



THE AUSTRALIAN NATIONAL UNIVERSITY

**FACULTY OF ECONOMICS AND
COMMERCE**

1997



THE AUSTRALIAN NATIONAL UNIVERSITY

FACULTY OF ECONOMICS AND COMMERCE

Dean's Annual Report 1997

Professor T.J. Brailsford

Strategic Overview

The year of 1997 was another year of substantive change for the Faculty of Economics and Commerce. The previous year had seen major changes occur to undergraduate degree structures and the appointment of a number of senior staff. These staff, primarily in the Departments of Commerce and Economics were in place by early 1997.

During the year, the Faculty continued its impressive rate of research output and other research activities. The Faculty has a long and proud traditional of research excellence and has made a clear commitment to continue its efforts in this area. The discipline areas of finance and management studies have shown considerable growth in research achievements along with the traditional strengths in economics.

The Graduate Programs associated with the Faculty remain strong with a significant number of quality PhD candidates. Our Honours Programs are also strong with four students gaining University Medals in 1997. The Faculty is examining its graduate offerings in 1998 with a view to introducing additional Masters coursework degrees. We believe that the graduate reputation of both the ANU and the Faculty combined with a growing professional market for graduate coursework programs makes such programs feasible and have the potential to restore some of our funding base lost through cuts and fee downturns which partly reflect the Asian currency crisis.

Major developments in the teaching program occurred during 1997. At the undergraduate level, new units and majors followed the restructuring of the Bachelor of Commerce. The Bachelor of Economics was reviewed with resultant rule changes and new units were introduced. These degree changes offer greater flexibility and diversity and enhance student choice. A new degree in Actuarial Studies will be introduced for 1998 which will also be offered as a combined course with the BComm and BEc degrees. The new degree builds upon the successful actuarial studies program run for a number of years under the BEc. The Bachelor of Actuarial Studies will be a specialist degree targeted at high achievers (TER of 80+).

The Faculty has recognised that attention needs to be directed at teaching quality issues. Various areas of the Faculty have been reviewing their units, teaching materials and methods. Two departments have introduced department teaching profiles. Student input into this issue has been achieved through student membership of working parties, Department committees and the Faculty Board.

Entering 1998, there have been changes in the Faculty's management. The Faculty has a new Dean and three new Heads of Departments. The most significant challenge for the Faculty

will be balancing our research and teaching objectives against increased teaching loads and reduced funding in an increasing competitive and difficult environment. Finally, on a sad note we draw attention to the passing of John Logan and the retirement of Ted Sieper.

Teaching Activities

The Faculty commenced the year with further development of the undergraduate degree restructuring which commenced in 1996. A primary aim of the Faculty is to build on our share of quality Australian and international students. In order to achieve this, we require undergraduate degrees that are flexible, marketable, well recognised and carry a reputation of quality. The concept of majors in the BComm was well accepted by students and two new majors were introduced in Business Development and Management. Further, the elective majors in Economic Studies and Econometrics were redefined to allow greater student choice. During the year new units were introduced titled Development of Capital Markets, Environmental Accountability and Reporting, Corporate Strategy, Financial Institutions and Risk Management, Marketing, Organisational Behaviour and Strategic Thinking. Other subjects were reviewed and some renamed. Student response to the changes has been extremely favourable.

Arguably the most significant development was the introduction of the specialist degree Bachelor of Actuarial Studies (BActS). For some years, the Faculty has offered an actuarial studies specialisation under the Bachelor of Economics. However the growth in this high quality program has also seen its profile grow. The new degree will offer greater flexibility and combined programs have been proposed with the BComm and BEc. Initial evidence reveals substantial interest from prospective students and the majority of re-enrolling students have switched to the new degree. We anticipate that the BActS will become something of a flagship degree for the Faculty with a high quality intake (separate TER of 80+) and a unique structure. At present, there are only two other universities in Australia which offer a similar course.

The Faculty has placed more emphasis on its Honours Programs. We believe a strong Honours reputation enhances the perceived quality of our degrees, provides a feeder for our graduate programs, encourages students to strive for academic excellence and provides the Faculty and the ANU with a competitive advantage. In 1997, there were over 30 students in the various Honours Programs and a larger number is expected in 1998. Four graduating students were awarded a University Medal.

At the graduate level, the Graduate Program in Commerce reviewed its offerings and introduced new units allowing for variable-point research essays which will allow Masters students to choose the emphasis they wish to place on research-type activities in the coursework degree. Other new graduate units introduced in the Faculty during 1997 were Continuous Time Finance, International Economics, Understanding Economic Behaviour and Understanding Economic Policy. The Faculty has noticed a fall in student interest and enrolments in Graduate Diplomas. In part, this is due to the introduction of Graduate Tuition Fees but is also due to our competitors offering one year coursework Masters degrees. All graduate programs associated with the Faculty are considering their offerings at both the diploma and masters levels in light of the 'Ballard' report which has recommended the introduction of one-year coursework pass Masters. We believe that the graduate reputation of both the ANU and the Faculty combined with a growing professional market for graduate coursework programs makes such programs feasible.

The Graduate Program in Economics continues to remain strong. However, anticipated changes to funding arrangements which will shift graduate coursework degrees 'off-course' may affect the Master of Economics degree. This degree is offered on a HECS basis and is used as a lead-in to the strong PhD program in Economics. As the Faculty is expected to

receive no funding for these students from as early as 1999, we need to carefully consider where we can secure the resources for the necessary subsidisation.

Two departments, Commerce and Economic History have enlisted the help of CEDAM to focus on teaching quality issues and compile teaching portfolios. An interesting experiment was to trial small-group teaching in first-year accounting, which is a subject that has traditionally had a relatively high failure rate and mediocre student perceptions. It is also notable that five teaching development grants were made to members of the Faculty in 1997. The Faculty is determined to compete in the student market on quality and efforts are being made in all departments to improve the quality of our teaching activities.

The Departments of Economics and Economic History have been conducting their own course experience questionnaires (CEQ) utilising final year undergraduate students. The results have shown an increasing favourable trend. This information is being used with unit evaluation surveys and other forms of student feedback to examine our teaching efforts.

The Faculty has created the position of International Student Officer who is an academic provided with some teaching relief to look after the special needs of international students.

Enrolment Statistics

At the undergraduate level, the tertiary entrance rank was set at 60 for single degrees in Commerce and Economics and 80 for the actuarial specialisation. These cut-off scores were the same as the previous two years and have been maintained for the 1998 intake.

The Faculty's student base is distributed as:

	<u>1997</u>	<u>1996</u>	<u>1995</u>
U/grad HECS – New	322	452	458
U/grad HECS – Continuing	1,177	1,232	1,247
U/grad International – New	39	43	54
U/grad International – Continuing	85	122	139
P/grad HECS (& exempt) – New	29	n/a	n/a
P/grad HECS (& exempt) – Continuing	37	n/a	n/a
P/grad Fees – New	40	n/a	n/a
P/grad Fees – Continuing	43	n/a	n/a

The declining new and continuing undergraduate HECS enrolments have been planned by the University as the ANU is reducing its DEETYA target undergraduate load. However we note that the planned reduction at the undergraduate level must be supported by growth at the graduate level. The decline in international fee-paying students is most disconcerting and the downward trend is materially affecting our budget position. This issue is discussed in more detail later in the report.

One figure which is more readily understood is the number of students sitting for examinations. In 1997, we had students sitting for 8,568 unit examinations. A larger percentage of students achieved higher grades and the failure rate was down on past years. Student performance was distributed as:

<u>Grade</u>	<u>1997 %</u>	<u>1996 %</u>
High Distinction	8.3	7.0
Distinction	18.7	16.8
Credit	28.6	29.4
Pass	29.8	31.6
Fail	13.8	14.4

Research Activities

The Faculty has a strong research tradition. The arrival of several senior staff has further enhanced the Faculty's reputation. Despite increasingly heavy teaching loads created by funding cuts and teaching quality activities, academic staff remained particularly research active during 1997. Demonstration of our research activity is provided by the large number of staff who are either editors or on editorial boards of scholarly journals, the extremely active seminar and workshop programs run by the various programs and departments, and the large number of conference and seminar papers delivered by ANU staff. The international benchmark for judging publication output in the Faculty's disciplines is output in scholarly refereed journal articles. In this respect the Faculty performed well in 1997 averaging 0.9 contributions per academic staff member across all levels. This rate continues to place ANU in the top tier of schools with sector-wide averages in our disciplines around 0.5. In addition, academic staff published a number of books, book chapters and other articles. Other research highlights included hosting of the Annual Conference of the Economic History Society of Australia and New Zealand, two large ARC grants successes and the winning of prestigious manuscript awards.

The Centre of Applied Economics continued to focus its activities on the academic journal *Agenda*. The journal has a growing reputation, particularly among senior government economists, and has consistently produced four high quality issues per annum. However, due to necessary reductions in Faculty funding support, the future of the journal is under review. The Faculty sees the continuation of *Agenda* as part of its strategy and is looking at alternatives to the journal's current format and editorial arrangements.

Collaboration and Outreach

Members of Faculty are prominent in various professional societies and organisations associated with their discipline areas. Activities range from editorships to executive positions and specialist consultancies. Details can be found in the individual department reports.

The Faculty continues to have a high degree of collaboration with colleagues in the IAS. Joint seminars, research collaboration as evidenced by joint publications and shared supervision of graduate students occurs in our disciplines. Students from the IAS enrol in units offered by the Faculty. IAS staff teach in programs in economics, economic history, econometrics and statistics while Faculty staff are involved in teaching in the National Centre for Development Studies, the MBA Program and the Public Policy Program.

During 1997, Faculty was involved with a number of initiatives directed at improving our profile outside the ANU. A Commerce Careers Day was held during second semester which was jointly run with the University of Canberra and attended by over 300 students and 20 employer groups. The Faculty worked closely with a group of students assisting them with the establishment of a Commerce Students Society which held a number of successful functions. A number of promotional brochures were developed and distributed around the world and we are currently working on a suite of material covering all of our activities. Work is also underway on updating and redesigning the Faculty's web pages which should be completed by 1999.

Gender Issues

The Faculty acknowledges the recent review of gender issues in the Faculties. We have actively sought applications from females for advertised positions. The Faculty is increasing its proportion of females at levels A and B but has struggled at the higher levels to obtain balance. In 1997, at levels A and B there were 13 female academic staff representing almost 40% of academic staff at those levels. However there are no female academic staff at levels C, D and E. Given the tight financial situation it is unlikely that the Faculty will be particularly active in recruitment. Hence our policy is to concentrate on bringing staff at the lower levels through the ranks. The Faculty is hopeful that such strategies have been provided for in the forthcoming University's Gender Equity Action Plan.

The Faculty has a reasonable gender balance in its student population. At the undergraduate level, the population is comprised of approximately 43% females and 57% males of HECS students and 49% females and 51% males of fee-paying students. At the graduate level, the numbers are 36% females and 64% males but the population is relatively small.

Management

From 1998, the Faculty has a new Dean and three new Heads of Departments. The Faculty acknowledges the contribution made by the out-going Dean, Professor Des Nicholls over his three terms totalling 9 years. The change in senior leadership has been an appropriate time to review the management structure in the Faculty and it recently approved a new set of Faculty Rules (paper 418/1998) and a new management structure (paper 419/1998). In short the new management structure involves the establishment of a Management Committee which has a leadership role in strategy and policy. In addition, two new committees titled the Undergraduate Studies Committee and Graduate Studies and Research Committee have been established. The roles of Subdeans and Associate Deans have also been reviewed and consequently an increased emphasis is being placed on research, outreach and marketing activities for these officers. The new structure should enable Faculty to be more proactive and improve its ability to respond decisively and in a timely manner to substantive issues.

Finances

The Faculty has always adopted sound and prudent financial management practices. At present, the Faculty is running a planned net operating deficit which is being financed from carry forward surpluses. Total Faculty recurrent expenditure has been stable and conservative with amounts of \$6.259m, \$6.195m and \$6.293m expended over the years 1995, 1996 and 1997 respectively. However, a number of adverse factors will impact on the Faculty's budget over the next three years. First, we have been experiencing a consistent decline in student fees. In 1996, international student fees were about 10% below budget and in 1997, these fees fell 12% below budget. The recent Asian currency crisis is expected to have a substantive impact on the 1998 figures. Second, the Faculty has suffered from the Faculties-wide funding cuts. Third, the Faculty's units generally receive (along with the Faculty of Arts) the lowest weight in the Faculties Funding Model and changes in the student population have worked against this Faculty's funding base.

Our budget plan involves a number of strategies. First, we must diversify our funding base and move to full fee-based graduate courses. Second, we must work harder on recruitment and marketing activities. Third, we must seek further research income to decrease our reliance on student income. Fourth, as flagged in last year's report, we must look at cost savings. Such savings involve difficult changes to staffing profiles as over 90% of our costs are by way of salaries and salary-related on-costs. Nevertheless, our budget includes a provision for cost savings of \$550,000 over 1998-2000.

Faculty Office Staff

Dean:	Professor T.J. Brailsford MEd PhD <i>Monash</i> CPA AIBF(Snr) (from Jan. 1998) Professor D.F. Nicholls BSc <i>UNE</i> MSc PhD (to Dec. 1997)
Faculty Secretary:	Mr A.B. Wynack BCom <i>Woll.</i> MCom <i>UNSW</i>
Assistant Faculty Secretary:	Mr N.J. Woods BA <i>CSU</i>
Assistant to the Dean:	Ms J.L. Standfield
Senior Faculty Assistant:	Ms A. Burkett
Faculty Assistants:	Ms J. Ingarfield (fractional 0.5) Ms F. Mehr (fractional 0.75) Ms A. Smith (fractional 0.5)



THE AUSTRALIAN NATIONAL UNIVERSITY

DEPARTMENT OF COMMERCE FACULTY OF ECONOMICS AND COMMERCE ANNUAL REPORT 1997

1. Overview

This has been a year of further change and consolidation. The Department has broadened its teaching program and maintained its strong academic focus. Research output is strong with senior staff showing considerable leadership in terms of the quality and quantity of research. Research undertaken by staff covered a wide range of topics in the areas of accounting, finance and information systems. Graduate supervision proceeded well with a number of successful completions during the year. The flexibility of the Bachelor of Commerce has increased dramatically over the past year. This has allowed the range of units offered by the Department to be extended with considerable activity in 1997. The Honours Program was revitalised and graduate unit offerings reviewed. The core activities of the ANU - research and teaching - has been reinforced and staff are encouraged to focus on these activities.

Ms Gillian Dempsey, Ms Linda Glassop, Dr Richard Heaney, Ms Marion Hutchinson, Ms Serena Niap, Mr Jing Shi and Ms Julie Zarate took up full time positions with the Department in first semester 1997. Dr Vince Hooper was successful in extending his lecturer B contract. Ms Bronwynn Adamson and Mr Roger Burrirt were on research leave in semester one and Professor Russell Craig was on research leave through February to November. Mr Barry Oliver also returned to the Department later in the year after a two-year period with the Department of Finance. These changes followed the departures of Dr Kevin Baker, Mr Joselito Diga, Ms Leanne Johns, Mr Garth Livermore, Mr John Lynam, Ms Kal Stenning, Mr Steve Welch and Ms Marion Young. Mr Andrew Greinke took over the sub-deanship from Mr Roger Burrirt for one year. Professor Tim Brailsford, Head of the Department, has been elected to the position of Dean of the Faculty of Economics and Commerce and takes up that position for 1998. Dr Richard Heaney has been appointed as the new Head of Department.

The importance of up to date information systems has been highlighted over the year with increased undergraduate student access and post graduate student access to important information sources such as DataStream, a financial database commonly found in banks and large finance businesses. Emphasis has also been placed on the use of standard computer software to solve business problems. Departmental computing infrastructure has also been considerably improved with the introduction of an NT server to cater to the needs of the staff. Staff have also made greater use of software packages to develop lecture overheads and to improve student access to teaching materials.

The broad research focus of the Department has been strengthened with the increase in senior staff levels. The range of units offered to students has been expanded. The Department now has a more flexible undergraduate degree designed to meet the needs of students but which still provides the units required by the professional bodies. The Honours program is now more viable and has the capacity to become an important part of the Department's teaching and research focus in the future.

2. Courses and Teaching

With the relaxation of the Bachelor of Commerce Degree prerequisite structure, a reorganisation of the undergraduate units has occurred accompanied by an increase in the range of units offered to students. New undergraduate units include COMM3007 Organisational Behaviour, COMM2010 Marketing, COMM2006 Financial Institutions and Risk Management, COMM3015 Corporate Strategy and COMM3005 International Financial Management. The undergraduate unit, COMM3004 Corporate Finance, was also replaced by the unit COMM2005 Corporate Finance to allow the study of Corporate Finance in the second year of the degree. Undergraduate units are now organised into Majors within the current structure and majors are now available in Accounting, Business Development, Business Statistics, Business Information Systems, Finance, Management, Economics and Econometrics. Students now choose a sequence of units to create at least one major. It is possible to structure the degree such that a double major is attained.

The introduction of small class teaching to the first year unit, COMM1020 Accounting and Financial Management was an important change to the undergraduate teaching practices of the Department and the use of a financial markets game in Corporate Finance provided an incentive for students to apply the finance concepts which they learn in the course. Both these endeavours attracted ANU teaching grants and the feedback from students was favourable. Given the acceptance of the small group experiment in 1997 it is likely that this approach will also be introduced into other units in the future.

3. Enrolments, Examination Results, Honours Program, Prizes Awarded

(a) Enrolments and Results

(i) Undergraduate

An analysis of student performance in undergraduate units offered by the Department is provided in the table at the end of this report. In aggregate there were 3,980 effective enrolments, an increase of 12% (1996: 3,540) in undergraduate units. Of those undergraduate students who sat for their exams approximately 87% (1996:84%) achieved a passing grade or better. Nine students completed Commerce IV Honours with four students achieving first-class Honours. Mr Anaf Masood was awarded a University Medal.

(ii) EFTSU Loads

DEETYA Students :

The Department's unweighted load of DEETYA-funded students (graduate and undergraduate) during 1997 was 505 (up 17% on 1996).

FFP Students :

The Department's unweighted EFTSU load of FFP students (graduate and undergraduate) was 75 (up 10% on 1996).

Total Student Load :

The total unweighted EFTSU load of the Department (DEETYA and FFP) was 505 +75 = 580 (up 16% on 1996).

b) Honours Program

Given the increased levels of senior staff, substantial Departmental energy was able to be directed at the Honours Program which attracted nine students in 1997. This effort paid dividends with one student, Anaf Masood, being awarded a University medal. All of the honours students in the 1997 program performed well with four students attaining Hons I level results and five students attaining Hons IIA level results. Anaf Masood and Sigi Goode shared the A. D. Barton Prize for the best honours thesis. An important event for the 1998 honours applicants was the award of two ten week Morgan Stanley Internships at the Morgan Stanley London Office to commencing honours students, Anthony Rorhach and Nik Persic. Honours students enrolled in the 1997 Program are listed below:

Student Name	Topic of Research Thesis
Anderson, Stuart	Accounting for Intangibles by Australian Companies
Cowper, Andrew	Takeover Runup and Markup Pricing in Australia 1991-1996
Forster, Andrew	Post-Takeover Performance of Unsuccessful Target Companies: An Australian Perspective
Frost-Drury, Amanda	An Investigation into the use of Voluntary Administration in Australia
Goode, Sigi	An Analysis of Characteristics of Adopters and Non-Adopters of World Wide Web Technology
Jaugietis, Martin	Regional Integration of Returns in Emerging Stock Markets
Jerga, Anton	An Investigation into the Post Listing Performance of Australian Initial Public Offerings: 1990-1994
Masood, Anaf	Accounting for Islam
Psychogios, Theodoros	'Haruspication' alive and well in the Australian Equities market

c) Prizes

A.D. Barton Prize	Best Honours Thesis	Joint winners: Anaf Masood BComm (Hons) /LLB Siegfried Goode BIT (Commerce) (Hons)
Australian Finance Conference Prize	COMM 2005/3004 Corporate Finance	Nicholas E. Wiley BComm/LLB
Australian Society of Certified Practising Accountants' Prize	First Year Performance	Senthooran Nagarajan BEc (Actuarial)
Australian Society of Certified Practising Accountants' Prize	Second Year Performance	Nicholas E. Wiley BComm/LLB
Australian Society of Certified Practising Accountants' Prize	Final Year Prize	Marianne Bowd BEc/LLB
Butterworths Prize in Company Accounting	COMM 2015 Company Accounting	David Maywald BComm
Coopers & Lybrand Prize in Accounting	COMM 2011 Management Accounting and COMM 2015 Company Accounting	Yuen Kit Chow BEc/LLB
Ernst and Young Prize	COMM 3001 Financial Accounting Theory	Toutou V. Soupravat BComm/BSc
Ernst and Young Prize	COMM 3002 Auditing	Nicholas E, Wiley BComm/LLB
Price Waterhouse Prize in Accounting	COMM 1010 Financial Accounting Fundamentals and COMM 1020 Accounting and Financial Management	David Maywald BComm
Professional Careers Australia Prize for Accounting	Commerce IV Honours (Accounting)	Anaf Masood BComm (Hons)/LLB
The University Medal		Anaf Masood BComm (Hons)/LLB

4. Student and General Staff participation in the Departmental Committee

Student Membership

The following students were elected to the Departmental Committee for one year terms ending on 31 March 1998:

Undergraduate representative:	Ms Sarah Stringer
Undergraduate representative:	Mr Rolly Layton
Honours student representative:	Mr Anton Jerga
Graduate student representative:	Mr Barry Hopkins

General Staff Membership

Ms Melissa Perryman, Course Administrator, was elected by the general staff of the Department to the Departmental Committee for a one year term ending 31 March 1998.

5. Student and Outreach Activities

A highlight of the Department's community outreach activities was the ACT Commerce Careers Day held on Friday 10 October 1997. This was organised jointly with the University of Canberra and sponsored by the Australian Society of CPAs. The objective of the day was to allow students to talk with a wide range of employers about career opportunities and it was well attended by both students and employer representatives. It is hoped that the Commerce Careers Day will become a regular part of the Departmental activities designed to help students decide on their future career.

There have also been a number of steps taken to facilitate interaction with students. First, questionnaires were distributed in an organised manner to help with planning changes in the degree structure and development of new units. Second, a Department foyer was constructed to provide easier access for students to the Department office and unit materials during busy periods. Third, an international student officer was appointed to act in support of overseas students and has provided a valuable service in meeting the specific needs of overseas students. Fourth, the Commerce Students Society was established with the support of the Department and the Faculty.

6. Work of graduate students

Three members of staff were awarded their PhD degrees in 1997. They were Drs Joselito Diga, Gary Kelly and Alfred Tran. Five students completed their Masters Degrees - Stephen Welch, Youngok Kim, Sandra Pua, Eroni Vatuloka and Stella

Pelino. The Department congratulates these students for the high quality of their work and the award of their degrees.

**Ph.D and Master Degree Students
Supervised or Advised by Members of the
Faculty of Economics and Commerce**

Student	Thesis Topic
(a) Ph.D	
Joselito Diga**	The Feasibility of and Desirability of Pursuing Accounting Harmonisation in Five ASEAN Countries
Gillian Dempsey	Knowledge and Invention in Intellectual Property – the Case of Computer Program Copyright
Andrew Greinke	The Impact of Regulation on Australian Credit Unions
Gary Kelly**	The Predictability of Rate of Return Measures
Barry Oliver	Risk Management in the Public Sector
Jing Shi	Underpricing of Initial Public offerings: international insights
Ken Stevens	An Investigation of the Selection and Use of Information Systems Conversion Approaches
Mohammad Tahir	Measurement of inflation gains and losses on monetary items
Alfred Tran	The relationship between tax and financial accounting rules – An empirical study of the alignment issue
(b) M.Comm	
Christopher Bilson	Macroeconomic Variables and Emerging Stock Market Returns
Z. Guziak	Development techniques and management of extra organisational information systems for electronic commerce
Barry Hopkins	The Relationship between Divident Policy and Capital Structure in Australian Listed Companies
Youngok Kim**	Historical Development and Current State of Financial Reporting in South Korea
Garth Livermore	Accounting for Derivatives
Tracey Martin	Accounting information and performance evaluation in the Australian public sector
Stella Pelino**	Impact of Deregulation of the Philippine Banking Sector upon Performance
Sandra Pua**	Ownership structure and capital structure
Hargo Utomo	The impact on EFTPOS on branch banking activities
Eroni Vatuloka**	The Use and Usefulness of Accounting Information in the Fijian Public Sector
Stephen Welch**	A Critical Analysis of Environmental Risk Assessments
Mark Wilson	A Transaction Cost Model of Partnership Formation

** Completed in 1997

7. Staff

(a) Staff list

Head of Department: (Snr)	Professor T. J. Brailsford MEd PhD <i>Monash</i> CPA AAIBF
Professors: FAICD	A. D. Barton BComm (Hons) <i>Melb</i> PhD <i>Camb</i> FCPA, R. J. Craig MComm PhD <i>Ncle</i> FCPA FAIM
Reader: MACS CPA	R.A. Heaney BComm (Hons) <i>Ncle</i> MEd ANU PhD <i>UQ</i> (Head of Department from January 1998)
Senior Lecturers: FCPA	R.L. Burritt BA <i>Lancs</i> , MPhil <i>Oxon</i> FCPA ACA ACIB P.B. Jubb MA <i>Oxon</i> FCA G.J. Kelly BFinAdmin (Hons) MEd <i>UNE</i> PhD <i>ANU</i> G.E.P. Shailer MComm <i>Ncle</i> PhD <i>Adelaide</i> FCPA
Lecturers: CPA AHKSA	B. Adamson BFinAdmin MEd <i>UNE</i> N. Buckmaster MBus (Accounting) <i>UTS</i> CPA A.J. Greinke BComm (Hons) LLB (Hons) <i>ANU</i> CPA J. Heales MComm <i>NSW</i> MACS PCP CPA V. J. Hooper BA (Hons) PhD <i>Plymouth</i> M. Hutchinson BBus GradDipEd(Sec) MCom (Deakin) CPA S. Jenkins BAg Sc <i>Syd</i> GradDipProfAcc <i>UC</i> B Oliver BComm <i>Ncle</i> MEd <i>Monash</i> K. Stevens BFinAdmin <i>UNE</i> MComm <i>NSW</i> M.I. Tahir MSc <i>Punjab</i> MPhil <i>Islamabad</i> GradDipEd <i>UC</i> GradDipProfAcc <i>UC</i> MSc <i>ANU</i> MEd <i>UNE</i> A.V. Tran MSocSc <i>HongKong</i> PhD <i>ANU</i> CPA FTIA FCCA
Associate Lecturers:	G.C. Dempsey LLB (Hons) <i>ANU</i> L. Glassop MBA <i>Macq</i> MAISA S. Niap BCom (Hons) (fractional 0.5) Jing Shi BCom(Hons) <i>Otago</i> J. Zarate BCom (Hons) (fractional 0.5)
Dept. Administrator:	J. Rabey BA <i>UNE</i>
Administrators:	M. Young (fractional 0.5) (until mid-1997) K. Reavley
Course Administrator:	M. Perryman
IT Support Staff:	P. Daniel (0.5) BA <i>ANU</i> K. MacLaren (0.6) BA <i>ANU</i>

(b) Visitors

Principal visitors to the Department were:

Professor Simon James, University of Exeter 25-28 August 1997

Professor Martin Schweizer, Technical University of Berlin 22 September -30
November 1997

Professor Peter Standish, France 25-28 August 1997

Professor Allan Hodgson, Griffith University
1997 January and December

(c) Activities

**(i) Academic & Professional Conference Presentations
Conferences**

Staff Member	Title of Paper	Conference
Adamson, B.	Institutional Arrangements for Water in Australia.	International World Water Research Association, Closed Forum, New York, October 1997
Barton, A.D.	A Trusteeship Theory of Accounting for Natural Capital Assets.	20th Annual Congress of the European Accounting Association, Graz, Austria 23-25 April 1997.
Brailsford, T.J.	The Stochastic Behaviour of the Short Rate in Australia	Quantitative Methods in Finance, Conference, Cairns, August
Burritt, R.L.	Characteristics of Companies that Undertake Social Disclosures within Australian Annual Reports: A Matched Pairs Analysis of Ethical Trust and Non-Ethical Trust Investees [with L Cummings]	International Conference on Management and International Accounting Issues, 31 March - 4 April, Jaipur, India.
Burritt, R.L.	Is There Anything Special About the Social Disclosures of Ethical Trust Investees in Australia? [with L. Cummings]	Annual Meeting of the Accounting Association of Australia and New Zealand, Hobart, 8 July 1997
Burritt, R.L.	Target Costing: Achieving a Competitive Edge	Public Sector Accountants Conference, Australian Society of Certified Practising Accountants, Canberra, Australia, 13-14 November 1997.
Burritt, R.L.	Environmental Accounting and Accountability	Invited presentation at 'The Accountant's Role in a Rapidly Changing Environment' Conference of the PNG Institute of Accountants and Australian Society of Certified Practising Accountants, Port Moresby, PNG, 20-21 November, 1997
Craig, R.J.	Australia's Course Experience Questionnaire	Table Ronde sur l'innovation pédagogique at the Université du Québec à Hull, July 1997
Heales, J.	A Case Study of the Reliability of Information Systems	Third Pacific Asia Conference on Information Systems, Brisbane, April 1997
Hooper, V. J.	The Valuation of the Option to Expropriate a Multinational Enterprise's Assets	Academy of International Business, Asia Pacific Area Conference, Hawaii, June 1997.
Hooper, V. J.	Financial Policy of Multinationals in High Political Risk Countries	Academy of International Business, Asia Pacific Area Conference, Hawaii, June 1997.
Hooper, V. J.	Obsolescence Risk, Taxation and Project Appraisal	British Accounting Association, South West Accounting Group Meeting, September 1997, Bristol, UK. (With John Pointon)
Jing Shi	Portfolio Management Using a Spreadsheet Based Stochastic Data Envelopment Analysis Model	Fourth Conference of the Association of Asian-Pacific Operational Research Societies, Melbourne, 30 Nov-4 Dec. 1997.
Tran, A.	A Survey of Opinions about Alignment of Tax Rules with Financial Accounting Rules	AAANZ Annual Conference, Hobart, 8 July 1997.

External Seminar Presentations

Staff Member	Title of Paper	Venue
Adamson, B.	Governing Water-Making Sydney Water Perform	Public Sector Transformation: Accounting Management and Accountability Workshop, Macquarie University GSM April 1997.
Barton, A.D.	A Trusteeship Theory of Accounting for Natural Capital Assets	Public Sector Transformation: Accounting Management and Accountability Workshop, Macquarie University GSM April 1997.
Brailsford T.J.	The Dynamics of Australian Interest Rates	CAD, Griffith University, 10 October
Burritt, R.L.	Ecological Modernisation , the Australian Public Sector, and Accountability	Public Sector Transformation: Accounting, Management and Accountability Workshop, Macquarie GSM, April, 1997.
Burritt, R.L.	A Matched Pairs Analysis of the Social Disclosures of Ethical Trust and Non-Ethical Trust Investees [with L Cummings]	Department of Accounting and Finance, University of Wollongong, 14 March.
Burritt, R.L.	Is There Anything Special About the Social Disclosures of Ethical Trust Investees in Australia? [with L. Cummings]	Department of Accounting Seminar Series, University of Southern Queensland, 17 April.
Burritt, R.L.	Environmental disclosures in annual reports of Australian gold and copper mining companies with interests in Papua New Guinea and/ or Indonesia.	Research School of Pacific and Asian Studies, ANU, 23 October.
Craig, R.J.	Contemporary Perspectives on International Accounting Research	Faculty of Management, The University of Toronto, July 1997.
Craig, R.J.	Le Québec, une société fiscale distincte?	Département des Sciences Comptables de l'université du Québec à Hull, July 1997
Heaney, R.	An Examination of the Variation in the Volatility in Asia Pacific Equity Market Returns.	University of Technology, Sydney 12 September 1997.
Heaney, R.	Inflation and Equity Market Returns	Royal Melbourne Institute of Technology, 18 April 1997.
Hooper, V.J.	An Examination of the Variation in the Volatility in Asia Pacific Equity Market Returns.	Department of Commerce Central Queensland University 24 October.
Hooper, V.J.	Multinational Investment Under Political Uncertainty.	Department of Accounting and Finance, Monash University, 11 April
Hooper, V.J.	Multinational Financial Policy in High Political Risk Countries.	Faculty of Commerce, The University of Southern Queensland, 24 April

(ii) Assistance to Government and Professional Associations

Barton, A.D. Chairman, ANU - ASCPA Annual Research Lecture Committee. Uni-Super Ltd - Director; Chairman of Audit and Compliance Committee; Member of Strategy Committee.

Burritt, R.L. "Environmental Accounting: Status Paper", presentation on behalf of the Office of Financial Management to Agencies of the ACT Government, Canberra, 26 August 1997. Member of the Environmental Research and Development Project Steering Committee, of the Australian Centre for Regional and Local Government Studies, University of Canberra.

(iii) Editorships and Refereeing Activity

Barton, A.D. Referee for *Abacus, Australian Accounting Review* and *Accounting Auditing and Accountability Journal*

Brailsford, T.J. Referee for *Abacus, Accounting Association of Australia and New Zealand, Accounting and Finance, Accounting Research Journal, Australian Journal of Management, Australian Accounting Review, Australian Research Council, Journal of Banking and Finance, Journal of Business Finance and Accounting, Journal of Futures Markets, Pacific Accounting Review and Pacific-Basin Finance Journal.* Editorial Board for *Accounting Research Journal* Co-editor for *McGraw-Hill Series in Advanced Finance.*

Burritt, R.L. Referee for *Critical Perspectives on Accounting, Journal of Environmental Management and Accounting, Auditing and Accountability Journal.* Guest Editor for *Accounting, Auditing and Accountability Journal*, editorial panel of *Accounting Forum.*

Craig, R.J. Referee for *Accounting Auditing and Accountability Journal* and *Accounting Forum* Member of the Advisory Committee for the *Accounting Commerce and Finance: The Islamic Perspective Conference* in Amman, Jordan February 1998. Associate Editor of *Asian Accounting Review.* Member of Editorial Boards of *Journal of Akuntansi and Auditing Indonesia* and *Accounting, Commerce and Finance: Islamic Perspective Journal.*

Greinke, A.J. Referee for *Accounting Forum.*

Heaney, R.A. Referee for *Abacus, Accounting and Finance, Accounting Research Journal, Agenda, Australian Journal of Management, British Accounting Review* and *Journal of Futures Markets.*

(iv) Service to the Profession and the Community

Craig, R.J. Reappointed External Advisor, Faculty of Economics & Management Universiti Pertanian Malaysia, Serdang, Malaysia. Member of the Advisory Committee for the Second Islamic Accounting Conference "Accounting and Auditing: An Islamic Perspective", Amman, Jordan in February 1998.

(v) Academic Awards

Brailsford, T.J.
Award

Winner of the AAANZ Peter Brownell Competitive Manuscript
for Best Paper.

Runner-up in the Australian Journal of Management E. Yetton
Competitive Manuscript Award for Best Paper.

8. Departmental Research Seminar Program

Title	Presented by	Date in 1997
Monopoly Pricing of Audits.	Dr G. Shailer (ANU)	13 March 1997
University Accountability.	Professor M. Nelson (Wilfrid Laurier)	20 March 1997
Multivariate Causal Dynamics Between Prices and Futures Trading Volume.	Professor A. Hodgson (Griffith)	27 March 1997
Audit Quality Uncertainty and the Pricing of Initial Engagements.	Professor A. Craswell (Sydney)	3 April 1997
The Extra-Market Sensitivity of Australian Industry Returns to an Oil Price Factor	Professor R. Faff (RMIT)	10 April 1997
Accounting for the Impairment of Long-Lived Assets: Evidence from the Petroleum Industry.	Dr N. Spear (Melbourne)	8 May 1997
A Survey of Opinions about Alignment of Tax Rules with Financial Accounting Rules	Dr Alfred Tran (ANU)	15 May 1997
The Impact of the Internet on the Small Business Enterprise: A Model and Case Studies	A/Professor A. Baldwin (Eastern Michigan)	5 June 1997
The Role of Government: An Analysis of the Constitution.	Ms L. Glassop (ANU)	1 August 1997
Credit Unions in a Post-Wallis Environment	Mr A. Greinke(ANU)	15 August 1997
The Effect of Transaction Costs on the Decision to Replace 'Off the Shelf' Software: The Role of Software Diffusion and Infusion.	Dr C. Ferguson (UQ)	22 August 1997
Effect of Acquisition Programs on Shareholders of Potential Target Firms: Empirical Evidence, 1966-1992.	Dr G. Bahbra (Otago)	29 August 1997
An Examination of the Variation in the Volatility in Asia Pacific Equity Market Returns.	Dr V. Hooper (ANU) & Dr R. Heaney (ANU)	5 Sept 1997
The Impact of Statutory Sanctions On The Level and Information Content of Voluntary Corporate Disclosure.	Professor S. Taylor (Sydney)	12 Sept 1997
The Determinants of the Cross-Section of Stock Returns in the Malaysian Stock Market.	Professor D. Allen (Edith Cowan)	19 Sept 1997
Corporate Disclosure and Accounting Harmonisation in ASEAN and Some Accounting Consequences of Business Control by Overseas Chinese.	Dr J. Diga	25 Sept 1997
A Case of Mistaken Morality: Accounting in the Service of the Holocaust.	Assoc. Professor W. Funnell (Wollongong)	10 Oct 1997
Forecasting Australian Exchange Rate Volatility: A Comparative Study of Alternative Modelling Techniques and the Impact of Power Transformations.	Dr M. McKenzie (RMIT)	17 Oct 1997
An Empirical Analysis of the Effect of Criticality, Complexity, and Organisational Influence on Software Reliability.	Dr J. Heales (ANU)	24 Oct 1997

9. Grants

Research Grants

- Craig, R.J. “The Foundations of Commercial Practice in Australia: Colonial Clerks and ‘Accompting’ Teachers”, SARC \$14,000.
- Craig, R.J. “Assessing Financial Capacity to Pay: Canadian Insights and Comparisons”, Canadian High Commission Faculty Research Grant \$5,000.
- Glassop, L “A Systems Theory Framework for the Notion of ‘Role’”, FNS \$2,100.
- Hutchinson, M.R. “An Analysis of the Association Between Corporate Investment Opportunities, National Culture and Management Compensation”, FNS, \$3,000.
- Jing Shi “The Chinese Share Return Seasonalities and Their Implications for B Share Price Linkages”, FNS, \$4,000.

Teaching Grants

- Brailsford, T. and “Small Group Teaching in First Year Accounting”, Faculty Teaching Buckmaster, N. Development Grant Scheme, \$3,000.
- Brailsford, T., “Corporate Finance: Share Market Game”, Faculty Teaching Heaney, R. and Development Grant Scheme, \$3,000.
Shi J.

10. Publications

Books (A1)

- Brailsford, T.J., *Faff, R.W. & B.R. Oliver, Research Design Issues in the Estimation of Beta, McGraw Hill, Roseville (NSW), 1997.

Book Chapters (B)

- Burritt, R.L. & *McCreight, P.E., ‘Compliance by ‘Industry’’, Encyclopedia of Applied Ethics, Academic Press, San Diego, Ca. , October 1997.
- Greinke, A.J. “Accounting History – The 1952 Steel Case”, chapter in Romano, C.A. (ed.), Case Studies in the Theory and Practice of Financial Accounting (Butterworths, 1997).

Refereed Journal Articles (C1)

- Adamson, B. "Water in California: Comparing Private and Public Companies", Water, Vol. 24, No. 6, November/December, pp. 35-37.
- Brailsford, T.J. & *Cusack, A.J. "A Comparison of Futures Pricing Models in a New Market: The Case of Individual Share Futures", Journal of Futures Markets, Vol. 17, No. 5 pp. 515-541.
- Brailsford, T.J. & *Faff, R.W., "Testing the Conditional CAPM and the Effect of Intervalling", Pacific Basin Finance Journal, Vol. 5, pp. 527-537.
- Brailsford, T.J. & *Hodgson, A. "Mispricing in Stock Index Futures: A Re-Examination Using the SPI", Australian Journal of Management, Vol. 22, No.1 June, pp.21-43.
- Brailsford, T.J. & *Josev, T., "The Impact of the Return Interval on the Estimation of Systematic Risk", Pacific Basin Finance Journal, Vol. 5, pp. 357-376.
- Brailsford, T.J. & Oliver, B.R. "Time-Varying Volatility Estimates in Option Pricing: Can Superior Estimates be Obtained?" Advances in Pacific-Basin Financial Markets, Spring, Vol. 3, pp. 191-212.
- Burritt, R.L. "Corporate Environmental Performance Indicators: Cost Allocation - Boon or Bane?", Greener Management International, Vol. 17, Spring, pp. 89-100.
- Burritt, R.L., "Accounting for Environmental Performance: Time to suck it and see", Accounting, Auditing and Accountability Journal, Vol. 10, No. 4, pp. 474-478.
- Burritt, R.L. & Welch, S., "Accountability for Environmental Performance of the Australian Commonwealth Public Sector", Accounting, Auditing and Accountability Journal, Vol. 10, No. 4, pp. 532-561.
- Burritt, R.L. & Welch, S., "Australian Commonwealth Entities: An Analysis of their Environmental Disclosures", Abacus, Vol. 33, No. 1, March, pp. 69-87.
- Craig, R.J. & *Amernic, J. "Images and Rhetoric: Accounting and Collective Bargaining", Journal of Collective Negotiations in the Public Sector, Vol. 26, No. 4, pp. 279-293.
- Dempsey, G.C. "Reusability and Accounting for Software Development Costs", Accountability and Performance, Vol. 3, No. 2, pp. 105-117.
- Dempsey, G.C. "'Socio-Legal Research and Insider Trading in Australia' – A Rejoinder", Australian and New Zealand Journal of Criminology, Vol. 30, No. 2, pp. 200-203.

- Diga, J. & *Saudagaran, S.S. "Financial Reporting in Emerging Capital Markets: Characteristics and Policy Issues", Accounting Horizons, Vol. 11, No. 2, pp. 41-64.
- Greinke, A.J. "Auditors' Liability to Third Parties: the View of the High Court", Company and Securities Law Journal, Vol. 15, No. 5, pp. 309-313.
- Heaney, R.A. & *Bellamy, D. 'The Relationship Between Market Volatility and the Market Risk Premium in the Australian Market', Accounting Research Journal, Vol 10, No. 1, pp. 20-31.
- Heaney, R.A., *Walker, J. & *Wai, N., "Gold Loans in the Australian Gold Mining Industry: a Test of the Relationship between Hedging and Debt Levels", Accounting and Finance, Vol. 37, No. 2, pp.129-145.
- Hooper, V. "The Association Between the Degree of Centralisation of Financial Decision-Making and Financial Policy of Multinational Enterprises: Some Empirical Evidence", International Journal of Business Studies, Vol.4, No.1.
- Hutchinson, M.R. "The Interactive Effects of Extroversion/Introversion Traits and Collectivism/Individualism Cultural Beliefs on Student Group Learning Preferences", Journal of Accounting Education, Vol. 15, No. 1.
- Hutchinson, M.R. "Accountants' Affiliation, Characteristics and Knowledge of Activity Based Costing", Accountability & Performance, Vol. 3, No. 1, pp. 67-83.
- Hutchinson, M.R., *Clayton, B.M. & *Ferguson, C. "The Source of Professional Accountant's Knowledge of Activity Based Costing", Accounting Research Journal, Vol. 10, No. 2, pp. 142-151.
- Oliver, B.R. & Tahir, M. "A Note on the Expiration Day Price Effect in the Australian 90-day Bank Accepted Bills Market", Pacific Accounting Review, June, Vol. 9, pp. 43-50.
- Tran, A, Jubb, P. & *Chen, Y. "Problems of Accounting Reform in the PRC", International Journal of Accounting Education and Research, pp. 139-153.

Articles in Professional Journals (C3)

- Burritt, R.L. "CEPA - to be or not to be?" Strategic Research Centre for Environmental Accountability Newsletter, Vol. 2, No. 4, December, pp. 3-4.
- Burritt, R.L. "Accountability for the administration of Australia's Land, Water and Vegetation Resources", News Journal of the Asia Pacific Centre for

Environmental Accountability, University of Tasmania, Vol. 3, No. 2,
pp. 14-18.

Burritt, R.L. 'Maritime oil pollution - accountants bringing technology forward',
News Journal of the Asia Pacific Centre for Environmental
Accountability, University of Tasmania, Vol. 3, No. 3, 1997, pp. 3-4.

Greinke, A.J. & Shailer, G.E.P., "Auditing the Auditors", Australian Accountant, Vol. 67,
No. 7, pp. 16-18.

Conference Proceedings and Extracts (E1, E2 and E3)

- Barton, A.D., 'A Trusteeship Theory of Accounting for Natural Capital Assets.' European Accounting Association Congress, Graz, Austria, April 1997.
- Buckmaster, N. & Jenkins, S. 'A Critical Appraisal of Control Nonprofit Organisations', 26th Annual Conference of the Association for Research on Nonprofit Organizations and Voluntary Action, Indianapolis, Indiana, USA, December 4-6, 1997.
- Clarke, R.& Stevens, K. "Evaluation or Justification? The Application of Cost/Benefit Analysis to Computer Matching Schemes", 5th European Conference on Information Systems, Cork, Ireland, June 19-21, 1997.
- Shi, J. *Powell, J. & *Premachandra, I.M. 'Portfolio Management Using a Spreadsheet Based Stochastic Data Envelopment Analysis Model', The Fourth Conference of the Association of Asian-Pacific Operational Research "Societies, Melbourne, 30 Nov - 4 Dec, 1997.

Working Papers

- Adamson, B. 'The Privatisation of the NSW Electricity Assets: Friend or Foe?', Report of Committee of Inquiry into Sale of NSW Electricity Assets, August 1997.
- Burritt, R.L. 'Environmental disclosures in annual reports of Australian gold and copper mining companies with interests in Papua New Guinea and/or Indonesia', Resource Management in Asia-Pacific working paper, Research School of Pacific and Asian Studies, Australian National University, 23 October 1997.

Other Notable Presentations

- Barton, A.D., "Cash and Accrual Budgets for Central Government: An Analysis of their Comparative Roles", ANU-ASCPA Annual Research Lecture in Government Accounting, November 1997, 44 pp.



**AUSTRALIAN NATIONAL UNIVERSITY
DEPARTMENT OF ECONOMICS
FACULTY OF ECONOMICS AND COMMERCE
ANNUAL REPORT 1997**

1. Overview

The Department of Economics has a diverse teaching program. It offers courses which may be taken as part of the three degrees offered by the Faculty - the Bachelors of Economics, Commerce, and Actuarial Studies. At the graduate level, the Department offers the Graduate Diploma in Economics, the Graduate Diploma in Public Economic Policy and the Master of Economics. The Department also has principal responsibility for the coursework component of the PhD in Economics which is offered under the auspices of the University-wide Graduate Program in Economics.

Trends in student enrolments are summarised below. The feature of most concern to the Department is the decline in enrolments in second-year economics due to the change in the compulsory requirements for the Bachelor of Commerce degree. The decline in first-year enrolments is partly due to the decline in the number of students re-sitting the course - reflecting the welcome fall in the 1996 failure rate. As the number of students taking degrees in the Faculty continues to rise, we expect much of this fall to be reversed in future years.

Enrolments	1992	1993	1994	1995	1996	1997
PhD	10	7	6	6	6	8
PhD completions	2	1	2	1	3	0
MEc completions	12	16	10	9	8	8
GDip completions	8	12	14	15	10	10
Econ4001	13	9	16	10	15	7.5
Econ3001*	230	234	246	244	185	203
Econ2001*	489	527	503	456	444	345
Econ1001	655	635	647	633	622	520
BEc and Combined degrees	917	854	892	953	904	n.a.

*For 1997, average of Microeconomics 2 and Macroeconomics 2; Microeconomics 3 and Macroeconomics 3.

2. Teaching and Research Achievements

This year has seen a further consolidation in research output by members of the Department as measured by publications, which are listed later in the report. That this research is highly regarded is also indicated by the large number of seminar and conference invitations, details of which are also provided later in this report.

There has also been a pleasing success in research and teaching grants awarded this year. Details are provided below.

Name	Total Amount	Title
S Dowrick	\$164,000	New International Comparisons of Economic Performance: Development and Application the True Multilateral Index (Large ARC Grant 1998-2000)
S Grant	\$96,591	Evaluating Risk in the Presence of Undiversifiable Background Risk: Implications for the Equity Premium and Public Investment (Large ARC Grant 1998-2000, joint with J Quiggin)
P Lau	\$10,000	Dynamic Effects of Investment on Output (Small ARC Grant, 1998)
M Donoghue	\$2,860	Studies in the Life and Work of William Thomas Thornton (Faculties Research Fund Grant)
Economics Department	\$59,663	Economics Refresher Courses for Australian Treasury, 1998
L Richardson	\$3,000	Faculties Teaching Development Grant
S Dowrick	\$3,000	Faculties Teaching Development Grant

The second and third-year subjects in the economics major, Economics II and III, were offered as semester units in Microeconomics and Macroeconomics in 1997. Two new semester units will be offered in 1998 - *International Economics* and *Strategic Thinking*. The former consolidates material previously included in Economics III, while the latter introduces students to the basics of game theory, illustrating its applications to economics and business. Two other new undergraduate units which emphasise the business applications of economics, *Competition Policy, Privatisation and Regulation* and *Marketing Models* have been proposed for introduction in 1999. Some teaching resources have been freed up by offering smaller semester units every second year, but in an environment of declining budgets the introduction of these new units mean that the resources of the Department are fully stretched.

The Department has a longstanding practice of conducting student surveys on all the units it offers, and for some time we have been puzzled by the inconsistency between the positive results from these surveys, the fact that well-known peer surveys such as in the *Australian Economic Review* [1992] and in the *Campus Review* [1996] rate the ANU economics degree as the best in Australia, and the disappointing results reported in the Course Experience Questionnaire (CEQ) conducted by the Australian Council of Educational Research. In an attempt to reconcile these differences, the Department has conducted a detailed examination of the CEQ design and methodology, and also carried out an exit survey using the CEQ in the Economics III class in 1996 and 1997. A detailed report of this analysis is available from the Department. Analysis of particular questions in the CEQ exit survey (rather than the more widely cited aggregates) provides confirmation that students perceive their degree as providing a solid analytical training in economics. Where the CEQ is confusing is that, to a very large extent, it identifies 'Good Teaching' with the provision of feedback to students. Given the structure of the ANU economics degree, most of this feedback is provided by a very capable team of tutors, rather than the lecturers. It should come as no

surprise, therefore, that an evaluation of lecturers' provision of feedback results in low scores.

Our main conclusion is that the relevance and information content of the CEQ, as it is presently applied to particular courses, is very low. In conjunction with CEDAM, we are developing two new surveys - an exit survey for our undergraduates, and a survey for economics graduates with several year's work experience - which will provide more informative indicators of the quality of our teaching performance.

3. Outreach

A large number of visitors came to the Department in 1997, and we regard this as a stimulating and important part of the research environment at the ANU. Those making brief visits to give seminars are tabulated later in the report. Four visitors came for longer stays - Mamoru Kaneko (Tsukuba University), Salim Rashid (University of Illinois), Zvi Safra (Tel Aviv University) and Ben Polak (Yale University). In turn, a number of members of the Department have benefited from periods of outside activity. Three staff members took a semester of outside studies leave: Dr Menezes spent time with colleagues at various institutions in the United States and Brazil, Dr Lau visited the Victoria University of Wellington in New Zealand in addition to travelling to the United States, and Dr Zelder spent a semester at Michigan State University. As was the case in 1996, Dr Vousden spent 1997 in the National Centre for Development Studies during which time he supervised a large number of PhD students. From 1998 onwards, Dr Vousden will take up a joint appointment between the NCDS and this Department.

As in previous years, members of the Department have contributed policy advice to a variety of organisations in Australia and overseas. Details are tabulated later in this report, with the most noteworthy contributions being those of Dr Albon on industry policy and Dr Harrison on the funding of higher education. Members of the Department acted as referees for a wide variety of Australian and international journals, and also for ARC grants. Professor Grant began a term as a member of the ARC Discipline panel for Social Sciences and the Humanities. Staff members also served as editors or members of the editorial boards of the following journals: *Agenda*, *Economic Record*, *Australian Economic Papers*, *Journal of Mathematical Economics*, *European Journal of Political Economy*, *Review of International Economics*, *Australian Journal of Agricultural and Resource Economics*, *Journal of Industrial Relations* and the *Journal of Economic Studies*.

4. Co-operation with the Institute of Advanced Studies

There is a high degree of collaboration across all areas of economics at the ANU. Members of the Institute of Advanced studies regularly contribute to the Department's teaching program, both at graduate and undergraduate levels. As in previous years, we are grateful to economists elsewhere in the University who have participated in the teaching program - in 1997, Professor Peter Drysdale (Japanese Economy and Economic Policy) and Professor Hal Hill (Southeast Asian Economic Policy and Development). A large number of students from the Institute, particularly from the National Centre for Development Studies are enrolled in undergraduate and postgraduate courses offered by the Department. Many of the ANU's PhD students in economics have advisors from the Department. A high proportion of visitors to the seminar programs in various parts of the University are jointly sponsored, and the weekly Theory Workshop is also a joint effort involving the Department and the Research School of Social Sciences. As it has for most of the time since its inception

in 1986, the Department continues to provide the convenor for the Graduate Program in Economics which in terms of student numbers is the largest Graduate Program at the ANU. The Department also administers the Working Paper series in Economics and Econometrics, which is a joint venture between the Faculty of Economics and Commerce and the Research School of Social Sciences.

5. Staff

As foreshadowed in last year's Report, Ted Sieper retired in 1997. In his time with us (from 1973) Ted has played a central role in the life of the Department. He taught over a wide range of the Department's graduate and undergraduate courses. His research interests and contributions to public policy in Australia and overseas were similarly wide ranging. An academic who insisted on very high standards, Ted always brought a fresh and rigorous approach to both his teaching and research. We wish him well in his retirement.

A contracting Departmental budget meant that, in 1997, there were no new appointments to positions of Lecturer B and above. As in previous years, we have been fortunate to attract a very capable group of associate lecturers who contribute significantly to the Department's teaching and other activities. Two of their number left during the year. David Stokes moved to a career in merchant banking in London, while Emma Hutchinson left to start a PhD at the University of Michigan. She joins a substantial and talented group of women who have recently moved from the Department to undertake PhDs in leading universities in the United States and Europe. It is to be hoped that academic salaries will be sufficiently rewarding to attract them back to Australia.

It was with great sadness that we learned of the death of John Logan in early 1998. 'Loges', as he was known, came to the ANU as a PhD student in 1965 and left the Department as a senior lecturer in 1986. During his twenty-odd years in the department he established a formidable reputation as an inspiring teacher of economics at all levels. His 'extra-curricular' activities in the Department are the stuff of legend. In 1978 he established the prestigious Plastic Palm Tree prize for Graduate Mathematical Economics A, and came to Canberra to make the presentation for each of the 21 occasions on which the award has been presented thus far.

6. Staff and Research Interests

Head of Department

G.Wells, BEc, PhD *Tasmania*

Professors

S. Dowrick, BA *Cambridge*, PhD *Warwick*, FASSA (Head of Department from 1998)

S. Grant, BEc BSc *ANU*, AM PhD *Harvard*

Readers

B. Smith, MA *Aberdeen*

R.Tyers, BEng, MEngSci *Melbourne*, SM, PhD *Harvard*

N. Vousden, BA, PhD *ANU* (on secondment, 1997)

G. Wells, BEc, PhD *Tasmania*

Senior Lecturers

R.P. Albon, BEc *La Trobe*, DipEd *Monash*, MEc, PhD *ANU*

P. Chen, BA *Yale*, MA, PhD *Stanford*

C. Jones, BEc, PhD *ANU*

T. Kompas, Bsc, MSc *Iowa*, PhD *Toronto*

J. Logan, BS, MA, PhD, *Cornell*

E. Sieper, BEc, *Sydney* (Leave without pay, 1997)

Lecturers

M. Benge, BA, BSc *Victoria*, MEc *ANU*

M. Harrison, BEc *ANU*, MA, PhD *Chicago*

J. Kline, BA, MA, PhD *VirgPI*

P. Lau, BSocSc *Hong Kong*, MS *LSE*, PhD *Stanford*

F. Menezes, MEc *EPGE/FGV*, PhD *Illinois*

M. Zelder, BA *Oberlin*, MA, PhD *Chicago*

Associate Lecturers

S. Austin, BEc *ANU*

R. Bannikoff, BEc *ANU* (Fractional)

M. Donoghue, BA MA *Auckland*

E. Hutchinson, BEc *La Trobe* (Until July, 1997)

L. Richardson, BA *Macquarie*, MEc *ANU*

D. Stokes, BEc *ANU* (Until July, 1997)

Research Assistant

C. Jankovic, BEc *ANU*, Grad Dip Pub Econ *ANU*

Administrator *Assistant Administrator*

Z. Miranda Terry J. Embling

<i>Steve Dowrick</i>	Growth theory and empirics, labour economics, industrial organisation; International welfare comparisons.
<i>Simon Grant</i>	Microeconomics, bargaining theory, industrial organisation; Decision making under uncertainty, nonexpected utility theory, mechanism design, contract design and incentives.
<i>Graeme Wells</i>	Macroeconomics, econometrics; Dynamics of fiscal policy, growth in small open economies.
<i>Ben Smith</i>	International economics, environmental and resource economics.
<i>Rod Tyers</i>	International economics, agricultural economics; Trade liberalisation and wage dispersion, agricultural performance in transitional economies.
<i>Neil Vousden</i>	International economics, trade policy, trade and labour markets, trade liberalisation and developing economies, growth theory.
<i>Robert Albon</i>	Applied microeconomics, public economics; Public utility pricing.
<i>Paul Chen</i>	Applied microeconomics, labour economics; Piece-rate and time wage comparisons, product market competition and wage determination.
<i>Chris Jones</i>	Financial economics; Taxation and corporate financial policy.
<i>Tom Kompas</i>	Optimal control theory, history of economic thought.
<i>John Logan</i>	Industrial organisation, regulation game theory; Strategic behaviour with asymmetric information, mergers.
<i>Matt Benge</i>	Public economics; Business taxation, taxes and international investment flows.
<i>Mark Harrison</i>	Applied microeconomics, economics of education, industrial organisation; Finance of education.
<i>Jeff Kline</i>	Microeconomics, game theory, industrial organisation; Oligopoly theory, information in games.

Paul Lau Macroeconomics, economic growth, econometrics;
Time series tests of growth.

Flavio Menezes Game theory, microeconomics;
Modelling contribution and subscription games,
multi-unit auctions, persistence of corruption in
developing countries.

Martin Zelder Law and economics, economics of the family;
The Coase Theorem, equity as a problem of
efficiency, economics of suicide/euthanasia.

7. Ph.D. Students Supervised or Advised

Student	Dissertation Topic	Supervision
Robert Ackland	Estimating True Cost of Living and Welfare Indices.	Steve Dowrick
Mathew Bengue	Taxes, Financial Policy and Investment Under Full Imputation.	Ted Sieper
D. Graham ¹	Ownership Structure and Foreign Investment Links in China's Wool Textile Industry.	Ben Smith
M.C. Gray ¹	The Effect of Unemployment on Australian Labour Market Outcomes.	Paul Chen
Vu Quoc Huy ¹	Models of Endogenous Growth.	Steve Dowrick
Andrew Lancaster	Technological Progress and the Labour Market.	John Logan and Graeme Wells
Chang-Soo Lee ¹	Sustainability of Growth in the Transitional Economies: The Case of Korea.	Steve Dowrick and Ben Smith
Sofia Levtchenkova	Forecasting the Level of Australian Economic Activity.	Chris Jones & Graeme Wells
David Lowe ¹	Tradable Emission Permit Theory.	John Logan
Abu Taher Mollick	Empirical Tests of the Effect of Debt-equity Choice on Firm Values.	Chris Jones
Humberto Moreira ²	Optimisation Problems in Economics.	Flavio Menezes
Mark Rogers ¹	Growth and Technology Flows.	Steve Dowrick
Paisan Rupranitkit ¹	Monetary Policy in Thailand 1980-94.	Graeme Wells
Glorivic Salveron ¹	Intellectual Property Rights in Developing Countries: The Case of the Philippines.	Rod Tyers
Natalie Stoeckl	Evaluation of Environmental Benefits.	Ben Smith
Asep Suryahadi	The Effects of Openness on Developing Country Labour Markets: The Case of	Paul Chen and Rod Tyers

	Indonesia.	
Tomoya Suzuki	Dynamic Effects of Monetary Shocks on the Business Cycle in Japan.	Graeme Wells
Vanessa Tamms ¹	Liberalising Trade in International Air Transport Services: A Preliminary Analysis of Aviation Market Regulation.	John Logan
K.K. Tang ¹	Monetary Unification Between China and Hong Kong.	Graeme Wells

¹ Enrolled elsewhere in the University

² Enrolled at another University

W.T. Wang ¹	Technology Transfer and Foreign Investment in Taiwan.	Ben Smith
X. Xu	Trade and Environmental Regulation.	Ben Smith and Neil Vousden

¹ Enrolled elsewhere in the University

8. Professional Offices and Consultancies/Awards

Robert Albon

Associate Editor, *Agenda*.

Director, Centre for Applied Economics.

Member, Judging Panel, Australian Institute of Public Administration Prize for Commonwealth Statutory Authority Annual Reports.

Member, Editorial Committee, 1997 Communications Research Forum, Bureau of Transport and Communications Economics.

Adviser to Australian Competition and Consumer Commission on *Access Pricing Principles - Telecommunications*.

Referee to Bureau of Transport and Communications Economics, *Interconnection Pricing Principles*. (Working Paper no. 30).

Submission to the Industry Commission's Inquiry, *The Automotive Industry*.

Consulted by the National Competition Council on the structure of its "Review of the Australian Postal Corporation Act", July 1997.

In association with Econtech, advice to a government agency on the assessment of priorities for reform of the indirect tax structure, July - December.

Referee to Industry Commission, *Industry Commission Submission to the National Competition Council Review of the Australian Postal Corporation Act 1989*, September.

Steve Dowrick

Fellow of the Australian Academy of Social Sciences.

Co-editor *Economic Record*.

Simon Grant

Member of the Australian Research Council's Social Sciences and Humanities Discipline Panel.

Member of Editorial Board of *Journal of Mathematical Economics*.

Member of Editorial Board of *Australian Economic Papers*.

Mark Harrison

Commissioned paper for the New Zealand Treasury "Review of Tertiary Funding Arrangements and Options for Change" September 1997.

Commissioned paper for the Review of Higher Education Financing and policy (West Review), "The Funding of Teaching Services in Higher Education" August 1997.

Chris Jones

Managing editor *Agenda*.

Flavio Menezes

Understanding Auctions, Real Estate Institute of Australia.

Rod Tyers

Member, National Council of the Australian Agricultural and Resource Economics Society, and past president, ACT branch.

Founding editor (with Deborah Peterson) of the *Australian Journal of Agricultural and Resource Economics*.

Neil Vousden

Member: Editorial Board: *European Journal of Political Economy*.

Member: Editorial Council: *Review of International Economics*.

Graeme Wells

Book Review Editor *Economic Record*.

9. Refereed Articles and Books

A. Books

B. Chapters in Books

- Benge, Matt "Capital Gains and Reform of the Tax Base"; J.G. Head and I. Krever (eds), *Taxation Towards 2000*, Australian Tax Research Foundation, 1997, pp.351-392.
- Benge, Matt "The Australian Full Imputation Reform", *Company Tax Systems*, J.G. Head (ed.), Australian Tax Research Foundation, Conference Series, no. 18.
- Dowrick, Steve "Trade and growth: a survey", in Jan Fagerberg et al. (eds) *Technology and International Trade*, ch. 7, pp 107-126, Cheltenham: Edward Elgar.
- Dowrick Steve "Economic growth", in P. Kreisler, (ed.), *The Australian Economy*, 2nd edition, pp 11-32, Sydney: Allen and Unwin.
- Grant, Simon "Dynamically consistent preferences, quadratic beliefs and choice under uncertainty", in R. Nau, E. Gronn, M. Machina and O. Bergland (eds.), *Economic and Environmental Risk and Uncertainty: New Models and Methods*, Kluwer Academic Publishers, 1997, 195-205.
- Tyers, Rod "Reforming the CAP as a prerequisite for European Enlargement: a comment", in H.Siebert (ed.) *Quo Vadis Europe? Kiel Institute of World Economics*, 1997, pp 180-187.
- Smith, Ben "Mineral Resource Taxation"; J.G. Head and I. Krever (eds), *Taxation Towards 2000*, Australian Tax Research Foundation, 1997, pp 199-214.
- Zelder, Martin "The Cost of Accounting Coase: A Reconciliatory Survey of Proofs and Disproofs of the Coase Theorem", *Coasean Economics: Law and Economics and the New Institutional Economics*, edited by Steven G. Medema, pp. 65-94.

C1. Journal Articles

- Albon, Robert "The Efficiency of State Taxes", *Australian Economic Review*, September 1997, v. 30, no. 3, pp 273-87.
- Benge, Matt "Taxes, Corporate Financial Policy and Investment Decisions in Australia", *Economic Record*, v. 73, no. 220, March, 1997, pp 1-15.
- Donoghue, Mark Mill's Affirmation of the Classical Wage Fund Doctrine, *Scottish Journal of Political Economy*, v. 44 No. 1, February, 1997, pp. 82-89.
- Donoghue, Mark On the Evolution of Economic Ideas, *Policy*, Vol. 13 No. 2 Winter, 1997 pp. 56-63.

- Donoghue, Mark Henry Charles Fleeming Jenkin: A Neglected Contribution to the Wage Fund Debates, *History of Economic Ideas*, Vol.6 No. 1, 1997.
- Dowrick, Steve "True measures of GDP and convergence: non parametric bounds multilateral indices", *American Economic Review*, 87 (1), March, 41-64 (with John Quiggin).
- Dowrick, Steve "Investment intentions and investment realisations in Australian manufacturing", *Australian Economic Papers* vol 36, No. 68, pp 90-105 (with Ciaran Driver).
- Grant, Simon "Dynamically Consistent Preferences with Quadratic Beliefs", *Journal of Risk and Uncertainty*, 14(2), 189-207 (joint with Jurgen Eichberger).
- Grant, Simon "Strategic Trade Policy under Uncertainty: Sufficient Conditions for the Optimality of Ad Valorem, Specific and Quadratic Trade Taxes", *International Economic Review*, 38(1), 187-204 (joint with John Quiggin).
- Harrison, Mark "Government financing of higher education in Australia: rationale and performance" *Australian Economic Review*, June 1997, v.30, no.2, pp. 225-39.
- Kline, Jeff "Information Structures and Decentralisability of Equilibria", *Economic Theory*, 9:1, pp. 81-86 (1997).
- Kline, Jeff "Efficiency and Equilibria in Complementary Teams: A Comment", *Journal of Economic Behaviour and Organisation* 32, pp. 621-623 (1997).
- Lau, Paul "Observational Equivalence and a Stochastic cointegration Test of the Neoclassical and Romer's Increasing Returns Model", *Economic Modelling*, Vol. 14 (January 1997), pp. 39-60 (with Chor-Yiu Sin).
- Lau, Paul "Public Infrastructure and Economic Growth: Time-Series Properties and Evidence", *Economic Record*, Vol. 73 (June 1997), pp. 125-135 (with Chor-Yiu Sin).
- Lau, Paul "Using Stochastic Growth Models to Understand Unit Roots and Breaking Trends", *Journal of Economic Dynamics and Control*, Vol. 21 (August 1997), pp. 1645-1667.

- Lau, Paul "A Note on the Markov Perfect Equilibrium of a Linear-quadratic Alternating-move Game", *Economics Letters*, vol. 57 (November 1997), pp. 51-56.
- Menezes, Flavio Sequential Asymmetric Auctions with Endogenous Participation, *Theory and Decision*, Vol 43, 1997 pp187-202. (with Paulo K. Monteiro).
- Tyers, Rod "Trade with Asia and skill upgrading: effects on labour markets in the older industrial countries", *Weltwirtschaftliches Archiv*, Band 133, Heft 3, pp. 383-418, September, 1977. (with Y. Yang).

C3. Book Reviews

- Albon, Robert *Unlocking the Infrastructure*, by S. King and R. Maddock, *Agenda*, v. 4 no. 3, 1997 pp. 379-81.
- Donoghue, Mark *Official Papers of Alfred Marshall*, edited by Peter D. Groenewegen, *Economic Record*, December 1997, v. 73 no. 223.
- Donoghue, Mark *The Correspondence of Alfred Marshall, Economist*. Edited by John K. Whitaker, *Australian Economic History Review*, v.37 no.3, 1997.
- Wells, Graeme Review of Stephen J. Turnovsky *Methods of Economic Dynamics*, Maurice Obstfeld and Kenneth Rogoff *Foundations of International Macroeconomics*, and David Romer *Advanced Macroeconomics in Economic Record* (June, 1997), pp 191-194.

D. Other Publications

- Albon, Robert *Telecommunications Economics and Policy Issues*, Industry Commission Staff Information Paper, March 1997. With P. Dee and A. Hardin.
- Benge, Matt "Depreciation Provisions and Investment Incentives Under Full Imputation", *Working Papers in Economics and Econometrics* No. 322, Australian National University.
- Donoghue, Mark "William T. Thornton on the Economics of Trade Unions", *Working Papers in Economics and Econometrics* No. 322, Australian National University, November, 1997.

- Dowrick, Steve "Convergence and technology in the Solow-Swan Growth Model: An empirical analysis" *Working Papers in Economics and Econometrics* No. 335, Australian National University, 1997 (With Mark Rogers).
- Grant, Simon "Intrinsic preference for information" *Working Papers in Economics and Econometrics* No. 323, Australian National University, 1997 (With Atsushi Kajii and Ben Polak).
- Grant, Simon "Temporal resolution of uncertainty and recursive non-expected utility models" *Working Papers in Economics and Econometrics* No.324, Australian National University, 1997 (With Atsushi Kajii and Ben Polak).
- Grant, Simon "Dynamic consistency and preference for information" *Working Papers in Economics and Econometrics* No. 326, Australian National University, 1997 (With Atsushi Kajii and Ben Polak).
- Grant, Simon "On relative performance contracts and fund manager's incentives" *Working Papers in Economics and Econometrics* No.327, Australian National University, 1997 (With Jurgen Eichberger and Stephen King).
- Grant, Simon "Weakening the sure-thing principle: decomposable choice under uncertainty" *Working Papers in Economics and Econometrics* No. 329, Australian National University, 1997 (With Atsushi Kajii and Ben Polak).
- Grant, Simon "Bargaining and boldness" *Working Papers in Economics and Econometrics* No.331, Australian National University, 1997 (With Albert Burgos and Atsushi Kajii).
- Harrison, Mark "The funding of teaching services in higher education" Appendix 15 in *Learning for Life: A Policy Discussion Paper* Review of Higher Education Financing and Policy.
- Sau-hui Paul Lau "Aggregate pattern of time dependent adjustment Rules II: Strategic complementarity and Endogenous Nonsynchronization", *Working Papers in Economics and Econometrics* No. 317, Australian National University, 1997.
- Tyers, Rod "Trade Shocks And The Magnitude Of Transmitted Wage Adjustments", *Working Papers in Economics and Econometrics* No. 318, Australian National University, February, 1997 (with R. Falvey, and R. McDougall).

10. Conferences

- Chen, Paul "Management's Adjustment of Labour Inputs to Product Demand Changes" Industrial Relations Research Association, 49th Annual Meeting, New Orleans, 4-6 January, 1997.
- Chen, Paul Discussed "Estimation of the Economic Return to Schooling from the Australian Twin Sample" by Yew Liang Lee. PhD Conference in Economics and Business, University of Western Australia, 5-7 November, 1997.
- Dowrick, Steve "Measures of Economic Activity and Welfare" uses and abuses of GDP as a measure of national welfare", paper presented at National Conference on Indicators, Becker House, Canberra, July 4 1997.
- Dowrick, Steve "International Comparisons of Australian GDP: revealed preference and true indices", paper presented at 1997 Annual Conference of Economists, Hobart, 25 September 1997.
- Grant Simon "Weakening the Sure-Thing Principle: Decomposable Choice Under Uncertainty", Australasian Econometric Society Meetings, Melbourne University July 2-4, 1997.
- Grant, Simon "A Weak Sure-Thing Principle", Economic Theory Workshop Wollongong University, February 6-7, 1997.
- Grant, Simon "Weakening the Sure-Thing Principle: Decomposable Choice Under Uncertainty", Risque, Incertitude et Decision University of Paris I, June 12-14, 1997.
- Harrison, Mark "The Funding of Teaching Services in Higher Education" Funding Our Future Tertiary Education Financing: Public Policy Options, Gold Coast, August 1997.
- Harrison, Mark Funding Higher Education: Performance and Diversity Adelaide, 21-22 July, 1997. Attended.
- Kline, Jeff "Two Part Tariffs in a Cournot Market" Fifteenth Economic Theory Workshop, Wollongong University, February, 1997 Presented Paper: (co-author Mark Harrison):
- Kline, Jeff Discussant of the Paper: "Equilibrium in Competitive Insurance Market with ex ante Adverse Selection and ex post Moral Hazard" by William Jack, Fifteenth Economic Theory Workshop, Wollongong University, February, 1997.
- Kline, Jeff Conference on Irrationality, Australian Academy of Science, Canberra, July 1997: Attended.
- Lau, Paul "Endogenous Steady State Growth: Importance of the Long Run Impact Matrix", presented Allied Social Sciences Associations Meetings (New Orleans, USA), January 1997.
- Lau, Paul "Aggregate Pattern of Time-dependent Adjustment Rules, II: Strategic Complementarity and Endogenous Nonsynchronization", presented Macroeconomics Workshop, University of New South Wales, April 1997 (also discussant).
- Lau, Paul Attended Canadian Macro Study Group (University of Toronto), November 1997.
- Tyers, Rod "Trade, technology and labour markets: general equilibrium perspectives". Invited plenary paper, 26th Annual Conference of Economists, University of Tasmania, 28 September - 1 October, 1997.

- Tyers, Rod Conference on China's Agriculture at the Crossroads, National Centre for Development Studies, Research School of Pacific and Asian Studies, ANU, 15-17 April, 1997 (discussant on paper "China and the Global Grain market").
- Vousden, Neil "Protection and Domestic Unionisation in a Free Entry Oligopoly", Western Economic Association Meetings, Seattle, 7-14 July, 1997.
- Wells, Graeme Discussant for paper by Sibley "Consumer Disenchantment, Loss Aversion and Price Rigidity", Macroeconomics Workshop, University of New South Wales, 1997.
- Wells, Graeme "Tax Reduction, Debt Stabilisation and Policy Rules: An Application to New Zealand, 26th Conference of Economists, University of Tasmania, September, 1997.
- Zelder, Martin Discussant in "Areas of Law II" and "Economics and the Law" at Western Economic Association annual meetings, Seattle 10 - 12 July, 1997.
- Zelder, Martin Chair of "Household Economics" and "Economics and the Law" at Western Economic Association annual meetings, Seattle 10 - 12 July, 1997.
- Zelder, Martin Invited participant, "Freedom of Contract in Family Law", George Mason University School of Law, Alexandria, USA 3-5 October, 1997.
- Zelder, Martin "The Economics of Legal and Religious Penalties on Suicide", at Western Economic Association annual meetings, Seattle 12 July, 1997.
- Zelder, Martin "The Economics of Legal and Religious Penalties for Successful and Attempted Suicide", at Canadian Law and Economics Association annual meetings, Toronto, 26 September, 1997.
- Zelder, Martin "The Rotten Altruism Theorem, or Why Altruists (Almost) Never Maximise Social Welfare", at Canadian Law and Economics Association annual meetings, Toronto, 27 September, 1997.

11. Seminars Presented within the Department

Mark Harrison & Jeff Kline, Economics, Faculties, ANU	Two Part Tariffs in a Cournot Market, March 6, 1997.
Peter Kuhn, McMaster University	Learning and Sequential Wage Negotiation: Theory and Evidence, March 14, 1997.
Ryuzo Miyao, Kobe University	A Regime Shift in Long-Run Money Demand in the United States, March 20, 1997.
Lisa Cameron, Melbourne University	Raising the Stakes in the Ultimatum Game: Experimental Evidence from Indonesia, March 27, 1997.
Matt Benge, Economics, Faculties, ANU	Depreciation Provision and Investment Incentives under Full Imputation, April 3, 1997.
Mark Crosby, University of NSW	Central Bank Independence and Output Variability, April 10, 1997.
David Ryan, University of Alberta & University of Melbourne	The Relationship between Student Learning and Course Evaluation Responses, April 17, 1997.
Tom Crossley, York University	Consumption Smoothing and the Replacement of Durables during an Unemployment Spell, May 8, 1997.
Billy Jack, CEPR, RSSS, ANU	Managing Competition in the Health Insurance Market, May 15, 1997.
Salim Rashid, University of Illinois	Is Land Reform Viable under Democratic Capitalism?, May 22, 1997.
Mamoru Kaneko, Tsukuba University	Decision-making in Partially Interactive Games, May 29, 1997.
Michael Lee, Monash University	Corporate Taxation - Welfare Costs of Distorted Capital Structure: A Dynamic General Equilibrium Approach, June 5, 1997.
Charles Mason, University of Wyoming	Strategic Pre-emption in a Common Property Resource: A Continuous Time Approach, June 12, 1997.
Ben Polak, Yale University	A Model of a Predatory State, July 24, 1997.
Ted Sieper, Economics, Faculties, ANU	Ignorance, Hysteria and Immunisation: An Economic Perspective, July 31, 1997.
Raymond Riezman, University of Iowa	Can Bilateral Trade Agreements Help Reduce Free Trade?, August 7, 1997.
Robert Russell, University of Sydney	On the Power of Non-Parametric Tests of the Representative-Consumer Hypothesis, August 14, 1997.
Robert Albon, Economics, Faculties, ANU	Efficient Tobacco Taxation: Ramsey and Pigouvian Considerations, August 21, 1997.
Keith Maskus, University of Colorado	Joint Trade Liberalization and Tax Reform in a Small Open Economy: the Case of Egypt, August 28, 1997.

Joshua Gans, Melbourne University	Incumbency and R & D incentives: Licensing the Gale of Creative Destruction, September 4, 1997.
Anne Daly, University of Sydney	Estimating the Rate of Return to Education for Indigenous Australians, September 11, 1997.
Vivek Chaudhri, Melbourne University	Brand Locations, Extensions and Optimal Pricing, September 18, 1997.
Dhammika Dharmapala	Comparing Tax Expenditures and Direct Subsidies: the Role of Legislative Institutions, September 25, 1997.
Alan Woodland, Sydney University	North-South Trade, Income Distribution and Welfare Effects of R & D Policy, October 16, 1997.
Chris Jones, Economics, Faculties, ANU	Distorting Taxation and the Marginal Cost of Public Funds, October 23, 1997.
Craig Riddell, University of British Columbia	The Measurement of Unemployment, November 6, 1997.
Kazuo Nishimura, University of Kyoto	Optimal Cycles and Chaos, December 10, 1997.

12. Seminars Presented Outside the Department

- Albon, Robert "Aspects of Federalism", The Future of Federalism Series, University of Canberra, 13 October, 1997.
- Albon, Robert "Taxation", New South Wales Economic Society Tax reform Seminar, Sydney, 11 November, 1997.
- Chen, Paul "Setting Price Controls While Facing Variable or Uncertain Market Conditions". Presented at the Research School of Social Sciences, Australian National University, April 18, 1997.
- Grant, Simon "A Weak Sure Thing Principle". Presented at the Research School of Social Sciences, Australian National University, May 16, 1997.
- Grant, Simon "A Weak Sure Thing Principle". Presented at the Hong Kong University of Science and Technology, 28 February, 1997.
- Grant, Simon "Preference for Information". Presented at the Hong Kong University of Science and Technology, 28 February, 1997.
- Harrison, Mark "Financing Higher Education", Financing Higher Education Series, Research School of Social Sciences, July 14, 1997.
- Harrison, Mark "Higher Education and the West Report", Economic Theory Lunch, November 24, 1997.
- Kline, Jeff "Research Joint Ventures and the Cost Paradox", Economics Department, Melbourne University, 9 October, 1997.
- Lau, Paul "Aggregate Pattern of Time-dependent Adjustment Rules, II: Strategic Complementarity and Endogenous Nonsynchronization", Monash University, 14 May 1997.
- Lau, Paul "Testing the Long-run Effects of Investment on Output in the Presence of Cointegration", McGill University, Canada, 5 November, 1997.
- Lau, Paul "Testing the Long-run Effects of Investment on Output in the Presence of Cointegration", Victoria University, New Zealand, 19 November 1997.
- Lau, Paul "Aggregate Pattern of Time-dependent Adjustment Rules, II: Strategic Complementarity and Endogenous Nonsynchronization", Victoria University, New Zealand, 3 December, 1997.
- Menezes, Flavio "Auctions with Endogenous Participation", University of Alabama, January, 1997.
- Menezes, Flavio "Simultaneous Pooled Auctions", Economic Theory Workshop, University of Wollongong, February, 1997.
- Menezes, Flavio "Auctions with Endogenous Participation", University of Melbourne, May, 1997.
- Menezes, Flavio "Auctions with Endogenous Participation", 1997 Summer Meeting of the North American Econometric Society, California Institute of Technology, June, 1997.
- Menezes, Flavio "Public Goods, Incomplete Information and Fixed Costs", Instituto de Matematica Pura e Aplicada, Rio de Janeiro, November, 1997.
- Menezes, Flavio "Auctions with Endogenous Participation", 1997 Meeting of the Brazilian Econometric Society, Recife, December, 1997
- Menezes, Flavio "Price Anomalies in Australian Wool Auctions", University of

- Tyers, Rod Alabama, September, 1997
"Trade with Asia and skill upgrading: effects on labour markets in older industrial countries". Presented at the Department of Economics, Research School of Pacific and Asian Studies, Australian National University, April 22, 1997.
- Zelder, Martin "The Economics of Legal and Religious Penalties on Suicide", at Michigan State University Economics and Theory Workshop, East Lansing, 5 September, 1997.
- Zelder, Martin "The Rotten Altruist Theorem, or Why Altruists (Almost) Never Maximise Social Welfare", Western Michigan University Economics Department Seminar, Kalamazoo, USA, 31 October, 1997.
- Zelder, Martin "The Rotten Altruist Theorem, or Why Altruists (Almost) Never Maximise Social Welfare", Oberlin College Economics Department Seminar, Oberlin, USA 13 November, 1997.
- Zelder, Martin "Rotten Altruism, Saccharine Altruists and Saints: Altruism and Social Optimality", University of Western Ontario political economy research group workshop, London, Canada, 1 December, 1997.

13. Prizes Awarded in Economics, 1997

Bultitude, S.K.	Bankers Trust, Australia: Awarded to the student who achieves the best result in that year for Economics I.
Gifford, R.J.	Commercial Agents and Representatives Association of Australia: Awarded for the best result in Economics III (H).
Appels, D.C.	Economic Society of Australia and New Zealand (Canberra Branch): Awarded to the student with the best average result in Macroeconomics 2 (H), and Microeconomics 2 (H).
Austin, A.J. and Uren, L.L	Economic Society of Australia and New Zealand (Canberra Branch): Awarded to the student with the best result in Economics IV (H).
Stone, A.G and Jiang, T	Graduate Diploma in Economics and Public Economic Policy: Awarded to the student completing the Graduate Diploma in Economics or Public Economic Policy and judged to have performed best in the course for the Diploma.
Austin, A.J. and Uren, L.L	J.B. Were & Son Prize: Awarded to the best honours graduand in the Faculty of Economics and Commerce.
Ewing, R.J.	Public Economics: Awarded for the best results in Public Economic Theory and Public Economics Applications.
Berne, B. and Graham, B.	Robert Jones Prize: Awarded to the student who achieved outstanding academic performance in the course leading to the award of Master of Economics.
Gifford, R.J.	Treasury Prize: Awarded to the student who achieves the best results in Economics III (H), taking the unit for the first time.
Austin, A.J. and Uren, L.L	University Medal recognising the top candidate(s) for the degree of bachelor, in departments or faculties, provided they obtain first class honours of sufficient distinction supported by a distinguished academic record.
Anderson, J.	The John Logan Plastic Palm Award: Awarded to the student with the best result in Graduate Mathematical Economics A.

14. Appendix A: Analysis of Student Performance



AUSTRALIAN NATIONAL UNIVERSITY

DEPARTMENT OF ECONOMIC HISTORY
FACULTY OF ECONOMICS AND COMMERCE

ANNUAL REPORT 1997

1. Overview

The Department continued to extend its national and international reputation throughout 1997. This is particularly indicated through three initiatives. Of particular importance was the hosting of the annual conference of the Economic History Society of Australia and New Zealand. Participants from Australia, New Zealand, Britain, and the United States presented papers on a wide range of research topics, on new approaches to teaching and assessment, and on the current state of the discipline of economic history. The research papers were collected into a volume which was edited and published by the department under the title, *Business, Public Policy, and Performance*. From 1997 the department has been home to the joint editorship (Ville) and book review editorship (Fleming) of the national journal, *Australian Economic History Review* and Treasurer of the Society (van der Eng). This has generated additional work but has also significantly raised the department's profile helped by the worldwide marketing policies adopted by the *Review's* new publisher, Blackwells. In a third major development for the year, the department developed a comprehensive criteria based assessment for teaching. This pioneering work was led by Dr Boot with the assistance of CEDAM and provides students with explicit criteria against which to base their performance. The criteria document has been published and a number of academics from outside the department have indicated their interest in its adoption.

The department expects to come comfortably within its allocated 1997 budget. The ability of the department to meet its total operating costs from income allocated by the relative funding model is severely constrained by the meagre payments for research activity and by the limited opportunities for students to choose economic history units in degrees dominated by compulsory core units taught by other departments. Every effort continues to be made to contain major items of household expenditure and the department operates at a very low per capita cost.

2. Teaching

The department continued to teach a wide range of units covering the economic and business development of Australia, Asia, and Europe. The changes to the first year program foreshadowed in last year's report were introduced in 1997. In particular the new first year unit 'Business and Economy in the Asia-Pacific Region' attracted 181 enrolments and achieved a positive reaction from students through the course evaluation. Further changes to the teaching program were agreed to in 1997 for implementation in 1998. In particular a new approved major in Business Development will be introduced into the Bachelor of Commerce. It will consist of three units taught from this department together with three from the department of Commerce. A new departmental unit will be included in the major, 'Development of Capital Markets'. The first year annual unit, 'Economics for Social Scientists', which is taught to students outside the Faculty, has been semesterised to provide greater flexibility for students who only wish to take a single semester of economics or who wish to enter mid year. The new semesterised units are entitled 'Understanding Economic Behaviour: Microeconomics for Social Scientists' and 'Understanding Economic Policy: Macroeconomics for Social Scientists'. Finally, the prerequisites of several later year units have been modified to make them more appropriate to the needs of interested students. Further developments to the teaching program are being considered for 1998 including the teaching of summer and distance learning units.

The Course Experience Questionnaire included a return for the Department for the first time as a result of the lowering of the minimum number of observations to 10. A number of methodological problems with the CEQ were identified, such as the inclusion of returns from several universities that teach little or no economic history. A modified form of CEQ was developed by the department (Ville and van der Eng) with several different questions and was presented to our graduates in their last lecture; this produced a much larger sample. The revised questionnaire together with the results are available from the department.

Effective undergraduate enrolments increased by 4.8% from 549 to 647. This reflects the introduction in 1997 of the new compulsory unit Business and Economy in the Asia-Pacific Region. There has been no significant fall in the number of undergraduate students enrolled in other units of the department. The failure rate (as a percentage of effective enrolments) remained at a low 4.8% down slightly on the previous year and the wastage rate increased slightly from six to eight percent. At the graduate level two students completed the fourth year honours program.

Prizes awarded

Institute of Advanced Studies Prizes for Economic History -

1. Economic History First Year Units - awarded to Alison Ball
2. Economic History Later Year Unit - awarded to Siobhan McDonnell
3. Langmore Prize for Equity Studies - awarded to Jacqueline Schirmer

Masters and PhD Supervision

Student	Dissertation Topic	Supervisor/Adviser
PhD Students		
R. Bennett	Industry Policy and Externalities in Australia since 1945	H.M. Boot S.P. Ville
A. Cartland	History of National Cash Register	S.P. Ville
R. dela Cruz-Doña	Poverty in the Philippines, 1960-1994	A. Martina S. Cornish
S.J. Dodds	The Concept of Sustainability in the History of Economic Thought	S.H. Cornish S.P. Ville
D. Hughes	The Growth of the Australian Brewing Industry	H.M. Boot S.P. Ville
A.J. Millmow	The Power of Economic Ideas:? The Origins and Development of Macroeconomic Management in Inter-war Australia (1932-39) - the interplay between economic ideas and economic policy.	S.H. Cornish H.M. Boot
Masters Student		
A. Lindsay	Comparative advantage in Australia's manufacturing trade with Asia	P. van der Eng G.A. Fleming

3. Research

A vigorous program of research was maintained across a broad range of themes and geographic areas within the discipline which continues to generate publications in leading international journals. Australasian research focussed upon history of economic thought, trade policy, pastoral finance, business networks, collusive practices, and large scale corporations. European research has dealt with history of economic thought, human capital, economic integration, the ILO, and chartered trading companies. Asian work has looked at national accounting, economic relations, food supply, and tax reform. This research generated 13 publications as defined by the ANU Research Publication Data Collection which is an average of two per member of staff. This included seven in the form of books, chapters, and refereed articles, an average of one per member of staff. These figures are down slightly on last year's very high averages of 3.5 and 2 respectively although members of the department have a number of publications due to appear next year. A Research Infrastructure grant was awarded Drs Fleming and Ville to

conduct a pilot study into the availability of primary sources for the study of the evolution of corporate leadership in twentieth-century Australia. External collaboration continues to be an important aspect of the department's research activities, joint work being conducted with members of the Universities of Melbourne, Auckland, Reading, Wellington, California and Hitotsubashi, the National Research Institute of Papua and New Guinea and the New South Wales Treasury.

Publications

Book Chapters (B)

van der Eng, P., 'Regulation and Control: Explaining the Decline of Food Supply in Java, 1940-1946' in P.H. Kratoska (ed.), *The Economic Impact of the Japanese Occupation on Southeast Asia.*, (London: Macmillan, 1997).

van der Eng, P., 'Economic Growth and Political Change in Indonesia: The Late-Colonial and New Order Periods Compared' in R. Minami, K.S. Kim and M. Falkus (eds.), *Growth, Distribution and Political Change: Asia and the Wider World.*, (London: Macmillan, 1997).

Articles in Scholarly Refereed Journals (C1)

Boot, H.M., 'Special Report: Teaching Economic History at Australian Universities', *Australian Economic History Review*, vol. 37, July, 1997.

Boot, H.M., 'Some Developments in Teaching Practice in the Department of Economic History at the Australian National University', *Australian Economic History Review*, vol. 37, November, 1997.

Fleming, G.A., 'Economists and Mortgage Relief in New Zealand in the 1930s' *Australian Economic History Review*, 37 (1) 1997, pp. 54-68.

Fleming, G.A., 'Keynes, Purchasing Power Parity and Exchange Rate Policy in New Zealand During the 1930s Depression', *New Zealand Economic Papers* 31 (1) 1997, pp. 1-14.

van der Eng, P., 'Exploring Exploitation: The Netherlands and Colonial Indonesia 1870-1940', *Revista de Historia Económica*, 15, No.3 (1997).

Full written paper - non-refereed proceedings (E2)

Fleming, G.A., and Terwiel, D., 'How Successful Was Early Australian Antitrust Legislation? Lessons from the Associated Northern Collieries 1906-11', ISBN 0 7315 2856 5, *Business, Public Policy, and Performance*, Proceedings 1997 Annual Conference of the Economic History Society of Australia and New Zealand, Australian National University, Canberra, July 1997.

Gage, J.E.S., 'Motive and Method in Australian Trade Policy Negotiations in the 1950s', ISBN 0 7315 2856 5, *Business, Public Policy, and Performance*, Proceedings 1997 Annual Conference of the Economic History Society of Australia and New Zealand, Australian National University, Canberra, July 1997.'

Gage, J.E.S., and Müller, K., (eds.), *Australia and Europe: Continuity and Change*, Departments of Economic History and Modern European Languages, Australian National University, Canberra 1997, ISBN 0 7315 2857 3.

van der Eng, P., 'Industrial Growth and Inequality: The Case of Indonesia', ISBN 0 7315 2856 5, *Business, Public Policy, and Performance*, Proceedings 1997 Annual Conference of the Economic History Society of Australia and New Zealand, Australian National University, Canberra, July 1997.

Ville, S. P. and Merrett, D.*, 'The Development of Large Scale Enterprise in Australia, 1910-64', ISBN 0 7315 2856 5, *Business, Public Policy, and Performance* , Proceedings 1997 Annual Conference of the Economic History Society of Australia and New Zealand, Department of Economic History, Australian National University, Canberra, July 1997.

Department of Economic History, *Business, Public Policy, and Performance* , Department of Economic History, Australian National University, Canberra, 1997, ISBN: 0 7315 2856 5.

Reprint

Ville, S.P., 'Wages, Prices and Profitability in the Shipping Industry during the Napoleonic Wars', in J. Armstrong (ed.) *Coastal and Short Sea Shipping* (London: Scholar Press, 1997).

Book reviews

Boot, H.M., review of Groenewegen, Peter, *A Soaring Eagle: Alfred Marshall 1842-1924*, *Australian Economic History Review*, vol. 37, July 1997.

Cornish, S.H., review of MacLeod, Roy, and Kumar, Deepak (eds.), *Technology and the Raj: Western Technology and Technical Transfers to India 1700-1947*, *Australian Economic History Review*, Vol. 37, No. 2, July 1997, pp. 176-178.

Cornish, S.H., review of Tirthankar, Roy, (ed.), *Cloth and Commerce: Textiles in Colonial India*, *Australian Economic History Review*, Vol 37, No. 2, July 1997, pp.176-178.

van der Eng, P., review of J.P. Powelson, *Centuries of Economic Endeavour: Parallel Paths in Japan and Europe and Their Contrast with the Third World.*' (1994) in *Agenda*, 4 (1997) No. 2, pp.246-248.

van der Eng, P., review of W.L. Collier *et al.*, *Pendekatan Baru dalam Pembangunan Pedesaan di Jawa: Kajian Pedesaan Selama 25 Tahun* (1996), in *Bulletin of Indonesian Economic Studies*, 33 (December 1997) No.3.

van der Eng, P., review of M. Leidelmeijer, *Van Suikermolen tot Grootbedrijf: Technische Vernieuwing in de Java-Suikerindustrie in de Negentiende Eeuw* (December 1997), in *World Sugar History Newsletter*, No.25

Ville, S. P., review of M. Dresser and P. Ollerenshaw (eds), *The Making of Modern Bristol* (Tiverton, 1994). *Business History* , 39, 2 (1997).

Ville, S. P., review of G. Jones, *The Evolution of International Business. An Introduction* (London, 1996), *Australian Economic History Review*, 37, 2 (1997).

Ville, S. P., review of Hugo Armstrong and Dick Gross, *Tricontinental: The Rise and Fall of a Merchant Bank* (Melbourne, 1996), *Business History* , 39, 3 (1997).

Ville, S. P., review of J-S. Shin, *The Economics of Latecomers: Catching-up, Technology Transfer and Institutions in Germany, Japan, and South Korea* (Routledge, 1997), *Australian Economic History Review* , 37, 3, 1997.

Seminars, Lectures, Conference Presentations

Boot, H.M., 'Real Incomes of the British Middle Class, 1760-1850: The Experience of Clerks at the East India Company', presented to Department of Economic History, Australian National University, September 1997.'

Fleming, G.A., 'The Early Development of Monetary Policy Rules: The View from Geneva in the 1920s', presented to Economics Faculty, Cambridge University (UK), February 1997.

Fleming, G.A., 'The ILO and the League of Nations: A distinctive perspective on macroeconomic stabilisation policy in the 1920s', presented to the First

Conference of the European Society for the History of Economic Thought, Marseilles, February 1997.

Fleming, G.A., 'Collusion and Price Wars in the Australian Coal Industry during the Late Nineteenth Century', presented to Economics Program, Research School of Social Sciences, Australian National University, June 1997.

Fleming, G.A., 'Public Investment Programmes in the Interwar Period: The View from Geneva', presented to the History of Economic Thought Society of Australia Conference, Perth, July 1997.

Fleming, G.A., 'From World Bank to World Observatory: British and European Ideas on Economic Integration in the 1920s', presented to the conference Britain in Europe, University of New South Wales, July 1997.

Fleming, G.A., 'The Geneva Research Program on Trade Policy in the 1930s and 1940s', presented to the Departments of Economics and Economic History, University of New South Wales, October 1997.

Fleming, G.A., 'Pragmatic Intellectuals and the New Social Order: Economic Research in Geneva during the 1920s and early 1930s', presented to the European Studies Program Seminar Series, October 1997.

Fleming, G.A., 'The Development and Performance of Australian Antitrust Legislation: A Reassessment of the First Sixty Years', presented to Conference on Australian Institutions Transformed: Historical Perspectives on Capital, Labour and the State in the Twentieth Century, December 1997.

Gage, J.E.S., 'Teaching European Studies from an Economic Perspective', presented at European Studies Conference, Macquarie University, Sydney, September 1997.

Gage, J.E.S., 'Institutional Contexts of Australian Foreign Trade 1850-1990', presented to Conference on Australian Institutions Transformed: Historical Perspectives on Capital, Labour, and the State in the Twentieth Century", December 1997.

Martina, A., 'On Coordinating Tax Reform and Mitigating Externalities Aimed at Alleviating Poverty: the Double Dividend Hypothesis', presented at 4th International Conference on Development and Future Studies, September 1997.

Martina, A., 'Self-interested Principles of Justice in Distribution and the Law of Peoples', paper for Environmental Justice: Global Ethics for the Twentyfirst Century, September 1997.

van der Eng, P.E., 'Food for Consumption, Growth and Thought: Secular Trends in Food Supply in Indonesia, 1880-1993.' Paper for the Conference The Biological Standard of Living and Economic Development: Nutrition, Health and Well-Being in Historical Perspective, University of Munich (Germany), 18-21 January 1997.

- van der Eng, P.E., 'Reconstructing Asian Economies: Some Fundamental Issues in Historical National Accounting.' Paper presented at a departmental seminar of the Department of Social and Economic History, University of Utrecht (The Netherlands), 6 February 1997.
- van der Eng, P.E., 'Economic Benefits from Colonial Assets: The Case of the Netherlands and Indonesia since 1870.' Paper presented at the Colloquium on The Economic Consequences of Empire, 1492-1989, Carlos III University, Madrid (Spain), 9-11 February 1997.
- van der Eng, P.E., 'Indonesia's Growth Performance during the Twentieth Century.' Paper presented at the CSAAR Seminar Twentieth Century Economic Performance in Asia and Australia, Brisbane, 27-28 November 1997.
- van der Eng, P.E., 'Growth and Inequality: The Case of Indonesia since the 1960s', Paper presented at a seminar Center for Asian and Pacific Studies, Seikei University, Tokyo, December 1997.
- Ville, S.P., 'From Kinship to Relations Economic? The Development of Pastoral Networks in Australasia', paper presented at Pre-Conference Symposium on Entrepreneurial Networks, University of Glasgow, 1997.
- Ville, S.P., 'The Growth of Big Business in Australia, 1910-65', paper presented at Joint Meeting of Association of Business Historians and Business History Conference, University of Glasgow, 1997.
- Ville, S.P. 'The Salomon Judgement and the Development of British Business in the Nineteenth Century', paper presented at Symposium on the Centenary of the Salomon Decision, Faculty of Law, Australian National University, 1997.

Departmental Seminar Program

The Department again ran a regular and highly stimulating seminar program to which resident and visiting academics presented their current research. In addition to resident speakers this program attracted contributors from Britain, Sweden, and Turkey. The Department also organised a contribution to the ANU Public Lecture Series and a series of European Studies seminars.

1997 ECONOMIC HISTORY SEMINAR PROGRAM (The Faculties)

Date	Speaker	Title of Paper
Friday 4 April	Dr Catherine Schenk University of Glasgow	"Currency Substitution in China 1945-50: Implications for Hong Kong"
Friday 2 May	Dr Paul Robertson University of New South Wales	"Britain, Butter and European Integration, 1957-1964"
Friday 6 June	Ms Eva Liljegren University of Uppsala	"An Investigation of the Effects of Car Taxes on the Road Sector in Sweden 1900-1939"
Friday 4 July	Mr Scott Mitchell Australian National University	"The Fall and Rise of the Australian Wine Industry"
Friday 1 August	Prof. Murat Çizakça Bogaçi University (Istanbul)	"An Institutional History of Poverty Alleviation within the World of Islam since the 7th Century to the present"
Friday 8 August	Dr Gerald Crompton University of Kent (Canterbury)	"Railways, Governments and Management: A Comparative Approach"
Friday 5 September	Dr H M Boot Australian National University	"Real Incomes of the British Middle Class, 1760-1850: The Experience of Clerks at the East India Company"
Friday 10 October	Dr Gary Manger University College, University of New South Wales	"Expectations, Strategies and Efficiency: Asset Allocation in Australian Banking in the 1930s"
Friday 7 November	Mr Alex Millmow Charles Sturt University	"The Power of Economic Ideas? The Early Origins of Macroeconomic Management in Interwar Australia (1929-1939)"

1997 ANU PUBLIC LECTURE SERIES

Date	Speaker	Title of Lecture
Thursday 8 May	Commissioner Erkki Liikanen European Union	Second Robert Schuman Lecture

1997 EUROPEAN STUDIES SEMINAR SERIES

Date	Speaker	Title of Paper
Friday 10 October	Dr G Fleming, Department of Economic History, Faculty of Economics and Commerce	"Pragmatic Intellectuals and the New Social Order: Economic Research in Geneva during the 1920s and early 1930s"
Friday 7 November	Ms Elizabeth Disney Deakin University	"Spain: the Years of Transition 1968- 88"

4. Administration and Outreach

Dr Boot continued as Chair of the Management Committee of Graduate House and was actively involved in discussions regarding construction of the new Graduate House building. **Mr Cornish** continued as Dean of Students and sat on and chaired various university committees including the Working Party on Scholarships and the Extension Program. **Dr van der Eng** took up a two month appointment as Visiting Research Fellow at the Centre for Asian and Pacific Studies at Seikei University. He continues to serve as a Board member for a number of important ventures including the Indonesia Project at the Research School of Pacific and Asian Studies and the Economic History Teaching list of the Cliometric Society (USA). **Dr Fleming** continued to serve as book review editor of the *Australian Economic History Review*, redesigned the department's marketing literature, and finalised the introduction of the Business Development major. **Mr Gage** continued as sub-Dean, assisted with the organisation of the Economic History conference, and arranged various seminars and public lectures in European Studies. **Dr Martina** prepared a report on disaster mitigation for the National Research Institute of Papua New Guinea. **Dr Ville** took up the task of joint editor of *Australian Economic History Review*, helped organise the Economic History conference and its publication, and continued as Head of Department.

5. Staff

Mr Hughes accepted a redundancy package in 1997. The department is grateful to him for his contribution to its scholarly activities since his appointment in 1989. There were six visiting scholars in the department during the year. This is a much larger number than in previous years and it is a reflection of the department's growing reputation overseas that most of these visitors were attracted at little or no cost. Further visitors are planned for 1998. The gender profile of the department is largely male with the exception of a research assistant, administrator, and two research students.

Reader and Head of Department (to Dec. 1997)

S.P. Ville BA PhD *London*

Senior Lecturers:

H.M. Boot BSc(Econ) *London* PhD *Hull* (Head of Department from Jan. 1998)

S.H. Cornish BEd *UWA*

P. van der Eng BA PhD *Groningen*

Lecturers:

G. Fleming MA PhD *Auckland*

J.E.S. Gage BA *Manchester*

A. Martina BCom *Rhodes* MA *Essex* PhD

Research Assistant:

H. Bridge BA

Departmental Administrator:

H. Fairbrother

Visitors:

Dr G. Crompton, Canterbury Business School, University of Kent (1-23 August 1997)

Professor Çizakça, Bogaçi University, Istanbul, and International Institute of Islamic Thought and Civilisation, Kuala Lumpur (31 July-1 August 1997)

Ms E. Liljegren, Department of Economic History, University of Uppsala, Sweden (2 June-13 June 1997)

Professor P. Robertson, School of Economics and Management, University College, Australian Defence Force Academy (1 September-31 December 1997)

Dr C. Schenk, Department of Economic and Social History, University of Glasgow (2-4 April 1997)

Professor M. Wilkins, Florida International University (11-18 July 1997)



THE AUSTRALIAN NATIONAL UNIVERSITY

DEPARTMENT OF STATISTICS AND ECONOMETRICS

FACULTY OF ECONOMICS AND COMMERCE

ANNUAL REPORT 1997

1. Overview

The teaching and research activities of the Department of Statistics and Econometrics cover econometrics, statistics including applied, theoretical, business, medical and social statistics, managerial decision analysis and probability. Courses of both a theoretical and applied nature are provided to students in commerce and economics, and in a wide variety of disciplines in the biological, physical and social sciences. While the department is part of the Faculty of Economics and Commerce, it is also associated with the Faculty of Science and maintains close links in some of its teaching and research activities with that faculty. Statistical Consultants, who are part of the Graduate School and provide statistical advice to staff and senior students throughout the university, are located in the department.

In addition to its undergraduate courses, the department offers diploma programs in Econometrics and Statistics. The department also offers courses in econometrics for other diploma programs in economics areas, and provides the econometrics units that are required in the Master of Economics degree and in the coursework of the PhD Program in Economics.

A major initiative this year was the introduction of the Bachelor of Actuarial Studies degree to replace the Actuarial specialisation in the Bachelor of Economics degree. Information from students and prospective employers suggests that the new degree will be highly valued and will enhance the attractiveness of the Actuarial Studies program. Joint Actuarial Studies and Commerce degrees were also introduced which will provide both the maximum number of Actuarial exemptions as well as professional accounting accreditation for successful students. This is an exciting new opportunity for students.

2. Enrolments and Examination Results

Enrolments in Quantitative Methods for Business and Economics 1 were 567 in 1997 compared with 466 in 1996. Statistical Techniques 1 enrolments were slightly higher

with 297 enrolments in 1997 compared with 291 enrolments in 1996. Enrolments in Statistical Techniques 2 were slightly lower with 125 enrolments in 1997 compared with 137 enrolments in 1996.

3. Staff

Reader and Head of Department

T.J. O'Neill, BSc *Adel.*, MS, PhD *Stanford*

Professor

D.F. Nicholls, BSc *UNE*, MSc, PhD (Dean to December 1997)

Readers

T.S. Breusch, BEcon *Qld*, MEc, PhD

D.S. Poskitt, BA *York*, MSc *London*

Senior Lecturers

M.A. Martin, BSc *Qld*, PhD

C.L. Skeels, BEc, PhD, *Monash*

Lecturers

S. Barry, BSc, PhD

A. Ruckstuhl, Master of Mathematics, PhD, *ETH*

S.E. Stern, PhD *Stanford*

D.J. Wyhowski, MA, MS, PhD, *Michigan State*

Associate Lecturers

R Lloyd, BEc, BA(Asian Studies)

J.H.A. Searle, BSc *UNE*

Programmer

M. Hiron, BSc

Department Administrators

B. Donaldson, Assistant Administrator

J.A. Hunt, Departmental Administrator

T. Skinner, Teaching Services Administrator

4. Staff Movements

Dr Christopher Skeels was promoted to Senior Lecturer, Michael Hiron was upgraded to ANU Officer Grade 7 and Jennifer Hunt was reclassified to ANU Officer Grade 5.

Barbara Donaldson was re appointed in a continuing position in the department. Tracy Skinner returned on 7 December after being on Maternity Leave since June.

Dr Francis Lim left the department in January 1997.

Dr John Robertson went on leave without pay for 2 years in July to take up a position at the Federal Reserve Bank of Atlanta.

Dr Alan Welsh was seconded to the Statistical Sciences Program in the Centre for Mathematics and its Applications for 5 years beginning in January 97.

Dr Simon Barry joined the department in June.

Mr Jack Pemn is a visiting fellow in the department until 1999.

Mardi Dungey was a visiting lecturer in the department from July to November.

Dr Ken Brewer is a visiting fellow in the department until 1999.

5. Visitors

The following visitors made contributions to the work of the department by presenting papers or seminars

Helmut Luetkepohl, Humboldt University, Berlin.

Graham Mizon, European Institutes, Florence.

Rodney Strachan, Monash University, Melbourne.

Research Grants Awarded

T.J. O'Neill Cancer G.M.Tallis†	Faculties Research Grant	“Life tables for Australian Patients detected under screening”
T.J. O'Neill Simon Barry	Faculties Research Grant	“Bayesian analysis of truncated regression data applied to road safety and wildlife research”

6. Conference Presentations

Staff Member	Title of Paper	Conference
(E2) Mr Poskitt	Strongly Consistent Determination of Cointegrating Structure Via Canonical Correlations	Econometric Society Australasian Meeting July
(E2) Dr Steven Stern	The Score and Information Bias of Adjusted Profile Likelihoods	Centre de Recherchés Mathematique Summer School on Likelihood and Asymptotics, Banff, Canada in August

7. Honour Students

Ms Lisa Zimitat was awarded a University Medal.

8. Administrative and Professional Activities

Dr O'Neill continued as Head of Department in 1997 and was re-appointed until December 2000. Dr O'Neill is Chair of the Faculty Information Technology Committee and is also on the High Performance Computing Advisory Committee. He is also on the Board of Studies of the Graduate Program in Statistics. Dr O'Neill is an Associate Editor for Biometrics. He is a Council Member, Statistical Society of Australia, Canberra Branch, and Central Council Delegate, Statistical Society of Australia. Dr O'Neill was elected as a Fellow of the Institute of Mathematical Statistics, for "Significant contributions to discrimination/classification theory and survival analysis; for excellence in collaborative biomedical research and road safety research; and for leadership in education".

Professor Nicholls continued as Dean of the Faculty of Economics and Commerce. Professor Nicholls acted as an expert witness at a House of Representatives Standing Committee on Legal and Constitutional Affairs which is considering the treatment of census forms. Professor Nicholls is the president of the Statistical Society of Australia he is also a member of the Visitors Committee, Faculty of Informatics, University of Wollongong, and advisor to Australian International Foundation. Professor Nicholls conducted an examination of the economic import of Recreational Fishing in Victoria for a professional fishing group, he also developed forecasts of demand for white goods for the Australian White Goods Industry.

Dr Martin is the Chair of the Actuarial Studies Program in the department. Dr Martin served as department representative on MATHLAC. Dr Martin is an Associate Editor of the Journal of Statistical Computation and Simulation, Journal of the Royal Statistical Society and Organizing Committee. Dr Martin was a departmental representative for the Faculty of Science.

Dr Breusch attended Econometric Society Australasian Meeting held in July at University of Melbourne. He represented the department on the Faculty Academic Progress Committee and Board of Studies Economics of Development Program, National Centre for Development Studies. Dr Breusch also was a member for the Faculty of Economics and Commerce Information Technology Committee, Teaching and Learning Technology Advisory and member of Procurement Subcommittee of TLTAC. Dr Breusch jointly with Professor Alan Welsh and under the auspices of Anutech conducted two courses on Basic Analysis for the Department of Defence in September-October 1996 and February 1997. Dr Breusch presented a talk on the subject "Statistics in Excel 5.0" at the Statistical Society of Australia, New South Wales Branch Inc, Sydney in July and also at the Centre for Mathematics and its Applications, ANU in August.

Dr Stern is the program convenor in the department for Honours and Graduate Diploma, Dr Stern also represented the department on the Faculty Marketing Committee, Faculty Graduate Studies Committee. Dr Stern attended the Centre de Recherches Mathématique Summer School on Likelihood and Asymptotics, Banff, Canada in from 1 to 10 August as an invited speaker.

Dr Skeels chaired a session at the Econometric Society Australasian Meeting held in July at University of Melbourne, he is also on the Programme Committee for the 1998 Australasian Meeting of the Econometric Society, and the Co-Chair on the Local Organizing Committee for the 1998 Australasian Meeting. Dr Skeels is a member of the Faculty Enrolments Committee and the Board of Studies, Graduate Program in Commerce and a member of the Australasian Standing Committee of the Econometric Society. Dr Skeels received Econometric Theory Multa Scripsit Award "In Recognition of Research Contributions to the Science of Econometrics".

Mr Poskitt was a departmental representative for the Faculty of Science, he was also on the committee for Faculty of Economics and Commerce Standing Committee on Rules. He also represented the department for DEETYA Publications.

Dr Wyhowski is the convenor for the econometrics seminars and served as department representative on ECONLAC.

Ms Rachel Lloyd attended the Teaching Economics Conference held at University of Southern Queensland in July.

Mrs Joy Searle represented the Faculty on the Faculty Information Technology Committee.

9. Referred Articles (C1)

Breusch, T.S., Robertson, J.C.P., and Welsh, A.H. (1997). “The emperor’s new clothes: a critique of the multivariate t regression model”. Statistica Neerlandica, 51, 269–286.

Double, M.C., Cockburn A., Barry, S.C., and Smouse, P.E. (1997). “Exclusion probabilities for single-locus paternity analysis when related for matings”, Molecular Ecology 6.

Hall, P., Nussbaum M. †, and Stern, S.E. (1997). “On the estimation of a support curve of indeterminate sharpness”. J. Multivar. Analysis, 62, 204–232.

Heinson, R., Legge, S., and Barry, S.C. (1997). “Extreme bias in sex allocation Eclactus Parrots Proceedings of the Royal Society”. Biological Sciences, 264, 1325–1329.

Martin, M.A (1997). Postcards from Asymptopia: A Discussion of Papers by Lee and Young Ronchetti, and Kolassa and Turner. Computing Science and Statistics, (L.Billard and N.I. Fisher, eds.), 28, 239-241, Interface Foundation of North America, Inc., Fairfax Station, VA 22039–7460.

O’Neill, T.J. and Barry, S. (1997) “Monte Carlo Methods”. Encyclopedia of Biostatistics, Armitage, P. and Colston, T., eds. J. Wiley, Chiccster, In Press.

Ruckstuhl, A.F., (1997). Partial breakdown in two-factor models”. Journal of Statistical planning and Inference, 57, 257–271.

Skeels, C.L. and Vella, F.†, (1997). “Monte Carlo evidence on the robustness of conditional moment tests in Tobit and Probit models”. Econometric Reviews, 16, 69–92.

† Not a member of this University



THE AUSTRALIAN NATIONAL UNIVERSITY
CENTRE FOR APPLIED ECONOMICS
FACULTY OF ECONOMICS AND COMMERCE
ANNUAL REPORT 1997

1. Overview

The Centre for Applied Economics was established in 1994 with the objectives of promoting policy-related research in economics and associated disciplines; publication of a quarterly policy journal; development of links with other universities and the wider community; organisation of seminars and conferences; and provision of specialist training courses.

2. Director

Dr Robert Albon was appointed as Director of the Centre for two years from January 1997, succeeding Mr Ted Sieper who had filled the position since 1994.

3. Management Committee

The Management Committee at the end of 1996 comprised Ted Sieper, the Dean Professor Des Nicholls, the Head of the Department of Economics, Dr Graeme Wells, Dr Albon and Dr Chris Jones. Mr Sieper left the Committee on his resignation as Director. Dr Richard Heaney accepted an invitation to join the Committee in 1997 and acted as Secretary. Dr Jones resigned from the Committee late in 1997. The incoming Dean, Professor Tim Brailsford, and the incoming Head of Department of Economics, Professor Steve Dowrick, participated in the meeting of the Committee on 19 November 1997.

The Director would like to extend his thanks to all those who helped with the management of the Centre in 1997.

4. Agenda

Agenda continued as a highly-successful policy journal. It focuses on analysis of a variety of policy issues with contributions especially from economists, legal thinkers and political scientists. Authors and reviewers are mainly Australian or New Zealand based, and are usually leaders in their fields. Topics covered in 1997 included education, the environment, financial market reform, fiscal policy, health insurance, judicial activism, monetary policy, Asian economic performance, taxation, trade policy and welfare policies. Volume 4 contained a total of 35 articles (including review articles), 17 book reviews, and 17 items in other departments. *Agenda* has a strong and loyal subscriber base of around 500, and is distributed free-of-charge to a select group of media persons. Many articles have received media attention, including several 'op-eds'. Contributions to *Agenda* will be listed in the American Economic Association's electronic data base, EconLit, beginning from 1998.

Dr Michael James continued as Editor of the journal. Dr Robert Albon continued as Associate Editor. Dr Chris Jones was Managing Editor until late 1997. Ms Jan Anthony continued as Editorial Assistant until her retirement from the University in mid-1997. She was succeeded by Ms Maureen O'Connor. Ms Christina Jankovic has also assisted with management of the mailing list.

The Director thanks all those who helped with *Agenda* in 1997, especially those who supplemented their normal duties.

The major costs of *Agenda* are the Editor's consultancy and associated costs, printing and distribution. In 1997, broadly the Editor's consultancy was covered by Faculty funding and all other costs were covered through subscription revenues. Several economies had to be made in 1997. The Faculty grant has been reduced for 1998, necessitating a reduction in the Editor's consultancy. The Editor has agreed to continue at this reduced consultancy for the production of volume 5.

The four issues of volume 5 of *Agenda* will be produced in 1998 under the same editorial arrangements as in 1997. However, it may not be possible to continue these arrangements in 1999 at the reduced level of Faculty funding. In 1998 the Management Committee will need to explore alternative funding and editorial arrangements.

5. Other Centre Activities

In 1997 the Centre's activities have focused on achieving its primary objectives through *Agenda*. The Director is interested in proposals for other Centre activities, including conferences, workshops and publications.