



UNIVERSITY
OF TASMANIA

School of Economics
Faculty of Commerce

ANNUAL REPORT

2002

School of Economics
University of Tasmania
Private Bag 85
Hobart Tasmania 7001
AUSTRALIA

ISSN 0818-0377

About this Report

The 2002 Annual Report of the School of Economics at the University of Tasmania was prepared by **Paul Blacklow** with the secretarial assistance of **Tracy Kostiuk** and **Sue Abel**. It is the fifteenth such report published in its present form. It aims at providing a full report of the research, teaching and community service activities of the School for the use by academia, government and business. This report is available on the World Wide Web. The School's home page is <http://fcms.its.utas.edu.au/commerce/econ/>



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Contents

1. Overview	1
<i>THE SCHOOL</i>	1
<i>THE HEAD OF SCHOOL'S REVIEW OF 2002</i>	4
2. Staff	6
<i>MEMBERS OF THE SCHOOL</i>	6
3. Research	8
<i>INDIVIDUAL RESEARCH PROFILES</i>	8
<i>PUBLICATIONS</i>	13
Book.....	13
Chapter in Book	13
Papers in Refereed Journals	13
Technical Report.....	14
Forthcoming Papers, Chapters in Books and Reviews	14
Papers and Proceedings of Conferences	15
<i>RESEARCH GRANTS</i>	15
Large ARC Grants	15
ARC Discovery Project	15
Internal Research Grant Scheme	15
Research Infrastructure Balance (RIB)	15
Teaching Development Grant	16
Other Research	16
Refereeing Activity	16
<i>THE SCHOOL'S DISCUSSION PAPER SERIES</i>	17
<i>THE SCHOOL'S SEMINAR AND VISITING SPEAKERS' PROGRAM</i>	18
Seminars.....	18
Visiting Speakers	19
<i>POSTGRADUATE THESES</i>	20
Theses Submitted	20
Theses Currently Supervised.....	20
<i>RESEARCH STUDENTS</i>	21
Doctoral and Masters Students.....	21
The 2002 Honours Year.....	23
Employment Experience of Honours Graduates	24
Recent Employment Experience of BEc (Hons) Graduates.....	24

4. Undergraduate Teaching	25
<i>UNITS OFFERED IN 2002</i>	25
<i>SCHOLARSHIPS AND PRIZES</i>	26
5. The School & the Wider community	27
<i>THE SIXTH GIBLIN LECTURE</i>	27
Giblin Lecture Paper Series	27
<i>CONSULTANCIES AND SERVICE TEACHING</i>	28
<i>COMMUNICATING THROUGH THE MEDIA</i>	28
Newspaper Articles	28
Business North and the Northern Economic Bulletin	29
<i>OTHER COMMUNITY INVOLVEMENT</i>	29
Edward de Bono Visit.....	29
Spring Aboard.....	30
Public Lecture	30
<i>THE SCHOOL'S LIAISON WITH TASMANIA'S SCHOOLS</i>	31
The Eighth Wrest Point Economics Challenge	31
Liaison and Outreach Programme to TCE Schools	31

1. Overview

The School

Economics has been studied at the University of Tasmania since 1892, with a chair in economics (the second in Australia) being appointed in 1920. Over this long period, the school has established a tradition of excellence in its standard of teaching and research.



Commerce Building (Hobart Campus)

Research

The school was ranked 5th out of 27 Australian economics departments in terms of published research per academic for 1994-2000, (Sinha and Marci, *Economic Record*, June 2002).

Its research covers a wide range of topics from microeconomics and its applications, to finance, macroeconomics and forestry economics. It also has an established track record in obtaining large ARC and other grants.

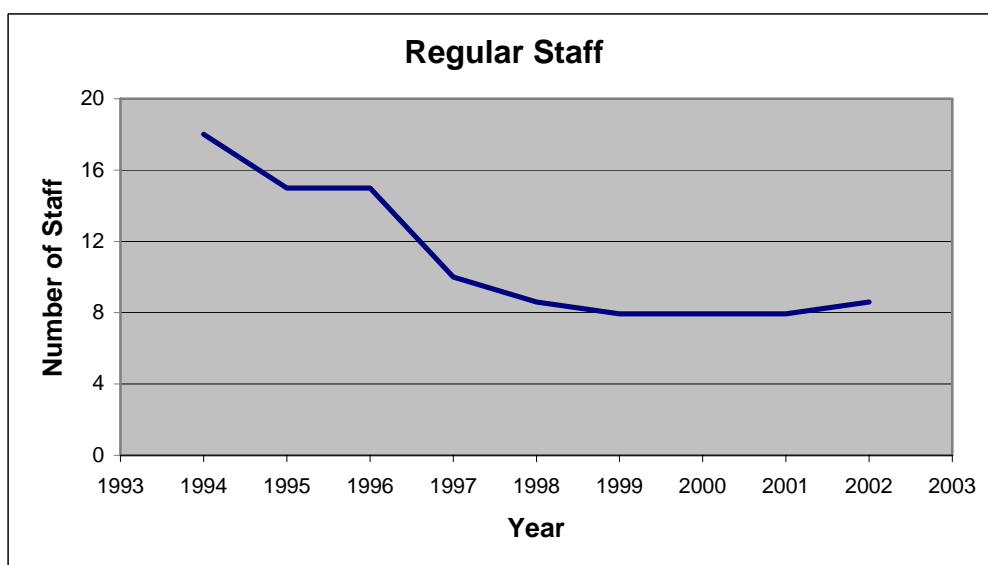
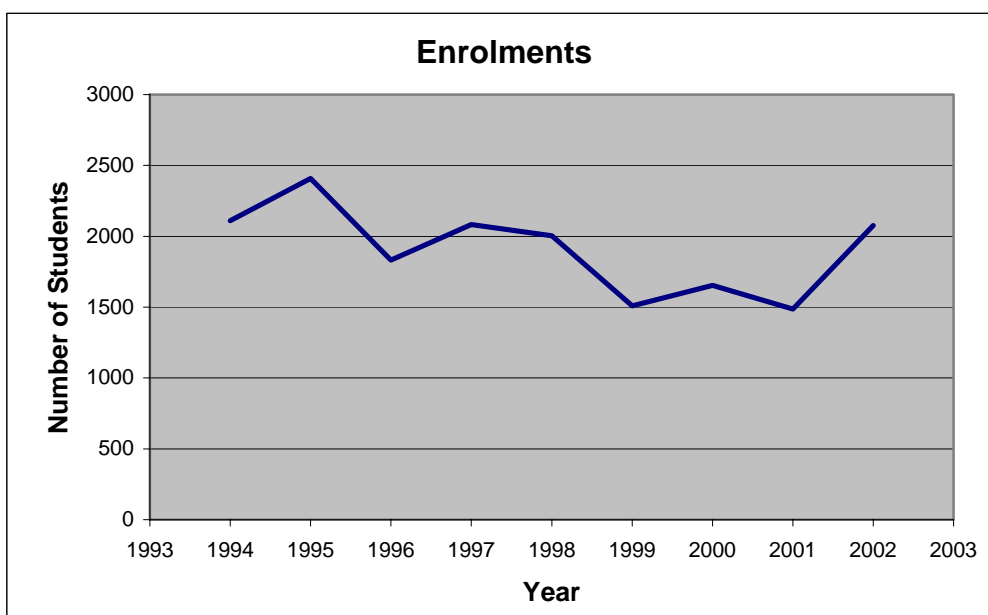
The school strives to maintain an environment conducive to research and scholarship with all but one of its tenured staff holding PhDs and so is able to attract high quality research students for its postgraduate program.

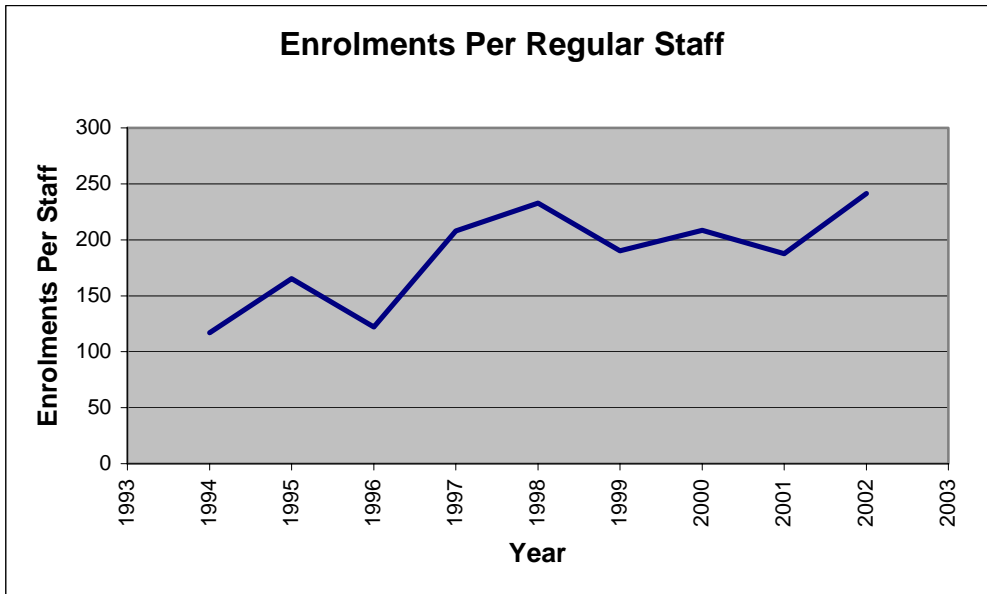
Teaching

The school is responsible for the Bachelor of Economics degree as well as the teaching of economics, finance, business statistics and econometrics to students studying other degrees within the Faculty of Commerce and also outside of the faculty. It teaches a total of 27 units, ranging from macroeconomics and investment analysis to environmental and development economics.

Our Bachelor of Economics graduates go on to specialist economic positions such as policy and financial analysts and consultants. Many gain employment in such places as the Reserve Bank, state and federal treasury, other state and federal governmental departments, international consulting firms, financial institutions and key positions in the corporate and not-for-profit world. Other university graduates trained by the School of Economics find that their knowledge of economics is also an advantage when applying for other more general positions.

Year	Enrolments	Regular Staff	Enrolments Per Regular Staff
1995	2408	15.0	165
1996	1831	15.0	122
1997	2083	10.0	208
1998	2003	8.6	233
1999	1509	7.9	190
2000	1653	7.9	208
2001	1487	7.9	188
2002	2076	8.6	241





Community Participation

Members of the school are active within the local community, providing advice, service teaching and consultancies to business and government and participating in the debate on domestic and international issues.

Paul Blacklow
11th April 2003

The Head of School's Review of 2002

The School of Economics experienced continued success in teaching and research in 2002.

On the teaching front, 2002 marked the beginning of the formal involvement of the School of Economics in the running of the Finance program in the Faculty of Commerce at this University. Mr NJ Sreedharan joined the School of Economics in the middle of the year as the School's first appointment in Finance. Mr Sreedharan taught and tutored in the unit BEA343 Corporate Finance, which was offered for the first time by a lecturer of the School. 2002, also, marked the beginning of the new look Honours program in Finance that is now offered by the School. This will strengthen the highly valued BEc (Hons) program already offered.

The School of Economics continued to attract high quality students. Mr Simon Baptist, who graduated with a BEc (Hons) earlier in the year, won the Rhona Hagger Memorial prize at this University. Mr Baptist has also won a scholarship to do post graduate studies at Cambridge University, UK, in 2003. Ms Deahne Turnbull received the inaugural DJ Motors Scholarship to do her BEc (Hons) dissertation. Ms Turnbull, who graduated with a BEc (Hons) during the year, was offered employment by the prestigious Department of Foreign Affairs and Trade (DFAT). Ms SuSan Leong, a past BEc (Hons) graduate, received her Master of Economics degree for an outstanding dissertation in the finance area, under the supervision of Dr Bruce Felmingham and went overseas to pursue a career in Finance.

The research record of the School of Economics continued to register success with regard to refereed publications and securing research grants. In 2002, members of the School of Economics quite uniquely in the Faculty of Commerce, held two ARC grants, namely, a large ARC grant and ARC Discovery Project award. Towards the end of the year, news came through of Dr Bruce Felmingham's success in obtaining an ARC Linkage Grant to pursue research in 2003. During the year, there were three submissions of doctoral dissertations in Economics for PhD examination – Mr Paul Blacklow (Supervisor: Ranjan Ray), Mr Colin Richardson (Supervisor: Jerry Courvisanos) and Ms Zhang Qing (Supervisor: Bruce Felmingham). In a major research initiative, the School of Economics advertised in 2002 a PhD Scholarship to be offered from the School's resources. The successful applicant is expected to begin doctoral work in the first half of 2003.

The School of Economics continued its proud record in community service in 2002. The most prominent in this is the Annual Giblin Memorial Lecture that it co-hosts with the Economic Society of Australia (Tasmanian Branch). This lecture has already featured a number of high profile Economists and public speakers. The 2002 Giblin Memorial Lecture was delivered by the ex-Governor of the Reserve Bank of New Zealand, Mr Don Brash on "Tasmania's Lessons for New Zealand". The lecture was chaired by the Chancellor of the University, Dr Michael Vertigan. The School's community links were further strengthened through the Annual Economics Challenge for Tasmanian Schools organised on behalf of the School by Mr Bruce Page, with generous sponsorship from the Wrest Point Casino in Hobart. For the first time, the

School hosted the Economics Challenge separately for the Southern and Northern campuses.

During the year, Dr William Coleman and Dr Jerry Courvisanos resigned from the University to move to new positions interstate. As already noted, Mr NJ Sreedharan started his appointment as a Finance lecturer with the School. I wish all of them the very best in their new positions.

Having served as the Head of Economics for a large part of my tenure at this University, I decided to step down from the Headship at the end of the year (2002) to be able to devote more time to teaching and research. The School met in December 2002 and unanimously supported my nomination of Dr Michael Brooks as the next Head of the School of Economics (with effect: 1 January 2003). As I write this report, the University has confirmed the appointment of Dr Michael Brooks as the new Head of School, and Dr Sarah Jennings as the new Deputy Head of Economics. I wish them continued success.

Professor Ranjan Ray
Head, School of Economics
December 2002

2. STAFF

Members of the School

Professor of Economics:

Professor Ranjan Ray, BA *Calcutta*, MA *Delhi*, PhD *London*.

Reader in Economics:

Dr Bruce S Felmingham, BEc, PhD *Tasmania*.

Senior Lecturer:

Dr Michael Brooks, MEc, Dip Ed, *Monash*, PhD *VPI & SU*.

Dr William Coleman, BEc (Hons), *Sydney*, MSc, PhD *London*.

Dr Jerry Courvisanos, BCom, MCom, DipEd, *UNSW*, PhD *Newcastle*.

Dr Hugh Sibly, BSc ANU, MEc *Monash*, PhD *Melbourne*.

Lecturer:

Dr Sarah Jennings, BA, Pg Dip *Otago*, MA *British Columbia*, PhD *Alberta*.

NJ Sreedharan, BEng *Sheffield*, MSc *Loughborough*, MBA *Malaya*.

Norton Grey, BEc *Tasmania*. MCom *Tasmania*.

Paul Blacklow, BEc (Hons), *Tasmania*.

Casual Lecturers:

Steve Thollar, BSc *Tasmania*, BEc, MEc *New England*, Dip Ed *Tasmania*, MBA *Heriot-Watt*, *Scotland*.

Max Darvell, BEc *Tasmania*, Dip Ed *Tasmania*, *Tasmania Teaching Certificate*.

Visiting Scholars:

Professor Harry Bloch, *Curtin University of Technology*.

Dr Nic Groenewold, *Department of Economics, University of Western Australia*.

Zhang Qing, MEc, *University of International Business and Economics, China*.

Liu Gang, MEc, *Renmin University, China*.

Yingkui Li, Shijizhang in Hebei Province, *China*.

Han Wenxia, Department of Finance, *Nankai University, China*.

Research Assistants:

Geoff Lancaster, BEc (Hons) *Tasmania*.

Office Staff:

Sue Abel and Tracy Kostiuk.

Honorary Research Associates:

Dr Alfred Hagger, BCom *Melbourne*, PhD *London*.
Bruce Page.

Resignations and Appointments:

Dr William Coleman resigned his position with the School at the end of December 2002 to take a 6-month position as a Senior Lecturer, the Faculty of Economics and Politics, Cambridge University. After this, he will start his new position as a Senior Lecturer, School of Economics, at the Australian National University, Canberra from July 2003.

Dr Jerry Courvisanos resigned at the end of December 2002 accepting a position as a Senior Lecturer in Innovation and Entrepreneurship, School of Business, University of Ballarat, Victoria. This position also includes research in the Centre for Regional Innovation and Competitiveness.

Zhang Qing accepted a position with the Department of Treasury and Finance, as a Research Officer in the Economic Policy Branch, Tasmanian State Government.

3. RESEARCH

Individual Research Profiles

Ranjan Ray: I was Chief Investigator in two ARC projects during 2002. The first one is a three-year large ARC (2001-2003) project and is entitled, “*Cross Country Comparisons of Household Behaviour and Welfare on Unit Record Data*”. The second one is a two year ARC Discovery Project (2002-2003), with **Dr Pushkar Maitra** of Monash University, entitled, “*Resource Inflows, Intra Household Resource Allocation and their Impact on Expenditure Patterns, Child Health and Household Composition*”. **Geoffrey Lancaster** continues his association with my research, by working as



a research assistant on my Large ARC association with my research by working as research assistant on my Large ARC project. Geoffrey Lancaster also provided considerable help to Dr Maitra and myself in our work on the ARC Discovery Project.

My research in connection with these projects and elsewhere led to several publications and acceptances in refereed journals during 2002. Papers, authored or co authored by me, appeared in 2002 in *Australian Economic Review*, *Australian Economic Papers*, *Oxford Development Studies*, *Journal of Policy Modelling*, *Journal of African Economies* and the *Economic and Political Weekly*. The research during 2002 also led to a paper co authored with **Dr Pushkar Maitra**, will appear during the first half of 2003 in the *Journal of Development Economics*. During the year, I refereed papers for the *Economic Record*, *The Economic Development and Cultural Change*, *The Journal of Population Economics* and *The World Bank Economic Review*. In addition, I acted as an assessor for several ARC Discovery Project applications.

On the Teaching front, I taught three units during the year. I also spent some time supervising to successful completion the doctoral dissertation of **Paul Blacklow**. As I write this report, I am happy to note that Paul Blacklow will receive his PhD degree at the graduation ceremony during 2003. On the administration front, I continued to perform the duties of Head of School of Economics. I also represented the School of Economics in the fortnightly meetings of the Faculty of Commerce Executive and in the Academic Senate of the University.

Bruce Felmingham: Research on the stability of real interest rates was completed by June 2002. This was a long-term project in collaboration with **SuSan Leong** and **Peter Mansfield**. Work on the growth of regional China with **Zhang Qing** was also finalised by June 2002 along with an analysis of the integration of East Asian share markets with **SuChan Leong**.



A final contribution in the area of financial economics/monetary economics was a chapter contributed to the "Handbook of the Social Sciences in Australia"[CUP]. Research interests in the second half of the year switched back to population economics and the effects of population ageing on the regional economies. An ARC linkage grant was obtained for this purpose.

Michael Brooks: In 2002 I continued my research on informational cascades and environmental regulation. Work on clearing up some of the debate between Buchanan and Stubblebine and Shibata on Pigovian taxes was completed. A short piece was written disputing the recent claim that government intervention into the market for organ transplants would be necessarily efficient and equitable.



William Coleman: My research was devoted to the final preparation for publication of *Economics and Its Enemies*, a 328 page of work scholarship and inter-disciplinary scope identifies "anti-economics" as the leading intellectual demonology of the present time, and conducts the necessary exorcism.



Jerry Courvisanos: Research centred on two areas. One was in basic theoretical and empirical analysis of the innovation process and its impact on investment, business cycles and long wave evolution of economic progress. The other was in regional economic development, with special emphasis on the Northern Tasmanian region. The latter research was disseminated through the *Northern Economic Bulletin* (available on website: www.businessnorth.com.au), for which I was the founding editor (1997-2002).



In the teaching area, concentration was on the introduction in 2002 of the new Bachelor of Commerce major in Entrepreneurship at the Launceston campus. The first students went through one core unit in each of the two semesters for the second year in the BCom. I continued to teach first year Economics for Business also at the Launceston campus.

Hugh Sibly: During 2002 I continued work on identifying the implications of the psychological concept of loss aversion for wages prices and macroeconomics, in particular looking at a micro foundation for the policy of inflation targeting by central banks. This work is ultimately aimed at increasing the effectiveness of macroeconomic stabilisation policies. This work is in collaboration with **Professor Ian McDonald**, University of Melbourne.



In addition, I undertook work on the IRGS funded project "Economic Modelling of the Recreational Use of a Natural Resource When User Preferences are Heterogeneous". The aim of this project is to find the efficient price, use level and level of expenditure for the recreational use of a natural resource (such as a national park) when users differ in their preferences for the type of competing recreational experience they wish to enjoy. These efficient levels are then compared to the actual levels under a variety of realistic institutional structures. A calibrated mathematical model is used to quantify the magnitude to the efficiency loss under these structures. The analysis indicates which management structure is most efficient, and therefore provides useful policy advice on the managing of the recreational use of natural resources.

Sarah Jennings: This year saw my continued involvement in the Cooperative Research Centre for Sustainable Forestry Production. This has involved a series of studies exploring the economics of private forest owner timber supply and forest management decisions. Undertaken jointly with **Ingrid van Putten**, this work has focused on analysing landowner objectives and discrete choice modeling of harvesting behaviour in Tasmania. Work has also continued on modeling the old growth forest harvesting and optimal rotation decision allowing for both timber and non-timber values with **Professor Harry Campbell** (University of Queensland).

Paul Blacklow: In the first half of 2002 my research efforts were focused upon completing my PhD, (see Research Students in this annual report). In the second half of the year, I was involved with **Professor Ranjan Ray** on investigating resource allocation between members of Australian households and its implications for optimal commodity taxation. This work resulted in a paper being submitted to the Economic Record, which is currently being reviewed. In addition, in the second half of the year I wrote several papers from my PhD, which I hope will be published in the near future.



While working on my PhD I realised that in order to analyse such things as the life time cost of children, intertemporal inequality, demographic effects of consumption and optimal taxation, an intertemporal model of household behaviour was required, that modeled the household's expectations about household size and future income. This formed the basis of most of my research work late in the year, with the basic model being formulated and solved in December. I also delved into the world of macroeconomics a little, by supervising **Deahne Turnbull's** honours thesis, examining the regional impacts of monetary policy.

Nagaratnam Jeyasreedharan, (Sree): Started my position with the School of Economics in mid-July, 2002. I taught and tutored the unit BEA343 Corporate Finance for the second Semester 2002.

I was appointed a member of the Technical Committee for Finance whose objectives were to look into the structure and composition of Finance Units at the School. I made recommendations for the provision of an Honours stream in Finance and developed a new syllabus for unit BEA442

Econometrics. I was also involved in the development of a short-course on Financial Modelling for Forestry Tasmania. The course is to be offered in 2003. The remaining time I spent working on my PhD (Finance) Thesis for eventual submission to Curtin University, Perth in 2003.



Norton Grey: This year I continued working on my thesis under the supervision of **Dr Bruce Felmingham**. I am also the School's Course Counsellor.



Geoffrey Lancaster: During the last year I have continued to do work on an ARC Large Grant project with **Professor Ranjan Ray**. The project's primary focus is on development and wealth issues. I am also completing my master's degree externally through the University of New England.



Bruce Page: Building up the Giblin Statistical Collection Resource Centre continued during 2002 and in this period, some 500 items were added and catalogued. In addition, over 250 student theses for various economics degrees were also recorded onto the database.



I coordinated the annual Wrest Point Economic Challenge for Tasmanian schools and for the first time, two competitions were held, one at the Sandy Bay campus and the other at Newnham campus. Following this, I organized a forum of Economics teachers aimed at improving the contact between the School of Economics and the teachers. I was also involved in arranging liaison visits to schools by members of the staff of this school.

I also coordinated "University Open Days" for the faculty across the three campuses and the response from the several target areas was most encouraging.

Publications

Book

Coleman, W.O., *Economics and its Enemies*, Palgrave Macmillan, New York.

Chapter in Book

Courvisanos, J., "Enterprise Development: Strategic Collaboration for Economics and Business", *Educational Innovation in Economics and Business VI*, Kluwer Academic Publishers, Dordrecht, pp215-234.

Papers in Refereed Journals

Blacklow, P. and R. Ray, "Optimal Commodity Taxes in Australia", *The Australian Economic Review*, 35(1), 45-54.

Brooks, M., "Lowering the Cost of Pollution Control versus Controlling Pollution: A", *Public Choice*, 110, 163-172.

Coleman, W.O., "Wicksell's Cumulative Process", *History of Economic Thought*, 10, 165-184.

Courvisanos, J., "Innovation and Investment in Capitalist Economies 1870-2000: Kaleckian Dynamics and Evolutionary Life Cycles", *Investigacion Economica*, 242, 33-80.

Felmingham, B.S., "Indicative Impacts of Population Decline on the Operations of Local Government in Tasmania", *Australasian Journal of Regional Studies*, 8(1), 95-109.

Jackson, N. and B.S. Felmingham, "As the Population Clock Winds Down: Indicative Effects of Population Ageing in Australia's States and Territories", *Journal of Population Research*, 19(2), 97-117.

Lancaster, G. and R. Ray, "International Poverty Comparisons on Unit Record Data of Developing and Developed Countries", *Australian Economic Papers*, 41(2), 129-139.

Lancaster, G. and R. Ray, "Tests of Income Pooling on Household Budget Data: The Australian", *Australian Economic Papers*, 41(1), 99-114.

Maitra, P. and R. Ray, "The Joint Estimation of Child Participation in Schooling and Employment: Comparative Evidence from Three Continents", *Oxford Development Studies*, 30(1), 41-62.

Meenakshi, J.V. and R. Ray, "Impact of Household Size and Family Composition on Poverty in Rural India", *Journal of Policy Modelling*, 24, 539-559.

Ray, R., "Simultaneous Analysis of Child Labour and Child Schooling Comparative Evidence from Nepal and Pakistan", *Economic and Political Weekly*, 52, 5215-5224.

Ray, R., "The Determinants of Child Labour and Child Schooling in Ghana", *Journal of African Economies*, 11(4), 561-590.

Sibly, H.A., "Loss Averse Customers and Price Inflexibility", *Journal of Economic Psychology*, 23, 521-538.

Zhang, Q. and B.S. Felmingham, "The Role of FDI, Exports and Spill-over Effects in the Regional Development of", *The Journal of Development Studies*, 38(4), 157-178.

Technical Report

Jennings, S. and I. van Putten, "Objectives of Non-Industrial Private Forest Owners in Tasmania", CRC Technical Report, 1(102), pp 1-30.

Forthcoming Papers, Chapters in Books and Reviews

Courvisanos, J., "Innovation", in King, J. (ed.), *The Elgar Companion to Post Keynesian Economics*, Cheltenham UK, Edward Elgar (forthcoming).

Courvisanos, J., "Michael Kalecki as a Behavioural Economists: Implications for Modern Evolutionary Economic Analysis", in Sadowski, Z. and Szeworski, A. (eds), *Kalecki's Economic Today*, London, Routledge (forthcoming).

Felmingham, B.S. & SuChan Leong, "The Interdependence of Share Markets in the Developed Economies of East Asia", *Pacific Basin Finance Journal*, 11(1), 219-237, 2003.

Felmingham, B.S. & SuSan Leong, "The Stationarity of Real Interest Rates With and Without Structural Breaks", *Applied Economics*, 2003.

Felmingham, B.S. & P. Mansfield, "A Note on the Stability of Australian Real Interest Rates", *International Review of Economics and Finance*, 2003.

Felmingham, B.S., "Money and Banking", Chapter 12 in *Cambridge Handbook of the Social Sciences in Australia*, eds S. Dowrick, I. McAllistar and R. Hussan, 2003.

Ray, R. and Pushkar Maitra, "The Effects of Transfers on Household Expenditure Patterns and Poverty in South Africa", forthcoming in *Journal of Development Economics*, 2003.

Ray, R. "A Cross Country Comparison of Child Nutrition and Investigation of its Demographic Determinants", forthcoming in *Journal of Quantitative Economics*, 2003.

Ray, R., K. Basu and P. Nayak (eds), "Markets and Government", OUP, Delhi, 2003.

Papers and Proceedings of Conferences

Courvisanos, J., "Innovation and Investment in Capitalist Economies 1870-2000: Kaleckian Dynamics and Evolutionary Life Cycles", paper presented at the Seventh International Post Keynesian Workshop, University of Missouri, Kansas City, USA, 29 June - 3 July 2002 (with Bart Verspagen).

Ray, R., "The Determinants of Child Labour and Child Schooling in Ghana", paper presented at ESAM at the QUT in Brisbane in July 2002.

Ray, R., "Intra Household Resource Allocation and Household Welfare with Evidence from South Africa", invited paper presented at the Conference on "Equivalence Scales and Household Welfare" held at the University of Florence in Italy in June/July 2002.

Research Grants

Large ARC Grants

Ranjan Ray, "Cross Country Comparisons of Household Behaviour and Welfare on Unit Record Data", 2001-2003, funding for 2002: \$48,022.

ARC Discovery Project

Pushkar Maitra (Monash University) and Ranjan Ray, "Research Inflows, Intra-household Resource Allocation and their Impact on Expenditure Patterns, Child Health and Household Composition", 2002-2003, funding for 2002: \$25,000.

Internal Research Grant Scheme

Hugh Sibly, "Economic Modelling of the Recreational Use of a Natural Resource When User Preferences are Heterogeneous", \$7,000.

Research Infrastructure Balance (RIB)

"RIB Economics", \$7448.

Teaching Development Grant

BEA110 Economics for Business, \$5,000.

Other Research

William O. Coleman, "TAS Quartet", Reserve Bank of Australia, \$4,000.

Refereeing Activity

During 2002 members of the School accepted invitations from the following journals to referee submissions:

Australian Economic Review
Australian Economic Papers
Australasian Journal of Regional Studies
China Economic Review
Economic Record
Scandinavian Journal of Economics
The Economic Development and Cultural Change
The Journal of Population Economics
The World Bank Economic Review

The School's Discussion Paper Series

- 2002-01 "The Impact of Price Movements on Real Welfare through the PS-QAIDS Cost of Living Index for Australia and Canada", **Paul Blacklow.**
- 2002-02 "The Simple Macroeconomics of Monopolised Labour Market", **William Coleman.**
- 2002-03 "How have the Disadvantaged Fared in India? An Analysis of Poverty and Inequality in the 1990s", **JV Meenakshi and Ranjan Ray.**
- 2002-04 "Globalisation: A Theory of the Controversy", **William Coleman.**
- 2002-05 "Intertemporal Equivalence Scales: Measuring the Life-Cycle Costs of Children", **Paul Blacklow.**
- 2002-06 "Innovation and Investment in Capitalist Economies 1870-2000: Kaleckian Dynamics and Evolutionary Life Cycles", **Jerry Courvisanos.**
- 2002-07 "An Analysis of Input-Output Inter-industry Linkages in the PRC Economy", **Qing Zhang and Bruce Felmingham.**
- 2002-08 "The Technical Efficiency of Australian Irrigation Schemes", **Liu Gang and Bruce Felmingham.**
- 2002-09 "Loss Aversion, Price and Quality", **Hugh Sibly.**
- 2002-10 "Expenditure and Income Inequality in Australia 1975-76 to 1998-99", **Paul Blacklow.**
- 2002-11 "Intra Household Resource Allocation, Consumer Preferences and Commodity Tax Reforms: The Australian Evidence", **Paul Blacklow and Ranjan Ray.**

The School's Seminar and Visiting Speakers' Program

Seminars

1 March	Honours and Postgraduate Orientation Seminar.
15 March	Faculty Forum.
5 April	Faculty Forum.
19 April	Dr Michael Brooks: "Pigouvian Taxes".
26 April	Zhang Qing: "Industry Linkages in the Chinese Economy and its Regions".
3 May	Dr Sarah Jennings: "Non-Industrial Private Forest Timber Supply Modelling Project – An Update".
10 May	Honours Students Seminars.
19 July	Honours Students Seminars.
16 Aug	Dr Jerry Courvisanos: "Innovation and Investment in Capitalist Economies 1870-2000: Kaleckian Dynamics and Evolutionary Life Cycles".
30 Aug	Zhang Qing: "The Role of Open Economy Factor (FDI and Exports) on Growth Convergence in the PRC: Recent Evidence".
13 Sept	NJ Sreedharan: "The Extremal Expectations Hypothesis (EEH)".
20 Sept	Paul Blacklow: "Expenditure and Income Inequality in Australia – 1975-76 to 1998-99".
27 Sept	Colin Richardson: "The Traverses of Post-Keynesian Model of a Corn Credit Economy".
18 Oct	Dr Jerry Courvisanos and Colin Richardson: "Dynamics in the Study of Economics".

Visiting Speakers

- 8 March **Professor Derek Hum** (University of Manitoba)
“Reflections on the Economic Assimilation of Immigrants”.
- 22 March **Dr Edward de Bono** (de Bono Institute of Melbourne)
“Creativity in Business”.
- 12 April **Dr Glen Dixon** (Griffith University)
“Utilising Weather Securitisation to Offset Weather Risk”.
- 17 May **Dr Gennadi Kazakevitch** (University of Monash)
“Vegetative Adaption, Oil Prices and Current Economic Situation in Russia”.
- 24 May **Professor Lloyd Thomas** (University of Kent State University)
“An Evaluation of Alternative Inflation Forecasts”.
- 26 July **Professor Peter Wolnizer** (University of Sydney)
“School Mergers – the University of Sydney Experience”.
- 1 August **Dr Ted McDonald** (University of New Brunswick)
“The Location Choice of New Immigrants to Canada: The Role of Ethnic Networks”.
- 2 August **Dr Tim Barmby** (University of Newcastle upon Tyne)
“Luck, Effort and Reward in an Organisational Hierarchy”.

Postgraduate Theses

Theses Submitted

SuSan Leong, (MEc)

“Parity Conditions, Forward Market Efficiency and the Balance of Payment: An Australian Evidence“.

Supervisor – **Dr Bruce Felmingham**

Paul Blacklow, (PhD)

“Inequality, Welfare, Household Composition and Prices: A Comparative Study on Australian and Canadian Data“.

Supervisor – **Professor Ranjan Ray.**

Qing Zhang, (PhD)

“Foreign Factor and the Economic Growth in Provincial China“.

Supervisor – **Dr Bruce Felmingham.**

Colin Richardson, (PhD)

“Using Post-Keynesian Dynamic Models to Investigate the Traverse“.

Supervisor – **Dr Jerry Courvisanos**

Theses Currently Supervised

Liu Gang, (PhD)

“Efficiency Benchmarking and Pricing of Irrigation Water Resource Management with Particular Reference to Australian Irrigation Schemes: A Data Envelopment Analysis and Stochastic Frontier Approach“.

Supervisor – **Dr Bruce Felmingham**

Martin Farley, (MEc)

“Decentralisation in the Industrial Relations Framework –

The Impact on and Consequences for Productivity and Income Distribution“.

Supervisor – **Dr Bruce Felmingham**

Norton Grey (PhD)

“Multifactor Models of the Yield Curve“.

Supervisor – **Dr Bruce Felmingham**

Research Students

Doctoral and Masters Students

Paul Blacklow: I submitted my PhD thesis halfway through 2002, after spending the first half of the year editing, correcting and proof reading the thesis. In November 2002, the Board of Graduate Studies recommended the degree of Doctor of Philosophy be awarded once corrections identified by the examiners were addressed over the summer period. I am due to graduate at the ceremony in August 2003.

Martin Farley: I have continued my work on my Thesis entitled: "Decentralisation in the Industrial Relations Framework – The Impact on and Consequences for Productivity and Income Distribution". The objective of my thesis is to determine the impact of decentralisation of the industrial relations system in Australia, as represented by the incidence and characteristics of enterprise bargaining agreements, on productivity and income. Currently modelling at the macro level to determine the impact on productivity and income. Initial results using ordinary least squares on a pooled data set ranging from 1992 to 2000, indicates that the introduction of Enterprise Bargaining Agreements has a positive impact on earnings growth and productivity. The impact on earnings growth appears to be immediate and on productivity, lagged

Colin Richardson: My PhD thesis on "The Traverses of a Post-Keynesian Model of a Corn-Credit Economy" was submitted for examination on the 1st October 2002. Focusing on the question, "will a smoothly-growing corn-credit economy undergoing a major disturbance quickly settle down"? The final outcome using computer simulation showed that this occurs only under very special conditions and usually, disruptive business cycles last many years. Sensible taxing and pending policies can smooth them out.

Zhang Qing: During 2002, I have continued with my PhD studies, which focus on the Regional Growth and Disparity of Chinese Economy, under the supervision of Dr Bruce Felmingham. I have presented the convergence study (one chapter of my thesis) in a School Seminar and obtained some good suggestions. I have completed the whole thesis and submitted for examination in Oct 2002. One chapter of regional growth and spill over analysis is published in a book "*Dilemmas of China's Growth in the Twenty-First Century*", edited by Ligang Song, Asia Pacific Press at the Australian National University, Australia. In addition, I was involved in part of the consultancy work with Dr Bruce Felmingham for Forestry Tasmania. In addition, I was also a tutor for the unit BEA241/341 Research Method for Finance.

Liu Gang: Progress in the research on the topic of "Efficiency Benchmarking of Australian Irrigation Water Resource Management: A Data Envelopment Analysis and Stochastic Frontier Approach" has been generally satisfactory. Four papers: 'The Technical Efficiency of Australian Irrigation Schemes', 'The Technical Efficiency of Australian Irrigation Schemes: An Application of Data Envelopment Analysis', 'The Environmental Efficiency of the Australian Irrigation Industry in Treating Salt Emission' and 'The Efficiency of the Australian Irrigation Industry in Treating Salt Emission: A DEA Approach' based on Chapter 3, 4, 5 and 6 of my PhD thesis are

completed. They have been submitted to the journals: *Australian Economic Review*, *The Australian Journal of Agricultural and Resource Economics*, *Journal of Environmental Economics and Management* and *Environmental and Resource Economics* respectively. The results from the first two papers were reported at the 'PhD conference in Economics and Business' in November of 2002 held in Canberra. I received very positive comments. The working paper 'The Strategic Significance of Xinjiang for China in the 21st Century' written in 1999 received inquiries from some scholars from France, Canada, USA and Australia. My Supervisor, Dr Bruce Felmingham and I are working on a revised version of the paper and I am hoping to present this at the "West Open Up" Conference, to be held in Hamburg, Germany in 2003.

The 2002 Honours Year

There were two full-time and two part-time students enrolled in the BEc (Honours) program in 2002. In the first semester, the students were required to enrol in the following units:

BEA400	Microeconomics
BEA411	Methods of Inquiry
BEA420	Macroeconomics
BEA450	Development Economics

In second semester, they were to submit their Honours dissertation. The dissertations are held in the School of Economics Resource Centre along with previous years work. Three students graduated with BEc (Hons) in 2002:

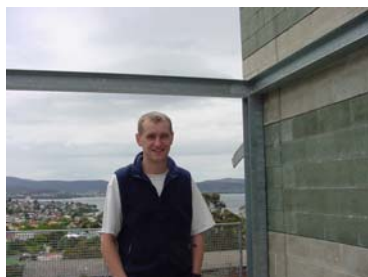
Simon Baptist



“Energy Use in Australian Industry: Sustainability and Substitutability”.

Supervisor – **Dr Hugh Sibly**

Hayden Fisher



“The Long Term Effects of Public Investment on Private Investment in Australia”.

Supervisor – **Dr Hugh Sibly**

Deahne Turnbull



“The Regional Impacts of Monetary Policy: Some Australian Evidence”.

Supervisor – **Paul Blacklow**

Employment Experience of Honours Graduates

The graduates of the School's Honours Program have consistently won positions with much sought employers in both government and business. Former students include:

Michael Vertigan, Chancellor, University of Tasmania

Don Challen, Treasury Secretary, Tasmania

Saul Eslake, Chief Economist, ANZ Bank

Brett Allender, Chief Economist, Schroeders

Michael Siegelof, Chief Economist, BZW

Ivan Colhoun, Senior Economist, Bain

In 2002 Honours graduates found employment with the State Treasury, Reserve Bank and DEFAT (Other Government Departments).

Recent Employment Experience of BEc (Hons) Graduates

Destination	2002	1993-2002
Aust. Bureau of Agriculture & Resource Economics	0	3
Australian Bureau of Statistics	0	6
Commonwealth Treasury	0	5
DEETYA	0	2
Finance & Industry	0	10
Further Study	0	11
Other Government Departments	1	7
Productivity Commission	0	3
Reserve Bank of Australia	1	7
Tasmanian Development & Resources	0	2
Tasmanian Treasury	1	1

4. UNDERGRADUATE TEACHING

Units Offered in 2002

First Year

BEA008	Maths Bridging
BEA110	Economics for Business
BEA130	Foundations of Economic Policy
BEA140	Quantitative Methods 1



Student Computer Labs

Second Year

BEA200	Intermediate Microeconomics
BEA210	Australian Political Economy
BEA220	Intermediate Macroeconomics
BEA240	Quantitative Methods 2
BEA241	Research Methods for Finance
BEA242	Introduction to Econometrics
BEA286	Investment Analysis

Third Year

BEA300	Microeconomic Theory and Policy
BEA303	Australia and the Asia Pacific Economies: Trade Principles & Policy
BEA305	Industrial Economics
BEA320	Macroeconomic Theory and Policy
BEA321	Banking and Financial Institutions
BEA325	Prices and Profits
BEA341	Research Methods for Finance
BEA342	Econometrics
BEA343	Corporate Finance
BEA384	International Finance

Scholarships and Prizes

J.B. Brigden Memorial Prizes

Two Prizes for the Best Four, Third Year Units:

Kate Weidmann and
Edmund O'Halloran

Economic Society of Australia (Tasmania Branch) Prize

Best Student BEA240 Quantitative Methods 2:

Grant Miller and
Robert Howell

The Tasmanian Chamber of Commerce and Industry Prizes

Best Student BEA110 Economics for Business:

Barbara Ramsay and
Sarah Henderson

Best Student BEA130 Foundations of Economic Policy:

Matthew Simpson and
Michael Fabisiak

Best Student BEA140 Quantitative Methods 1:

Emily Lyne

Best Student BEA200 Intermediate Microeconomics:

Lee Beasley and
Richard Clark

Best Student BEA210 Australian Political Economy:

Stephen Apted

Best Student BEA242 Introductory Econometrics:

Mary Syrotynskyj

Best Student BEA303 Australia and The Asia-Pacific
Economies: Trade Principles and Policy:

Kate Weidmann

Australian Finance Conference Prize

Best Student BEA321 Banking and Financial Institutions:

Kate Weidmann and
Courtney Chugg

Economics Society of Australia (Tasmanian Branch) Best Honours Dissertation:

Simon Baptist

DJ Motors Scholarship for BEc (Honours) Dissertation:

Deahne Turnbull

Rhona Hagger Memorial Prize:

Simon Baptist

5. THE SCHOOL & THE WIDER COMMUNITY

The Sixth Giblin Lecture

The School of Economics and the Tasmanian Branch of the Economic Society of Australia sponsor the Giblin Lecture Series.

This year's lecture was given by Mr Don Brash, MP (New Zealand). It was held on Tuesday 1 October at the University of Tasmania. Mr Brash, was Governor for 14 years of the Reserve Bank of New Zealand. As Governor, Brash presided over the transformation of the Bank by the 1989 Reserve Bank legislation, which created a then internationally unique 'independent' central bank. He was able to use monetary policy to reduce New Zealand's inflation rate, from one of the worst in the developed world in the seventies and eighties to being one of the best in the nineties. He pioneered a new approach to central bank transparency, with a high degree of disclosure both of the objectives of monetary policy and how the Reserve Bank was going to deliver stable prices.

Giblin Lecture Paper Series

Occasional Paper No 1	"The Economics of Politics And the Politics of Economics" — Geoffrey Brennan
Occasional Paper No 2	"Privatisation, Competitive Entry and Rational Rules for Residual Regulation" — William J Baumol
Occasional Paper No 3	"Implications of the Asian Currency Crisis and the Debt Crisis of the 1980s" — Anne Krueger
Occasional Paper No 4	"The E-Business Revolution" — Ian Harper
Occasional Paper No 5	"The Movement of Interest Rates" — I.J. Macfarlane
Occasional Paper No 6 (Not Available)	"Tasmania's Lessons for New Zealand" — Don Brash

The Occasional Paper Series is available as a PDF files on the School of Economics website at: <http://fcms.its.utas.edu.au/commerce/econ/>

Consultancies and Service Teaching

Dr Bruce Felmingham, “The Economic Contribution of the North West Timber Centre”, commissioned by *Forestry Tasmania*, pp 1- 57, 2003.

Paul Blacklow, “Tasmanian’s Attitudes to Employment and the Labour Market”, a section of, “The RACT – University of Tasmania, Survey of Community Sentiment”, December 2002.

Paul Blacklow, input into the survey design and questions for: “The RACT – University of Tasmania, Survey of Community Sentiment”, September to November 2002.

Paul Blacklow and **NJ Sreedharan**, along with other Faculty members, have been designing an investment analysis/financial modelling short-course for the *Forestry Tasmania’s* managers. This course is to be taught in May 2003 with a first round enrolment of 15 students.

Communicating Through the Media

Newspaper Articles

In 2002, **Dr Bruce Felmingham** raised the level of Economics debate in the Tasmanian media through his column on economic affairs in the **Sunday Tasmanian**. Defying conventional positions, Bruce Felmingham has shown his readers the range of things it is possible to reasonably think in economics.

Date	Title
6 January	Europe is Cashing In (The Euro)
20 January	The Job Ahead to Win Government (Unemployment)
3 February	Prosperity in Our Own Hands (Anglicare Report)
17 February	Economics Will Settle GE Debate (Moratorium)
3 March	Cat Misses Out on Subsidy Cream (Wage Subsidies)
17 March	Comfort Zone Under Seize (Deregulations Shop Trading)
31 March	Life, Liberty...But No Fair Go (Inequality)
14 April	A Bridge Over Troubled Waters (TT Line)
28 April	Tassie Suffers Osama Fall Out (Terrorism)
12 May	Fact and Fiction in Forest Debate (Forestry)
26 May	Budget’s Terror of the Poorest (Federal Budget)
9 June	Cheap, Cheerful and Thieving (Household Expenditure)
Date	Title

23 June	Statistics Say We Must Be Creative (Population)
7 July	Jobs are the Real Issue in Election (State Election)
14 July	The Job in Front of Them (Election Preview)
28 July	Rise and Fall of the Executive Empire (Executive Salaries)
11 August	A Cool Head Can Save Capitalism (Crisis on Bourses)
25 August	Flag Ships of Tassie Economy's New Era (New Ferries)
8 September	Howard's Own Goal on Climate Change (Kyoto Protocol)
22 September	Benefits of an Olive Branch Outweigh War (War Rumours)
6 October	Offensive Effects of Poisoned Minds (1080)
20 October	Time to Cherish Our Way of Life (Bali)
3 November	Education Key to State's Growth (Education Funding)
17 November	Science Must Find GE Truth (Moratorium)
1 December	Childcare Profits are Child's Play (Child Care Funding)
29 December	Dark Cloud Mars a Sunny Outlook (Economic Outlook)

The Editor of the *Sunday Tasmanian* published 57 letters, which commented on Bruce Felmingham's initiatives and a similar number of e-mails were received.

Business North and the Northern Economic Bulletin

Dr Jerry Courvisanos continued in his appointment as editor of the *Northern Economic Bulletin* (see: www.businessnorth.com.au). Three issues were completely written by the editor:

- February 2002 issue with feature on "The Forest Industries: Past and Future".
- May 2002 issue with updates and commentary on economic data related to Northern Tasmania.
- November 2002 issue with feature on "Interest Rates Conflict and their Significance for Northern Tasmania"

Each issue was launched with a Business Breakfast Briefing, to which the editor talked to the matters discussed in the respective issues. The *Bulletin* is published by The Northern Tasmanian Regional Development Board (called Business North).

Other Community Involvement

Edward de Bono Visit

Dr Courvisanos was a member of the *de Bono Project Steering Group* for the Launceston City Council, organizing a week-long visit to Launceston of Dr Edward de Bono (18-23 March 2002). Dr de Bono gave a public lecture at the University on

“Creativity for Business” as part of Entrepreneurship major (with Dr Courvisanos the host and MC for the university visit).

Spring Aboard

Dr Courvisanos was a reference group member and advisor to an Internet-based career planning service called Spring Aboard (supported by RTIF funding). Dr Courvisanos wrote and advised on the development of the labour market segment in this service.

Public Lecture

Dr Courvisanos gave a public lecture on the University’s Open Day at the Launceston Campus, titled, “Interest Rates: Importance to the Tasmanian Economy” on the 17th of August 2002.

The School's Liaison with Tasmania's Schools

The Eighth Wrest Point Economics Challenge

For the first time the "Challenge" was split in 2002, with a competition held in the South and a one in the North. **Bruce Page** coordinated the events, backed up with the organising team of **Norton Grey** and **Paul Blacklow**. Excellent back-up was provided by **Dr Sarah Jennings**, **Jane Smith** and **Dr Jerry Courvisanos**.

The speakers for the Southern competition were **Mr Damon Thomas**, CEO of the Tasmanian Chamber of Commerce and Industry and **Dr Bruce Felmingham**, University of Tasmania. The speakers for the Northern competition were **Mark Scanlon**, CEO of Perpetual Trustees and Vice President of the Launceston Chamber of Commerce and **Dr Jerry Courvisanos**, University of Tasmania. The topic presented was "Corporate Collapses and the Effect on the Economy".

After the speaker's presentations, school groups discussed the issues involved. Elected representatives from each school stated their views in a three minute dissertations. The judges, Sarah Jennings, Norton Grey and Paul Blacklow adjudicated in Hobart and awarded first and second prizes to amalgam teams from Elizabeth, Hobart and Guilford Young Colleges. In Launceston, Scotch Oakburn and Launceston College were winners and runners up respectively.

Liaison and Outreach Programme to TCE Schools

Also important to the liaison and outreach programme were the school visits carried out by **Dr Michael Brooks**, **Dr Jerry Courvisanos**, **Dr Bruce Felmingham**, **Norton Grey** and **Dr Sarah Jennings**. In addition, a forum was held later in the year, at which teachers of economics met with staff of this School to discuss matters of mutual interest.