# Centre for Applied Economic Research (CAER)

# Annual Report 2014

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

1.1 Presiding faculty

UNSW Business School

1.2 Schools, centres, faculties and other organizations with which CAER interacts

CAER has significant linkages with the academia, industry and government. The following table summarizes the schools, centres, faculties and other organizations with which CAER interacted during 2014. The nature of the interactions is also indicated. Further descriptions of the interactions are provided in the sections to follow of this report.

| **Entity** | **Nature of interaction** |
|---|---|
| **Within UNSW** | |
| School of Economics, UNSW Business School | On-going engagement; CAER's management, majority of CAER members, and part of the Steering Committee members are academics at the school; Collaboration and coordination of teaching and research supervision activities; Provision of in kind facilities. |
| School of Banking and Finance, UNSW Business School | On-going engagement with the Real Estate Initiative Group; Part of CAER members and the Steering Committee members are academics at the school; Collaboration and coordination of teaching activities. |
| School of Taxation and Business Law, UNSW Business School | Engagement with the Real Estate Initiative Group and coordination of teaching activities. |
| Industrial Relations Research Centre (IRRC) | On-going engagement; Part of CAER members are academics at the centre; Collaboration on the publication of the refereed journal Economic and Labour Relations Review (ELRR). |
| ARC Centre of Excellence in Population Ageing Research (CEPAR) | On-going engagement with the Health Economics Group and co-organization of the Health Economics Workshop 2014. |
| UNSW Law | On-going engagement with the Law and Economics Initiative Group; Part of CAER members and the Steering Committee members are located at the school; Coordination of research supervision activities. |
| UNSW Built Environment | Engagement with the Real Estate Initiative Group and coordination of teaching activities. |
| UNSW Real Estate Student Society | On-going engagement with the Real Estate Initiative Group. |

| Entity | Nature of interaction |
|---|---|
| **Outside UNSW** | |
| APHCRI Centre for Research Excellence in the Finance and Economics of Primary Health Care (REFinE-PHC), UTS | Co-organization of the Health Economics Workshop 2014. |
| Australian Bureau of Statistics | On-going engagement with the Economic Measurement Group; Industry partner on joint Australian Research Council Linkage Grant. |
| Australian Productivity Commission | On-going engagement with the Economic Measurement Group; Industry partner on joint Australian Research Council Linkage Grant. |
| Australian Bureau of Agricultural and Resource Economics and Sciences | On-going engagement with the Economic Measurement Group. |
| Department of Communications, Australia | On-going engagement with the Economic Measurement Group. |
| OECD | On-going engagement with the Economic Measurement Group. |
| Australian Council of Learned Academies (ACOLA) | Collaboration with the Economic Measurement Group on the research project “The role of science, research and technology in lifting Australia's productivity”. |
| Reserve Bank of Australia | On-going engagement with the Economic Measurement Group and the Real Estate Initiative Group. |
| Statistics Netherlands | On-going engagement with the Economic Measurement Group and the Real Estate Initiative Group. |
| RF Capital | On-going engagement with the Real Estate Initiative Group; Industry partner on joint Australian Research Council Linkage Grant. |
| CorVal Partners Limited | Industry partner on joint Australian Research Council Linkage Grant with the Real Estate Initiative Group. |
| Paul Milstein Center for Real Estate, Columbia Business School | On-going engagement with the Real Estate Initiative Group. |
| MIT Center for Real Estate | On-going engagement with the Real Estate Initiative Group. |
| Herbert Smith Freehills law firm (Sydney) | On-going engagement with the Law and Economics Initiative Group; Key donor of the Law and Economics Initiative Group. |
| Academy of the Social Sciences in Australia (ASSA) | Co-organization of Professor Holden’s public lecture event, August 2014. |

## 1.3 Governance and management of CAER

**Director**
Professor Kevin Fox, School of Economics, UNSW

**Deputy Director**
Associate Professor Peter Kriesler, School of Economics, UNSW

**Steering Committee**

Professor James Morley (Associate Dean Research, UNSW Business School) – Chair

Professor Kevin Fox (Director, CAER)

Associate Professor Jerry Parwada (Head, School of Banking and Finance)

Mr Tim Harcourt (J.W. Nevile Fellow in Economics)

Ms Fei Wong (General Manager, UNSW Law)

## 1.4 CAER's research groups and their members in 2014

CAER's research activities are carried out through its research groups where each group focuses on a specialised research area. The following is a list of CAER's research groups and their members during 2014. The research agenda of each group is described in section 2 of this report.

**Health Economics Group 2014**

Professor Denzil Fiebig - School of Economics, UNSW

Professor Denise Doiron - School of Economics, UNSW

Dr Isabella Dobrescu - School of Economics, UNSW

Gaoyun (Sophie) Yan - PhD student, School of Economics, UNSW

**Economic History and History of Economic Thought Group 2014**

Professor Geoff Harcourt – School of Economics, UNSW

Professor John Nevile - School of Economics, UNSW

Associate Professor Peter Kriesler, School of Economics, UNSW

Dr Barrie Dyster – School of Economics, UNSW

Dr Neil Hart – The Industrial Relations Research Centre (IRRC)/School of Economics, UNSW

Professor Raja Junankar – The Industrial Relations Research Centre (IRRC), UNSW

Professor John Lodewijks – The Industrial Relations Research Centre (IRRC), UNSW

Dr. Joseph Halevi – University of Sydney

**Economic Measurement Group 2014**

Professor Kevin Fox - School of Economics, UNSW

Professor Erwin Diewert - School of Economics, UNSW and Vancouver School of Economics, the University of British Columbia

Associate Professor Glenn Otto - School of Economics, UNSW

Dr Iqbal Syed - Postdoctoral Research Fellow, CAER

Zoran Peroski - PhD student, School of Economics, UNSW

**Real Estate Initiative Group 2014**

Research team

Professor Kevin Fox - School of Economics, UNSW

Professor Erwin Diewert - School of Economics, UNSW and Vancouver School of Economics, the University of British Columbia

Associate Professor Glenn Otto - School of Economics, UNSW

Dr Mariano Kulish - School of Economics, UNSW

Dr Maggie Hu - School of Banking and Finance, UNSW

Dr Nigel Stapledon - Andrew Roberts Fellow in Real Estate, CAER

Dr Iqbal Syed - Postdoctoral Research Fellow, CAER

Hongjia Zhu - PhD student, School of Economics, UNSW

Xiangling Liu - PhD student, School of Economics, UNSW

Research affiliates

Mr Andrew Roberts - UNSW alumnus and key founder of the Real Estate Initiative Group

Professor Jan de Haan - Delft University of Technology and Statistics Netherlands

**Herbert Smith Freehills Initiative on Law and Economics[1] 2014**

Professor Richard Holden, Initiative Director - School of Economics, UNSW

Professor Rosalind Dixon, Initiative Deputy Director - UNSW Law

## 1.5 CAER's administrative staff in 2014

In 2014 Carmit Schwartz was working as a full-time administrator of CAER. She was hired to assist CAER's Director in the administration of the Centre and in coordinating the activities of the research groups. Oded Shrier has also provided casual administrative support to CAER's activities. Both positions were funded by CAER.

Administrative support was also provided by the UNSW Business School, mainly consisting of HR, IT, finance and marketing support.

## 1.6 CAER's mission, objectives and history

**Mission**

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

[1] Hereafter: Law and Economics Initiative Group.

**Objectives**

In pursuing it mission CAER has the following strategic objectives:

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

**History**

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

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

The following is a summary of CAER's performance in relation to its identified objectives during 2014. A detailed description of CAER's operations in 2014 is provided in the following sections of this report.

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

In 2014 CAER's research activities were carried out and advanced through the following research groups:

**Health Economics Group**

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

**Economic History and History of Economic Thought Group**

The Economic History and History of Economic Thought Group is a collaboration between CAER, the School of Economics and the Industrial Relations Research Centre (IRRC). The research undertaken by the group is concerned with the history of policy, both in the sense of the economics idea which generates policy, and with the policy itself and its impact on society. The group research areas include: economic history of Australia, economic history of Europe, economic history of Asia, history of economic policy and history of economic thought.

**Economic Measurement Group**

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

**Real Estate Initiative Group**

With the encouragement and financial support of UNSW alumnus, Mr. Andrew Roberts, the Real Estate Initiative Group was established in 2012 under the umbrella of CAER within the UNSW Business School. It is a multi-disciplinary initiative, with collaboration between CAER, UNSW Business School and UNSW Built Environment. As the real estate sector represents a substantial share of the capital assets and savings of businesses and households in the economy and is a major influence on the performance of the economy, the Real Estate Initiative Group was established to develop a research program to explore real estate-related issues from multidisciplinary perspectives and also to develop education programs to boost skills in the sector. The research areas of the group include both the residential and the commercial property sectors. Within the residential property sector, the group's research topics include: measurement of market disequilibrium, housing affordability and government policy, housing supply and housing

bubbles. Within the commercial property sector, the group's research topics include: market regulations, commercial property and credit creation, and the construction of price indexes for the commercial property sector while incorporating depreciation and quality change adjustments.

**Law and Economics Initiative Group**

The Herbert Smith Freehills Initiative on Law and Economics is a collaboration between CAER, UNSW Business School, UNSW Law and the Herbert Smith Freehills law firm (Sydney). Its main goals are to help establish law and economics in the Australian academia, begin a dialogue with practitioners about developments in the field and developments in practice, and to establish UNSW as a key leader in the field. The research of the group aims to analyse and understand law and legal institutions from economic perspectives rather than the legal realistic tradition. This is achieved by applying the latest developments in the field of economics, including the incorporation of tools from labour economics and the insights of information and behavioural economics on the limits of neo-classical economic models.

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

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

CAER's collaborative research during 2014 is demonstrated by its following undertakings:

- During 2014 the Economic Measurement Group completed and finalized its research project: "Tackling the Tough Problems in Productivity Measurement: Infrastructure, Services and R&D". This project was part of an Australian Research Council Linkage Grant which involved collaboration with the Australian Bureau of Statistics, the Productivity Commission and the Reserve Bank of Australia.

- In late 2014 the Real Estate Initiative Group commenced its research project: "The Economic Measurement of Property Markets: Prices, Bubbles, Economic Growth and Productivity". This project is part of an Australian Research Council Linkage Grant which involves collaboration between the Real Estate Initiative Group and property investor RF Capital together with its associate property fund manager and investor CorVal Partners Limited. The research project builds on both firms' research capacity on property markets, including their data availability and industry expertise.

- CAER contributes to an interdisciplinary research through its collaboration with the Industrial Relations Research Centre (IRRC) on the publication of the refereed journal *Economic and Labour Relations Review* (ELRR), an international journal on the intersection of economic, social and labour market policy research. During 2014 the following CAER members supported the ELRR as editors or members of the Editorial Committee or International Advisory Board: CAER Deputy Director Associate Professor Peter Kriesler (School of Economics, CAER), Professor Geoff Harcourt (School of Economics, CAER), Dr Neil Hart (IRRC, CAER), Professor Raja Junankar (IRRC, CAER) and Professor John Lodewijks (IRRC, CAER). In 2014 the journal was in its 25th year, and was published four times a year. Having gained its first JCR impact factor rating in 2012, the journal continued to grow strongly in 2014, the second of a five-year contract with Sage Publishing.

- In 2014 CAER supported domestic and international collaboration and stimulated its research activities by hosting eleven distinguished visitors.

- As a research centre, CAER's collaborative activities are mainly concentrated on research. However, CAER also undertakes educational collaborative activities where they are deemed appropriate in achieving its mission. In 2014 the Real Estate major became part of the teaching programme of the UNSW Business School and it is offered as one of the majors in the UNSW Business School's flagship undergraduate Commerce program. Dr Nigel Stapledon and Dr Maggie Hu, both members of the Real Estate Initiative Group, developed and delivered two of the new courses offered as part of the major. During 2014 the Real Estate Initiative Group also worked with the UNSW Business School/AGSM and the UNSW Built Environment to develop other undergraduate, postgraduate and executive education programs in real estate in alignment with UNSW's broader strategies.

➢ Support and facilitate research training and career opportunities for outstanding Australian and international students and researchers.

During 2014 CAER members have supervised four Honours students and six PhD students. CAER employed Dr Iqbal Syed as a postdoctoral research fellow and two early career academics (Dr Isabella Dobrescu and Dr Maggie Hu) participated in its research groups. CAER's support and mentoring of UNSW postgraduate students and early career researchers was further enhanced by hosting international visitors and organizing workshops and events where it encouraged their involvement in these visits and events. In addition, the Real Estate Initiative Group supported the establishment of the UNSW Real Estate Student Society in October 2014. Since its establishment the UNSW Real Estate Student Society has being very proactive. With support from the Real Estate Initiative Group, students were actively engaged with outstanding academics in the field and took part in industry events.

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

CAER's commitment to building and enhancing UNSW research capacity and outcomes is shown by the following activities undertaken in 2014:

**Visitors**

In 2014 CAER supported domestic and international collaboration by hosting eleven visitors. These visits of distinguished and internationally–recognized visitors assist stimulating CAER's research activities and provide staff and students the possibility of interactions with leading researchers in diverse areas of investigation. Among other activities, these visits usually involve a formal presentation given by the visitor.

**Workshops**

In 2014 CAER organized two workshops, the Economic Measurement Group Workshop and the Health Economics Workshop, as part of its objective of helping academics and students become leading and internationally-recognised researchers. These workshops typically involve academics from overseas and around Australia, and representatives from the public and private sectors. The success of these workshops has led them to become regular and well-attended events of international standing. Events such as these provide a stimulus to research at UNSW and great exposure to recent developments in diverse research areas.

**Academic, industry and government engagements**

In 2014 CAER not only continued to foster its links with the broader academic community and the public sector, but it also succeeded in developing and expanding its linkages with industry:

*Academic engagements*

- During 2014 Professor Denzil Fiebig was an advisory board member of the Centre for Health Economics Research and Evaluation (CHERE) at the University of Technology Sydney, an advisory committee member of the Centre for Health Economics (CHE) at Monash University, and an advisory board member of the National Centre for Econometric Research (NCER) at the Queensland University of Technology.

- During 2014 Professor John Lodewijks was a member of the Board of Directors of the Economics and Business Educators NSW, an ad hoc Review Panel Member of the Economics/Finance Department at the University of Canterbury, NZ, and a Selection Panel Member of the Premier's First State Super Financial Literacy Scholarship.

- During 2014 Professor Raja Junankar was an Australian Research Council Reviewer: Expert of International Standing and a reviewer for the Qatar National Research Fund.

- Professor Kevin Fox gave a presentation at the Learn@Lunch lecture series[2] on the importance of boosting national R&D in November 2014 at UNSW CBD Campus (Sydney).

- Professor Kevin Fox and Mr. Andrew Roberts visited the Paul Milstein Real Estate Center (Columbia Business School, New York) in February 2014. They participated in the annual meeting of the Columbia Real Estate Forum and benefited from engagements with prominent US industry leaders and academics. In addition, Professor Fox attended the Goodwin Procter/Columbia Business School Annual Real Estate Capital Markets Conference in New York, in January 2014, and had extensive meetings with Columbia Business School academics and staff relating to their real estate activities.

*Industry engagements*

- To advance connections between the Real Estate Initiative Group and experienced industry leaders, Professor Kevin Fox held meetings in 2014 with Justin Jefferies (COO, Knight Frank), Stephen Albin (CEO, Urban Development Institute of Australia), David Tanevski (Urban Taskforce and KWC Partners), Chris Johnson (CEO, Urban Taskforce), Jennie Lang (UNSW Foundation), Andrew Roberts (Principal, RF Capital) and Ken Morrison (CEO, Property Council of Australia). In these meetings Professor Fox provided detailed information about the Real Estate Initiative Group and its activities and sought industry advice and feedback. During the discussions, the industry leaders expressed their interest to be involved with the Real Estate Initiative Group and to support it with their expertise and knowledge.

- As part of its teaching program the Real Estate Initiative Group hosted Bryan Reid (MSCI) as a guest lecture in Professor Kevin Fox's ECON4309/6309 Economic Measurement course in the second semester 2014. In his lecture Bryan discussed the methodologies employed by MSCI in producing real estate related regional and global indexes, benchmarks, performance modelling, data metrics and risk analytics.

- To further develop UNSW reputation in the area of real estate, the Real Estate Initiative Group organized an industry panel event: "The world economy and what it means for Real Estate", in July 2014 at UNSW CBD Campus. The panel event was moderated by Peter Martin (Economics Editor, the Age), and featured Professor Dale Jorgenson (Harvard

[2] Learn@Lunch is a bite-sized lecture series in the heart of the Sydney CBD, where UNSW Business School alumni are invited to bring their lunch and listen to a leading UNSW Australia Business School academic discussing one of the most pressing issues facing business today.

University) and two industry leaders: Michael Blythe (Chief Economist of CBA) and Anthony De Francesco (Executive Director and Head of Investment Property Databank, Australia and New Zealand). There were more than one hundred participants attending the event with a wide-range of representation from alumni, industry and academics.

- The Real Estate Initiative Group held its first Real Estate Forum event in November 2014 at UNSW CBD Campus. The Real Estate Forum event is a small by-invitation assembly of leaders in the real estate industry. Through the Forum, the Real Estate Initiative Group aims to provide interactions with distinguished, thought-leading academics, as well as develop connections with experienced industry leaders who will support its activities with their deep expertise and knowledge. Professor Walter Torous of the MIT Center for Real Estate and founding director of the UCLA Ziman Center for Real Estate was invited to speak at the first Forum of the series. Dr Nigel Stapledon (Real Estate Initiative Group member), Mr Mark Baillie (Deputy Chairman of Folkestone) and Mr Scott Gray-Spencer (Executive Managing Director of Private Client Group – CBRE) were the Forum discussion leaders. Mr Jonathan Sweeney (Member of Perpetual Trustees Investment Committee) provided the closing remarks for the event.

*Government engagements*

- Professor Kevin Fox was invited to present his latest research on higher education funding and productivity at the Department of Industry (Canberra) in April 2014. Professor Fox was also invited to present this research at the Department of Education (Canberra) in November 2014.

- In November 2014 Professor Kevin Fox met with Paul Patterson, Chief Economist of the Department of Communications, to discuss Professor Fox's research on high-tech capital and industry productivity in Australia.

- In November 2014 Professor Kevin Fox met with Dr Hui Wei, Director, Macroeconomic Research Section of the Australian Bureau of Statistics, to provide his advice and expertise on methodological matters relating to depreciation rates for computers, Producer Price Indexes, and International Trade Price Indexes.

- During 2014 Professor Kevin Fox was a member of the Australian Bureau of Statistics Methodology Advisory Committee and of the Australian Bureau of Statistics Productivity Measurement Reference Group.

- During 2014 Professor Kevin Fox was a member and subgroup leader of the Expert Working Group of the Australian Council of Learned Academies (ACOLA) on "The role of science, research and technology in lifting Australia's productivity," that reported to the Prime Minister's Science, Engineering and Innovation Council.

- In June 2014 the Real Estate Initiative Group hosted a seminar on "Is Housing Overvalued?" presented by Peter Tulip (Reserve Bank of Australia). In September 2014 the Real Estate Initiative Group hosted a seminar on "Predicting Dwelling Prices with Consideration of the Sales Mechanism" presented by James Hansen (Reserve Bank of Australia).

- As part of its teaching program the Real Estate Initiative Group hosted Peter Tulip (Reserve Bank of Australia) as a guest lecture in Dr Nigel Stapledon's ECON3130 Real Estate Economics and Public Policy course in the second semester 2014. In his lecture Peter talked about the user cost measure for housing and, using this methodology, whether the housing market in Australia was under- or over-valued.

- Raise the profile, around Australian and internationally, of applied economic research at UNSW.

In 2014 CAER continued to create impact through the following activities:

**Publications**
To enhance the profile of UNSW's high-impact research and researchers CAER publishes and communicates its research achievements in journals and outlets of the highest standing internationally. In 2014 members of CAER published five book chapters, twenty four articles in highly regarded international refereed journals, five non-refereed scholarly articles, one conference volume and fourteen discussion papers. They also edited one book.

An illustrative example of the real world impact CAER's research is having is the research project undertaken by the Economic Measurement Group on the RYGEKS method in measuring price changes. In particular, from the September 2014 quarter, Statistics New Zealand incorporated retail transaction data, or 'scanner data', into the Consumer Price Index (CPI), to measure price change for consumer electronics categories using the "ITRYGEKS" method. This change in statistical agency practice has come about due to the RYGEKS approach of Ivancic, Diewert and Fox (J. Econometrics, 2011) which was part of a research project undertaken by the Economic Measurement group of CAER.

**Workshops and special events**
In 2014 CAER organized the Economic Measurement Group Workshop and the Health Economics Workshop. Events such as these raise the profile of applied economic research at UNSW in the broader community and strengthen CAER's position as a leading research centre in the region.

In addition, the Real Estate Initiative Group organized two industry events so as to develop UNSW reputation in the area of real estate. The first was an industry panel event on "The world economy and what it means for Real Estate". The panel event was moderated by Peter Martin (Economics Editor, the Age), and featured Professor Dale Jorgenson (Harvard University) and two industry leaders: Michael Blythe (Chief Economist of CBA) and Anthony De Francesco (Executive Director and Head of Investment Property Databank, Australia and New Zealand). The event was a sell-out and within an hour registration reached full capacity. There were more than one hundred participants attending the event with a wide-range of representation from alumni, industry and academics. The second event was a small by-invitation assembly of leaders in the real estate industry (UNSW Business School Real Estate Forum). It featured Professor Walter Torous of the MIT Center for Real Estate as a key speaker and three Forum discussion leaders: Dr Nigel Stapledon (CAER), Mr Mark Baillie (Deputy Chairman of Folkestone) and Mr Scott Gray-Spencer (Executive Managing Director of Private Client Group – CBRE).

To celebrate the great achievement of Professor Richard Holden winning the Academy of the Social Sciences in Australia (ASSA) Panel B award for Early Career Research, CAER in conjunction with the ASSA organized a public lecture event in August 2014. At this event Professor Holden brilliantly presented an interesting lecture on "New Perspectives on the Law and Economics of Elections".

**Professional engagements and scholarly achievements**
The professional engagements and scholarly achievements attained by CAER members in 2014 further contributed to its community impact. In particular,

- Professor Denzil Fiebig was member of Australian Research Council College of Experts and Director of the Executive Board of the International Health Economics Association (iHEA).

- Professor Kevin Fox was a council member of the International Association for Research in Income and Wealth.

- Professor Denzil Fiebig was an invited discussant at the 2nd Australian Health Economics Doctoral (AHED) Workshop.

- Professor Kevin Fox was an invited speaker at the 2014 Korea Development Institute (KDI) Journal of Economic Policy Conference on "Job Creation and Business Investment as Pathways to a Creative Economy" (Sejong-si, Korea) and at the OECD Workshop on House Prices (Paris).

- Professor Richard Holden was an invited speaker at the Competition Law and Policy Conference (UNSW CBD Campus).

- Professor Erwin Diewert was elected as a Fellow of the Journal of Econometrics.

- Professor Kevin Fox was elected as a Fellow of the Society for Economic Measurement.

- Professor Richard Holden won the Academy of the Social Sciences in Australia (ASSA) Panel B award for Early Career Research.

It is evident that CAER's work is valued by external stakeholders and its brand name has achieved a significant level of recognition.

**Media engagement**

To raise the profile of CAER at UNSW, members of CAER's research groups were actively engaged with the media and were extensively interviewed on various topical issues during 2014. There was a total of twenty three media engagements during the year, with media engagements taking place almost every month. Two media engagements were contributions to 'Business Think', UNSW Business School's online business journal.

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

## 3. CAER's planning for the coming year 2015

Following CAER's Review by the Research Strategy Office in May 2014 and its Follow-Up Discussion with CAER's Director in late 2014, the Director in coordination with the Steering Committee prepared an action list to be implemented in 2015. The action list document incorporates the recommendations suggested by the Research Strategy Office in their Centre Review and Follow-Up Reports, the decisions made in the last Steering Committee meeting and CAER's "Strategic Plan-2014" document.

The following is the list of steps planned to be implemented in 2015 as was outlined in the action list document:

### I. Strategic planning for CAER, 2015-2020

The Steering Committee, together with CAER's management, to prepare a new strategic and business plan for 2015-2020 in consideration of the Business School's Strategy 2020.

A target date be set for the completion of CAER's 5-year strategic plan

i. Structural change

- CAER's relationship with its Presiding Faculty and its Schools needs to be clarified and spelled out in detail as part of the planning activity.
- Director's proposal: the Centre to move away from the current Research Group model to an Initiative-based model to align with CAER's mission and general objectives.
- Reconsider collaboration with the Industrial Relations Research Centre (IRRC) on the publication of the *Economic and Labour Relations Review* (ELRR).

ii. Objectives and KPIs

- Objectives be tightened up and made more specific to the research areas of the Centre.
- Draw up KPIs for each initiative/group.

iii. Succession plan for the Centre's management (risk management)

- *Approach 1*: Actively engage and develop a broad pool of Centre researchers with managerial experience. This would give early-to-mid career researchers the opportunity to develop the managerial skills to serve as Deputy Director, and to eventually take on the Directorship.
- *Approach 2*: A new Director to be recruited when the need arises.

### II. Website

CAER's web site be thoroughly revised and its content brought up to date while ensuring compliance with the Centres Procedure.

## III. Initiatives/Groups Guidelines

Taking into account the new structure, develop guidelines on:

- CAER acknowledgment on publications and accountable reporting of Centre publications.
- Initiative/Group leaders reporting on progress in achieving KPIs for future annual reports.
- Establishment, management and operation of initiatives/ groups, including guidelines for the formation and operation of initiative/group specific advisory committee.

## 4. Statement of financial performance certified by the UNSW Business School's Finance Manager for the year ended 31 December 2014

**Ctr for Applied Economic Research**

**Statement of Financial Performance**
**For the Year Ended 2014**

| | Note | 2014 | 2013 | Difference $000 | Difference % |
|---|---|---|---|---|---|
| **REVENUE** | | | | | |
| *Research Revenue:* | | 373 | 79 | 294 | 373% |
| *Donations & Bequest - Draw downs* | | 387 | 473 | (86) | (18%) |
| *UNSW Contributions* | | | | - | |
| *Faculty Contributions* | 2 | 51 | 27 | 24 | 91% |
| Other Research Revenues | | | | | |
| *Commercial Activity - Fees for Service* | | | | 0 | |
| *Sundry Other Revenue* | 3 | 1 | 32 | (32) | (98%) |
| **Total Revenue** | | **812** | **611** | **201** | **33%** |
| **COST** | | | | | |
| Salaries, Oncosts and other staff costs | 4 | 618 | 303 | 315 | 104% |
| Scholarship Stipends | | 16 | | 16 | |
| Contract & Consulting Services | | | 1 | (1) | (100%) |
| Repairs and Maintenance | | 1 | | 1 | |
| Consumables | | 13 | 8 | 5 | 68% |
| Travel | | 126 | 169 | (43) | (26%) |
| Equipment Non Capitalised | | 6 | 2 | 4 | 232% |
| Entertainment | | 6 | 3 | 4 | 138% |
| Marketing | | | | - | |
| Miscellaneous Expenses | 5 | 23 | 47 | (23) | (50%) |
| **Total Cost** | | **809** | **531** | **278** | **52%** |
| **TOTAL CONTRIBUTION - SURPLUS/(DEFICIT)** | | **3** | **80** | (77) | (97%) |
| *Depreciation* | | | | | |
| **SURPLUS / (DEFICIT)** | | **3** | **80** | **0** | **-97%** |
| ***Cashflow Funded Capital Expenditure (CAPEX)*** | | | | | |

**NOTES:**

1 Starting from 2014, statements are prepared on accrual accounting basis.
This results in a restatement of 2013 financial reports which were prepared on cash basis.

2 Consist of:
(a) $12K cash contribution from UNSW Business School Research Office to CAER.
(b) $28K contribution from UNSW Business School Research Office towards post-docs salary costs
(c) $11k Operating Fund Allocation to the Centre

3 Insurance recovery fees received from ACE Insurance Ltd for repairing the laptop of the Director of CAER.

4 Includes $161K salary transfer to Project RM06090 (one of the EMGI productivity ARC Linkage Grant projects administrated through the School of Economics department ID) to cover salary expenses incurred in 2013.

5 Includes Utilities, UNSW Internal Expenses and other Non-People costs.

6 Funds available in Division of Advancement $ 71 $ 71

**Comments on the Statement of Financial Performance by the Centre:**
1. The Statement of Financial Performance has been prepared on the basis of accrual accounting by using the Centre's report recommended by the GMO. Adjustments were made for project transactions which had been recorded against the relevant project but under the dept id of FBS121 (Economics)

**Certified by Faculty Finance Manager**

**Name :** Joanne Herron **Signature :** [signature] **Date :** 20-5-15

Ctr for Applied Economic Research

UNSW AUSTRALIA

**Statement of Financial Position**
As at 31 December 2014

| | Note | 2014 | 2013 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalent | | 145 | 339 |
| Accounts Receivable | | | |
| Sundry Assets | | | |
| Investments | | | |
| Property Plant & Equipment | | | 0 |
| **LIABILITIES** | | | |
| Creditors and Other Liabilities | 6 | 143 | 329 |
| **NET ASSETS** | | **2** | **11** |

**NOTES:**
6 Liabilities are Income Recevied in Advance, which will be recognised as Income in the subsequent periods. There are no unpaid invoices as at 31Dec14

**Additional notes:**

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

- In 2014, UNSW alumnus, Mr. Andrew Roberts, has gifted an additional $300,000 to CAER to support the further development of the Real Estate Initiative. The funds were deposited to UNSW Foundation accounts. The expenses of the Real Estate Initiative are administrated through an FC101 project on UNSW accounts. Every year funds from the UNSW Foundation accounts are transferred to the FC101 project to cover the expenses and appear as donation income in the FC101 project. On the 31st of December 2014 the remaining donation balance within the UNSW Foundation accounts of the Real Estate Initiative was $70,894. In mid-2014 the error in the Department ID of the FC101 project of the Real Estate Initiative (PS29139) was fixed. However, as indicated in the above statement, further adjustments were needed in preparing the financial statement as the correction of the error took place in mid-year.

- The Herbert Smith Freehills donation for the Law and Economics Initiative was deposited to UNSW Foundation accounts in 2012. The expenses of the Law and Economics Initiative are administrated through an FC101 project on UNSW accounts. Every year funds from the UNSW Foundation accounts are transferred to the FC101 project to cover the expenses and appear as donation income in the FC101 project. On the 31st of December 2014 the remaining donation balance within the UNSW Foundation accounts of the Law and Economics Initiative was $472,707. In mid-2014 the error in the Department ID of the FC101 project of the Law and Economics Initiative (PS30029) was fixed. However, as indicated in the above statement, further adjustments were needed in preparing the financial statement as the correction of the error took place in mid-year.

## 5. Details of research grants and projects associated with CAER during 2014

The following is a list of research grants and projects held by CAER's research groups in 2014 as part of the groups' activities[3]. CAER members are marked in bold.

- Australian Research Council Linkage Grant, 2008-2013, "Tackling the Tough Problems in Productivity Measurement: Infrastructure, Services and R&D", $947,322, investigators: **K.J. Fox**, **G. Otto**, **W.E. Diewert**, E. Connolly and D. Parham, industry partners: Australian Bureau of Statistics and the Productivity Commission. ARC funds were administrated by the School of Economics (UNSW) and industry partners' funds were administrated by CAER. In December 2013 all remaining funds of the grant were rolled over to 2014 financial year. These funds were expended during 2014 financial year and the grant's financial projects were closed with a nil balance on March 2015.

- Australian Research Council Linkage Grant, 2014-2017, "The Economic Measurement of Property Markets: Prices, Bubbles, Economic Growth and Productivity", $625,000, investigators: **K.J. Fox**, **G. Otto**, **N. Stapledon**, **M. Kulish**, **M. Hu**, **W.E. Diewert** and **I.A. Syed**, industry partners: property investor RF Capital and its associate property fund manager and investor CorVal Partners Limited. The research project is a collaboration between the Real Estate Initiative Group and the two industry firms, building on both firms' research capacity on property markets, including their data availability and industry expertise. Funds of this project (both ARC and industry partners') are administrated by CAER.

- Australian Research Council Future Fellowship Grant, 2013-2017, **R. Holden**, $910,034. The project aims to further the understanding of non-price institutions such as firms, voting rules, trading mechanisms, bargaining protocols, and publically owned assets. Fifteen percent of this project is devoted to research which is undertaken by the Law and Economics Initiative Group. Funds of this project are administrated by the School of Economics (UNSW).

In addition, the Economic Measurement group submitted in 2014 a research proposal to be funded within the Australian Research Council Discovery Grant Scheme 2015. The title of the research proposal is: "Productivity Measurement, Drivers and Trends: A New Analytical Framework". The investigators named on the research proposal are: K.J. Fox and W.E. Diewert who are members of the Economic Measurement Group. The success of the proposal was announced in November 2014 with the project commencing in 2015.

[3] Research grants and projects which CAER members obtained outside of CAER's research groups' activities are excluded from the list.

## 6. Statement of in-kind contributions, cash contributions, infrastructure and other resources provided to CAER during 2014

6.1 In-kind contributions

*Estimated value of CAER members contribution to CAER's activities –by research groups*[4]

| CAER member | Type of Activity | Value of Contribution |
|---|---|---|
| | | |
| Professor Denzil Fiebig | Health Economics Group activities | 63,606 |
| Professor Denise Doiron | | |
| Dr Isabella Dobrescu | | |
| | | |
| Professor Kevin Fox | Economic Measurement Group activities | 60,347 |
| Professor Erwin Diewert | | |
| Associate Professor Glenn Otto | | |
| | | |
| Professor Geoff Harcourt | Economic History and History of Economic Thought Group activities | 82,442 |
| Professor John Nevile | | |
| Associate Professor Peter Kriesler | | |
| Dr Barrie Dyster | | |
| Professor Raja Junankar | | |
| Professor John Lodewijks | | |
| Dr Neil Hart | | |
| Dr Joseph Halevi | | |
| | | |
| Professor Richard Holden | Law and Economics Initiative Group activities | 52,792 |
| Professor Rosalind Dixon | | |
| | | |
| Professor Kevin Fox | Real Estate Initiative Group activities | 109,681 |
| Professor Erwin Diewert | | |
| Associate Professor Glenn Otto | | |
| Dr Mariano Kulish | | |
| Dr Maggie Hu | | |
| Mr Andrew Roberts, UNSW alumnus | | |
| Professor Jan de Haan | | |
| | | |
| **Total in-kind** | | 368,868 |

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

*Estimated value of in-kind contribution to CAER's administration*[5]

| | **Type of Activity** | **Value of Contribution** |
|---|---|---|
| | | |
| Professor Kevin Fox | Director | 43,992 |
| Associate Professor Peter Kriesler | Deputy Director | 15,113 |
| Professor James Morley (Associate Dean Research) | Steering Committee | 7040 |
| Associate Professor Jerry Parwada (Head, School of Banking and Finance) | | |
| Mr Tim Harcourt (J.W. Nevile Fellow in Economics) | | |
| Ms Fei Wong (General Manager, UNSW Law) | | |
| UNSW Business School administrative support | HR, IT, finance and marketing support | 12,360 |
| | | |
| **Total in-kind** | | 78,505 |

6.2 Cash contributions[6]

| **Entity** | **Purpose** | **Cash Contribution** |
|---|---|---|
| | | |
| UNSW Business School's Research Office | Support for the Economic Measurement Group Workshop 2014 | $10,000 |
| UNSW Business School's Development Unit | Support for the Real Estate Initiative Group activities | $2,000 |
| | | |
| **Total cash** | | $12,000 |

6.3 Infrastructure and other resources provided to CAER

In 2014 CAER members provided their own office space (including computers) on or off campus. The School of Economics provided office space and printer/photocopier facilities for CAER administrative staff. The UNSW Business School provided meeting space.

[5] Administrative support which was funded by CAER and/or by grants associated with CAER is excluded from the table.

[6] This section reports only cash contributions which were made available to CAER and which were administrated by the contributing entity. Cash contributions which were transferred into CAER's financial projects are reported as part of CAER's annual financial statement in section 4 above.

## 7. Details of publications, professional engagements and scholarly achievements associated with CAER during 2014

7.1 CAER Journal Publication - The Economic and Labour Relations Review

The Industrial Relations Research Centre (IRRC), in conjunction with the Centre for Applied Economic Research (CAER), publishes the refereed journal Economic and Labour Relations Review (ELRR). The ELRR aims to bring together research in economics and labour relations in a multi-disciplinary approach to policy questions. It publishes research that is country-specific or based on regional comparisons, or that analyses global trends. In the context of the severest economic crisis since the Great Depression, the journal encourages articles that critically assess dominant policy orthodoxies, as well as alternative models, thereby facilitating informed debate. The journal particularly encourages articles that take a critical approach to neoliberalism, that adopt a post-Keynesian (heterodox) approach to economics, or that explore rights-, equality- or justice-based approaches to labour relations and social policy.

During 2014 the following CAER members supported the ELRR as editors or members of the Editorial Committee or International Advisory Board: CAER Deputy Director Associate Professor Peter Kriesler (School of Economics, CAER), Professor Geoff Harcourt (School of Economics, CAER), Dr Neil Hart (IRRC, CAER), Professor Raja Junankar (IRRC, CAER) and Professor John Lodewijks (IRRC, CAER).

The ELRR content continued to be diverse and topical. The number of submissions received in 2014 was substantially greater than that for 2013 and the rejection rate rose to over 60%, despite the lower rejection rates for the special issues.

In 2014 an Obituary section was introduced, beginning with memorial to David Plowman, a founding editor of ELRR. This section developed into an important item of record and history, chronicling the ideas, lives and impact of important figures in the national and international economic and industrial relations landscape. In addition, the book review stream grew significantly, and included substantial review articles on topical books.

In 2014, Volume 25 was published in four issues. Volume 25 Issue 1 (March 2014) published articles revised from the 2014 conference of the Association of Industrial Relations Academics of Australia and New Zealand, as well as a substantial article on the GFC and unemployment in Turkey and a substantial re-theorisation of the relationship between the formal and informal sectors in India. Volume 25 Issue 2 (June 2014) published a mini-symposium, on neo-liberal impacts, including the dual welfare state, life on Newstart and the contracting out of vocational education, as well as articles on managing the impact of workplace deaths, on Australian ex-pats in Bougainville, and on mixed-method research, and employment relations studies from the EU, the Philippines and China. Volume 25 Issue 3 (September 2014) was a special issue on austerity, crisis, neoliberalism and alternatives, with a lead article on the Baltic states by Charles Woolfson and colleagues. It also carried an important article on Indigenous employment. Volume 25 Issue 4 contained a symposium convened by GC Harcourt on the 'Marglin Manifesto' for a new economics, addressing the issues of growth, equitable distribution and environmental limits, with articles by Professor Harcourt, Marglin (USA), Bradford (Australia), Amdekar and Ajit Singh Singh (Cambridge), Fischer and W Harcourt (Erasmus), Bartolini (Italy) and Bagchi (India), as well as an article on climate change response by Australian Patrick Troy. Overall, Volume 25 indicated the growing internationalization of ELRR, with a considerably higher proportion of articles coming from international authors.

During 2014 the journal's impact factor and royalties improved. The two-year impact factor for 2012-2013 was 0.481, up from 0.130. Ranking in Economics JCR was 235 out of 332 journals, and 18 out of 26 in Industrial Relations & Labor.

7.2 Research output of CAER members

The following is a list of research output attained by CAER members in 2014 as part of their research group activities[7]. CAER members are marked in bold.

**Books – Edited**

**Dixon, R.** and T. Ginsburg, 2014, *Comparative Constitutional Law in Asia*, Edward Elgar, Cheltenham UK and Massachusetts USA.

**Book Chapters**

**Harcourt, G.C.**, 2014, "Foreword", in *Challenging the Orthodoxy. Reflections on Frank Stilwell's Contribution to Political Economy*, S.K. Schroeder and L. Chester (eds.), Heidelberg, New York, Dordrecht, London, Stringer, pp. vii-viii.

**Harcourt, G.C.**, 2014, "Full Employment", in *Full Employment Revisited: Essays on the Economy, People and Fairness*, A. Tanweer and D. Ashiagbor (eds.), London: Work Forum Publishing, pp. 112–114.

**Kriesler, P.**, and **G.C. Harcourt**, 2014, "Michal Kalecki and Rosa Luxemburg on Marx's schemes of reproduction: two incisive interpreters of capitalism", in *The Legacy of Rosa Luxemburg, Oskar Lange and Michal Kalecki Vol. 1*, R. Bellofiore, E. Karwowska and J. Toporowski (eds.), Palgrave MacMillan, pp. 9-18.

**Dixon, R.** and M. Tushnet, 2014, "Weak-Form Review and its Constitutional Relatives: an Asian Perspective", in *Comparative Constitutional Law in Asia*, R. Dixon and T. Ginsburg (eds.), Edward Elgar, Cheltenham UK and Massachusetts USA, pp. 102-122.

**Dixon, R.** and T. Ginsburg, 2014, "Comparative Constitutional Law in Asia: An Introduction", in *Comparative Constitutional Law in Asia*, R. Dixon and T. Ginsburg (eds.), Edward Elgar, Cheltenham UK and Massachusetts USA, pp. 1-20.

**Refereed Journal Articles**

**Dobrescu, L.I.**, 2014, "To Love or to Pay: Savings and health care in older age", *Journal of Human Resources*, forthcoming.

van den Berg, B., **D.G. Fiebig** and J. Hall, 2014, "Well-being losses due to caregiving", *Journal of Health Economics*, Vol. 35, pp. 123-131.

**Doiron, D.**, **D.G. Fiebig** and A. Suziedelyte, 2014, "Hips and hearts: The variation in incentive effects across hospital procedures", *Journal of Health Economics*, Vol. 37, pp. 81-97.

**Lodewijks, J.**, 2014, "Comment [on Brennan]", *History of Economics Review*, Vol. 60, pp. 58-60.

[7] As of 2014, there was no clear policy relating to acknowledging CAER on publications. As noted in Section 3, CAER's planning for 2015 included development of guidelines to ensure "CAER acknowledgment on publications and accountable reporting of Centre publications". In compiling the following list all efforts have been made to ensure that research output of CAER members which was achieved outside of CAER's research groups' activities is excluded from the list.

**Lodewijks, J.** and T. Stokes, 2014, "Is academic economics withering in Australia?", *Agenda - A Journal of Policy Analysis and Reform*, Vol. 21(1), pp. 69-88.

Monadjemi, M. and **J. Lodewijks**, 2014, "Post Inflation Targeting Monetary Policy: A Study of Britain, Japan and the United States", *Expert Journal of Economics*, Vol. 2(1), pp. 21-29.

Monadjemi, M. and **J. Lodewijks**, 2014, "Inflation Targeting and Macroeconomic Stabilization", *Research in World Economy*, Vol. 5(2), pp. 93-98.

Monadjemi, M. and **J. Lodewijks**, 2014, "Sovereign Debt and Economic Growth in the Euro Zone", *International Research Journal of Applied Finance*, Vol. 5(12), pp. 1343-1352.

Muzaffar, A.T. and **P.N. (Raja) Junankar**, 2014, "Inflation-Growth relationship in selected Asian countries: evidence from panel data", *Journal of Asia-Pacific Economy*, Vol. 19(4), pp. 604–628.

Shonchoy, A.S. and **P.N. (Raja) Junankar**, 2014, "The Informal Labour Market in India: Transitory or Permanent Employment for Migrants?", *IZA Journal of Labour and Development*, Vol. 3, Article no. 9.

**Kriesler, P.** and **J.W. Nevile**, 2014, "A bright future can be ours! macroeconomic policy for Non-Euro-Zone western countries", *The Cambridge Journal of Economics*, Vol. 38(6), pp. 1453-1470.

**Kriesler, P.** and **J.W. Nevile**, 2014, "The collapse of neoliberal capitalism: Causes and cures: A review article", *The Economic and Labour Relations Review*, Vol. 25, pp. 518-531.

**Hart, N.**, 2014, "Tieben on the Concept of Equilibrium in Different Economic Traditions", *History of Economics Review*, Vol. 60, pp. 75-85.

**Diewert, W.E.**, 2014, "Decompositions of Profitability Change using Cost Functions", *Journal of Econometrics*, Vol. 183, pp. 58-66.

**Diewert, W.E.**, 2014, "The Treatment of Financial Transactions in the SNA: A User Cost Approach", *Eurostat Review of National Accounts and Macroeconomic Indicators*, Vol. I, pp. 73–89.

**Diewert, W.E.**, 2014, "US TFP growth and the contribution of changes in export and import prices to real income growth", *Journal of Productivity Analysis*, Vol. 41, pp. 19-39.

**Diewert, W.E.** and **K.J. Fox**, 2014, "Reference technology sets, Free Disposal Hulls and productivity decompositions", *Economics Letters*, Vol. 122, pp. 238-242.

**Fox, K.J.** and D. Melser, 2014, "Non-linear pricing and price indexes: Evidence and implications from scanner data", *Review of Income and Wealth*, Vol. 60, pp. 261-278.

Hill, R.J. and **I.A. Syed**, 2014, "Improving International Comparisons of Prices at Basic Heading Level: An Application to the Asia-Pacific Region", *Review of Income and Wealth,* forthcoming.

He, W. and **M.R. Hu**, 2014, "Aggregate Earnings and Market Returns: International Evidence", *Journal of Financial and Quantitative Analysis,* Vol. 49(4), pp. 879–901.

**Holden, R.T.** and P. Hummel, 2014, "Optimal Primaries", *Journal of Public Economics*, Vol. 109, pp. 64-75.

**Holden, R.T.**, N. Kartik and O. Tercieux, 2014, "Simple Mechanisms and Preferences for Honesty", *Games and Economic Behavior*, Vol. 83, pp. 284-290.

**Holden, R.T.** and G. Ellison, 2014, "A Theory of Rule Development", *Journal of Law, Economics and Organization*, Vol. 30(4), pp. 649-682.

**Holden, R.T.** and A. Malani, 2014, "Renegotiation Design Through Contract", *University of Chicago Law Review*, Vol. 81(1), pp. 151-178.

**Other Research Output**

**Dobrescu, L.I.** and D. Christelis, 2014, "The Impact of Social Activities on Cognitive Ageing: Evidence from Eleven European Countries".

**Dobrescu, L.I.** and D. Christelis, 2014, "Mens Sana in Corpore Sano: The Role of Physical Activities in Preserving Cognition in Older Age".

**Lodewijks, J.**, 2014, "Josh Bivens: Failure by Design: The Story behind America's Broken Economy", Book Review*, Review of Political Economy*, Vol. 26(4), pp. 674-676.

**Harcourt, G.C.**, 2014, "Introduction", *Economic and Labour Relations Review*, Vol. 25(4), pp. 548–50.

**Harcourt, G.C.**, 2014, "Hirofumi Uzawa 1928–2014: A Personal Tribute", *Economic and Labour Relations Review*, Vol. 25(4), pp. 629–30.

**Harcourt, G.C.**, 2014, "Comment: Lance Taylor on Thomas Piketty's World as Seen Through the Eyes of Maynard Keynes and Luigi Pasinetti", *International Journal of Political Economy,* Vol. 43(3), pp. 18-25.

**Junankar, P.N. (Raja)**, 2014, "The Impact of the Global Financial Crisis on Youth Labour Markets", IZA Discussion Paper No. 8400, Bonn, Germany. The paper was presented at the Australian Labour Market Research Workshop, November 2014, Fremantle, Western Australia.

**Junankar, P.N. (Raja)** and M. Jayanthakumaran, 2014, "Reassessing Labour Market Reforms: A Critique", IZA Discussion Paper No. 8385, Bonn, Germany.

**Kriesler, P.** and L. Chester, 2014, *Tackling persistent economic problems: Heterodox perspectives*, 13th Australian Society of Heterodox Economists Conference 8-9 December 2014, Conference Volume, The University of New South Wales ISBN: 978-0-7334-3526-3.

**Kriesler, P.** and **N. Hart**, 2014, "Keynes, Kalecki, Sraffa: Coherence?", UNSW Business School Research Paper No. 2014-06. The paper was presented at the 13th Australian Society of Heterodox Economists Conference, December 2014, UNSW, Sydney, Australia.

**Kriesler, P.** and **G.C. Harcourt**, 2014, "On Ricardo and Cambridge", UNSW Business School Research Paper No. 2014-04.

Bunting, D. and **K.J. Fox**, 2014, "The Impact of Quarantine Policies on the Quality of Imports", Discussion Paper 2014-01, School of Economics, UNSW.

Elnasri, A. and **K.J. Fox**, 2014, "The Contribution of Research and Innovation to Productivity and Economic Growth", Discussion Paper 2014-08, School of Economics, UNSW.

**Fox, K.J.** and **I.A. Syed**, 2014, "Price Discounts and the Measurement of Inflation", Discussion Paper 2014-05, School of Economics, UNSW.

**Diewert, W.E.** and **K.J. Fox**, 2014, "Decomposing Bjurek Productivity Indexes into Explanatory Factors", Discussion Paper 14-07, School of Economics, University of British Columbia.

Schwartz, C., **W.E. Diewert** and **K.J. Fox**, 2014, "Consumer Benefits of Infrastructure Services", Discussion Paper 2014-07, School of Economics, UNSW.

**Diewert, W.E.** and **K.J. Fox**, 2014, "Sunk Costs and the Measurement of Commercial Property Depreciation", Discussion Paper 14-06, School of Economics, University of British Columbia.

**Diewert, W.E.**, **K.J. Fox** and C. Shimizu, 2014, "Commercial Property Price Indexes and the System of National Accounts", Discussion Paper 14-09, School of Economics, University of British Columbia.

**Diewert, W.E.**, C. Shimizu, K. Nishimura and T. Watanabe, 2014, "Residential Property Price Indexes for Japan: An Outline of the Japanese Official RPPI", Discussion Paper 14-05, School of Economics, University of British Columbia.

**Syed, I.A.**, **W.E. Diewert** and **K.J. Fox**, 2014, "Age, Time and Houses Price Indexes: A Hedonic Imputation Approach", a preliminary version of this paper was presented by Kevin Fox at the OECD Workshop on House Prices, 24-25 March 2014, Paris.

Hill, R.J. and **I.A. Syed**, 2014, "Hedonic Price-Rent Ratios, User Cost, and Departures from Equilibrium in the Housing Market", Graz Economics Papers 2014-03, University of Graz, Department of Economics.

**Hu, M.R.**, Y. Deng and A. Srinivasan, 2014, "Information Asymmetry and Organizational Structure: Evidence from Real Estate Investment Trusts", a paper presented at the FSU/UF Critical Issues in Real Estate Symposium March 2014, Florida, USA.

**Hu, M.R.** and S. Aggarwal, 2014, "Liquidity Dynamics between Property Market and REIT Market", a paper presented at the Asian Real Estate Society (AsRES) Conference July 2014, Gold Coast, Australia, and at the Australasian Finance and Banking Conference (AFBC) 2014, Sydney, Australia.

**Kulish, M.** and D. Rees, 2014, "Unprecedented Changes in the Terms of Trade", a paper presented in seminars at the University of Melbourne (September 2014) and at the University of Adelaide (October 2014).

**Liu, X.** and **G. Otto**, 2014, "Housing Supply Elasticity in Sydney Local Government Areas", UNSW Business School Research Paper No. 2014 ECON13.

**Dixon, R.** and G. Williams, 2014, "Drafting a Replacement for the Races Power in the Australian Constitution", Book Review, *Public Law Review*, Vol. 25, pp. 83-88.

7.3 Professional engagements and scholarly achievements of CAER members

The following is a list of professional engagements and scholarly achievements attained by CAER members in 2014 as part of their research group activities. CAER members are marked in bold.

*Editorial activities*

- **Denzil Fiebig**, Editorial Board Member, the Economic Record, Journal of the Economic Society of Australia.
- **Raja Junankar**, Associate Editor, Middle East Business and Economic Review.
- **Raja Junankar**, Associate Editor, Australasian Accounting Business and Finance Journal.
- **Raja Junankar**, Editorial Board Member, Australian Journal of Labour Economics.
- **Raja Junankar**, Editorial Board Member, International Journal of Development Issues.
- **Raja Junankar**, Editorial Advisory Board Member, International Review of Applied Economics.
- **Neil Hart**, Editorial Board Member, the History of Economics Review.
- **Kevin Fox**, Associate Editor, Journal of Productivity Analysis.
- **Richard Holden**, Editor, Journal of Law and Economics.

*Professional memberships and roles*

- **Denzil Fiebig**, Member, Australian Research Council College of Experts, 2014.
- **Denzil Fiebig**, Director, Executive Board of the International Health Economics Association (iHEA), 2014.
- **Kevin Fox**, Council member, International Association for Research in Income and Wealth, 2012-**2014**.

*Invited speaker/discussant*

- **Denzil Fiebig**, invited discussant, 2nd Australian Health Economics Doctoral (AHED) Workshop, Adelaide, September 2014.

- **Kevin Fox**, invited speaker, 2014 Korea Development Institute (KDI) Journal of Economic Policy Conference on "Job Creation and Business Investment as Pathways to a Creative Economy", August 2014, Sejong-si, Korea.

- **Kevin Fox**, invited speaker: OECD Workshop on House Prices, 24-25 March 2014, Paris.

- **Richard Holden**, invited speaker, Competition Law and Policy Conference, August 2014, UNSW CBD Campus.

*Scholarly achievements*

- In December 2014 **Professor Erwin Diewert** was elected as a Fellow of the Journal of Econometrics.

- In 2014 **Professor Kevin Fox** was elected as a Fellow of the Society for Economic Measurement.

- In 2014 **Professor Richard Holden** won the Academy of the Social Sciences in Australia (ASSA) Panel B award for Early Career Research. The award recognises Professor Holden's exceptional research contributions and uncommon leadership in the fields of law and economics, contract theory and political economy.

- From the September 2014 quarter, Statistics New Zealand incorporated retail transaction data, or 'scanner data', into the Consumer Price Index (CPI), to measure price change for consumer electronics categories using the "ITRYGEKS" method. This change in statistical agency practice has come about due to the RYGEKS approach of Ivancic, **Diewert** and **Fox** (J. Econometrics, 2011) which was part of a research project undertaken by the Economic Measurement Group of CAER.

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

The following sections provide details of CAER's activities undertaken in 2014 to accomplish its aims of providing a stimulus to the research undertaken at UNSW, supporting research students and early career academics, encouraging collaborative research and raising the profile of applied economic research at UNSW in the broader community.

### 8.1 Workshops and special events

**Health Economics Workshop 2014**

The Health Economics Group of CAER, together with the ARC Centre of Excellence in Population Ageing Research (CEPAR) and the APHCRI Centre for Research Excellence in the Finance and Economics of Primary Health Care (REFinE-PHC), hosted its eleventh annual summer workshop on the 31st of January, 2014. The workshop attracted health economists from around Australia and overseas, thus providing UNSW staff and research students with the opportunity to engage and interact with internationally-recognized health economists. The workshop featured an outstanding program and included presentations by the following speakers: Rebecca Reeve (University of Technology Sydney), Bobbi Wolfe (University of Wisconsin), Simen Markussen (Frisch Centre for Economic Research), Don Wright (University of Sydney), Kees Van Gool (OECD), Agne Suziedelyte (Monash University) and Bob Haveman (University of Wisconsin).

**Economic Measurement Group Workshop 2014**

The Economic Measurement Group of CAER hosted its fourteenth annual international workshop on the 5th of December 2014 at UNSW main campus. The aim of the workshop is to create a genuine engagement between academics, statistical agencies researchers, government policy makers and industry representatives from all around the world, leading to an improved understanding of economic measurement and the potential impact on policy. The workshop was supported by the UNSW Business School and by an Australian Research Council Linkage Project grant with the Australian Bureau of Statistics and the Productivity commission. The workshop featured an outstanding program consisting of the following speakers: Paul Schreyer (Deputy Director of Statistics, OECD), Ulrich Kohli (University of Geneva), Yu (Eric) Sheng (Australian Bureau of Agricultural and Resource Economics and Sciences), Owen Gabbitas (Productivity Commission), Kevin Fox (UNSW), Erwin Diewert (UBC & UNSW), Jan de Haan (Statistics Netherlands & Delft University of Technology), Glenn Otto (UNSW) and Nigel Stapledon (UNSW). The workshop attracted forty four participants and included representatives from the Reserve Bank of Australia, Statistics New Zealand, the Australian Bureau of Statistics and the Productivity Commission.

**"The world economy and what it means for Real Estate" - an Industry Panel Event, July 2014**

To further develop UNSW reputation in the area of real estate, the Real Estate Initiative Group organized this industry panel event in July 2014 at UNSW CBD Campus. The panel event was moderated by Peter Martin (Economics Editor, the Age), and featured Professor Dale Jorgenson (Harvard University) and two industry leaders: Michael Blythe (Chief Economist of CBA) and Anthony De Francesco (Executive Director and Head of Investment Property Databank, Australia and New Zealand). The event was a sell-out; within an hour registration reached full capacity. There were more than one hundred participants attending the event with a wide-range of representation from alumni, industry and academics.

**UNSW Business School inaugural Real Estate Forum, November 2014**

The Real Estate Initiative Group held its first Real Estate Forum event in November 2014 at UNSW CBD Campus. The Real Estate Forum event is a small by-invitation assembly of leaders in the real estate industry. Through the Forum, the Real Estate Initiative Group aims to provide interactions with distinguished, thought-leading academics, as well as develop connections with experienced industry leaders who will support its activities with their deep expertise and knowledge. Professor Walter Torous of the MIT Center for Real Estate and founding director of the UCLA Ziman Center for Real Estate was invited to speak at the first forum of the series. Professor Torous presented his cutting edge research on modelling property characteristics which can identify better performing commercial property assets and the implications of his research on commercial real estate portfolio allocation. Following Professor Torous' presentation, three short presentations were made by the Forum discussion leaders: Dr Nigel Stapledon (Real Estate Initiative Group member) examined the implications of the current deceleration in income growth on property markets; Mr Mark Baillie (Deputy Chairman of Folkestone) discussed the question of whether the Australian residential property sector is at risk of over-shooting as argued by overseas commentators; and Mr Scott Gray-Spencer (Executive Managing Director of Private Client Group – CBRE) expounded on the attractiveness of Australia as an investment destination and the impact that foreign buyers have on the Australian property sector. Closing remarks for the event were provided by Mr Jonathan Sweeney, Member of Perpetual Trustees Investment Committee.

**Professor Holden's public lecture on "New Perspectives on the Law and Economics of Elections", August 2014, UNSW main Campus.**

In 2014 Professor Richard Holden won the Academy of the Social Sciences in Australia (ASSA) Panel B award for Early Career Research. In celebration of this great achievement CAER in conjunction with the ASSA organized a public lecture event on August 6th 2014. At this event Professor Holden brilliantly presented an interesting lecture on "New Perspectives on the Law and Economics of Elections". In the lecture Professor Holden demonstrated how, in recent years, increases in political polarisation and advances in information technology have affected elections through gerrymandering, incumbency protection, and voter mobilisation.

8.2 Visitors

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

**Visitors hosted by the Economic Measurement Group of CAER**

Dr Alice Shiu, The Hong Kong Polytechnic University, visited UNSW in August 2014

Dr Paul Schreyer, Deputy Director of Statistics, OECD, visited UNSW in December 2014

Professor Ulrich Kohli, University of Geneva, visited UNSW in December 2014

Professor Jan de Haan, Statistics Netherlands & Delft University of Technology, visited UNSW in December 2014

**Visitors hosted by the Real Estate Initiative Group of CAER**

Professor Dale Jorgenson, Harvard University, visited UNSW in July 2014

Professor Walter Torous, MIT Center for Real Estate, visited UNSW in November 2014

**Visitors hosted by the Law and Economics Initiative Group of CAER**

Professor Nathaniel Persily, Stanford Law School, visited UNSW in August 2014

Associate Professor Ruoying Chen, Peking University Law School, visited UNSW in August 2014

Dr Joel Colon-Rios, Faculty of Law, Victoria University of Wellington, visited UNSW in December 2014

Dr Robert Akerlof, Department of Economics, University of Warwick, visited UNSW in December 2014

Dr Tom Wilkening, Department of Economics, University of Melbourne, visited UNSW in December 2014

8.3 Academic, industry and government engagements

*Academic engagements*

- During 2014 Professor Denzil Fiebig was an advisory board member of the Centre for Health Economics Research and Evaluation (CHERE) at the University of Technology Sydney, an advisory committee member of the Centre for Health Economics (CHE) at Monash University, and an advisory board member of the National Centre for Econometric Research (NCER) at the Queensland University of Technology.

- During 2014 Professor John Lodewijks was a member of the Board of Directors of the Economics and Business Educators NSW, an ad hoc Review Panel Member of the Economics/Finance Department at the University of Canterbury, NZ, and a Selection Panel Member of the Premier's First State Super Financial Literacy Scholarship.

- During 2014 Professor Raja Junankar was an Australian Research Council Reviewer: Expert of International Standing and a reviewer for the Qatar National Research Fund.

- Professor Kevin Fox gave a presentation at the Learn@Lunch lecture series[8] on the importance of boosting national R&D in November 2014 at UNSW CBD Campus (Sydney).

- Professor Kevin Fox and Mr. Andrew Roberts visited the Paul Milstein Real Estate Center (Columbia Business School, New York) on 4th of February 2014. They participated in the annual meeting of the Columbia Real Estate Forum and benefited from engagements with prominent US industry leaders and academics. In addition, Professor Fox attended the Goodwin Procter/Columbia Business School Annual Real Estate Capital Markets Conference in New York on Friday, January 24, 2014, and had extensive meetings with Columbia Business School academics and staff relating to their real estate activities.

*Industry engagements*

- To advance connections between the Real Estate Initiative Group and experienced industry leaders, Professor Kevin Fox held meetings in 2014 with Justin Jefferies (COO, Knight Frank), Stephen Albin (CEO, Urban Development Institute of Australia), David Tanevski (Urban Taskforce and KWC Partners), Chris Johnson (CEO, Urban Taskforce), Jennie Lang (UNSW Foundation), Andrew Roberts (Principal, RF Capital) and Ken Morrison (CEO, Property Council of Australia). In these meetings Professor Fox provided detailed information about the Real Estate Initiative Group and its activities and sought industry advice and feedback. During the discussions, the industry leaders expressed their interest to be involved with the Real Estate Initiative Group and to support it with their expertise and knowledge.

[8] Learn@Lunch is a bite-sized lecture series in the heart of the Sydney CBD, where UNSW Business School alumni are invited to bring their lunch and listen to a leading UNSW Australia Business School academic discussing one of the most pressing issues facing business today.

- As part of its teaching program the Real Estate Initiative Group hosted Bryan Reid (MSCI) as a guest lecture in Professor Kevin Fox's ECON4309/6309 Economic Measurement course in the second semester 2014. In his lecture Bryan discussed the methodologies employed by MSCI in producing real estate related regional and global indexes, benchmarks, performance modelling, data metrics and risk analytics.

- In late 2014 the Real Estate Initiative Group commenced its research project: "The Economic Measurement of Property Markets: Prices, Bubbles, Economic Growth and Productivity". This project is part of an Australian Research Council Linkage Grant which involves collaboration between the Real Estate Initiative Group and property investor RF Capital together with its associate property fund manager and investor CorVal Partners Limited. The research project builds on both firms' research capacity on property markets, including their data availability and industry expertise.

*Government engagements*

- Professor Kevin Fox was invited to present his latest research on higher education funding and productivity at the Department of Industry (Canberra) in April 2014. Professor Fox was also invited to present this research at the Department of Education (Canberra) in November 2014.

- In November 2014 Professor Kevin Fox met with Paul Patterson, Chief Economist of the Department of Communications, to discuss Professor Fox's research on high-tech capital and industry productivity in Australia.

- In November 2014 Professor Kevin Fox met with Dr Hui Wei, Director, Macroeconomic Research Section of the Australian Bureau of Statistics, to provide his advice and expertise on methodological matters relating to depreciation rates for computers, Producer Price Indexes, and International Trade Price Indexes.

- During 2014 Professor Kevin Fox was a member of the Australian Bureau of Statistics Methodology Advisory Committee and of the Australian Bureau of Statistics Productivity Measurement Reference Group.

- During 2014 Professor Kevin Fox was a member and subgroup leader of the Expert Working Group of the Australian Council of Learned Academies (ACOLA) on "The role of science, research and technology in lifting Australia's productivity," that reported to the Prime Minister's Science, Engineering and Innovation Council.

- During 2014 the Economic Measurement Group completed and finalized its research project: "Tackling the Tough Problems in Productivity Measurement: Infrastructure, Services and R&D". This project was part of an Australian Research Council Linkage Grant which involved collaboration with the Australian Bureau of Statistics, the Productivity Commission and the Reserve Bank of Australia.

- In June 2014 the Real Estate Initiative Group hosted a seminar on "Is Housing Overvalued?" presented by Peter Tulip (Reserve Bank of Australia). In September 2014 the Real Estate Initiative Group hosted a seminar on "Predicting Dwelling Prices with Consideration of the Sales Mechanism" presented by James Hansen (Reserve Bank of Australia).

- As part of its teaching program the Real Estate Initiative Group hosted Peter Tulip (Reserve Bank of Australia) as a guest lecture in Dr Nigel Stapledon's ECON3130 Real Estate Economics and Public Policy course in the second semester 2014. In his lecture Peter talked about the user cost measure for housing and, using this methodology, whether the housing market in Australia was under- or over-valued.

8.4 Media engagement

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

January-February 2014

- In January 2014 the Real Estate Initiative Group issued a media release on the new major in Real Estate Studies within the Bachelor of Commerce. **Professor Kevin Fox** was subsequently interviewed by the Australian Financial Review, with the story published on 3rd of February 2014.

March 2014

- **Professor Rosalind Dixon** was interviewed by ABC 1 Weekend Breakfast Show and by ABC News Radio on the term of outgoing Governor-General, Quentin Bryce.

- **Professor Richard Holden** wrote an article on "QANTAS can bleed now or later, but the capacity war must end", The Conversation.

May 2014

- **Professor Raja Junankar** wrote an article on "The State of Australia: The Economy", The Conversation.

- **Professor Richard Holden** wrote an article on "Australia does not have a debt crisis—so just say no, Joe", The Conversation.

- **Professor Richard Holden** wrote an article on "Hockey's hockey stick: a lesson in budget fudging", The Conversation.

July 2014

- **Professor Kevin Fox and Associate Professor Peter Kriesler** were two out of fifty-nine leading Australian business and academic economists who signed an open letter in support of a price and limit on carbon pollution. In the letter the economists urged all Members of Parliament and Senators to work towards lasting agreement on a fair, economically efficient and environmentally effective policy to price and limit carbon emissions. The letter was circulated to media contacts via a media release, and was later covered by various media outlets such as the Guardian, ABC Radio National, the Australian Financial Review, Business Spectator and Yahoo 7.

- **Dr Nigel Stapledon** commented on the Reserve Bank of Australia's research paper "Is Housing Overvalued?" in the Sydney Morning Herald and the Australian Financial Review. Nigel was further interviewed on the subject for Channel 7 news, ABC radio Perth and ABC radio Newcastle.

August 2014

- **Professor Richard Holden** wrote an article on “Greenspans 'uncertainty principle' and the evolution of Fedspeak”, The Conversation.

- **Professor Richard Holden** wrote an article on “The Abbott economy at one: open for business, closed to real reform”, The Conversation.

September 2014

- **Professor John Lodewijks**’ paper on the state of Economics in Australia was discussed in The Australian.

- **Professor Richard Holden** wrote an article on “What a Scottish 'yes' vote would mean for Australian markets”, The Conversation.

- **Professor Richard Holden** wrote an article on “Why there’s no option but Action on Australian tax rules”, The Australian.

October 2014

- **Professor Kevin Fox** was interviewed on “Where is the productivity benefit in R&D tax credits?”, Business Think, October 2014 Issue.

- **Associate Professor Glenn Otto** and **Dr Nigel Stapledon** commented on whether affordable housing is a dream of the past, Business Think, October 2014 Issue.

- **Professor Richard Holden** wrote an article on “Why cash incentives aren’t a good idea in education”, The Conversation.

- **Professor Richard Holden** wrote an article on “Tirole’s reform playbook a roadmap for Harper”, The Australian.

November 2014

- **Professor Richard Holden** wrote an article on “Productivity could trump the iron ore price, but who’s counting”, The Conversation.

December 2014

- **Professor Kevin Fox** was quoted in a media release issued by the Economic Measurement Group (EMG) ahead of the fourteenth annual EMG workshop. The media release also covered the topics that were going to be discussed at the event and its key speakers.

- **Professor John Lodewijks**’ paper on the state of Economics in Australia was discussed in the Age.

- **Professor Richard Holden** wrote an article on “Even for David Murray, there are some things best left alone”, the Australian Financial Review.

- **Professor Richard Holden** wrote an article on “The Aussie Dollar at 75 cents: good or bad?”, The Conversation.

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

9.1 Research supervision

Postgraduate research supervision activities within CAER are coordinated with the relevant Schools/Faculties (mainly the School of Economics and UNSW Business School), in accordance with the relevant UNSW policies, procedures and delegations. The following is a list of research supervision carried out by CAER members in 2014 as part of their research group activities. CAER members are marked in bold.

**PhD Supervision**

Supervisors: **Isabella Dobrescu**, **Denise Doiron** and Rachida Ouysse (School of Economics, UNSW)

Gaoyun (Sophie) Yan: *Three Essays on Health and Education: Evaluating Current Policies in China*

Submitted: 2014, conferred: 2015

Supervisor: **Kevin Fox**

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

In progress

Supervisor: **Kevin Fox**

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

Submitted: 2014, conferred: 2014

Supervisor: **Glenn Otto**

Xiangling Liu: *Housing Supply and Prices in NSW*

Submitted: 2014, conferred: 2015

Supervisor: **Rosalind Dixon**

Bhatara Ibnu Reza: *The Development of the Militia as the Implementation of the Total People's Defense and Security in Indonesia*

In progress

Supervisor: **Rosalind Dixon**

Doron Goldbarsht: *Counter-Terrorist Financing: A Study in Effectiveness and the Rule of Law in Global Administrative Law*

In progress

**Honours Supervision**

Supervisor: **Nigel Stapledon**
James Nathan Signorelli: *The Speculative Determinants of an Australian Housing Bubble*
School of Economics, UNSW, 2014

Supervisor: **Mariano Kulish**
Zain Naseer Ahmed: *Is the Australian Economy Suffering from Dutch Disease?*
School of Economics, UNSW, 2014

Supervisors: **Richard Holden** and Geni Dechter (School of Economics, UNSW)
Richard Grice: *Pay me later: Inside debt, executive compensation & company performance*
School of Economics, UNSW

Supervisors: **Richard Holden** and Andreas Ortmann (School of Economics, UNSW)
Martin Eftimoski: *The Peer Review System Is Broken? Long Live the Peer Review System?!*
School of Economics, UNSW

9.2 Teaching activities

**Real Estate Initiative Group**

In 2014 the Real Estate major became part of the teaching programme of the UNSW Business School and it is offered as one of the majors in the UNSW Business School's flagship undergraduate Commerce program. Dr Nigel Stapledon and Dr Maggie Hu, both members of the Real Estate Initiative Group, delivered two of the new courses offered as part of the major. Dr Maggie Hu developed and taught the "Real Estate Finance" course which was delivered to both undergraduate and postgraduate students in the first semester of 2014; Dr Nigel Stapledon developed and taught the "Real Estate Economics and Public Policy" course which was delivered to both undergraduate and postgraduate students in the second semester 2014. The delivery of the two new courses was coordinated with the UNSW Business School in accordance with the relevant UNSW policies and procedures. The real estate major has already attracted many students. Enrolments in each of the four courses offered in 2014 ranged from 50 to 80.

The establishment of the UNSW Real Estate Student Society in October 2014 further reinforces the interest of students in real estate studies. Since its establishment the UNSW Real Estate Student Society has being very proactive. With support from the Real Estate Initiative Group and the UNSW Business School, students have been actively engaged with outstanding academics in the field and are taking part in industry events. The Real Estate Student Society has also provided positive feedback on the real estate courses offered as part of the major and the Real Estate Initiative Group is looking forward to further expanding its collaboration with them.

In 2014 the Real Estate Initiative Group further worked with the UNSW Business School/AGSM and the UNSW Built Environment to develop other undergraduate, postgraduate and executive education programs in real estate.

## 10. Details of significant managerial or personnel changes during 2014

In 2014 the Director addressed CAER's immediate needs in terms of management. In particular, the Director, in coordination with the UNSW Business School's Dean and with the approval of the Deputy Vice-Chancellor (Research), established a new steering committee in the first half of 2014.

The new Steering Committee members are:
Professor James Morley (Associate Dean Research, UNSW Business School) – Chair
Professor Kevin Fox (Director, CAER)
Associate Professor Jerry Parwada (Head, School of Banking and Finance)
Mr Tim Harcourt (J.W. Nevile Fellow in Economics)
Ms Fei Wong (General Manager, UNSW Law)

It is expected that the revitalisation of CAER's management will result in an enhancement of CAER's operations, strengthening its focus and assist in further developing internal and external engagements.

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

| Date | Attendance | Apologies |
|---|---|---|
| 29/5/2014 | Prof James Morley (chair), Prof Kevin Fox, A/Prof Jerry Parwada, Fei Wong, Carmit Schwartz (minutes) | Tim Harcourt |

Note: In the above meeting the Steering Committee decided that its next meeting should be held after the release of the Research Strategy Office's report on CAER's Review. As the Research Strategy Office's Centre Review Report and Follow-Up Report were released in late 2014 the next Steering Committee meeting was scheduled to early 2015.