



# Motu

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

**ANNUAL REPORT**  
July 2019 - June 2020



# MOTU MEANS “ISLAND.” OUR RESEARCH RISES ABOVE UNINFORMED DEBATE.

What began as a plucky upstart in Suzi Kerr’s house in Island Bay 20 years ago is now a mature, well-respected organisation. We are a team of world-class economic and public policy researchers undertaking independent work that informs government policy, and which is lauded and referenced around the world.



## 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**



MINISTRY OF SOCIAL DEVELOPMENT  
*Te Manatū Whakahiato Ora*

With thanks to The Treasury for supporting  
our Research Round Table series



THE TREASURY  
Kaitohutohu Kaupapa Rawa



## Contents

Chair's Report	2
Director's Report	3
About Motu	4
Our Work	6
Publications	8
Grants and Patrons	10
Financial Performance	12

Motu



## Chair's Report



What a year it has been! None of us could have envisaged the changes that Covid-19 has made, and I think it will be some time before we come to understand fully the consequences for our economy, community and our organisation.

Motu's blend of academic research and policy advice will become even more relevant and valued by both government agencies and business as we navigate the coming years. The ongoing, systematic research undertaken by Motu is exceptional in both its quality and its focus and will provide an essential research backdrop for some of the bigger policy challenges on our near horizon. In preparation we have undertaken a rebrand and refreshed our communications style to meet the need for clear & concise national and international dissemination.

Our research is truly world class, ranking among the top economic think tanks and climate change policy organisations internationally. It is our continued desire to contribute to global economic and climate policy exchange.

As Chair, I'd like to again extend my thanks to all Board members, past and present and welcome our new board member Tim Clarke. Tim leads Russell McVeagh's Government Public Law & Policy practice and has over 20 years' experience providing public law and policy advice to major national and international corporates, key government departments, state owned enterprises and crown entities. He is a welcome addition to the Board, and we look forward to availing ourselves of his keen insight.

Our Executive Director, John McDermott is now in his second year with Motu and I wish to thank him for his leadership and his enthusiasm.

I am greatly privileged to help steer this energetic and academically rigorous organisation. I 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 black ink, appearing to read 'Bruce Wills', with a long horizontal flourish extending to the right.

Bruce Wills  
Chair, Motu Economic and Public Policy Research Trust  
10 November 2020

## Director's Report



It's been a busy year here at Motu, and the lockdown early on in the year gave us a different concept of how to work as an organisation. Even though we have now transitioned to a level of normality, we've also had the opportunity to see how sudden radical changes to our economic and social structures are possible. Here at Motu, we understand more than ever the importance of promoting a well-reasoned dialogue around crucial economic and policy issues.

To that end, we have rebranded our organisation, developed a new website and initiated a series of Research Round Table webinars, where we invite the experts to discuss and deliberate on pressing present-day issues. Motu's financial position remains strong and no wage subsidy or other financial support was applied for as a result of Covid-19.

The incredible team here means that Motu continues to lead New Zealand and the world in climate change thinking and environmental, economic modelling. Our Fellows contribute at the cutting edge of several other fields; prominent research on science policy and innovation, led by Senior Research Associate Adam Jaffe and Fellow Trinh Le, Arthur Grimes' highly influential work in wellbeing economics, Dave Maré's well-known research in economic demographics, Isabelle Sin's renowned studies in labour diversity, and Lynn Riggs' 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 world-changing.

Catherine Leining continues her outstanding work in climate change mitigation policy and in December 2019 she was appointed to the New Zealand Climate Change Commission. We also welcomed new research analysts Livvy Mitchell and Shakked Noy.

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

- nearly 40 external presentations, 25 externally published articles, 20 Motu Working Papers and,

in several cases, significant media comment;

- looking at links between socio-demographic diversity and firm performance;
- progressed research and stakeholder engagement on managing the distributional impacts of climate change mitigation policies;
- we are leading the development of the Climate PoLicy ANalysis (C-PLAN) tool suite;
- pilot research into specific human rights concerns in the Pacific Region through our Human Rights Measurement Initiative;
- continued work with two National Science Challenges – the Deep South and Building Better Homes, Towns and Cities; and
- and ongoing work with Te Pūnaha Matatini, a Centre of Research Excellence focused on the characterisation and analysis of complex systems and networks.

I want to take this opportunity to thank our Motu funders and Foundation patrons. It's through your help that we have been able to continue producing such high-quality, independent research and building on knowledge capacity, which in turn contributes significantly to the strength of the New Zealand research and policy communities.

Your financial support also goes towards training junior research analysts, employing interns, and awarding scholarships for young economists, including Motu junior staff who choose to advance to higher academic study. Thank you.

It has certainly been an exciting and dynamic year for Motu and one in which the relevance of this organisation has become even more apparent. We look forward to contributing our compelling and insightful research to the policy conversation as we shape the future together.

Sincerely,

John McDermott  
Executive Director  
10 November 2020



## About Motu

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.

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 economic 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.

## 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 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 Analysts (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, Ministry of 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. These platforms for enhanced education and outreach present Motu research to the public in a reliable and comprehensible form.

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## Our work in 2019-2020

### Human Rights Measurement Initiative

The Motu Human Rights Measurement Initiative (HRMI) team continues to collaborate with a range of international academics and human rights practitioners as their international human rights data coverage grows. In the last six months HRMI has released a new dataset and welcomed several new team members.

In June the team held a global webinar to release the 2020 dataset. The HRMI Rights Tracker website has all the new data for around 200 countries.  
[www.rightstracker.org](http://www.rightstracker.org)

Also released in June were the findings of the pilot research into specific human rights concerns in the Pacific Region, which have been received with interest by a range of people around the Pacific.

The goal of HRMI is to extend data coverage to all countries in the world and expand the suite of metrics to include all human rights defined in international human rights law. HRMI is continuing to apply for further grants to progress this work, with a particular focus on securing funding to expand civil and political rights measurement to the East Asia region.

### 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 2019–2020, Motu produced publications showing detailed economic policy work on topics as diverse as:

- how to measure civil and political rights around the world;
- finding out why there are there more accidents on Mondays;
- projecting the effect of Climate change on EQC claims;
- who returns to adult education in New Zealand;
- locations of choice of graduates in New Zealand following graduation;
- measuring commuting patterns;
- how monetary policy affects welfare;
- modelling urban development;
- understanding the nature of subjective wellbeing inequality;
- a review of policy instruments for freshwater management;
- and a paper outlining the changes to forestry in the New Zealand Emissions Trading Scheme.

Motu's work also appeared in many prestigious international journals, including:

*NBER; Journal of Business and Economic Statistics; Journal of Environmental Management; Journal of Human Rights; Journal of Peace Research; Public Policy and Governance Frontiers in New Zealand; New Zealand Population Review; Population, Place, and Spatial Interaction, New frontiers in Regional Science: Singapore; IZA Journal of Labour Policy; Education Sciences; Studies in the Sociology of Population: International Perspectives; Journal of Labor Economics; New Zealand Economic Papers; and Agenda.*

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## 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, <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

#### 2020

20-09 Grimes, Arthur, Stephen P. Jenkins and Florencia Tranquilli. 2020. "The Relationship between Subjective Wellbeing and Subjective Wellbeing Inequality: Taking Ordinality and Skewness Seriously."

20-08 Davies, Ben, and D C Maré. 2020. "Delineating functional labour market areas with estimable classification stabilities."

20-07 Donovan, Stuart, Arthur Grimes and D C Maré. 2020. "Modelling urban development in New Zealand."

20-06 El-Jahel, Lina; Robert MacCulloch and Hamed Shafiee. 2020. "How does monetary policy affect welfare? Some new estimates using data on life evaluation and emotional well-being."

20-05 Fabling, Richard and David C. Maré. 2020. "Measuring commute patterns over time: Using administrative data to identify where employees live and work."

20-04 Grimes, A, S Badenhorst, D C Maré, J Poot, and I Sin. 2020. "Hometown & whānau, or big city & millennials? The economic geography of graduate destination choices in New Zealand."

20-02 Pastor-Paz, Jacob, Ilan Noy, Isabelle Sin, Abha Sood, David Fleming-Munoz and Sally Owen. 2020. "Projecting the effect of climate change-induced increases in extreme rainfall on residential property damages: A case study from New Zealand."

20-01 Poland, Michelle, Isabelle Sin and Steven Stillman. 2020. "Why are there more accidents on Mondays? Economic incentives, ergonomics or externalities."



## 2019

**19-23** Fabling, Richard and Arthur Grimes. 2019. “Ultra-fast broadband, skill complementarities, gender and wages.”

**19-22** Maré, David C. 2019. “Occupational drift in New Zealand: 1976-2018.”

**19-21** Sin, Isabelle and Bronwyn Bruce-Brand. 2019. “Is the pay of medical specialists in New Zealand gender biased?”

**19-20** Maré, David C and Jacques Poot. 2019. “Commuting to diversity.”

**19-19** Noy, Ilan, David Fleming, Jacob Pastor-Paz and Sally Owen. 2019. “EQC and weather events in New Zealand.”

**19-18** Riggs, Lynn, Isabelle Sin and Dean Hyslop. 2019. “Measuring the ‘gig’ economy: challenges and options.”

**19-17** Grimes, Arthur and Dominic White. 2019. “Digital inclusion and wellbeing in New Zealand.”

**19-16** Maré, David C and Richard Fabling. 2019. “Competition and productivity: Do commonly used metrics suggest a relationship?”

**19-15** Hall, Viv B and John McDermott. 2019. “Changes in New Zealand’s Business Insolvency Rates after the Global Financial Crisis.”

**19-14** Hyslop, Dean, Trinh Le, David C Maré and Steven Stillman. 2019. “Housing markets and migration – Evidence from New Zealand.”

**19-13** Coleman, Andrew. 2019 “Liquidity, the government balance sheet, and the public sector discount rate.”

**19-12** Winchester, Niven, Dominic White and Catherine Leining. 2019. “A community of practice for economic modelling of climate change mitigation in New Zealand.”

## Motu Notes

**#42** Hyslop, Dean, Trinh Le and Lynn Riggs. 2020. “Characteristics of Adults undertaking Education and Training in New Zealand.”

**#41** Badenhorst, Shaan, Sophie Hale, Catherine Leining and Suzi Kerr. 2019. “The NZ ETS Cap Explorer Tool: design and key insights.”

**#40** Byett, Anthony, Ben Davies, Roger Blakeley, Chris Bowie, Roger Fairclough, Darren Fidler, Warren Furner, Graeme Guthrie, Lesley Haines, Angela Halliday, Andrew James, Suzi Kerr, Richard Levy, Petra Pearce, Ryan Paulik, Barry McColl, Richard Meade, Joanna Pohatu, Stephen Riley, James Tinnion-Morgan and Ilze

Ziedins. 2019. “Climate change adaptation within New Zealand’s transport system.”

**#39** Hyslop, Dean and Trinh Le. 2019. “The characteristics of Early Childhood Education workers and their employment.”

**#38** Pohatu, Pia, Sophie Hale and Leo Mercer. 2019. “Māori landowners’ decision-making processes around native forest regeneration.”

**#37** Pierse, Nevil, Maddie White and Lynn Riggs. 2019. “Healthy homes initiative: Initial analysis of health outcomes.”



## List of grants

Following is a full list of grants and funding sources (of greater than NZ\$50,000) active during the 2019–2020 financial year:

Client	Description	Duration
University of Auckland	Te Punaha Matatini	2015-2020
University of Waikato	Capturing the Diversity Dividend of NZ	2015-2020
Royal Society of New Zealand (Marsden Fund)	Skilled Migration	2016-2019
Building Better Homes, Towns and Cities National Science Challenge 11	Building Better Homes	2016-2019
Huawei NZ	Telecommunication Research	2017-2020
Ministry for Primary Industries	Sustainable Land Management and Climate change Native Forest	2017-2020
Foundation to Promote Open Societies	Human Rights Measurement Initiative (HRMI)	2017-2020
New Forests Asset Management	New Zealand Forestry	2019-2022
The Aotearoa Foundation	New Zealand Emissions Trading Scheme Reform	2020-2021
Ministry of Foreign Affairs and Trade	HRMI- Pacific Project	2019-2020
Department of Internal Affairs	Wellbeing & Internet Access	2019
New Zealand Productivity Commission	Measuring the Gig Economy	2019-2020
New Zealand Productivity Commission	Labour Market Outcomes from Education & Training	2019-2020
Climate Change Commission	New Zealand Climate Policy Model	2019-2021



## Motu Research and 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 seminars and presentations by international and New Zealand academics; 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.

Motu

## Patrons and donors - Motu Research and 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 3 patrons in 2019–2020:

- Ministry of Business, Innovation and Employment
- Ministry of Transport
- Ministry of Social Development

and thanks to

- The Treasury for supporting our Research Round Table seminar series.

# Motu Economic and Public Policy Research Trust

Audited summary financial statements for the Year Ended 30 June 2020

## Summary Group Statement of Financial Performance

	2020	2019
	\$	\$
<b>INCOME</b>		
Research Grants	2,932,740	3,431,436
Interest Received	61,957	71,445
Patron Income and Donations	43,522	43,530
Other Income	16,172	22,530
<b>Total Income</b>	<b>3,054,391</b>	<b>3,568,941</b>
<b>LESS EXPENSES</b>		
Personnel	2,004,304	2,064,828
Research Project Costs	670,934	1,208,246
Other Operating Expenses	339,612	405,102
<b>Total Operating Expenses</b>	<b>3,014,850</b>	<b>3,678,176</b>
<b>SURPLUS/(DEFICIT)</b>	<b>39,541</b>	<b>(109,235)</b>
<b>OTHER EXPENSES</b>		
Senior Fellow Research Accounts	15,342	27,874
<b>TOTAL EXPENSES</b>	<b>3,030,192</b>	<b>3,706,050</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>24,199</b>	<b>(137,109)</b>

# Motu Economic and Public Policy Research Trust

Audited summary financial statements for the Year Ended 30 June 2020

## Summary Group Statement of Movements in Equity

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Net Surplus/(Deficit) for the year	24,199	(137,109)
<b>Total recognised revenues &amp; expenses</b>	<b>24,199</b>	<b>(137,109)</b>
<b>Opening Equity</b>	<b>1,816,250</b>	<b>1,953,359</b>
<b>Closing Equity</b>	<b>1,840,449</b>	<b>1,816,250</b>
<b>SENIOR FELLOW RESEARCH RESERVE</b>		
<b>Opening Senior Fellow Research Reserve</b>	<b>212,313</b>	<b>257,866</b>
Transfers from/(to) Accumulated Funds	38,800	(17,679)
Expenses funded by Reserve	(15,342)	(27,874)
<b>Closing Senior Fellow Research Reserve</b>	<b>235,771</b>	<b>212,313</b>
<b>ACCUMULATED FUNDS</b>		
<b>Opening Accumulated Funds</b>	<b>1,603,937</b>	<b>1,695,493</b>
Net Surplus/(Deficit) for the year	24,199	(137,109)
Net Transfers (to)/from Senior Fellow Research Reserve	(23,458)	45,553
<b>Closing Accumulated Funds</b>	<b>1,604,678</b>	<b>1,603,937</b>

# Motu Economic and Public Policy Research Trust

Audited summary financial statements for the Year Ended 30 June 2020

## Summary Group Statement of Cash Flow

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Cash Flows from Operating Activities</b>		
<b>Receipts</b>		
Research Grants	2,866,091	3,588,147
Patron Income and Donations	43,522	53,530
Other Income	35,820	115,207
	<u>2,945,433</u>	<u>3,756,884</u>
<b>Payments</b>		
Personnel	1,965,710	2,132,253
Research Project Costs	1,050,021	1,287,827
Premises Rental Costs	129,479	141,250
Audit Fees	13,550	12,812
Senior Fellow Research Account Expenses	15,342	30,088
Other Operating Expenses	145,324	224,685
	<u>3,319,426</u>	<u>3,828,915</u>
Net GST (Paid)/Received	(57,609)	91,218
<b>Net Cash Flows from Operating Activities</b>	<b>(431,602)</b>	<b>19,187</b>
<b>Cash Flows from Investing Activities</b>		
<b>Receipts</b>		
Interest Received	61,876	70,534
Withdrawal of Term Deposits	1,010,326	1,412,619
	<u>1,072,202</u>	<u>1,483,153</u>
<b>Payments</b>		
Investment in Term Deposits	632,407	1,419,955
Purchase of Fixed Assets	34,749	46,066
	<u>667,156</u>	<u>1,466,021</u>
<b>Net Cash Flows from Investing Activities</b>	<b>405,046</b>	<b>17,132</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(26,556)</b>	<b>36,319</b>
Cash and Cash Equivalents at 1 July	376,320	340,001
<b>Cash and Cash Equivalents at 30 June</b>	<b><u>349,764</u></b>	<b><u>376,320</u></b>

# Motu Economic and Public Policy Research Trust

Audited summary financial statements for the Year Ended 30 June 2020

## Summary Group Statement of Financial Position

	2020	2019
	\$	\$
<b>CURRENT ASSETS</b>		
Cash and bank	349,764	376,320
Investments	1,800,859	2,178,778
Accounts Receivable	257,255	572,810
Work in Progress	111,403	152,641
<b>Total Current Assets</b>	<b>2,519,281</b>	<b>3,280,549</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable and accrued expenses	315,262	474,556
Income Received in Advance	456,269	1,088,887
<b>Total Current Liabilities</b>	<b>771,531</b>	<b>1,563,443</b>
<b>WORKING CAPITAL</b>	<b>1,747,750</b>	<b>1,717,106</b>
<b>NON-CURRENT ASSETS</b>		
Plant, Property & Equipment	92,699	99,144
<b>Total Non-Current Assets</b>	<b>92,699</b>	<b>99,144</b>
<b>NET ASSETS</b>	<b>1,840,449</b>	<b>1,816,250</b>
Represented by;		
Accumulated Funds	1,604,678	1,603,937
Senior Fellow Research Reserve	235,771	212,313
<b>EQUITY</b>	<b>1,840,449</b>	<b>1,816,250</b>

## Note to the Summary Group Financial Statements

The summary financial statements for Motu Economic and Public Policy Research Trust for the year ended 30 June 2020 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 22 October 2020. 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](mailto: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



22 October 2020



# Independent Auditor's Report

To the trustees of Motu Economic and Public Research Group

## Report on the summary trust and group financial statements

### Opinion

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

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

The accompanying summary trust and group financial statements comprises:

- the summary trust and group statement of financial position as at 30 June 2020;
- the summary trust and group 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*.

We are independent of the trust and 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 trust and 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 trust and Group Financial Statements

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

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

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## Auditor's Responsibilities for the summary trust and Group Financial Statements

Our responsibility is to express an opinion on whether the summary trust and group financial statements are consistent, in all material respects, with (or are a fair summary of) the audited trust and group 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 trust and group financial statements in our audit report dated 22 October 2020.

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



KPMG  
Wellington  
22 October 2020



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