



FACULTY OF COMMERCE

School of Economics

School of Economics

ANNUAL REPORT 2004

UNIVERSITY OF TASMANIA

About this Report

The 2004 Annual Report of the School of Economics at the University of Tasmania was prepared by **Dr Paul Blacklow** with assistance from **Ms Tracy Kostiuk** and **Ms 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 and past reports are available on the School's web page www.utas.edu.au/economics/.



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www.utas.edu.au/economics/

ISSN 0818-0377

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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 in terms of published research pages per academic based on the Mason, Steagal and Fabritius (1997) perception-based journal ranking and 6th in terms of the Laband and Piette (1994) citation-based rankings, out of 27 Australian economics departments for 1994-2000. (Sinha and Macri, *Economic Record*, vol. 78, no. 241, June 2002).

Our collective research covers a wide range of topics from macroeconomics and microeconomics and its applications areas such as finance, macroeconomics and forestry economics. The School 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.

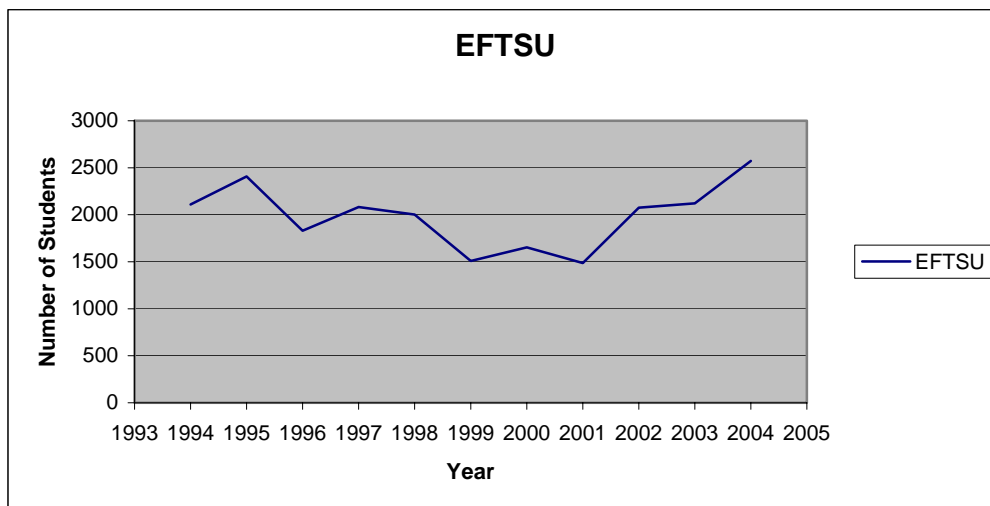
In 2004, 26 students graduated with a Bachelor of Economics Degree, 3 graduated with degrees combined with Economics and 10 students were awarded Honours Degrees in Economics (see Postgraduate & Honours Activities in this report for more details on the honours program for 2004.)

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

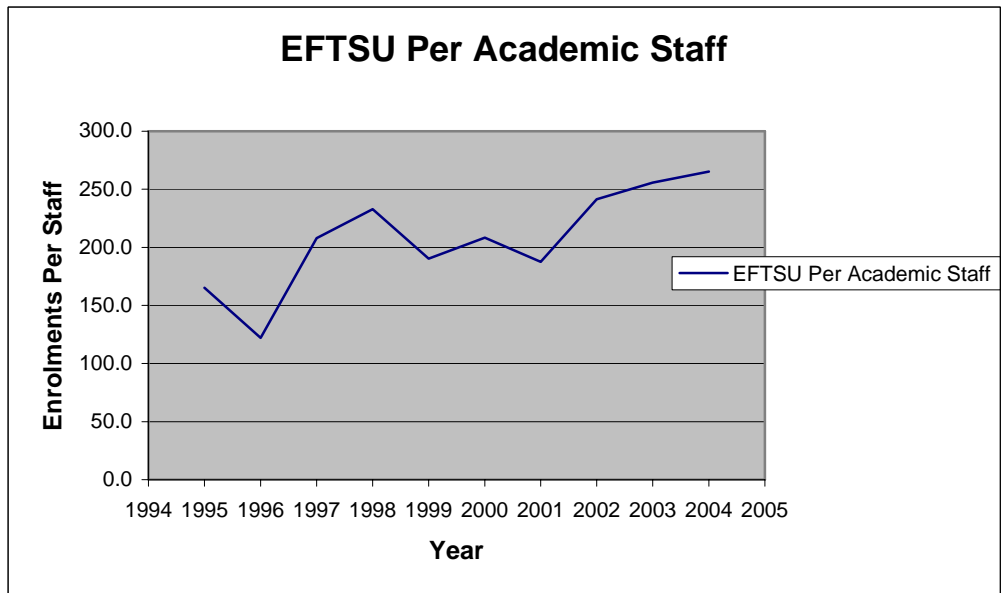
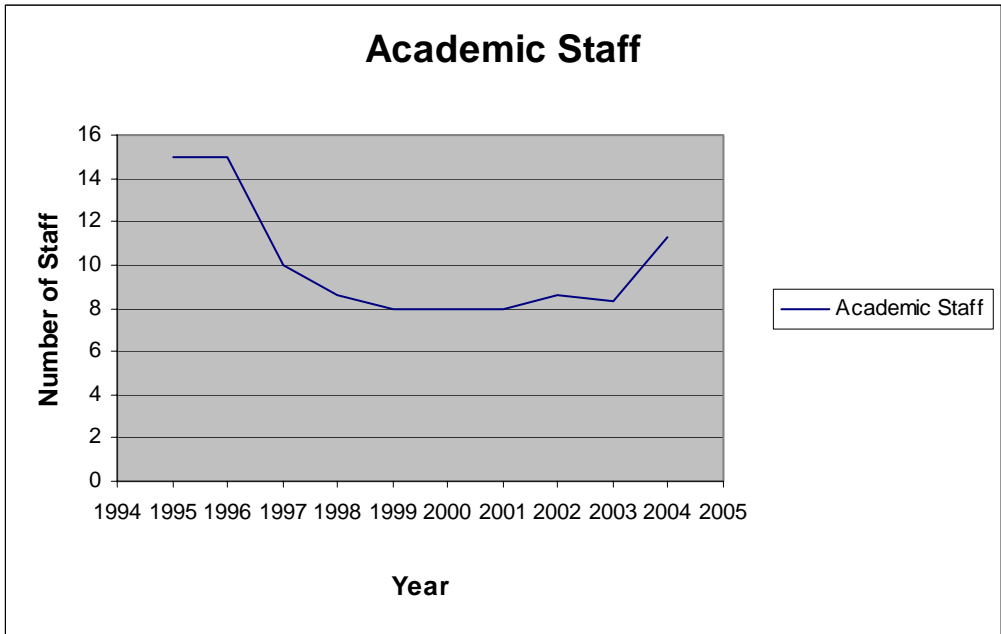
corporate and not-for-profit world. Other university graduates trained by the School of Economics find that their knowledge of economics is also an advantage when applying for other more general positions.

The school's teaching ranks well against the other 22 universities that teach economics, as measured by the Course Evaluation Questionnaire (CEQ). In 2004 the school was ranked 3rd in Graduate Skills (mean score: 49) and Good Teaching (mean score of 35) and 5th for Overall Satisfaction (mean score of 46)¹.

Year	EFTSU	Academic Staff	EFTSU Per Academic 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
2003	2122	8.3	256
2004	2572	9.7	265



¹ Mean scale scores are calculated after converting responses 1 agree, 2 disagree, 3 neutral, 4 agree, 5 strongly agree to -100, -50, 0, 50, and 100 respectively, with higher scores representing positive responses to questions on teaching.



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
April 2005

The Head of School's Review of 2004

The year was a busy one for the members of the School. A key facility initiative was to establish a suite of post-graduate programs. Economics would play an important role in several of the programs. Post-graduate units in International Finance and International Economics were developed from the ground up to be taught for the first time in 2005.

The year was also our largest year for enrolments in honours. So staff were heavily involved in the supervision of a wide range of topics.

Despite the demands on staff, most members had a successful year in pushing back the frontiers on research.

Dr Michael Brooks
Head, School of Economics
April 2005

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

Lecturer:

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

Dr Arusha Cooray, BA(Econ) *Colombo*, MA(Econ) *Colombo*, PhD *UNSW*.

Mr Norton Grey, BEc, MCom *Tasmania*.

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

Ms Ann Marsden, BA(Geog)(Hons), *Durham*, MSc(Econ), *London*.

Mr Nagaratnam Jeyasreedharan, BEng *Sheffield*, MSc *Loughborough*, MBA *Malaya*.

Casual Lecturers:

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

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

Mr Peter Whish-Wilson, BA, *UNSW*, MEc, *UWA*.

Visiting Scholars:

Professor Kaushik Basu, Professor of Economics, *Cornell University*, July 2004.

Professor Dipankor Coondoo, Professor of Economics, *Indian Statistical Institute*, Calcutta, India (October – November 2004).

Research Assistants:

Mr Geoff Lancaster, BEc(Hons) *Tasmania*, MEc *University of New England*.

Office Staff:

Ms Sue Abel (Hobart Campus).

Ms Tracy Kostiuik (Hobart Campus).

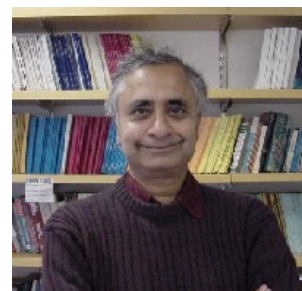
Ms Dee Robinson (Launceston Campus).

Mr Bruce Page (Hobart Campus).

Staff Profiles

Ranjan Ray

Research: During 2004, I continued my research in the areas of Child Labour, Household Behavior, Spatial Price Differentials and Poverty Measurement. I completed an invited survey paper on child labor for the ANU based journal, Asian-Pacific Economic Literature (APEL). A significant amount of time was also spent on revising the consultancy work that I did for the ILO and, in the process, got the paper arising from the project accepted for publication by the ILO journal, *International Labor Review*. The paper is due to be published by the ILO in the first half of 2005.



2004 also saw the start of my ARC Discovery project entitled, "Modeling Decision Making within the Household and analysing its Welfare Implications: Methodological Advances with Policy Implications". This project, which has been funded for 3 years (2004-2006), looks at the behavior of members within the household and proposes tests of the conventional unitary model of household behavior. **Mr Geoffrey Lancaster** was hired as the RA to work with me on this project. I carried on collaborative research with colleagues inside and outside the School. During the year, **Professor Dipankor Coondoo** from the Indian Statistical Institute in Calcutta, India visited the School, funded by my ARC project, to work in the area of spatial and nutrition based price indices.

Teaching: I taught 3 units during the year: BEA242 Introduction to Econometrics, BEA342 Econometrics and BEA450 Development Economics. **Mr Geoffrey Lancaster** started his PhD in the first part of the year under my primary supervision. I also supervised the Honours dissertation of **Richard Clark** during the year. I also acted as a PhD examiner of a doctoral thesis at the University of Adelaide.

Other: My activities included the tasks of graduate research coordinator, organizer of the School's Discussion paper Series and the Director of the School's Research Program.

Bruce Felmingham



Research: During 2004, I continued my research on two projects: "The Indicative Impacts of Ageing on Australia's States and Territories" (ARC Linkage Grant) with **Dr Natalie Jackson** and "Capital Market Integration" (IRGS Grant) with **Dr Arusha Cooray**. In this last year of ARC linkage funding we focussed on two levels: the macro examining the impacts of ageing and other demographic characteristics on economic growth and the micro where we examined the impact of ageing on local communities. Several publications emerged from these activities and were followed by the award of an ARC Discovery Grant on the "Ageing" issue for 2005 – 2007.

Teaching: I taught first year macroeconomics in the Economics for Business Program, International Finance in third year and the Finance Reading unit in the Honours Program. I supervised **Ted Alexander** and **Joe Sundram's** honours dissertations. I also supervised four PhD theses and 2 Masters of Economics by thesis program. One of these students (**Mr Liu Gang**) graduated with his PhD in August 2004.

Other: I conducted five consultancies; the major ones involving a review of the Tasmanian Abalone and Rock Lobster processing industries and of the Northern Territory Thoroughbred Racing industry. I made several contributions to media debate in all of its mediums.

Michael Brooks

Research: During 2004 I worked on a number of different issues, such as merit goods, the demand-revealing process and the public choice perspective on taxes and subsidies.

Teaching: I taught third year Microeconomics, Australian Political Economy and in Prices and Profits.

Other: Head of School duties took up most of my spare time.

Arusha Cooray



Research: I worked on stock market behaviour and savings and investment cycles with **Bruce Felmingham**.

Teaching: In 2004 I taught BEA320 Macroeconomic Theory and Policy, BEA321 Banking and Financial Institutions and BEA240 Quantitative Economic Analysis. I supervised **Andrew Harding's** honours dissertation.

Other: I was a member of the Faculty research committee and co-ordinated the honours programme (with **Hugh Sibly**).

Hugh Sibly

Research: In 2004 I continued research on the psychological influences on economic decisions, and progressed the project "Reconsidering the Determination of the Quality of Goods". A number of seminars and conferences presentations were given which detailed progress on the latter project.

Teaching: I taught the following units: BEA130 Foundations of Economic Policy, BEA305 Industrial Economics and BEA420 Macroeconomics (Honours).

Other: I acted as Assistant Commissioner for the Government Prices Oversight Commission's review of bulk water pricing.



Sarah Jennings



Research: This year saw the beginning of my involvement in a project exploring the prospects for a hardwood plantation industry in Australia. Under the leadership of **Gregory Nolan** from the School of Architecture the project team produced the first in a series of outputs in the form of a report *Profitable and sustainable solid wood products from a plantation hardwood resource - A review of current knowledge*. The project, which is ongoing, is funded by the Forest and Wood Products Research and Development Corporation. Work on modelling private landowner timber supply with **Ingrid van Putten** continued.

Teaching: 2004 was an exciting year for teaching. I continued to coordinate the teaching of the School's introductory economics unit (BEA110 Economics Business) across all campuses and in summer school, and to teach economics to students in the MBA program. I also taught BEA303 Trade Theory and Policy. I authored the companion website resources for Sloman and Norris's new edition of Microeconomics. I supervised **Scott Graham's** honours dissertation.

Other: I have continued as a member of the university Student Complaints Tribunal and as the school's Ombudsperson. I have also served as the school's first-year co-ordinator and as such represented economics at a wide range of forums and meetings aimed at enhancing the first-year experience and improving retention rates.

Paul Blacklow

Research: Early in the year I used a refined intertemporal model of household behaviour to investigate ways of examining the life cost of children on lifetime expenditure using cross-section data. I presented this paper at ESAM in July. During the year I wrote a paper from my PhD research for presentation at the ACE, which demonstrates that while disposable income inequality is rising, expenditure inequality is falling amongst Australian households from the mid-70's through to the late 1990's. Throughout the year were possible I worked on revisions to a paper looking at the impact of prices on the welfare of Australian households using a demographic version of the QAI demand system.

Teaching: In first semester I continued to teach BEA200 Intermediate



Microeconomics and BEA400 Microeconomics. I was also unit-coordinator for BEA140 Quantitative Methods taught in Shanghai, involving much correspondence with the students in Shanghai. In second semester I lectured the 2nd half of BEA342 Econometrics for the first time. I also constructed a promotional poster for BEA342 with **Tracy Kostiuk**. I supervised **Isaac Poole** and **Neha Malhorta** honours dissertations. I began my support supervision of **Geoff Lancaster** in his PhD on trade liberalisation and poverty. I became the Teaching Catalyst for the School to filter new teaching ideas to the school. I trialled Vista the new version of WebCT for BEA200 and discovered numerous problems that had to be rectified. I discussed the skills of economics graduates with the Productivity Commission. I have implemented their suggestion that graduates have better presentation skills, by including presentations into the assessment for BEA200. Later in the year I was interviewed as part of a review of flexible teaching and learning at the University of Tasmania.

Other: I was elected as president of the Economics Society of Australia – Tasmanian Branch in April. At the central council meeting I battled to regain the Tasmanian hosting of the ACE. The Tasmanian branch shall be hosting the 2007 ACE. I assisted in the organisation and gave the opening address at the Annual Giblin lecture. In August I gave input to an ABS seminar regarding the production of Spatial Price Indices and attended the Department of Economic Development round table on Tasmanian Economic development. I supervised students and employees of local finance companies in their Securities Institute exams. I hosted many of the visiting speakers and software trainers throughout the year. Attended “Economics in the Pub”, run by the Student Economic and Finance Society. I was school co-ordinator for the University’s Open Day and helped organised, create and man the school’s display in Hobart and Launceston. I helped organised and run the Economics Challenge. Attended the Uni-TCE Teachers Forum and courses in the Econometrics packages EViews and RATS.

Nagaratnam Jeyasreedharan, (Sree)



Research: Resubmitted my PhD thesis to Curtin University in response to the Examiners’ reports. Awarded a PhD in early 2005. Submitted a discussion paper and presented at the School Seminar and Visiting Speakers’ Program. Presented a paper each at the Australasian Meeting of the Econometric Society (ESAM2004), Sheraton Towers Southgate, Melbourne and the First International Workshop on Intelligent Finance (IWIF1), Crown Promenade Hotel, Melbourne.

Teaching: Continued teaching BEA286 Investment Analysis and BEA442 Financial Econometrics in Semester 1, 2004. Also developed, taught and tutored BEA380/480 Derivative Securities (new unit) in Semester 2, 2004.

Supervised three honours students in Finance, **Nic Kinsella**, **Khim Khor** and **Corey Edwards** and was an examiner for five honours dissertations. Also an assistant Supervisor for a postgraduate student currently doing Masters by research. Assisted in the school’s Open Day.

Other: BEA286: Investment Analysis (\$5,000). The grant was carried forward from 2003 and utilised in 2004. This was done together with **Ms Tracy Kostiuk** and **Joe Sundram**.

Norton Grey

Research: Research remains concentrated in finance and the term structure of interest rates and the feasibility of multi factor models of the yield curve.

Teaching: Teaching becoming more focused on finance, lecturing Research Methods for Finance and adding Corporate Finance for the first time. I have tried to keep my economic focus by continuing to lecture in Intermediate Macroeconomics. I supervised **Ian Morgan** honour’s dissertation.

Other: I continued my role as student counselor for students enrolled in the Bachelor of Economics and the various majors in other degrees.



Ann Marsden



In January 2004 I began my PhD and was also appointed as Associate Lecturer with the Economics School.

Research: My PhD research will investigate how firms set their prices, how they move from one profit maximising price to a new profit maximising price and how they formulate their pricing strategies with a particular focus on price discrimination strategies. The research will use a field survey to investigate these questions and will focus on small to medium sized businesses in Tasmania that have experienced demand and supply side shocks during the last five years.

During 2004 I completed an extensive survey of the literature on pricing and industrial organization theory and the use of field survey techniques to investigate questions about pricing. There has been some history in economics of collecting primary data using field surveys to investigate firms' price setting behaviour, dating from around the mid 1930's. My survey of the literature identified key papers and books from the last seventy years and placed my research in context within that literature. I also began developing a field survey instrument using the pricing and industrial organization theory to guide the content of the survey questions. In addition I began investigating techniques used in the analysis of qualitative data, in particular focussing on the Ordered Probit model, and also investigating the use of different sampling methods in field surveys.

Teaching: I continued teaching three first year units in Launceston, BEA110 Economics for Business, BEA130 Foundations of Economic Policy and BEA140 Quantitative Methods 1.

Other: Student Recruitment in Launceston organised a number of visits from Year 10 students attending High School in northern Tasmania during 2004. I made a half hour presentation at each of these visits on the value of studying economics at the University of Tasmania. I also contributed to the University Open Day in 2004 working on the Economics School stall in Launceston.

3. RESEARCH ACTIVITY

Publications

Chapters in Books

Maitra, P*, Ray, R, 'Analysis of Resource Inflows and Their Impact on Household Behaviour: Evidence from South Africa', *Household Behaviour, Equivalence Scales, Welfare and Poverty*, Physica-Verlag, Camilo Dagum, Guido Ferrari (ed), Heidelberg, 107-127 (2004).

Maitra, P*, Ray, R, 'Household Characteristics and Living Standards: Evidence from India', *South Asia in the Era of Globalization Trade, Industrialization, and Welfare*, Nova Science, Mita Bhattacharya, Russell Smyth, Marika Vicziany (ed), New York, 165-194 (2004).

Meenakshi, JV*, Ray, R, 'State-Level Food Demand in India: Some Evidence on Rank-Three Demand Systems', *Economic Policy Modelling for India*, Oxford University Press, V. Pandit and K. Krishnamurty (ed), New Delhi, 228-248 (2004).

Ray, R, 'Child Labour in Peru: An Empirical Analysis and its Modelling Implications', *Latin American Economic Crises Trade and Labour*, Palgrave, Enrique Bour, Daniel Heymann and Fernando Navajas (ed), Basingstoke, 258-269 (2004).

Papers in Refereed Journals

Campbell, H*, Jennings, SM, 'Non-timber Values and the Optimal Forest Rotation: An Application to the Southern Forest of Tasmania', *The Economic Record*, 80 (251) 387-393 (2004).

Coondoo, D*, Majumder, A*, Ray, R, 'A Method of Calculating Regional Consumer Price Differentials with Illustrative Evidence from India', *The Review of Income and Wealth*, 50 (1) 51-68 (2004).

Gang, L, Felmingham, BS, 'Environmental Efficiency of the Australian Irrigation Industry in Treating Salt Emissions', *Australian Economic Papers*, 43 (December) 475-490 (2004).

Jackson, N**, Felmingham, BS, 'The Demographic Gift in Australia', *AGENDA*, 11 (1) 21-37 (2004).

Maitra, P*, Ray, R, 'The Impact of Resource Inflows on Child Health: Evidence from Kwazulu-Natal, South Africa, 1993-98', *The Journal of Development Studies*, 40 (4) 79-115 (2004).

Ray, R, 'A Cross Country Comparison of Child Nutrition and Investigation of its Demographic Determinants', *Journal of Quantitative Economics*, 2 (1) 44-65 (2004).

Ray, R, 'Child Labour: a survey of selected Asian countries', *Asian - Pacific Economic Literature*, 18 (2) 1-18 (2004).

* Not UTAs.

** Not with the School of Economics, but with UTAs.

Forthcoming Papers and Chapters in Books

Cooray, A, (forthcoming), 'Capital Mobility: Evidence from Four South Asian Economies', *Applied Economics Letters*.

McDonald, I. M* and Sibly, H, (forthcoming), 'The Range of Equilibria, Inflation Targeting and the Non-inflationary Expansion' *Metroeconomica*.

Gang, L., 'The Technical Efficiency of Australian Irrigation Schemes: An Application of Data Envelopment Analysis', *Australian Economic Review*.

Gang, L., 'The Environmental Efficiency of the Australian Irrigation Industry in Treating Salt Emissions: A DEA Approach', *The Australian Journal of Agricultural and Resource Economics*.

Felmingham, B, Leong, S*, 'Parity Conditions and the Efficiency of the Australian 90- and 180-Day Forward Markets', *Review of Financial Economics*

Maitra, P*, Ray, R, 'The Impact of Intra Household Balance of Power on Expenditure Pattern: The Australian Evidence', *Australian Economic Papers*

Ray, R, Lancaster, G, 'On Setting the Poverty Line Based on Estimated Nutrient Prices: Condition of Socially Disadvantaged Groups During the Reform Period', *Economic and Political Weekly*.

Papers and Proceedings of Conferences

Blacklow, P, "Life-Cycle Costs of Children" presented at the *Econometric Society Australian Meeting (ESAM)*, July, 2004.

Blacklow, P, "Inequality in Australia, 1975-76 to 1998-99" presented at *Australian Conference for Economists (ACE)*, September, 2004.

Cooray, A, "Do the Stock Markets of South Asia Follow a Random Walk?", presented at the *Econometric Society Australian Meeting (ESAM)*, July, 2004.

Cooray, A, "The Random Walk Behaviour of Stock Prices: A Comparative Study", presented at the *Far Eastern Meeting of the Econometric Society*, Seoul, June, 2004.

Jeyasreedharan, N. "Compound Models of High-Low Speculative Prices: A Cointegration-based Approach", published in a refereed conference proceedings: *Intelligent Finance, Proceedings of the First International Workshop on Intelligent Finance*, edited by Heping Pan, Didier Sornette, Kenneth Kortanek, 413-432 (2004), presented at the *First International Workshop on Intelligent Finance (IWIF1)*, Crown Promenade Hotel, Melbourne, Australia (University of Ballarat).

Jeyasreedharan, N. "A Vector Error-Correction Model (VECM) of Stockmarket Returns, presented at the *Econometric Society Australian Meeting (ESAM)*, July, 2004.

Sibly, H, "Quality, Market Structure and Externalities" presented at the *22nd Economic Theory Workshop* held at the University of Melbourne, February, 2004.

Sibly, H, "Quality, Market Structure and Externalities", presented as a Staff Seminar, LaTrobe University, 7 May, 2004.

Sibly, H, "Loss Aversion, Price and Quality" presented at the *Econometric Society Australian Meeting (ESAM)*, July, 2004.

The School's Discussion Paper Series

2004-01	Parametric and Non Parametric Tests for RIP Among the G7 Nations	Bruce Felmingham and Arusha Cooray
2004-02	Population Neutralism: A Test for Australia and its Regions	Bruce Felmingham, Natalie Jackson** and Kate Weidmann
2004-03	Child Labour in Asia: A Survey of the Principal Empirical Evidence in Selected Asian Countries with a Focus on Policy	Ranjan Ray
2004-04	Endogenous Intra Household Balance of Power and its Impact on Expenditure Patterns: Evidence from India	Geoffrey Lancaster, Pushkar Maitra* and Ranjan Ray
2004-05	Gender Bias in Nutrient Intake: Evidence from Selected Indian States	Geoffrey Lancaster, Pushkar Maitra* and Ranjan Ray
2004-06	A Vector Error Correction Model (VECM) of Stock Market Returns	Nagaratnam Jeyasreedharan
2004-07	Ramsey Prices and Qualities	Hugh Sibly
2004-08	First and Second Order Instability of the Shanghai and Shenzhen Share Price Indices	Yong Hong Yan
2004-09	On Setting the Poverty Line Based on Estimated Nutrient Prices with Application to the Socially Disadvantaged Groups in India During the Reforms Period	Ranjan Ray and Geoffrey Lancaster
2004-10	Derivation of Nutrient Prices from Household Level Food Expenditure Data: Methodology and Applications	Dipankor Coondoo*, Amita Majumder*, Geoffrey Lancaster and Ranjan Ray

The School Discussion Papers can be downloaded from the School website: www.utas.edu.au/economics, click on the 'Discussion Papers' link.

** Not at UTas.

* Not at the School of Economics, UTas.

Research Grants

External Research Grants

- Australian Competitive Grant – “Indicative Impacts of Population Ageing on Australia’s States, Territories and Local Communities”, **Bruce Felmingham** and **Natalie Jackson**, **\$32,095**.
- Australian Research Grant (ARC) Discovery – “Modelling Decision Making Within the Household and Analysing its Welfare Implications: Methodological Advances with Policy Implications – 2004 - 2006”, **Ranjan Ray**, **Pushka Maitra** and **Kaushik Basu**, **\$71,638**.
- Australian Competitive Grant – “Predictive Cost and Maintenance Models for Short Term Scheduling Strategies in Hydro Power Plants”, **Jane Sargison**, and **Hugh Sibly**, **\$7,705**.
- Australian Research Grant (ARC) Discovery – “Retirement Intentions and their Impacts – 2005 -2007”, **Natalie Jackson**, **Bruce Felmingham** and **Maggie Walter**, **\$232,000**.

Research Consultancies

- “An Inquiry into the Rock Lobster and Abalone Fish Processing Industries”, **Bruce Felmingham**
- “A Review of the Northern Territory Thoroughbred Horse Racing Industry 2004”, **Bruce Felmingham**, **Graeme Wells** and **Arusha Cooray**

Research Infrastructure Block (RIB) Funding

- The School was granted \$8,198 in RIB funding for 2004.

Refereeing Activities

During 2004 members of the School accepted invitations from the following journals to referee submissions:

Journal of Macroeconomics
Pacific Basin Finance Journal
Australian Economic Papers
Economics and Philosophy
Economic Record
Institute for Fiscal Studies
Journal of Development Economics
Economic Development and Cultural Change
Bulletin of Economic Research

The School's Seminar and Visiting Speakers' Program

School Seminars

- 27 Feb Honours and Post Graduate Orientation Seminar
- 12 Mar Honours Presentation – **Mr Khim Khor** and PhD Thesis Presentation – **Mr Liu Gang**
- 19 Mar The Demographic Gift in Australia (with Natalie Jackson) – **Dr Bruce Felmingham**
- 26 Mar A VECM-GARCH Model of Security Returns – **Mr Jeyasreedharan Nagaratnam**
- 2 Apr Finance Honours Students Presentations
- 30 Apr Quality, Externalities and Market Structure – **Dr Hugh Sibly**
- 14 May Economics Honours Students Presentations
- 16 Jul Economics Honours Students Presentations
- 23 Jul Finance Honours Students Presentations
- 30 Jul Do the Stock Markets of South Asia follow a Random Walk? – **Dr Arusha Cooray**
- 6 Aug Ramsey Prices and Qualities – **Dr Hugh Sibly**
- 13 Aug Landholder Participation in Conservation Incentive Programs – **Ms Ingrid van Putten**
- 20 Aug Trade and Inequality – **Mr Geoffrey Lancaster**
- 10 Sep Return Volume Volatility Relationship on Asia Pacific Markets – **Mr Khim Khor**
- 17 Sep The Integration of the Chinese Share Market – **Ms Yong Hong Yan**
- 24 Sep Inequality in Australia 1975-76 to 1998-99 – **Dr Paul Blacklow**
- 15 Oct An Investigation of Pricing, within a Neoclassical Economic Framework of Small and Medium Size Enterprises – **Ms Ann Marsden**

Visiting Speakers

- 23 Apr Recent Trends in Income and Wealth Inequality in Australia – **Ms Rachel Lloyd National Centre for Social and Economic Modelling (NATSEM), University of Canberra.**
- 7 May How Serious the Chronic Budget Deficit? – **Professor H Youn Kim, University of Western Kentucky, USA.**
- 21 May Testing for Employee Discrimination using Matched Employer-Employee Data: Theory and Evidence – **Dr Paul Frijters, Australian National University.**
- 28 May Towards a Unified Darwinian Explanation of Firm Transformation – **Mr Colin Jones, School of Management, UTas.**
- 20 Jul BMI and the Incidence of being Overweight and Obese Among Canadian Immigrants: Is Acculturation Associated with Unhealthy Weight Gain? – **Dr Ted McDonald, University of New Brunswick, Canada.**
- 27 Aug Is the Income Gradient in Child Health Universal? The Protective Role of the UK's National Health Service – **Dr Michael Shields, University of Melbourne.**
- 20 Sep **Public Lecture** - Does Rising Inequality Harm the Middle-Class? – **Professor Robert H Frank, Henrietta Johnson Louis Professor of Management and Professor Economics, Cornell University, New York, USA.**
- 1 Oct Auctions with Options to Re-Auction – **Dr Matthew Ryan, University of Auckland, New Zealand.**
- 8 Oct Consumption and Stock Prices – **Dr Nicholaas Groenewold, University of Western Australia.**
- 26 Oct **Public Lecture** – Economics of Esteem – **Professor Geoffrey Brennan, Australian National University.**
- 29 Oct Arrow and Majoritarian Incoherence – **Professor Geoffrey Brennan, Australian National University.**
- 10 Nov Components of Volatility and their Empirical Measures – **Professor Dipankor Coondoo, Indian Statistical Institute, Calcutta, India.**

4. POSTGRADUATE & HONOURS ACTIVITIES

In the first week of semester 1, the School of Economics held its annual welcome to honours and postgraduate students. This is an informal gathering which is designed to provide students with background information on their courses and a relaxed environment in which to discuss their studies with staff.

To begin proceedings, **Dr Arusha Cooray and Dr Hugh Sibly** (Directors of the Honours Program) welcomed honours students to their 4th year and provided an overview of their course and the facilities that are available. The School of Economics has offered the honours year in Economics since the early 1960's. In 2002 the School of Economics has offered honours in Finance. This is a highly regarded program, with many students obtaining sought-after graduate positions or undertaking postgraduate studies at leading universities. **Professor Ranjan Ray** (Post-Graduate Coordinator) then welcomed the post-graduate students to the new academic year, and similarly outlined the support and facilities available to them.

Postgraduate – Completed

Liu GANG (PhD)

Title: Technical and Environmental Efficiency of the Australian Irrigation Industry: A Data Envelopment Analysis and Stochastic Frontier Approach

Supervisor(s): **Dr Bruce Felmingham**

Report: Early in 2004 I submitted my thesis which used stochastic frontier and a data envelopment models to assess the efficiency performance of the Australian irrigation industry in relation to water delivery and salt emissions. The international and domestic examiners approved the thesis without any significant revision and I was awarded my PhD at the August 2004 graduation ceremony. A paper, co-authored with **Dr Bruce Felmingham**, titled "Environmental Efficiency of the Australian Irrigation Industry in Treating Salt Emissions", based on chapter 7 of my PhD thesis, was published in *Australian Economic Papers* in 2004. A paper based on chapter 5, titled "Technical Efficiency of The Australian Irrigation Industry" was accepted by *The ICFAI Journal of Agricultural Economics*. Two more papers based on chapter 6 and 8, titled respectively "The Technical Efficiency of Australian Irrigation Schemes: An Application of Data Envelopment Analysis" and "The Environmental Efficiency of the Australian Irrigation Industry in Treating Salt Emissions: A DEA Approach" were revised and resubmitted to the *Australian Economic Review* and *The Australian Journal of Agricultural and Resource Economics*.

I was also employed as a research assistant for **Dr Bruce Felmingham** on his ARC grant project with **Dr Natalie Jackson**, "Indicative Impacts of Population Ageing on Australia's States, Territories and Local Communities". In 2004, I was also involved in some consultancy work including the analysis on the contribution of the Port Arthur site to the welfare of Tasmania and the study of Tasmanian lobster and abalone industry.

Postgraduates – Currently Supervised

Martin FARLEY (MEc)

Title: Decentralisation in the Industrial Relations Framework – The Impact on and Consequences for Productivity and Income Distribution

Supervisor(s): Dr Bruce Felmingham

Report: The objective of my thesis is to determine the impact of the decentralisation of the industrial relations system in Australia, as represented by enterprise bargaining activity, on productivity and income. The data set combines information from the Workplace Agreement Data Base, provided by the Department of Employment and Workplace Relations in combination with ABS industry data to form panels from 1992 to 2003. Modelling the data set using generalized least squares, it is found that introduction of enterprise agreements has a significant effect on labour productivity across all industry sectors. Wage rates are identified as being significantly affected by improvement in labour productivity but not by bargaining activity. Different wage rate influences are found between industry sectors.

Norton GREY (PhD)

Title: Multifactor Models of the Yield Curve

Supervisor(s): Dr Bruce Felmingham

Report: In 2004 I concentrated on completing a chapter of my PhD on multi-factor models determining influences on the Australian interest rates and yield curve.

Geoffrey LANCASTER (PhD)

Title: Trade Liberalization: Implications for Inequality and Poverty in Developing Countries

Supervisor(s): Professor Ranjan Ray and Dr Paul Blacklow

Report: International trade is arguably the most direct economic means by which rich countries influence poor countries. Levels of trade between developing and OECD nations has experienced significant growth in the last twenty years. While there is a general agreement in the positive impacts of trade liberalisation for developing nations, understanding the potential distributional effects of trade reforms is crucial. This is evidenced by the World Bank's adoption of mandatory trade diagnostic studies of prospective reforms. Combining household survey data with general equilibrium modeling, the project will examine how trade liberalisation effect inequality and poverty within developing countries. In 2004 I completed my literature review and commenced basic modeling work.

Darcy McGAURR (PhD)

Title: "Development and Promotion of Australian International Trade Policy"

Supervisor(s): Dr Bruce Felmingham (University of Tasmania)

Report: The distribution of international trade has been greatly affected by the process of globalisation. New technology in transport and communications has expanded and diversified trading opportunities, while diminishing the disadvantage and cost of distance. A small, remote but advanced economy, such as Australia, faces the challenge of building an optimal framework of trading connections. World trade is currently dominated by the major trading blocks of Europe and North America. China and Japan are increasingly important. Australia's export trade is heavily dependant on agriculture and mining activity. It has abandoned its former policy of protection of local manufacturing against more efficient, larger scale foreign producers. Australia is recognised as a stalwart of institutions such as GATT and the WTO, which have championed open international trade. Recently, great trading powers have actively promoted so called "free trade agreements" among chosen trading partners rather than rely upon the most favoured nation provisions of multilateral trade treaties.

Australia has participated in the move to these so called "regional" agreements. Are we doing so at the cost of the multilateral framework? This thesis will examine the important policy issues of: (i) identifying our optimum set of trading partners for Free Trade Agreements (FTA), (ii) evaluating the FTAs already negotiated, (iii) assessing the impact of those and anticipated FTAs on the prospects of Australia's multilateral trade and (iv) exploring the potential contribution of Game Theory to Australia's international trade negotiations.

Ingrid van PUTTEN (PhD)

Title: Economics of Biodiversity Conservation on Private Land and Landholder Motivations

Supervisor(s): Dr Sarah Jennings and Dr Stuart Whitten (CSIRO Sustainable Ecosystems)

Report: This study is aimed at improving our understanding of landholder decision making, incorporating landholder values and motivations. Discrete choice modeling of landholder behaviour, using survey based data, will allow the prediction of landholder decisions to participate in biodiversity conservation incentive programs. The aim is to link the success of economic instruments (incentive programs) available to government, to the socio-economic characteristic of landholders, their motivations and the economic values they attribute to land for biodiversity conservation. This study will reflect the physical and social diversity in the rural landscape in Australia through a series of regional case studies. The study is also aimed at using the information gathered to develop a bio-economic model that predicts regional supply of private land for biodiversity conservation. The model will combine existing biophysical information, with the socio economic characteristic of the landholders, their motivations, and the prediction of their participation in government incentive schemes determined.

Alexis WADSLEY (PhD)

Title: Exchange Rates, Commodity Prices and Risk

Supervisor(s): Dr Bruce Felmingham

Report: In the Australian economy, fluctuations in exchange rates and commodity prices have significant impacts on economic activity. While relationships between exchange rates and commodity prices have been reviewed significantly by financial market operators, the theoretical foundations for close correlations are less well formed.

Initial examination of the topic has included the examination of the theoretical linkages between capital flows and traded goods flows under a framework with strong micro-economic foundations and the role of the exchange rate to balance the current and capital accounts with short-term rigidities in traded goods markets. The theoretical approach will be refined to address the process of dynamic adjustment, with new relationships then subject to empirical examination.

Yong Hong YAN (MEc)

Title: The International Integration of Chinese Share Markets

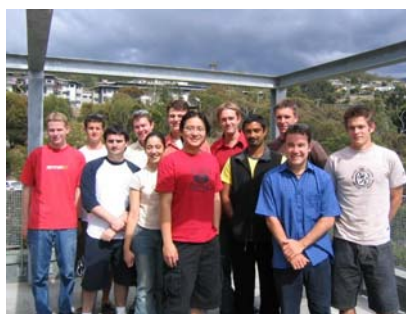
Supervisor(s): Dr Bruce Felmingham (University of Tasmania)

Report: In the first half of 2004 my effort was focused on literature review and data collection. In the second half of 2004, I focussed on learning the econometrics software packages (EViews and RATS) to conduct the early analysis. I presented the draft on the interdependence of two major domestic share markets in China (one chapter of my thesis) in a school seminar and received some useful feedback. This work resulted in a paper being submitted to the *Journal Applied Economics Letters* and was accepted for publication. I also worked as a research assistant for Bruce Felmingham's project "The Living Standard and Population of Australia" since the end of 2004.

The 2004 Honours Year

The following units were offered in 2004:

BEA400	Microeconomics
BEA420	Macroeconomics
BEA442	Econometrics
BEA450	Development Economics
BEA480	Derivative Securities
BEA486	Finance



2004 Honours Class:

(Back - from left to right) Asher Gentle, Nicholas Kinsella, Isaac Poole, Richard Clark, Scott Graham and Ted Alexander
(Front - from left to right) Ian Morgan, Neha Malhotra, Khim Khor, Joe Sundram, Corey Edwards and Andrew Harding

Listed below are the Honours student's dissertations for 2004:

Ted Alexander

Trading on the Forward Forecast Error
– Supervisor: **Dr Bruce Felmingham**

Scott Graham

Modelling the Harvesting Behaviour of Non-Industrial Private Forest Owners in Tasmania
– Supervisor: **Dr Sarah Jennings**

Andrew Harding

Real Interest Rate Equalisation as a Long Memory Process
– Supervisor: **Dr Arusha Cooray**

Khim Thiew Khor

Dynamic Relationship Between Trading Volume, Returns and Volatility for Kuala Lumpur Composite Index (KLCI)
– Supervisor: **Dr Nagaratnam Jeyasreedharan**

Nicholas Kinsella

Exploitation of an Inefficient Market: A Statistical Arbitrage Approach using Cointegrating Methodology
– Supervisor: **Dr Nagaratnam Jeyasreedharan**

Ian Morgan

Technical Analysis on the Australian Stock Exchange
– Supervisor: **Mr Norton Grey**

Isaac Poole

Spatial Cost of Living Indexes in Australia
– Supervisor: **Dr Paul Blacklow**

Joe Sundram

The Day of the Week Effect on Stock Market Returns and Volatility: The Australian Story
– Supervisor: **Dr Bruce Felmingham**

Neha Malhotra

Migration to and from Tasmania
– Supervisor: **Dr Paul Blacklow**

Corey Edwards

An Event-Study of the Ex-Dividend Day Effect
– Supervisor: **Dr Nagaratnam Jeyasreedharan**

Richard Clark

Income and Expenditure Inequality Across Australian States, 1975-1999
– Supervisor: **Professor Ranjan Ray**

Asher Gentle

Anti-Smoking Policies in Australia
– Supervisor: **Dr Michael Brooks**

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 Sieglhoff, Chief Economist, BZW

Ivan Colhoun, Senior Economist, Bain

The 2004 Honours graduates found employment with:

Commonwealth Bank

Reserve Bank of Australia

Department of Infrastructure, Energy and Resources

Commonwealth Treasury

Aust. Bureau of Agriculture & Resource Economics (ABARE)

Hydro Tasmania

Finance and Industry

Recent Employment Experience of BEc (Hons) Graduates

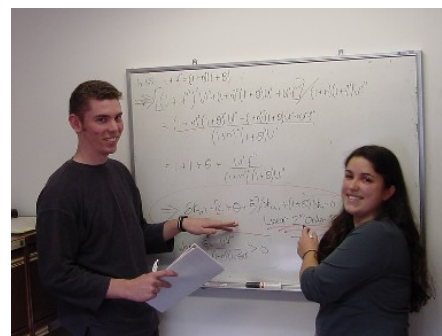
Destination	2004	1993-2004
Aust. Bureau of Agriculture & Resource Economics (ABARE)	1	5
Australian Bureau of Statistics (ABS)		6
Commonwealth Treasury	1	6
DEETYA		2
Finance & Industry	1	11
Further Study		11
Other Government Departments		7
Productivity Commission		3
Reserve Bank of Australia (RBA)	2	9
Tasmanian Development & Resources		2
Tasmanian Treasury		1
Commonwealth Bank	2	3
Department of Infrastructure, Energy and Resources	1	1
Travelling	2	2
Other	2	2

5. UNDERGRADUATE TEACHING

Units Offered in 2004

First Year

BEA110	Economics for Business
BEA130	Foundations of Economic Policy
BEA140	Quantitative Methods



Student Presentations

Second Year

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

Majors Offered

Australian & the Asia Pacific (available in the Bachelor Economics)

Business Economics (available in both the Bachelor Economics and Bachelor of Commerce)

Economic Analysis (available in the Bachelor Economics)

Economic Policy (available in the Bachelor Economics)

Finance (available in both the Bachelor Economics and Bachelor of Commerce)

Third Year

BEA300	Microeconomic Theory and Policy
BEA303	Trade Principles and Policy
BEA305	Industrial Organisation
BEA320	Macroeconomic Theory and Policy
BEA321	Banking and Financial Institutions
BEA325	Prices and Profits
BEA341	Research Methods for Finance
BEA342	Econometrics
BEA343	Corporate Finance
BEA380	Derivative Securities
BEA384	International Finance

Combined Degrees

Bachelor of Economics and Bachelor of Laws

Bachelor of Economics and Bachelor of Science

Bachelor of Economics and Bachelor of Arts

Bachelor of Computing and Bachelor of Economics

Scholarships and Prizes

J.B. Brigden Memorial Prizes

Highest aggregate mark in four 3rd year Economics units

Benjamin Mead

Second highest aggregate marks in four 3rd year Economics units

Jason Manson

The Tasmanian Chamber of Commerce and Industry Prizes

Best performance in BEA110 Economics for Business

Stephen Ridge

Best performance in BEA130 Foundations of Economic Policy

Sophie Rolls

Best performance in BEA140 Quantitative Methods

Aaron Nicholas

Best performance in BEA200 Intermediate Microeconomics

Aaron Nicholas

Best performance in BEA210 Australian Political Economy

Aaron Nicholas

Best performance in BEA242 Introduction to Econometrics

Yuan Choon Ho

Best performance in BEA303 Trade Principles and Policy

Aaron Nicholas

Economic Society of Australia (Tasmania Branch) Prize

Best student in BEA240 Quantitative Economic Analysis

Stefan Rass and **Julia Jacques**

Australian Finance Conference Prize

Best student in BEA321 Banking & Financial Institutions

Ryan Sharp

The TASCORP Prize in Finance

Highest aggregate mark in BFA281 Financial Management and BEA286 Investment Analysis

Jason Siu

The CH Grey Prize

Highest achievement (score) for a student enrolled in either BEA241 or BEA341 Research Methods for Finance

Robin Jakob

Highest achievement (score) for a student enrolled in BEA343 Corporate Finance

Thuy Hang Le

Economic Society of Australia (Tasmanian Branch)

Best Economics Honours Dissertation
Isaac Poole

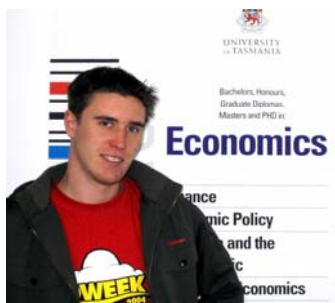
DJ Motors Scholarship for BEc Honours Dissertation

Isaac Poole



**Dr Paul Blacklow (President of
Economic Society of Australia)
and Isaac Poole**

Rhodes Scholarship



Ted Alexander

In 2004 UTas Honours Graduate Ted Alexander was awarded the Prestigious Rhodes Scholarship for 2005

Ted proved to be an outstanding young candidate with an impressive academic record, a varied and successful sports career and an admirable commitment to his local and university community.

Ted is currently using his Rhodes Scholarship to study a Master of Philosophy in Economics at Oxford University and says he will hold nothing back in his efforts to do credit to the spirit and ambition of the Rhodes.

Ted says his academic interest lies in the fields of Economics and Finance as it "blends the comprehensive academic theory of Economics with the real world application of Finance". He hopes to work in the field of international economics and finance, particularly in the areas of foreign exchange stability and economic development.

These are areas that he developed a strong interest in while writing his honours thesis on the forward forecast error in the foreign exchange market. Hoping to use his education, knowledge and experience "to benefit others", he is keen to work on economic development issues affecting the underdeveloped African nations. He is also considering a career within the International Monetary Fund after receiving one of 12 coveted Cadetships with the Reserve Bank of Australia.

While completing his studies and gaining outstanding marks, including a perfect TCE score of 100 and an average of 85 percent in his third year at University, Ted played, umpired and coached a wide variety of sports including soccer, basketball and football. Ted is currently the captain of the University Football Club Reserves.

Ted was also selected twice to represent Australia in real tennis at the Clothier Cup tournament and has competed in France, the UK and the USA. He spent a year living in France as the professional for the Bordeaux Real Tennis and Squash Club where he developed a fluency in French, which he then studied at university.

Ted was very active in student politics and community events while at University. He was elected Vice-President of the Tasmanian University Union in 2001 and then President in 2002. He was also the Treasurer for the past two years. Through his role in the Union, Ted found that he could act "to directly benefit the student community". He was active in the development of the TUU's multipurpose activity centre, and contributed to the inception of Edge Radio, a community youth radio station that offers the youth of Hobart a chance to participate in broadcasting.

Ted was also president of the 'Finance and Economics Student Society' and 'Australian Young Labour' in Tasmania and is a passionate public speaker and debater.

6. THE SCHOOL AND THE WIDER COMMUNITY

The Seventh Annual Giblin Lecture

Those in attendance at this year's Giblin lecture were delightfully entertained by a witty and informative presentation by Professor Robert H Frank on "Does Rising Inequality Harm the Middle-Class?"

Professor Robert Frank holds a BS in mathematics, a MA in statistics and PhD in Economics, UC – Berkeley. He is a Professor of Economics at the Johnson Graduate School of Management, Cornell University and was the Goldwin Smith Professor of Economics, Ethics and Public Policy in the College of Arts and Sciences from 1991-2001. Professor Frank has authored/co authored several books and his book co-authored with Philip Cook, *The Winner-Take-All Society* was included in Business Week's list of the ten best books for 1995.



Dr Paul Blacklow, Dr Michael Brooks, Professor Robert Frank and Professor Daryl Le Grew

The 2004 Giblin Lecture was held on 20th September co-hosted by the School of Economics and the Tasmanian Branch of the Economic Society.

The lecture was chaired by the University's Vice Chancellor, Professor Daryl Le Grew, with the Head of School Dr Michael Brooks getting proceedings underway, and Dr Paul Blacklow, President of the Tasmanian Branch of the Australian Economic Society signing off with the vote of thanks.

Professor Frank spoke on how the "arm race" in expenditure has substantially raised the cost of achieving many basic life goals. He gave examples, such as how the middle class must now buy heavier cars in order to maintain an acceptable level of road safety; or buy more expensive clothes to remain competitive in the job and marriage markets; and spend more for gifts on important social occasions. He also spoke on education, housing, BBQ's and lingerie. Explaining how the enjoyment of goods and services depends upon the context in which they are enjoyed.

The Giblin Lecture is named after one of Tasmania's famous economists, Professor Lyndhurst Falkiner Giblin, (1872-1951). Giblin held a number of official positions in government and was a key in the establishment of the Commonwealth Bank. He exercised a significant influence over economic policy making in Australia. Giblin made many substantial contributions to theory, which are still applied today, the most noted of which was the concept of the foreign trade or export multiplier.

Giblin's fundamental contribution may be described with the following words: "He shepherded a small bank of economists to preserve cohesion within the profession, provided links with Governments, and endeavoured to raise public awareness of the nature and dimensions of economic problems." These are appropriate words to summarise the intent of the Giblin lectures.

The 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” — Ian J. MacFarlane
(Not Available)	“Tasmania’s Lessons for New Zealand” — Don Brash
Occasional Paper No 6	“The Past and Future of Competition Law” — Allan Fels
Occasional Paper No 7	“Does Rising Inequality Harm the Middle Class?” – Robert Frank

The Occasional Paper Series is available as a PDF files on the School of Economics website at: www.utas.edu.au/economics/ .

Consultancies and Service Teaching

Dr Hugh Sibly served as Assistant Commissioner, Government Prices Oversight Commission, on the “Investigation into the Pricing Policies of Tasmanian Bulk Water Authorities”.

Communicating Through the Media

Newspaper Articles

Dr Bruce Felmingham continued active in providing comments on hot topics throughout 2004. His comments were included in the *Financial Review*, *Australian*, *Mercury*, *Examiner*, *Advocate* (regarding Forestry, Bass Strait Shipping, Interest Rates and State of the Economy). He also, made several TV appearances on these issues and many radio interviews throughout the year.

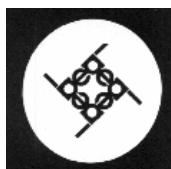
In addition, Bruce Felmingham raised the level of the economics debate in the Tasmanian media through his column on economic affairs in the *Sunday Tasmanian*. Defying conventional positions, Bruce Felmingham has shown his readers the range of things it is possible to reasonably think in economics. Below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

Date	Title
11 January 2004	Good Times Roll for Tasmania
25 January 2004	No Easy Answers to Farming Woes
8 February 2004	Doctors Poll No Help On Forestry
22 February 2004	Good, Bad and Ugly in IT Age
7 March 2004	AUSFTA – A Furphy
21 March 2004	Towards Peace in Our Forests
4 April 2004	Tassie Can Boom Without the Bust
18 April 2004	Parochialism Alive and Well
2 May 2004	Free Trade Deal No Free Lunch
16 May 2004	A Smoke and Unions Budget
30 May 2004	Bass Strait History Cannot Be Ignored
13 June 2004	Timber Splitters Whack Wedges
27 June 2004	Bacon Approach Must Continue
11 July 2004	Investment in Child Core Pays
25 July 2004	Painful Poison of Parochialism
6 August 2005	AUSTA: Tasmanian Benefits
22 August 2004	Storm Clouds on Economic Horizon
5 September 2004	Time to Reform Governorship
19 September 2004	A Red Light for Green's Rescue
3 October 2004	Counting Costs of Third Wheel
17 October 2004	Forest Worker's Concerns Count
31 October 2004	Pulp Mill Gain with Little Pain
14 November 2004	Role of Honour in Economics Study
28 November 2004	Spirit III Now All At Sea
12 December 2004	Forgotten Pot of Honey for State
26 December 2004	Boxing Day and I'm Punch Drunk

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.

The School's Liaison with Tasmania's Schools

The Tenth Wrest Point Economics Challenge



130 year 11 & 12 students studying economics in Tasmania took part in the annual WREST Point Economics Challenge held at the School of Economics on Thursday 19 August. This competition, the tenth since its inception, is aimed at stimulating the interest of students, primarily in economics, but generally in topics of local concern with an economic bias. It has also assisted in developing closer links with this School, the University and schools within the state.



In the morning session, Chris Lock from the Tasmanian Department of Treasury and Finance, supported by Scott McNamara (a current Honours student working for the Department) spoke on the advantages of studying economics, where it can lead to and career prospects after graduation. They were followed by two honours students Ted Alexander and Richard Clark who took a light-hearted look at studying economics and university life.

After lunch the students went into a workshop session and the photographs reveal that the students were at times, locked in deep thought. The workshop session presented by The Friends School comprised of three parts:

1. 'Identify the Economic Issue' from newspaper headlines and cartoons;
2. A multiple-choice question session;
3. General questions and responses.



These various tests of economic knowledge attracted a great deal of interest with the winners being a group from Guilford Young College Hobart Campus, runners up Hobart College and a third place went to a second group from Guilford Young College Hobart.

It was a highly enjoyable day with the schools between them qualifying for \$1100 in prize money and consolation prizes awarded by WREST Point and Business Education Australasia Tasmania (BEAT).

Liaison and Outreach Programme to TCE Schools

The school held two economics teachers' forums where TCE (Tasmanian Colleges of Education - year 11 and 12) Economics Teachers discussed items of mutual interest with School of Economics staff.

Dr Bruce Felmingham continued to set the TCE syllabus for TCE Economics and set its exam in 2004.

In 2004 **Dr Bruce Felmingham** and **Mr Norton Grey** visited TCE Colleges in the south while **Ms Ann Marsden** TCE Colleges in the north.