Economics Program

ANNUAL REPORT

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Economics Program
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*This report was prepared by Ken Clements, Effie Giaros, Inga Kristoffersen, Yihui Lan, Sam Tang, George Verikios, and Yanrui Wu, with valuable contributions from all other members of the Economics Program.*
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1. Introduction

Economics at UWA is a small but active group, made up of outstanding staff and students. The year 2005 was again a busy and successful one for our group. The staff and students published a substantial number of items on a large variety of topics; the staff continued to be successful in winning competitive research grants, especially from the Australian Research Council; the Economics Discipline Group attracted a number of academic visitors; two conferences organised by staff were held at the University; the number of students enrolled in Economics units was encouragingly high; and Economics graduates continued to enjoy strong job-market opportunities. This report provides details of these and other activities of 2005, and this introduction mentions some highlights.

The Program was pleased to host several public activities. The Shann Lecture was given by Alan Oster, Chief Economist of the National Australia Bank, who spoke on the topical issue of “House Prices -- Drivers and Links to the Broader Economy: Rational or irrational exuberance?” The Economics Teachers’ Seminar attracted a number of year-12 teachers who heard presentations from Jacqui Dwyer, of the Reserve Bank of Australia, and Grant Draper, of Western Power. Thirty students presented papers based on their PhD research at the PhD Conference in Economics and Business, which was held at the University. The annual meeting of the Association for Chinese Economic Studies (Australia) was also held at the University in the form of a conference on “Transition, Growth and Globalisation”.

Four Economics students were awarded their PhDs in 2005: Elisa Birch, whose thesis was entitled The Determinants of Labour Supply and Fertility Behaviour: A study of Australian Women, Elaine Loh An Assessment of Trading Rules Based on Macroeconomic Aggregates, Riaz Shareef Modelling Economic Growth in Small Island Tourism Economies, and Jasslyn Yeo Forecasting Returns Using Time-Varying Risk Measures.

The work of students also received professional recognition. Louise Carter received the Economic Society (WA Branch) Prize for the Best Honours Dissertation in Economics for 2004. Her dissertation was entitled Superannuation and the Aging Population: Implications for the labour market and savings. At the conference “Transition, Growth and Globalisation”, Bernardo da Veiga won the prize for the best student presenter, and Duc Vo was awarded the prize for the best student paper.

There were several staff movements over the past year. Tram Le was promoted to Senior Lecturer. Inga Kristoffersen joined the Economics Program as Associate Lecturer, and Sam Tang took up an appointment as Lecturer. Felix Chan, Effie Giaros, Yihui Lan, Cathy Roberts and MoonJoong Tcha all left Economics to go to other jobs. We thank them for their many contributions to the Economics Program. Paul Miller finished a period as Head of School and has returned to Economics where he holds his ARC Professorial Fellowship.
2. Staff Members

PROFESSORS

K.W. Clements, BEc-Hons MEc (Monash), PhD (Chicago), FASSA.
Professor Clements is Head of the Economics Program, on the Editorial Boards of Resources Policy, the International Journal of Finance and Economics and the Australasian Journal of Economics Education. In recent years he has been awarded ARC research grants for Stochastic Index Numbers and their Application in Accounting, Economics and Finance with H.Y. Izan and E.A. Selvanathan, Economic Aspects of Wool in WA with M. Tcha and Exchange Rates and Commodity Prices in a Volatile Business Environment. Recent publications by Professor Clements include “Larry Sjaastad, The Last Chicagoan” and “Three Facts about Marijuana Prices”. In 2004, he won the Best Discussant Award at the PhD Conference in Economics and Business, held at ANU.

M. McAleer, BEc-Hons MEc (Monash), PhD (Queen's, Canada), FASSA, FIEMSS.
Professor McAleer’s principal research interests are in theoretical and applied econometrics, statistics and financial econometrics, finance, risk, IP, methodology, philosophy of science, integrated environmental modelling, and tourism research and management. He has published prolifically in a range of leading international refereed journals across several disciplines. His non-nested hypothesis tests are widely used in econometrics textbooks and software packages, and his financial volatility models are programmed in econometric software packages. He is presently an Advisory, Associate or Senior Editor of nine international journals, and has edited over 50 special issues of leading international journals, scientific monographs for Blackwell, CUP, Wiley and Elsevier, and conference proceedings volumes. In 2005 he published two scientific monographs for Elsevier’s Contributions to Economic Analysis series. He appears in Who's Who in Economics: A Biographical dictionary of major economists 1700 to 1995 (3rd ed.), Edward Elgar, 1999, 748-749. From 1992-2001, he was an Adjunct Professor at the IAS, ANU. He has been an Adjunct Professor at the University of Canterbury since 2002, Faculty of Science, ANU since 2003, and Ling Tung University, Taiwan, since 2004.

P.W. Miller, BEc (New England), MEc PhD (ANU), FASSA.
Professor Miller’s primary research interest is labour market performance, particularly as it relates to educational attainment, gender, ethnic and racial origin. He has published extensively in both Australian and overseas journals, including Economic Record, American Economic Review, Canadian Journal of Economics, Economic Journal, Economica, Journal of Human Resources, Journal of Labor Economics and Industrial and Labor Relations Review. His recent research includes “Early Childhood Behaviours, Schooling and Labour Market Outcomes: Estimates from a sample of twins” (with A.T. Le, A. Heath and N. Martin), which was published in a 2005 issue of Economics of Education Review. Professor Miller is currently an Australian Professorial Fellow.
D.A. Turkington, BA (Wellington), MCom (Canterbury), MA PhD (Berkeley).

ASSOCIATE PROFESSORS

N. Groenewold, BEc MEc (Tasmania), MA PhD (Western Ontario).

P.C. Statham, BEc-Hons (Monash), PhD (W.Aust.).
Associate Professor Statham’s main research interests are in early Australian economic history. She was responsible for the first volume in the *Dictionary of Western Australians* 1829 - 1850, then several edited books on the letters and lives of early settlers. For Cambridge University Press she edited a book on the *Origins of Australia’s Capital Cities*, followed by a study of the contribution made by the New South Wales Corps to early Australian growth. Her last major study was the biography of Western Australia’s first Governor, James Stirling, published by UWA Press in May 2003. A paper on Stirling’s role in the Battle of Pinjarra, October 1834, was published in *Studies in Western Australian History*, Vol. 23, and at Governor Sanderson’s request Pamela brought out a short version of Stirling for WA’s 175th Anniversary, titled *James Stirling and the Birth of the Swan River Colony*. In 2005 she contributed a chapter on the Staples Fund to the History of the UWA Press, *A Press in Isolation*.

M. Tcha, BA (Seoul National University), PhD (Chicago).
World Economy, which were published by Routledge. His recent research has concentrated on microeconomics, sports economics, Asia-Pacific Rim economies, direct foreign investment, exchange rate pass-through and comparative advantage in sports. Associate Professor Tcha is currently on leave.

**Y. Wu**, BS (Anhui), MA (Nankai), MA (ANU), PhD (Adel.).

Associate Professor Wu is an economist specialising in development economics and applied econometrics. His research interests are the Chinese and Asian economies, economic growth and productivity analysis. He has published extensively in these fields. He is the author of *Productive Performance in Chinese Enterprises* (Macmillan, 1996), *China’s Consumer Revolution* (Edward Elgar, 1999), *The Macroeconomics of East Asian Growth* (Edward Elgar, 2002) and *China’s Economic Growth* (Curzon, 2004). Associate Professor Wu is on the editorial board of *China Economic Review* (North-Holland) and *Journal of Chinese Economic and Business Studies* (Routledge). He is also the General Editor of *Advances in Chinese Economic Studies Series* (Edward Elgar). His teaching interests include econometrics, international economics and development economics.

**SENIOR LECTURERS**

**M.J. Davies**, BA (Kent), MA (Adel.).

Mr Davies’ major research interests are associated with Australian mining history. He has been Secretary/Treasurer of the Australian Mining History Association since 1994, and is Secretary of the International Mining History Congress. He has a number of publications that include papers in *Australian Economic History Review, Comparative Studies in Society and History, Australian Historical Studies, Cornish Studies, The Great Circle, Journal of Australasian Mining History* and the *Journal of the Historical Society of South Australia*. He has chapters in a number of books and has compiled a bibliography of the *Mining History of Australia, New Zealand and Papua New Guinea*. For the last three years he has been editor of the *Journal of Australasian Mining History*.

**A.T. Le**, B.Bus (Curtin), M.Ec PhD (W.Aust.).

Dr Le’s research interests include labour market outcomes of female migrants, educational attainment and unemployment. Her recent papers have been published (with P.W. Miller) in a range of journals, including *Scottish Journal of Political Economy, Economics of Education Review, Education Economics, Economic Record, Australian Economic Review and Australian Economic Papers*. Her current research is on labour market participation of female migrants, educational attainment of migrant children and labour market activities of prisoners.

**P.B. McLeod**, BEc PhD (Adel.).

Dr McLeod teaches in the area of microeconomics, including microeconomic theory, resource economics and public policy economics. His research interests cover various areas of applied microeconomics, including transport, housing, valuation and management of natural resources, production functions and productivity measurement, and

**M.A.B. Siddique**, BA-Hons MA MPhil (Rajshahi), DipResMeth (Dhaka), DipResRurDev (Hawaii), PhD (W.Aust.).

Dr Abu Siddique’s research focus has been on trade, migration, development and applied econometrics. He has published in international journals such as *Environment International, Mathematics and Computers in Simulation, International Journal of Social Economics, South Asia and Empirical Economics Letters*. He has also authored and edited numerous books including *Handbook of Sustainable Development Planning: Studies in modelling and decision support* (Edward Elgar), *Tourism and Economic Development* (Ashgate), and *International Migration into the 21st Century: Essays in honour of Reginald Appleyard* (Edward Elgar). His most recent research activities have been in the areas of sustainable development, globalisation, regional trade agreements and economics of illegal migration with special focus on the Asia-Pacific region. Dr Siddique is the Director of the Trade, Migration and Development Research Centre.

**E.J. Weber**, Lic oec publ (Zurich), MA PhD (Rochester).

Dr Weber’s fields of specialisation are macroeconomics and monetary history. His publications have appeared in Australian and international professional journals, including *Journal of Australian Political Economy, Explorations in Economic History, Applied Economics, Applied Financial Economics, Kyklos, Economics Letters, Resources Policy, Energy Economics, Journal of Economic Surveys, and Policy*. He wrote an entry on “Switzerland Before 1815” for the *Oxford Encyclopedia of Economic History*, and he contributed chapters to books on the role of gold in the monetary system, and the issue of private bank notes before the emergence of central banking. Dr Weber’s current research includes discussion papers on the history of bimetallism, and the teaching of optimal control theory in undergraduate economics programs.

**LECTURERS**

**D.J. Butler**, BA MSc (York), PhD (W.Aust.).

Dr Butler’s research interests focus on the application of experimental methods to the economic theory of individual choice and to game theory. In particular he studies competing explanations for observed violations of expected utility theory and other choice theories, as well as the role of motivations such as reciprocity in behavioural game theory. Dr Butler has published in journals including *Economics Letters, Acta Psychologica, Journal of Economic Behavior and Organization, Manchester School of Economic and Social Research, Journal of Behavioral Decision Making*
and *Journal of Economic Surveys*. He spent 2002-2004 as Visiting Assistant Professor in the Department of Economics, University of Arizona.

**P. Crompton**, BBus-Hons (Curtin), PhD (W.Aust.).

Dr Crompton’s research interests include the econometric modelling of commodity markets, the relationship between metals demand and economic activity, and the world iron ore, steel and coal industries. He has published in *Journal of Environmental Economics and Management, Agricultural and Resources Quarterly, Resources Policy, Journal of Chinese Economic and Business Statistics* and *Applied Economics Letters*. Dr Crompton has edited a book of Shann Memorial Lectures, *Australian Macroeconomic Policy Debates: Contributions from the Shann Memorial Lectures* (UWA Press). He is also principal author of *Macroeconomics: A Contemporary Introduction (second edition)*. He also regularly works as a consultant to several of Australia’s largest mining companies and is currently an examiner on the Tertiary Entrance Examination Panel for Economics.

**S.H.K. Tang**, BA (Lethbridge), MA (Simon Fraser), PhD (Tasmania).

Dr Tang’s main research interests are empirical growth models and development economics, particularly as they relate to the volatility of the growth rate, technical change and financial development in developing countries. His papers have been published in a range of international journals such as *Applied Economics Letters, Asia Pacific Journal of Economics and Business, China Economic Review, Economics Letters, Journal of Asian Economics, Pacific Economic Review, Progress in Development Studies*, and *Singapore Economic Review*. He also has two book chapters and is the author of the book, *The Chinese Stock Market: Efficiency, Predictability and Profitability* (with N. Groenewold, Y. Wu and X. Fan), which was published by Edward Elgar. His is currently working on a paper that explores the empirical link between institutional quality, technical change and the volatility of growth rate.

**J.R. Voola**, BEc-Hons (Murd.), GradDipBus MCom PhD (Curtin).

Dr Voola joined the Program at the beginning of 2003. Her principal interests are empirical industrial organisation and business economics with special emphasis on oligopolies. She has particular interest in the petroleum and pharmaceutical industries as well as innovation and technological issues. She has published in the *International Journal of Economics of Business* and has a journal article in *Economics of Innovation and New Technology* in 2006. In addition, she is an active member of the Society of Petroleum Engineering, where she has presented two papers in the October 2004 meeting in Perth. She is also active as a discussant and referee for the *Journal of Economics of Innovation and Business Society International Journal*. Dr Voola is particularly interested in developing innovative teaching material for teaching Business Economics. This year she introduced the “Shrimp Game” and developed material for a new case study. Together with Yanrui Wu, she was involved in the running the economics seminar program.
ASSOCIATE LECTURERS

J. Fogarty, B.Ec GradDipEcon (W.Aust.).
Mr Fogarty joined the Economics programme in 2001. He submitted his PhD thesis *Wine Investment, Pricing, and Substitutes* in November 2005, and has assisted with teaching in a range of undergraduate units. Mr Fogarty was on leave during semester one.

I. Kristoffersen, B.Bus Hon, M.Bus (Edith Cowan University).
Ms Inga Kristoffersen commenced her employment at UWA in January 2005. She has been involved in teaching first year Microeconomics and Macroeconomics, as well as second year Macroeconomics and International Finance. Her research interests centre on corporate responsibilities and performance on environmental, social and governance criteria, and the comparison of financial and non-financial performance of Australian firms and managed funds. Her papers have been published in the *International Journal of Business Studies* and the *Australian Accounting Review*. In 2005 she presented a paper at the Annual AIBF Banking and Finance Conference and three papers at the Inaugural Annual Governance and Social Responsibility Conference. Inga will commence her PhD in the beginning of 2006.

A. Williams, B.Ec-Hons (W.Aust.).
Mr Williams’ teaching has been mainly in the core theory courses such as first and second year Micro and Macroeconomics. He is currently completing his PhD thesis on the links of the long run relationship between governance and economic growth.

RESEARCH FELLOWS

E.R. Birch, BCom – Hons (Curtin), PhD (W.Aust.).
Dr Elisa Rose Birch completed her PhD thesis, entitled, *The Determinants of Labour Supply and Fertility Behaviour: A study of Australian women*, in April 2005. She is currently working with Professor Paul Miller on an ARC project analysing data from the Department of Education, Science and Training. Her principal research interests are education economics and women’s labour supply. In 2005, Elisa Rose assisted Dr Anh Tram Le in lecturing the unit Asia in the World Economy 400.203. She also gave the valedictorian address at the Business School’s graduation ceremony.

Dr Chan completed his PhD thesis, entitled *An Econometric Analysis of Multivariate Volatility: Applications to intellectual property and finance*, with Distinction in 2004. His research interests are in financial econometrics, time series analysis, genetic algorithms, market microstructure analysis, intellectual property, tourism research and environmental modelling. He has published in *Journal of Applied Econometrics, Scientometrics, Mathematics and Computers in Simulation, Environmental Modelling and Software, Applied Economics, Applied Financial Economics and Tourism Management*. Dr Chan is currently working with Professor D. Allen (ECU), Professor M. McAleer (UWA) and Dr S. Peiris (University of Sydney) on the

S. Hoti, BCom MCom (Curtin), PhD (W.Aust.).
Dr Hoti received the 2003 Robert Street Prize for the best UWA PhD in 2004. Her research areas cover country risk, modelling financial risk ratings, financial econometrics, time series analysis, volatility modelling, macroeconomics, finance, antitrust enforcement, intellectual property, environmental risk and sustainability, and tourism research and management. Dr Hoti has published in a number of leading international journals, including *Mathematics and Computers in Simulation*, *Journal of Economic Surveys*, *Tourism Economics*, *Econometric Reviews*, *Risk Letters*, *Emerging Markets Review*, and *Environmental Modelling and Software*. One of the multivariate volatility models, which she developed in conjunction with co-authors at UWA, has been programmed in the widely used econometric software package, RATS. In 2005 she published a scientific monograph for Elseviers Contributions to Economic Analysis series, and received the Early Career Research Excellence Award of the Modelling and Simulation Society of Australia and New Zealand.

Y. Lan, BEng (Huazhong University of Science and Technology, China), MBA (UWA), PhD (UWA).
Dr Lan is a part-time Research Fellow at the Economic Research Centre. Her main research interests are international finance, exchange rate economics, financial economics, index numbers and demand analysis. In 2005, Dr Lan’s research focused on international finance and stochastic index numbers, working with Professors Ken Clements and Izan. She has published in *the Journal of Agricultural and Applied Economics* and has a paper forthcoming in *Applied Economics* (jointly with Ken Clements). In 2005 she also undertook refereeing duties for the *Journal of Applied Mathematics and Decision Sciences* and the *International Economics and Finance Journal*.

R. Shareef, BA (Hons) (Wolverhampton), MA Int. Econ. (Sussex), PhD (W.Aust.).
Dr Shareef was awarded his PhD in March 2005. He has been working as a research fellow in the Economics Program and was recently appointed as a full-time postdoctoral research fellow in the Faculty of Business and Law at Edith Cowan University. His papers have been published in *Mathematics and Computers in Simulation*, and *Tourism Economics*. Some of his papers are forthcoming in *Tourism Management*, *International Journal of Travel Research* and *Journal of Travel Research*.

G. Verikios, BBus (Vic. College), GradDipEcons MEc (Monash).
Mr Verikios is a Research Fellow whose principal research interests are quantitative economic issues, including multilateral manufacturing and services trade liberalisation, unilateral trade liberalisation by Australia, the distributional effects of microeconomic reform of infrastructure industries in Australia, and productivity and alternative measures of real output for service industries in Australia. He is currently working on a three-year ARC

**POSTDOCTORAL RESEARCH FELLOW**

**M.T. McLure**, BA (Murd.), Grad DipEd (WAIT), MEc (W.Aust.), PhD (Curtin).
Dr McLure’s current research focuses on the Pareto school and Italian fiscal sociology. He received his PhD from Curtin University of Technology in 1999 and is the author of *Pareto, Economics and Society*. His articles have been published in journals such as the *Journal of the History of Economic Thought, Pensiero Economico Italiano, European Journal of the History of Economic Thought, History of Economics Review* and *Economic Papers*. With John Cunningham Wood, he is co-editor of three collections in the *Critical Assessments of Leading Economists* series: Vilfredo Pareto (4 vols); Wassily Leontief (3 vols); and Paul A. Samuelson (3 Vols). Prior to joining UWA, Michael prepared policy advice for the State Government as a Treasury officer.

**HONORARY SENIOR RESEARCH FELLOWS**

**R. Gabbay**, BSc MA (Tel Aviv), DrPolSc (Geneva).
Dr Gabbay specialises in contemporary Middle Eastern issues, energy and oil (with special emphasis on OPEC), development economics, tourism in Indian Ocean island states and the role of culture in international marketing. He has published eighteen books and over 76 articles and monographs. Dr Gabbay is now working on his sixth volume of *Australia and the Middle East 1945-2000: A socio-economic and political study*. Dr Gabbay’s latest co-edited books are: *International Business and Cross Cultural Marketing: Contemporary research in selected countries*, Academic Press International (API), 2004 and *The Challenge of Inter-Disciplinary Perspectives and Globalization in the 21st Century*, Volume 1, Academy of World Business, Marketing and Management Development, 2004.

**R.N. Ghosh**, MA (Delhi), PhD (Birmingham).
Dr Ghosh retired from the Economics Program in 1994, and since his retirement he has been a Senior Honorary Research Fellow. He is a specialist in the history of economic thought. In recent years he has also published on topics relating to a wide range of development issues, such as good governance, corruption, gender issues, the environment, and the role of tourism in initiating development in LDCs. Dr Ghosh is the current chairman of the International Institute of Development Studies Australia. He is also Editor-in-Chief of a peer-reviewed journal called *The Atlantic Journal of Development Studies (AJDS)*, which is published from New Delhi. Recently, he signed a contract with a reputed publisher, Atlantic
Publishers and Distributors, to produce a South Asian edition of Adam Smith’s *The Wealth of Nations*.

N. Islam, BSc-Hons MSc (BAU), MS (UPLB), PhD (La Trobe).
Dr Islam is an Agricultural and Resource Economist with the State Department of Agriculture and an Honorary Senior Research Fellow with the Economics Program. He has worked with development organisations such as the International Rice Research Institute and the World Bank, and has developed economic models related to agriculture for practical policy formulation and decision-making purposes, including the measurement of productivity of the Western Australian agricultural sector. His expertise lies in economic modelling, benefit-cost analysis, monitoring and evaluation, and general economic analysis. Since 1996 he has been collaborating with the Economic Research Centre at UWA on input-output and computable general equilibrium models for the WA economy to study the impact of agricultural policies on the economy.

**ADJUNCT PROFESSORS**

P.H.B.F. Franses, MSc (Groningen), PhD (Erasmus).
Professor Franses is a Professor of Applied Econometrics, Econometric Institute, and a Professor of Marketing Research, Department of Marketing and Organization, both at Erasmus University Rotterdam. His research interests include applied econometrics, empirical finance, marketing research, and diverse areas such as environmetrics and political science. He is editor-in-chief of *Statistica Neerlandica* and Associate Editor of seven international journals, including *Journal of Applied Econometrics* and *International Journal of Forecasting*. Professor Franses has published prolifically in numerous leading international refereed journals, including *Journal of Econometrics, Journal of Business and Economic Statistics, Journal of Applied Econometrics, Review of Economics and Statistics, Journal of Time Series Analysis* and *Journal of Marketing Research*. He is the co-author of various books with Cambridge University Press and Oxford University Press, including *Time Series Models in Business and Economic Forecasting* (1998) and *Quantitative Models in Marketing Research* (2001). He was appointed to the position of Adjunct Professor in the UWA Economics Program in 2001.

A.J. Jakeman, BSc-Hons (UNSW), PhD (ANU), FIEMMS.
Professor Jakeman is Professor of Environmental Systems, Centre for Resource and Environmental Studies, Institute of Advanced Studies, and Foundation Director of the Centre for Integrated Catchment Assessment and Management (ICAM), at the Australian National University. Since 1987, Professor Jakeman has been President of the Modelling and Simulation Society of Australia and New Zealand, and since 1999 the Foundation President of the International Environmental Modelling and Software Society. He is presently a member of the Board of Directors of the International Association for Mathematics and Computers in Simulation and on the Executive Boards of several international conferences. Professor Jakeman is on the editorial boards of a number of international journals, including *Environmental Modelling and Software, Journal of*
Forecasting, Environmetrics, the Editorial Advisory Boards of Ecological Modelling, Hydrological Processes and Systems Analysis Modeling Simulation, and the Advisory Boards of the Encyclopedia of Life Support Systems and the Numerical Insights Book Series. His research interests include environmental policy problems, particularly those in hydrology, water quality and air quality management. He works in the field of integrated assessment, where he examines practical options for management of the environment, taking into account stakeholder interests, cross-sectoral issues, and timeframes for decisions. Professor Jakeman leads several projects at the ICAM Centre, including “An Integrated Water Resource Assessment Framework for the Ping Basin, Thailand.” He is a prolific publisher, with well over 200 books and articles in international journals in his two decades at ANU. Professor Jakeman has been a Visiting Scholar at Stanford University and a Visiting Researcher at the Institute of Hydrology in the UK. In 1998 he was an invited visitor to the Isaac Newton Institute at the University of Cambridge. He was appointed to the position of Adjunct Professor in the UWA Economics Program in 1995, and he is also an Adjunct Professor at the UWA School of Agricultural and Resource Economics.

L. Oxley, BA-Hons (Wales), MA (Sheffield), PhD (Tilburg), FMSSANZ, FRSNZ.
Professor Oxley is Professor in Economics in the Department of Economics at the University of Canterbury, New Zealand. He has previously been a Visiting Research Fellow at the Australian National University and Visiting Senior Lecturer at Monash and UWA. He is one of the Foundation Editors of the Journal of Economic Surveys (Blackwell), is on the editorial boards of several international journals, including Environmental Modelling and Software and Mathematics and Computers in Simulation and has edited a number of scientific monographs in economics, econometrics and financial econometrics. Professor Oxley has published extensively in leading international journals in economics, applied econometrics and economic history, including Explorations in Economic History, Economic History Review, Journal of Economic History, Review of Income and Wealth, Australian Economic History Review, Journal of Econometrics, Applied Economics, Economic Record, Environmental Modelling and Software, Energy Journal, Manchester School and Mathematics and Computers in Simulation. He currently holds two Royal Society of New Zealand Marsden Fund grants and two New Zealand Foundation for Research, Science and Technology grants. He was appointed to the position of Adjunct Professor in the UWA Economics Program in 2001 and the position was extended in 2004 to the School of Economics and Commerce and School of Mathematics and Statistics. Professor Oxley is also Associate Researcher, BRCSS-Network, New Zealand and Deputy Chair of the 2006 New Zealand Performance Based Research Fund (PBRF).

L.A. Sjaastad, BA MA PhD (Chicago).
Professor Sjaastad is a Professor of Economics at the University of Chicago. His research has been highly influential in three areas: migration, international economics and economic policy. His papers “The Costs and Returns to Human Migration”, published in the Journal of Political Economy, and “How Protection Taxes Exporters” (with K. Clements), published by the
Trade Policy Research Centre, London, are regarded as classics and are widely cited. Recent publications include “The Price of Gold and the Exchange Rate” (with F. Scacciavillani) and “On Exchange Rates, Nominal and Real”, both published in the Journal of International Money and Finance. Professor Sjaastad has made major contributions to economic policy in Latin America, and in 1993 he was awarded the prestigious honorary degree of Doctor Honoris Causa from the Universidad Nacional de Tucuman, Argentina. Professor Sjaastad was appointed to the position of Adjunct Professor in the UWA Economics Program in 1996.

**ADJUNCT ASSOCIATE PROFESSOR**

**S. Ling**, Diploma (Guangdong College of Education), MS (Jinan), PhD (Hong Kong).

Dr Ling is a world-renowned scholar in theoretical statistics, theoretical econometrics, and time series analysis. Dr Ling’s research is widely cited in the statistics and econometrics literature on problems relating to estimation and testing of models using time series data. He has published papers in *Annals of Statistics*, *Journal of the American Statistical Association*, *Journal of the Royal Statistical Society (Series B)*, *Biometrika*, *Econometric Theory*, *Journal of Econometrics*, *Journal of Applied Probability*, *Journal of Multivariate Analysis*, *Journal of Time Series Analysis*, *Journal of Statistical Planning and Inference* and *Econometric Reviews*. Dr Ling was appointed to the position of Adjunct Associate Professor in the UWA Economics Program and the UWA School of Mathematics and Statistics in 2003.

**ADJUNCT LECTURER**

**J. Roberts**, BEc-Hons MEc (W.Aust.).

Mr Roberts has considerable experience in the areas of agriculture, the water industry, resources and intellectual property, and R&D commercialisation, across a number of agencies in Western Australia. He is currently a Senior Associate with the economic consulting firm ACIL Tasman. John has close to 20 years experience as a tutor and lecturer with the UWA Economics Program, most recently in the areas of Monetary Economics and International Trade and has represented the School with its teaching program in Singapore.

**ADJUNCT TEACHING FELLOW**

**B. Gidney**, MA DipEd (Cantab.).

Mr Gidney has taught in a part-time capacity in the Economics Program since 1966. His teaching areas have included all core theory courses, British, Australian and Russian Economic History, Economic Development, Environmental Economics, International Economics and Business History. Since 1988 Mr Gidney has produced a number of revised and updated editions of his book *Economic Theory and the Australian Economy*. He is occasional visiting Lecturer in Economics for the Securities Institute of
Australia, Marker in T.E.E Economics, and guest speaker at Economics revision seminars. At present he is Lecturer and Course Coordinator for the Business History course, and the British Economic History course.

SESSIONAL LECTURER

**M.J. Giles**, BEc MEc PhD (W.Aust.).

Dr Giles is a Postdoctoral Research Fellow in the Centre for Labour Market Research. Her research focuses on factors affecting school costs and optimal school size (with Paul Miller and Nic Groenewold). Dr Giles also researches labour market issues for prisoners and ex-prisoners (with Anh Le) and teaching of business strategy (with Jo Voola). She previously had research and lecturing positions at Edith Cowan University and research and policy positions in the State and Federal Governments. Her articles have been published in journals such as the *Australian Bulletin of Labour, Sentencing Observer, Transport Policy, Applied Economics, Journal of Transport Economics and Policy* and *The Australian Economic Review*. Dr Giles co-authored the 6th Edition of *The Economics of Australian Labour Markets*. 
OTHER ACADEMIC STAFF

The Economics Program has benefited from the teaching assistance of the following:

Alvarez, Gabriela  
Axworthy, Simon  
Bajwa, Gavin  
Beaman, Sarah  
Bogusz, Michael  
Chan, Felix  
Colegrave, Andrew  
da Veiga, Bernardo  
Englehard, Shannon  
Giles, Margaret  
Ho, Owen  
Hoti, Suheja  
Kerr, Oliver  
Loh, Elaine  
Millsteed, Will  
Parameswaren, Giridhar  
Poole, Emily  
Roberts, John  
Su, Chan (Peter)  
Verani, Stephane  
Verikios, George  
Weber, Lukas  
Vo, Duc  
Wong, Chee Kong  
Wong, Eric  
Wren, Kirsten  
Yeo, Jasslyn

In addition, the following individuals acted as Research and/or Admin Assistants to members of staff:

Linda Barbour  
Davies-Slate, Sebastian  
Han, Mei  
Hao, Zhao (Jow)  
Ho, Owen Chih-Hung  
Jones, Andrew  
Kaye, Aimee  
Millsteed, Will  
Minisini, Sebastian  
Ngwenya, Jessie  
Parameswaran, Giridhar  
Savini, Vincenzo  
Verani, Stephane  
Vo, Duc  
Wang, Yung Zhong  
Wong, Chee Kong  
Yu, Hui (Clare)  
Zhao, Hoa

GENERAL STAFF

The Economics Program has also benefited from the assistance of a small, highly professional administrative group:

Team Manager: Ms Glenys Walter
Administration Officer: Ms Helen Reidy
Administrative Assistants: Ms Aya Kelly  
Ms Catherine Roberts
Research Assistant: Ms Effie Giaros
Graduate Research Assistant: Ms Derby Voon
PhD Conference Co-ordinator: Ms Helen Friday
3. Examples of Research

The outstanding research record of the Economics Program can be illustrated by various indicators. One of these is cross-group ranking. The Economics Program has been consistently ranked as one of the most productive groups in Australian universities on a per capita basis. While the Program is relatively small in terms of the number of academic staff, it has nevertheless managed to successfully achieve both specialisation and diversification of research expertise. Areas of specialty possessed by Program staff range widely from microeconomics to macroeconomics, from pure theory to applied economics, and from economic history and thought to econometrics. To give a feel for the type of research carried out in the Economics Program, the following describes a number of recent projects. Other sections of this report give information on research in the form of publications, grants, thesis topics etc.

A topic that has attracted much attention and debate is the effects of openness to trade on productivity and growth performance of a country. Are there significant effects of openness on productivity and growth performance and how do they work? While there is already a large literature on the topic, Yanrui Wu proposes an alternative approach to examine the impact of openness on the sources of productivity and growth in the APEC countries\(^1\). Yanrui uses the stochastic production frontier technique to distinguish technological progress (innovation) from efficiency changes (catch-up) and attempts to isolate the influences of openness on these two distinct factors. The results show that APEC developed economies, led by the US, are found to be more innovative than APEC developing members. However, Japan appears to lag behind other developed economies in terms of technological progress. Another important finding is that APEC developing members have shown rapid catch-up with their rich neighbours. Korea and Taiwan were the lead performers in the 1980s. Mainland China took over to become the leader in the 1990s.

Fiscal sociology is the study of whether states that fund their expenditures from taxation will inevitably become indebted, and decline into fiscal crisis. A specialist in the history of economic thought, Michael McLure examines, in one of his recent publications, the extent of influence by Vilfredo Pareto on the development of fiscal sociology in Italy\(^2\). Michael translates and analyses original letters written by Vilfredo Pareto to his ex-student, Benvenuto Grizioti and follower, Guido Sensini, both of whom became scholars of historical significance. The study finds that although Vilfredo Pareto had a substantial influence on both scholars, the directions of fiscal studies taken by the two scholars were very different. Grizioti explicitly recognized the importance of fiscal sociology, but emphasized its relevance to political and legislative issues and rejected Pareto’s contention that social equilibrium should play a central role in fiscal studies. In contrast, Sensini attempted to develop a theoretical

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approach to public finance, where the relationship between fiscal phenomena and social equilibrium is presented as the central issue.

How does the petroleum industry respond to the introduction of a breakthrough in exploration technology? In a recent publication, Jo Voola (in conjunction with Harry Bloch) addresses the impact of a breakthrough in exploration technology from two-dimensional to three-dimensional seismic mapping on the petroleum industry. Jo uses the panel data regression technique on a data set covering seven major international petroleum firms over the period 1975-2000. The empirical results indicate that the use of the new seismic mapping technology is associated with increased exploration expenditures by the major petroleum firms. Firms did not pocket the 'savings' that the new technology permitted in terms of increased efficiency in exploration, but increased their exploration activity in response to the new technology. She also finds that firms in the industry respond positively to each other in terms of exploration expenditure. Her conclusions are that expansion of exploration expenditures by individual firms following the introduction of three-dimensional technology has led to increase in reserves and output of oil, putting downward pressure on prices. Under such a situation, cooperative behaviour can emerge as a solution to resolving the worsening outcomes for individual players.

“The Rewards of Patience: The rate of return to Australian wine” is the title of James Fogarty’s PhD thesis. The study attempts to find the optimal investment strategy in the market for top Australian wines. The dataset consists of 14,102 wines with vintage stretching from 1965 to 2000. These varieties of top Australian wines can be categorized into four asset groups: Exceptional, Outstanding, Excellent and Distinguished. Using various statistical techniques, he estimates price indexes for the four asset groups and then calculates their rate of return. The results are summarised in the table below:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Mean return (% per quarter)</th>
<th>Standard deviation (% per quarter)</th>
<th>Coefficient of variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceptional</td>
<td>3.3</td>
<td>8.6</td>
<td>2.6</td>
</tr>
<tr>
<td>Outstanding</td>
<td>4.1</td>
<td>12.3</td>
<td>3.0</td>
</tr>
<tr>
<td>Excellent</td>
<td>2.1</td>
<td>8.8</td>
<td>4.2</td>
</tr>
<tr>
<td>Distinguished</td>
<td>2.7</td>
<td>6.7</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Other key results found by the study are: the varieties with the highest return are Shiraz, Cabernet and Semillon, the best performing vintages tend to be more recent vintages, and an equally weighted portfolio is not too far from the optimal portfolio.
4. Seminar Series

In 2005, 24 speakers presented their research findings in the Economics Program Seminar Series, organised by David Butler, Paul Crompton, Jo Voola and Yanrui Wu. Many of the speakers also presented seminars at Curtin University. Following is a list of speakers and their topics.

<table>
<thead>
<tr>
<th>DATE</th>
<th>SPEAKER</th>
<th>TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 March</td>
<td>Dr Elisa Birch, UWA</td>
<td>The Determinants of Students' Tertiary Academic Success</td>
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<tr>
<td>11 March</td>
<td>Professor Rothschild, Lancaster University</td>
<td>Whistleblowing</td>
</tr>
<tr>
<td>1 April</td>
<td>Professor Mark Salmon, Warwick, England</td>
<td>Dynamic Copula Quantile Regressions and Tail Area Dynamic Dependence in Forex Markets</td>
</tr>
<tr>
<td>8 April</td>
<td>Mr Duc Vo, UWA</td>
<td>Fiscal Decentralization in Vietnam - A preliminary investigation.</td>
</tr>
<tr>
<td></td>
<td>Mr Andrew Williams, UWA</td>
<td>Towards a New Measure of Institutional Quality</td>
</tr>
<tr>
<td>15 April</td>
<td>Professor Joel Horowitz, Northwestern, USA</td>
<td>Nonparametric Methods for Inference in the Presence of Instrumental Variables</td>
</tr>
<tr>
<td>22 April</td>
<td>Dr Michael McLure, UWA</td>
<td>Economics in Relation to Sociology: Dualisms and Vilfredo Pareto’s Pluralistic Methodology</td>
</tr>
<tr>
<td>29 April</td>
<td>Dr Don Wright, University of Sydney</td>
<td>Insurance and Monopoly Power in a Mixed Private / Public Hospital System</td>
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<tr>
<td>6 May</td>
<td>Mr Simon Zheng, ABS, Canberra</td>
<td>Estimating Industry-Level Multifactor Productivity for the Market-Sector Industries in Australia: Methods and experimental results</td>
</tr>
<tr>
<td>13 May</td>
<td>A/Professor Neville Norman, University of Melbourne</td>
<td>New Commodities in Teaching Economics and in Tariff Analysis</td>
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<tr>
<td>20 May</td>
<td>Dr Tim Kam, ANU</td>
<td>Optimal Fiscal and Monetary Policy: The case of liquid bonds.</td>
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<tr>
<td>28 May</td>
<td>Professor Alan Wong, NUS</td>
<td>Markowitz and Prospect Stochastic Dominances</td>
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<tr>
<td>DATE</td>
<td>SPEAKER</td>
<td>TITLE</td>
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<tr>
<td>3 June</td>
<td>Dr Jason Potts</td>
<td>Micro Meso Macro: A new framework for economic analysis</td>
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<td></td>
<td>University of Queensland</td>
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<tr>
<td>22 July</td>
<td>Professor Ngo Van Long</td>
<td>The Effects of Corruption and Money Laundering on Economic Growth.</td>
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<td>McGill University</td>
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<tr>
<td>29 July</td>
<td>Professor Offer Lieberman</td>
<td>Empirical Similarity: Theory, applications and asymptotics.</td>
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<td>Technion Israel Institute of Technology</td>
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<tr>
<td>5 August</td>
<td>A/Professor Nic Groenewold</td>
<td>Regional Unemployment Disparities: An evaluation of policies in a model with free migration.</td>
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<td>UWA</td>
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<tr>
<td>12 August</td>
<td>Professor Harry Bloch</td>
<td>Commodity Prices and the Dynamics of Inflation in Commodity Exporting Nations: Evidence from Australia and Canada.</td>
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<td></td>
<td>Curtin University</td>
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<tr>
<td>19 August</td>
<td>Mr James Fogarty</td>
<td>The Rewards of Patience: The rate of return to Australian wine</td>
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<td></td>
<td>UWA</td>
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<tr>
<td>2 September</td>
<td>Mr Andrew Colgrave</td>
<td>School Cost Functions: A meta-regression analysis</td>
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<td>UWA</td>
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<td></td>
<td>Ms Inga Kristoffersen</td>
<td>Corporate Social Performance and Financial Characteristics: Does it pay to be good?</td>
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<td></td>
<td>UWA</td>
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<tr>
<td>9 September</td>
<td>Dr David Butler</td>
<td>Imprecision as an Account of the ‘Preference Reversal’ Phenomenon</td>
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<td></td>
<td>UWA</td>
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<tr>
<td>16 September</td>
<td>Dr George Battesse</td>
<td>Metafrontier Frameworks for the Study of Firm-level Efficiencies and Technology Gap Ratios.</td>
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<td></td>
<td>UNE</td>
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<tr>
<td>7 October</td>
<td>Professor Ken Clements</td>
<td>Economic Aspects of Marijuana.</td>
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<td>UWA</td>
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<tr>
<td>21 October</td>
<td>Dr Michael Olive</td>
<td>Scale Economies with Regard to Price Adjustment Costs and the Speed of Price Adjustment in Australian Manufacturing</td>
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<td></td>
<td>Macquarie University</td>
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</tbody>
</table>
5. Public Lecture Program

The Economics Program presented two major public lectures during the academic year: the Shann Memorial Lecture and the Economics Teachers’ Seminar. The first Shann Memorial Lecture was presented in 1961, and since then the Lecture has earned an enviable reputation for a high standard of scholarship, with the annual address making a substantial contribution to economic debate both inside and outside Western Australia. The Economics Teachers’ Seminar was an innovation in 1994 and has proved to be very successful. Details on the lecture program in 2005 are provided below.

THE SHANN MEMORIAL LECTURE

The annual Shann Memorial Lecture is held in memory of the contribution made to the University of Western Australia by Edward Shann, the Foundation Professor of Economics. The lecture is organised jointly by the UWA Economics Program and the WA Branch of the Economic Society of Australia.

Professor Shann was born in Hobart in 1884, coming to Perth in 1913 at the establishment of the University. He was Professor of History and Economics for 22 years until he moved to the University of Adelaide in 1935.

Past lecturers, who have distinguished themselves in Economics or Finance in Australia and overseas, have included Professor Sir John Hicks (1967) (Nobel Prize Winner in Economic Sciences, 1972), Professor John Freebairn (1997), Mr Ian Macfarlane (1998), Dr Don Stammer (2002), Professor Jerry Hausmann (2003) and Professor Warren Hogan (2004).

The 2005 Shann Memorial Lecture was given by Mr Alan Oster, Chief Economist at the National Australia Bank. Before joining the National Australia Bank in 1992, Mr Oster worked for the Federal Treasury for 15 years. Mr Oster became Senior Adviser in Treasury responsible for economic forecasting and modelling, and was in 1987 seconded for nearly four years as Counsellor-Economic and Financial with Australia’s delegation to the Organisation for Economic Co-operation and Development in Paris. Mr Oster specialises in economic forecasting and monetary policy.

Mr Oster’s contribution to the Shann Memorial Lecture series focussed on the housing market in Australia. In his lecture titled “House Prices - Drivers and Links to the Broader Economy: Rational or irrational exuberance?” Mr Oster addressed some highly topical issues in relation to the current housing market in Australia, including important changes to composition of household wealth, the drivers of Australian house prices, and the linkages from house prices (and other variables) to consumer spending. Mr Oster argued that households are not as dangerously indebted as might seem to be the case. When compared to the US, the UK and New Zealand, Australian debt to housing assets ratios are, in fact, the lowest. Mr Oster suggested a plausible explanation of the recently booming property markets in Australia and elsewhere is the falling global equity market around 2000, coupled with higher incomes and lower interest rates which led investors, and particularly higher income earners, to shift away from
equity and towards property, driving property prices up. Econometric models confirm that income and interest rates, together with population growth, play a major role in explaining Australian house prices over time, and that the construction cycle and unemployment are important factors in explaining shorter-term dynamics in house prices. In terms of explaining the drivers of household consumption, econometric models suggests interest rates have a major impact on consumer spending, and that this effect arrives via the negative effect of interest rate changes on house prices and the positive effect of house prices on household consumption. In fact, these factors are more important in explaining household consumption than are changes in petrol prices and equity markets.

In conclusion, Mr Oster’s lecture highlighted that important changes in the composition of household wealth, as property becomes increasingly important and property investment is increasingly funded by borrowing, has lead to the household sector being highly sensitive to changes in interest rates and house prices. This has important implications on the effectiveness of monetary policy, and specifically suggests that even slight increases in interest rates may have a significant impact on household consumption.

ECONOMICS TEACHERS’ SEMINAR

The Economics Program, together with the Economics Teachers’ Association of WA and the Reserve Bank of Australia, holds an annual seminar for economics teachers. This year, the seminar took place on May 16 in the new University Club of WA whose modern facilities provided a convenient setting for the event.

The purpose of the seminar is to promote the professional interaction between economics teachers and staff members in the Economics Program. The seminar deals with economic policy issues that are relevant for Western Australia and useful for the teaching of economics at High Schools. The participants are provided with supporting material that can be used in the classroom.

Professor Ken Clements welcomed the two invited speakers Dr Jacqui Dwyer, Head of Regional and Industry Analysis of the Reserve Bank of Australia, and Grant Draper, Manager of Business Strategy and Regulation of Western Power Corporation. Dr Dwyer’s presentation was based on the RBA Monetary Policy Statement that was released in the week prior to the seminar. She explained that two months after the increase in the cash rate the economy was still strong, although there were some tentative signs of demand easing. Despite the higher cash rate, financial conditions were not restrictive and a gradual increase in inflation was still possible. Dr Dwyer also paid attention to the recent recovery of the Australian terms of trade that is caused by high commodity prices.

Grant Draper discussed the new demand management program for electricity by Western Power. He showed that it is not economical to provide for enough generation capacity to satisfy electricity demand under any circumstance. Since peak demand lasts for only a few hours in each year, it would be necessary to build a large power plant that would be used only during a few hours and otherwise would lie idle for most of the year. For this reason, Western Power
has entered into contracts with major customers that give the utility the right to disconnect them from the grid during peak demand. In effect, Western power buys an option from its customers to stop supplying electricity for a limited time period. The new demand management program prevented rolling blackouts in Western Australia over the 2004/05 summer.
6. PhD Conference in Economics and Business

The 2005 annual PhD Conference in Economics and Business was convened at the UWA between 2 and 4 November. As in previous years, the event was a joint venture between UWA and the Australian National University and is intended to assist with the training of promising research students.

Each doctoral presenter was assigned an academic discussant who had prepared a critical assessment of the student’s paper prior to the Conference and presented that assessment immediately following the student’s presentation. There were 30 student presenters this year as well as 30 discussants. Student delegates came from all over Australia. There were also two student delegates from New Zealand (Victoria University of Wellington and the University of Auckland) and one student from the United Kingdom (University of Cambridge). The discussants were similarly drawn from all over the country. The presented papers derived from a diverse range of themes. These included the economics of labour markets and earnings, hedging and finance, agricultural economics, stock price volatility, exchange rates, econometrics, the Chinese economy, trade liberalisation, environmental economics, industry indexes and measures of institutional quality.

The Conference Convenor was Michael McLure this year and Helen Friday was the Conference Coordinator. Delegates were formally welcomed to UWA by Iain Watson, Head of the UWA School of Economics and Commerce, and the Conference was opened by Tracey Horton, Dean of the UWA Business School. The invited lecture was delivered by Ken Clements who spoke on the “Economic Aspects of Marijuana”. The invitation was extended to Ken in recognition of his significant service to research training in Australia as convenor or co-convenor of the PhD Conference in Western Australia from its inception, in 1987, to 2003.

The Conference concluded with a dinner at the University Club. Mark Barnaba, Managing Director of Azure Capital and Chair of the Board of the UWA Business School, delivered the after dinner speech. A range of prizes, all based on votes submitted by conference delegates, were also presented at the dinner. The Azure Capital Best Presentation prize was won by David Johnston from the University of Melbourne for his presentation on “The Australian Earnings Distribution: The effect of changes in workforce composition and returns”. The Australian Stock Exchange Finance Presentation prize was awarded to David Forrester from the University of New South Wales and the NERA Economic Consulting Economic Presentation prize was awarded to Gail Pacheco from the University of Auckland. The Best Discussant prize was won by Susan Thorp from the University of Technology for her discussion of “Asymmetric Hedging of the Corporate Terms of Trade” by Zheng Hong Zhu. Other discussants who also polled very strongly include: Bob Gregory, Terry Walter and Kim Sawyer. The Mannkal Economic Education Foundation “Conference Grant”, for a non-research student at UWA to attend the PhD Conference, was also awarded to the joint 2005 winners: Grace Chia and Choy Lee Ghialy Yap.
Eighteen PhD Conferences have now been convened. The 2005 Conference simply continued an established tradition in nurturing Australian post graduate research in economics and business.
7. Association for Chinese Economic Studies Australia Conference

“Transition, Growth and Globalisation”, an international conference on the Chinese economy, was organized by the School of Economics and Commerce and held at UWA during 7-8 July 2005. This conference was also the 17th annual meeting of the Association for Chinese Economic Studies (Australia) (ACESA). It was the second time that UWA has hosted an ACESA annual meeting (the last time was 1997). The conference was opened by the Deputy Vice Chancellor of UWA, Professor Margaret Seares, with the Deputy Dean of UWA Business School, Professor H.Y. Izan, chairing the opening session. It was attended by over seventy people from Australia, France, Hong Kong, Japan, mainland China, the Netherlands, New Zealand, Singapore, Sweden and the United States.

The conference had a busy program including six keynote addresses, a special symposium on China’s resource industry (with two speakers) and thirty-five contributed papers. The keynote speakers include Professor Shantong Li (Development Research Centre, the State Council, Beijing), Dr Guonan Ma (Bank for International Settlement), Professor Adam Szirmai (Eindhoven University of Technology/Yale University), Professor Nazrul Islam (International Centre for the Studies of East Asian Development, Japan), Professor Russell Smyth (Monash University, Australia) and Professor Yi Feng (Claremont Graduate University, USA). Keynote speeches covered topics such as economic growth, international finance, rural-urban migration, foreign direct investment and international comparative studies. There was also a special symposium, generously sponsored by Rio Tinto and AusAID, on China’s resource industry.

Thirty-five contributed papers were also presented in ten concurrent sessions. The papers were generally of a high quality, and covered a wide range of economic topics such as, Banking and exchange rate, Corporate governance and business management, Economic reform, Globalisation, Guanxi and MNCs, Productivity and growth, Regional economy and Urbanization.

Prizes for students were won by two UWA students: Duc Vo for the best paper and Bernardo da Veiga for the best presenter. The conference program chair was Associate Professor Yanrui Wu and Miss Clare Yu acted as the secretary.

Financial support for the conference was provided by AusAID (Canberra), Australia China Business Council (WA Branch), Australia-China Council (DFAT, Canberra), Edward Elgar Publishing (UK), Rio Tinto, UWA Business School, UWA School of Economics and Commerce and the Vice-Chancellor’s office (UWA).
8. Research Centres

There are three research centres attached to the Economics Program. They are the Economic Research Centre, the Trade, Migration and Development Research Centre and the Centre for Labour Market Research. Each of these centres has been instrumental in raising the national and international profiles of the Program. This has been achieved through the organisation of seminars and conferences, through the research conducted and through the visitors attracted to the centres. The major activities of each centre are described below.

ECONOMIC RESEARCH CENTRE

The Economic Research Centre (ERC) has been contributing to the enhancement of the research profile of the Economics Program since its establishment in 1986, and has gained considerable prominence nationally and worldwide. The broad aims of the Centre are to promote economic research; facilitate the training of graduate students in economics and business; and organise conferences, seminars and short courses. Academic and research staff associated with the Centre include MoonJoong Tcha, Juerg Weber and Yanrui Wu from the Economics Program, Robert Greig from the Commonwealth Treasury, Helal Ahammad from ABARE, Ye Qiang from the WA Department of Industry and Resources, Meher Manzur from Curtin University, Antony and Saroja Selvanathan from Griffith University, Larry Sjaastad from the University of Chicago, Andrew Feltenstein from Virginia Polytechnic Institute, Dongling Chen from SGEG Jianyang Network Co. Ltd., Li Lian Ong from the IMF in Washington, John Roberts from ACIL Tasman Consulting, and Nazrul Islam from the WA Department of Agriculture. Ken Clements is the Centre’s Director and Yihui Lan and George Verikios are Research Fellows with the Centre.

The research projects the Centre has undertaken in recent years include international trade and finance, demand analysis, world metals economics, minerals and energy economics, the economics of marijuana, index numbers, the economics of wool, and risk management in exchange rates and commodity prices. The Centre’s capability for research has been widely recognised and is reflected in its record of winning outside research grants from various sources such as the ARC, the WA Government, ACIL Tasman Consultancy, AngloGold Ashanti Australia Ltd, Woodside and POSCO. The ERC has close professional relationships with a number of institutions, including the Australian National University, the University of Chicago, Colorado School of Mines, SungKyunKwan University, Seoul National University, Korea Development Institute and POSCO Research.

The ERC has trained a number of postgraduate students since its inception. PhD graduates include Antony Selvanathan, Professor at Griffith University, Saroja Selvanathan, Associate Professor at Griffith University, Meher Manzur, Associate Professor at Curtin University, Li Lian Ong, Economist, IMF, Washington, Ye Qiang, Senior Economist with the WA Department of Industry and Resources, Dongling Chen, General Manager, Beijing Baiyulan SGEG Network Co., Paul Crompton, Lecturer in Economics, UWA, and Yihui Lan,

Since 1987 the ERC, in conjunction with the Centre for Economic Policy Research at ANU, has co-organised the annual PhD Conference in Economics and Business. This conference, held alternately at UWA and ANU, has three major aims: (i) to provide an opportunity for doctoral students to discuss their research and obtain outside comment on their dissertation work; (ii) to enable students to meet senior research economists especially well qualified to comment on their research, and other doctoral students from within Australia and overseas; and (iii) to act as an early job market. The past 18 conferences have involved some of Australia’s leading economists acting as discussants and over 400 PhD students, and have been of great assistance to the research and careers of PhD students. Details of the activities of the ERC are available at: [http://www.ecom.uwa.edu.au/research/research_centres/economics_research_centre](http://www.ecom.uwa.edu.au/research/research_centres/economics_research_centre).

**TRADE, MIGRATION AND DEVELOPMENT RESEARCH CENTRE**

The Trade, Migration and Development Research Centre (TMDRC) is a research centre located within the UWA School of Economics and Commerce. It was established in 1987 with the twin objectives of (i) promoting advanced research in trade, tourism, migration, globalisation and economic development, emphasising both theoretical aspects and the application of results for policy purposes; and (ii) enhancing collaborative and interdisciplinary research activities with local, national and international organisations and colleagues. The special focus of the Centre is on Australia and other countries of the Asia-Pacific and the Indian Ocean regions, South Asia and the Middle East. In recent years, funded by various organisations, the TMDRC completed five major research projects: (i) Development Strategies in the ASEAN Transitional Economies: Dilemmas and Options; (ii) Shortages of Highly Skilled Workers in Australia and Policy Responses; (iii) A Closer Look at the Australia-New Zealand Closer Economic Relations; (iv) Globalisation and Economic Development in South Asia; and (v) Economics and Politics of Illegal Migration in Australia.

The TMDRC is also an important forum for debates and professional discussions on development related issues. Through its seminars and conferences on contemporary and topical issues, the TMDRC brings together scholars of national and international eminence and also business leaders, senior public servants and policymakers from relevant areas and thus provides them with a forum for broad intellectual interaction. In the process, the Centre acts as a catalyst for contribution to debates that have major implications for policymaking. For example, in July last year, the Centre organised an international conference on “Free Trade Agreements in the Asia-Pacific Region: Implications for Australia” focusing on regionalism, trade and economic development in the Asia-Pacific Region.
The Centre has forged many bonds through cooperation with organisations and institutions such as: (i) Observatoire des Relations Internationales dans L'Hémisphère Sud, France, (ii) South African Institute of International Affairs, Johannesburg, (iii) the Institute for the Study of Public Policy, Cape Town, (iv) the National Centre for Development Studies, Australian National University, (v) Transparency International, Australia, (vi) International Institute of Development Studies, Australia, (vii) Department of Immigration and Multicultural Affairs, Canberra, (viii) Edith Cowan University, (ix) the Reserve Bank of Australia, and (x) the Western Australian Government. These collaborative efforts result in both additional revenue for the TMDRC and the organisation of international events.

The centre has resident experts and advanced technology at its disposal to conduct research on critical issues relating to trade, migration and development. Its activities have generally received recognition from business, government and academic circles at both the state and national level. Details of key researchers and research activities of the TMDRC are available at:


CENTRE FOR LABOUR MARKET RESEARCH

The Centre for Labour Market Research (CLMR) is a consortium of Murdoch University, The University of Western Australia, Canberra University and Curtin University of Technology. It has been operating since 1985. The Centre was located at UWA from 2002 to 2005 and its Director was Professor Charles Mulvey. The Centre has 26 Research Associates who hold academic positions at the four ‘Centre for Labour’ universities in disciplines including economics, education, psychology, management and industrial relations. At the conclusion of 2005, the Centre employed one postdoctoral research fellow (Margaret Giles), two research assistants (Andrew Colegrave and Karen Knight) and an administrative assistant (Pat Madden).

Since its inception, the Centre has become a highly regarded and nationally recognised research organisation with an enviable record of contract research and publication in all aspects of labour market and education research. In recent years the Centre has undertaken major research projects, either through contracted research or research grants, for: the Department of Employment and Workplace Relations; AusAID; the Department of Education, Training and Youth Affairs; the Economic Planning and Advisory Council; the Australian Bureau of Statistics; the Australian National Training Authority; the Full Employment Project at Melbourne University; the Bureau of Immigration and Population Research; the Department of Tourism; the WA Department of Education and Training; the Department of Commerce and Trade; the New South Wales Treasury; the WA Department of Premier and Cabinet; the WA Department of Education Services; the National Centre for Vocational Education Research; the Technology and Industry Advisory Council of WA; the WA Department of Health; and the Commonwealth Department of Health and Ageing.
Over the course of 2005, the Centre:

- continued a project on the estimation of cost functions for government schools in Western Australia - funded through the Australian Research Council Linkage Projects scheme and the Department of Education and Training (industry partner) (Giles, Colegrave and Knight), and
- completed a consultancy for the South Australian Government (Public Sector Salaried Employees) Salaries Award 2004 on the use of productivity measurements in public sector arbitrated wage claims’ (Mulvey and Lewis).
- completed a consultancy for the Toyota Motor Corporation Australia entitled ‘Overview of Australian Labour Market’ (Kelly).
- Renewed its three year funding agreement with the Department of Education and Training for $40,000 (per year) to support various CLMR activities and provide advice to the senior executive of DET on labour market issues.
9. Visitors

The Economics Program was pleased to welcome ten visitors during 2005. During their visits, they presented seminars and collaborated with members of the Program on research. Details on each visitor are provided below.

**Associate Professor Manabu Asai**, BA (Economics), MSc (Economics), PhD (Economics) (University of Tsukuba).

Manabu Asai is Associate Professor in the Faculty of Economics, Soka University, Tokyo, Japan. Before moving to Soka University, Professor Asai was an Associate Professor in the Faculty of Economics at Ritsumeikan University, Shiga Prefecture campus, from April 1999 to March 2002, and the Faculty of Economics at Tokyo Metropolitan University from April 2002 to March 2005. He was a Visiting Scholar at Duke University in 2004 on a Japanese Government 21st Century Center of Excellence Program. His main research interests are in theoretical and applied financial econometrics, especially risk modeling and management based on various multivariate GARCH and stochastic volatility models. He has published papers in journals such as *Econometric Reviews*, *Applied Economics Letters*, *Asia-Pacific Financial Markets*, *Computational Economics*, and the *Journal of the Japan Statistical Society*. Professor Asai visited the School of Economics and Commerce for four weeks in August and September 2005 as a Visiting Scholar on a Bilateral Exchange Program between the Australian Academy of Science and the Japan Society for the Promotion of Science. The purpose of the visit was to undertake joint research with Professor Michael McAleer on estimating and testing parametric and latent trading day (or holiday) effects in stochastic volatility and exponential GARCH models, multivariate stochastic volatility models with dynamic covariances and correlations, and parsimonious portfolio spillover stochastic volatility models.

**Associate Professor Mike Dempsey**, BA (Hons) (University of York), MSc (Kings College, London), MEng (Heriot-Watt University), PhD (University of Wales), MBA (Strathclyde Business School, Glasgow).

Mike Dempsey is currently Associate Professor in the School of Accounting, Economics and Finance at Griffith University, Gold Coast, Queensland, Australia. His immediate past position was at the University of Leeds. At Griffith University, Professor Dempsey has served as Deputy Head and Head of the School, as well as Head of the Finance Discipline. In a recent ranking of academics in Finance in Australasia, compiled by SIRCA financial-data sources, Professor Dempsey was ranked number four. His research interests are in the mainstream finance, and include the formation of the cost of capital in the context of a general taxation system, and the consequent interplay between investment finance, financial markets and corporate financial decision-making (which leads to the Dempsey Discounted Dividends Model); and the nature of investment risk and returns, and the optimal composition of investment portfolios across asset types (which leads to DOGMA, the Dempsey Organic Growth Model of Appreciation); as well as ethical issues. He has published a range of outstanding papers in highly-ranked journals, including *Financial Analysts Journal*, *Journal of Banking and Finance*, *Journal of Business Finance and*
Accounting, Applied Financial Economics, Accounting and Business Research, and Critical Perspectives on Accounting. Professor Dempsey visited the Economics Program at UWA in March 2005 to undertake joint research with Professor Michael McAleer in the area of modelling returns and risk in international financial markets.

Antònia Febrer, BA (Economics), MSc (Economics), PhD Candidate (Economics) (University of Alicante). Antònia Febrer is a Research Fellow in the Faculty of Economics, University of Alicante, Alicante, Spain. Her main research fields include the flexible estimation of conditional distributions and their application, among others, to an analysis of the performance of the conditional wage distribution, as well as to a variety of applications in time series financial econometrics. Antònia Febrer visited the School of Economics and Commerce for two weeks in July and August 2005 to undertake joint research with Professor Michael McAleer and Dr Suhejla Hoti on the application of flexible estimation methods to model the conditional mean and conditional variance of a wide range of financial econometric time series, including high frequency data.

Professor Patricia Fraser, MEc-Hons (Dundee), PhD (CUBS). Professor Fraser is the Aberdeen Asset Management (AAM) Professor of Finance and Investment Management at the University of Aberdeen, Scotland, a position she has held since 1995. She has previously taught at the University of Dundee and the University of Stirling. Professor Fraser has been a regular visitor to UWA, with numerous visits since 1997 to undertake joint research with Associate Professor Nic Groenewold. Many of their published papers have focused on aspects of the behaviour of asset prices and their interaction with macroeconomic forces. She visited the Economics Program for two weeks in April to work on a continuing project with Associate Professor Nic Groenewold on the relationship between the value premium and economic fluctuations.

Dr Renee Fry, BEc (hons) (LaTrobe), PhD (Melbourne). Dr Renee Fry is a Fellow at the Centre for Applied Macroeconomic Analysis at the Australian National University, Canberra, and is also a research associate at the Cambridge Endowment for Research in Finance at the University of Cambridge, UK. Prior to joining the Australian National University, she also held positions of Lecturer at the Queensland University of Technology, and Senior Analyst at the ANZ Banking Corporation. Her research interests are related to empirical modelling of financial markets and the macroeconomy, with an emphasis on modelling global financial markets and macroeconomic linkages across countries. This research has led her to collaborate with various researchers at the IMF, the University of Cambridge, Trinity College and the University of Melbourne amongst others. Dr Fry was visiting the Economics Program to work with Professor Ken Clements on modelling exchange rates and commodity prices.
Professor Walter C. Labys, BS (Electrical Engineering-CarnegieMellon University), MBA (Duquesne University), MA (Economics-Harvard University), PhD (Economics-University of Nottingham).

Walter C. Labys is Benedum Distinguished Scholar, Professor of Resource Economics in the College of Agriculture and Forestry and Adjunct Professor of Economics in the College of Business and Economics. He also holds the position of Gunnar Myrdal Scholar from the UN Economic Commission for Europe in Geneva and is a Faculty Research Associate of the Regional Research Institute. Over the past thirty years, Dr Labys has pioneered in the development and application of econometric methods important for analyzing commodity price behaviour, the building of structural commodity models, and the impact of commodity markets on the stability and growth of surrounding developing economies. He has authored or collaborated on 15 books, approximately 100 research articles and chapters and has presented more than 110 invited addresses, colloquia and papers. His most recent books include *Industrial Development and Environmental Degradation*, with Se-Hark Park (Edward Elgar, 1998), and *Modeling Mineral and Energy Markets* (Kluwer, 1999). Dr Labys has been a visitor at the University of the Mediterranean Aix-Marseille, the Department of Applied Economics at the Institute for Advanced Studies in Vienna, the Center for Industrial Econometrics at the University of Montpellier, the Research Center for World Commodity Markets at CNAM-Paris, the Polish Academy of Science in Krakow, the International Institute for Applied Systems Analysis in Vienna, the Institute for International Economics in Stockholm, the Center for International Economic Studies at the University of Adelaide, the Graduate Institute of International Studies in Geneva, and the London School of Economics. In February, Professor Labys visited UWA to undertake joint research with Dr Paul Crompton on the investigation of supply of storage in metals markets and on the risks of forecasting costs in the iron and steel industry.

Professor Christine Lim, BEc (Hons) MEc PhD (W. Aust.), FIEMSS.

Christine Lim completed her PhD with Distinction at the University of Western Australia in 1999. Professor Lim is currently a Professor of Tourism Management in the Department of Tourism and Hospitality Management, Waikato Management School, University of Waikato, New Zealand. Prior to taking up her present position, she was an Associate Professor in the Department of Tourism, Leisure, Hotel and Sport Management at Griffith University, where she was Acting Head on a number of occasions. Professor Lim visited the Economics Program in March 2005 for joint research with Professor Michael McAleer on modelling and forecasting international tourist arrivals and volatility, based on her 2003 three-year ARC Discovery Grant. In 2000 she received the inaugural Charles Goeldner Award for the best paper in the *Journal of Travel Research*, and in 2001 she received the Early Career Research Excellence Award of the Modelling and Simulation Society of Australia and New Zealand. Her current research interests are in tourism modelling and forecasting, tourism management, and applied time series econometrics. In addition to having published a number of papers in the three leading journals in tourism research, namely *Annals of Tourism Research, Journal of Travel Research* and *Tourism Management*, Professor Lim has also published in *Tourism Economics, Applied Economics, Mathematics and*.
Assistant Professor Marcelo C. Medeiros, BA (Electrical Engineering), MSc (Engineering/Statistics), PhD (Engineering/Statistics) (Pontifical Catholic University of Rio de Janeiro).

Marcelo Medeiros is an Assistant Professor in the Department of Economics, Pontifical Catholic University of Rio de Janeiro, Brazil. He has previously visited the Department of Economic Statistics at the Stockholm School of Economics, Sweden, the Learning Systems Group at the California Institute of Technology, and Shannon Laboratories, AT&T, Madison, New Jersey, USA. His main research interests are in nonlinear time series modelling, with emphasis on the development of econometric models to estimate and forecast the volatility of financial time series. He has published papers in leading international journals such as *Journal of the American Statistical Association*, *Journal of Time Series Analysis*, *Journal of Forecasting*, *International Journal of Forecasting*, and *IEEE Transactions on Neural Networks*, among others. Marcelo Medeiros visited the School of Economics and Commerce for four weeks in September and October 2005 to undertake joint research with Professor Michael McAleer, Professor Jiti Gao and Dr Felix Chan on modelling stochastic and realized volatility, and nonlinear time series models, with special emphasis on STAR-GARCH models. During his visit to Australia and New Zealand, Marcelo presented seminar papers on nonlinear time series models and volatility at the University of Canterbury, University of New South Wales and University of Sydney, and gave an invited presentation to the Special Session on Financial Mathematics of the 49th Australian Mathematical Society Meeting at UWA in September 2005.

Associate Professor Andreu Sansó, BA (Economics), MSc (Economics), PhD (Economics) (University of Barcelona).

Andreu Sansó is an Associate Professor and Head of the Faculty of Economics at the University of the Balearic Islands (UIB), Palma de Mallorca, Spain. Before moving to UIB, Professor Sansó was an Associate Professor in the Faculty of Economics at the University of Barcelona. His main research fields include time series econometrics, financial econometrics, and modelling high frequency international and domestic tourism data. He has published in the leading journals in econometrics and tourism research, including *Journal of Econometrics*, *Econometric Theory*, *Oxford Bulletin of Economics and Statistics*, *Economics Letters*, *Annals of Tourism Research*, *Annales d’Economie et Statistique*, and *Empirical Economics*, and has refereed papers for the *Journal of Economic Dynamics and Control*, *European Economic Review*, *Econometrics Journal*, *Macroeconomic Dynamics*, and several Spanish scientific journals. Professor Sansó visited the School of Economics and Commerce for two weeks in July and August 2005 to undertake joint research with Professor Michael McAleer and Dr Suhejla Hoti on modelling British and German tourist arrivals to the Balearic Islands, Spain, by estimating and testing both the conditional mean and conditional variance of international tourist arrivals, and to undertake joint research with them and with Dr Riaz
Shareef on modelling daily international tourist arrivals to several tourist-intensive countries.

**Dr Xueyan Zhao**, BSc (Peking), MEng (Tsinghua), PhD (UNE).

Dr Xueyan Zhao is a Senior Lecturer with the Department of Econometrics and Business Statistics at Monash University, Clayton. She held teaching positions in both the University of Adelaide and the University of New England prior to joining Monash. She is an applied economist/econometrician and has published in journals such as *American Journal of Agricultural and Resource Economics*, *Journal of Economic Behaviour and Organization*, *Journal of Health Economics*, *Australian Journal of Agricultural and Resource Economics*, and *Economic Record*. She has won a Best PhD Thesis award from the Australian Agricultural and Resource Economics Society. Her current research interest is in the area of microeconometric models with applications in health, labour and agricultural economics problems. Dr Zhao visited the Economics Program to work with Professor Ken Clements on recreational drug consumption in Australia in relation to their ARC grant.
10. Research Grants

The Economics Program was highly successful in 2005 in obtaining new Australian Research Council Linkage Grants and UWA Research Grants.

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Project Title</th>
<th>Amount (p.a.)</th>
</tr>
</thead>
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<tr>
<td><strong>AUSTRALIAN RESEARCH COUNCIL: NEW LINKAGE GRANTS</strong></td>
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<tr>
<td>Prof. M. McAleer</td>
<td>Forecasting Risk Thresholds for Portfolio Management and Regulation</td>
<td>$54,000</td>
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<tr>
<td>Prof. D.E. Allen</td>
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<tr>
<td>Dr S. Hoti</td>
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<tr>
<td><strong>AUSTRALIAN RESEARCH COUNCIL: NEW DISCOVERY GRANTS</strong></td>
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<tr>
<td>Prof. P.W. Miller</td>
<td>Examining Overeducation and Undereducation in the Immigrant Labour Market: An international case study approach.</td>
<td>$160,000</td>
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<td><strong>AUSTRALIAN RESEARCH COUNCIL: CONTINUING LINKAGE AND DISCOVERY GRANTS</strong></td>
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<tr>
<td>Prof. D.E. Allen</td>
<td>Modelling Stock Market Liquidity in Australia and the Asia Pacific Region. (SIRCA, Industry Partner)</td>
<td>$100,000</td>
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<tr>
<td>Prof. M. McAleer</td>
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<tr>
<td>Dr S. Peiris</td>
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<tr>
<td>Dr F. Chan</td>
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<tr>
<td>Prof. K.W. Clements</td>
<td>Exchange Rates and Commodity Prices in a Volatile Business Environment.</td>
<td>$23,556</td>
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<tr>
<td>Prof. K.W. Clements</td>
<td>Stochastic Index Numbers and their Application in Accounting, Economics and Finance.</td>
<td>$42,000</td>
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<td>Prof. H.Y. Izan</td>
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<tr>
<td>A/Prof. E.A. Selvanathan</td>
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<td>Prof. K.W. Clements</td>
<td>Economic Aspects of Wool in Western Australia (WA Department of Agriculture, Industry Partner).</td>
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<td>A/Prof. M. Tcha</td>
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<tr>
<td>A/Prof G.H. Kingston</td>
<td>Risk Management for Bonds, Currencies and Commodities.</td>
<td>$80,000</td>
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<tr>
<td>Dr H.J. Bateman</td>
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<tr>
<td>Dr L.A. Fisher</td>
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<tr>
<td>Prof. M. Sherris</td>
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<tr>
<td>Prof. K.W. Clements</td>
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<tr>
<td>Ms S.J. Thorp</td>
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<td>(others all from UNSW)</td>
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<td>Recipient</td>
<td>Project Title</td>
<td>Amount (p.a.)</td>
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<tr>
<td>Dr P. Crompton</td>
<td>The Future of Australian Mineral Exports (BHP Billiton, Industry Partner).</td>
<td>$29,141</td>
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<tr>
<td>A/Prof. Y. Wu.</td>
<td>Quantifying Country Risk Ratings and Volatility and Measuring the Impact of Fundamentals</td>
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<td>Prof. M. McAleer</td>
<td>Modelling Dynamic Correlations in the Volatility of Patents and Technical Change</td>
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<td>Dr S. Hoti</td>
<td>Estimation of School Cost Functions (WA Department of Education, Industry Partner).</td>
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<td>Prof. P.W. Miller</td>
<td>Strategy and Structure of the Korean Chaebol: Changes after the 1997 economic crisis and implications for Australia.</td>
<td>$57,000</td>
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<tr>
<td>A/Prof. N. Groenewold Dr M. Giles</td>
<td>Understanding the Market for Academic Executives</td>
<td>$9,729</td>
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<tr>
<td>Dr A. Siddique</td>
<td>Doing Business in the Asia-Pacific region: Is Australia competitive?</td>
<td>$6,000</td>
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<tr>
<td>Dr S.H.K. Tang Dr J. Du</td>
<td>The Roles of Technical Change and Institutions in Real and Financial Crises - Event and Panel Data Analyses</td>
<td>$4,296</td>
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<tr>
<td>Prof. D. Turkington</td>
<td>Investigation of the Small Sample Properties of Turkington’s Langrangian Multiplier Test for Contemporary Uncorrelated Disturbances</td>
<td>$7,000</td>
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<tr>
<td>Mr A. Williams</td>
<td>Institutional Quality and Economic Growth: Is there a link?</td>
<td>$9,450</td>
</tr>
<tr>
<td>A/Prof. Y. Wu</td>
<td>Fiscal Decentralization and Regional Economics Growth in China</td>
<td>$5,000</td>
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</tbody>
</table>

**UWA Research Grants**

- Dr Y. Wu | Economic Growth in China and India | $11,000

**School Research Grants**

- Prof. K. Clements Prof. Izan | Understanding the Market for Academic Executives | $9,729
- Dr A. Siddique | Doing Business in the Asia-Pacific region: Is Australia competitive? | $6,000
- Dr S.H.K. Tang Dr J. Du | The Roles of Technical Change and Institutions in Real and Financial Crises - Event and Panel Data Analyses | $4,296
- Prof. D. Turkington | Investigation of the Small Sample Properties of Turkington’s Langrangian Multiplier Test for Contemporary Uncorrelated Disturbances | $7,000
- Mr A. Williams | Institutional Quality and Economic Growth: Is there a link? | $9,450
- A/Prof. Y. Wu | Fiscal Decentralization and Regional Economics Growth in China | $5,000
<table>
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<tr>
<th>Recipient</th>
<th>Project Title</th>
<th>Amount (p.a.)</th>
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<tr>
<td>Dr R. Gabbay</td>
<td>Australia and the Middle East: A socio-economic and political study</td>
<td>$20,000</td>
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<tr>
<td>Dr Y. Wu</td>
<td>Growth, Transition and Globalization in China</td>
<td>$14,245</td>
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</tbody>
</table>
## 11. Teaching

Enrolments in several of the Economics Program’s key units remained large, with 1079 students enrolled in *Microeconomics, Prices and Markets 101*, and 551 in *Macroeconomics, Money and Finance 102*. Nine other courses had enrolments in excess of 100 students, and a further five had 60 or more students.

A list of units offered by the Program in 2005, together with course co-ordinators and enrolments, follows.

<table>
<thead>
<tr>
<th>Unit No.</th>
<th>Title</th>
<th>Co-ordinator</th>
<th>Enrolment</th>
</tr>
</thead>
<tbody>
<tr>
<td>400.101</td>
<td>Microecon, Prices &amp; Markets 101</td>
<td>Dr P.C. Statham, Mr A. Williams</td>
<td>1079</td>
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<tr>
<td>400.102</td>
<td>Macroecon, Money &amp; Finance 102</td>
<td>Dr P. Crompton</td>
<td>551</td>
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<tr>
<td>400.106</td>
<td>Economic History 106</td>
<td>Mr M.J. Davies</td>
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<tr>
<td>400.107</td>
<td>Economic History 107</td>
<td>Mr B.Gidney</td>
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<tr>
<td>400.111</td>
<td>Quant Mthds for Bus &amp; Econs 111 (Semester 1)</td>
<td>Prof. D. Turkington, Dr S. Tang</td>
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<td>400.111</td>
<td>Quant Mthds for Bus &amp; Econs 111 (Semester 2)</td>
<td>Dr M. McLure</td>
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<tr>
<td>400.203</td>
<td>Asia in the World Economy 203</td>
<td>Dr A.T. Le</td>
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<td>400.210</td>
<td>Monetary Economics 210</td>
<td>Prof. K.W. Clements</td>
<td>194</td>
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<tr>
<td>400.233</td>
<td>Microecon: Policy &amp; Applic 233</td>
<td>Dr D. Butler</td>
<td>189</td>
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<tr>
<td>400.234</td>
<td>Macroecon: Policy &amp; Applic 234</td>
<td>Dr S. Tang</td>
<td>210</td>
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<td>400.235</td>
<td>International Trade 235</td>
<td>Prof. K.W. Clements</td>
<td>109</td>
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<td>400.236</td>
<td>International Finance 236</td>
<td>A/Prof. N. Groenewold</td>
<td>272</td>
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<td>400.242</td>
<td>Australian Economic History 242</td>
<td>Dr P.C. Statham</td>
<td>22</td>
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<tr>
<td>400.245</td>
<td>Business Economics 245</td>
<td>Dr D. Butler, Dr J. Voola</td>
<td>92</td>
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<tr>
<td>Unit No.</td>
<td>Title</td>
<td>Co-ordinator</td>
<td>Enrolment</td>
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<tr>
<td>400.252</td>
<td>Business History 252</td>
<td>Mr B. Gidney</td>
<td>18</td>
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<tr>
<td>400.260</td>
<td>SE Asian Economic History 260</td>
<td>Dr M.A.B. Siddique</td>
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<tr>
<td>400.262</td>
<td>Japanese Economy History 262</td>
<td>Dr M.A.B. Siddique</td>
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<tr>
<td>400.270</td>
<td>Middle East Economies 270</td>
<td>Dr R. Gabbay</td>
<td>41</td>
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<td>400.271</td>
<td>Business Econometrics 271</td>
<td>A/Prof. Y. Wu</td>
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<td>400.272</td>
<td>Mathematics for Economists 272</td>
<td>Prof. D. Turkington</td>
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<td>400.310</td>
<td>History of Economic Analysis 310</td>
<td>Dr R.N. Ghosh</td>
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<tr>
<td>400.350</td>
<td>Money, Banking &amp; Fin Mkts 350</td>
<td>Dr E.J. Weber</td>
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<td>400.364</td>
<td>Microeconomic Theory 364</td>
<td>Dr M. Giles</td>
<td>51</td>
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<tr>
<td>400.365</td>
<td>Macroeconomic Theory 365</td>
<td>Dr E.J. Weber</td>
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<td>400.371</td>
<td>Econometrics 371</td>
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<td>400.372</td>
<td>Mathematics for Economists 372</td>
<td>Prof. D. Turkington</td>
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<tr>
<td>400.402</td>
<td>Microeconomic Theory 402</td>
<td>Prof. P.W. Miller</td>
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<td>Dr D. Butler</td>
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<tr>
<td>400.408</td>
<td>Topics in Econ Development 408</td>
<td>Dr M.A.B. Siddique</td>
<td>7</td>
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<tr>
<td>400.410</td>
<td>Monetary Economics 410</td>
<td>Prof. K.W. Clements</td>
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<tr>
<td>400.413</td>
<td>Topics in Applied Econometrics 413</td>
<td>Prof. M. McAleer</td>
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<tr>
<td>400.415</td>
<td>International Finance 415</td>
<td>Prof. K.W. Clements</td>
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<tr>
<td>400.418</td>
<td>Macroeconomic Theory 418</td>
<td>A/Prof. N. Groenewold</td>
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<tr>
<td>400.428</td>
<td>Intro. to Macroeconomics 428</td>
<td>Dr S. Tang</td>
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<tr>
<td>400.430</td>
<td>Maths for Economists 430</td>
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<td>Unit No.</td>
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<td>Co-ordinator</td>
<td>Enrolment</td>
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<tr>
<td>400.450</td>
<td>Topics in Intl Economics 450</td>
<td>A/Prof. Y. Wu</td>
<td>23</td>
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<tr>
<td>400.470</td>
<td>Middle East Economies 470</td>
<td>Dr R. Gabbay</td>
<td>7</td>
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<tr>
<td>400.491</td>
<td>Microecon: Theory &amp; Applic 491</td>
<td>Dr M. Giles</td>
<td>21</td>
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<tr>
<td>400.492</td>
<td>Macroecon: Theory &amp; Applic 492</td>
<td>Dr E. J. Weber</td>
<td>15</td>
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<tr>
<td>400.499</td>
<td>Economics Special Unit 499</td>
<td>Prof. M. McAleer</td>
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<td>400.501</td>
<td>Resource Economics 501</td>
<td>Dr P. McLeod</td>
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<tr>
<td>400.507</td>
<td>Topics in Hist of Econ Analysis 507</td>
<td>Dr R.N. Ghosh</td>
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<tr>
<td>400.513</td>
<td>Topics in Applied Econometrics 513</td>
<td>Prof. M. McAleer</td>
<td>2</td>
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</tbody>
</table>
12. PhD Students’ Topics

During 2005 the Economics Program had 13 students enrolled in the PhD program. Details on the students, their topics and arrangements for supervision are as follows:

**N. Ali**, *The Making of a Miracle: Corruption and growth in East Asia*, supervised by A/Prof. Y. Wu and Dr M.A.B. Siddique.


**B. da Veiga**, *Modelling Dynamic Value-at-Risk Thresholds*, supervised by Prof. M. McAleer and Dr A. Szimayer.

**H. Dillon**, *Investing in Logistical Mining Infrastructure within Developing Countries*, supervised by Dr P. Crompton and A/Prof. R. da Silva Rosa.

**J. Fogarty**, *The Economics of Wine: Pricing, quality and rate of return*, supervised by Prof. K.W. Clements.

**A. Hakim**, *To Be Determined*, supervised by Prof. M. McAleer.

**D. Hendrie**, *An Economic Evaluation of Healthway’s Sponsorship Program*, supervised by Dr P. McLeod and Mr M. Knuiman (Dept of Public Health).

**O. Ho**, *Foreign Direct Investment (FDI) in the Chinese Economy*, supervised by A/Prof. Y. Wu and A/Prof. N. Groenewold.

**F. Tan**, *Sectoral Mobility in Labour: The case for Singapore*, supervised by Prof. P.W. Miller.

**G. Verikios**, *Understanding the Wool Market: Trade, productivity and grower incomes*, supervised by Prof. K.W. Clements.


**A. Williams**, *External Debt, Capital Flight and Governance*, supervised by Dr M.A.B. Siddique.

**C.K. Wong**, *The Knowledge Economy of China: Information technology and productivity growth*, supervised by A/Prof. Y. Wu.
13. Completing PhD Students

The Economics Program was pleased to have the following four students complete the PhD degree in 2005.


E. Loh, *An Assessment of Trading Rules Based on Macroeconomic Aggregates,* supervised by A/Prof. N. Groenewold.


J. Yeo, *Forecasting Returns Using Time-Varying Risk Measures,* supervised by A/Prof. N. Groenewold.
14. Honours and Masters Students' Topics

The Economics Program had 24 students enrolled in the Honours/Masters programs in 2005. Details on the students, their dissertation titles and arrangements for supervision are as follows:

HONOURS STUDENTS

Simon Axworthy, *Macroeconomic Risk-sharing amongst States within Australia*, supervised by Dr Juerg Weber.


Sarah Beaman, *Australia’s Big Four: An analysis of competitive strategy*, supervised by Dr Jo Voola and A/Professor Jackie Johnston.


Jessica Currell, *Housing Prices and Bank Solvency in Australia*, supervised by Dr Juerg Weber.

Andrew Colgrave, *Why Study? An Analysis of the Returns to Education in Australia*, supervised by Dr Margaret Giles and Dr Abu Siddique.

Sebastian Davies-Slate, *Explaining Regional Differences in Iron Production Costs*, supervised by Dr Paul Crompton.


Lei He, *Can a Flexible Chinese Rate Rescue the US Trade Deficit?* supervised by A/Professor Nic Groenewold.

Christopher McDonagh, *‘Big Bang’ Versus Gradualistic Strategies of Economic Transition: Case studies of Mongolia and Vietnam*, supervised by Dr Abu Siddique.

Emily Poole, *The Role of Uncertainty in Fisheries Management, with a Case Study of the West Australian Rock Lobster Fishery*, supervised by Dr Juerg Weber.


**MASTERS STUDENTS**

Gabriela Alvarez, *An Econometric Analysis of International Tourism to Spain*, supervised by Professor Michael McAleer.


Jessica Crombie, *Who is the Best Economic Forecaster in Australia?* supervised by Professor Ken Clements.


Lee Ghialy Yap Choy, *Modelling Conditional Correlations in Volatility in Oil and Stock Returns*, supervised by Professor Michael McAleer.

Eric Lim Walras, *Pareto and the Lausanne School*, supervised by Dr Michael McLure.


Paul Satzke, *The Economics of the Australian Credit Card Industry*, supervised by Dr Jo Voola.

Lukas Weber, *Special Interest Groups and Australia’s Trade Policy*, supervised by Professor Ken Clements.

15. Activities of Recent Honours, Masters and Graduate Diploma Graduates

The Economics Program has an excellent record in placing its Honours, Masters and Graduate Diploma graduates in a variety of areas that embrace both the public and private sectors. Many of these graduates gain employment with organisations where competition for entry is extremely selective. The following sample shows where some previous Honours, Masters and Graduate Diploma students are currently employed.

Rosemary Aung Thein, Dimasi Strategic Research, Sydney
Simon Axworthy, Poynton and Partners/GEM consulting
Matt Browning, Department of Treasury, Canberra
Louise Carter, RBA, Sydney
Andrew Ceber, Department of Treasury, Canberra
Jamie Chua Wun Han, Bloomberg, Singapore
Lisa Church, Wesfarmers Energy
Joan Coffey, RBA, Sydney
Sebastian Davies-Slate, Department of Treasury and Finance, WA
James Fogarty, Lecturer Level A, UWA
Oliver Kerr, LEK
Mark Knezevic, RBA, Sydney
Katrina Lapham, Department of Treasury, Canberra
Will Millsteed, ABARE, Canberra
Peter Nagy, Dept. of Foreign Affairs and Trade, Canberra.
Tracey Oliver, Department of Treasury, Canberra
Zion Ong, Bankwest, Perth
Crystal Ossolinski, RBA, Sydney
Yee Farn Phua, Standard & Poor’s, Singapore
Emily Poole, RBA, Sydney
Stephen Powell, Department of Treasury, Canberra
Oliver Richards, Department of Treasury, Canberra
Kim Radalj, Azure Capital, Perth
Matthew Sargeant, NT Treasury Department, Darwin
Ellen Shackles, Diploma of Education
Kristi Stinson, Chief Minister’s Department NT, Darwin
Litsa Vavakis, Department of Treasury, Canberra
Bernardo da Veiga, PhD Student, UWA
Derby Voon, Research Assistant, UWA
Patricia Wang, Western Power, Perth
Lukas Weber, Department of Treasury, Canberra
Robin Wong, Allen Consulting, Melbourne
Gina Yoon, Hamersley, Perth
# 16. Prizes

There are a number of prizes awarded to students in Economics and the Program is very grateful to the donors. The following is a list of prizes awarded in 2005.

<table>
<thead>
<tr>
<th>Prize</th>
<th>Winner(s)</th>
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<tbody>
<tr>
<td><strong>Australian Finance Conference Prize in Monetary Economics</strong></td>
<td>Anton Hallam, and Nina Yiannopoulos</td>
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<tr>
<td>Monetary Economics 210</td>
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<tr>
<td><strong>Hartley Estate Wines Prize in Business Economics</strong></td>
<td>Phillip Metaxas</td>
</tr>
<tr>
<td>Business Economics 245</td>
<td></td>
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<tr>
<td><strong>Dr Andrew M. Houston Memorial Prize in Economics</strong></td>
<td>Justin Tadros</td>
</tr>
<tr>
<td>Highest aggregate of marks in first year of BEc</td>
<td></td>
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<tr>
<td><strong>Economic Society of Australia Honours Prize</strong></td>
<td>Emily Poole</td>
</tr>
<tr>
<td>Best student completing the BEc with Honours</td>
<td></td>
</tr>
<tr>
<td><strong>Economic Society of Australia (WA Branch) Prize in First-Year Economics</strong></td>
<td>Callum Jones</td>
</tr>
<tr>
<td>Highest marks in Microeconomics 101 and Macroeconomics 102</td>
<td></td>
</tr>
<tr>
<td><strong>Honours Research Paper Write-up Scholarships</strong></td>
<td>Andrew Colegrave, Stephane Verani, Lukas Weber</td>
</tr>
<tr>
<td>$1000 prize awarded to students to write a research paper based on their thesis</td>
<td></td>
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<tr>
<td><strong>Japan Chamber of Commerce and Industry in WA Prizes in Japanese and Japanese Economic History and Contemporary Japanese Economy</strong></td>
<td>Kelly Gerard</td>
</tr>
<tr>
<td>Highest average mark in any two level 3 Japanese language units taken in the same year and the highest mark in either Japanese Economic History 262 or Contemporary Japanese Economy 264.</td>
<td></td>
</tr>
<tr>
<td><strong>McGraw-Hill Prize</strong></td>
<td>Callum Jones</td>
</tr>
<tr>
<td>BEc student with highest marks in Microeconomics 101 and Macroeconomics 102</td>
<td></td>
</tr>
<tr>
<td><strong>Milnes-Feed Prize in Business History</strong></td>
<td>Christianne Gandossi</td>
</tr>
<tr>
<td>Business History 252</td>
<td></td>
</tr>
<tr>
<td><strong>Pearson Education Australia Prize in International Finance</strong></td>
<td>Sarun Kunakool</td>
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<tr>
<td>International Finance 236</td>
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<tr>
<td>Prize</td>
<td>Winner(s)</td>
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<td>------------------------------------------------</td>
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</tbody>
</table>
| **Pearson Education Australia Prize in International Trade**  
  International Trade 235                         | Sarun Kunakool  
  Benjamin White                  |
| **Thomson Learning Prize**                       | David Shackles                |
| Highest marks in Microeconomic Theory 364 and Macroeconomic Theory 365 |                   |
| **UWA Graduates Association Prizes**             | 2nd yr: Su Yen Ong  
  3rd yr: Lee Peng SIM             |
| Best students in second and third years of BEc   |                               |
| **W.E.G. Salter Memorial Prize in Economics**    | Lee Peng Sim                  |
| BEc student with highest aggregate marks in third year |                               |
In 1956, the UWA Press published a book by Christopher A. Vargovic, entitled *A Survey of Structural Changes in the Western Australian Economy: A statistical interpretation*. In this book, Mr Vargovic wrote the following words as his first acknowledgement: “Without the financial assistance of the Research Fund of the University this study would have been impossible. I desire, therefore, to acknowledge the opportunity created in this way”. Against this background, Mr Vargovic left a generous bequest to the University to support research students in economics when he died in 1987. The interest earnings from the estate have been used over much of the past decade to financially assist honours, masters and PhD students to complete their research by providing them with bursaries ranging from $2,000 to $6,000. The Economics Program, as well as the students involved, greatly values the generosity and foresight shown by Mr Vargovic in establishing this fund, which has had the effect of substantially boosting the Program’s ability to attract and nurture promising young researchers in economics.

Mr Vargovic was born in Yugoslavia in 1920. Professor Alex Kerr, Vargovic’s mentor at UWA who is thanked very warmly in the Acknowledgements of his book, describes how he escaped from Yugoslavia after World War II by swimming across the sea to Trieste. He arrived penniless in Australia and went on to complete a BA with honours at UWA in the early 1950s (prior to the introduction of the BEc). After finishing at UWA, Mr Vargovic worked as Economic Research Officer for a number of years at the WA Employers’ Federation, which later became the Chamber of Commerce and Industry of WA. Professor Kerr says that Mr Vargovic had a successful career built on perseverance and hard work, and was very fond of the University that he felt helped establish him in Australia.

The Vargovic Fund financed bursaries to the following students from 2002 to 2005:

**2002**
- Peter Nagy
- Crystal Ossolinski
- Vitaly Pershin
- Kim Radalj
- Riaz Shareef
- Adam Sharp
- Sharon Smith
- Clinton Watkins
- Jasslyn Yeo
- Suhejla Hoti
- Katrina Lapham
- Nicola Salley
- Riaz Shareef
- Derby Voon
- Gina Yoon
- Peter Chan Chai Su
- Kelvin Jia Wei Sum
- Stephane Verani
- Chee Kong Wong

**2003**
- Bernardo da Veiga
- Vanessa Divkovic
- Bernardo da Veiga
- Vanessa Divkovic
- Chelsea Gray
- Owen Chih-Hung Ho
- Ghim Way Wilson Lai
- Mark Knezevic
- Ellen Shackles
- Riaz Shareef

**2004**
- Chelsea Gray
- Owen Chih-Hung Ho
- Ghim Way Wilson Lai
- Mark Knezevic
- Ellen Shackles
- Riaz Shareef
- Chelsea Gray
- Owen Chih-Hung Ho
- Ghim Way Wilson Lai
- Mark Knezevic
- Ellen Shackles
- Riaz Shareef

**2005**
- Simon Axworthy
- Owen Ho
- Chee Kong Wong
- Giridihar Parameswaran
- Emily Poole
- Stephane Verani
- Lukas Weber
- Simon Axworthy
- Owen Ho
- Chee Kong Wong
- Giridihar Parameswaran
- Emily Poole
- Stephane Verani
- Lukas Weber
18. Publications by Staff

During 2005, staff of the Economics Program published work in a substantial number of books, journals, and as contributions to books. A list of these publications is presented below. The list is divided into the following categories: (i) books and edited books/journals, (ii) journal articles, (iii) chapters in books and conference proceedings, (iv) other research publications, and (v) publications not included in previous report.

BOOKS AND EDITED BOOKS/JOURNALS


McAleer, M., Modelling Economic and Environmental Systems, special issue of Environmental Modelling and Software (Elsevier), 20(11), 2005, pp.1365-1455.

McAleer, M., Oxley, L. and Post, D. (eds.), Modelling and Simulation, Volume 1, special double issue of Mathematics and Computers in Simulation (Elsevier), 68(5-6), 2005, pp.397-583 (Editors Preface, pp.397-399)


JOURNAL ARTICLES


Tcha, M. and Lee, M., “Exchange Rate Pass-Through and Market Shares - The


**CHAPTERS IN BOOKS AND CONFERENCE PROCEEDINGS**


Integrating sciences and technology for effective resource management, Asian Institute of Technology, Bangkok, Thailand, 2005, pp.491-497.


OTHER RESEARCH PUBLICATIONS


PUBLICATIONS NOT INCLUDED IN PREVIOUS REPORT


Research findings from the Economics Program were circulated in 2005 through the Economics Discussion Papers Series. These discussion papers are distributed to universities, government bodies and individuals throughout the world. In many instances they are distributed as part of reciprocal arrangements, ensuring a constant flow into the Program's library of discussion papers from leading overseas and Australian universities. The titles of the 2005 series are listed below. Copies may be obtained from the Economics Program or via the Program web site at:

http://www.ecom.uwa.edu.au/information_about/research/discussion_papers/working_documents/economics

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<th>Title</th>
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<td>05.01</td>
<td>Soh, L.</td>
<td>The Market for Vice-Chancellors</td>
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<tr>
<td>05.02</td>
<td>Clements, K.W.</td>
<td>Larry Sjaastad, The Last Chicagoan</td>
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<tr>
<td>05.03</td>
<td>Clements, K.W.,</td>
<td>How Long is the Long Run? Evidence from the Foreign Exchange Market</td>
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<td>Lan, Y.</td>
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<tr>
<td>05.04</td>
<td>Groenewold, N.,</td>
<td>An Analysis of the Effects of Fiscal Equalisation in a Two-Region Simulation Model</td>
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<td></td>
<td>Hagger, A.J.</td>
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<tr>
<td>05.05</td>
<td>Groenewold, N.,</td>
<td>Regional Output Spillovers in China: Estimates from a VAR model</td>
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<td>Lee, G.,</td>
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<td>Chen, A.</td>
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<tr>
<td>05.06</td>
<td>Groenewold, N.,</td>
<td>Killing the Goose that Lays the Golden Egg: A time-series analysis of institutional change and economic growth in Hong Kong</td>
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<td>Tang, S.</td>
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<tr>
<td>05.07</td>
<td>Weber, E. J.</td>
<td>Optimal Control Theory for Undergraduates</td>
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<tr>
<td>05.08</td>
<td>Clements, K.,</td>
<td>Stochastic Index Numbers: A review</td>
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<td>Izan,</td>
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<td>Selvanathan, E. A.</td>
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<td>05.09</td>
<td>Soh, L.</td>
<td>How Different are Universities from Companies?</td>
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<td></td>
<td>Financial Reporting Perspectives and the Market for Vice-Chancellors (Part 1)</td>
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<tr>
<td>No.</td>
<td>Author(s)</td>
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<td>05.10</td>
<td>Soh, L.</td>
<td>How Different are Universities from Companies? Financial Reporting Perspectives and the Market for Vice-Chancellors (Part 2)</td>
</tr>
<tr>
<td>05.11</td>
<td>Soh, L.</td>
<td>How Different are Universities from Companies? Financial Reporting Perspectives and the Market for Vice-Chancellors (Part 3)</td>
</tr>
<tr>
<td>05.12</td>
<td>Soh, L.</td>
<td>How Different are Universities from Companies? Financial Reporting Perspectives and the Market for Vice-Chancellors (Part 4)</td>
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<td>05.13</td>
<td>Soh, L.</td>
<td>How Different are Universities from Companies? Financial Reporting Perspectives and the Market for Vice-Chancellors (Part 5)</td>
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<tr>
<td>05.14</td>
<td>Clements, K., Daryal, M., Lan, Y.</td>
<td>Two Short Papers on Marijuana, Legalisation and Drinking</td>
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<td>05.15</td>
<td>Clements, K., Izan, Lan, Y.</td>
<td>A Stochastic Measure of International Competitiveness</td>
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<td>05.16</td>
<td>Vo, D.</td>
<td>Fiscal Decentralisation in Vietnam: A preliminary investigation</td>
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<tr>
<td>05.17</td>
<td>McLure, M.</td>
<td>A Paretian Approach to Fiscal Decentralisation and Economic Growth</td>
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<tr>
<td>05.18</td>
<td>Carter, L.</td>
<td>Labour Market Responses to the Abolition of Compulsory Superannuation</td>
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<tr>
<td>05.19</td>
<td>Groenewold, N., Chen, A., Lee, G.</td>
<td>Inter-Regional Spillovers in China: The importance of common shocks and the definition of the regions</td>
</tr>
<tr>
<td>05.21</td>
<td>McLure, M.</td>
<td>Economics in Relation to Sociology: Dualisms and Vilfredo Pareto’s pluralistic methodology</td>
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<td>No.</td>
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<td>05.22</td>
<td>McLure, M.</td>
<td>Pareto on the History of Economic Thought as an Aspect of Experimental Economics</td>
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<td>05.23</td>
<td>Miller, P.,</td>
<td>The Immigrant Housing Market: Analyses for Australia</td>
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<td>Chua, J.</td>
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<td>05.24</td>
<td>Miller, P.,</td>
<td>The Determinants of Students’ Tertiary Academic Success</td>
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<td>Birch, E.</td>
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<tr>
<td>05.25</td>
<td>Davies, M.</td>
<td>Balanced Costs: Inland copper smelting location and fuel in South Australia 1848-76: Were they so naive?</td>
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<td>05.26</td>
<td>Miller, P.,</td>
<td>Student Outcomes at University in Australia: A quantile regression approach</td>
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<td>Birch, E.</td>
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<td>05.27</td>
<td>Oster, A.</td>
<td>House Prices - Drivers and Links to the Broader Economy: Rational or irrational exuberance</td>
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<tr>
<td>05.28</td>
<td>Clements, K.,</td>
<td>Economic Aspects of Marijuana</td>
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<td>05.29</td>
<td>Bloch, H.,</td>
<td>The Effects of Export, Technical Change and Markup on Total Factor Productivity Growth: Evidence from Singapore</td>
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<td>Tang, S.</td>
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<td>05.30</td>
<td>Clements, K.,</td>
<td>The Demand for Vice: Inter-commodity interactions with uncertainty</td>
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<td>Lan, Y.,</td>
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<td>Zhao, X.</td>
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<tr>
<td>05.31</td>
<td>Tcha, M.</td>
<td>Australian Wool Exports and Exchange Rate Pass-Through: Asymmetric responses and market share</td>
</tr>
</tbody>
</table>
20. Seminar and Conference Presentations by Staff

Staff of the Economics Program made numerous presentations of their research during 2005. Below are details of these presentations.

David Butler presented a paper to the Economics Program at the University of Western Australia in September, entitled “Imprecision as an account of the preference reversal phenomenon”.

Ken Clements presented “Pricing and Packaging: The case of marijuana” at a seminar held by the School Agricultural and Resource Economics, UWA; “Economic Aspects of Marijuana” (co-authored with Xueyan Zhao) as the Invited Lecture of the PhD Conference in Economics and Business, held at UWA; and “Patterns in Marijuana Prices and their Implications” at the Workshop on the Economics of Alcohol, Tobacco and Illicit Drugs, organised by Turning Point Alcohol and Drug Centre, Melbourne, and the Melbourne University Centre for Microeconometrics.

James Fogarty presented the paper “The Rewards of Patience: The rate of return to Australian wine”, at a UWA Economics Program Seminar.


Suhejla Hoti presented 3 seminar papers and 7 conference papers in 2005. Her seminar papers were as follows: "Measuring the Volatility in the U.S. Treasury Benchmarks and Debt Instruments" at the Faculty of Economics, Chiang Mai University, Thailand, January 2005; "Modelling Country Spillover Effects in Country Risk Ratings" at the Department of Economics and Business, University of New York - Tirana, Albania, November 2005; and "Modelling British and German Tourist Arrivals and Volatility to the Balearic Islands" at the Department of Applied Economics, University of the Balearic Islands, Spain, December 2005. Her conference presentations included Modelling Risk in Environmental Finance (with L. Pauwels and M. McAleer), A Time Series Analysis of the Uncertainty in International Tourist Arrivals to the Canary Islands (with C. Leon and M. McAleer), and Country Credit Risk and Spillover Effects (with M. McAleer), at the International
Conference on Simulation and Modeling, Bangkok, Thailand, January 2005; Measuring the Volatility in U.S. Treasury Benchmarks and Debt Instruments (with M. McAleer and D. Slottje) at the Econometrics Study Group Workshop, University of Canterbury, New Zealand, March 2005; and Modelling Volatility Spillovers in Country Risk Ratings, Modelling Volatility Spillovers and Causality in International Tourism and Country Risk for Cyprus and Malta (with R. Shareef and M. McAleer), and Modelling the Predictable Uncertainty in British and German Tourist Arrivals to the Balearic Islands (with M. McAleer and A. Sanso), at the MODSIM 2005 International Congress on Modelling and Simulation, MSSANZ, Melbourne, December 2005.


**Michael McAleer** presented a number of seminar papers and conference papers in 2005. His seminar papers were as follows: “Automated Inference and Learning in Modelling Financial Volatility” at the Department of Economics at Chiang Mai University, Thailand; “The Ten Commandments for Determining Value-at-Risk” at the Department of Economics at Chiang Mai University, Thailand, the Department of Economics at Chulalongkorn University, Thailand, the School of Accounting, Finance and Economics at Edith Cowan University, the Fondazione Eni Enrico Mattei, Milan, the Research Centre for Financial Engineering at Hiroshima University, the Department of Information and Systems Management at the Hong Kong University of Science and Technology, Hong Kong, the Department of Mathematics at the Hong Kong University of Science and Technology, Hong Kong, the Graduate School of Economics at Kyoto University, the Department of Economics at LaTrobe University, the Reserve Bank of New Zealand, the Department of Economics at University of Alicante, Spain, the Department of Economics, University of Canterbury, New Zealand, the Department of Economics at the University of Vigo, Spain, the Department of Economics at the University of Zaragoza, Spain, and the Faculty of Economics at Yokohama National University, Japan; “Modelling and Forecasting Dynamic VaR Thresholds for Risk Management and Regulation” at the Fondazione Eni Enrico Mattei, Milan, and the Reserve Bank of New Zealand; “Multivariate Stochastic Volatility”, at the School of Economics at the University of New South Wales; "Modelling and Forecasting in Financial Econometrics" at Ling Tung University, Taiwan; "Conditional, Stochastic and Realized Volatility", at the Department of Economics at Chiang Mai University, Thailand; "Asymmetric Multivariate Stochastic Volatility" at the Department of Mathematics and Statistics, University of Canterbury, New Zealand; “Generalized Autoregressive Conditional Correlation and An Econometric Analysis of Asymmetric Volatility”, at the Department of Statistics at the University of Padua, Italy.
“Modelling Multivariate International Tourism Demand and Volatility”, at the Department of Economics at the University of the Balearic Islands, Palma de Mallorca, Spain; "Structure and Asymptotic Theory for Multivariate Asymmetric Volatility", at the Department of Economics at the University of Palermo, Sicily; “Dynamic Leverage and Threshold Effects in Stochastic Volatility Models”, at the Department of Economic Sciences at the University of Venice "Ca Foscari"; and "Sustainable Tourism@Risk" and "Modelling Country Risk and Uncertainty in Small Island Tourism Economies", at the Thailand Research Fund, Bangkok. His 33 separate conference papers included a keynote address and nine contributed papers at the International Conference on Simulation and Modeling, Bangkok, Thailand in January, two invited papers at the Econometric Study Group Meeting, Christchurch, New Zealand in March, a paper at the Symposium on Econometric Theory and Applications, Academia Sinica, Taipei, Taiwan in May, a keynote address and invited paper at the Inaugural Meeting of the Econometric Society of Thailand, Chiang Mai, Thailand in June, an invited paper at the Financial Engineering and Risk Management Workshop, University of Science and Technology of China, Shanghai, China in July, an invited paper at the New Frontiers of Statistics Workshop, Centre for Statistical Research, Academy of Mathematics and Systems Science, Chinese Academy of Sciences, Beijing, China in July, an invited paper at the Annual Workshop of the Centro Universitario di Econometria, Palermo, Sicily, Italy in September, an invited paper at the Conference on Tourism and Sustainable Economic Development Macro and Micro Economic Issues, sponsored by the World Bank, Cagliari, Sardinia, Italy in September.

Michael McLure presented papers on four occasions this year. “Economics in Relation to Sociology” was first presented to the UWA Economics Program Seminar Series and then again to the 9th Conference of the European Society for the History of Economic Thought, convened at Stirling University (Scotland). “Pareto on the History of Economic Thought as an Aspect of Experimental Economics” was first presented on 5 June 2005 to the Convegno Nazionale of the Associazione Italiana per la Storia Dell’Economia Politica, convened at the University of Siena (Italy), and then again on 6 July at the annual History of Economic Thought Society of Australia conference, convened at Macquarie University in Sydney.

Paul Miller presented “The Impact of Spouse’s Education on Wages: The role of spouse’s market work” at the Australian National University in June, “Modelling Immigrants’ Language Skills” at the Smith Richardson Foundation Conference on Immigration in Chicago in September, “The Impact of HECS Debt on Students’ Tertiary Academic Performance” at the Annual Conference of Economists in Melbourne in September, and “Why is the Payoff to Schooling Smaller for Immigrants?” at the University of Adelaide in November. He also participated in a Productivity Commission Roundtable in November.

Riaz Shareef presented “Modelling International Tourism Demand and Uncertainty in the Maldives and Seychelles: A portfolio approach” and also “Modelling the Multivariate Shocks in International Tourist Arrivals to the Maldives” with Michael McAleer at the MODSIM 2005 International
Congress on Modelling and Simulation, MSSANZ, Melbourne, Australia, December 2005.

Abu Siddique presented two invited papers on “Development Strategies in the ASEAN Transitional Economies: Dilemmas and options” and “Corruption in Bangladesh: A critical study” (co-authored with R. N. Ghosh) and chaired the sessions on “Economic Development” and “Debt and Finance” at the Fifth IIDS International Conference on Governance and Development organised by the International Institute for Development Studies and the University of the South Pacific at the University of the South Pacific. He also chaired a session on “Trade Liberalisation” at the PhD Conference in Economics and Business, held at UWA and convened and chaired a seminar on “Courage without Mateship” held at the Parliament House, Perth.


Jo Voola presented two conference papers this year. The first of these was entitled “Patterns in Patents: A Case Study of the Pharmaceutical Industry”, presented at the Business Economic Society International Conference, Flagstaff, Arizona, July 22nd-25th 2005 and the second paper, “Patterns in Patents: A Case Study of the Pharmaceutical Industry”, Presented at the Industrial Economics Conference, La Trobe University, Australia, in September 29th-30th 2005.

Juerg Weber presented a paper on "Optimal Control Theory for Undergraduates" in the Macro Workshop at the University of Melbourne in May.

Andrew Williams presented a paper at the Global Conference of Business and Economics at Oxford University, entitled “Causality between Growth and Institutions, 1960-2000”. He also presented a paper at the PhD Conference, UWA, entitled “Towards a New Measure of Institutional Quality”.

Yanrui Wu presented a paper at the Pacific Rim Conference in Hong Kong (January), International Conference on Dynamic China: Past, Present and Future, in Chongqing (March) International Conference on the Chinese Economy: Growth, Transition and Globalization in Perth (July), and international conference on China under Hu Jintao: Policy Initiatives and Challenges in Singapore (August). He also gave a seminar at East Asian Institute, National University of Singapore.
21. Other Professional Activities

Staff members of the Economics Program have been very active in taking part in various additional professional activities. A selection of these activities follows.

**David Butler** is a member of the American Economic Association. He attended an Economic Science Research Council workshop on Behavioural Finance at the University of Bath, UK, in June. He visited the University of Arizona in January and the University of East Anglia in July to conduct joint research with his co-authors.

**Ken Clements** is a member of the Research Committee of the Institute of Public Affairs and the Council of Advisors of the Centre for Independent Studies. He is also a member of the Board of the University’s Graduate Research School.

**Paul Crompton** was again appointed as the Chief Examiner by the Curriculum Council of Western Australia for TEE Economics in 2005. He was also interviewed on ABC Radio regarding his work on the global iron ore and steel industry in conjunction with BHP Billiton. Dr Crompton is also primary author of an introductory macroeconomics textbook, *Macroeconomics: A contemporary introduction*, published by Thomson Learning. The second edition was published in 2004. Since its first release in 2002, over 6000 copies have been sold and it has been used in large undergraduate courses at The University of Western Australia, Curtin University, the University of New South Wales, the University of Sydney and the University of New England. Furthermore it has been used in postgraduate courses at the University of Queensland.

**Mel Davies** was re-elected as Secretary/Treasurer of the Australian Mining History Association in 2005, after filling those positions since 1994. He is also responsible for producing a quarterly newsletter and organising Annual Association Conferences, the most recent being held in Bendigo in July. He is editor of the *Journal of Australasian Mining History*. In the international sphere, he was a member of both the Program and Organising Committees for the 6th International Mining History Congress at Akabira, Hokkaido, Japan and was re-elected at the Business Meeting to serve as Secretary and coordinator of the 2006 Congress to be held in Belgium.

**James Fogarty** serves as Deputy Warden, Convocation, The University of Western Australia.

**Robin Ghosh** is Editor-in-Chief of a quarterly journal called the *Atlantic Journal of Development Studies* published from New Delhi. He is also on the Editorial Board of two other journals called *International Journal of Development Issues* published from Sydney University, and the *Atlantic Journal of World Affairs* published by Atlantic Publishers & Distributors. Robin Ghosh is also the current chairman of the Institute of Development Studies (Australia).
Nic Groenewold was a referee for the *Asia-Pacific Journal of Economics and Business*, the *Economic Record*, *Emerging Markets Finance and Trade* and the *International Review of Financial Analysis*. He was also a member of the editorial board for the *Economic Record*.

Suhejla Hoti has been a Member of the Program Committee of the 2005 International Congress on Modelling and Simulation, Melbourne, Victoria; Member of the Program Committee of the International Workshop on Financial Econometrics and Statistics, Perth, Western Australia, April 2005; Member of the Australian Research Council Postdoctoral Research Fellowships Selection Committee, School of Mathematics and Statistics, UWA, August 2005; Associate Member of the Australian Research Council Research Network since November 2005; and a referee for several international refereed scholarly journals. For research purposes, in 2005 she visited the Department of Economic Sciences at the University of Venice Ca Foscarì; the Department of Economic Sciences Marco Fanno, University of Padua, Italy; the Faculty of Economics, Chiang Mai University, Thailand; the Department of Economics and Business, University of New York - Tirana, Albania; the Faculty of Economics, University of Shkoder, Albania; the Cabinet of the Prime Minister, Tirana, Albania; the Department of Applied Economics, University of the Balearic Islands, Palma de Mallorca, Spain; and the Department of Economics, University of Canterbury, New Zealand.

Tram Le is a Research Associate with the Centre for Labour Market Research at UWA. She was also a Discussant at the Second Annual Migration Meeting, September 11-12, Chicago.

Michael McAleer has been Vice-President of the Modelling and Simulation Society of Australia and New Zealand since 1991; Foundation Chair of the International Association for Mathematics and Computers in Simulation Technical Committee on Modelling Socio-economic Systems since 1992; Member of the International Task Force on Forecasting Environmental Change at the International Institute for Applied Systems Analysis, Laxenburg, Austria since 1993; Foundation Member of the Technical Advisory Board, International Institute of Environmental Sciences and Environmental Computing since 1997; Member of the Leading Team for the design and implementation of a Diploma in Environmental Sciences, International Institute of Environmental Sciences and Environmental Computing since 1997; Foundation Vice-President of the International Environmental Modelling and Software Society since 1999; Chair of the Medals and Fellowship Committee of the International Environmental Modelling and Software Society since 2002; Foundation Vice-President of the Australia and New Zealand Chapter of the Society for Computer Simulation since 1999; Foundation Chair of the International Association for Mathematics and Computers in Simulation Technical Committee on Computational Finance since 2004; Foundation Chair of the International Association for Mathematics and Computers in Simulation Technical Committee on Computing and Simulation of Risk since 2004; Member of the Scientific Advisory Board and Program Committee of the 2006 International Environmental Modelling and Software Society Conference,
Burlington, Vermont, USA; Member of the International Technical Committee and Program Committee of the 2005 International Conference on Simulation and Modelling, Bangkok, Thailand; Member of the Scientific Advisory Board and Technical Committee of the 2005 International Congress on Modelling and Simulation, Melbourne, Victoria; Member of the International Program Committee of the 2005 International Conference on Applied Simulation and Modelling, International Association of Science and Technology for Development, Benalmadena, Spain; Member of the Scientific Advisory Board and Program Committee of the 2006 International Environmental Modelling and Software Society Conference, Burlington, Vermont, USA; Member of the Consultative Committee and Local Co-ordinator of the ARC Financial Integrity Research Network since 2005; Co-Chair of the Program Committee of the International Workshop on Financial Econometrics and Statistics, Perth, Western Australia, 2005; Co-Chair of the 2006 International Program Committee, International Conference on Time Series Econometrics, Finance and Risk, Perth, Western Australia; Member of the International Advisory Committee, 2006 International Conference on Mathematical Modeling and Computer Simulation, Jaipur, India; Member of the International Program Committee, 2006 International Conference on Applied Simulation and Modelling, International Association of Science and Technology for Development, Rhodes, Greece; Member of the International Steering Committee, 2006 Asian Simulation Conference, Japan Society for Simulation Technology, Tokyo, Japan; assessor for the Australian Research Council Discovery, Linkage and Fellowship Grants, National Science Foundation (USA), Hong Kong Research Grants Council, and Nuffield Foundation for Research in the Social Sciences (UK); assessor for the Centres of Excellence evaluation for the Royal Society of New Zealand; referee for numerous international refereed scholarly journals; and beta testing of computer software for various scientific publishers. For research purposes, in 2005 he visited the Department of Economics at Chiang Mai University, Thailand, the Department of Economics at Chulalongkorn University, Thailand, the Fondazione Eni Enrico Mattei, Milan, the Research Centre for Financial Engineering at Hiroshima University, the Department of Information and Systems Management at the Hong Kong University of Science and Technology, Hong Kong, the Department of Mathematics at the Hong Kong University of Science and Technology, Hong Kong, the Graduate School of Economics at Kyoto University, the Department of Economics at LaTrobe University, Ling Tung University, Taiwan, the Reserve Bank of New Zealand, Thailand Research Fund, Bangkok, the Department of Economics at University of Alicante, Spain, the Department of Economics and the Department of Mathematics and Statistics, University of Canterbury, New Zealand, the School of Economics at the University of New South Wales, the Department of Statistics at the University of Padua, Italy, the Department of Economics at the University of Palermo, Sicily, the Department of Economics at the University of the Balearic Islands, Palma de Mallorca, Spain, the Department of Economic Sciences at the University of Venice Ca Foscari, the Department of Economics at the University of Vigo, Spain, the Department of Economics at the University of Zaragoza, Spain, and the Faculty of Economics at Yokohama National University, Japan.
Michael McLure is a member of the editorial board for the *History of Economics Review*. He is also a research associate with the Centre for Labour Market Research and a member of: *The History of Economic Thought Society of Australia*, and the *Economic Society of Australia*. In 2005 he was the Conference Convenor of the 18th *PhD Conference in Economics and Business*, held at UWA between 2 and 4 November. Michael also visited the University of Turin’s “Claudio Napoleon” Centre for the History and Methodology of Political Economy in June 2005 to undertake research.

Paul Miller’s professional activities during 2005 included co-editorship of the *Economic Record*, associate editorship of *Applied Economics* and membership of the editorial board of the *Australian Journal of Labour Economics*.

Abu Siddique is a member of Observatoire Des Relations Internationales Dans L’Hémisphère Sud (ORHIS) Biviers (France). He has been a Member of the Economics Syllabus Committee of the Curriculum Council of Western Australia since 1994 and Convenor of the Tertiary Nomingating Panel for Economics of this organisation. He is one of the course advisers of the Faculty of Arts. He also is a member of the editorial board of the *International Journal of Business Studies*, Vice-President of Bengali Music and Cultural Centre, State (WA) co-ordinator of Transparency International Australia and member, Association or the Study of Australasia in Asia (ASAA).

Juerg Weber participated in the workshop on Recursive Contracts and Dynamic Economics held at the Australian National University in November. He serves as the Honorary Consul for Switzerland in Western Australia.

Yanrui Wu visited the Development Research Centre of the State Council (Beijing), State Information Centre (Beijing) and East Asian Institute, National University of Singapore. He was interviewed by Sydney Morning Herald (June) about the Chinese economy. He also appeared in Singapore’s Channel U “Focus” program on APEC (November). He acted as an anonymous referee for several international journals and publishers.