Sir Frank Holmes Prize

Motu Doctoral Scholarship

The Motu Doctoral Scholarship can be awarded to Motu Research Analysts who have been employed by Motu for at least twelve months and who leave to do a highly rated PhD course. The scholarship is \$2000. The objectives are to:

- o recognise the recipient's outstanding contribution while employed at Motu
- o encourage the recipient to gain the qualifications needed to become an independent researcher, and thus continue to build New Zealand's research capacity.

Livy Mitchell and Shakked Noy won the Motu Doctoral Scholarship in 2022.

Āheitanga Thesis Scholarship

Every year, Motu Research offers a one-year \$10,000 scholarship pool to enhance research capacity in Aotearoa's Māori community. It is offered to university students of Māori descent who are working on (or are planning to work on) an Honours, Masters or PhD thesis.

Through our Āheitanga Thesis scholarship, we hope to help enhance research capacity in Aotearoa's Māori community and help students of Māori descent research topics relevant to public policy development.

Mākere Hurst won the scholarship in the 2022/23 year. Her PhD is in Public Policy through the School of Government at Te Herenga Waka (Victoria University of Wellington). Mākere's PhD topic is: assessing Māori wellbeing and the relationship between Māori and natural resources, including land, on modern wellbeing outcomes.

Taylor Winter (Ngāi Tahu) co-won the scholarship in 2021/22 year. A PhD Candidate at the School of Psychology at the Victoria University of Wellington, Taylor has a broad interest in wellbeing. He will use the scholarship to investigate how income may lead to lower levels of happiness than it has historically.

Rangimaria Aperahama co-won the scholarship in 2021/22 year. She is completing a BA Honours in Economics through Massey University. She will use the scholarship money next year to begin a PhD to expand on her current research looking at distribution in the Māori Economy.

Sir Frank Holmes Prize

The Motu Research and Education Foundation offers a cash prize of \$3,500 for the top economics undergraduate student in Aotearoa, who is also moving on to honours or masters level studies in economics, including econometrics. The Sir Frank Holmes Prize is funded by the Hugo Group and is awarded every year in October. It is only available by nomination by university heads of department.

The purpose of this prize is to encourage top quantitative economics students to further their studies in econometrics at graduate level. The prize is not open for applications and is decided through nominations by university lecturers.

Motu Research awarded the prize in 2022/2023 to Jessie Zhang, University of Auckland and in 2021/2022 to Justine Lee, University of Canterbury.

RESEARCH ANALYSTS

As part of Motu Research's commitment to building economic research capacity in New Zealand, we employ a small number of outstanding early career economists as research analysts (RA's). These are usually recent graduates in economics, statistics, or a related field who have completed an Honours or Masters' degree.

Motu research analysts get hands-on experience of economic and public policy research, building their analytical and research skills and authoring papers alongside senior fellows. Motu provides the research analysts with training and mentoring on current research topics and programs.

We usually have a strong cohort of about four bright early career economists working on a wide variety of topics.

Many research analysts that Motu has employed have gone on to complete economics PhDs from top international graduate schools, and many more are currently studying towards their doctorates. These Motu alumni are supported by a scholarship from Motu.

Other former research analysts and interns have moved into Government work and taken up senior roles at the World Bank, Treasury, the Interim Climate Change Commission, Oranga Tamariki, and other government departments.

In the 2022-2023 period, we employed five research analysts (Nic Watson, Hannah Kotula, Shannon Minehan, Thomas Benison and Euan Richardson).

In the 2021-2022 period, we employed six research analysts (Livvy Mitchell, Shakked Noy, Nic Watson, Hannah Kotula, Shannon Minehan and Thomas Benison).

Opportunities for Motu researchers to further their training

We encourage and provide a work environment where our researchers support each with their research by peer reviewing each other's work.

We also have a weekly internal seminar series scheduled for our researchers. The seminars have both internal and external speakers presenting recent research, or topics that benefit their research.





Freely Disseminating Research

Motu is committed to freely disseminating our research findings. Our communications are designed to build trust in our research, independence, and charitable status. We also provide communicative tools for others' research relevant to public policy in Aotearoa New Zealand.

Our primary audiences are the New Zealand public policy service, economic and public policy researchers, private sector organisations, Māori organisations and non-profit organisations, with some information tailored for the wider public.

How we achieved this goal

STAKEHOLDER DIALOGUES

Motu uses an innovative stakeholder dialogue process for investigating challenging topics that are the subject of polarising public debate.

A Motu Dialogue is not a decision-making body, but a group with a wide range of perspectives that can provide a basis for more constructive and informed public discussion on challenging issues. It is composed of up to 20 individuals who work together over an agreed amount of time, to frame challenges within the sector, and create ideas on how to move forward.

The group meets in person (with some participation by video-conference) for either half or full-day meetings. The group aims to develop a shared understanding of the issues and current knowledge about them, identify creative ideas to address them, develop mutual trust among participants and develop potential effective, efficient and fair solutions to the identified challenge or pose well-formulated research questions. It does not aim to create consensus among participants though consensus on some issues is often reached.

We held seven dialogues between 1 July 2022 to 30 June 2023

- ETS Dialogue meetings (x2) in August 2022 and September 2022. The objective was to exchange views and explore solutions regarding challenging issues in the government's July 2021 consultation document on NZ ETS market governance.
- Just Transitions Dialogue meetings (x5) in November 2022 and March 2023. The objective was to help inform the development of a Just Transitions Guide for Aotearoa New Zealand. As explained in accompanying information, the Guide will be a practical tool to support communities to lead their own transition management process through periods of change to achieve just outcomes.

In each case, attendees were a mixture of government, business, NGOs and researchers. We typically had 20 to 40 participants in each meeting. All of the Dialogue meetings were virtual (via Zoom), anchored from Wellington.

We held two dialogues between 1 July 2021 to 30 June 2022

- Distributional Impacts Dialogue meetings (x2) in May 2021 and April 2022. The objectives were to:
 - » Examine dimensions of the principles behind a just transition
 - » Discuss potential changes to policy-making processes for a just transition in Aotearoa New Zealand
 - » Explore options for measuring progress with a just transition, including integrating the Living Standards Framework and He Ara Waiora.

In each case, attendees were a mixture of government, business, NGOs and researchers. We typically had 20 to 40 participants in each meeting. All of the Dialogue meetings were virtual (via Zoom), anchored from Wellington.

PUBLIC POLICY SEMINARS

One of Motu Research's missions is to help stimulate informed debate around Aotearoa's most urgent social, economic and policy issues. One way we do this is through our public policy seminar series.

Our seminars are an opportunity for expert input and stakeholder conversation on urgent social, economic and policy issues. We invite prominent economists and thought leaders - both international and domestic - to present their findings and engage with a panel of qualified experts. The seminars help to educate stakeholders and kick-start collective thinking in some dynamic policy areas.

We ran the below seminars between 1 July 2022 to 30 June 2023 (2 in total):

- Warmer Kiwis Study: cost-benefit analysis of heat pumps. In this seminar, we reported on results from our sample of around 160 homeowners who had received a Warmer Kiwi Homes grant for an energy-efficient heating device. Motu Research's work concluded using heat pumps in homes results in warmer and drier living areas through winter, and households save on electricity bills. Overall, the study's findings show the Warmer Kiwi Homes programme is effective.
- New data and evidence on the organisation of science - implications for diversity and innovation. This seminar looked at how we can use new types of data to understand the structure of research organisations - which are major drivers of innovation and economic growth. Study of the new data show the common measures of scientific productivity (like publications and patents) may incorrectly measure the productivity of marginalised groups. One example is how Crick and Watson failed to credit Rosalind Franklin with her contribution to understanding DNA. The resulting skewed signals are likely to adversely affect the quality of research investment decisions.



We ran the below seminars between 1 July 2021 to 30 June 2022 (7 in total):

- How can Aotearoa New Zealand best approach immigration policy to boost productivity and wellbeing? Who migrates to Aotearoa New Zealand and what skills do they bring? What impact do migrants have on our economy? How can we create an immigration system fit for the future?
- The Warmer Kiwis Study: An impact evaluation of the Warmer Kiwi Homes programme. The Warmer Kiwis Study focuses on the heat pump component of the Warmer Kiwi Homes programme and works directly with a group of about 160 homeowners, who have received, or will receive a grant for a heat pump.
- The role of energy data in enabling climate change mitigation innovation. International guest Speaker - Gavin Starks CEO and founder of Icebreaker One - United Kingdom. Is open energy data crucial to climate change mitigation efforts?
- Wellbeing and policy, Aotearoa style. Treasury's Living Standards Framework has been closely aligned with international models such as the OECD for over ten years.
- Buildings for net-zero: the European Union experience with sustainable housing regulation and implementation. The recently published report from the UN's Intergovernmental Panel on Climate Change (IPCC) signals a code red for humanity and recommends that greenhouse gas emissions decrease as soon and as quickly as possible.
- Motu Women on equitable, effective climate transition. All children should be able to expect a future where they can thrive. Climate change itself is one of the greatest threats to that future so acting on it effectively and fast is important.
- Confronting freshwater security challenges and pathways to resilience. Presented by Quentin Grafton. It is critical that we understand the contribution of climate change to water insecurity and yet there are still many challenges to measuring these impacts. How can we plan for freshwater resilience?

NEWSLETTERS AND EMAIL NOTIFICATIONS ABOUT RESEARCH

We send out Motu newsletters three to four times a year, rounding up our recent research published, news about our scholarships, Public Policy Seminar news and more.

Between 1 July 2022-30 June 2023, we sent out 3 newsletters.

Between 1 July 2021-30 June 2022, we sent out 3 newsletters.

We also send out emails whenever we publish working papers, Motu notes and annual report, and invitations to our Public Policy Seminars and annual birthday party – to subscribers who have signed up for these notifications.

Between 1 July 2022-30 June 2023, we sent out 24 of these email notifications.

Between 1 July 2021-30 June 2022, we sent out 40 of these email notifications.

MOTU RESEARCH WEBSITE

Free dissemination of our research is important to us. Our website is our main vehicle to achieve this. Here are some statistics about audience traffic on the Motu website.

Date range	Total number of Sessions	Avg. session duration	New visitors	Returning visitor	Pages per session
July 2022 to June 2023	74,690	0:59 min	48,273	4,603	1.68
July 2021 to June 2022	109,290	0:48 min	88,354	8,191	1.73

*A session is the period of time a user is actively engaged with your website, app, etc.

MENTIONS OF MOTU RESEARCHERS IN THE MEDIA

Between 1 July 2022-30 June 2023 - 23 articles

Between 1 July 2021-30 June 2022 - 48 articles

SOCIAL MEDIA

We post several posts a week on our three social channels. Posts include information about new research of ours, our upcoming public policy seminars and when we have been mentioned in the media.

Here is some data about followers of our social media channels:

Platform	Followers as at 30 June 2022	Followers as at 30 June 2023
Twitter	2,327	2,320
LinkedIn	1,316	1,905
Facebook	1,073	1,083



MOTU ECONOMIC AND PUBLIC POLICY RESEARCH TRUST

Summary Group Statement of Financial Performance

for the year ended 30 June 2023

	2023 \$	2022 \$
INCOME		
Research Grants	2,511,594	3,359,134
Interest Received	74,532	33,861
Patron Income and Donations	75,500	40,250
Other Income	86,307	58,235
Total Income	2,747,933	3,491,480
LESS EXPENSES		
Personnel	1,787,082	2,306,665
Research Project Costs	660,566	619,809
Other Operating Expenses	365,818	441,497
Total Operating Expenses	2,813,466	3,367,971
SURPLUS/(DEFICIT)	(65,533)	123,509
OTHER EXPENSES		
Senior Fellow Research Accounts	25,005	9,257
TOTAL EXPENSES	2,838,471	3,377,228
NET SURPLUS/(DEFICIT)	(90,538)	114,252

This Statement has been prepared on the basis as described on page 21



MOTU ECONOMIC AND PUBLIC POLICY RESEARCH TRUST

Summary Group Statement of Movements in Equity

for the year ended 30 June 2023

	2023 \$	2022 \$
Net Surplus/(Deficit) for the year	(90,538)	114,252
Total recognised revenues & expenses	(90,538)	114,252
Opening Equity	1,931,821	1,817,569
Closing Equity	1,841,283	1,931,821
SENIOR FELLOW RESEARCH RESERVE		
Opening Senior Fellow Research Reserve	252,337	264,346
Transfers from/(to) Accumulated Funds	(23,219)	(2,752)
Expenses funded by Reserve	(25,005)	(9,257)
Closing Senior Fellow Research Reserve	204,113	252,337
ACCUMULATED FUNDS		
Opening Accumulated Funds	1,679,484	1,553,223
Net Surplus/(Deficit) for the year	(90,538)	114,252
Net Transfers (to)/from Senior Fellow Research Reserve	48,224	12,009
Closing Accumulated Funds	1,637,170	1,679,484

This Statement has been prepared on the basis as described on page 21



MOTU ECONOMIC AND PUBLIC POLICY RESEARCH TRUST

Summary Group Statement of Financial Position

as at 30 June 2023

	2023	2022
	\$	\$
CURRENT ASSETS		
Cash and bank	358,258	627,473
Investments	1,741,370	2,419,453
Accounts Receivable	492,273	163,243
Work in Progress	245,896	131,880
Total Current Assets	2,837,797	3,342,049
CURRENT LIABILITIES		
Accounts Payable and accrued expenses	446,420	461,297
Income Received in Advance	634,196	1,057,865
Total Current Liabilities	1,080,616	1,519,162
WORKING CAPITAL	1,757,181	1,822,887
NON-CURRENT ASSETS		
Plant, Property & Equipment	84,102	108,934
Total Non-Current Assets	84,102	108,934
NET ASSETS	1,841,283	1,931,821
Represented by;		
Accumulated Funds	1,637,170	1,679,484
Senior Fellow Research Reserve	204,113	252,337
EQUITY	1,841,283	1,931,821

This Statement has been prepared on the basis as described on page 21

MOTU ECONOMIC AND PUBLIC POLICY RESEARCH TRUST

Summary Group Statement of Cash Flow

for the Year Ended 30 June 2023

	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Research Grants	2,278,911	4,438,331
Patron Income and Donations	80,249	40,250
Other Income	20,952	56,901
	<hr/> 2,380,112	<hr/> 4,535,482
Payments		
Personnel	1,859,838	2,271,336
Research Project Costs	1,135,987	1,380,946
Premises Rental Costs	109,000	146,618
Audit Fees	18,963	13,837
Senior Fellow Research Account Expenses	18,619	9,855
Other Operating Expenses	201,891	212,553
	<hr/> 3,344,298	<hr/> 4,035,145
Net GST (Paid)/Received	(34,237)	29,323
Net Cash Flows from Operating Activities	(998,423)	529,660
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Interest Received	67,521	31,796
Withdrawal of Term Deposits	1,602,659	957,365
	<hr/> 1,670,180	<hr/> 989,161
Payments		
Investment in Term Deposits	924,576	1,217,662
Purchase of Fixed Assets	16,396	38,321
	<hr/> 940,972	<hr/> 1,255,983
Net Cash Flows from Investing Activities	729,208	(266,822)
Net Increase/(Decrease) in Cash and Cash Equivalents	(269,215)	262,838
Cash and Cash Equivalents at 1 July	627,473	364,635
Cash and Cash Equivalents at 30 June	358,258	627,473

This Statement has been prepared on the basis as described on page 21



MOTU ECONOMIC AND PUBLIC POLICY RESEARCH TRUST

Note to the Summary Group Financial Statements

for the Year Ended 30 June 2023

The summary financial statements for Motu Economic and Public Policy Research Trust Group for the year ended 30 June 2023 on pages 5 to 21 have been extracted from the full financial reports. The full financial reports were adopted by the Board of Trustees on 19 October 2023. 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.

HRMI SEPARATION

On 31 August 2022 the activities of the Trust operating under the name of the Human Rights Measurement Initiative (HRMI) were incorporated into a separate independent legal entity named Human Rights Measurement Initiative Charitable Trust. The HRMI operation was not classified as discontinued at 30 June 2022. The following balances were transferred to the HRMI Trust:

	\$
Cash	198,689
Furniture and Office Equipment	4,000
Research Contracts Paid in Advance	(187,028)
Sundry Creditors	(15,661)

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.



Jo Wills
Chairperson
19 October 2023



Independent Auditor's Report

To the trustees of Motu Economic and Public Policy Research Trust

Report on the summary consolidated financial statements

Opinion

In our opinion, the accompanying summary consolidated financial statements of Motu Economic and Public Policy Research Trust (the 'trust') and its subsidiaries (the 'group') on pages 5 to 21:

- 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 PBE FRS 43 Summary Financial Statements.

The accompanying summary consolidated financial statements comprises:

- the summary consolidated statement of financial position as at 30 June 2023;
- the summary consolidated statements of financial performance, changes in equity and cash flows for the year then ended;
- notes, including a summary of significant accounting policies and other explanatory information; and
- the consolidated statement of service performance and entity information on pages 5 to 16.



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*.

We are independent of the group 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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



Other matter

The statement of service performance for the year ended 30 June 2022, was not audited.



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 trust, are responsible for:

- the preparation and fair presentation of the summary consolidated financial statements in accordance with PBE FRS 43 Summary Financial Statements; and
- implementing necessary internal control to enable the preparation of a summary consolidated 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 19 October 2023.

The summary consolidated financial statements does 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 consolidated.

KPMG
Wellington

19 October 2023



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