

Australian School of Business

Centre for Applied Economic Research

AUSTRALIA

Never Stand Still

Australian School of Business

Centre for Applied Economic Research

Annual Report 2012

www.caer.unsw.edu.au



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

School of Banking and Finance, ASB

School of Taxation and Business Law, ASB

Industrial Relations Research Centre (IRRC)

ARC Centre of Excellence in Population Ageing Research (CEPA)

Real Estate Initiative Group 2012
Professor Kevin Fox -

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.

2. CAER

es during

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

Moving
-disciplinary research activities and further developing its profile,
there were established within CAER in 2012 the following three new research groups:

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:

mainly concentrated on research. However, CAER also undertakes educational collaborative activities where they are deemed appropriate in achieving its mission. In 2012 a proposal for a new major in real estate studies within the undergraduate Bachelor of Commerce programme was initiated and developed by

PhD student Hongjia Zhu
on productivity issues at the Australian Bureau of Statistics.

Associate Professor Glenn Otto served as external reviewer of the Productivity Commission

Pro

Professor Geoff Harcourt served as an Emeritus Reader in the History of Economic Theory (*ad hominem*) and Emeritus Fellow at the Jesus College, Cambridge.

Dr. Nigel Stapledon was an invited speaker at the Conference on Commodity Price Volatility, Past and Present which was organized by the Centre for Economic History and Centre for Applied Macroeconomic Analysis at ANU.

Early career academic Dr. Marian Vidal-Fernandez and PhD student Hong Il Yoo both received the Early Career Researcher Award of the Australian Health Economics Society.

3. Statement of financial performance certified by the ASB Finance Manager for the year ended 31 December 2012



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.

In 2012, UNSW alumnus, Mr. Andrew Roberts, has gifted \$300,000 to CAER to support the development of the Real Estate Initiative. The funds were

FC101 project. The FC101 project of the Real Estate Initiative (PS29139) was erroneously set up within the School of Economics Department ID (instead of CAER) hence is not included in the above statement. The ASB Finance was notified to correct this error.

In 2012 Herbert Smith Freehills have gifted \$643,000 to CAER to support the development of the Law and Economics Initiative. The funds were deposited to UNSW Foundation accounts. The expenses of the Law and Economics Initiative are administrated through an FC101 project on UNSW accounts. Every year funds from the UNSW Foundation accounts are transferred to the FC101 project to cover the expenses and appear as donation income in the FC101 project. The FC101 project of the Law and Economics Initiative (PS30029) was erroneously set up within the School of Economics Department ID (instead of CAER) hence is not included in the above statement. The ASB Finance was notified to correct this error.

4. Details of research grants and projects associated with CAER during 2012

The following is a list of research grants and projects held by CAER members in 2012 as part of their research group activities². CAER members are marked in bold.

Australian Research Council Discovery Grant, 2008-2012

\$540,000, investigators: **D.J. Doiron**, J. Hall and D. Street. Funds of this project were administrated by the School of Economics (UNSW).

Australian Research Council Discovery Grant, 2011-

investigators: E.J. Savage, T.P. Buchmueller, **D.J. Doiron**, R.P. Ellis, **D.G. Fiebig** and G.S. Jones. Funds of this project are co-administrat1 00 0 1 481.54 599.02 Tm[an]4(d)-249(G4()-43018(c6BT1 0 0 1

5. Statement of in-kind contributions, cash contributions, infrastructure and other resources provided to CAER during 2012

5.1 In-kind contributions

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

	Type of Activity	Value of Contribution
--	-------------------------	------------------------------

6. Details of publications and other scholarly achievements associated with CAER during 2012

6.1 CAER Journal Publication - The Economic and Labour Relations Review

The Industrial Relations Research Centre (IRRC), in conjunction with the Centre for Applied Economic Research (CAER), publishes the Economic and Labour Relations Review, a refereed journal with a focus on contemporary issues, developments and policy-making in the fields of economics and labour relations.

In 2012 ELRR

Refereed Journal Articles

Knox, S.A., R. Viney, D. Street, M. Haas, **D.G. Fiebig**, E. Weisberg and D. Bateson, 2012,
features of

Dobrescu, L.I., D. Christelis and A. Motta, 2012,
Financial Risk

Dobrescu, L.I., A. Motta and B. Gui, 2012,
Old-

actions and

Elnasri, A

Elnasri, A

Scholarly Achievements

Denzil Fiebig, invited discussant: Third Australasian Workshop on Econometrics and Health, Sydney 2012.

Denzil Fiebig, invited keynote speaker: Conference of the Australian Health Economics Society, Darwin 2012.

Nigel Stapledon, invited speaker: Conference on Commodity Price Volatility, Past and Present, Centre for Economic History and Centre for Applied Macroeconomic Analysis, ANU, Canberra, 29-30 November, 2012.

Geoff Harcourt, Emeritus Reader in the History of Economic Theory (*ad hominem*) and Emeritus Fellow at the Jesus College, Cambridge, 2012.

Kevin Fox, Fellow of the Academy of the Social Sciences in Australia, 2012.

Kevin Fox, Member of the Conference on Research in Income and Wealth, 2012.

Kevin Fox, Council member, International Association for Research in Income and Wealth, 2012.

Richard Holden, Editor, Journal of Law and Economics.

Kevin Fox, Associate Editor, Journal of Productivity Analysis.

Marian Vidal-Fernandez received the Early Career Researcher Award, Australian Health Economics Society, 2012.

Hong Il Yoo received the Early Career Researcher Award, Australian Health Economics Society, 2012.

7.2 Visitors

As part of developing the Real Estate Initiative of CAER, Professor Kevin Fox and Mr. Andrew Roberts have visited the MIT Center for Real Estate (Cambridge MA), the Real Estate Department at Wharton Business School (University of Pennsylvania) and the Paul Milstein Real Estate Center (Columbia Business School, New York) during July 2012 so as to learn from leading real estate centres and groups about their teaching and research programs as well as their engagement with industry and alumni. In addition, they attended the real estate

8. Details of research supervision and teaching activities carried out by CAER members on behalf of academic units

8.1 Research Supervi

Supervisors: **Kevin Fox** and Arghya Ghosh (School of Economics, UNSW)
Changtao (William) Wang: *The Economics of Innovation and Intellectual Property Rights*
In progress

Supervisors: Arghya Ghosh (School of Economics, UNSW) and **Kevin Fox**
Frederique Goy: *On the importance of market size and knowledge tradeability for Intellectual Property Rights policy*
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: **Rosalind Dixon**
Bhatara Ibnu Reza: *Thesis title to be determined*
In progress

Supervisor: **Rosalind Dixon**
Doron Goldbarsht: *Thesis title to be determined*
In progress

Honours Supervision

Supervisor: **Marian Vidal-Fernandez**
Husam el Tarifi: *Compulsory Military Service and Sibling Externalities in Educational Attainment*

9. Details of significant managerial or personnel changes during 2012

The mid-

10.

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 2012. Instead, the Director had informal meetings with the members of the Steering Committee in regard to CAE