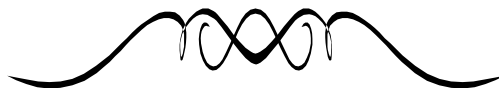


# Department of Economics

## Annual Report

# 1998



Department of Economics  
The University of Melbourne  
Parkville  
Victoria 3052  
Australia

WWW - <http://www.ecom.unimelb.edu.au/ecowww/home.html>



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# Head of Department's Report

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In 1998 the Department taught the equivalent of 1228 effective full-time students, a nine percent increase on the previous year, all staff engaged in research with a sharp increase in the output of 12 books, 13 chapters in books and 57 refereed journal articles, and members maintained active community service programs and participation in its workshop and seminar programs. While numbers of academic and general staff were unchanged, there are funds and plans to hire additional academic staff.

Major curriculum changes were evaluated and debated over the year for future implementation. From 1999 the coursework component of the M.Com and PhD degrees in economics will have a core of compulsory subjects in microeconomics, macroeconomics and econometrics to provide basic methodologies and skills. Students then choose from a number of redesigned elective subjects which use one or more of the core subjects as pre-requisites. M.Com students complete a two subject Research Essay, and PhD students spend a further two or more years writing a thesis.

Objectives of developing the graduate program are meeting some success. While the number of M.Com students in economics have stabilised at around 15 students, the number of PhD students has grown, with five completing in 1998 and another 32 enrolled.

Through the second part of 1998 the Faculty engaged in extensive debate and discussion on how best to develop its offerings of marketing and management disciplines in the B.Com degree. In part, this process has led to changes in first and second year quantitative subjects taught. Also, the Department will introduce new subjects, Competition and Strategy, Marketing Economics, and Organisations, Economics and Incentives, and it revised a number of other subjects to attract students to study the discipline of economics, at least as a minor if not as a major area of interest.

Several members of the Department have been active in the development and use of multimedia methods to enhance teaching. Redevelopment of ADVANCE by staff of the Centre of Actuarial Studies was a major investment completed in January 1999. All subjects have a home page, and many students frequently log onto them for information on subject outlines, tutorials, assignments and essays, and past exams, as well as for multimedia material.

Second year subjects Intermediate Microeconomics and Quantitative Methods 2 offered in the summer semester were popular, with over 100 students enrolled in

each subject. The summer option enables students to “catch-up” on failed subjects, to accelerate their program of study, and generally to provide for greater flexibility of choice.

All academic staff in the Department are involved in research. Areas of interest include theoretical and applied topics across most areas of the disciplines of economics, econometrics and actuarial studies. In 1998 articles were published in a range of international journals including Economica, Journal of Economic Behaviour and Organisation, Journal of International Economics, Economics Letters and Insurance: Mathematics and Economics, as well as the Australian journals, including Economic Record and Australian Economic Papers. Two staff received awards for best journal articles: David Dickson the H.M. Jackson Prize awarded by the Institute of Actuaries of Australia, and Chris Worswick the Vanderkamp Prize for an article in Canadian Public Policy. In 1998 a total of \$827 000 was received for ARC, University and Faculty research grants. Details of staff research interests, publications and presentation at conferences are documented in the report.

The Program in Monetary and Financial Economics, the Asian Economics Centre, the Centre for Actuarial Studies, and individual staff members organised a number of successful conferences and workshops over 1998. Each week during teaching semesters a workshop to discuss staff research and a seminar for visitors is conducted, with graduate students as well as staff participating.

Members of staff participated in a range of community activities. These included liaisons with secondary schools via VCE lectures, publication of Econochat and school visits; holding positions with professional associations; contributions to the TV, radio and print media; the provision of advice to government, business and community organisations; as well as refereeing, examination of theses and membership of editorial boards and panels.

Cherie Millerick and her team of administrative staff, in addition to expertly providing the usual support required to run a department, embarked on a number of initiatives to improve the operation of the Department. These included development of information technology for compilation of annual reports and for the selection and allocation of tutorial staff.

The teaching, research and community achievements in 1998 are the result of the hard work and collegiate spirit of all staff. I thank the academic staff, casual tutors, and administrative staff for their support, enthusiasm and dedication.

John Freebairn

Head of Department

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# An Overview of The Department

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## 1. The University

The University of Melbourne was established in the 1850's and now has about 30,680 students. It is situated in 19 hectares of landscaped grounds about 2.5 kilometres north of the centre of the City of Melbourne.

## 2. Internal Organisation

The Department of Economics is one of the largest departments in the University and is one of four departments in the Faculty of Economics and Commerce. The other departments are Accounting and Finance, Management and the Melbourne Institute of Applied Economic and Social Research. The Centre for Actuarial Studies is located in the Department of Economics. Close collaboration exists between departments, both in teaching and research. The total number of full-time academic staff in the Faculty is about 100. The Department of Economics has 40 full-time academic staff and 11 administrative staff. The academic staff comprises 8 professors, 8 readers/associate professors, 6 senior lecturers, and 15 lecturers, 2 research fellows and 1 research assistant. They produce large amounts of high quality research and pride themselves on the quality of both their teaching and research. Areas of interest cover a broad range of areas in economics, including:

- Environmental Economics
- Competition Policy and Industrial Regulation
- Econometrics (Applied and Theoretical)
- Economy-Wide Modelling
- Household Economics
- Income Distribution
- Industrial Organization
- International Economics
- Labour Economics
- Macroeconomic Theory and Policy
- Microeconomic Theory and Policy
- Monetary and Financial Economics
- International Trade and Policy
- Post-Keynesian and Marxian Economics
- Social Economics
- Public Economics
- Economic Growth
- Asian Economics

### **3. Finance**

The Faculty receives a one line budget from the University which is allocated to departments primarily, but not exclusively, on the basis of weighted student load. The Faculty allocates some \$200,000 for competitive research grants.

The operating budget of the Department in 1998 was \$4.1 million. In 1998 the Department was successful in obtaining a total combined worth of \$826,723 from ARC, University and Faculty research grants.

### **4. Departmental Management**

The Head of the Department is appointed by the Council of the University from the staff of the Department at the level of Senior Lecturer and above. The appointment is made on the advice of the Vice-Chancellor following a recommendation from the Dean of the Faculty of Economics and Commerce who takes advice from departmental staff. Professor John Freebairn is Head of Department until 31 December 1999. The Dean of the Faculty of Economics and Commerce is Professor Ross Williams.

### **5. Departmental Aims**

The Department's Strategy Plan begins with the words: "The Department of Economics aims to provide high quality teaching at undergraduate and graduate levels and to undertake high quality research and to publish the results in books and refereed journals both in Australia and overseas". Consistent with this, the Department has four primary functions. These are:

- (1) To research and to disseminate the results of that research.
- (2) To transmit research skills and findings through the training and supervision of Honours, Masters and PhD students.
- (3) To engage in other scholarly activity including teaching undergraduate and graduate students, arranging seminars and conferences and preparing textbooks and other learning tools.
- (4) To serve the community and our profession and to provide, where compatible with the above, consulting and other services.

Because we are an academic department at the University of Melbourne it is of course necessary in everything we do that we adhere to, and attempt to instil in others, the highest standards of scholarly behaviour and a commitment to excellence.

## 6. Undergraduate Teaching

The Department of Economics teaches in the areas of economics, econometrics and actuarial studies. A list of the current subjects offered by the Department is given in a separate section of the Report. At the undergraduate level students in the Faculty may elect to take the Bachelor of Commerce degree at the ordinary level (3 years) or at the honours level (4 years). The Department's subjects may also be taken as part of an undergraduate major by students enrolled in the Faculty of Arts. The Department of Economics teaches first and second year core subjects in economics and quantitative methods which are compulsory for all students enrolled for the B.Com degree. At the third-year level the Department provides over 25 optional subjects. The majority of undergraduate students take at least two of these subjects. (Our most popular third year options are: Money and Banking; Microeconomics; International Economics; Economics of Financial Markets; Macroeconomics; and Econometrics). A sizeable and growing number of BCom students undertake a joint degree. Formal joint degrees are BCom/BA (Commerce Arts), BCom/LLB (Commerce Law), BCom/BSc (Commerce Science), BFor/BCom (Commerce Forestry), BAgSc/BCom (Commerce Agricultural Science), BCom/BE (Commerce Engineering) and BCom/BIS (Commerce Information Systems). Also, students may elect to undertake an actuarial sequence within the B.Com degree.

In 1998 undergraduate enrolments in equivalent full-time units are 852, of which 272 are full fee-paying international students. Approximately 40% of the undergraduate student load in the Faculty is located in the Department of Economics. The honours school is the largest in economics in the country. Currently 29 students are enrolled in the honours (fourth) year.

Competition for entry into the first-year of the B.Com course is very strong. The TER score for entry into first year in 1998 was 90.25.

## 7. Graduate Teaching

The Faculty offers M.Com by course work or thesis but the Department encourages students to take the course work option. The Department also offers a Postgraduate Diploma in Economics. It is the policy of the Department of Economics (and the University) to increase the number of postgraduate students relative to the number of undergraduate students. In 1998 29 students enrolled in the Master of Commerce with a specialisation in economics and 16 students enrolled in the Postgraduate Diploma in Economics

The Department offers a three year PhD programme with one year of course work, along North American lines. Compulsory subjects include microeconomic theory, macroeconomic theory and econometrics. In 1998 there were 34 students enrolled in a PhD programme specialising in economics.

## 8. Research

Research in such a large Department spans most branches of economics and econometrics, and actuarial studies. A full listing of the research interests of staff can be found in a separate section of the Annual Report. The Department is strong in economic theory, applied economics, econometrics and actuarial studies. A significant amount of the research done in the department is policy oriented. Conference participation is encouraged and supported financially. External research funds are obtained from the Commonwealth Government and the private sector.

Several research groups are located in the Department. The Programme in Monetary and Financial Economics is directed by Associate Professor Guay Lim. It is financed from funds provided by the National Australia Bank and other financial institutions. The Centre for Actuarial Studies is headed by Professor David Knox. GIO Australia finances a Professorial Fellowship in the Centre. The Asian Economics Centre is directed by Professor Peter Lloyd and is financed by funds provided by government and other business institutes. Dr Duncan Ironmonger and Professor Ross Williams lead a project on household time use which is financed predominantly by ARC grants.

A number of research projects are undertaken with staff of the Department and members of the Melbourne Institute.

## 9. Buildings and Resources

The Department is currently located on three floors of the Economics and Commerce building complex.

The Department has two UNIX servers, one for number crunching purposes with SAS, Mathematica, Gauss, RATS, Strata, TSP, Gem Pack, Shazam FORTRAN, C and Pascal. The other server is used to serve email (eudora, pine, elm, etc), World Wide Web and document editing (latex). An NT server serves for files and print sharing.

The minimum department standard for 1998 for all staff (academic and general) in relation to the provision of computer power is a MicroPro Win NT PC11, 64MB RAM, 6.4 GB IDE HDD, 2MB VID, 2 4XCD NIC. The Department carries out yearly IT formal reviews to ensure that staff have sufficient computer power and software applications to support their activities. Staff have on-line access to the DX database of Australian Economic Statistics. A computer laboratory with 90 work stations is provided for student use.

The Giblin Research Library is located in the building. Working papers from the world's leading economics departments are held here.

## 10. External Relations

The Department maintains strong ties to business, particularly the banking and finance sector. The activities of the Programme in Monetary and Financial Economics are well supported by the private sector.

The Centre for Actuarial Studies which is located in the Department has close links with the Institute of Actuaries of Australia.

A number of academic staff in the Department are engaged as consultants to various government departments and agencies, to international agencies and individual businesses.

Several academics contribute directly to the media, and often in providing background information.

The Department has direct links with secondary schools and twice each year publishes its journal EconoChat and contributes lectures on economics topics for VCE students.

The Economic Record, the journal of the Economic Society of Australia, is edited within the Department.

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# Department of Economics Teaching and Research Staff 1998

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## Professors

### Head of Department and Professor of Economics

**FREEBAIRN, JOHN:** B. Agric. Econ. (New England), M. Agric. Econ. (New England), PhD (Davis)

**Teaching/Coordinating Responsibilities:** 316-102 Introductory Microeconomics, 316-208 Economics of the Environment

**Research Interests:** Taxation reform, Labour economics, especially employment, Infrastructure pricing and investment

**Professional Interests:** Applied economics

### Professor of Economics

**BARDSLEY, PETER:** B Sc (Hons) (A.N.U), PhD (Durham)

**Teaching/Coordinating Responsibilities:** 316-202 Intermediate Microeconomics, 316-613 Special Topics in Microeconomics, 316-650 Microeconomics II

**Research Interests:** Economic Theory, Mathematical Economics, Game Theory, Information and Strategic Behaviour, Organisational Design and Theory of the Firm, Theoretical Finance

### The Truby Williams Professor of Economics

**CREEDY, JOHN,** BSc (Bristol), BPhil (Oxford)

**Teaching/Coordinating Responsibilities:** 316-304 Social Economics, 316-468 General Equilibrium and Welfare Economics

**Research Interests:** Income Distribution, Public Economics, Labour Economics, History of Economic Analysis

**Professional Interests:** Associate Editor: Bulletin of Economic Research, Joint Editor: Australian Economic Review, Data Survey Editor: Australian Economic Review, Associate of Western Australia Labour Market Research Centre, Associate Editor: Review of Income and Wealth.

**Special Distinctions:** Fellow of Academy of Social Sciences, Australia.

## Professor of Economics

**KING, STEPHEN:** BEc (Hons) (A.N.U), MEd (Monash), AM PhD (Harvard)

**Teaching/Coordinating Responsibilities:** 316-102 Introductory Microeconomics, 316-323 Privatisation and Regulation

**Research Interests:** Competition Policy, Economics of Regulation, Industrial Economics

**Professional Interests:** Associate Editor: Australian Economic Review; Economic Advisor: Australian Competition and Consumer Commission.

## Ritchie Professor of Economics

**LLOYD, PETER:** BA, (Victoria University of Wellington), MA (Hons), (Victoria University of Wellington), PhD (Duke)

**Teaching/Coordinating Responsibilities:** 302-601 Government and International Trade and Investment, 316-630 International Trade and Policy

**Research Interests:** Asian Economics, International Economics, Microeconomic Theory

**Other Responsibilities:** Director Asian Economics Centre

**Special Distinctions:** Fellow of Academy of the Social Sciences, Australia

## National Australia Bank Professor of Economics

**McDONALD, IAN:** BA(Hons) (Leicester), MA (Warwick). PhD (Simon Fraser)

**Teaching/Coordinating Responsibilities:** 316-201 Intermediate Macroeconomics, 316-614 Special Topics in Macroeconomics

**Research Interests:** Macroeconomics, Labour Economics

**Professional Interests:** Member, the Key Learning Area Committee for Studies of the Society and Environment, Board of Studies, Victoria, Member, the VCE Economics Test CAT Setting Panel, Member, VCE Economics Accreditation Committee, Associate Editor, Australian Economic Review.

**Special Distinction:** Fellow of the Academic Social Sciences, Australia.

## Dean and Professor of Econometrics

**WILLIAMS, ROSS ALAN:** BCom (Melbourne), MSc (Economics), PhD (London)

Dean and Professor of Econometrics

**Research Interests:** Applied Econometrics, Time-Use by Households, Economics of Education

**Other Responsibilities:** Joint Committee on Policy, Editor, Economic Record

**Honours:** Fellow of Academy of Social Sciences in Australia

## Readers/Associate Professors

**DIXON, ROBERT:** BEc(Hons) (Monash), PhD (Kent)

**Teaching/Coordinating Responsibilities:** 316-101 Introductory Macroeconomics, 316-451 Open Economy Macroeconomics, Co-ordination of PhD program

**Research Interests:** Macroeconomics, Industrial Economics, Marxian Economics, Regional Economics

**Professional Interests:** Associate Editor, Cambridge Journal of Economics, Associate Editor, International Review of Applied Economics.

**DOWLING, MALCOLM:** BA, MA, PhD (Pittsburgh)

**Teaching/Coordinating Responsibilities:** 316-320 Special Topics in Economics, 302-604 Asian Economies 1

**Research Interests:** Asian Economic Development, Economics of Altruism, Labour Migration

**IRONMONGER, DUNCAN:** MCom, PhD (Cambridge)

**Teaching/Coordinating Responsibilities:** 316-635 Household Sector Economics

**Research Interests :** Household Economics, Household Demography, National Accounts, Macroeconomics

**Other Responsibilities:** Director, Households Research Unit, Department of Economics, President of Council of St. Hilda's College

**Professional Interests:** Australian Representative on World Project LINK, Economic Consultant to Dun and Bradstreet International, Director, Multinational Time Use Study (MTUS), Director, Multinational Expenditures Study (MHES).

**MARTIN, VANCE:** PhD(Science) (Monash)

**Teaching/Coordinating Responsibilities:** 316-130 Quantitative Methods 1,  
316-638 Macroeconometrics

**Research Interests:** Econometrics, Time Series Analysis, Monetary Economics,  
Macroeconomics

**MacLAREN, DONALD:** B Sc (Agr)Hons (Aberdeen), MS, PhD (Cornell)

**Teaching/Coordinating Responsibilities:** 316-309 Agricultural Economics,  
316-475 Economics Research Essay, 212-323/423 Agricultural Policies  
and International Trade

**Research Interests:** Agricultural Trade Policy, Agriculture and the World Trade  
Organisation, The Structure of International Commodity Markets

**Other Responsibilities:** Associate Dean (Undergraduate Studies), Member,  
The University's CAUT Project Advisory Committee, Member, The  
University's Teaching and Learning (Multimedia and Educational  
Technologies) Committee, Honours Coordinator.

**Professional Interests:** Member, International Agricultural Trade Research  
Consortium

**NORMAN, NEVILLE:** MA, BCom(Hons) (Melbourne), PhD (Cambridge)

**Teaching/Coordinating Responsibilities:** 316-305 Public Finance, 316-467  
Issues in Microeconomic Analysis and Policy, 316-621 Economics of  
the Public Sector

**Research Interests:** Theory of Protection, Economics of Trade Practices, Tax  
Incidence, Health Economics

**Other Responsibilities:** Convenor, Faculty Oval Table,

**Professional Interests:** Media Economic Commentaries, Editorial Board,  
Competition and Consumer Law Journal, Committee for Economic  
Development of Australia, General Motors Australian Advisory Council,

## **Associate Professor and Director of Program in Monetary and Financial Economics**

**LIM, GUAY C.:** BEc(Hons), MEd (Adelaide) , PhD (ANU)

**Teaching/Coordinating Responsibilities:** 316-129 Business Statistics, 316-449 Financial Econometrics

**Research Interests:** Dynamics of Real and Nominal Exchange Rates, Term-Structure of Interest Rates, Stock Price Volatility

**Other Responsibilities:** Director, Programme in Monetary and Financial Economics

## **Senior Lecturers**

**HIRSCHBERG, JOSEPH:** MA (University of California), Ph.D. (University of Southern California)

**Teaching/Coordinating Responsibilities:** 316-352 Quantitative Business Analysis, 316-470 Econometric Techniques.

**Research Interests:** Electricity Demand/Rates, Labor Discrimination, Demand Analysis, Cluster Analysis

**HYDE, CHARLES:** BSc (Western Australia) Ph.D. (U.C. Berkeley)

**Teaching/Coordinating Responsibilities:** 316-450 Game Theory and Information Economics, 316-616 Industrial Organisation

**Research Interests:** Microeconomic Theory, Contract Theory, Industrial Organization, Environmental Economics

**Other Responsibilities:** Graduate Student Thesis Supervision

**LYE, JEANETTE:** MA (Canterbury), PhD (Canterbury)

**Teaching/Coordinating Responsibilities:** 316-317 Econometrics, 316-318 Applied Econometric Modelling

**Research Interests:** Non normal distributions, Applications of Multimodality, Modelling of Exchange Rates, Theory and Application of Non Linear Models, General Applied Econometrics

**Special Distinction:** New Zealand Association of Economists (Inc.) Young Economist Prize (1987)

**OLEKALNS, NILSS:** B.Ec (Hons) (Adelaide), M.Ec (ANU), MA (West Ont.), PhD (La Trobe University)

**Teaching/Coordinating Responsibilities:** 316-206 Quantitative Methods 2, 316-462 Public Economics

**Research Interests:** Macroeconomics, Applied Econometrics

**Professional Interests:** Book Review Editor, Economic Record,

**STEMP, PETER:** BA(Hons), PhD (ANU)

**Teaching/Coordinating Responsibilities:** 316-306 Money and Banking, 316-626 Master's Research Report and Workshop, 316-644 Dynamic Techniques in Macroeconomics

**Research Interests:** Macroeconomics, Monetary Economics, Financial Economics, Economic Policy Issues

**Other Responsibilities:** Member - Faculty Graduate Studies Committee

**Professional Interests:** Vice-President, Economics Society of Australia (Victoria Branch)

## Lecturers

**CAMERON, LISA:** BCom (Hons), MCom (Hons) (Melbourne), MA, PhD (Princeton)

**Teaching/Coordinating Responsibilities:** 316-316 Basic Econometrics, 316-463 Development Economics, 326-651 Labour Economics

**Research Interests:** Development Economics, Labour Economics, Econometrics, Experimental Economics

**Professional Interests:** Research Associate, Division of Economics, Research School of Pacific and Asian Studies and Asia Pacific School of Economics and Management, Australian National University.

**CROSBY, MARK:** BEc(Hons) (Adelaide), MA, PhD (Queen's)

**Teaching/Coordinating Responsibilities:** 316-312 Macroeconomics, 316-703 Economics Thesis Workshop, 316-805 Diploma Macroeconomics

**Research Interests:** Macroeconomic Theory, Applied Macroeconomics

**GANGADHARAN, LATA:** BA (Hons) (Delhi University), MA (Delhi School of Economics), PhD (University of Southern California)

**Teaching/Coordinating Responsibilities:** 316-324 Environmental Economics, 316325/425 Ecological Economics, 950-301 Global Environmental Governance

**Research Interests:** Environmental Economics, Experimental Economics, Applied Econometrics

**GUNTHER, ALAN:** BCom (Melbourne), MA (Cambridge)

**Teaching/Coordinating Responsibilities:** 316-303 Industrial Economics, 316-801 Public Sector Economics - Micro

**Research Interests:** Applied Industrial Economics, Foreign Investment Policy

**DAVID HARRIS:** BEc (Hons), MEd (James Cook University), PhD (Monash)

**Teaching/Coordinating Responsibilities:** 316-350 Time Series Analysis and Forecasting, 316-638 Macroeconometrics

**Research Interests:** Econometric Theory, Time Series Analysis

**OLAN HENRY:** B.A. (Hons) (Dublin), MA (Reading), PhD. (Reading)

**Teaching/Coordinating Responsibilities:** 316-351 Economics of the Financial Markets, 316-469 Financial Economics

**Research Interests:** Econometric Modelling and Forecasting of Asset Market Volatility, Term Structure Modelling

**JOHNSTON, CAROL:** BCom, MEd, DEd (Melbourne)

**Teaching/Coordinating Responsibilities:** 316-101 Introductory Macroeconomics

**Research Interests:** Economics Education, Organisational Learning

**Other Responsibilities:** Economics Department Quality of Teaching Officer; Member, Undergraduate Studies Committee; Member, Graduate Studies Committee; Member, Academic Transition Working Group; Member, Multimedia Coordinators Working Group.

**SASAKI, DAN:** BA (Tokyo), MA, PhD (Princeton)

**Teaching/Coordinating Responsibilities:** 316-611 Microeconomics, 316-650 Microeconomics II

**Research Interests:** Industrial Organisation, Applied Game Theory, Mechanism Design.

**SHERSTYUK, KATERINA:** MSc (Novosibirsk) PhD (California Institute of Technology)

**Teaching/Coordinating Responsibilities:** 316-313 Microeconomics, 316-450 Game Theory and Information Economics, 316-611 Microeconomics

**Research Interests:** Informational Economics, Mechanism Design, Organizations, Experimental Economics

**THOMSON, JAMES:** BEc (Hons) (Tasmania), M.Ec. ANU, PhD (Harvard)

**Teaching/Coordinating Responsibilities:** 316-207 Mathematical Economics, 316-466 Monetary Economics, 316-612 Macroeconomics, 316-807 Mathematical Economics

**Research Interests:** Macroeconomics

**WEN, MEI:** BSc, MSc (HUST), PhD (Monash)

**Research Interests:** Microeconomic Theory, Economic Development, Industrial Organisation, Division of Labour Trade and Productivity, Applied Econometrics, China's Economy

**WU, PING:** BSc (Kyoto), PhD (Monash)

**Teaching/Coordinating Responsibilities:** 316-205 Introductory Econometrics

**Research Interests:** Hypothesis Testing in Econometrics, Time Series Models

**WORSWICK, CHRISTOPHER:** BA (Queen's), MA, PhD (University of British Columbia)

**Teaching/Coordinating Responsibilities:** 316-307 Labour Economics, 316-636 Advanced Econometric Techniques, 316-804 Diploma Microeconomics

**Research Interests:** Labour Economics, Development Economics, Applied Econometrics

**ZHANG, XIAO-GUANG:** MA (China) PhD (ANU)

**Teaching/Coordinating Responsibilities:** 316-301 International Economics, 316-319 Economic Development of East Asia

**Research Interests:** Trade Theory and Policy, Computable General Equilibrium Modelling, Chinese Economic Reform and Development, East Asian Economic Development, Development Economics

## CENTRE FOR ACTUARIAL STUDIES TEACHING AND RESEARCH STAFF

### Director and Professor of Actuarial Studies

**KNOX, DAVID:** BA, PhD (Macquarie), FIA, FIAA

**Teaching/Coordinating Responsibilities** 300-101 Actuarial Studies I, 300-400 Actuarial Studies Research Essay, 300-402 Superannuation and Retirement Income Schemes, 300-410 The Actuarial Control Cycle I, 300-411 The Actuarial Control Cycle II, 300-607 Research Essay

**Research Interests:** Superannuation and Pensions, Saving and Taxation, The Investments of Superannuation Funds, Financing the Ageing

**Other Responsibilities:** Director, Centre for Actuarial Studies, Associate Dean (Budget and Resources), Deputy Dean

**Professional Interests:** Member, Institute of Actuaries of Australia, Vice President, Institute of Actuaries of Australia, Member, Financing the Ageing Committee, IAA.

### Associate Professor

**DICKSON, DAVID:** BSc(Hons), PhD (Herriot-Watt), FFA, FIAA

**Teaching/Coordinating Responsibilities:** 300-204 Introduction to Stochastic Techniques in Financial Mathematics, 300-400 Honours Research Essay, 300-403 Advanced Risk Theory

**Research Interests:** Recursive Methods in Risk Theory, Renewal Risk Processes, Ruin Theory

**Other Responsibilities:** Member, Mathematics Library Users Committee

**Professional Interests:** Member, Faculty of Actuaries; Institute of Actuaries Australia; ASTIN; AFIR; Scientific Committee for the 26th International Congress of Actuaries. Associate Editor, Insurance : Mathematics and Economics. Adjunct Professor, University of Waterloo.

### Senior Lecturers

**DUFRESNE, DANIEL:** BAppMath (Montreal), PhD (City University)

**Teaching/Coordinating Responsibilities:** 300-304 Risk Theory, 300-311 Life Insurance Mathematics, 300-602 Life Insurance Mathematics, 300-604 Risk Theory

**Research Interests:** Mathematical Finance, Applied Probability

## Lecturers

**ATKINSON, MARGARET:** BA(Hons), MPhil (York), PhD (Melbourne)

**Teaching/Coordinating Responsibilities:** 300-101 Actuarial Studies 1, 300-203 Mathematics in the Financial World, 300-606 Mathematics in the Financial World

**Research Interests:** Construction of LITES, a Microsimulation Model for Superannuation and Taxation Structures, Taxation and Superannuation in Australia: a Simulation Analysis, Participation Patterns of Australian Women

**Professional Interests:** Actuarial Education, development of multimedia teaching tools (especially Advance 2)

**Other Responsibilities:** Member - Undergraduate Studies Committee

**WALKER, DONNA:** BSc (Melbourne)

**Teaching/Coordinating Responsibilities:** 300-302 Actuarial Statistics, 300-310 Actuarial Principles, 300-601 Actuarial Principles, 300-603 Actuarial Statistics

**Research Interests:** Health Insurance, Health Financing, Long Term Care

**Professional Interests:** Member, Institute of Actuaries of Australia, Member, Superannuation Examiners Committee, Institute of Actuaries of Australia, Member, Health Practice Committee, Institute of Actuaries of Australia, Member, Education Management Committee, Institute of Actuaries of Australia.

## Administrative Staff

**Millerick, Cherie:** BA (Sydney)

**Position:** Departmental Manager

**Barclay, Libby:** B.Bus (Deakin)

**Position:** Coordinator Administrative Services

**Bennett, Karen:** B.Arch (RMIT)

**Position:** Coordinator Academic Services

**Tran, Quy:** B.App. Sci (Chisholm)

**Position:** System Support Manager

**Dang, Jim:** B.Acc. Com (Monash)

**Position:** System Support Officer

**Newell, Colin:** BA (Deakin)

**Position:** Assistant to Head of Department

**Parissi, Rosanna**

**Position:** Administrative Officer

**Lombardo, Rosemary**

**Position:** Administrative Officer

**Lochran, Margaret**

**Position:** Administrative Assistant for the PMFE Program

**Cornish, Kathy**

**Position:** Administrative Officer in the Centre for Actuarial Studies

**Spratt, Lisa:** BA (Harvest)

**Position:** Administrative Assistant in the Centre for Actuarial Studies

**Koch, Emma:** BA (Hons) (Melbourne)

**Position:** Administrative Assistant in the Centre for Actuarial Studies

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## Visitors to the Department in 1998

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During the year, we were pleased to welcome the following academic visitors to the Department:

**Dr. Alan King**, University of Otago, New Zealand, 15 July 1997 to 31 March.

**Professor Rob Innes**, University of Arizona, 16 January to 30 June.

**Dr. Phillip M. Bodman**, University of Queensland, 2 February to 31 March.

**Dr. Weiming Yi**, University of Nankai, February 1 - 15 May.

**Mr. Fan Mingtai**, Chinese Academy of Social Sciences, 14 February to 13 August.

**Professor Kazuhiro Arai**, Hitotsubashi University, 20 April to 12 February 1999.

**Ms Li Wang**, Chinese Academy of Social Sciences, 9 July to 8 January 1999.

**Mr. Han Shengjun**, Chinese Academy of Social Sciences, 24 July to 30 November.

**Professor M. Ali Khan**, The John Hopkins University, 26 July to 2 August.

**Associate Professor Jim Vercammen**, University of British Columbia, 13 September to 20 June 1999.

**Dr. Linda Low**, National University of Singapore, 18 September to 11 October.

**Associate Professor Jimmy Tran Van Hoa**, University of Wollongong, 2 December to 30 January, 1999.

**Dr. Hyun-Hoon Lee**, Kangwan National University, 17 December to 28 February 2000.

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- Henry, O. T., 1998. Does the Australian dollar real exchange rate really display mean reversion. (The University of Melbourne, Department of Economics, Research Paper No. 616): 25.
- Henry, O. T., Olekalns, N. and Summers, P. M., 1998. Identifying a currency crisis using threshold autoregressions: Australia and the east Asian "meltdown". (The University of Melbourne, Department of Economics, Research Paper No. 655): 19.
- Henry, O. T. and Sharma, J., 1998. Asymmetrical conditional volatility and firm size: evidence from Australian equity portfolios. (The University of Melbourne, Department of Economics, Research Paper No. 617): 23.
- Herbert, R. D. and Stemp, P. J., 1998. Non-linearities and dynamics in a neoclassical model of investment. (The University of Melbourne, Department of Economics, Research Paper No. 671): 7.

- Hirokawa, M. and Sasaki, D., 1998. Endogenously asynchronous entries into an uncertain industry. (The University of Melbourne, Department of Economics, Research Paper No. 608): 23.
- Hirokawa, M. and Sasaki, D., 1998. Endogenously asynchronous entries into an uncertain industry. (The University of Melbourne, Department of Economics, Research Paper No. 608): 23.
- Hirokawa, M. and Sasaki, D., 1998. Reexamination of Stackelberg leadership: fixed supply contracts under demand uncertainty. (The University of Melbourne, Department of Economics, Research Paper No. 600): 17.
- Hirokawa, M. and Sasaki, D., 1998. Endogenous co-leadership when demand is unknown. (The University of Melbourne, Department of Economics, Research Paper No. 669): 17.
- Hirschberg, J. G., Maasoumi, E. and Slottje, D. J., 1998. The environment and the quality of life in the United States over time. (The University of Melbourne, Department of Economics, Research Paper No. 654): 18.
- Hyde, C. E. and Vercammen, J., 1998. Financing competitive asset bids when information is asymmetric: the role of collateral as a signal. (The University of Melbourne, Department of Economics, Research Paper No. 662): 34.
- Hyde, C. E. and Williams, P. L., 1998. Necessary costs' and the incentives of the English Rule. (The University of Melbourne, Department of Economics, Research Paper No. 643): 21.
- Ironmonger, D. S., Jennings, V. E. and Lloyd-Smith, C. W., 1998. A new method in household demography. (The University of Melbourne, Department of Economics, Research Paper No. 624): 35.
- Johnson, D., Freebairn, J., Creedy, J., Scutella, R., Cowling, S. and Harding, G., 1998. Evaluation of tax reform with producer and consumer responses. *Tax Reform: Equity and Efficiency*. v +56.
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- King, S. P., 1998. Privatization: does reality match the rhetoric? (The University of Melbourne, Department of Economics, Research Paper No. 634): 23.
- King, S. P. and Pitchford, R., 1998. Private or public? A taxonomy of optimal ownership and management regimes. (The University of Melbourne, Department of Economics, Research Paper No. 625): 35.

- Knox, D. M., 1998. Tax reform and superannuation - an opportunity to be grasped. (The University of Melbourne, Centre for Actuarial Studies, Research paper No. 54): 19.
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- Lambertini, L. and Sasaki, D., 1998. Non-negative quantity constraints and the duration of punishment. (The University of Melbourne, Department of Economics, Research Paper No. 630): 19.
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- Lloyd, P. J., 1998. The origins of the Von Thunen-Mill-Pareto-Wicksell-Cobb-Douglas function. (The University of Melbourne, Department of Economics, Research Paper No. 660): 20.
- Lloyd, P. J., 1998. Globalisation, international factor movements and market adjustments. *Credit Research paper*. 29.
- Lloyd, P. J., 1998. A generalisation of the Stolper-Samuelson theorem with diversified households: a tale of two matrices. *Credit Research paper*. 25.

- Lloyd, P. J., 1998. The architecture of the multilateral organisations. (The University of Melbourne, Department of Economics, Asian Economics Centre, Working Paper No. 6/98): 30.
- Lloyd, P. J. and MacLaren, D., 1998. Measures of trade openness using CGE analysis. (The University of Melbourne, Department of Economics, Research Paper No. 659): 18.
- Lye, J. N., Martin, V. L. and Teo, L. E., 1998. Parametric distributional flexibility and conditional variance models with an application to hourly exchange rates. (International Monetary Fund Working Paper 98/29): 31.
- MacLaren, D., 1998. Some issues in the economic analysis of technical barriers to international trade in agri-food products. (The University of Melbourne, Department of Economics, Research Paper No. 663): 11.
- Messinis, G., 1998. Habit formation and the theory of addiction. (The University of Melbourne, Department of Economics, Research Paper No. 635): 39.
- Norman, N. R., 1998. Fixing the fiscal system. VECCI Tax Research Papers. (1): 92.
- Olekalns, N., 1998. Cyclical asymmetries in Australian macroeconomic data. (The University of Melbourne, Department of Economics, Research Paper No. 650): 20.
- Poddar, S. and Sasaki, D., 1998. Strategic advance production without Stackelberg leadership. (The University of Melbourne, Department of Economics, Research Paper No. 667): 29.
- Sasaki, D., 1998. On optimal privatisation. (The University of Melbourne, Department of Economics, Asian Economics Centre, Working Paper No. 4/98): 20.
- Sasaki, D. and Wen, M., 1998. On optimal privatisation. (The University of Melbourne, Department of Economics, Research Paper No. 661): 20.
- Sherstyuk, K. V., 1998. Collusion without conspiracy: an experimental study of one-sided auctions. (The University of Melbourne, Department of Economics, Research Paper No. 610): 28.
- Song, L., 1998. The real exchange rate, exports, and imports of China: 1980-1996. (The University of Melbourne, Department of Economics, Asian Economics Centre, Working Paper No. 7/98): 20.
- Stemp, P. J., 1998. Achieving the best fiscal outcome: what does the government need to know? (The University of Melbourne, Department of Economics, Research Paper No. 642): 31.

- Sundt, B., 1998. On multivariate Panjer recursions. (The University of Melbourne, Centre for Actuarial Studies Research Paper No. 58): 16.
- Sundt, B., 1998. The multivariate De Pril transform. (The University of Melbourne, Centre for Actuarial Studies Research Paper No. 59): 17.
- Sundt, B., 1998. On error bounds for multivariate distributions. (The University of Melbourne, Centre for Actuarial Studies Research Paper No. 60): 11.
- Sundt, B. and Dickson, D. C. M., 1998. Comparison of methods for evaluation of the n-fold convolution of an arithmetic distribution. (The University of Melbourne, Centre for Actuarial Studies, Research Paper No. 65): 14.
- Sundt, B. and Ekuma, O., 1998. The De Pril transform of a compound  $R_k$  distribution. (The University of Melbourne, Centre for Actuarial Studies Research Paper No. 57): 11.
- van de Ven, J., 1998. A dynamic cohort microsimulation model. (The University of Melbourne, Department of Economics, Research Paper No. 637): 34.
- van de Ven, J., Creedy, J. and Lambert, P. J., 1998. The redistributive effect of taxation revisited. (The University of Melbourne, Department of Economics, Research Paper No. 657): 17.
- Vazques-Abad, F. J. and Dufresne, D., 1998. Accelerated simulation for pricing Asian options. (The University of Melbourne, Centre for Actuarial Studies, Research Paper No. 62): 9.
- Wen, M. and King, S. P., 1998. Push or pull? The relationship between development, trade and resource endowment. (The University of Melbourne, Department of Economics, Research Paper No. 653): 37.
- Wen, M., Li, D. and Lloyd, P. J., 1998. Ownership and technical efficiency: a cross-section study on the third industrial census of China. (The University of Melbourne, Department of Economics, Asian Economics Centre, Working Paper No. 2/98): 30.
- Wen, M. and Sasaki, D., 1998. Excess capacity investment: government versus private firms. (The University of Melbourne, Department of Economics, Research Paper No. 626): 20.
- Wilkins, R., 1998. Implicit labour contracts and firm-specific human capital. (The University of Melbourne, Department of Economics, Research Paper No. 618): 20.
- Williams, P., Fry, T., Hyde, C. E. and Scheelings, R., 1998. Report of the review of scales of legal professional fees in federal jurisdictions. 86.

- Wu, P. X., 1998. Variance decompositions of stock returns and dividend imputation system. (The University of Melbourne, Department of Economics, Research Paper No. 614): 15.
- Wu, P. X. and Zhang, S., 1998. An analysis of Chinese company performance using Eva. (The University of Melbourne, Department of Economics, Research Paper No. 606): 15.
- Yannelis, N. C. and Tourky, R., 1998. Markets with many more agents than commodities. (The University of Melbourne, Department of Economics, Research Paper No. 652): 25.
- Zhang, X.-G., 1998. Off-farm migration of labour and long-term economic growth in China. (The University of Melbourne, Department of Economics, Asian Economics Centre, Working Paper No. 3/98): 20.
- Zhang, X.-G., Fan, M. and Yi, W., 1998. Is devaluation of the Chinese yuan inevitable? The impact of East Asia's crisis on China. (The University of Melbourne, Department of Economics, Research Paper No. 621): 16.

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# Research Grants Funding Received in 1998

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- Bardsley, P. Dynamic games in markets for addictive commodities (ARC Small Grant)
- Bardsley, P. Optimal management of research portfolios (ARC Large Grant)
- Bardsley, P. and Olekalns, N. An economic model of tobacco consumption and public policy (ARC Large Grant)
- Bardsley, P., Sherstyuk, K. V. and Hyde, C. E. The glass ceiling: a theoretical analysis in career paths (Economics and Commerce Faculty Grant)
- Bardsley, P., Sherstyuk, K. V. and Hyde, C. E. The glass ceiling: a theoretical analysis in career paths (ARC Large Grant)
- Cameron, L. Familial support for the elderly in Indonesia (ARC Small Grant)
- Cameron, L. and Worswick, C. J. The determinants of household responses to income shocks in Indonesia (Economics and Commerce Faculty Grant)
- Creedy, J. Carbon tax (ARC Small Grant)
- Creedy, J. Macroeconomic variables and the personal distribution of income (Economics and Commerce Faculty Grant)
- Creedy, J. and Dawkins, P. Microsimulation modelling (Department of Health Housing and Community Services)
- Creedy, J., Freebairn, J. and Johnson, D. Maximising equity and efficiency from tax reform (ARC Large Grant)
- Creedy, J., Knox, D. M. and Atkinson, M. E. Retirement income provision in Australia: lifetime simulation analysis of alternative policies in terms of equity and efficacy (ARC Large Grant)
- Crosby, M. Inflation and stock returns in Australia (Economics and Commerce Faculty Grant)
- Dickson, D. C. M. and Walker, D. J. ADVANCE. Update and extension of the software package (Economics and Commerce Faculty Grant)
- Dixon, R. J. Interactive questioning modules and simulation in improving learning opportunities (The University of Melbourne)
- Dixon, R. J. and Thomson, J. D. C. Flows into and out of unemployment in Australia (ARC Small Grant)
- Dowling, J. M., Cameron, L. and Worswick, C. J. Female education and the welfare of families in Asia (ARC Large Grant)

- Dufresne, D. Stochastic process in finance (ARC Small Grant)
- Gangadharan, L. An investigation of the trends in natural resource prices in Australia (Economics and Commerce Faculty Grant)
- Gangadharan, L. Analysis of trading in regional clean air incentives market in Los Angeles (The University of Melbourne, Research Graduate Studies)
- Henry, O. T. Long memory in stock returns: some international evidence (Economics and Commerce Faculty Grant)
- Hirschberg, J. G. and Lye, J. N. Estimating large scale wage functions which allow for bifurcation in the earnings/experience profile: an application (ARC Small Grant)
- Ironmonger, D. S. Household research database facility (Economics and Commerce Faculty Grant)
- Ironmonger, D. S. and Williams, R. Effects of technology change on household allocation of time (Economics and Commerce Faculty Grant)
- Johnston, C. G. and Creedy, J. Computer assisted learning software for general equilibrium analysis 316-468 (TaLMET)
- Johnston, C. G. and Dixon, R. J. Identifying and correcting student misconceptions in economics (TaLMET)
- Johnston, C. G. and James, R. Learning to think critically about economics: international case studies over the web (DEETYA, Committee for University Teaching and Staff Development)
- Lim, G. C. and Martin, V. L. Indirect estimation techniques for nonlinear models of currency (ARC Large Grant)
- Lloyd, P. J., Zhang, X.-G. and Summers, P. Forecasting in the open Chinese economy (ARC Large Grant)
- Lloyd, P. J., Zhang, X.-G. and Wu, P. X. Direct foreign investment and growth of exports and output in the Chinese economy (ARC Large Grant)
- Olekalns, N. and Crosby, M. The macroeconomic effects of wars in twentieth century Australia (ARC Small Grant)
- Sasaki, D. Effects of antitrust laws and shareholding regulations on product development and market competition (Economics and Commerce Faculty Grant)
- Sherstyuk, K. V. Incentives and learning in auctions (Economics and Commerce Faculty Grant)
- Stemp, P. J. Achieving the best fiscal outcome: what does the government need to know? (ARC Small Grant)
- Zhang, X.-G. China's trade pattern and international comparative advantage (Economics and Commerce Faculty Grant).

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# International Research Collaboration 1998

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## **Professor John Creedy**

“Built-in Flexibility of Taxes”, Norman Gemmill, University of Nottingham, England

“Measuring Progressivity and Horizontal Inequity”, Peter Lambert, University of York, England.

“Microsimulation Modelling”, Alan Duncan, University of York, England.

“Poverty Measurement”, Vani Boorooah, University of Ulster, Northern Ireland.

“The History of Economic Analysis”, Roger Backhouse, University of Birmingham, England.

“Inequality Aversion”, Stan Hurn, Oxford University, England.

“Inequality Aversion”, Yoram Amiel, Ruppim, Israel.

## **Dr. David Dickson**

“Comparison of Methods of Evaluating Aggregate Claims Distributions”, Bjorn Sundt, University of Bergen, Norway.

“Ruin Problems for Phase-type (2) Risk Processes”, Christian Hipp, University of Karlsruhe, Germany.

“Multivariate Aggregate Claims Distributions for a Life Insurance Portfolio”, Howard Waters, Heriot-Watt University, Scotland.

## **Dr. Daniel Dufresne**

“Pension Funding with Moving-average Rates of Return”, Diane Bedard, Laval University, Canada.

“Valuation of Bank Credit Line Commitments”, Jean-Pierre Chateau, University of Sherbrooke, Canada.

## **Dr. Lata Gangadharan**

“Incentives for Compliance in Environmental Markets: An Experimental Study”, Timothy Cason, Purdue University, USA.

## **Dr. David Harris**

“Stochastic Cointegration”, Brendan McCabe, University of Liverpool, England, and Steve Leybourne, University of Nottingham, England.

### **Dr Joe Hirschberg**

“The Environment and the Quality of Life in the United States Over Time”, Essie Massoumi and Daniel Slottje, Southern Methodist University, Dallas, USA.

“Clusters of Quality of Life Attributes in the US”, Essie Massoumi and Daniel Slottje, Southern Methodist University, Dallas, USA.

“Can we Bootstrap DEA Scores?” Gary Ferrier, University of Arkansas, Fayetteville, USA.

“The Value of Neighbourhood Schools: A Multivariate Computed Aggressor Approach”, Kathy Hayes, Southern Methodist University, Dallas, USA, J. Lye, The University of Melbourne, Australia, and Lori Taylor, Federal Reserve Bank, Dallas, USA.

### **Professor Peter Lloyd**

“Modelling in the Open Chinese Economy”, Institute of Quantitative and Technical Research, Chinese Academy of Social Sciences, Beijing, China.

“Intra-Industry FDI and Trade Flows: New Measures of Globalisation of Production”, David Greenaway and Chris Milner, Centre for Research on Globalisation and Labour Markets, University of Nottingham, England.

### **Associate Professor Donald MacLaren**

“Industrial Organisation and the Japanese Market for Imported Wheat”, Colin Carter, Department of Agriculture and Resource Economics, University of California at Davis, USA.

### **Associate Professor Neville Norman**

“Theoretical Foundations and Implications of Pricing Theory for Specifying International Price Relationships in Economic Models”, Ken Coutts, University of Cambridge University, England.

“Econometric Tests of the International Passthrough Price Relationship for the UK since 1948”, Ken Coutts, University of Cambridge University, England.

### **Dr. Nilss Olekalns**

“Tax Smoothing in a Financially Repressed Economy: Evidence from India”, Paul Cashin and Ratna Sahay, International Monetary Fund, Washington D.C.).

### **Dr. Peter Stemp**

“Monetary and Fiscal Policy in Representative Agent Models”, David Vines, Oxford University, England.

### **Dr. Chris Worswick**

“Specification of Cohort, Assimilation and Period Effects in Models of Immigrant Labour Market Outcomes: Evidence from Canada”, Thomas Crossley, York University, Canada.

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# Conferences and Workshops Organised

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Bardsley, P., convenor, Melbourne Economic Theory Workshop Seminar Series.

Bardsley, P., convenor (with Frank Milne), Microeconomics of Banking Seminar Series, Melbourne Business School.

Cameron, L., sessions at WEA Pacific Rim Conference.

Dufresne, D., Seminars for Centre of Actuarial Studies.

Gaunther, A., convenor, Monday Workshops, Department of Economics.

Hirschberg, J., “Teaching Econometrics”, Southern Economics Association Convention, Baltimore, USA.

Ironmonger, D., Program Committee for Project LINK Meeting, New York.

Ironmonger, D., Program Committee for Project LINK Meeting, Rio de Janeiro

Ironmonger, D., “Engendering Labour Force Statistics”, UN Expert Group Meeting.

King, S., 16th Economic Theory Workshop, ANU.

King, S., ACCC/The University of Melbourne Conference on Electricity Transmission Network Pricing, Melbourne Business School.

Knox, D., Sixth Annual Colloquium of Superannuation Researchers.

Lim, G., , “Technology and the Evolving Financial System”, 8th Melbourne Money and Finance Conference (co-organiser K. Davis) .

Lye, J., “Teaching Econometrics”, Southern Economics Association Convention, Baltimore, USA.

Sherstyuk, K., Department Seminar Coordinator, Department of Economics, Semester 2.

Walker, D., “Actuarial Practice in Health Insurance”, two day residential course, Canberra.

Worswick, C., Department Seminar Coordinator, Department of Economics, Semester 1.

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# Conference and Seminar Presentations

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## University of Melbourne Seminar and Conference Papers Presented

Bardsley, P., “Costly State Verification Models”, Microeconomics of banking Seminars, The Melbourne Business School, March.

Bardsley, P., “Adverse Selection in Research Funding”, Micro Theory Workshop, October.

Dickson, D., “Ruin probabilities for Erlang(2) risk processes”, September.

Dufresne, D., “The Valuation of Average Options”, March.

Dufresne, D., “Random Walks in Insurance Mathematics”, October.

Freebairn, J., “Where and Why Government should be Involved”, February.

Freebairn, J., “Reforming Australian Taxes”, February.

Freebairn, J., “Tax Reform”, August.

Gangadharan, L., “An Experimental Study of Electronic Bulletin Board Training for Emission Permits”, May.

Harris, D., “Stochastic Cointegration”, October.

Henry, O., “Australian Real Exchange Rates: 1970 to 1997”, May.

Hirschberg, J., “An Analysis of the Technology of Major Chinese Establishments”, May.

Hyde, C., “Debt Funded Bidding Under Credit Market and Auction Information Assymetries: Private Values”, August.

Johnston, C., “New Opportunities for Improving Teaching and Learning”, Faculty Seminar, June.

Johnston, C., “Enhancing Teaching and Learning in the Department of Accounting”, Department of Accounting, September.

King, S., “Is Firm Structure More Important than Regulation: The Case of Access Pricing”, October.

King, S., “The Economics of Networks”, ACCC/The University of Melbourne Conference on Electricity Transmission Pricing, December.

- Knox, D., “Australia’s Retirement Income Policy: A Radical Proposal for Integration”, Sixth Annual Colloquium of Superannuation Researchers, July.
- Lye, J., “Health and Wages: Evidence from Australian Men and Women”, 18 May.
- Lye, J., “Health and Wages: Evidence from Australian Men and Women”, 25 May.
- McDonald, I., “A Kaldorian Model of the Trade Cycle”, MIAESR Business Cycle Seminar, May.
- MacLaren, D., “Hints on how to Apply for a TaLMET Committee Grant for Multimedia Developments in Teaching,” Faculty of Economics and Commerce, September.
- MacLaren, D., “Measures of Trade Openness Using CGE Analysis”, October.
- Norman, N., “Economic Analysis of the Current Budget”, VCE Economics Lecture, June.
- Norman, N., “Globalisation and the Challenge for Australian Merger Policy”, Trade Practices Workshop, Melbourne Business School, July.
- Norman, N., “International Price Relations in Economic Analysis”, August.
- Norman, N., “Price Relationships in Domestic and International Trade”, August.
- Olekalns, N., “Are Private Sector Consumption Decisions Affected by Public Sector Consumption?”, May.
- Sasaki, D., “Excess Capacity Investment: Government Versus Private Firms”, March.
- Sasaki, D., “R&D, Collusion, and the Form of Market Competition”, October.
- Sherstyuk, K., “Collusion Without Conspiracy: An Experimental Study of One-sided Auctions”, May.
- Stemp, P., “What Happens when Inflation Targets Change?”, September.
- Thomson, J., “Maximum Likelihood Estimation of a RBC Model of the Australian Economy”, IAESR Business Cycle Seminar, January.
- Thomson, J., “Can Gross Flow Data Improve Our Estimates of Short-Term Employment Changes?”, January.
- Wen, M., “Excess Capacity Investment: Government Versus Private Firms”, March.
- Wen, M., “Capital Allocation in China”, Asian Economic Center Workshop, November.

Wen, M., "Saving Functions for a Multi-Sector GCE Model of the Chinese Economy", Asian Economic Center Workshop, November.

Zhang, X., "Off-farm Migration of Labour and Long-term Economic Growth in China", Asian Economics Centre, December.

Zhang, X., "Modelling Technical Changes and Preference Shifts in the Chinese Economy: An Application of the Dynamic CGE Model", Asian Economics Centre, December.

### **Off Campus Seminar and Conference Papers Presented**

Bardsley, P., "Dynamic Addiction Games", Sixteenth Economic Theory Workshop, ANU, Canberra, February.

Bardsley, P., "Cigarette and Tobacco Consumption: Have antismoking policies made a difference?", Conference of Economists, University of Sydney, September.

Cameron, L., "The Changing Income Distribution in Java: The Effects of Aging, Education and Industrialisation", WEA Pacific Rim Conference, Bangkok, January.

Cameron, L., "The Residency Decision of Elderly Indonesians: A Nested Logit Analysis", Labour Econometrics Workshop, RSSS, ANU, Canberra, March.

Cameron, L., "Raising the Stakes in the Ultimatum Game: Experimental Evidence from Indonesia", Department of Economics, University of Sydney, June.

Cameron, L., "Education Expenditure Responses to Crop Loss: A Gender Bias", Economics Section, Research School of Pacific and Asian Studies, ANU, Canberra, July.

Cameron, L., "Raising the Stakes in the Ultimatum Game", Department of Economics, The University of Adelaide, August.

Cameron, L., "Education Expenditure Responses to Crop Loss", Economic Society Meetings, University of Sydney, September.

Cameron, L., "Education Expenditure Responses to Crop Loss", North Eastern Universities Development Consortium Conference, Yale University, October.

Crosby, M., "Stock Returns and Inflation", Macroeconomics Workshop, University of Tasmania, Hobart, April.

- Crosby, M., "Stock Returns and Inflation", Department of Economics, University of Tasmania, Hobart, April.
- Crosby, M., "Some Long Run Evidence on Tax Smoothing", Canadian Economics Association, Ottawa, Canada, May.
- Crosby, M., "Stock Returns and Inflation", Department of Economics, University of Adelaide, Adelaide, August.
- Dickson, D., "Risk processes with phase-type(2) arrivals", University of Waterloo, Ontario, February.
- Dickson, D., "Risk processes with phase-type(2) arrivals", Heriot-Watt University, Edinburgh, April.
- Dickson, D., "On Numerical Evaluation of Finite Time Ruin Possibilities," International Congress of Actuaries, Birmingham, England, June.
- Dickson, D., "On a class of renewal risk processes", University of Amsterdam, Netherlands, November.
- Dufresne, D., "Proprietes des Lois Beta et Gamma", Maths Department, University of Montreal, Canada, April.
- Dufresne, D., "Properties of Beta and Gamma Distributions", ETH, Zurich, Switzerland, June.
- Dufresne, D., "Valuing the Stochastic Volatility Put Option of Banks Credit Line Commitments", European Conference of Finance, Lille, France, June.
- Dufresne, D., "Simulation Acceleree pour Levaluation Doption", UQAM, Montreal, Canada, July.
- Dufresne, D., "Processus de Bessel en Finance", UQAM, Montreal, Canada, July.
- Dufresne, D., "Simplifying Risk Theory Using Complex Variables", Concordia University, Montreal, Canada, July.
- Dufresne, D., "Options on the Average", SIAM Congress, Toronto, Canada, July.
- Dufresne, D., "Pricing Exotic Options", Q-Group Colloquium, Sydney, September.
- Dufresne, D., "Introduction to the New Mathematics of Finance, Institute of Actuaries Seminar, Sydney, September.
- Dufresne, D., "Valuing Credit Line Commitments", Congress of Northern Finance Association, Toronto, Canada, September.
- Freebairn, J., "Taxation Reform", Victorian Parliament, Melbourne, February.

- Freebairn, J., “Microeconomic Reform Effects on Product and Factor Markets”, Productivity Commission, Canberra, February.
- Freebairn, J., “Tax Reform for Agriculture”, Department of Primary Industry and Energy, Canberra, March.
- Freebairn, J., “Tax Reform for Agriculture”, Victoria Farmers Federation, Hamilton, March.
- Freebairn, J., “Indirect Tax Reform”, CEDA, Melbourne, March.
- Freebairn, J., “Microeconomics of the Australian Labour Market”, Reserve bank of Australia, Sydney, June.
- Freebairn, J., “Review of “Australia at the Crossroads”, CEDA, Melbourne, June.
- Freebairn, J., “Education and the GST”, Council of Independent Schools, Melbourne, July.
- Freebairn, J., “Reforming Income Taxes”, IBC Taxation Reform Summit, Sydney, July.
- Freebairn, J., “Tax Reform”, CEDA, Brisbane, August.
- Freebairn, J., “Tradeable Permits”, La Trobe University, Melbourne, November.
- Freebairn, J., “Unemployment: Causes and Solutions”, Comview, Melbourne, La Trobe University, November.
- Gangadharan, L., “Transaction Costs in Tradeable Permit Markets: A Study of the Regional Clean Air Incentives Market in Los Angeles”, American Economic Society Meetings, Chicago, January.
- Gangadharan, L., “Analysis of Pieces in Tradeable Emission Markets: An Empirical Study of the Clean Air Incentives Market in Los Angeles, RSSS, ANU, Canberra, May.
- Gangadharan, L., “Trends in Natural Resource Commodity Prices in Australia”, Econometric Society Meetings, Canberra, July.
- Gangadharan, L., “Transaction Costs in Pollution Markets: An Empirical Study”, Econometric Society Conference, Delhi, India, December.
- Henry, O., “Is there Really a Unit Root in the Australian Unemployment Rate”, University of Tasmania, April.
- Henry, O., “Asymmetric Conditional Volatility and Firm Size: Evidence From Australian Equity Portfolios”, French Finance Conference, July.
- Henry, O., “Asymmetric Conditional Volatility and Firm Size: Evidence From Australian Equity Portfolios”, Bond University, August.

- Henry, O., “Is the Australian Real Exchange Rate Really Mean Reverting?”, Conference of Economists, Sydney, September.
- Hirschberg, J., “The Value of Primary School Quality: A Multivariate Generated Regressor Approach”, Econometric Society Meeting, Canberra, July.
- Hirschberg, J., “Health and Wages: Evidence on Men and Women in Australia”, Econometric Society Meeting, Canberra, July.
- Hirschberg, J., “Dealing with the Dummies: How to Model Multiple Detailed Dummy Variables”, Southern Economic Association Meetings, Baltimore, November.
- Hirschberg, J., “Let Me Count the Ways: How to Estimate and Test Restricted Regressions”, Southern Economic Association Meetings, Baltimore, November.
- Hyde, C., “Evaluating Merges Using the Profit-Concentration Relationship: The Australian Petroleum Industry”, Faculty of Commerce, UBC, Canada, March.
- Hyde, C., “Institutions of Price Formation”, Green College, UBC, Canada, March.
- Hyde, C., “Discussant for Danny Springs Presentation at 1998 PhD Conference”, ANU, Canberra, November.
- Johnston, C., “Collaborative Problem Solving in Economics”, Program for Excellence in Teaching and Learning (PETL) CSHE, May.
- Johnston, C., “Promoting Critical Thinking About Economics: Learning Modules and Syndicate Investigations of International Case Studies Over the Internet”, Advancing the Integration of New Technologies into the Undergraduate Teaching of Economics Conference, Pittsburg, USA.
- Johnston, C., “Involving Students in Web-Based Syndicate Activities”, Program for Excellence in Teaching and Learning (PETL) CSHE, September.
- King, S., “Comments on the Effects of Microeconomic Reforms on Product and Factor Markets”, ANU, Canberra, February.
- King, S., “Incentives and Ownership”, Department of Economics, The University of Adelaide, Adelaide, October.
- King, S., “Incentives and Ownership”, Department of Economics, Monash University, October.
- Knox, D., “Australia’s Retirement Income Policy: A Radical Proposal for Integration”, Australian Association of Gerontology National Conference, Melbourne, October.

- McDonald, I., “Simulating Optimal Consumption Paths in a Small Open Economy with Recursive Preferences”, Third Macroeconomics Workshop, University of Tasmania, April.
- McDonald, I., “Loss Aversion and the Non-neutrality of Money”, Royal Economic Society, University of Warwick, England, April.
- McDonald, I., “Federal Budget Briefing”, VCTA Moonee Valley Racing Club, May.
- McDonald, I., “Simulating Optimal Consumption Paths in a Small Open Economy with Recursive Preferences”, (presented by R. Guest), Conference of the Society of Computation Economics, University of Cambridge, England, July.
- McDonald, I., “The Impact of Population Ageing on the Socially Optimal Level of National Saving: A Comparison of Australia and Japan”, (presented by R. Guest), Dynamics, Economic Growth and International Trade, III, Taipei, Taiwan, August.
- McDonald, I., “Ageing and Optimal Saving in Australia”, University of Wollongong, September.
- McDonald, I., “Ageing and Optimal Saving in Australia”, Monash University, October.
- McDonald, I., “Ageing and Optimal Saving in Australia”, Monetary Authority of Singapore, November.
- MacLaren, D., “Some Issues in the Economic Analysis of Technical Barriers to International Trade in Agriculture and Food Products”, Old Treasury Building, Melbourne, December.
- Olekalns, N., “Discussant”, Third Annual Macroeconomics Workshop, University of Tasmania, April.
- Olekalns, N., “Are Private Sector Consumption Decisions Affected by Public Sector Consumption?”, Economics Department, Curtin University of Technology, August.
- Olekalns, N., “Are Private Sector Consumption Decisions Affected by Public Sector Consumption?”, Economics Department, University of Western Australia, August.
- Olekalns, N., “Are Private Sector Consumption Decisions Affected by Public Sector Consumption?”, Conference of Economists, University of Sydney.

- Olekalns, N., “Identifying Currency Crises Using Threshold Autoregressions: Australia and the East Asian “Meltdown””, International Monetary Fund, Washington DC, USA, November.
- Sasaki, D., “Infinite Horizon Oligopoly with Asynchronous Moves”, Economic Theory Workshop, ANU, Canberra, February.
- Sasaki, D., “Newtonian Auctioneering”, Japanese Economic Association Spring Meeting, June.
- Sasaki, D., “Endogenous Co-Leadership when Demand is Unknown”, Industry Economics Conference, ANU, Canberra, July.
- Sasaki, D., “Non-Negative Quantity Constraints and the Duration of Punishment”, Econometric Society Australasian Meeting, ANU, Canberra, July.
- Sasaki, D., “Endogenously Asynchronous Entries into an Uncertain Industry”, European Association for Research in Industrial Economics Annual Meeting, August.
- Sasaki, D., “On Optimal Privatisation”, Conference of Economists, Sydney, September.
- Sherstyuk, K., “Collusion Without Conspiracy”, Economic Theory Workshop, ANU, Canberra, February.
- Sherstyuk, K., “Spatial Competition with Three Firms”, ANU, Canberra, May.
- Sherstyuk, K., “Collusion Without Conspiracy”, RSSS, ANU, Canberra, May.
- Sherstyuk, K., “Collusion Without Conspiracy”, ESA-98 Meetings, Mannheim, Germany.
- Stemp, P., “The Governments Time Discount Rate: Choices and Consequences in a Dynamic Framework”, 16th Economic Theory Workshop, ANU, February
- Stemp, P., “What Happens when Inflation Targets Change?”, Third Macroeconomics Workshop, University of Tasmania, Hobart, April.
- Stemp, P., “What Happens when Inflation Targets Change?”, Conference of Economists, Sydney, September.
- Thomson, J., “Maximum Likelihood Estimation of a RBC Model of the Australian Economy”, La Trobe University, January.
- Thomson, J., “Maximum Likelihood Estimation of a RBC Model of the Australian Economy”, Society of Economic Dynamics, University of Pennsylvania, USA, January.

- Thomson, J., “Maximum Likelihood Estimation of a RBC Model of the Australian Economy”, Econometric Society of Australasia, Canberra, July.
- Tourky, R., “Markets with Many More Agents than Commodities”, University of Illinois, USA, April.
- Tourky, R., “Markets with Many More Agents than Commodities”, Brown University, USA, September.
- Tourky, R., “Markets with Many More Agents than Commodities”, Purdue University, USA, December.
- Wen, M., “Excess Capacity Investment: Government Versus Private Firms”, 25th Annual European Association for Research in Industrial Economics Conference, Copenhagen, Denmark, August.
- Wen, M., “Ownership and Technical Efficiency: A Cross-section Study on the Third Industrial Census of China”, Conference of Economists, Sydney, September.
- Wen, M., “Ownership and Technical Efficiency - A Cross-Section Study on the Third Industrial Census of China”, Conference of Economists, Sydney, September.
- Wen, M., “Push or Pull? The Relationship Between Development, Trade and Resource Endowment”, Department of Economics, RSPAS, ANU, Canberra, November.
- Worswick, C., “Labour Supply Responses to Crop Loss in Indonesia”, Labour Econometrics Workshop, RSSS, ANU, Canberra, April.
- Worswick, C., “Labour Supply Responses to Crop Loss in Indonesia”, Department of Economics, York University, Toronto, Canada, September.
- Worswick, C., “Labour Supply Responses to Crop Loss in Indonesia”, Department of Economics, University of Toronto, Toronto, October.
- Worswick, C., “Labour Supply Responses to Crop Loss in Indonesia”, Department of Economics, Queens University, Kingston, Canada, November.

### On Campus Lectures

- Bardsley, P., “The Economics of Addiction”, Inaugural Lecture, August.
- Cameron, L. “Minimum Wage Policy”, Economic Society Refresher Course, February.

Creedy, J., “Writing a Literature Review”, Graduate and Honours Program, August.

Creedy, J., “Writing a Research Essay”, Graduate and Honours Program, August.

Crosby, M., “The Current Account”, Economics Society, Victorian Branch, February.

Crosby, M., “Monetary Policy”, VCE Lectures, June.

Johnston, C., “External Balance”, VCE Economics Lecture, February.

King, S., “Privatization: Does Reality Match the Rhetoric”, May.

King, S., “The Competitive Effects of Joint Ventures and Long Term Contracts”, Trade Practices Workshop, Melbourne Business School, August.

Lye, J., “Health and Wages: Evidence from Australian Men and Women”, Econometric Society Meeting Canberra, July.

Lye, J., “Health and Wages: Evidence from Australian Men and Women”, Productivity Commission, July.

Lye, J., “Dealing with the Dummies”, Southern Economics Association Conference, Baltimore, USA, November.

Zhang, X., “Technical Efficiency in China's Iron and Steel Industry: Evidence from the New Census Data”, Chinese Economic Studies Association, July.

Zhang, X., “Technical Efficiency in China’s Iron and Steel Industry”, The University of Sydney, Sydney, July.

### **Off Campus Lectures**

Creedy, J., “Indirect Tax Reform”, Department of Econometrics, Monash University, April.

Creedy, J., “Taxation and Incentives”, DSS, Canberra, June

Creedy, J., “Tax Reform with Consumer and Producer Responses”, Presentation to CEDA and Brotherhood of St. Lawrence, Melbourne, August.

Creedy, J., “Behavioural Microsimulation Modelling”, Treasury, Canberra, November.

Creedy, J., “Demand Responses and Indirect Tax Reform”, Treasury, Canberra, November.

Creedy, J., “Comparing Tax and Transfer Systems”, DSS, Canberra, November.

- Crosby, M., “Intertemporal Models of the Current Account”, Conference of Economists, Sydney, September.
- Dufresne, D., “Pricing the Stochastic Volatility Put Option of Banks Credit Lines”, Hautes Etudes Commerciales, Montreal, February.
- Dufresne, D., “Options Asiatiques: Resultata Recents”, Troisiem Jounee de Probabilities, HEC, Montreal, February.
- Dufresne, D., “Asian Options: Theory and Simulation”, Conference Interplay Between Insurance, Finance and Statistics, Cortona, Italy, June.
- Dufresne, D., “Valuing Credit Lines Commitments”, Department of Finance, Dalhousie University, Halifax, Canada, December.
- Dufresne, D., “Accelerated Simulation Via Self-Optimising Importance Sampling”, Applied Mathematics, Brown University, Providence, December.
- Dufresne, D., “Accelerated Simulation for Pricing Asian Options”, Winter Simulation Conference, Washington DC, December.
- Gangadharan, L., “The Ecological Environment”, (panellist), Shades of Grey Conference, Melbourne, August.
- Gangadharan, L., “Transaction Costs in Pollution Markets”, Productivity Commission, Melbourne, October.
- Hirschberg, J., “The Value of Primary School Quality: A Multivariate Generated Regressor Approach”, Department of Econometrics, Monash University, May.
- Ironmonger, D., “Australia’s Place in Asia”, Rotary Club of Hastings, June.
- Ironmonger, D., “The Australian Market Economy”, Continuing Education Training Services, September.
- Ironmonger, D., “The Australian Market Economy”, Continuing Education Training Services, December.
- Johnston, C., “Leadership and the Learning Organisation in Self-Managing Schools”, Australian Principals Centre, October.
- King, S., “Privatization in Australia: Understanding the Incentives in Public and Private Firms”, ANU, Canberra, July.
- King, S., “Cross Subsidies”, The Australian Competition and Consumer Commission, Melbourne, October.
- King, S., “Privatization in Australia: Understanding the Incentives in Public and Private Firms”, The Productivity Commission, Melbourne, December.

- Knox, D., “A Future Tax Policy for Superannuation”, National Conference for Lawyers, Melbourne, February.
- Knox, D., “Social Security: Is an Equitable Design Possible?”, Society of Actuaries Spring Meeting, Hawaii, June.
- Knox, D., “Four Ps of the Pension Picture: Prudential, Politics, People and Premiership”, Institute of Actuaries of Australia Superannuation Forum, Melbourne, August.
- Knox, D., “Some Common Themes in Risk and Capital Management”, APRA Risk Conference, Sydney, November.
- Knox, D., “Superannuation - Tax Simplification”, Association of Superannuation Funds of Australia National Conference, Adelaide, November.
- Lim, G., “Hedge Funds and Exchange Rate Crisis”, Conference of Economists, Sydney, September.
- Lim, G., “Forecasting “Jumps” in Exchange Rates” (co-authored with V. L. Martin), Business Symposium - Conference of Economists, Sydney, October.
- Martin, V., “Forecasting “Jumps” in Exchange Rates” (co-authored with G. Lim), Business Symposium - Conference of Economists, Sydney, October.
- MacLaren, D., “Reform of Australian Agricultural Policies: The (Partial) Triumph of the Public Good”, Council of Agriculture, Taipei, Taiwan, Republic of China, June.
- Norman, N., “Tax Reform Prospects and Problems”, Ballarat Chamber of Manufacturers, Ballarat, February.
- Norman, N., “Small Business Victoria”, Small Business Victoria, Melbourne, February.
- Norman, N., “Asia Crisis Impact”, Society for Balanced Trade, Canterbury, February.
- Norman, N., “Tax Reform Options”, Melbourne Convention, Parliament of Victoria, March.
- Norman, N., “Economic Trends”, Hewlett Packard, Kedorana, March.
- Norman, N., “Grocery Industry Trends”, Grocery Manufacturers Association, Leura, March.
- Norman, N., “Personal Investment Options”, Kiwanis Club (Pensioners) Kew, April,
- Norman, N., “Federal Budget Overview”, CEDA, Melcourne, April.

Norman, N., “Budget Review for Business”, Coopers & Lybrand, Melbourne, May.

Norman, N., “Budget Review”, General Motors Holden, Melbourne, May.

Norman, N., “Budget Analysis”, Deloitte, Melbourne, May.

Norman, N., “Coal Industry Prospects”, National Coal Convention, Broadbeach, Queensland, May.

Norman, N., “Wheat Industry Prospects”, Australian Wheat Board, Melbourne, June.

Norman, N., “E-commerce Impact on Australia”, X-plor, Melbourne, June.

Norman, N., “GST Impact on Education”, Australia Council of Independent Schools, Melbourne, July.

Norman, N., “Globalisation and Australian Competition Policy”, Law Council Trade Practices Workshop, Melbourne, August.

Norman, N., “Small Business Victoria”, Small Business Victoria, Melbourne, August.

Norman, N., “Market Outlook and Issues - Soft Drinks”, NSW Soft Drinks Association, Sydney, August.

Norman, N., “Economics of Visual Business Communications”, Picturtel Hilton, Sydney, August.

Norman, N., “GST Effects on Welfare”, Anglican Church Strategy Group, Melbourne, August.

Norman, N., “Economic Outlook”, Extractive Industry Dinner, Melbourne, August.

Norman, N., “GST Impact on Education”, Australian Parents Council, Canberra, September.

Norman, N., “Economic Prospects”, AXA, Melbourne, September.

Norman, N., “Supermarket Trends”, Foodworks, Hobart, September.

Norman, N., “Unpayable Debts of the Poor”, Holy Advent Church, Armadale, September.

Norman, N., “Competing in a Global Order”, Oracle Computers, Sydney, September.

Norman, N., “Economic Outlook”, Queensland Grocery Industry Association, Binden, September.

Norman, N., “Agricultural Outlook”, FM 500 (NAB), Moama, October.

- Norman, N., “Agricultural Outlook”, FM 500 (NAB), Halls Gap, October.
- Norman, N., “Economic Impact of Technology”, Geac Computers, Melbourne, October.
- Norman, N., “World Wine Trends”, Vititec 98 Convention, South Australia, October.
- Norman, N., “Emerging Innovations”, Interact Festival, Victorian Government, Melbourne, October.
- Norman, N., “Economic Review and Index of Construction Activity”, National Confederation of Civil Contractors, Melbourne, November.
- Norman, N., “Keynote Economic Review”, National Association of Insurance Brokers, Gold Coast, November.
- Norman, N., “Economic Outlook”, General Motors Overseas Corporation, Melbourne, November.
- Norman, N., “Financial Planning Issues”, Security National, Melbourne, December
- Norman, N., “Strategic Economic Issues”, Freight Corp (NSW Rail), Paramatta, December.
- Norman, N., “Financial Planning Issues”, Security National (Fund Management), Melbourne, December.
- Sasaki, D., “Affirmative Priority Queuing”, RSSS, ANU, Canberra, April.
- Sasaki, D., “Ignorance as a Commitment Device”, Faculty of Economics, ANU, Canberra, April.
- Sasaki, D., “RJVs in Product Innovation and Cartel Stability”, La Trobe University, May.
- Sasaki, D., “Advance Production, Inventory, and Asymmetric Cournot-Nash Equilibrium”, Sydney University, May.
- Sasaki, D., “Reexamination of the Stackelburg Leadership”, University of New South Wales, May.
- Sasaki, D., “R&D, Collusion and the Form of Market Competition”, Hosei University, Tokyo, Japan, June.
- Sasaki, D., “On Optimal Privatisation”, RSPAS, ANU, October.

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# Departmental Seminar Program

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## Semester 1

- February 24 Ed Nosal, (University of Waterloo), Optimal Bankruptcy.
- March 5 Paul Oslington, (Deakin University), An Australian Model: Nontraded Goods, Real Exchange rates and Unemployment.
- March 26 Deborah Cobb-Clark, (ANU), Undocumented Migrants in the US.
- April 2 Pushkar Maitra, (University of Sydney), A Quantitative Analysis of Employment Guarantee Programs with an Application to Rural India.
- April 9 Norman Ireland, (University of Warwick), Status-seeking, Income Taxation and Efficiency.
- April 23 Tue Gorgens, (UNSW), Inference in a Semiparametric Transformation (GAFT) Model.
- April 30 Billy Jack, (ANU), Equilibrium in Competitive Insurance Markets with Ex Ante Adverse Selection and Ex Post Moral Hazard.
- May 14 Dhammika Dharmapala, (ANU). Comparing Tax Expenditures and Direct Subsidies: The Role of Legislative Institutions.
- May 21 David Prentice, (La Trobe University), Economic Growth, Industrial Structure and the Demand for an Investment Good.
- May 28 Ted McDonald, (University of Tasmania), The Receipt of Unemployment Benefits by Immigrant Men in Australia.
- June 4 Gordon Fisher, (Concordia University), Stochastic Dominance Based on Alpha-mixing with Applications in Finance.
- June 19 Michael Baker, (University of Toronto), Earnings Dynamics and Inequality Among Canadian Men, 1976-1992: Evidence from Longitudinal Income Tax Records.
- July 1 Dwayne Benjamin, (University of Toronto), Aging, Household Structure, and Welfare in Rural North China.

## Semester 2

- July 30 Ali Khan, (John Hopkins University), On the Modelling of Mass Phenomena in Economics.
- August 6 Christopher Ellis, (University of Oregon), Designing a Mechanism for Inducing Cooperation in Non-Cooperative Environments: Theory and Applications.
- August 13 Iain Fraser, (La Trobe), Applications of Maximum Entropy Estimation.
- August 27 Glen Otto, (UNSW), The Demand for Non-Interest Bearing Money in a Period of Financial Innovation.
- September 3 Gael Martin, (Monash University), Bayesian Option Prices.
- September 10 Amnon Levy, (Wollongong), Income Equality Among Countries, Regions and Continents 1960-1990: Has it been Decreasing or Increasing?
- September 17 Paul Mizen, (University of Nottingham), Relative Price Variability and Inflation in Europe.
- September 24 Lisa Magnani, (UNSW), Environmental Policy and Income Inequality: Searching for Foundations of the Environmental Kuznets Curve.
- October 1 Simon Grant, (ANU), Decomposable Choice Under Uncertainty.
- October 8 Prasad Bidarkota, (La Trobe), Alternative Regime Switching Models for Forecasting Inflation.
- October 15 Michelle Barnes, (University of Adelaide), Nonlinear Threshold Relationships between Inflation and Nominal Returns: A Time Series Approach to 39 Different Countries.
- October 22 Donald George, (University of Edinburgh), A Model of Endogenous Quality Management.
- October 29 Catherine de Fontenay, (UNSW), Big Push Theory in the Presence of Market Power: Theory and Evidence.
- November 12 Bill Schworm, (Sydney University), The Choice of Risky Investment Projects in Imperfect Capital Markets.
- November 26 Neil Ericsson, (Federal Reserve), A Framework for Economic Forecasting.

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# Graduate Students

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## THESIS PASSED

Atkinson, M. E.	A micro-simulation analysis of the intra-generational effects and equity of compulsory superannuation in Australia
Bakker, A.	An economic approach to dynamic income distribution modelling
Chang, P. H.	Telecommunications liberalisation and trade liberalisation of telecommunications services
Tremblay, P.	Information economics approach to tourism
Wilkins, N. P.	Fractionally integrated ARMA modelling in macroeconomics

## THESIS IN PROGRESS

Austen, S.	The role of culture and institutions in the labour market
Bellis, C.	The development of the actuarial profession in Australia
Ben-David, R.	Monetary-fiscal policy games
Cardak, B. A.	Distributional implications of public and private investment in human capital: a comparative analysis
Cowling, S.	Distributional consequences of taxation and welfare reform
Cunningham, M. B.	Efficiency of markets arising through reforming infrastructure
Foley, M. T.	Vertical restraints in Australian industry
Foong, K.	Inflation and economic growth
Harris, M. S.	Natural resource depletion in models of economic growth
Hepburn, G. A.	Buyer power and its implications in manufacturing
Kells, S. S.	The microeconomics of firm success
Leung, A. P.	Efficiency of overlapping generations models
Liddy, A.	Term structure of interest rates
Liew, R.	Economic transformation of China

Lu, L.	Financial markets in China
Messinis, G.	Aggregate consumption and compulsive behaviour
Milne-Pott, J.	Access pricing
Moenjok, T.	Economic growth and labour markets
Nguyen, D. Q.	R & D expenditure, patents and TFP growth in Australian manufacturing
Pereira, R.	Genetic algorithm optimisation of financial market trading rules
Pickering, G. M.	Contract negotiation for provision of services
Ryan, A. M.	Superannuation and early retirement
Ryan, C.	Human capital and the Australian labour market
Scheelings, R. J.	Applied game theory
Song, L. L.	China's real exchange rate
Stewart, M. F.	Fiscal equalisation in Australia
Taylor, S. M.	Interest groups and wealth distribution
van de Ven, J. W.	Income distribution implications derived from a micro simulation model
Weinberg, N. N.	Essays in the pure theory of international trade
Wildes, R. S.	Greenness as a competitive advantage
Wilkins, R. K.	The effect of trade union/firm bargaining structure on wage and employment outcomes
Wilson, D.	Economic integration

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# Subject Student Numbers

## 1996 to 1998

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<b>First Year</b>	1996	1997	1998
300-101 Actuarial Studies 1	75	79	115
316-101 Introductory Macroeconomics	1190	1340	1298
316-102 Introductory Microeconomics	1248	1574	1656
316-129 Business Statistics	354	484	499
316-130 Quantitative Methods 1	605	725	703
<b>Second Year</b>			
300-203 Mathematics in the Financial World	60	68	78
300-204 Introduction to Stochastic Techniques in Financial Maths	N/A	32	39
316-201 Intermediate Macroeconomics	601	725	784
316-202 Intermediate Microeconomics	857	971	1130
316-205 Introductory Econometrics	208	306	449
316-206 Quantitative Methods 2	688	632	766
316-207 Mathematical Economics	86	55	58
316-208 Economics of the Environment	N/A	44	34
<b>Third Year</b>			
300-302 Actuarial Statistics	23	44	50
300-304 Risk Theory	27	42	57
300-311 Life Insurance Mathematics	21	43	51
316-301 International Economics	102	104	149
316-302 Economic Development	23	19	44
316-303 Industrial Economics	22	22	36
316-304 Social Economics	16	17	22
316-305 Public Finance	45	33	38
316-306 Money and Banking	163	178	252
316-307 Labour Economics	30	36	N/A
316-309 Agricultural Economics	14	13	15
316-312 Macroeconomics	93	56	123
316-313 Microeconomics	136	102	147
316-316 Basic Econometrics	132	113	106
316-317 Econometrics	89	83	99
316-318 Econometric Modelling	25	21	22
316-319 Economic Development of East Asia	14	37	46
316-323 Privatisation and Regulation	28	34	42
316-324 Environmental Economics	24	19	28
316-325 Ecological Economics	N/A	6	13
316-327 Business Applications of Economics	21	16	N/A
316-350 Time Series Analysis and Forecasting	60	59	88
316-351 Economics of Financial Markets	99	115	155
316-352 Quantitative Business Analysis	76	75	75

<b>Fourth Year</b>	1996	1997	1998
300-400 Actuarial Studies Research Essay	6	6	10
300-402 Superannuation and Retirement Income Schemes	N/A	2	5
300-403 Advanced Risk Theory	6	7	13
300-410 The Actuarial Control Cycle 1	45	19	46
300-411 The Actuarial Control Cycle 2	47	41	45
316-425 Ecological Economics	N/A	10	9
316-449 Financial Econometrics	16	13	16
316-451 Modelling the Australian Macroeconomy	18	21	20
316-462 Public Economics	19	17	19
316-466 Monetary Economics	6	14	9
316-467 Issues in Microeconomic Analysis and Policy	13	12	18
316-468 General Equilibrium and Welfare Economics	15	13	36
316-469 Financial Economics	26	22	14
316-470 Econometric Techniques	15	16	21
316-475 Economics Research Essay	26	32	32
<b>Master Preliminary/Diploma Year</b>			
316-801 Introduction to Public sector Economics	19	13	68
316-802 Introduction to Macroeconomic Policy	11	8	15
316-804 Diploma Microeconomics	16	10	9
316-805 Diploma Macroeconomics	15	11	7
316-807 Mathematical Economics	11	7	4
<b>Masters Year and PhD Year</b>			
300-601 Actuarial Principles	N/A	2	4
300-602 Life Insurance Mathematics	N/A	2	3
300-603 Actuarial Statistics	N/A	2	3
300-604 Risk Theory	N/A	2	3
300-606 Mathematics in the Financial World	N/A	1	2
300-607 Research Essay	N/A	1	1
316-611 Microeconomics	17	22	23
316-612 Macroeconomics	17	21	15
316-614 Special Topics in Macroeconomics	N/A	3	3
316-616 Industrial Organisation	7	11	9
316-621 Economics of the Public Sector	4	6	20
316-626 Research Report (Specialisation in Economics)	13	21	15
316-630 International Trade and Policy	16	12	12
316-635 Household Sector Economics	N/A	2	4
316-636 Advanced Econometric Techniques	4	3	N/A
316-638 Macroeconometrics	4	N/A	4
316-650 Microeconomics 2	N/A	2	8
316-651 Labour Economics	N/A	7	8
316-703 Dissertation Workshop	1	5	6

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# Student Prize Winners

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## **Australian Finance Commerce Prize**

*Koh, C.*, 316-207 Mathematical Economics

## **State Chamber of Commerce Exhibition**

*Burge, B.*, 316-306 Money and Banking

*Chee, J. Y.*, 316-101 Introductory Macroeconomics

*Leahy, P.*, 316-303 Industrial Economics

*Moore, T.*, 316-304 Social Economics

*Tirpcou, L.*, 316-301 International Economics

*Yeoh, E. H.*, 316-201 Intermediate Macroeconomics

## **Desmond J. Cleary Memorial Prize**

*Blackman, M.*, 316-469 Financial Economics

## **The Economics Society of Australia**

*Berman, D.*, 316-312 Macroeconomics

*Leahy, P.*, 316-313 Microeconomics

## **Francis J. Wright Exhibition**

*Backhouse, E.*, 316-309 Agricultural Economics

*Halim, E.*, 316-130 Quantitative Methods 1

*Shute, C.*, 316-319 Economic Development of East Asia

## **Jean Polglaze Memorial Prize**

*Ng, W. M. M.*, 316-470 Econometric Techniques

*Ng, W. M. M.*, 316-475 Economics Research Essay

## **Wilfred Prest Prize**

*Gusberti, K.*, 316-468 General Equilibrium & Welfare Economics

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# History of the Department

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The formal establishment of a Department of Economics, within the Faculty of Economics and Commerce, occurred in 1944. However courses in economics, or political economy, the name by which the discipline was universally known during the nineteenth century, had been offered since the establishment of the University.

The Chair of Modern History and Literature, Political Economy and Logic, was a foundation chair within the Faculty of Arts. Over time, as in other parts of the world, the disciplines of history and political economy were separated organisationally from their moral philosophy base, and then from each other. At Melbourne, the separation of history and political economy was slow to take place, partially for political reasons. Separate Chairs of History and of Economics and Sociology were created in 1912, but the latter remained unfilled when the University Council refused to accept conditions made by the State Premier as to the appointment of the Professor and the Victorian government withdrew supporting funds.

Political Economy therefore remained within the jurisdiction of the Department of History until the creation of the Faculty of Commerce in 1925. The first Professor of Commerce, Douglas Copland, insisted that the subject be brought under his control and that arts students share classes with commerce students.

The new commerce degree was broadly a degree in business management, with the study of economics as its lynch-pin. It was tailored to meet the needs of part-time, mature-age students already at work in business, the public service and education. It was also suitable for school-leavers.

Many of the first students had outside qualifications, particularly in accounting - what they lacked was both a knowledge of theoretical economic concepts and their application as well as an overview of the institutional anatomy of the Australian economy within its international setting. In the troubled international environment of post-World War I years, this lack was keenly felt. As a very public economist determined to influence government policy, Copland revitalised the study of economics.

One of his strong ambitions was to train professional economists equal to their counterparts abroad. In this he was helped by two developments.

The first was his association with the Social Sciences Division of the Rockefeller Foundation of New York. Appointed as its Australian representative, he developed lasting links with leading economists in North America, Britain, France, Germany, Italy, Austria, Czechoslovakia, Holland, the Scandinavian countries and China - all in key centres aided by the Foundation. Scholarships were provided for Australians to study abroad and for overseas scholars to visit Australia.

The second development was the Ritchie bequest to establish a Chair of Economic Research. Located in the Faculty of Arts but directed from the Faculty of Commerce, it was occupied by Lyndhurst Giblin from 1929 until the outbreak of the second world war.

The Ritchie Chair served as the catalyst for the establishment, in 1930, of an Honours School of Economics within Arts, with students being directed by Giblin and Copland. Honours students were encouraged to proceed to the MA research degree, after which they were given help, often with Rockefeller funds, to study abroad at leading universities. With the outbreak of World War 2, they became key Commonwealth bureaucrats, directing the war effort. Economists had come into their own.

Under the Commonwealth Reconstruction Training Scheme, former service personnel were given financial assistance to study full-time for five years after the war. In anticipation of the great boom in the full-time undergraduates, the Faculty of Commerce was reorganised to become the Faculty of Economics and Commerce, with Economics to the fore.

Once again there was a strongly felt need within the community to ‘learn the lessons of the past’ and to learn the secrets of a managed economy.

Economics as a discipline became increasingly popular among school-leavers as well as with returned soldiers.

The rapid expansions of the Department had begun. In 1946 there were 1335 students enrolled within the entire Faculty. Impressive as this figure seemed, it is less than the 1997 enrolment figure for the Department’s first year Introductory Microeconomics. Increased enrolments have led to a greater level of specialisation and diversity of subject offerings, greater opportunities for research, a multiplication of chairs and the need for a more specialised staff. There has also been a greater diversity among students.

The Commonwealth’s immigration policy brought student’s with a non-British background, while in the early 1950s Commonwealth funding through the Colombo Plan brought Asian students to the Faculty and the Department, often with preferences for the study of finance and business management. They provided a spearhead for the increased influx of overseas students who are willing to pay full fees for a Melbourne degree.

The present Department of Economics has a growing international record as an institution of world class learning; in this it has built on the solid foundations laid by its predecessors.