



Australian School of Business

Centre for Applied Economic Research

Never Stand Still

Australian School of Business

Centre for Applied Economic Research

Annual Report 2010

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1. Centre for Applied Economic Research (CAER) – key facts

1.1 Presiding Faculty

Australian School of Business (ASB)

1.2 Other schools and faculties with which CAER interacts

Within UNSW

School of Economics, ASB

Industrial Relations Research Centre (IRRC)

Centre for Energy and Environmental Markets (CEEM)

Outside UNSW

Centre for Health Economics Research and Evaluation (CHERE), UTS

UTS Business School

UTS School of Mathematical Sciences

Crawford School of Economics and Government, ANU

Vancouver School of Economics, the University of British Columbia

Department of Economics, Hohai University (China)

Department of Economics, Pingtung University (Taiwan)

Australian Bureau of Statistics

Australian Productivity Commission

Reserve Bank of Australia

Statistics Netherlands

1.3 Governance and management of CAER

Director

Professor Kevin Fox, School of Economics, UNSW

Deputy Director

Associate Professor Peter Kriesler, School of Economics, UNSW

Steering Committee

Professor Kevin Fox (Director)

Associate Professor Peter Kriesler (Deputy Director)

Associate Professor Michael Johnson (School of Social Sciences, UNSW)

Professor Alec Cameron (ASB Dean)

1.4 CAER's research groups and their members in 2010

CAER's research activities are carried out through its research groups where each group focuses on a specialised research area. The following is a list of CAER's research groups and their members during 2010:

Health Economics Group 2010

Professor Denzil Fiebig - School of Economics, UNSW
 Associate Professor Denise Doiron - School of Economics, UNSW
 Dr. Isabella Dobrescu - School of Economics, UNSW
 Dr. Marian Vidal-Fernandez - School of Economics, UNSW
 Agne Suziedelyte - PhD student, School of Economics, UNSW
 Joanne Epp - PhD student, School of Economics, UNSW
 Muralikrishnan Radhakrishnan Kartha - PhD student, School of Economics, UNSW
 Yuanyuan Gu - PhD student, School of Economics, UNSW

Economic Measurement Group 2010

Professor Kevin Fox - School of Economics, UNSW
 Professor Erwin Diewert - School of Economics, UNSW and Vancouver School of Economics, the University of British Columbia
 Associate Professor Glenn Otto - School of Economics, UNSW
 Dr. Lorraine Ivancic – Postdoctoral Research Fellow, CAER
 Dr. Iqbal Syed - Postdoctoral Research Fellow, CAER
 Amani Elnasri - PhD student, School of Economics, UNSW
 Changtao (William) Wang - PhD student, School of Economics, UNSW
 Hongjia Zhu - PhD student, School of Economics, UNSW
 Joaquin Vespignani - PhD student, School of Economics, UNSW
 Abu Shonchoy - PhD student, School of Economics, UNSW
 Zoran Peroski - PhD student, School of Economics, UNSW

Natural Resources and the Environment Group 2010

Professor Kevin Fox – School of Economics, UNSW
 Dr. Lisa Lee – Postdoctoral Research Fellow, CAER
 Amy Cheung – PhD student, School of Economics, UNSW
 Thomas Longden – PhD student, School of Economics, UNSW
 Li Na - visiting PhD student, Hohai University, China

Individual CAER members 2010

Associate Professor Peter Kriesler, CAER's Deputy Director, School of Economics, UNSW
 Professor John Nevile, Founder and previous CAER Director, School of Economics, UNSW

1.5 CAER's administrative and professional staff in 2010

The Director of CAER also had the role of Head of Economics in 2010. Administrative support was provided principally by the School Manager Fei Wong, who had earlier worked as CAER administrative officer before joining Economics.

Additional administrative support was provided by the School of Economics and the ASB, mainly consisting of HR, IT, finance and workshops/visitors organization support.

1.6 CAER's Mission, Objectives and History

Mission

CAER's principal mission is to undertake, support and advance applied economic research in established or emerging areas of high research priority so as to deliver benefits to the academic and broader communities, both within Australia and world-wide. In achieving its mission CAER may also play a role, where appropriate, in developing and advancing educational activities. CAER's research activities are carried out through its research groups where each group focuses on a specialised research area. In selecting its research groups and agenda CAER gives great emphasis on interdisciplinary and multidisciplinary research, thus complementing and exceeding the research activities and outcomes that can be achieved by individual schools and faculties. It also ensures that its research activities align with the strategic goals and priorities of UNSW.

Objectives

In pursuing its mission CAER has the following strategic objectives:

- Carry out, encourage and enhance applied economic research with an interdisciplinary and multidisciplinary focus that addresses current policy issues both within Australia and globally.
- Encourage and support collaborative research across schools and faculties both at the national and the international level.
- Support and facilitate research training and career opportunities for outstanding Australian and international students and researchers.
- Build and enhance UNSW research capacity and outcomes through stimulating network opportunities and exposure to cutting-edge research.
- Raise the profile, around Australian and internationally, of applied economic research at UNSW.

History

Founded in 1976 CAER is one of the oldest centres in the University and the first centre to be established in the former Faculty of Commerce and Economics (now the Australian School of Business). CAER's primary emphasis is on applied economic research relevant to policy issues. For more than thirty years a significant body of such research has been carried out and the results published in academic journals, books and the Centre's own publications. CAER's work is valued by its internal and external stakeholders and its years of built up impact have contributed to its brand name achieving a high level of external recognition. CAER is proud of its contribution to UNSW and the broader community. It remains relevant, having changed with times, and continues to attract top class international visitors, research funding and research collaborations.

2. CAER's performance in relation to its identified objectives

The following is a summary of CAER's performance in relation to its identified objectives during 2010. A detailed description of CAER's operations in 2010 is provided in the following sections.

- Carry out, encourage and enhance applied economic research with an interdisciplinary and multidisciplinary focus that addresses current policy issues both within Australia and globally.

In 2010 CAER research activities were carried out and advanced through the following research groups:

Health Economics Group

The Health Economics research group is actively involved in developing, applying and evaluating economic and econometric methods for analysing the behaviour of patients, providers, managers and other decision makers in the health system. Governments play an especially important role in the funding of health care services, making the evaluation of government policy initiatives a key element of the group's focus. The research areas of the group include: utilisation of health services, private health insurance, modelling the doctor-patient relationship and health workforce issues.

Economic Measurement Group

The appropriate measurement of economic variables is of high importance as data of economic variables is used by a wide range of researchers and policy decision makers, spanning the social sciences, humanities and the physical sciences. Therefore, the research undertaken by the Economic Measurement group is dedicated to improving measurement techniques of economic variables to more accurately reveal empirical facts. To achieve its aim the group applies advanced and innovative tools from economic theory, econometrics, aggregation theory, experimental economics, mathematics, and statistics. The group research areas include: performance measurement, inflation measurement, index number theory, functional form specification and measurement issues in international comparisons.

Natural Resources and the Environment Group

The natural resources and environment group undertakes research in the field of environmental economics. Its research activities involve detailed economic assessment of natural-resource issues and evaluation of environmental policy impacts, thus contributing for a coherent integration of economics and science policy. As part of the Environmental Economics Research Hub, the group participates in the following two research projects: 'Salinity, Uncertainty and Property' and 'The Benefits and Costs of Bio-security'.

CAER's diverse research activities clearly indicate its role in leading research that crosses discipline boundaries, and as such it adds great value to UNSW research capabilities and significantly contributes to promoting the UNSW research brand.

- Encourage and support collaborative research across schools and faculties both at the national and the international level.

CAER's collaborative research during 2010 is demonstrated by its following undertakings:

- During 2010 the Health Economics group took part in the research project: "the training and job decisions of nurses: an integrated approach using panel surveys and dynamic discrete choice experiments". This project is part of an Australian Research Council Discovery Grant which involves collaboration with the Centre for Health Economics Research and Evaluation (CHERE) at UTS, the UTS Business School and UTS School of Mathematical Sciences.

- During 2010 the Economic Measurement group carried out the research project: “Tackling the Tough Problems in Productivity Measurement: Infrastructure, Services and R&D”. This project is part of an Australian Research Council Linkage Grant which involves collaboration with the Australian Bureau of Statistics, the Productivity Commission and the Reserve Bank of Australia.
 - During 2010 the Natural and Environment Group was involved in two research projects: 'Salinity, Uncertainty and Property' and 'The Benefits and Costs of Bio-security'. These projects are part of the Environmental Economics Research Hub which is funded by the Commonwealth Environment Research Facilities (CERF) Program—an Australian Government initiative supporting world-class, public-good research. The Hub is hosted by the Crawford School of Economics and Government at The Australian National University and is partnered by Central Queensland University, University of Western Australia, University of New South Wales (CAER in collaboration with the Centre for Energy and Environmental Markets), Griffith University and Macquarie University.
 - In 2010 Dr. Lisa Lee, postdoctoral fellow of CAER, was awarded a Fellowship from the Australian Academy of Science under their Scientific Visits to Taiwan scheme. She worked at Pingtung University in September and October, with the primary focus of the research visit being to explore environmental management practices, particularly in relation to illegal wildlife smuggling in Taiwan.
 - CAER contributes to an interdisciplinary research through its collaboration with the Industrial Relations Research Centre (IRRC) on the publication of the refereed journal *Economic and Labour Relations Review* (ELRR). The journal's focus is on contemporary issues, developments and policy-making in the fields of economics and labour relations. In 2010 CAER Deputy Director Associate Professor Peter Kriesler was one of its executive editors and CAER member Emeritus Professor John Nevile was a member of its editorial committee. In 2010 the journal moved steadily towards an enhancement of quality, frequency and distribution, seeking to meet criteria for enhancing its ERA ranking and attracting a commercial publisher.
 - In 2010 CAER supported international collaboration and stimulated its research activities by hosting six international visitors, two of whom were PhD students.
- Support and facilitate research training and career opportunities for outstanding Australian and international students and researchers.

During 2010 CAER members have supervised one Honours student and twelve PhD students. Three postdoctoral research fellows (Dr. Lorraine Ivancic, Dr. Iqbal Syed and Dr. Lisa Lee) were employed by CAER and two early career academics (Dr. Isabella Dobrescu and Dr. Marian Vidal-Fernandez) participated in its research groups. CAER's support and mentoring of UNSW postgraduate students and early career researchers was further enhanced by hosting international visitors and organizing workshops and events. CAER not only encouraged the involvement of UNSW postgraduate students and early career researchers in these visits and workshops, but it also ensured that they receive the opportunity to formally present their work. In 2010 three UNSW PhD students (Agne Suziedelyte, Amani Elnasri and Joaquin Vespignani) and one UNSW early career academic (Dr. Iqbal Syed) presented at the workshops that CAER organized.

- Build and enhance UNSW research capacity and outcomes through stimulating network opportunities and exposure to cutting-edge research.

CAER's commitment to building and enhancing UNSW research capacity and outcomes is shown by the following activities undertaken in 2010:

Visitors

In 2010 CAER supported international collaboration by hosting six international visitors, two of whom were PhD students. These visits of distinguished and internationally-recognized visitors assist stimulating CAER's research activities and provide staff and students the possibility of interactions with leading researchers in diverse areas of investigation.

Workshops

In 2010 CAER organized two workshops, the Economic Measurement Group Workshop and the Health Economics Workshop, as part of its objective of helping academics and students become leading and internationally-recognised researchers. These workshops typically involve academics from overseas and around Australia, and representatives from the public and private sectors. The success of these workshops has led them to become regular and well-attended events of international standing. Events such as these provide a stimulus to research at UNSW and great exposure to recent developments in diverse research areas.

Industry and government engagements

In 2010 CAER continued to foster links between academics at UNSW and the public sector:

- Dr. Iqbal Syed of CAER's Economics Measurement Group presented the research undertaken by the group at the Australian Bureau of Statistics.
 - Professor Kevin Fox was a member of the Australian Bureau of Statistics Methodology Advisory Committee and a member of the Australian Bureau of Statistics Productivity Measurement Reference Group. He also chaired the 16th Series CPI Review Advisory Group.
 - The Natural Resources and the Environment Group of CAER has commenced discussions with the US Department of Agriculture on future collaboration which is aimed to investigate how the construction and measurement of their agriculture price indices can be adjusted, and thus improved, to align with the rapid changes of the agricultural sector.
- Raise the profile, around Australian and internationally, of applied economic research at UNSW.

To enhance the profile of UNSW's high-impact research and researchers CAER publishes and communicates its research achievements in journals and outlets of the highest standing internationally. In 2010 members of CAER edited one book and published three book chapters. They also published five articles in highly regarded international refereed journals, one conference volume and two papers in the ASB series of discussion papers.

In 2010 CAER organized the Economic Measurement Group Workshop and the Health Economics Workshops. Events such as these raise the profile of applied economic research at UNSW in the broader community and strengthen CAER's position as a leading research centre in the region.

The scholarly achievements of CAER's members in 2010 further contributed to its community impact. In particular, Professor Denzil Fiebig was an invited speaker at the First Australasian Workshop on Econometrics and Health and Professor Kevin Fox was a Fellow of the Academy of the Social Sciences in Australia. It is evident that CAER's work is valued by external stakeholders and its brand name has achieved a significant level of recognition.

In summary, CAER delivers its stated mission and objectives in a financially sustainable manner and continues to add significant value to UNSW's mission.

3. Statement of financial performance certified by the ASB Finance Manager for the year ended 31 December 2010

Centre for Applied Economics Research (UNSW) - CAER

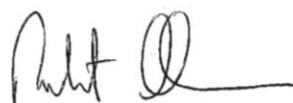
Statement of Financial Performance for the Year Ended 31 December 2010

	Notes	2010 \$	2009 \$
Funds			
Research Revenue	1	282,000.00	315,348.52
Donations			
Fees		1,104.12	512.71
Faculty Funds			
UNSW Operating Funds			
Internal Income		(1,272.64)	4,686.68
Sundry Other Revenue		1,669.92	
Total Funds		<u>283,501.40</u>	<u>320,547.91</u>
Costs			
People Costs		137,900.70	238,955.00
Scholarship Stipends		24,805.10	33,553.87
Contract & Consulting Services	2	17,000.00	130.00
Repairs and Maintenance			
Consumables		5,238.30	2,328.27
Travel	3	34,683.73	41,706.23
Equipment		4,864.00	
Other Expenses		220.11	14,760.94
Contract Research Ahead			
Internal Expense		148.20	3,648.35
Total Costs		<u>224,860.14</u>	<u>335,082.66</u>
Operating result		58,641.26	(14,534.75)
Cashflow from operating activities	4	278,430.76	(70,759.75)
Opening Balance		121,766.73	192,526.48
Adjustment of Prior Year Closing balance	5	(64.50)	
Closing Balance		<u>400,132.99</u>	<u>121,766.73</u>

Notes to the Statement of Financial Performance

- 1 Research revenue consisted of \$20,000 from Productivity Commission; \$55,000 from Australian Bureau of Statistics; and \$207,000 from The Australian National University.
- 2 Consulting fees, paid to UTS for provision of economic consultancy services on Contraceptive Choices project.
- 3 Travel expenses were for flights, accommodation and other associated expenditure for domestic and international conferences & meetings.
- 4 2010 Cashflow from operating activities was derived from Operating result, adjusted for decrease in Accounts Receivable of \$219,789.50 at the end of the reporting period
- 5 Year end adjustment of GST input tax credit of \$64.50.

CONFIRMED TO UNSW LEDGER



Robert Owens
Finance Manager
Australian School of Business

Date 31-Mar-14

Additional notes:

- All financial matters of the Economic and Labour Relations Review (ELRR) journal are administrated by the Industrial Relations Research Centre (IRRC) and are reported in the IRRC financial statements.

4. Details of research grants and projects associated with CAER during 2010

The following is a list of research grants and projects held by CAER members in 2010 as part of their research group activities¹. CAER members are marked in bold.

Australian Research Council Discovery Grant, 2008-2012, “The training and job decisions of nurses: an integrated approach using panel surveys and dynamic discrete choice experiments”, \$540,000, investigators: **D.J. Doiron**, J. Hall and D. Street. Funds of this project are administrated by the School of Economics (UNSW).

Australian Research Council Linkage Grant, 2008-2013, “Tackling the Tough Problems in Productivity Measurement: Infrastructure, Services and R&D”, \$947,322, investigators: **K.J. Fox**, **G. Otto**, **W.E. Diewert**, E. Connolly and D. Parham, industry partners: Australian Bureau of Statistics and the Productivity Commission. ARC funds contribution is administrated by the School of Economics (UNSW) and industry partners’ funds contribution is administrated by CAER.

Commonwealth Environment Research Facilities program, the Environmental Economics Research Hub, 2007-2010, “Salinity, Uncertainty and Property”, \$308,000, lead investigator: **K.J. Fox**, partner organizations: the Australian National University, Central Queensland University, University of Western Australia, University of New South Wales (CAER), Griffith University and Macquarie University. Funds of this project were administrated by CAER.

Commonwealth Environment Research Facilities program, the Environmental Economics Research Hub, 2007-2010, “The Benefits and Costs of Bio-security”, \$380,000, lead investigators: **K.J. Fox** and T. Kompas, partner organizations: the Australian National University, Central Queensland University, University of Western Australia, University of New South Wales (CAER), Griffith University and Macquarie University. Funds of this project were administrated by the Australian National University.

ASBRG UNSW Grant, 2010, “Staying home or dining out? Social interactions and old-age consumption profiles”, \$21,000, investigator: **Dobrescu, L.I.** Funds of this project were administrated by the School of Economics (UNSW).

¹ Research grants and projects which CAER members obtained outside of CAER’s research groups’ activities are excluded from the list.

5. Statement of in-kind contributions, infrastructure and other resources provided to CAER during 2010

5.1 In-kind contributions

Estimated value of CAER members contribution to CAER's activities –by research groups²

CAER member	Type of Activity	Value of Contribution
Professor Denzil Fiebig	Health Economics	54,994
Associate Professor Denise Doiron	Group activities	
Dr. Isabella Dobrescu		
Dr. Marian Vidal-Fernandez		
Professor Kevin Fox	Economic Measurement	75,947
Professor Erwin Diewert	Group activities	
Associate Professor Glenn Otto		
Professor Kevin Fox	Natural Resources and the Environment	16,098
	Group activities	
Associate Professor Peter Kriesler	CAER research activities	13,826
Professor John Nevile	CAER research activities	16,098
Total in-kind		176,963

² CAER members whose salary was paid by CAER and/or by grants associated with CAER are excluded from the table.

Estimated value of in-kind contribution to CAER's administration

	Type of Activity	Value of Contribution
Professor Kevin Fox	Director	24,148
Associate Professor Peter Kriesler	Deputy Director	13,826
Associate Professor Michael Johnson (School of Social Sciences)	Steering Committee	2,992
Professor Alec Cameron (ASB Dean)		
School of Economics administrative support ³	Mainly HR, IT, finance and workshops/visitors organization support.	70,322
ASB administrative support		
Total in-kind		111,288

5.2 Infrastructure and other resources provided to CAER

In 2010 CAER members provided their own office space (including computers) on or off campus. The School of Economics provided meeting space and printer/photocopier facilities.

³ Including the administrative support which was provided by the School Manager Fei Wong.

6. Details of publications and other scholarly achievements associated with CAER during 2010

6.1 CAER Journal Publication - The Economic and Labour Relations Review

The Economic and Labour Relations Review (ELRR) is jointly produced by the Industrial Relations Research Centre (IRRC) and the Centre for Applied Economic Research (CAER). In 2010 its executive editors were IRRC Director Professor Michael Quinlan (School of Organisation and Management), IRRC Deputy Director Associate Professor Anne Junor, CAER Deputy Director Associate Professor Peter Kriesler (School of Economics) and Associate Professor Hazel Bateman (School of Economics). The ELRR's book review editors were Associate Professor Garry Barrett (University of Sydney) and Dr David Morgan (School of Organisation and Management).

New members of the editorial committee during 2010 included: Emeritus Professor P.N. (Raja) Junankar (University of Western Sydney) and Dr Alan Morris (UNSW). Emeritus Professor John Nevile (CAER, UNSW) and Emeritus Professor Geoff Harcourt (UNSW), both previously members of the ELRR's International Advisory Board, moved to the Editorial Committee and the journal was honoured to have the active support of these eminent economists.

In 2010, the ELRR received \$25,000 from the Australian School of Business to upgrade the ELRR's systems and commission a marketing plan aimed at strengthening the academic standing and financial position of the journal, without compromising its orientation. The IRRC administered these funds. The plan was completed in November 2010 and adopted by the ELRR's editorial committee, for continuing implementation during 2011 and 2012.

In 2010, the ELRR moved from twice-yearly to thrice-yearly publication, starting with Volume 20 Number 2 (July). This volume was based on a symposium 'Is Labour a Commodity?' with guest editors Yanis Varoufakis (University of Athens) and Dimitria Groutsis (University of Sydney). In October 2010, Volume 21 Number 1 was published, containing a symposium, 'Assessing the Fair Work Act'. The guest editors of the symposium were Professor George Lafferty (University of Western Sydney) and Dr Alison Barnes (Macquarie University). In December 2010, volume 21 Number 2 was published based on the symposium 'Innovation, Skills and Training'.

The journal moved steadily towards an enhancement of quality, frequency and distribution, seeking to meet criteria for enhancing its ERA ranking, and attracting a commercial publisher. Negotiations were begun with Thomson Reuters to set up an on-line submission process through ScholarOne.

6.2 Research output and other scholarly achievements of CAER members

The following is a list of research output and other scholarly achievements attained by CAER members in 2010 as part of their research group activities⁴. CAER members are marked in bold.

Books – Edited

Diewert, W.E., B.M. Balk, D. Fixler, **K.J. Fox** and A. Nakamura, 2010, *Price and Productivity Measurement - Volume 6: Index Number Theory*, Trafford Publishing, Victoria, Canada.

⁴ Research output of CAER members which was achieved outside of CAER's research groups' activities is excluded from the list.

Book Chapters

Fiebig, D.G. and J.J. Louviere, 2010, "Benefit assessment for CBA studies in health care using DCEs: Estimating welfare in a health care setting", in *Applied methods of cost-benefit analysis in health care*, E. McIntosh, J.J. Louviere, E. Frew and P. Clarke (eds.), Oxford University Press, pp. 211-230.

Kriesler, P., 2010, "Firm pricing, markups and accumulation", in *Introducing Microeconomic Analysis: Issues, Questions, and Competing Views*, H. Bougrine, I. Parker and M. Seccareccia (eds.), Emond Montgomery Publications, Toronto, ISBN 978-1-55239-378-9, pp. 115-125.

Diewert, W.E. and **K.J. Fox**, 2010, "On Measuring the Contribution of Entering and Exiting Firms to Aggregate Productivity Growth", in *Price and Productivity Measurement - Volume 6: Index Number Theory*, W.E. Diewert, B.M. Balk, D. Fixler, K.J. Fox and A. Nakamura (eds.), Trafford Publishing, Victoria, Canada, pp. 41 – 66.

Refereed Journal Articles

Otto, G., L. Fisher and G. Voss, 2010, "The Response of Australian Consumption to Housing Wealth", *Journal of Macroeconomics*, Vol. 32, pp. 294-299.

Diewert, W.E. and **K.J. Fox**, 2010, "Malmquist and Törnqvist Productivity Indexes: Returns to scale and technical progress with imperfect competition", *Journal of Economics*, Vol. 101(1), pp. 73–95.

Fox, K.J., U. Kohli and A. Shiu, 2010, "Trade Agreements and Trade Opportunities: A Flexible Approach for Modelling Australian Export and Import Elasticities", *Review of International Economics*, Vol. 18(3), pp. 513-530.

Diewert, W.E., 2010, "Understanding PPPs and PPP-based National Accounts", *American Economic Journal: Macroeconomics*, Vol. 2, pp. 36-45.

Diewert, W.E., 2010, "User Costs versus Waiting Services and Depreciation in a Model of Production", *Journal of Economics and Statistics*, Vol. 230(6), Stuttgart, Germany, pp. 759-771.

Other Research Output

Kriesler, P., L. Chester and M. Johnson, 2010, *Heterodox Economics: Addressing perennial and new challenges*, 9th Australian Society of Heterodox Economists Conference 6-7 December 2010, Conference Volume, University of New South Wales, ISBN: 978073342957.

Kriesler, P., and G.C. Harcourt, 2010, "The influence of Michal Kalecki On Joan Robinson's approach to economics", ASB Economics Discussion Paper 2010-21, UNSW.

Syed, I.A., 2010, "Consistency of Hedonic Price Indexes with Unobserved Characteristics", Discussion Papers 2010-03, School of Economics, UNSW.

Lee, L.Y.T., T. Ancev and W. Vervoot, 2010, "The opportunity cost of environmental flows in the Mooki, New South Wales", submitted to *Agricultural Water Management*.

Lee, L.Y.T. and **K.J. Fox**, 2010, "Efficiency analysis in uncertain operating environments: the problem with outliers", submitted to *Journal of Environmental Economics and Management*.

Longden, T., 2010, "Out of equilibrium trade, diversity and transaction costs—an agent based model of non-point source agriculture water trade for soy, rice and maize in the Murray–Darling Basin", submitted to *Australian Journal of Agricultural and Resource Economics*.

Lee, L.Y.T., 2010, "Measuring salinity under uncertainty", submitted to *Agricultural and Resource Economics Review*.

Lee, L.Y.T. and J. Lim, 2010, "Game theoretic model of water use choices under uncertainty", submitted to *Environmental and Resource Economics*.

Reynaud, A., C. Heinzl and **L.Y.T. Lee**, 2010, "Optimal environmental policy and ambient pollution", submitted to *Journal of Environmental Economics and Management*.

Dobrescu, L.I., A. Motta and B. Gui, 2010, "Staying Home or Dining out? Social Interactions and Old-Age Consumption Profiles".

Scholarly Achievements

Denzil Fiebig, invited speaker: First Australasian Workshop on Econometrics and Health, Melbourne 2010.

Kevin Fox, Associate Editor, *Journal of Productivity Analysis*.

Kevin Fox, elected Fellow of the Academy of the Social Sciences in Australia, 2010.

7. Details of CAER's engagement with the academia, government, industry and broader community

The following sections provide details of CAER's activities undertaken in 2010 to accomplish its aims of providing a stimulus to the research undertaken at UNSW, supporting research students and early career academics, encouraging collaborative research and raising the profile of applied economic research at UNSW in the broader community.

7.1 Conferences, workshops and special events

Health Economics Workshop 2010

In 2010 the Health Economics Group of CAER hosted its seventh annual summer workshop on the 28th and 29th of January. The workshop attracted health economists from around Australia and overseas, thus providing UNSW staff and research students with the opportunity to engage and interact with internationally-recognized health economists. The workshop featured an excellent program and included presentations by the following speakers: Philip Clarke (University of Sydney), Claudio Lucifora (Università Cattolica), Rosalie Viney (University of Technology Sydney & CHERE), Elizabeth Savage (University of Technology Sydney & CHERE), Jason Abrevaya (University of Texas), Stephanie Knox (University of Technology Sydney & CHERE), Terry Flynn (University of Technology Sydney & CENSOC) and Tony Scott (University of Melbourne). UNSW PhD student, Agne Suziedelyte, also presented at the workshop.

Economic Measurement Group Workshop 2010

In 2010 the Economic Measurement Group of CAER hosted its tenth annual international workshop on the 1st - 3rd of December. This workshop brings together academics, statistical agencies researchers, government policy makers and industry representatives from all around the world. The workshop was supported by an Australian Research Council Linkage Project grant with the Australian Bureau of Statistics and the Productivity commission. The program consisted of twenty speakers (both local and international) and included Professor Fred Hilmer (President and Vice-Chancellor, UNSW) and Mr. Don Brunner (Assistant Commissioner, Productivity Commission) as featured speakers. Two UNSW PhD students (Amani Elnasri and Joaquin Vespignani) and one UNSW early career academic (Dr. Iqbal Syed) presented at the workshop. The workshop attracted one hundred and seven participants, many of whom were from the Australian Bureau of Statistics, Productivity Commission, Australian Treasury, the Reserve Bank of Australia and Statistics New Zealand. Seventeen percent of the workshop delegates were from overseas.

7.2 Visitors

The following is a list of visitors hosted by CAER as part of its commitment to stimulate research activities and foster research students and early career academics:

Visitors hosted by the Economic Measurement Group of CAER in 2010

Prof. Ulrich Kohli, University of Geneva
 Prof. Ernst Berndt, MIT
 Prof. Robert Hill, University of Graz
 Dr. Jan de Haan, Statistics Netherlands

Visitors hosted by the Natural Resources and the Environment Group of CAER in 2010

Li Na, PhD student, Hohai University

Moriah Bellenger, PhD student, Oregon State University

7.3 Academic, industry and government engagements

- Dr. Iqbal Syed of CAER's Economics Measurement Group presented the research undertaken by the group on Price Indexes at the Australian Bureau of Statistics, Canberra, 2010. Professor Kevin Fox and Associate Professor Glenn Otto were also present.
- During 2010 Professor Kevin Fox was a member of the Australian Bureau of Statistics Methodology Advisory Committee and a member of the Australian Bureau of Statistics Productivity Measurement Reference Group. He also chaired the 16th Series CPI Review Advisory Group.
- In 2010 the Natural Resources and the Environment Group of CAER has commenced discussions with the US Department of Agriculture on future collaboration which is aimed to investigate how the construction and measurement of their agriculture price indices can be adjusted, and thus improved, to align with the rapid changes of the agricultural sector.
- Dr. Lisa Lee of CAER's Natural Resources and the Environment Group was awarded a Fellowship from the Australian Academy of Science in 2010 under their Scientific Visits to Taiwan scheme. She worked at Pingtung University in September and October, with the primary focus of the research visit being to explore environmental management practices, particularly in relation to illegal wildlife smuggling in Taiwan.

7.4 Media engagement

The following is a list of media engagement undertaken by CAER members in order to raise the profile of CAER and UNSW in the broader community:

Lee, L.Y.T., 'The economics of wildlife trading', Australian School of Business, School of Economics web site, November 2010.

8. A list of research supervision carried out by CAER members on behalf of academic units

Postgraduate research supervision activities within CAER are coordinated with the relevant Schools/Faculties (mainly the School of Economics and ASB), in accordance with the relevant UNSW policies, procedures and delegations. The following is a list of research supervision carried out by CAER members in 2010 as part of their research group activities. CAER members are marked in bold.

PhD Supervision

Supervisors: **Denise Doiron** and Shiko Maruyama (School of Economics, UNSW)

Joanne Epp: *Trends and access to treatment for mental health in Australia from 1989 to 2004-05*

Submitted and conferred: 2010

Supervisor: **Kevin Fox**

Abu Shonchoy: *Essays in Development Economics*

Submitted and conferred: 2010

Supervisor: **Kevin Fox**

Thomas Longden: *Applied environmental economics: bridging the divide between policy and theory within the context of recycling, macro-level environmental indicators, and water trading*

Submitted: 2010

Supervisor: **Denzil Fiebig**

Muralikrishnan Radhakrishnan Kartha: *Economics of cataract surgery*

In progress

Supervisors: Robert Kohn (School of Economics, UNSW) and **Denzil Fiebig**

Yuanyuan Gu: *Bayesian modelling with applications in health economics*

In progress

Supervisor: **Denise Doiron**

Agne Suziedelyte: *Three essays in the economics of health and human capital: the role of information technologies and media*

In progress

Supervisor: **Kevin Fox**

Hongjia Zhu: *Infrastructure, Land Prices and the Environment in Developing Economies*

In progress

Supervisors: **Kevin Fox** and Arghya Ghosh (School of Economics, UNSW)

Changtao (William) Wang: *The Economics of Innovation and Intellectual Property Rights*

In progress

Supervisors: **Glenn Otto** and **Kevin Fox**

Amani Elnasri: *Three Essays on Infrastructure Investment: the Australian Experience*

In progress

Supervisor: **Kevin Fox**

Joaquin Vespignani: *Asymmetric Monetary Policy and Consumer Demand Responses in Australia*
In progress

Supervisor: **Kevin Fox**

Zoran Peroski: *A Retrospective Bertrand Model of The Competitive Impacts and Social Welfare of Regulated Mobile Interconnection Rates for Australia*
In progress

Supervisor: **Kevin Fox**

Amy Cheung: *Economic analysis of an environmental challenge: salinity, uncertainty and property*
In progress

Honours Supervision

Supervisor: **Denzil Fiebig**

Claire Houssard: *Working hours mismatch in non-standard employment and individual's mental health*

School of Economics, UNSW

9. A record of dates and attendance at meetings of CAER's Steering Committee

Given scheduling difficulties and the continuing appointment of the Director of CAER as Head of the School of Economics, the Steering Committee did not hold any formal meetings in 2010. Instead, the Director had informal meetings with the members of the Steering Committee in regard to CAER's operations.