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

1.1 Presiding Faculty

Australian School of Business (ASB)

1.2 Other schools and faculties with which CAER interacts

**Within UNSW**
- School of Economics, ASB
- School of Banking and Finance, ASB
- School of Taxation and Business Law, ASB
- Industrial Relations Research Centre (IRRC)
- ARC Centre of Excellence in Population Ageing Research (CEPAR)
- UNSW Law
- Faculty of Built Environment, UNSW
- School of Social Sciences, UNSW

**Outside UNSW**
- Centre for Health Economics Research and Evaluation (CHERE), UTS
- UTS Business School
- UTS School of Mathematical Sciences
- Department of Economics, Macquarie University
- Department of Economics, University of Sydney
- Department of Economics, University of Western Sydney
- Vancouver School of Economics, the University of British Columbia
- Stephen M. Ross School of Business, University of Michigan
- Department of Economics, Boston University
- Department of Economics, University of Wisconsin
- MIT Center for Real Estate (Cambridge MA)
- Real Estate Department, Wharton Business School, University of Pennsylvania
- Paul Milstein Real Estate Center, Columbia Business School, New York
- John F. Kennedy School of Government, Harvard University
- Ziman Center for Real Estate, UCLA
- National University of Singapore Business School
- Australian Bureau of Statistics
- Australian Productivity Commission
- Reserve Bank of Australia
- Australian Council of Learned Academies (ACOLA)
- Herbert Smith Freehills law firm (Sydney)
- Property Council of Australia
- Statistics Netherlands
1.3 Governance and management of CAER

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

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

**Steering Committee**
Professor Kevin Fox (Director)
Associate Professor Peter Kriesler (Deputy Director)
Associate Professor Michael Johnson (School of Social Sciences, UNSW)
Professor Alec Cameron (ASB Dean)

1.4 CAER’s research groups and their members in 2012

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 2012:

**Health Economics Group 2012**
Professor Denzil Fiebig - School of Economics, UNSW
Professor Denise Doiron - School of Economics, UNSW
Dr. Isabella Dobrescu - School of Economics, UNSW
Dr. Marian Vidal-Fernandez - School of Economics, UNSW
Agne Suziedelyte – PhD student/Postdoctoral Research Fellow, School of Economics, UNSW
Hong Il Yoo - PhD student, School of Economics, UNSW
Chunzhou Mu - PhD student, School of Economics, UNSW
Gaoyun (Sophie) Yan - PhD student, School of Economics, UNSW

**Economic History and History of Economic Thought Group 2012**
 Professor Geoff Harcourt – School of Economics, UNSW
Professor John Nevile - School of Economics, UNSW
Associate Professor Peter Kriesler, School of Economics, UNSW
Associate Professor Elisabetta Magnani – School of Economics, UNSW
Dr. Gigi Foster – School of Economics, UNSW
Dr. Barrie Dyster – School of Economics, UNSW
Professor Raja Junankar – The Industrial Relations Research Centre (IRRC), UNSW
Associate Professor Michael Johnson, School of Social Sciences, UNSW
Dr. Joseph Halevi – University of Sydney
Professor John Lodewijks – University of Western Sydney
Dr. Neil Hart – University of Western Sydney

**Herbert Smith Freehills Initiative on Law and Economics\(^1\) 2012**
Professor Richard Holden, Initiative Director - School of Economics, UNSW
Professor Rosalind Dixon, Initiative Deputy Director - UNSW Law

\(^1\) Hereafter: Law and Economics Initiative Group.
1.5 CAER’s administrative and professional staff in 2012

The Director of CAER also had the role of Head of Economics in 2012. Administrative support was provided principally by the School Manager Fei Wong, who had earlier worked as CAER administrative officer before joining Economics. Following her mid-year departure to become General Manager of UNSW Law, new School Manager Hugh McCulag provided administrative support for two months from October.

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

1.6 CAER’s Mission, Objectives and History

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

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

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

The following is a summary of CAER’s performance in relation to its identified objectives during 2012. A detailed description of CAER’s operations in 2012 is provided in the following sections.

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

CAER’s research activities are carried out and advanced through its research groups. Moving towards boosting CAER’s cross-disciplinary research activities and further developing its profile, there were established within CAER in 2012 the following three new research groups:

**Real Estate Initiative Group**

With the encouragement and support of UNSW alumnus, Mr. Andrew Roberts, a Real Estate Initiative was established in CAER in 2012. It is a multi-disciplinary initiative, with collaboration between CAER, ASB, Faculty of Law (UNSW Law) and the Faculty of Built Environment. The Real Estate Initiative has been 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.

**Law and Economics Initiative Group**

While the field of law and economics has gained increasing prominence in the US over the last few decades in almost all areas of law (private, public and international), this has not been the case for the Australian academia. In 2012 the Herbert Smith Freehills Initiative on Law and Economics was established in CAER to bridge this gap. The initiative is a collaboration between CAER, ASB, 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. Because law and economics is an inherently interdisciplinary field, the initiative is expected to stimulate and foster interaction and engagements between different schools and centres of the ASB and UNSW Law.

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

In 2012 the Economic History and History of Economic Thought Group was established within CAER. It involves the 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.

In addition, the following two research groups continued to be active during 2012:

**Health Economics Group**

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

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

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. The establishment of the new three research groups demonstrates CAER’s on-going commitment to fostering new research initiatives of policy importance in alignment with the areas of research strength of UNSW.

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

CAER's collaborative research during 2012 is demonstrated by its following undertakings:

- During 2012 the Heath Economics group took part in two collaborative research projects. The first project, “the training and job decisions of nurses: an integrated approach using panel surveys and dynamic discrete choice experiments”, is part of an Australian Research Council Discovery Grant which involves collaboration with the Centre for Health Economics Research and Evaluation (CHERE) at UTS, the UTS Business School and UTS School of Mathematical Sciences. The second project, “Risk management and funding structures: An econometric panel data analysis of health insurance in Australia”, is part of an Australian Research Council Discovery Grant which involves collaboration with UTS Business School, the Centre for Health Economics Research and Evaluation (CHERE) at UTS, Stephen M. Ross School of Business at the University of Michigan, the Department of Economics at Boston University and the Department of Economics at Macquarie University.

- During 2012 the Economic Measurement group carried out the research project: “Tackling the Tough Problems in Productivity Measurement: Infrastructure, Services and R&D”. This project is part of an Australian Research Council Linkage Grant which involves collaboration with the Australian Bureau of Statistics, the Productivity Commission and the Reserve Bank of Australia.

- CAER contributes to an interdisciplinary research through its collaboration with the Industrial Relations Research Centre (IRRC) on the publication of the refereed journal Economic and Labour Relations Review (ELRR). The journal’s focus is on contemporary issues, developments and policy-making in the fields of economics and labour relations. In 2012 CAER Deputy Director Associate Professor Peter Kriesler and CAER members, Professor Raja Junankar and Associate Professor Michael Johnson, were three of its executive editors. CAER members Emeritus Professor John Nevile and Emeritus Professor Geoff Harcourt were members of the editorial committee. In 2012 The Economic and Labour Relations Review (ELRR) celebrated its 23rd year. It was published four times a year (an increase relative to previous years) and gained its first JCR impact factor rating.

- In 2012 CAER supported international collaboration and stimulated its research activities by hosting sixteen distinguished international 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 2012 a proposal for a new major in real estate studies within the undergraduate Bachelor of Commerce programme was initiated and developed by the Real Estate Initiative group of CAER in response to strong industry demand. As part of the development of the new proposal CAER members had discussions with the School of Banking and Finance (ASB), the School of Economics (ASB), the School of Taxation and Business Law (ASB) and the Faculty of Built Environment, all of which were planned to take part in the delivery of the new proposed major. To ensure that the new proposal aligns with industry needs and demands, CAER members of the Real Estate Initiative group had discussions on the draft proposal with Property Council of Australia, an industry body which represents the broader real estate sector. Furthermore, businesses in the sector were surveyed to ascertain the magnitude of support for graduates with a real estate major. A majority of these firms indicated that they were keen to offer internships to students taking the new proposed real estate major.

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

  During 2012 CAER members have supervised four Honours students and thirteen PhD students. CAER supported the appointment of early career academic Dr. Mariano Kulish and employed one postdoctoral research fellow (Dr. Iqbal Syed). Two early career academics (Dr. Isabella Dobrescu and Dr. Marian Vidal-Fernandez) participated in its research groups. CAER’s support and mentoring of UNSW postgraduate students and early career researchers was further enhanced by hosting international visitors and organizing workshops and events. CAER not only encouraged the involvement of UNSW postgraduate students and early career researchers in these visits and workshops, but it also ensured that they receive the opportunity to formally present their work. In 2012 three UNSW PhD students (Amani Elnasri, William Wang and Hongjia Zhu) presented at the workshops that CAER organized.

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

  CAER’s commitment to building and enhancing UNSW research capacity and outcomes is shown by the following activities undertaken in 2012:

  **Visitors**

  In 2012 CAER supported international collaboration by hosting sixteen international 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.

  **Workshops**

  In 2012 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-recognized 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 2012 CAER continued to foster its links with the broader academic community and the public sector:
• PhD student Hongjia Zhu of CAER's Economics Measurement Group presented his research on productivity issues at the Australian Bureau of Statistics.

• Associate Professor Glenn Otto served as external reviewer of the Productivity Commission Staff Working Paper: “Productivity in Electricity, Gas and Water: Measurement and Interpretation,” written by Vernon Topp and Tony Kulys.

• Professor Kevin Fox was a member of the Australian Bureau of Statistics Methodology Advisory Committee, a member of the Australian Bureau of Statistics Productivity Measurement Reference Group and a member of the International advisory board of the International Productivity Monitor. He was also a member and subgroup leader of “The role of science, research and technology in lifting Australia’s productivity,” Australian Council of Learned Academies (ACOLA) Expert Working Group reporting to the Prime Minister's Science Engineering and Innovation Council.

• Professor Kevin Fox and Mr. Andrew Roberts have visited the MIT Center for Real Estate (Cambridge MA), the Real Estate Department at Wharton Business School (University of Pennsylvania) and the Paul Milstein Real Estate Center (Columbia Business School, New York) during July 2012 so as to learn from leading real estate centres and groups about their teaching and research programs as well as their engagement with industry and alumni. In addition, they attended the real estate sessions of the NBER Summer Institute, and have developed relationships with key international researchers in the field, including Ed Glaeser (Harvard), Joe Gyourko (Wharton), William Wheaton (MIT), Walter Torous (UCLA), Stephen Oliner (UCLA), Stuart Rosenthal (Syracuse), Yongheng Deng (National University of Singapore), Chris Mayer (Columbia) and Lynne Sagalyn (Columbia).

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

To enhance the profile of UNSW’s high-impact research and researchers CAER publishes and communicates its research achievements in journals and outlets of the highest standing internationally. In 2012 members of CAER wrote four books and published six book chapters. They also published thirty one articles in highly regarded international refereed journals, two non-refereed scholarly articles, one conference volume and seven papers in the ASB series of discussion papers.

In 2012 CAER organized the Economic Measurement Group Workshop and the Health Economics Workshops. Events such as these raise the profile of applied economic research at UNSW in the broader community and strengthen CAER's position as a leading research centre in the region. In addition, CAER and the School of Economics organized a symposium in honour of Emeritus Professor John Neville on October 10th 2012. This special event celebrated the distinguished career of John on the occasion of his 80th birthday and was dedicated to economic and public policy ideas that have been close to John’s own research interests and contributions. A number of distinguished Australian economists from academia, industry and public policy circles presented topics in John’s honour.

The scholarly achievements of CAER's members in 2012 further contributed to its community impact. In particular,

• Professor Denzil Fiebig was an invited discussant at the Third Australasian Workshop on Econometrics and Health and an invited keynote speaker at the Conference of the Australian Health Economics Society.

• Professor Kevin Fox was a Fellow of the Academy of the Social Sciences in Australia, a member of the Conference on Research in Income and Wealth 2012 and a council member of the International Association for Research in Income and Wealth.
• Professor Geoff Harcourt served as an Emeritus Reader in the History of Economic Theory (ad hominem) and Emeritus Fellow at the Jesus College, Cambridge.

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

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

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

In summary, CAER delivers its stated mission and objectives in a financially sustainable manner and continues to add significant value to UNSW’s mission.
3. Statement of financial performance certified by the ASB Finance Manager for the year ended 31 December 2012

Centre for Applied Economics Research (UNSW) - CAER

Statement of Financial Performance for the Year Ended 31 December 2012

<table>
<thead>
<tr>
<th>Funds</th>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Revenue</td>
<td>1</td>
<td>75,000.00</td>
<td>75,000.00</td>
</tr>
<tr>
<td>Donations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faculty Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNSW Operating Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sundry Other Revenue</td>
<td></td>
<td>11.16</td>
<td>42.11</td>
</tr>
<tr>
<td>Total Funds</td>
<td></td>
<td>75,011.16</td>
<td>75,042.11</td>
</tr>
</tbody>
</table>

| Costs                         |       |        |        |
| People Costs                  |       |        |        |
| Scholarship Stipends          |       | 63,240.94 |        |
| Contract & Consulting Services|       | 5,295.90 | 2,635.00 |
| Repairs and Maintenance       |       |        |        |
| Consumables                   |       |        |        |
| Travel                        |       | 72.44  | (3,698.42) |
| Equipment                     |       |        |        |
| Other Expenses                |       | 4,545.45 | 35,624.75 |
| Contract Research Oweek       |       |        |        |
| Internal Expense              |       | 13.15  | 238,649.92 |
| Total Costs                   |       | 4,631.04 | 320,966.29 |

Operating result               | 70,370.12 | (245,914.18) |
Cashflow from operating activities | 55,245.12 | (245,914.18) |
Opening Balance                 | 154,218.81 | 400,132.99 |
Adjustment of Prior Year Closing balance | 35,741.75 |
Closing Balance                 | 245,205.68 | 154,218.81 |

Notes to the Statement of Financial Performance
1 Research revenue consisted of $20,000 from Productivity Commission and $55,000 from Australian Bureau of Statistics.
2 2012 Cashflow from operating activities was derived from Operating result, adjusted for Increase in Accruals Receivable of $15,125 at the end of the reporting period. This amount represented unpaid invoices at 31/12/2012.
3 Executive Education Project surplus was retained by CAER at year end.

CONFIRMED TO UNSW LEDGER

Robert Owens
Finance Manager
Australian School of Business

Date 31-Mar-14

Additional notes:

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

- In 2012, UNSW alumnus, Mr. Andrew Roberts, has gifted $300,000 to CAER to support the development of the Real Estate Initiative. The funds were 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
In 2012 Herbert Smith Freehills have gifted $643,000 to CAER to support the development of the Law and Economics Initiative. The funds were deposited to UNSW Foundation accounts. The expenses of the Law and Economics Initiative are administrated through an FC101 project on UNSW accounts. Every year funds from the UNSW Foundation accounts are transferred to the FC101 project to cover the expenses and appear as donation income in the FC101 project. The FC101 project of the Law and Economics Initiative (PS30029) was erroneously set up within the School of Economics Department ID (instead of CAER) hence is not included in the above statement. The ASB Finance was notified to correct this error.
4. Details of research grants and projects associated with CAER during 2012

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

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

Australian Research Council Discovery Grant, 2011-2013, “Risk management and funding structures: An econometric panel data analysis of health insurance in Australia”, $657,074, investigators: E.J. Savage, T.P. Buchmueller, D.J. Doiron, R.P. Ellis, D.G. Fiebig and G.S. Jones. Funds of this project are co-administrated by the University of Technology Sydney (UTS) and the School of Economics (UNSW).


ASBSG UNSW Grant, 2012, “Early life conditions and financial risk-taking in older age”, $6,000, investigator: Dobrescu, L.I. Funds of this project were administrated by the School of Economics (UNSW).

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2 Research grants and projects which CAER members obtained outside of CAER’s research groups’ activities are excluded from the list.
5. Statement of in-kind contributions, cash contributions, infrastructure and other resources provided to CAER during 2012

5.1 In-kind contributions

Estimated value of CAER members contribution to CAER’s activities – by research groups

<table>
<thead>
<tr>
<th>CAER member</th>
<th>Type of Activity</th>
<th>Value of Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professor Denzil Fiebig</td>
<td>Health Economics Group activities</td>
<td>59,582</td>
</tr>
<tr>
<td>Professor Denise Doiron</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr. Isabella Dobrescu</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr. Marian Vidal-Fernandez</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professor Kevin Fox</td>
<td>Economic Measurement Group activities</td>
<td>79,018</td>
</tr>
<tr>
<td>Professor Erwin Diewert</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associate Professor Glenn Otto</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professor Geoff Harcourt</td>
<td>Economic History and History of Economic Thought Group activities</td>
<td>98,007</td>
</tr>
<tr>
<td>Professor John Neville</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associate Professor Peter Kriesler</td>
<td></td>
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<tr>
<td>Associate Professor Elisabetta Magnani</td>
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<tr>
<td>Dr. Gigi Foster</td>
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<tr>
<td>Dr. Barrie Dyster</td>
<td></td>
<td></td>
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<tr>
<td>Professor Raja Junankar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associate Professor Michael Johnson</td>
<td></td>
<td></td>
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<tr>
<td>Dr. Joseph Halevi</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professor John Lodewijks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr. Neil Hart</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professor Richard Holden</td>
<td>Law and Economics Initiative Group activities</td>
<td>50,249</td>
</tr>
<tr>
<td>Professor Rosalind Dixon</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professor Kevin Fox</td>
<td>Real Estate Initiative Group activities</td>
<td>52,512</td>
</tr>
<tr>
<td>Professor Erwin Diewert</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associate Professor Glenn Otto</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr. Nigel Stapledon</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Andrew Roberts, UNSW alumnus</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total in-kind</strong></td>
<td></td>
<td><strong>339,368</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Type of Activity</th>
<th>Value of Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professor Kevin Fox, Director</td>
<td>25,124</td>
</tr>
<tr>
<td>Associate Professor Peter Kriesler, Deputy Director</td>
<td>14,385</td>
</tr>
<tr>
<td>Associate Professor Michael Johnson (School of Social Sciences), Steering Committee</td>
<td>3,113</td>
</tr>
<tr>
<td>Professor Alec Cameron (ASB Dean)</td>
<td></td>
</tr>
<tr>
<td>School of Economics administrative support⁴</td>
<td>Mainly HR, IT, finance and workshops/visitors organization support.</td>
</tr>
<tr>
<td>ASB administrative support</td>
<td></td>
</tr>
<tr>
<td><strong>Total in-kind</strong></td>
<td><strong>115,785</strong></td>
</tr>
</tbody>
</table>

5.2 **Cash contributions⁵**

In 2012 the ARC Centre of Excellence in Population Ageing Research (CEPAR) has generously provided $1,500 to support the Health Economics Workshop 2012. The funds contribution was administrated through CEPAR accounts.

5.3 **Infrastructure and other resources provided to CAER**

In 2012 CAER members provided their own office space (including computers) on or off campus. The School of Economics provided meeting space and printer/photocopier facilities.

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⁴ Including the administrative support which was provided by the School Manager Fei Wong and later by new School Manager Hugh McCuiag.

⁵ This section reports only cash contributions which were made available to CAER and which were administrated by the contributing entity. Cash contributions which were deposited into CAER accounts are reported in CAER's annual financial statement above.
6. Details of publications and other scholarly achievements associated with CAER during 2012

6.1 CAER Journal Publication - The Economic and Labour Relations Review

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

In 2012 ELRR received the mentorship and active editorial support of distinguished Post-Keynesian and labour market economists including Emeritus Professor Geoff Harcourt (CAER, School of Economics) and Emeritus Professor John Nevile (CAER, School of Economics). Professor P.N. (Raja) Junankar (IRRC, CAER) joined the Executive Editors, and the Advisory Committee was joined by eminent international scholars Professor Orley Ashenfelter (Princeton), Professor William Brown (Cambridge) and Professor Michael Burawoy (Berkeley). CAER Deputy Director Associate Professor Peter Kriesler (School of Economics) and CAER member Associate Professor Michael Johnson (School of Social Sciences) continued their role as executive editors.

In 2012, Volume 23 was published in four issues, an increase on the three issues of 2011 and the two issues per year of Volumes 1-21. ELRR content continued to be diverse and topical. Volume 23 Issue 1 (Feb 2012) carried a symposium guest-edited by Neil Perry and Paul Twomey: Carbon markets, inherent limitations and complementary policies. Volume 23 Issue 2 (June 2012) contained a symposium guest-edited by Victor Matheson (Holy Cross, Worcester MA), Ross Booth (Monash University) and Liam J Lenten (LaTrobe University): Sports Economics. Volume 23 Issue 3 (September 2012) contained an article by eminent Indian scholar Amit Bhaduri and important article on fiscal consolidation by UN/ILO experts Anis Chowdhury and Iyanaatul Islam. Volume 23 Issue 4 (November 2012) opened with an overview article by Michael Quinlan (IRRC, UNSW) on precarious employment that is destined to become a classic.

In 2012 the ScholarOne online manuscript processing system was introduced. This resulted in a growth in submissions from international contributors. Annual submissions for 2012 were 55, plus 11 book reviews, with increasing use made of ScholarOne as the year progressed. The rejection rate was 35%, a rate somewhat low because two of the issues in 2012 were guest-edited, with unsuitable contributions screened out before referral to the Editor in Chief; 25% of published articles and 30% of rejected articles were from international authors, and 42% of published articles were on international or abstract-theoretical themes. Submission and publication years did not coincide – typically articles published in the first issue of the year will have been submitted in the previous year, making comparisons difficult. By July 2013 there had been 18 citations of articles published in 2012.

In 2012 the ELRR was abstracted and indexed through Ulrichsweb and Scopus. It was published in full text online through the following aggregators: APAFT(Informit), Proquest ABI/INFORM, Econlit (EBSCO)(full text), Gale/Cengage and AustLii (full text).

In the closing months of 2012, a five-year contract with SAGE Publishing was successfully concluded for the publication of ELRR four times per year. ASB financial support helped secure the contract. Termination of contracts with the aggregators was a condition of the SAGE contract.

In 2012, following a two-year assessment, Thomson Reuters approved ELRR for inclusion in the Social Sciences Citation Index and Current Contents. This was the first step to receiving an impact factor rating.

The Australian School of Business agreed to provide 8,000 GBP per annum for five years to support the development of the journal’s international profile. The School of Business UNSW Canberra provided $10,000 in 2012, in part to support the staffing of the journal. The IRRC administrates these funds.
6.2 Research output and other scholarly achievements of CAER members

The following is a list of research output and other scholarly achievements attained by CAER members in 2012 as part of their research group activities. CAER members are marked in bold.

Books


Book Chapters


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6 Research output of CAER members which was achieved outside of CAER’s research groups’ activities is excluded from the list.
### Refereed Journal Articles


Other Research Output


Mu, C., 2012, “The Age Profile of General Practitioners' Location Decisions"


Scholarly Achievements

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


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

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

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

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


Kevin Fox, Associate Editor, Journal of Productivity Analysis.

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

Hong Il Yoo received the Early Career Researcher Award, Australian Health Economics Society, 2012.
7. Details of CAER’s engagement with the academia, government, industry and broader community

The following sections provide details of CAER’s activities undertaken in 2012 to accomplish its aims of providing a stimulus to the research undertaken at UNSW, supporting research students and early career academics, encouraging collaborative research and raising the profile of applied economic research at UNSW in the broader community.

7.1 Conferences, workshops and special events

Health Economics Workshop 2012

In 2012 the Health Economics Group of CAER hosted its ninth annual summer workshop on the 2nd and 3rd of February. 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 ARC Centre of Excellence in Population Ageing Research (CEPAR) has generously provided financial support for the workshop. The workshop featured an excellent program and included presentations by the following speakers: Youjin Hahn (Monash University), Olena Stavrunova (University of Technology Sydney), Jinhu Li (University of Melbourne), Elena Capatina (CEPAR & UNSW) Dimitris Christelis (CSEF, SHARE & CFS), James Smith (RAND), Hayley Fisher (University of Sydney), Bobbi Wolfe (University of Wisconsin) and Peter Siminski (University of Wollongong).

Economic Measurement Group Workshop 2012

In 2012 the Economic Measurement Group of CAER hosted its twelfth annual international workshop on the 21st - 23rd of November. This workshop brings together academics, statistical agencies researchers, government policy makers and industry representatives from all around the world. The workshop was supported by an Australian Research Council Linkage Project grant with the Australian Bureau of Statistics and the Productivity commission. The program consisted of twenty one speakers (both local and international) and included Dr. John Fernald (Senior Research Advisor, Federal Reserve Bank of San Francisco) and Dr. Shiji Zhao (Assistant Commissioner, Productivity Commission) as featured speakers. Three UNSW PhD students, Amani Elnasri, William Wang and Hongjia Zhu, presented at the workshop. The workshop attracted one hundred and four participants, many of whom were from the Australian Bureau of Statistics, Productivity Commission, the Reserve Bank of Australia, Statistics New Zealand and New Zealand Productivity Commission. Eighteen percent of the workshop delegates were from overseas.

Special event: Symposium in honour of Emeritus Professor John Nevile

To celebrate the distinguished career of Professor John Nevile on the occasion of his 80th birthday, the School of Economics and CAER hosted a one day symposium on Wednesday, October 10th 2012, at the Australian School of Business on the UNSW Kensington campus. The symposium was dedicated to economic and public policy ideas that have been close to John’s own research interests and contributions. A number of distinguished Australian economists from academia, industry and public policy circles presented topics in John’s honour. These included: Tim Harcourt (JW Nevile Fellow in Economics, ASB, UNSW), Alec Cameron (Dean, ASB), Kevin Fox (Head, School of Economics and CAER’s Director), Peter Kriesler (CAER, UNSW), John Lodewijks (UWS, CAER), Don Stammer, Bin Tram-Nam (UNSW), Bob Gregory (ANU), Philip Lowe (Reserve Bank of Australia), Robin Pope (Bonn University and formerly UNSW), Geoff Harcourt (CAER, UNSW), Peter Saunders (UNSW), John Langmore (University of Melbourne, formerly Member for Fraser, Federal Parliament) and Ken Henry (former Secretary of Treasury and Prime Minister’s Asian Century Taskforce chair). Articles based on symposium presentations by leading economists and social policy academics such as Dr Ken Henry, Professor G.C. Harcourt and Professor Peter Saunders, were edited for publication in The Economic and Labour Relations Review.
7.2 Visitors

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

**Visitors hosted by the Economic Measurement Group of CAER in 2012**
- Dr. Christina Wang, Federal Reserve Bank of Boston
- Prof. Susanto Basu, Boston College
- Dr. Alberto Caballo, MIT
- Prof. Robert Cairns, McGill University
- Prof. Ulrich Kohli, University of Geneva
- Dr. John Fernald, Senior Research Advisor, Federal Reserve Bank of San Francisco

**Visitors hosted by the Health Economics Group of CAER in 2012**
- Dr. Dimitris Christelis, CSEF, SHARE and CFS

**Visitors hosted by the Law and Economics Initiative Group of CAER in 2012**
- Prof. Tonja Jacobi, Northwestern University
- Dr. Anthony Niblett, University of Toronto
- Prof. Anup Malani, University of Chicago
- Prof. Matthew Sagg, Loyola University
- Prof. Eric Talley, University of California, Berkeley

**Visitors hosted by the Real Estate Initiative Group of CAER in 2012**
- Prof. Edward Glaeser, Harvard University
- Dr. Stephen Oliner, Ziman Center for Real Estate, UCLA
- Dr. Kim Zieschang, International Monetary Fund
- Prof. Jan de Haan, Statistics Netherlands and Delft University of Technology

7.3 Academic, industry and government engagements

- PhD student Hongjia Zhu of CAER’s Economics Measurement Group presented his research on productivity issues at the Australian Bureau of Statistics, Canberra, 2012.

- In 2012 Associate Professor Glenn Otto served as external reviewer of the Productivity Commission Staff Working Paper: “Productivity in Electricity, Gas and Water: Measurement and Interpretation,” written by Vernon Topp and Tony Kulys.

- During 2012 Professor Kevin Fox was a member of the Australian Bureau of Statistics Methodology Advisory Committee, a member of the Australian Bureau of Statistics Productivity Measurement Reference Group and a member of the International advisory board of the International Productivity Monitor.

- During 2012 Professor Kevin Fox was a member and subgroup leader of “The role of science, research and technology in lifting Australia’s productivity,” Australian Council of Learned Academies (ACOLA) Expert Working Group reporting to the Prime Minister’s Science Engineering and Innovation Council.
As part of developing the Real Estate Initiative of CAER, Professor Kevin Fox and Mr. Andrew Roberts have visited the MIT Center for Real Estate (Cambridge MA), the Real Estate Department at Wharton Business School (University of Pennsylvania) and the Paul Milstein Real Estate Center (Columbia Business School, New York) during July 2012 so as to learn from leading real estate centres and groups about their teaching and research programs as well as their engagement with industry and alumni. In addition, they attended the real estate sessions of the NBER Summer Institute, and have developed relationships with key international researchers in the field, including Ed Glaeser (Harvard), Joe Gyourko (Wharton), William Wheaton (MIT), Walter Torous (UCLA), Stephen Oliner (UCLA), Stuart Rosenthal (Syracuse), Yongheng Deng (National University of Singapore), Chris Mayer (Columbia) and Lynne Sagalyn (Columbia), all of whom have enthusiastically agreed to assist on an ongoing basis with the development of CAER’s Real Estate Initiative.
8. Details of research supervision and teaching activities carried out by CAER members on behalf of academic units

8.1 Research Supervision

Postgraduate research supervision activities within CAER are coordinated with the relevant Schools/Faculties (mainly the School of Economics and ASB), in accordance with the relevant UNSW policies, procedures and delegations. The following is a list of research supervision carried out by CAER members in 2012 as part of their research group activities. CAER members are marked in bold.

PhD Supervision

Supervisor: Denise Doiron
Agne Suziedelyte: *Three essays in the economics of health and human capital: the role of information technologies and media*
Submitted and conferred: 2012

Supervisors: Glenn Otto and Kevin Fox
Amani Elnasri: *Three Essays on Infrastructure Investment: the Australian Experience*
Submitted and conferred: 2012

Supervisor: Kevin Fox
Joaquin Vespignani: *Asymmetric Monetary Policy and Consumer Demand Responses in Australia*
Submitted and conferred: 2012

Supervisors: Denzil Fiebig and Shiko Maruyama (School of Economics, UNSW)
Chunzhou Mu: *On the Location Decision and Labour Supply of Australian General Practitioners*
In progress

Supervisor: Denise Doiron
Hong Il Yoo: *Four essays on modelling and estimating consumer heterogeneity in probabilistic choice and household demand systems*
In progress

Supervisors: Isabella Dobrescu, Denise Doiron and Rachida Ouyssse (School of Economics, UNSW)
Gaoyun (Sophie) Yan: *Three Essays on Health and Education: Evaluating Current Policies in China*
In progress

Supervisor: Glenn Otto
Xiangling Liu: *Housing Supply and Prices in NSW*
In progress

Supervisor: Kevin Fox
Hongjia Zhu: *Infrastructure, Land Prices and the Environment in Developing Economies*
In progress
Supervisors: **Kevin Fox** and Arghya Ghosh (School of Economics, UNSW)
Changtao (William) Wang: *The Economics of Innovation and Intellectual Property Rights*
In progress

Supervisors: Arghya Ghosh (School of Economics, UNSW) and **Kevin Fox**
Frederique Goy: *On the importance of market size and knowledge tradeability for Intellectual Property Rights policy*
In progress

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

Supervisor: **Rosalind Dixon**
Bhatara Ibnu Reza: *Thesis title to be determined*
In progress

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

**Honours Supervision**

Supervisor: **Marian Vidal-Fernandez**
Husam el Tarifi: *Compulsory Military Service and Sibling Externalities in Educational Attainment*
School of Economics, UNSW

Supervisor: **Richard Holden**
Carlos Cacho: *Complexity and Asset Ownership*
School of Economics, UNSW

Supervisors: **Nigel Stapledon** and Tess Stafford (School of Economics, UNSW)
William Jeffries: *Does Heritage Listing have an Effect on Property Prices in Australia? Evidence from Mosman, Sydney*
School of Economics, UNSW

Supervisor: **Glenn Otto**
Jason Yu: *Pass-Through of Exchange Rate Shocks to Inflation in an Australian Context*
School of Economics, UNSW
8.2 Teaching Activities

Real Estate Initiative Group
In response to strong industry demand for graduates with a mix of skills in economics, finance and law in the area of real estate, a proposal for a new major in real estate studies within the undergraduate Bachelor of Commerce programme was initiated and developed by the Real Estate Initiative group of CAER in 2012. As part of the development of the new proposal CAER members had discussions with the School of Banking and Finance (ASB), the School of Economics (ASB), the School of Taxation and Business Law (ASB) and the Faculty of Built Environment, all of which were planned to take part in the delivery of the new proposed major. To ensure that the new proposal aligns with industry needs and demands, CAER members of the Real Estate Initiative group had discussions on the draft proposal with Property Council of Australia, an industry body which represents the broader real estate sector. Furthermore, businesses in the sector were surveyed to ascertain the magnitude of support for graduates with a real estate major. A majority of these firms indicated that they were keen to offer internships to students taking the new proposed real estate major. It is planned that CAER will put the formal proposal of the new major before the ASB and UNSW Committees in the first half of 2013.

Law and Economics Initiative Group
As part of the group’s commitment to establish and develop the field of law and economics at UNSW, in 2012 Professor Richard Holden reconstructed and significantly redesigned the undergraduate course “Economics of Corporations” (Economics 3123) to align with the latest developments in the field of law and economics. The course was offered in 2012 and is planned to be offered also in 2013. The delivery of the course was coordinated with the School of Economics and the ASB in accordance with the relevant UNSW policies and procedures.
9. Details of significant managerial or personnel changes during 2012

The mid-year departure of Fei Wong to become General Manager of UNSW Law meant a change in administrative support, which was principally provided from October to December by new School of Economics Manager Hugh McCuiag. The transition went smoothly.
10. A record of dates and attendance at meetings of CAER’s Steering Committee

Given scheduling difficulties and the continuing appointment of the Director of CAER as Head of the School of Economics, the Steering Committee did not hold any formal meetings in 2012. Instead, the Director had informal meetings with the members of the Steering Committee in regard to CAER's operations.