



THE AUSTRALIAN NATIONAL UNIVERSITY

FACULTY OF ECONOMICS AND COMMERCE  
ANNUAL REPORT

1998

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THE AUSTRALIAN NATIONAL UNIVERSITY

## FACULTY OF ECONOMICS AND COMMERCE

### ANNUAL REPORT

1998

#### 1. Overview

The Faculty commenced 1998 with a new Dean and three (out of four) new Heads of Department. Despite this high turnover in the Faculty's senior management staff a relatively smooth transition was made. Early in the year a new committee structure was introduced to enhance more effective and collaborative decision-making. A number of major decisions were taken during the year and the new structure appears to have assisted Faculty in reaching these decisions.

During the year, the Faculty was particularly active in teaching developments. Together with the Faculty of Law, we are the only faculties to have fully embraced the new credit points system and restructured our undergraduate degrees for 1999. The Faculty took this opportunity to implement a major overhaul of its degree requirements and structures. This task involved a huge amount of work to restructure courses, introduce new rules, revise unit offerings and implement a transitional process. To give some indication of the scale of the task, every later year unit in the Faculty has been revised. The Faculty ensured that student consultation occurred at all stages and we have received a deal of favourable commentary from the student body and support from the Students' Association. The new structures offer students greater choice, diversity, simplicity and equity in course fees. An additional benefit is that the new structures will be easier to administer.

Last year also marked the first year of the new degree Bachelor of Actuarial Studies. This degree has proven extremely popular among high achieving students. It has a high cut-off (UAI of 88) and is attracting the best students from around the nation. For instance, three out of the ACT's top ten ranked students in 1998 (including the top student) are pursuing the degree, or combined degree, in 1999.

At the graduate level, two new Master degrees were developed for introduction in 1999 in Applied Statistics and Financial Management. Further, three new Graduate Certificates were developed in Applied Statistics, Business Statistics and Financial Management. The Graduate Diploma in Public Economic Policy was also significantly revamped.

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 awarded University Medals in 1998. The Faculty has targeted both the PhD and Honours Programs as areas of growth.

Despite the substantial efforts devoted to teaching activities, the Faculty continued its impressive rate of research output and other research activities. Within the enclosed Department reports are details of the research undertaken by staff. There is an impressive rate of output that is consistent across all departments. I believe it reasonable to claim that all departments in the Faculty are extremely competitive on a national basis and all hold an international reputation. For instance, a recent national survey of research output ranked the Department of Commerce first in Australia. There are seven members of the Faculty holding large ARC Grants which represents over 10% of the eligible academic staff and I believe this figure is among the highest for equivalent faculties in Australia. This compares to a base where in 1997 the Faculty held only one nationally competitive grant.

During 1998, the Faculty entered a number of international exchange agreements, particularly with European institutions. It is hoped that these arrangements will see a greater exchange of staff and students over the coming years and add to the internationalisation of the University.

The biggest challenge for the Faculty remains the financial environment. Last year, the Faculty, for probably the first time in its history, ran an operating deficit. While the deficit was projected and can be covered from prior year carry-forwards, operating deficits are again forecast for at least the next two years. The Faculty has reacted quickly and positively to this state of affairs. We have increased student recruitment activity, introduced new GTF courses, doubled research income in one year, postponed filling vacant staff positions, experienced 8 URRS departures and made substantial cuts to housekeeping and equipment budgets. To put things in perspective, since 1994 the Faculty has experienced an overall decline of around 25% in staff numbers.

An issue of concern has been our inability to recruit quality staff for the few vacant positions we have. On two occasions during the year we advertised and did not make an offer. There is intense competition for quality staff in our disciplines and unfortunately for a number of reasons including financial remuneration, the ANU is losing its attractiveness, particularly at senior levels.

I also draw attention to the increasing reluctance of other parts of the university to participate in joint activities. For instance, we have for many years been involved in collaborative teaching arrangements with other parts of the University who in 1998 and 1999 have withdrawn from such arrangements.

Finally, I would like to draw attention and offer my appreciation to the rather long list of staff departures and notably the retirement of Professor Allan Barton.

## **2. Teaching Activities**

At the undergraduate level, the Faculty faced its biggest challenge for the year in restructuring its three degrees. New rules had to be introduced, new units and majors had to be developed, every later year unit in the Faculty required revision and transitional arrangements were needed. All of this has been achieved in time for implementation in 1999. A massive amount of work has been undertaken behind the scenes to ensure that a smooth change takes place. Importantly, we have consulted with our student body and provided full information dissemination at all stages. The fact that all this has been achieved in a short-time period is testament to the cooperative spirit and work ethic of all staff and students in the Faculty.

1998 also marked the first year of student intake into the new Bachelor of Actuarial Studies degree (BActS). This degree is also offered as a combined course with the BComm and BEc degrees. The new degree has proven particularly successful. It is designed for high achieving students with a good background in mathematics. The TER cut-off in 1998 was 80 which has been raised to a UAI of 88 for 1999. Plans are underway to introduce a unique combined degree option of the Bachelor of Actuarial Studies and the LLB for introduction in 2000.

The Faculty has continued its 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. Last year, we reviewed our Honours programs and amended the rules to allow Honours entry from other universities. We embarked on a national advertising campaign in second semester which has been successful. Entering 1999, we look like having an enrolment of around 45 Honours students.

Of some concern to the Faculty is its frustration with the current level of IT support for teaching. Due to difficulties associated with the support of teaching facilities at the University level, staff in the Faculty have either delayed multi-media teaching developments or in some cases, ceased to use IT as part of their teaching strategy. We are hopeful that the ITSMP and current restructuring of IT support in teaching will alleviate these problems.

The Faculty is participating in the Extension Units Program through the offering of a first-year accounting unit to ACT final year school students. The unit will run for the first time in 1999 and has an enrolment of 16 students. We are grateful to Mr Greg Boland from Dickson College for his participation as the convenor.

The Faculty is also an active participant in the new ANU Foundation Studies Program which will enable international students to articulate into our degree courses. During the year, a number of institutional status arrangements were approved with overseas colleges, especially in Singapore and Malaysia, that will allow articulation and a smooth transition for international students wishing to study in our degree programs.

The Faculty introduced a Teaching Award to recognise outstanding teaching contributions made by staff members. The inaugural winner was Dr Michael Martin (Statistics & Econometrics).

### 3. Enrolment Statistics

In 1998, 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 three years. In 1999, the translation to the new UAI scheme has resulted in an equivalent cut-off of 73 for the BComm and BEc and 88 for the BActS.

The Faculty's student base is distributed as:

	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
U/grad HECS – New	346	322	452	458
U/grad HECS – Continuing	1,055	1,177	1,232	1,247
U/grad International – New	32	39	43	54
U/grad International – Continuing	100	85	122	139
<i>Total Undergraduate</i>	<i>1,533</i>	<i>1,623</i>	<i>1,849</i>	<i>1,898</i>
P/grad HECS (& exempt) – New	18	29	n/a	n/a
P/grad HECS (& exempt) – Continuing	23	37	n/a	n/a
P/grad Fees – New	63	40	n/a	n/a
P/grad Fees – Continuing	26	43	n/a	n/a
<i>Total Postgraduate</i>	<i>130</i>	<i>149</i>	<i>n/a</i>	<i>n/a</i>

The declining new and continuing undergraduate HECS enrolments have been planned by the University as the ANU is reducing its DETYA target undergraduate load. However we note that the planned reduction at the undergraduate level must be supported by growth at the graduate level.

Student performance in individual units by department is presented as an appendix to this report. (Note: due to a report function fault in ANUSIS results for units in the Department of Economic History are not available). In aggregate, student performance was distributed as:

<u>Grade</u>	<u>1998%</u>	<u>1997 %</u>	<u>1996 %</u>
High Distinction	9.2	8.3	7.0
Distinction	18.0	18.7	16.8
Credit	28.0	28.6	29.4
Pass	31.4	29.8	31.6
Fail	10.6	13.8	14.4
TBF	2.9	n/a	n/a

Note: 1998 figures do not include ECHI units due to a report fault in ANUSIS  
 Figures based on students 'sitting' plus 'did not sit'  
 Fail includes 'did not sit'  
 TBF are results yet to be finalised, mainly due to outstanding supplementary exams

As can be seen from the figures above, the general trend has been an increase in the percentage of students achieving higher grades and an increase in the overall passing rate. However, the introduction of the supplementary examination scheme means that there are 2.9% of results yet to be finalised from 1998. These students can only achieve a pass grade or fail.

#### **4. Research Activities**

Despite the significant efforts devoted to teaching activities and course restructuring, academic staff remained particularly research active during 1998. Focussing only on refereed scholarly journals, the publication rate per staff member last year was 0.8 papers across all academic staff which is substantially above the disciplinary benchmark of around 0.5 papers. Nevertheless we hope to improve on this figure in 1999. Further 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 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. During 1998, the journal underwent a change of editorship that is now in place for 1999. This move was made on both financial and strategic grounds and has proceeded smoothly.

Last year, the Faculty established an internal research grants scheme that operated over the summer of 1998-99. The purpose of the scheme is to encourage and provide support for young and junior academics to develop projects into publishable papers and assist in getting large ARC grant applications to a competitive stage. Last year, eight grants were awarded.

#### **5. 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. Of note, every department has staff holding responsible executive positions in relevant professional societies. Further, the number of staff elected to Fellowships of these societies is indicative of a high profile outside the ANU.

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 are involved in graduate programs in economics, economic history, econometrics and statistics while Faculty staff are involved in teaching units in the National Centre for Development Studies and the MBA Program. However, as discussed earlier, it is disappointing that some areas of the University are looking to 'internalise' their course offerings thereby reducing their involvement with our Faculty.

During 1998, Faculty was involved with a number of initiatives directed at improving our profile outside the ANU. The Commerce Careers Day was held for the second year. This activity is jointly run with the University of Canberra and attended by over 300 students and 20 employer groups. As projected in last year's report, we have completed development of a suite of promotional material covering all of our courses and activities. This material has been distributed to appropriate outlets. Staff have been encouraged to disseminate more publicly their research findings and a number of staff appeared on national television, radio and the print media during 1998.

A Teachers' Forum was held in June where all associated discipline subject teachers in senior secondary schools and colleges were invited to attend a half-day workshop exploring University life and student perceptions. The response was overwhelming with all except three regional schools represented. A number of important contacts were made and our staff learned a deal from their school colleagues about student expectations and perceptions.

## 6. Gender Issues

The Faculty has taken serious steps to educate and promote the issue of gender balance. A number of activities were conducted during 1998 to raise awareness of the issues. Further activities are planned for 1999. These activities have been documented in a separate report to the Deputy Vice-Chancellor.

Nevertheless, the Faculty is coming off a base where male staff numbers dominate, particularly at the senior levels. In 1998, at level A female staff represent over 60% of academic staff but this percentage drops to 20% at level B and zero thereafter with no female academic staff at level C or above. Unfortunately the reality is that the current financial environment prevents the hiring of large numbers of new staff. Thus, despite the best of intentions, our overall recruitment rate is low and attempts to create a staffing profile close to a gender balance will necessarily take a number of years to achieve. In our disciplines, well qualified staff are at a premium and well qualified female staff are even more difficult to recruit. This is a problem not restricted to the ANU but across the Faculty's disciplines.

In contrast, the Faculty has a reasonable gender balance in its student population. At the undergraduate level, the population is comprised of approximately 42% females and 58% males.

## 7. Management

As alluded to earlier, 1998 was a significant year of management change with a new Dean and three new Heads of Departments. The Faculty changed its decision-making structure and streamlined its committees by forming three key committees to advise the management staff and Faculty. This change has been effective with significant decisions made and implementation of those decisions achieved.

The Faculty has a relatively low percentage of staff at level E and certain departments have an especially junior profile. The Faculty is still recovering from the loss of a number of senior staff in the late 1980s and 1990s and unfortunately the bulk of senior management duties tends to distract many senior staff from more scholarly activities. The involvement of more junior staff in committee work and administrative positions alleviates this problem and provides good opportunities for staff development, but it creates further problems as such staff are often in need of time to devote to developing their research and teaching portfolios.

A review of IT infrastructure and support was undertaken during the first half of 1998. The review was chaired by Dr Robin Erskine, Director ITS. Following the review, a number of changes have occurred in the area of IT. An IT Coordinator was appointed who has been charged with the responsibility of oversight and coordination of all Faculty IT activities. The Faculty has centralised its support and much of its hardware, and is moving toward Windows NT as the standard operating platform. It is expected that the changeover will be complete during 1999.

Later in the year, a review of the Faculty Office operations was undertaken. This report has now been received and there are a number of recommendations to consider. One of the recommendations is to move the physical location of the Office to give the Faculty a higher profile and allow for a more efficient working space. Discussions are underway in this regard. It is hoped that a move will also allow the operations to place a greater emphasis on IT and the web as administrative support tools. In 1999, the Faculty is planning to make increased use of internal web pages for the dissemination and filing of administrative information. We plan to create an electronic filing system for committee agendas, minutes, Faculty policies, procedures and records. Our aim is to enhance the transparency of decision-making processes in addition to streamlining administrative operations.

## 8. Finances

At present, the Faculty is running a planned net operating deficit which is being financed from carry forward surpluses. The Faculty's net position at the end of 1998 was an accumulated surplus of around \$400,000 which provides us with some room to move over the next year. However, despite an increase in non-operating grant income and cost savings, the forecast net position over the next triennium is a deficit position. There are a number of assumptions in the budgeting procedure that carry a deal of subjectivity and consistent with prudent financial management practices, our

assumptions are conservative. Nevertheless, we approach the next triennium with considerable caution. While the Faculty faces further reductions in its operating grant, we have responded in a positive and proactive manner.

It appears that our increased efforts from last year in recruiting have been successful. Preliminary figures for 1999 indicate a rise in international student numbers of around 25% and the student demand for new GTF courses has exceeded our expectations. However, there is an offsetting pipeline effect from the declines experienced in international student numbers through 1996-1998.

Last year, the Faculty embarked on a four-prong budget strategy. First, we looked to diversify our funding base, and in particular move to full fee-based graduate coursework degrees. Second, we recognised that harder work was required on recruitment and marketing activities. Third, we saw the need to seek further research income to decrease our reliance on student income. Fourth, we needed to review our expenditure and look to cost savings. I am pleased to report that achievements have been made in all four areas.

As discussed above, preliminary figures for 1999 indicate a substantial rise in GTF income. Second, preliminary figures for 1999 indicate a steady demand for HECS based places and growth in international student numbers. Third, research grant income has doubled. Finally, three areas of the Faculty were identified as being in deficit or having some capacity to experience budget cuts. The Departments of Economics and Economic History underwent substantial budget cuts last year and further commentary is provided in the enclosed department reports from the respective Heads of Department. The central Faculty operations also underwent substantial cuts during 1998. For instance, the Faculty Office operated for much of 1998 without an Assistant Faculty Secretary.

Due to an administrative misunderstanding from a few years ago, the Faculty was disappointed to discover that \$2 million of student income earned by it was no longer available for use at its discretion. Consequently we have had to look at adjusting our long-term plans and bring on further cost savings earlier than planned.

The Faculty was disappointed that the review of the Faculties Funding Model did not reach a firm and implementable conclusion. It is difficult to formulate strategy and develop plans at the Faculty level when the parameters of the funding model are unknown. Of note, 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. We are hopeful that this situation might be addressed.

The uncertainty over the future structure of the 'old' Business Managers Group during 1998 hindered financial management. We are pleased that this situation now appears to have been resolved.

## **9. The Future**

The Faculty is medium-sized by Australian standards. We do not see ourselves as becoming a large 'super-Faculty' like some of our competitors. We strongly believe that the quality of education we offer to both undergraduate and graduate students can be compromised by rapid and exponential growth. The Faculty has a proud tradition of producing well-trained undergraduates capable of becoming leaders in their fields. Further, we have always fostered strong Honours and graduate research programs. The size of our Faculty also promotes inter-disciplinary research collaboration and a sense of unity. We see ourselves as offering high quality teaching programs to high quality students and producing research that is internationally competitive and makes a contribution to industry and government policy.

We have identified academic, administrative and financial strategies that will allow us to achieve these aims. However it will take a few years before these strategies are fully effective. In the meantime we hope that the University adopts policies and practices that allow us to move in this direction.

## 10. Faculty Office Staff

Dean:	Professor T.J. Brailsford MEd PhD <i>Monash</i> FCPA AIBF(Snr) FAIM
Faculty Secretary:	Mr A.B. Wynack BCom <i>Woll.</i> MCom <i>UNSW</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)
IT Coordinator:	Mr W. Jennings BSc (Hons) <i>Deakin</i> MBA <i>JCU</i>
Associate Dean: (Undergraduate Studies)	Dr T.S. Breusch (Statistics & Econometrics)
Associate Dean (Acting): (Graduate & Research)	Professor T.J. Brailsford
Subdean: (Undergraduate)	Ms B. Adamson (Commerce)
Subdean: (Graduate & Outreach)	Dr G. Fleming (Commerce)



## THE AUSTRALIAN NATIONAL UNIVERSITY

### DEPARTMENT OF COMMERCE

### FACULTY OF ECONOMICS AND COMMERCE

#### ANNUAL REPORT 1998

#### 1. Overview

The academic focus of the Department has been maintained with emphasis on both research and teaching. The Department has maintained a strong research output compared with similar Departments in Australia. Accounting, finance and information systems are still the main areas of academic research in the Department though there is also a growing output in the discipline of management, reflecting the broadening interests of the Department. Academic research has not been to the exclusion of the needs of the accounting and finance professions with the Professors and other members of staff actively involved in public presentations on issues of professional interest. The Department has traditionally placed considerable importance on teaching. One result of this long-term emphasis was that several staff were nominated for the 1998 Faculty Teaching Award. Also, Professor Russell Craig was nominated by the ANU in the Australian Awards for University Teaching. Changes to the undergraduate degree have been put in place for 1999. At the graduate level, the Master of Financial Management was developed for introduction in 1999.

Professor Allan Barton retired during the year after 24 years of service with the University. He will maintain a close association with the Department in the future as Emeritus Professor. His substantial contribution to the ANU and to the Department of Commerce is much appreciated. Dr Grant Fleming transferred to the Department of Commerce from the Department of Economic History and was promoted to Senior Lecturer. Ms Gillian Dempsey was promoted from Level A to Level B. Mr Peter Jubb and Dr Vince Hooper took OSP leave in first semester while Dr Alfred Tran's OSP leave was taken in the second semester. Staff departures include the Department Administrator, Ms Joan Rabey, lecturers, Ms Marion Hutchinson and Dr Jon Heales and tutors, Ms Serena Niap and Ms Julie Zarate. Ms Michelle McAuliffe has replaced Ms Joan Rabey as Department Administrator. Mr Andrew Greinke was replaced by Ms Bronwynn Adamson as Subdean (Undergraduate) and Dr Grant Fleming took up the new position of Subdean (Graduate and Outreach). Professor Tim Brailsford served as the Dean of the Faculty of Economics and Commerce.

Visiting academics included Dr Jane Broadbent from University of Essex, Professor Allan Hodgson from Griffith University, Dr Simon James from the University of Exeter, Professor Chitoshi Koga from Kobe University, Professor Richard Laughlin from University of Essex and Professor Wu Yan from Jiangxi University of Finance and Economics. The seminar presentation program was active with a wide range of visiting academics and staff taking part.

New coursework units introduced in 1997 have proven popular with students. Changes to the undergraduate degree structure are now in place ready for 1999. The Department has offered students the quality and flexibility expected of an ANU degree while still meeting the requirements of the professional bodies such as the Australian Society of CPAs and the Institute of Chartered Accountants in Australia.

## 2. Courses and Teaching

During the year substantial changes have been made to the structure of the Bachelor of Commerce degree ready for introduction in 1999. These changes will broaden the range of units which students can include in their degree while more clearly defining what the Department views as its core disciplines. The honours program is continuing as an important part of the department's teaching and research culture. Some growth in that program is expected in 1999.

Small class teaching was introduced into the units Accounting Theory (COMM3001), Organisational Behaviour (COMM3007) and Marketing (COMM2010), though staff limitations precluded the continuation of small class teaching in Accounting and Financial Management (COMM1020). This approach appears particularly useful in the later year units and will be continued in 1999.

Post-graduate completions were slightly higher in 1998 than in previous years. The Master of Financial Management, a one-year master degree, will be offered to part-time students in 1999 with full-time enrolments beginning in 2000.

### (a) Honours Program

The 1998 Honours cohort of six completing students obtained excellent results. There were two Division I results and four Division IIA results. Alipasha Razzaghipour was awarded the A.D. Barton Prize for the best Honours thesis.

The completing honours students and their thesis topics were:

Gagel, Wayne	Endowment warrants: Formulation and testing of a pricing model
Hon, Connie	Profit forecast accuracy and the aftermarket performance of initial public offerings in Australia
Persic, Nikola	The valuation of underwriter fees for initial public offerings: An option approach
Razzaghipour, Alipasha	The relevance of purchasing power parity theory to the Asian currency crisis
Rohlach, Anthony	The wealth effects of international takeovers and the influence of country risk
Scott, Rory	The role of expectational errors in explaining the superior returns to value shares

### (b) Undergraduate Prizes

A.D. Barton Prize	Best Honours Thesis	Alipasha Razzaghipour
Australian Finance Conference Prize	COMM 3004 Corporate Finance	Katherine M. Corrigan
Australian Society of Certified Practising Accountants' Prize	First Year Performance	Bronwyn W. L Loong
Australian Society of Certified Practising Accountants' Prize	Second Year Performance	Susan K. Bultitude
Australian Society of Certified Practising Accountants' Prize	Final Year Prize	David Maywald
Butterworths' Prize in Company Accounting	COMM 2015 Company Accounting	Katherine A. Todd
Coopers & Lybrand Prize in Accounting	COMM 2011 and COMM 2015	Katherine A. Todd
Ernst and Young Prize	COMM 3001 Financial Accounting Theory	Stan Kordusic
Ernst and Young Prize	COMM 3002 Auditing	Gina Amin
Price Waterhouse Prize in Accounting	COMM 1010 and COMM 1020	Bronwyn W. L. Loong

**(c) Graduate Teaching Activities**

PhD and Master (Research) students supervised or advised by staff members

<b>Student</b>	<b>Thesis Topic</b>
<b>PhD</b>	
Gillian Dempsey*	Knowledge and Innovation in Intellectual Property: the Case of Computer Program Copyright
Andrew Greinke	The Impact of the Financial Institutions Scheme on Australian Credit Unions
David Hirst	Some Statistical Problems in Curve Estimation
Barry Oliver	Financial Risk Management
Jing Shi	An Analysis of Hot Issues in IPO Markets
Ken Stevens	The Selection or Use of Information System Conversion Approaches
Mohammad Tahir	Measurement of Inflation Gains and Losses on Monetary Items: Application of Stochastic Calculus
Alfred Tran*	Relationship of Tax and Financial Accounting Rules – An Empirical Study of the Alignment Issue
Daniel Yeoh	An Examination of Physical Asset Acquisitions
<b>MComm (Research)</b>	
Christopher Bilson	Macroeconomic Variables as Explanators of Return Variation in Emerging Equity Markets
Richard Guziak	Development Techniques and Management of Extra Organisational Information Systems for Electronic Commerce
Garth Livermore	Accounting for Derivatives
Tracey Martin*	The Use and Usefulness of Accounting Information for Performance Evaluation in the Commonwealth Public Sector
Theodoros Psychogios	Takeovers: Motivation of Acquirer and Target
Hargo Utomo*	The Impact on EFTPOS on Branch Banking
Mark Wilson*	A Transaction Cost Model of Partnership Formation

\* Completed and degree conferred in 1998

**(d) Student Results**

*Refer to Appendix Table Analysis of Student Performance*

### **3. Research Activity**

#### **(a) Research Grants**

##### **Awarded in 1997 for 1998**

Burritt, R.L. 'Social and environmental disclosures in annual reports of listed multinational mining companies' Small ARC for 1998 \$7640.

Craig, R.J., "Australia's Convict Embezzlers and their Legacy", Small ARC for 1998 \$6780.

Glassop, L.I., "Measuring Democracy at Work", Postgraduate Research Award, Macquarie University, Graduate School of Management, Sydney \$2,500.

Heaney, R, A., "Non-Ferrous Metal Pricing and Convenience Yields", Small ARC for 1998 \$12,200

Shailer, G.E.P. 'Impact of Managerial Opportunism and other Engagement Risks on Auditor Choice and Cost', Small ARC for 1998 \$9,550

##### **Awarded in 1998**

Brailsford, T, "A Non-linear Financial Time-Series Study Using Evolutionary Algorithms for Forecasting Australian Stock Market Indicators and Exchange Rates", Small ARC for 1999 \$12,600

Brailsford, T, "The Impact of Automating Markets on Price Discovery". Australian Stock Exchange: \$10,765

Brailsford, T., Heaney, R. A. and Oliver, B., "Assessment of Financial Risk, the Use of Derivative Products and the Development of Financial Risk Management Models for Commonwealth Organisations", Australian Research Council Large Grants Scheme. \$78,000 over 1999-2001.

Brailsford, T. with \*D.E. Allen and \*R.W. Faff, "An Evaluation and Analysis of Various Measures and Influencing Factors of the Performance of the Australian Investment Funds Industry" Australian Research Council Strategic Partnership with Industry – Research & Training Grants Scheme. \$100,700 over 1999-2001

Dempsey, G.C. "Liability of Internet Service Providers for Online Content", Small ARC for 1999 \$12,400

Fleming, G.A., "The Impact of Corporate Restructuring on Wages and Employment", Small ARC for 1999 \$10,400.

Fleming, G.A., Ville, S. and \*Merrett, D. "Corporate Leadership in Twentieth-Century Australia", Australian Research Council Large Grants Scheme, \$46,000 over 1999-2000

Glassop, L.I. "The Balance Sheet Review (BSR): Two Case Studies", Faculties Research Fund Grant for 1999 \$3,700

Glassop L.I., "An Analysis of Two Criteria for the Australian Quality Award (AQA) Winners 1991-1998", Faculty of Economics and Commerce Summer Research Grants \$1,800

Greinke, A.J. "Australian Credit Union Managers: Screening, Selection and Socialisation", Small ARC for 1999 \$13,300

Heaney, R.A. and Shi, J, "A Model of IPO Market Fluctuations", Small ARC for 1999 \$9,000.

Shailer, G.E.P. "Debt Finance and Growth in Small (Owner-Managed) Firms", Small ARC for 1999 \$17,600.

Shi, J., "Valuation of Australian Underwriting Agreements: A Comparative Study of Resource and Non-resource Companies", Faculty of Economics and Commerce Summer Research Grants \$1,800

Tran, A.V., "An empirical investigation of factors influencing taxpayer compliance", Small ARC for 1999 \$11,800.

## **(b) Publications**

### **Books (A1)**

Fleming, G.A., Terwiel, D. and Ville, S.P., *Australian Business Records: An Archival Guide* Canberra: Department of Economic History, ANU, 1998, ISBN 07315 2900 6, pp. 72.

### **Books (A2)**

Brailsford, T.J. and Heaney. R.A., *Investments: Concepts and Applications in Australia*, Harcourt Brace, Sydney, 1998, ISBN 0 7295 3320 4, pp. 839.

Brailsford, T.J. and Heaney. R.A., *Investments: Concepts and Applications in Australia: Instructors Manual*, Harcourt Brace, Sydney, 1998. ISBN 0 7295 3320 4, pp 206

### **Book Chapters (B)**

Barton, A.B., "Accounting for Natural Capital Assets", in Readings in Accounting Developments in the Public Sector, 1998-99, ASCPA Public Sector Accounting Centre of Excellence, Canberra, 1998, in press.

Burritt, R.L., "Cost allocation: an active tool for environmental management accounting?", Chapter 8 in Bennett, M. and James, P (eds.) The Green Bottom Line: Environmental Accounting for Management. Current Practice and Future Trends, Greenleaf Publishing, Sheffield, UK, 1998, pp. 152-161.

Burritt, R.L., "Key financial principles and concepts", Chapter in Financing the Environment, South Pacific Regional Environment Program (SPREP), Suva, Fiji Islands, 1998, pp. 1-51.

Hooper, V.J., "Volatility and Openness of Emerging Markets: Some Empirical Evidence", in Emerging Capital Markets: Financial and Investment Issues, (eds.) J. Jay Choi and John A. Doukas, Quorum, Westport, pp.35-45.

Fleming, G.A. and Ville, S.P., "From Kinship to Relations Economic? The Development of Pastoral Networks in Australasia" in A. Slaven and J.F. Munro (eds.) Entrepreneurs, Networks and Business Culture, 1998, in press.

Fleming, G.A. and \*Endres, A.M., "The ILO and the League of Nations: A Distinctive Perspective on Macroeconomic Stabilisation Policy in the 1920s" in The Impact of Keynes on Economics in the Twentieth Century, L. Pasinetti and B. Schelfold (eds.) Edward Elgar, 1998, pp. 202-20.

### **Refereed Journal Articles (C1)**

- Brailsford, T.J. and \*Maheswaran. K., "The Dynamics of the Australian Short-Term Interest Rate", Australian Journal of Management, Vol. 23, 1998, in press.
- Craig, R.J. and \*Diga. J., "Some Accounting Consequences of Business Control by Overseas Chinese", International Journal of Accounting and Business Society, Vol. 5, No. 2, pp. 57-65.
- Craig, R.J. and \*Diga. J., "Corporate Accounting Disclosure in ASEAN", Journal of International Financial Management and Accounting, Vol. 9, No. 3, 1998, pp. 246-274.
- Craig, R.J., \*Amemic. J. and \*Clarke. F., "Theatre and Intolerance in Financial Accounting Research", forthcoming in Critical Perspectives on Accounting, Vol. 9, 1998, in press.
- \*Faff, R. and Oliver, B., "Consumption Versus Market Betas of Australian Industry Portfolios", Applied Economic Letters, Vol. 5, 1998, pp. 513-517.
- Fleming, G.A. and \*Endres. A.M., "The Early Development of Monetary Policy Rules: The View from Geneva in the 1920s", Journal of Monetary Economics Vol. 42, 1998, pp. 375-386.
- Glassop, L.I., "The Role of Government: An Analysis of the Australian Constitution Using Systems Theory", Journal of Contemporary Issues in Business and Government, Vol. 4, No. 2, 1998, pp. 51-62.
- Greinke, A.J., \*Frost-Drury. A. and Shailer. G.E.P., "Financial Differences between Voluntary Administrations and Liquidations", Insolvency Law Journal, Vol. 6, No. 3, 1998, pp. 153-158.
- Greinke, A.J., "Financial Restructuring and Credit Unions", Economic Analysis and Policy, Vol. 28, No. 1, 1998, pp. 39-52.
- Greinke, A.J. and \*Livermore. G., "Shareholder Wealth and Defensive Measures in Australian Takeover Bids", Accounting Research Journal, Vol. 11, No. 2, 1998, pp. 365-371.
- Heaney, R.A., "A Test of the Cost of Carry Relationship Using the Lead Contract Traded on the London Metals Exchange", Journal of Futures Markets, Vol. 18, No. 2, 1998, pp. 1-25.
- Jubb. P.B. and \*Kelso. R., "Ethics, Pluralism and Public Service", Accounting Forum, Vol. 21, No. 3-4, 1998, pp. 433-459.
- Shailer, G.E.P. and \*Pua, L.H., "Asset Specificity in Small (Owner-Managed) Firms", Accounting & Business Review, Vol. 5 No. 2 July 1998, pp. 263-276.
- Shailer, G.E.P., \*Wade. M., \*Willett. R. and \*Yap. K.L., "Inherent Risk and Indicative Factors: Senior Auditors' Perceptions", Managerial Auditing Journal, Vol. 13, No. 8 & 9, pp. 455-64.
- Shi, J., \*Powell, J.G. and \*Premachandra, I.M., "Measuring the Relative Efficiency of Fund Management Strategies in New Zealand Using a Spreadsheet Based Stochastic Data Envelopment Analysis Model", Omega, May, Vol. 26, 1998, pp. 319-331.
- Shi, J., \*Powell, J.G. and \*Wu. Y., "An Analysis of Seasonal Fluctuation in the New Zealand Stock Market", Contemporary Finance and Economics, February, Vol. 2, 1998, pp. 35-40.
- Tran, A.V., "The Gap between Accounting Profit and Taxable Income", Australian Tax Forum, Vol. 13, No. 4, 1998, pp. 507-534.
- Tran, A.V. and \*Porcano. T.M., "Relationship of Tax and Financial Accounting Rules in Anglo-Saxon Countries", The International Journal of Accounting, Vol. 33, No. 4, 1998, pp. 433-454.

Tran, A.V. and \*Porcano, T.M., “Effective Tax Rates of Australian Companies: Industry and Size Effects”, Pacific Accounting Review, Vol. 9, No. 2, 1997, pp. 1-36.

### **Articles in Professional Journals (C3)**

Adamson, B. and Shailer, G., “Greening the Audit”, Charter, Volume 69, Number 1, February, 1998, pp. 84-85.

Burritt, R.L., “ASIC/ICAA Provide Guidance on Environmental Reporting in Australia”, News Journal of the Asia Pacific Centre for Environmental Accountability, Vol. 4, No. 4, December, 1998, pp. 18-19.

Burritt, R.L., “The Greenhouse Challenge Program: new reporting methods”, Australian CPA, November, 1998, pp. 60-62.

Burritt, R.L., “The Natural Heritage Trust – Improved Accountability?”, News Journal of the Asia Pacific Centre for Environmental Accountability, Victoria University of Technology, Vol. 4, No. 3, 1998, pp. 6-9.

Burritt, R. L., “Environmental reporting and the market for environmental expertise and technology”, News Journal of the Asia Pacific Centre for Environmental Accountability, Victoria University of Technology, Vol. 4, No. 3, 1998, pp. 17-18.

Burritt, R.L., “OECD Views Australia’s Environmental Performance – Some Messages for Environmental Accounting”, News Journal of the Asia Pacific Centre for Environmental Accountability, Victoria University of Technology, Vol. 4, No. 2, 1998, pp. 8-11.

Burritt, R.L., “Enterprise for the Environment: Environmental accountability and the USA environmental protection system”, News Journal of the Asia Pacific Centre for Environmental Accountability, Victoria University of Technology, Vol. 4, No. 1, 1998, pp. 3-6.

Burritt, R.L., “Asia Pacific Centre for Environmental Accountability”, Social and Environmental Accounting, University of Dundee, Scotland, Vol. 18, No. 1, April, 1998, pp. 11-14.

Craig, R.J., “The First Australian ‘Accountant’ – More Colour than Honesty”, Australian CPA, Vol. 68, No.9, October, 1998, pp. 68-69.

Craig, R.J., “Michael Hayes: Colonial ‘Accomptant’”, Australian CPA, Vol. 68, No. 10, November, 1998, pp. 68-69.

Craig, R.J., “Jeremiah Murphy: Bank Account No.1”, Australian CPA, Vol. 68, No. 11, 1998, pp. 68-69.

### **Conference Proceedings and Extracts (E1, E2 and E3)**

Barton, A.D., “Accrual Budgets for Central Governments: An Analysis of their Roles and Limitations”, 21<sup>st</sup> Annual Conference of the European Accounting Association, Antwerp Belgium, 5-8 April, 1998.

Hooper, V. J., Heaney, R. and \*Jaugietis, M., “Regional Segmentation of Stock Markets”, Australia and New Zealand International Business Association, 13-14 November 1998.

Shi, J., Heaney, R.A. and \*Powell, J.G., “Share Return Seasonalities and Price Linkages of Chinese A and B Shares”, The International Conference on Development of the Capital Market in China, 2-3 May, 1998, Beijing, China.

Shi, J., Heaney, R.A. and \*Powell, J.G., “Share Return Seasonalities and Price Linkages of Chinese A and B Shares”, The Sixth Conference on Pacific Basin Business, Economics and Finance, 28-29 May, 1998, Hong Kong.

### **Refereed Conference Papers**

- Brailsford, T.J. and \*Maheswaran, K., “The Dynamics of the Australian Short-Term Interest Rate”, Accounting Association of Australia and New Zealand Conference, Adelaide, July, 1998.
- Brailsford, T.J., \*Frino, A., \*Hodgson, A. and \*West, A., “Stock Market Automation and the Transmission of Information between Spot and Futures Markets”, Eleventh Australasian Finance and Banking Conference, Sydney, December, 1998.
- Dempsey, G.C. and \*Clarke, R.A., “Technological Aspects of Internet Crime Prevention”, Australian Institute for Criminology Conference on Internet Crime, Melbourne, 16-17 February, 1998.
- Dempsey, G.C. and \*Clarke, R.A., “The Technical Feasibility of Regulating Gambling on the Internet”, Australian Institute of Criminology/Australian Institute of Gambling Research Conference, Gambling, Technology & Society: Regulatory Challenges for the 21st Century, Sydney, 7-8 May, 1998.
- Greinke, A.J. and \*Fabris, P., “Institutional Activism: Attitudes of Australian Investment Managers”, 21st European Accounting Congress, Antwerp, 6-8 April, 1998.
- Greinke, A.J. and \*Fabris, P., “Institutional Activism: Attitudes of Australian Investment Managers”, British Accounting Association Annual Conference, Manchester, 1-3 April, 1998.
- Greinke, A.J., \*Frost-Drury, A. and Shailer, G.E.P., “Distinguishing Voluntary Administrations and Liquidations”, Accounting Association of Australia and New Zealand Annual Conference, Adelaide, 5-8 July, 1998.
- Greinke, A.J., \*Frost-Drury, A. and Shailer, G.E.P., “Voluntary Administrations as an Alternative to Liquidation: Characteristics of Australian Companies”, British Accounting Association Annual Conference, Manchester, 1-3 April, 1998.
- Jubb, P.B., “Auditors as whistleblowers”, British Accounting Association Annual Conference, Manchester, UK, 1-3 April, 1998.
- Jubb, P.B., \*Haswell, S. and \*Wearing, R., “Ethical Inclinations of Accounting Students: A Comparative Study for Three Countries”, 21<sup>st</sup> Annual Conference of the European Accounting Association, Antwerp, Belgium, 5-8 April, 1998.
- Jubb, P.B., “Unholy wedlock: An ethical perspective on the fusion of legal and accounting”, 11 Annual Conference of the European Business Ethics Network, Leuven, Belgium, 8-11 September, 1998.
- Shailer, G.E.P., \*Cummings, L., \*Vatuloka, E. and \*Welch, S., “Determinants of Government Audit Fees”, Accounting Association of Australia and New Zealand Conference, Adelaide, July, 1998.

### **Other Notable Presentations**

- Barton, A.D., “Cash and Accrual Budgets for Central Government: An Analysis of their Comparative Roles”, Public Sector Accounting Centre of Excellence 1998 (being the 1997 Research Lecture in Government Accounting).
- Craig, R.J., Interviewed about the results of his research into aspects of the development of commerce in colonial NSW on Radio National and major radio stations throughout Australia (including *2BL* Sydney, *6WS* Perth), June.

\* *Not a staff member of the ANU*

(c) Conference and Seminar Presentations

Conference Presentations

Staff Member	Title of Paper	Conference
Barton, A. D.	Accrual Budgets for Central Governments: An Analysis of their Roles and Limitations	21 <sup>st</sup> Annual Conference of the European Accounting Association, Antwerp, Belgium, April and AAANZ Annual Conference, Adelaide, July
Burritt, R.L.	Applying an accounting framework which integrates environmental management with other local government reforms in Australia	Third International Expert Seminar on Environmental Management Instruments, London School of Economics and Political Science, London, UK, April [with R. Osborn and B. Vernon].
Burritt, R.L.	Cost Allocations and Water Pricing: Looking After the Environment	Accounting for the Environment Conference, River Basin Management Society, Victoria University of Technology, Melbourne, June
Craig, R.J.	A Glimpse of an Early Nineteenth Century British Shipowner	Australasian Economic and Maritime History Conference, Wellington, NZ, November
Fleming, G.A.	How Does Antitrust Affect Business Behaviour? Lessons from Australian Corporate Experience	Industry Economics Conference, ANU, July
Fleming, G.A.	Cartels, Associations and Restrictive Practices in Early Federation Australia	Australasian Economic and Maritime History Conference, November
Glassop, L.I.	Measuring Democracy at Work	The 21 <sup>st</sup> Century Change Imperative Conference, Centre for the Study of Organisational Change, University of Missouri-Columbia, USA. June
Glassop, L.I.	The Role of Administrator on a Group Relations Conference: Managing the Boundary Between a Closed and Open System	Exploration of Identity: A.I.S.A. Inaugural Scientific Conference, Australian Institute of Socio-Analysis, Canberra. January
Glassop, L.I.	The Role of Government: An Analysis of the Australian Constitution Using Systems Theory'	Exploration of Identity: A.I.S.A. Inaugural Scientific Conference, Australian Institute of Socio-Analysis, Canberra. January
Hooper, V. J.	Regional Segmentation of Stock Markets	Australia and New Zealand International Business Association, November [with R. Heaney and M. Jaugietis]
Jubb, P.B.	Auditors as whistleblowers	British Accounting Association Annual Conference, Manchester UK, April
Jubb, P.B.	Ethical Inclinations of Accounting Students: A Comparative Study for Three Countries	21 <sup>st</sup> Annual Conference of the European Accounting Association, Antwerp, Belgium, April [with S. Haswell and R. Wearing]
Jubb, P.B.	Unholy wedlock: An ethical perspective on the fusion of legal and accounting professions through multi-disciplinary firms	11 Annual Conference of the European Business Ethics Network, Leuven Belgium, September

Shailer, G.E.P.	Determinants of Government Audit Fees	AAANZ Annual Conference, Adelaide July
Shailer, G.E.P.	Distinguishing Voluntary Administrations and Liquidations'	AAANZ Annual Conference, Adelaide July
Shi, Jing	Share Return Seasonalities and Price Linkages of Chinese A and B Shares	The International Conference on Development of the Capital Market in China, Beijing, China, May
Tran, A. V.	A Survey of Opinions about Alignment of Tax and Financial Accounting Rules	Annual Conference of the Australasian Tax Teachers' Association, Sydney, January

### Seminar Presentations

<b>Staff Member</b>	<b>Title of Paper</b>	<b>Venue</b>
Buckmaster, N.C.	Management Accounting System Design and Performance in Not-For-Profit Organisations	Department of Accounting and Finance, Monash University, Clayton. December
Burritt, R.L.	Linking Accounting to Environmental Asset Management	Lower Hunter Catchment Committee, Macquarie City Council, Speers Point [with Osborn, R. and F. Grey,] February
Burritt, R.L.	Environmental Accounting Frameworks	Department of Management, University of Canberra, May (Chair: Professor Don Aitken)
Burritt, R.L.	The function of environmental accounting in Environmental Impact Assessment	Presented at the Environmental Management and Development Program, NCDS, RSPAS, ANU, September
Dempsey, G. C	Internet Forensics	Department of Computer Science, ANU
Fleming, G.A.	National Competition Policy: Rules and Business Behaviour 1906-1996	Department of Economic History, ANU, May
Fleming, G.A.	International Policy Responses to Financial Crisis: Nurkse's Classic Revisited	School of Economics and Finance, Curtin University of Technology, Perth, August and Department of Economics, University of Western Australia, Perth, August
Glassop, L.I.	Experiential Learning: A New Paradigm for Undergraduate Education	CEDAM Seminar Series, ANU, Canberra, August
Greinke, A. J	The Impact of the Financial Institutions Scheme on Australian Credit Unions	Department of Commerce Seminar Series, The ANU, July
Heaney, R. A.	An Examination of the Variation in the Volatility in Asia Pacific Equity Market Returns,	Macquarie University, June
Hooper, V. J.	An Examination of the Variation in Equity Market Returns and Volatility in the Asia Pacific Region	University of Plymouth Business School, May 1998. Department of Business, Anglia Polytechnic University, June
Shi, Jing	Share Return Seasonalities and Price Linkages of Chinese A and B Shares	Jiangxi University of Finance and Economics, April
Tran, A. V.	Empirical Evidence on the Relationship of Tax and Financial Accounting Rules	Shanghai University of Finance and Economics, October

#### (d) Research Seminar Program

There were two seminar convenors in 1998. Dr Gary Kelly was responsible for the early part of 1998 and Dr Grant Fleming was responsible for the remainder of the year.

Seminar Title	Presented by	Date in 1998
Hypothesizing the causes of budget overruns	Dr Paul Bowen	March 13
Are there consistent abnormal profits arising from mispricing of options in the Aust options market?	Mr Tony Cusack	March 20
Auditor lowballing: Fee recoupment and non-audit services	Prof. Keith Houghton	May 1
Auditor independence and fee dependence	Prof Don Stokes	May 8
Tax effects in capital structure: A study across two Tax regimes	Dr Kerry Pattenden	May 22
Knowledge and independence: the keys to effective corporate governance	Ms Lyndal Drennan	June 5
The Impact of the Financial Institutions Scheme on Australian Credit Unions	Mr Andrew Greinke	July 31
Organisational Resistance Strategies to Unwanted Accounting and Finance Changes: The Case of General Medical Practice in the UK and NZ	Prof. Richard Laughlin and Prof. Jane Broadbent	August 14
Action Research and Organisational Change	Prof. Susan Long	August 21
Predicting Variable Mortgage Rate Changes	Dr Helen Lange	September 4
The Role of Gainsharing in Sustaining Change: Developing Trust Commitment	Professor Rob Chenhall	September 18
A Comparison of Alternative Measures of Horizontal Equity: The Case of the Flat Tax	Dr Ananth Seetharaman	October 9
An Investigation of Self-Serving Behaviour: The Voluntary Disclosure and Presentation of Share Performance Graphs	Mr Gavin Cassar	October 16
The Interactive Effects of Environmental Uncertainty, Locus of Control and Collectivism/Individualism Cultural Beliefs on Accountants' Organisational Commitment	Ms Marion Hutchison	October 30

#### 4. Outreach and Administration

##### (a) Assistance to Government and Professional Associations

Barton, A.D. Chair, ANU/ASCPA. Annual Research Lecture in Government Accounting Committee.

Barton, A.B. Director, UniSuper Ltd; Chairman of Audit and Compliance Committee; Member of Strategy Committee.

Brailsford, T.J. Accounting Association of Australia and New Zealand, Executive Committee

Brailsford, T.J. Accounting Association of Australia and New Zealand Conference 1999, Chair of Technical Program Committee

Brailsford, T.J. Accounting Association of Australia and New Zealand, Chair of Task Force on ARC classification of field of research codes in accounting and finance

Brailsford, T.J. Econometric Society Australasian Meeting (ESAM98), Program Committee member

Brailsford, T.J. Australian Society of Certified Practising Accountants, External adviser

- Brailsford, T.J. NSW Vice-Chancellors Conference, Tertiary Accreditation Panel member
- Brailsford, T.J. Research Policy Committee, Asia-Pacific Capital Markets Ltd
- Buckmaster, N.C. Australian Institute of Management, Australian Annual Report Awards, Adjudicator.
- Burritt, R.L. Environmental Accounting and Reporting, invited submission to the Public Accounts and Estimates Committee, Victorian Government, 11 September 1998. Verbal presentation made at Senate, Parliament House, Canberra, 25 November 1998.
- Burritt, R.L. Breaking the Code. A better reporting framework for small companies. Submission to the Institute of Chartered Accountants in Scotland, 20 November 1998.
- Craig, R.J. Member, Organizing Committee, ANU/ASCPA Annual Research Lecture in Government Accounting. Chaired the lecture function, November, 1998.
- Craig, R.J. 'Accountancy's Crooked Past', address to the ACT Division of the ASCPA December, 1998.
- Craig, R.J. External advisor to the Malaysian Graduate School of Management.
- Glassop, L.I. Convenor, 'Explorations of Identity'. Inaugural Scientific Conference, Australian Institute of Socio-Analysis, Canberra, January, 1998.
- Glassop, L.I. Financial Coordinator, Australian Institute of Socio-Analysis.
- Glassop, L.I. Executive Member, Australian Institute of Socio-Analysis.
- Jubb, P.B. Member ICAA/ASCPA ACT Joint Legislation Review Committee
- Oliver, B. Chair, Applications Committee, ASCPA
- Oliver, B. Member, Promotions Committee, ASCPA.
- Shailer, G.E.P. Public Sector Accountants' Committee Auditing Panel (ASCPA)
- Shailer, G.E.P. Audit Centre of Excellence: Public Sector Cell (ASCPA )

**(b) Membership of University Committees**

- Barton, A.B. Member, ANU Investment Advisory Committee; Member, Edith and Joy London Foundation Management Committee; Member, Stromlo Exploratory Campaign Committee; Member, Board of Fellows of University House, and Bursar of University House; Member, Executive Committee of Cambridge Australia Trust and Hon Treasurer
- Burritt, R.L. Member, Environmental Management Planning Committee
- Craig, R. J. University Research Integrity Adviser
- Shailer, G.E.P. Elected member, Board of The Faculties; Member, Board of The Faculties Steering Committee; Member, Faculties' Research Grants Committee.

**(c) Editorships and Refereeing Activity**

- Barton, A.D. Referee for *ABACUS, Australian Accounting Review*.
- Brailsford, T. Editorial Board of *Accounting and Finance*; Editorial Board of the *Accounting Research Journal*; Co-editor of the *McGraw-Hill Series in Advanced Finance*. Referee for *Abacus, Accounting and Finance, Accounting Research Journal, Australian Journal of Management, Australian Research Council, Journal of Banking and Finance, Journal of Business Finance and Accounting, Journal of Financial Research, Journal of Futures Markets, Pacific Accounting Review, Pacific-Basin Finance Journal*
- Buckmaster, N.C Referee for *Third Sector Review*
- Burritt, R.L. Referee for *Critical Perspectives on Accounting, Journal of Environmental Management, Australian Accounting Review, Accounting, Auditing and Accountability Journal, Accountability and Performance*; Guest Editor for *Accounting, Auditing and Accountability*; Editorial panel of *Accounting Forum*
- Craig, R.J Referee for *Accounting, Auditing and Accountability Journal; ABACUS, Accounting Business and Financial History; Accounting Commerce and Finance: The Islamic Perspective*; Harcourt Brace Australia. Editorial board of the *Accounting Commerce and Finance: The Islamic Perspective; The Asian Review of Accounting; The Journal of Akuntansi and Auditing, Indonesia*.
- Fleming, G.A. Book Review Editor for *Australian Economic History Review*.
- Glassop, L.I. Member of the Editorial Board for *Socio-Analysis, Journal of the Australian Institute of Socio-Analysis*.
- Heaney, R.A. Editorial Board for *Accounting Research Journal*. Referee for *ABACUS, Accounting Research Journal* and the Ninth Annual Asia-Pacific Futures Research Symposium.
- Shailer, G.E.P. Referee for *Pacific Accounting Review, Accountability & Performance*
- Tran, A.V. Referee for *Accounting Forum*

**(d) Cooperation with the IAS**

During the year, a number of staff worked closely with members of the IAS. Professor Brailsford and Dr Heaney were involved with the MBA Program. A number of students from NCDS undertook graduate courses offered by the Department, with a number under the supervision of Mr Burritt. Three staff are involved in the joint supervision of PhD students enrolled in the IAS.

**(e) Gender and Equity Balance**

The gender balance in the department was largely unchanged during the year.

**(f) Student and General Staff participation in the Department**

**Student Participation**

The following students were appointed to the Departmental Committee for one year:

First-year Representative	Maciej Wasileqicz
Later-year Representative	David Maywald
Hons & later-year Representative	Alipasha Razzaghipour
Post-graduate Representative	Barry Hopkins

**General Staff Participation**

Ms Melissa Perryman, Course Administrator was appointed to the Departmental Committee.

## **5. Staff**

### **(a) Staff list for 1998**

#### **Head of Department and Reader**

R.A. Heaney BComm (Hons) *Ncle* M<sub>Ec</sub> ANU PhD UQ FCPA

#### **Professors**

A.D. Barton BComm *Melb* PhD *Camb* FASA (retired in July)

T.J. Brailsford M<sub>Ec</sub> PhD *Monash* FCPA AAIBF (Snr) FAIM (Dean)

R.J. Craig MComm PhD *Ncle* FCPA FAIM

#### **Professor Emeritus**

A.D. Barton BComm *Melb* PhD *Camb* FASA (from July)

#### **Senior Lecturers**

R.L. Burritt BA *Lancs*, MPhil *Oxon* FCPA CA ACIB

G.A. Fleming MA PhD *Auckland*

P.B. Jubb MA *Oxon* FCA

G.J. Kelly B<sub>fin</sub>Admin (Hons) M<sub>Ec</sub> *NE* PhD ANU FCPA

G.E.P. Shailer MComm *N'cle* PhD *Adelaide* FCPA

#### **Lecturers**

B. Adamson B<sub>Fin</sub>Admin M<sub>Ec</sub> *NE* (from June)

N. Buckmaster M<sub>Bus</sub> *UTS*

G.C. Dempsey LLB (Hons) ANU PhD ANU

A.J. Greinke BComm (Hons) LLB (Hons) ANU CPA

V.J. Hooper BA (Hons) PhD *Plymouth*

S. Jenkins B<sub>Ag</sub> Sc *Syd* Grad Dip Prof Acc *UC*

B. Oliver BComm *Ncle* M<sub>Ec</sub> *Monash*

K. Stevens MComm *NSW*

M.I. Tahir M<sub>Sc</sub> *Punjab* MPhil *Islamabad* GradDipEd GradDipProfAcc *UC* M<sub>Sc</sub> ANU  
M<sub>Ec</sub> *UNE* CPA

A.V. Tran M<sub>Soc</sub>Sc *HongKong* PhD ANU CPA

#### **Associate Lecturers**

L.I. Glassop MBA (*Macq*) MAISA

J. Shi BComm (Hons) *Otago*

T. Psychogios B<sub>Ec</sub> BComm (Hons) ANU (0.5)

S. Goode BComm (Hons) ANU (0.5)

#### **Department Administrator**

J. Rabey BA *UNE* until May 1998

M. Perryman (acting) June 1998 to July 1998

M. McAuliffe from August 1998

#### **Administrators**

M. Perryman

K. Reavley

#### **IT Support Staff**

K. MacLaren (0.6) BA ANU

**(b) Visitors**

Dr. Jane Broadbent, University of Essex	11 - 28 August 1998
Professor Allan Hodgson, Griffith University	25 – 30 September 1998
Dr Simon James, University of Exeter	10 August – 30 November 1998
Professor Chitoshi Koga, Kobe University	6 April – 30 September 1998
Professor Richard Laughlin, University of Essex	11 - 28 August 1998
Professor Wu Yan	3 October 1998 – 2 November 1998
Ms Liang Ming Zhang, Heilongjian Commerce Institute	1 July 1998 – 30 June 1999



AUSTRALIAN NATIONAL UNIVERSITY

DEPARTMENT OF ECONOMICS  
FACULTY OF ECONOMICS AND COMMERCE

ANNUAL REPORT 1998

## 1. Overview

The year has been interesting - in both the literal and pejorative meanings of the word. New initiatives in teaching and active engagement in research and policy development have contrasted with a decline in student numbers and in staffing. Along with steel and textile workers, academic economists are facing the changes and challenges posed by shifts in trade patterns, in government subsidies and in consumer demand. In common with other departments, we are facing the new managerialism which requires budgetary justification of teaching and research activities that have previously been cross-subsidised by revenue derived from the teaching of large classes.

Commitment to excellence in undergraduate teaching is always a prime focus of the department. Some students rise naturally to the intellectual challenge of rigorous analysis, but for many the subject needs to be motivated before they engage with the interplay between abstract modeling and real world problems – the hallmark of genuine university education. To this end we are experimenting with pedagogic techniques such as group preparation and presentations in tutorials and feedback exercises in report writing on current economic issues. We have introduced new units in international economics and ‘strategic thinking’ and have developed further units in competition policy and the economics of marketing. The department has also developed plans to expand the fourth year honours program, allowing students with pass degrees from other universities to move straight into our fourth year and adding an honours stream in applied economics.

The department continues to be the prime provider for postgraduate course work in economics diplomas, masters degrees and PhDs around the university. We contributed substantially to the successful bid for a new Diploma in Industry Strategy, commissioned by the Department of Industry.

We are building up the group of PhD students within the department, now numbering ten and close to the critical mass needed to generate the vitally important interaction amongst research students. To this end we have instituted regular PhD forums, held roughly once a month in place of the usual Department Seminar, where students report on work in progress and gain feedback from staff and fellow students.

Staff are actively engaged in the campus wide Graduate Program in Economics. As convenor (succeeding Ben Smith) Neil Vousden provides the academic backbone of the program in terms of admissions and monitoring of progress through the PhD. He also organised promotion for the program through advertising in the Higher Education supplement to *The Australian* newspaper. Members of staff also contribute to the program through supervision given freely to research students based in the IAS. We are considering proposals to monetise these transfers of supervisory and other services across the program.

A successful initiative in 1998 has been the delivery of an “Economics Refresher Course” for officers of the Commonwealth Treasury. On one or two days each month, under the co-ordination of Graeme Wells, members of staff have provided a comprehensive review of recent developments across the broad range of fields in economics. The Treasury response has been enthusiastic – some repeat performances were requested. We hope to continue and expand the course.

Professional outreach activities have included the editorship of the *Economic Record*, the *Australian Journal of Agricultural and Resource Economics*, associate editorship of *Agenda* and membership of the editorial boards of *Mathematical Economics* and *Australian Economic Papers*. Simon Grant has devoted a great deal of time and effort as chair of the ARC's Large Grant Program Sub-panel on the Social Sciences and Humanities. Members of the department have provided advice and consultancy services to various Commonwealth and State Government departments, the Australian Consumer and Competition Commission, the New Zealand Department of Labour and Ministry of Education and the West Inquiry into Higher Education Financing and Policy. Staff have also run a program on the Australian labour market for a visiting delegation from the Chinese Academy of Social Sciences and have organised, in conjunction with the Industry Commission, a Workshop on Productivity and Microeconomic Reform. Members of the department were also active in organising and running the 1998 Australasian Meeting of the Econometric Society and the Industry Economics Conference which were both held on campus.

The research profile of the department is diversifying, with papers being written in the areas of applied game theory and applied macroeconomics as well as economic theory, public economics and trade. The department's record is still light in relation to publications in refereed journals. An upsurge in research grant applications is promising.

Departmental staffing continues to decline. Financial pressures have precluded the replacement of five recent departures: Rachel Bannikoff, Mark Donoghue, Emma Hutchinson, Ted Sieper, and Martin Zelder. We have however been able to replace David Stokes with Creina Allen and Linda Richardson with Kris Funston.

It has been particularly unfortunate that we have a net loss of two female academics at the Associate Lecturer Level at a time when the department has no more senior female economists. At least half of our undergraduates are female, but the proportion drops off as they progress up the academic ladder – perhaps due to the absence of role models and counter-weights to a perceived masculine faculty and discipline. The absence of senior female academics has made it particularly difficult to deal with public allegations (made through the pages of the *Australian's* Higher Education Supplement) of harassment of female students. The department is now engaging actively on these issues with the university's Equity and Diversity Unit.

The decline in staff numbers reflects reduced public funding and, perhaps, the effects of cost increases to students from those Asian countries which suffered the drastic currency devaluations of 1997 and 1998. More immediately, however, our funding decline stems from a diminution in student demand and decisions to 'professionalise' the Bachelor of Commerce degree by removing second year economics from its core of compulsory units. Many students are choosing not to pursue economics beyond the first year because of the perceived difficulty of the subject relative to other options. Similar pressures are affecting economics faculties around the country. The major challenge for the department in the coming years is to chart a course which combines responsiveness to changes in student demand on the one hand and, on the other, maintenance of rigour and intellectual excitement in the teaching of a core academic discipline.

**2. Courses and Teaching**  
**(a) Graduate Teaching Activities**

**PhD Students Supervised or Advised**

<b>Student</b>	<b>Dissertation Topic</b>	<b>Supervision</b>
Abu Taher Mollick *	Empirical Tests of the Effect of Debt-equity Choice on Firm Values.	Chris Jones
Alexandria Sidorenko	Macroeconomic Implications of Population Ageing	Graeme Wells
Amy Liu	Economics of Time Allocation of Children in Vietnam	Neil Vousden
Andrew Lancaster *	Technological Progress and the Labour Market.	John Logan, Graeme Wells and Steve Dowrick
Andrew Waite	Incomplete Contracts, Bargaining and Regulation	Simon Grant
Asep Suryahadi *	The Effects of Openness on Developing Country Labour Markets: The Case of Indonesia.	Paul Chen and Rod Tyers
Chang-Soo Lee	Sustainability of Growth in the Transitional Economies: The Case of Korea.	Steve Dowrick
D. Graham	Ownership Structure and Foreign Investment Links in China's Wool Textile Industry.	Ben Smith
Doan Hong Quang	Factor Market Distortions and Long Run Growth	Neil Vousden
Glorivic Salveron	Intellectual Property Rights in Developing Countries: The Case of the Philippines.	Rod Tyers
K.K. Tang	Monetary Unification Between China and Hong Kong.	Graeme Wells
M.C. Gray	The Effect of Unemployment on Australian Labour Market Outcomes.	Paul Chen
Mark Rogers	Growth and Technology Flows.	Steve Dowrick
Mathew Bengé *	Taxes, Financial Policy and Investment Under Full Imputation.	Graeme Wells
Murdoch MacPhee *	Migration with Heterogeneous Agents	Simon Grant
Natalie Stoeckl *	Evaluation of Environmental Benefits.	Ben Smith
Paisan Rupranitkit	Monetary Policy in Thailand 1980-94.	Graeme Wells
Pham Huong	Trade Reform and Growth in Vietnam	Rod Tyers
Richard Dennis	An Analysis of Open Economy Monetary Policy	Graeme Wells
Robert Ackland *	Estimating True Cost of Living and Welfare Indices.	Steve Dowrick and Paul Chen

Sofia Levchenkova *	Forecasting the Level of Australian Economic Activity.	Chris Jones
Takaharu Eto *	A Microeconomic Approach to Excessive Lending and Bad Debt Problems in the Japanese Economy in the 1980s and the 1990s	Simon Grant
Tina Chen	Trade Liberalisation, Intra-Industry Trade and Adjustment Costs	Neil Vousden
Tomoya Suzuki *	Dynamic Effects of Monetary Shocks on the Business Cycle in Japan.	Graeme Wells
Trevor Sutton	The Social, Psychological and Economic Factors Influencing Compliance with Child Support	Simon Grant
Tuan Bui	Savings Behaviour of Households in Vietnam: Theory and Evidence	Neil Vousden
Vanessa Tamms	Liberalising Trade in International Air Transport Services: A Preliminary Analysis of Aviation Market Regulation.	John Logan
Vladimir Pavlov	Topics in Financial Econometrics	Simon Grant
Vu Quoc Huy	Models of Endogenous Growth.	Steve Dowrick
W.T. Wang	Technology Transfer and Foreign Investment in Taiwan.	Ben Smith
Xinpeng Xu	International Trade and Environmental Regulation: A Dynamic Perspective	Ben Smith and Neil Vousden

\* Based in the Department of Economics

**(b) Student Results**

*Refer to Appendix Table Analysis of Student Performance*

### 3. Research Activity

#### (a) Publications

##### Books

- Albon, R. P. *Media Regulation in Australia and the Public Interest*, Current Issues, Institute of Public Affairs, Melbourne, November 1998. (101 + viii pages) (with F.G. Papandrea)

##### Chapters in Books

- Albon, R. P. 'Eight Guiding Principles for Successful Tax Reform' in P. Abelson (ed.) *The Tax Reform Debate: The Economics of the Options*, Allen and Unwin, Sydney, 1998, Ch. 6 (pp. 115-30).
- Albon, R. P. 'The Effects of Microeconomic Reform in Telecommunications', in *Microeconomic Reform and Productivity Growth*, Workshop Proceedings, Productivity Commission, Canberra, July, Ch. 10 (pp. 313-30).
- Dowrick, S. 'The New Growth Models: Recent Empirical Evidence' in *Trade and Growth: New Theory and the Australian Experience*, ed. by S. Paul. pp.42-56. Sydney, Allen and Unwin (1998).
- Dowrick, S. 'Explaining the Pick-up in Australian Productivity Performance' in *Microeconomic Reform and Productivity Growth – Workshop Proceedings*, Canberra [1998], ed. by P. Gretton, S. Dowrick and L. Williams. Pp.121-143. Productivity Commission/Australian National University
- Dowrick, S. 'Measures of Economic Activity and Welfare: The Uses and Abuses of GDP' in *Measuring Progress*, ed. by R. Eckersley. pp.93-108. Collingwood, Vic., CSIRO Publishing (1998) (with J. Quiggin)
- Dowrick, S. 'Rebuilding the Nation's Infrastructure' in *Manufacturing Prosperity*, ed. by R. Genoff and R. Green. pp.49-62. Annandale, NSW, Federation Press (1998).
- Grant, S. 'Risk Assessment and Creutzfeldt-Jakob Disease' in *Mad Cows and Modernity: Cross-disciplinary reflections on the crisis of Creutzfeldt-Jakob Disease*, I. McCalman (ed), Humanities Research Centre Monograph Series, No. 13, ANU, pp.83-94
- Lau, Sau Him P. 'Rebuilding the Nation's Infrastructure: An Assessment of the Economic Evidence' in *Manufacturing Prosperity: Ideas for Industry, Technology and Employment*, R. Genoff & R. Green (ed), Federation Press, 49-62.
- Tyers, R. 'Liberalising OECD Agricultural Policies in the Uruguay Round: Effects on Welfare and Trade' Chapter 6, Volume II of C. Milner (ed) *Developing and Newly Industrialising Countries* pp.85-104 (with K. Anderson)
- Tyers, R. 'Disaggregating labour payments by skill level' Chapter 18 in R. McDougall, A. Elbehri and T.P. Truong (eds), *Global Trade, Assistance and Protection: The GTAP 4 Database*, Purdue University: Centre for Global Trade Analysis, December 1998 (with J. Liu, N. van Leeuwen, T.T. Vo and T. Hertel)
- Vousden, N. 'Labour Productivity and Growth in Pacific Island Economies: Some Theoretical Issues' in S. Chand (ed.), *Productivity Performance in the South Pacific Islands*, Asia Pacific Press, Canberra, 1998, 5-32.
- Vousden, N. 'Comment on S. Chand, P. McCalman and P. Gretton, "Trade Liberalisation and Manufacturing Industry Productivity Growth"' in Productivity Commission, *Microeconomic Reform and Productivity Growth*, Commonwealth of Australia, 1998.

## **Journal Articles**

- Albon, R.P. The Efficiency Effects of Removing the Diesel Fuel Rebate Scheme, *Economic Record*, vol.74, no.225, June 1998, pp.145-52.
- Benge, M. Depreciation Provisions and Investment Incentives under Full Imputation, *Economic Record*, vol.74, no.227, 329-346
- Benge, M. The Effects of a Goods and Services Tax, *Agenda*, Vol. 5, No. 4
- Donoghue, M. One Step Ahead: Thornton versus Longe, in *History of Economic Thought*, vol.5 no.3, 1998, pp.536-547.
- Donoghue, M. John Elliot Cairnes and the "Rehabilitation" of the Classical Wage Fund Doctrine, in *The Manchester School of Economic and Social Studies*, vol.66, no.4, 1998, pp.396-417.
- Dowrick, S. The Cost of Life Expectancy and the Implicit Social Valuation of Life. *Scandinavian Journal of Economics*, 100 (4), pp.673-691. Oxford, Basil Blackwell 1998 (with Y. Dunlop and J. Quiggin)
- Grant, S. Intrinsic Preference for Information, *Journal of Political Economy*, 83, pp.233-259 (with A. Kajii and B. Polak)
- Grant, S. AUSI Expected Utility: An Anticipated Utility Theory of Relative Disappointment Aversion, *Journal of Economic Behavior and Organization*, 37, pp.277-290 (with A. Kajii)
- Grant, S. Talking Down the Firm: Short-term Market Manipulation and Optimal Management Compensation, *International Journal of Industrial Organization*, 16 (5), pp.555-570 (with G. Garvey and S.P. King)
- Grant, S. The Meeting Place Problem: Salience and Search, *Journal of Economic Behavior and Organization*, 33, pp.271-283 (with J. Quiggin)
- Grant, S. The Fiscal Dividend Myth of an Income/Sales Tax Switch, *Australian Economic Papers*, 36, pp.167-178 (with S.P. King)
- Menezes, F. Simultaneous Pooled Auctions, *Journal of Real Estate Finance & Economics* 17(3), pp.219-232 (with P.K. Monteiro)
- Suryahadi, A. Balance of Payment Problem, Import Compression Policy, and Export-Import Feedbacks: What Indonesia can Learn from Developing Countries Data, *Economics & Finance in Indonesia*, 44 (3), pp.213-227

## **Other Publications**

- Menezes, F. Entendendo Leilões. *Conjuntura Economica*, 52 (6), 1998.
- Wells, G. Comments on paper by J. Quiggin in *Proceedings of Conference on Microeconomic Reform and Productivity Growth* (Canberra: Productivity Commission, 1998, pp.100-107)
- Mollik, A. Market Efficiency in Australian Stock Exchange: A Long-run Perspective. *Rajshahi University Studies Part C*. Rajshahi, University of Rajshahi 1998

## **Book Reviews**

- Harrison, M. Review of "The Future of Schools: Lessons from the Reform of Public Education" by Caldwell, B and Hayward, D. *Policy*, Winter, pp.47-48. St Leonards, Centre for Independent Studies 1998
- Menezes, F. Book reviews: Mathematics for Economic Analysis, by K. Sydsaeter and P.J. Hammond; Mathematics for Economics, by M.Hoy, J. Livernois, C. McKenna, R. Rees and T. Stengos; Mathematics for Economists, by C.P. Simon and L. Blume; Mathematical Economics, by J. Baldani, J. Bradfield and R. Turner in *Revista de Econometria*, 17(2). Rio de Janeiro, A Sociedade 1998 ISSN 01017012
- Suryahadi, A. The Political Economy of Foreign Investment in Indonesia, *Economics & Finance in Indonesia*, 45 (3): 481-483.

**(b) Conference and Seminar Presentations****Conference Presentations**

<b><u>Staff Member</u></b>	<b><u>Title of Paper</u></b>	<b><u>Conference</u></b>
Albon, R.	Tax Reform	Joint ANU-UNSW Workshop on Public Finance and Tax Reform, ANU, 10/11 February
Albon, R.	A Case Study of the Economic and Policy Issues in Telecommunications Reform	Joint ANU/IC Workshop on Microeconomic Reform and Productivity Growth, 26/27 February
Albon, R.	Trade Liberalisation, Industry Policy, State-Owned Enterprise (SOE) Reform: Theory and Experiences in OECD Countries', Vietnam and the Region: Asia-Pacific Experiences and Vietnam's Economic Policy Directions	AUSAID/NCDS Conference, ANU, 20/21 April.
Albon, R.		Media seminar, Institute of Public Affairs, Melbourne, 03 September.
Chen, P.	Labour Economics & Welfare	1998 Australasian Econometric Society
Grant, S.	The Equity Premium Puzzle and the Privatisation Paradox	1998 Industry Economics Conference, ANU July 6-7.
Grant, S.	On the Skiadas Conditional Preference Approach to Choice under Uncertainty	1998 Australasian Econometric Society Meeting, July 8-10, ANU
Grant, S.	The Equity Premium Puzzle and the Privatisation Paradox	1998 Industry Economics Conference
Harrison, M.	Revealing Secrets: Information Provision in Public and Market Systems of Education	New Zealand Independent Schools Annual Conference, Wellington 16 May.
Lau, Sau Him P.	Testing the Long-run Effects of Investment on Output in the Presence of Cointegration	Macroeconomics Workshop, Tasmania, April
Lau Sau Him P.	Testing the Long-run Effects of Investment on Output in the Presence of Cointegration	Econometric Society Meeting, ANU, July.
Menezes, F.	Public goods, Incomplete Information and Fixed Costs	1998, Economic Theory Workshop, ANU
Menezes, F.	Auctions of Identical Objects with single-Unit Demands: A Survey	1998 Australasian Econometric Society Meetings, ANU
Menezes, F.		Chair, ESAM98, July, ANU
Menezes, F.		Chair, Industry Economics Conference, July, ANU.
Suryahadi, A	The Effects of Openness and Technological Change on Skilled and Unskilled Labour Relative Demand in Indonesia	Economists' Conference, 28 Sept – 1 October, University of Sydney
Tyers, R	Invited plenary discussant.	42 <sup>nd</sup> Annual Conference of the Australian Agricultural and Resource Economics Society, Inc., University of New England, January 19-21, 1998
Tyers, R	Invited discussant.	Coal Sector Modelling and Benchmarking Workshop, Industry commission, Melbourne, January 23, 1998.

Vousden, N.	Liberalisation, Incentives and Vietnamese Agricultural Growth	Economic Society of Australia Meetings, University of Sydney, September, 1998 (with T.N.Che and T. Kompas).
Wells, G.	Growth in a Small Open Economy	3 <sup>rd</sup> Macroeconomics Workshop, University of Tasmania, April 16-17 (Also Discussant)
Wells, G.	Discussant.	East Asia in Crisis: From Being a Miracle to Needing One?, Canberra 4-5 May.
Wells, G.	Chair.	Econometrics Society Australasian Meeting, ANU 8-10 July
Wells, G.	Growth in a Small Open Economy	27 <sup>th</sup> Annual Conference of Economists University of Sydney, 28 September-1 October; (Also Session Chair)
Wells, G.	Chair.	PhD Conference in Economics and Business, ANU, 4-6 November.

### **Seminar Presentations**

Albon, R.P.	Efficient Tobacco Taxation: Ramsey and Pigouvian Considerations	Department of Economics, Curtin University of Technology, 23 April
Albon, R.P.	Efficient Tobacco Taxation: Ramsey and Pigouvian Considerations	Department of Economics, University of Western Australia, 24 April.
Albon, R.P.	Eight Guiding Principles for Successful Taxation Reform	School of Economics and Finance, University of Western Sydney Nepean, 23 September
Albon, R.P.	Efficient Tobacco Taxation: Ramsey and Pigouvian Considerations	Department of Economics, University of Queensland, 16 October
Dowrick, S.	The pick-up in Australian Productivity Growth	Curtin University, 21 May.
Dowrick, S.	True comparisons of international GDP	University of Western Australia, 22 May.
Dowrick, S.	Social Indicators and Comparisons of Living Standards	New York University, April 8.
Dowrick, S.	Substitution bias in the ICP - an introduction to the true multilateral index of international GDP	Washington, World Bank Conference on the International Comparison Project, April 3.
Grant, S.	Decomposable Choice	Department of Economics, The University of Melbourne, 1 October
Grant, S.	The Equity Premium Puzzle and the Privatization Paradox	The Melbourne Business School, 2 October
Grant, S.	The Equity Premium Puzzle and the Privatization Paradox	The University of Adelaide, 6 November.
Lau, Sau Him P.	The Equilibrium and Optimal Timing of Wage Adjustment	Sydney University, 17 September.

**(c) Research Seminar Program**

Frank Milne, (Queens University)	Asset Markets and Transaction Costs	March 5
Jurgen Eichberger (University of Saarbruecken)	Uncertainty and Strategic Interaction in Economics	March 19
Asep Suryahadi	The Effects of Openness on Developing Country Labour Markets: the Case of Indonesia	March 26
Robert Ackland	Estimating true Cost-of-Living and Welfare Index Numbers	March 26
Gordon de Brouwer (Reserve Bank)	Forward Looking Behaviour and Credibility: Some Evidence and Implications for Policy	April 2
Dan Sasaki (University of Melbourne)	Ignorance as a Commitment Device	April 9
Norman Ireland (Warwick University)	Status-Seeking, Income Taxation and Efficiency	April 16
Tom Crossley (York University)	Incentive Effects of Unemployment Insurance in Canada	April 23
Robert Innes (University of Arizona)	The Economics of Safe Drinking Water	April 30
Katerina Sherstyuk (University of Melbourne)	A Three-Person Location Problem with Risk-Averse Agents	May 14
Ann Harding (University of Canberra)	Who Bears the Tax Burden?	May 21
George Mailath (University of Pennsylvania)	Repeated Games with Imperfect Private Monitoring: Notes on a Co-Ordination Perspective	June 4
Andrew Lancaster	A Technological explanation of unemployment and Wage Dispersion	June 11
Linda Richardson	An Economist's Toolbox	June 11
Phil McCalman (Economics, RSSS)	Multi-lateral Trade Negotiations and the most Favoured Nation Clause	July 23
Scott Austin	Interest on Reserves, the Chicago Plan and Price Level Indeterminacy	July 30
Natalie Stoeckl (University of Canberra)	Randall's Difficulty with the Travel Cost Model	July 30
Deborah Cobb-Clark (Economics, RSSS)	Coming out of the Shadows: Learning about Legal Status and Wages from the Legalized Population	August 8
Glenn Otto (University of NSW)	The demand for Non-Interest Bearing Money in a Period of Financial Innovation	August 13
Ali Khan (Johns Hopkins University)	On Asset Pricing with a Continuum of Assets	August 20
Yongzheng Yan (NCDS, ANU)	What determines the Gains from Unilateral and Concerted Trade Liberalisation?	August 27
Christopher Ellis (University of Oregon)	Mechanism to Induce Cooperation in Non-Cooperative Environments: theory and Applications	Sept 10

Rohan Pitchford (Economics, RSSS)	Social Harm and Incomplete Contracts: An Analysis of Property Rights, Covenants, and Land Ownership	Sept 17
W. Lee Hansen (University of Wisconsin at Madison)	How do Student Fees and Financial Aid Affect College Enrolments?	Sept 23
Kenneth J Arrow (Stanford University)	Discounting, Morality and Gaming	Oct 1
Tom Kompas	Liberalisation, Incentives and Vietnamese Agriculture	Oct 8
Rajeev Bhattacharya (AGSM)	Non-Monotonicity of Equilibrium Price	Oct 22
Jim Butler (NCEPH)	Monetising Qalys	Oct 29
Catherine de Fontenay (University of NSW)	Implications of Market Power for Big Push Theory: Models and Evidence	Nov 12
Bill Cardak (University of Melbourne)	Endogeneous Growth and the Public-Private Education Choice	Nov 19

#### 4. Outreach and Administration

##### Robert Albon

Director, Centre for Applied Economics.

Associate Editor, *Agenda*

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

External Referee for Industry Commission 'State Taxation' Staff Information Paper.

Presentation of Module on 'Market Failure and the Role of Government', Treasury Economics Refresher Course, 25 March.

Joint presentation with Matthew Bengé of Module on 'Taxation Policy', Treasury Economics Refresher Course, 18 May and 27 May.

Presentation on 'State-Owned Enterprise Reform' to the Delegation of Senior Executives of the Georgian Government, MBA Program, Australia Asia Management Centre, Australian National University, 13 May.

Consultant to Department of Communications and the Arts Review of Telecommunications Pricing Regulations through Access Economics, May-July.

Consultant to Victorian Department of Treasury and Finance on taxation of internet gambling, August.

Coordination and part conduct of a course on Managing Utilities to South Australian Water Corporation, Adelaide, September.

The book on *Media Regulation in Australia and the Public Interest* co-authored with Franco Papanđrea was launched at Parliament House by Professor Allan Fels, Chair of ACCC, on 03 December. The book received considerable media coverage.

##### Scott Austin

Consultant Research Economist for Econtech Pty Ltd

##### Matt Bengé

Joint presentation of Module on "Taxation Policy" and "Financial Markets" Treasury Economics Refresher Course

Referee for New Zealand Department of Labour (with Graeme Wells)

Consultant to the Treasury, Taxation Policy Division; advisor ACCC on access pricing issues.

##### Paul Chen

Presented an Overview of the Australian labour market to Visiting Delegation from the Chinese Academy of Social Sciences, sponsored by the Centre for Applied Economics, Faculty of Economics & Commerce, September.

Presented, "Labour Markets", Treasury Economics Refresher Course, September.

##### Steve Dowrick

Fellow of the Australian Academy of Social Sciences; Editor, *Economic Record*

Consultant to Productivity Commission.

Organiser of ANU/Industry Commission Workshop on Productivity and Economic Reform.

Organiser of Briefing Day for Chinese Academy of Social Science.

**Simon Grant**

Chair of Australian Research Council's Social Sciences and Humanities Discipline Sub-Panel (A7)

Member; Editorial Board, *Journal of Mathematical Economics*

Member, Editorial Board, *Australian Economic Papers*

Convenor 1998 Australasian Meetings of the Econometric Society, July 8-10 ANU.

**Mark Harrison**

"Policy Directions for Tertiary Education" submission for the Education Forum on the New Zealand Government Green Paper entitled A Future Tertiary Education Policy for New Zealand: tertiary Education Review. January 1998.

"Reforming indirect taxes: The rail freight sector perspective" Prepared for FreightCorp through the Centre for International Economics. February, 1998.

"Review of Smithfield Project reports" a report prepared for the Ministry of Education, New Zealand, August .

Participant in Round Table Discussion on Market-based Approaches to financing and Policy for Post-secondary Education for the Higher Education Financing and Policy Review Committee (The West Inquiry). Sydney 29 January 1998.

**Jeffrey J. Kline**

Referee, *Journal of Economic Behavior and Organisation*

**John Logan**

Organiser Industry Economics Conference, July.

Organising committee member Econometrics Society Meetings (ESAM) July.

**Flavio Menezes**

Visiting Research Fellow, IMPA, Rio de Janeiro October 1997-January 1998; EPGE/Getulio Visiting Research Fellow, Vargas Foundation, Rio de Janeiro, November 1998/December 1998

Organisational Committee for the 1998 Australasian Meeting of the Econometric Society (ESAM98), ANU.

Public Lecture: Economics of Corruption NCDS, November 9-10, ANU.

Public Lecture: Auction Theory, EPGE/Getulio Vargas Foundation, Rio de Janeiro, Nov/January.

**Rod Tyers**

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

External referee, Industry Commission, Melbourne, coal sector modelling and benchmarking, January-February.

Lecturer on international economics, Treasury department Refresher course in economics.

Honorary research fellow, Global Trade Analysis Project, Purdue University, West Lafayette, Indiana.

Editor (with Deborah Peterson), *Australian Journal of Agricultural and Resource Economics* (Oxford: Blackwell Publishers).

**Graeme Wells**

Co-ordinator of Treasury contract on Refresher courses

Referee for New Zealand Department of Labour (with Matt Bengé)

## 5. Staff

### (a) Staff list for 1998

#### Head of Department and Professor

S. Dowrick, BA *Cambridge*, PhD *Warwick*, FASSA

#### Professor

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

#### Readers

B. Smith, MA *Aberdeen*

R. Tyers, BEng, MEngSci *Melbourne*

N. Vousden, BA, PhD *ANU*

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*

#### 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* (to September)

#### Associate Lecturers

S. Austin, BEc Hons *ANU*

M. Donoghue, BA MA *Auckland* (to July 1998)

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

C. Allen, BEc Hons *Adelaide*

#### Research Assistant

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

#### Administrator

Z. Miranda

#### Assistant Administrator

Terry J. Embling

### (b) Visitors

Neil Campbell, University of Massey, for four weeks

Yin-Wong Cheung, University of California, Santa Cruz, June for six weeks

Richard Engelbrecht-Wiggans, University of Illinois at Urbana-Champaign

Shoko Haneda, University of Tsukuba, Japan for one year

Atsushi Kajii, University of Tsukuba, Japan for three weeks.

George Mailath, University of Pennsylvania for six weeks

Loretta Mester, University of Pennsylvania, for two weeks

Preston McAfee, University of Texas/Austin, for two weeks

Luan Yan, Northeast University of Finance and Economics, China for one year



## THE AUSTRALIAN NATIONAL UNIVERSITY

### DEPARTMENT OF ECONOMIC HISTORY FACULTY OF ECONOMICS AND COMMERCE

#### ANNUAL REPORT 1998

##### 1. Overview

The year of 1998 was very hard work for the department. A restructuring of the faculty's undergraduate degree structures from effectively a 20 unit degree to a 24 unit degree required the department to re-examine and to complete a rigorous justification of every aspect of its teaching activities. In July, members of the department, supported by a grant from the faculty and with the aid of Dr Bill Donovan of CCE acting as facilitator, completed a full-day workshop at which all aspects of the department's activities were scrutinised. The workshop reconciled members of the department to the need for severe financial constraint and to the need to search actively for alternate forms of income. It also stimulated the development of new units and a new undergraduate major focussing on international business development to be available for introduction in 2000.

Concurrently, the department continued to maintain its high profile performance in the discipline of economic history and in the university. Dr Ville continued his role as editor of the national journal *The Australian Economic History Review* and, in association with colleagues in the department of Commerce and at the University of Melbourne, received a large ARC grant for research into business leadership in Australia. Mr Gage organised a conference in association with the Embassy of Spain on Spanish influence in the Asia-Pacific region. Dr Van der Eng completed a major consultancy on Indonesian rural development for the Australian Agency for International Development, and Dr Boot jointly hosted with the Chancellor of the University a visit by His Excellency Sir William Deane, Governor General of Australia and Lady Deane on the occasion of the opening of the new Graduate House building. The department continued to maintain its high research profile and to carry a significant increase in staff/student ratios in its teaching commitments.

Significant financial savings were made during the year. After completing 1997 with a budget deficit of \$213,000, the department completed the year having reduced its deficit to \$124,000 with an anticipated flow on of savings in 1999 of around \$40,000. These savings were achieved through the departure of two members of staff and by imposing strict economies in every area of expenditure. In spite of the cuts members pursued their teaching, research, administrative and out-reach goals with vigour. New units and a new major have been developed for introduction in 1999 and 2000. Undergraduate staff/student ratios increased sharply and graduate teaching efforts increased. All later year units taught in the department have been revised and restructured to conform with the requirements of the change from effectively a 20 unit to a 24 unit degree structure. It is hoped that the initiatives of 1998 will help to offset the anticipated loss in income in 1999 flowing from the reduced value of individual later year unit enrolments arising from the move from a 20 to 24 point degree structure.

## **2. Courses and Teaching**

### **(a) Undergraduate Teaching**

The department teaches a broad range of units at undergraduate level covering Australian, Asian and European economic history as well as units in financial history, consumers and consumption, economic theory and the history of economic thought. During 1998 a new major in International Business was developed in association with the Department of Commerce involving the creation of two new units *International Business* and *Development of Asian Business*. These units and the major will be available in 2000. In response to requirements of the new credit point degree structure, all later year units offered by the department have been restructured. On the negative side, the department will no longer teach the second semester unit *Economic Ways of Thinking* for students in the National Centre for Development Studies. This results from a resource decision taken by NCDS in the light of funding difficulties. The withdrawal at very short notice was a disappointment to the department.

The department continues vigorously to improve the quality of its teaching. All units taught now undergo rigorous academic justification. Criteria based assessment procedures are used to assess all student work done in the department, and all units are regularly submitted to student evaluation through the ANUSET program.

At the time of preparation of this report comparable figures for the analysis of student performance were not available. On the basis of departmental class lists, however, effective undergraduate enrolments were 604 in 1998 compared with 619 in 1997. In addition, the department taught 45 NCDS students compared with 28 in 1997. The concurrent reduction of staff from 6.5 to 5.5 academic members meant that staff/student ratios increased from 1:99 in 1997 to 1:130 in 1998, an effective increase in undergraduate teaching loads of 30%. The financial effect of changes from a 20 to 24 unit degree, and the withdrawal of NCDS students in 1999 means that the department will have to achieve an increase in student enrolments in 1999 of about 18% to maintain its current level of income. Whether it will achieve this level of increase is, perhaps the most problematic facing the department in the coming year.

### **(b) Prizes and Awards**

Institute of Advanced Studies Prizes for Economic History

Economic History First Year Units - awarded to Will Devlin

Noel Butlin Prize in Australian Economic History awarded to Matthew May

Economic History Later Year Unit – awarded to Suzanne Amisano

Economic History IV(H) – awarded to Siobhan McDonnell

Langmore Prize for Equity Studies - awarded to Matthew May

### **(c) Graduate Teaching**

Graduate teaching in the department has expanded significantly in the last two or three years. Currently, members of the department supervise 6 PhD and one MEd (by research) students. Dr David Hughes (supervised by Dr H.M. Boot and Dr R.V. Jackson (University of Queensland)) was awarded a PhD, and Miss Amelia Lindsay (supervised by Drs P. van der Eng and G. Fleming) was awarded a MEd (research). The list of postgraduate students currently enrolled or supervised for research degrees in the department is set out below.

Student	Dissertation Topic	Supervisor/Advisor
<b>PhD Students</b>		
R. Bennet	Industry, Policy and Externalities in Australia Since 1945	Dr H.M. Boot
S.J. Dodds	The Concept of Sustainability in the History of Economic Thought	Mr S.H. Cornish
R. dela Cruz-Dona	Poverty in the Philippines, 1960-1994	Dr A. Martina
A.J. Millmow	Origins and Development of Macro-economic Management in Interwar Australia	Mr S.H. Cornish
M. Hayashi	Comparison of Industrialisation in Japan and Indonesia	Dr P. van der Eng
<b>MEc (Research) Thesis</b>		
S. Mitchell	The Australian wine industry	Mr J.E.S. Gage

#### (d) Student Results

*Refer to Appendix Table Analysis of Student Performance*

### 3. Research Activity

The department maintained a vigorous program of research across a broad range of themes and geographic areas within the discipline which continues to generate publications in leading international journals. Australian research focussed on the role of government, the history of economic thought, pastoral finance, and business development and leadership. European research dealt with problems of human capital formation, wages and income distribution, shipping and trade networks, chartered trading companies and adjustment to imperial decline. Research into Asia included poverty and disaster mitigation, economics of law, rural credit, agriculture and soil history, GNP measurement and comparative economic experience. The research output of the department accounted for 12 publications as defined by the ANU Research Publication Data Collection which is an average of 2.2 per member of staff. This result is a small improvement over the previous year. A large ARC grant was awarded to Dr Ville, in association with Dr Fleming of the Department of Commerce and Professor D. Merrett of the University of Melbourne to research characteristics of Australian business leadership in the 20<sup>th</sup> century. External collaboration activities continue to be an important aspect of the department's research activities with joint work being conducted with members of the Universities of Melbourne, California and Hitotsubashi, the National Research Institute of Papua New Guinea and the Australian Agency for International Development.

#### (a) Publications

##### Book Chapters (B)

Ville, S. and G. Fleming, 'From kinship to relations economic? The development of pastoral networks in Australia', in A. Slaven and J. F. Munro (eds), *Entrepreneurs, Networks and Business Culture* (Seville, 1998)

##### Refereed Journal Articles (C1)

Boot, H.M., 'Government and the colonial economies', in R.V. Jackson (edn), 'Cities, business and government in colonial Australia', *Australian Economic History Review*, 38, March, (1998)

Martina, A., 'Applying Rawlsian principles of justice to decide how to rank disaggregated general measures of social welfare and poverty', *Journal of Interdisciplinary Economics*, vol. 9 (1998)

Martina, A., 'Searching for general principles to guide the design of effective disaster mitigation policy in developing countries: part 1', *Journal of Interdisciplinary Economics*, vol. 9 (1998)

Van der Eng, P., 'Casava in Indonesia: A historical reassessment of an enigmatic food crop', *South East Asian Studies*, 36 (1998), No.1

Van der Eng, P., 'The silver standard and Asia's integration into the world economy, 1850-1914', *Review of Asian and Pacific Studies*, 18 (1998)

Ville, S., 'Business development in colonial Australia', in R. V. Jackson (ed.), 'Cities, business and government in colonial Australia', *Australian Economic History Review*, 38, March, (1998)

### **Conference Publications (E2)**

Martina, A., 'Self-interested principles of justice in distribution and the laws of peoples', Selected papers from the *Environmental Justice Conference* (Melbourne, October 1997) Published on the Internet: <http://www.airbld.unimelb.edu.au/envjust/>

### **Reprints**

Ville, S., 'The development of English merchant shipping, 1775-1830', *Journal of Transfer History*, 3<sup>rd</sup> ser., 5, (1984). Reprinted in D. M. Williams (ed.) *The World of Shipping* (Aldershot, 1997)

### **Book Reviews**

Van der Eng, P., Review of Taniren, J., *Extremes in the Archipelago: trade and economics development in the outer islands of Indonesia, 1900-1940*, *NENA Bulletin*, 12 no.1 (1998)

Van der Eng, P., Review of Leidelmajor, M., *Van Suikermolen tot Grotbedrijf: Technische Vernieuwing in de Java-Suikerindustrie in de Negentiende Eeuw* (1997), *Asian Studies Review*, 22 (1998)

Van der Eng, P., Review of Lall, S., *Learning from the Asian Tigers: Studies in Technology and Industrial Policy*, *Australian Economic History Review*, 37 (November 1997)

Ville, S., Review of J-S Ship, *The economics of latecomers: catching up, technology transfer and institutions in Germany, Japan and South Korea* (London, 1997), *Australian Economic History Review*, 3 (November, 1997)

Ville, S., Review of T. R. Heinrich, *Ships for the seven seas: Philadelphia shipbuilding in the age of industrial capitalism* (Washington DC, 1997), *Business History* 3 (1998)

Ville, S., Review of D. Williams and G. Jackson (eds) *Shipping, Technology and Imperialism: Papers presented to the third Anglo-Dutch Conference* (Aldershot, 1996), *Mariners Mirror*, 2 (1998)

### **(b) Conference and Seminar presentations**

Gage, J.E.S., 'Long run economic consequences of the events of 1898 in the Asia-Pacific region' presented to the conference, The events of 1898 and their consequences for the Asia-Pacific region, Humanities Research Centre, May, 1998.

Martina, A. and R. dela Cruz-Dona, 'Some links between education, household well-being and credit markets: Evidence from rural Philippines' Australian development studies network conference, (23-25 April, 1998). Also presented to the conference of the Philippines Studies Association of Australia, Townsville (9-11 July, 1998) and to the Twelfth International Economic History Conference (Madrid, Spain, 24-28 August, 1998).

Martina, A. and R. dela Cruz-Dona, 'Factors influencing the height for age of young children: evidence from two villages in the Philippines' presented to the Australian Development Studies Network conference, 23-25 April, 1998.

- Van der Eng, P., 'Measuring long-term economic growth in Indonesia' presented to the Institute of Economic Research, Hitotsubashi University, Tokyo (Japan), 2 January 1998.
- Van der Eng, P., 'Food for Growth: Long-term trends in food supply in Indonesia, 1880-1995', presented to the Centre for South East Asian Studies, Kyoto University, Kyoto (Japan), 21 January 1998.
- Van der Eng, P., 'Economic benefits from colonial assets: The care of the Netherlands and Indonesia, 1870-1958' presented to Osaka Gakuin University, Osaka (Japan), 22 January 1998.
- Van der Eng, P., 'Agriculture's role in economic development: Indonesia and Japan since 1870' presented to Japan-Netherlands Institute, Tokyo (Japan), 23 January 1998.
- Van der Eng, P., 'Indonesia's growth performance during the 20<sup>th</sup> century', EHSANZ annual conference, Wellington (New Zealand), 22-25 November, 1998.
- Ville, S., 'Archival research strategies in the analysis of Australian corporations', presented to Australian Society of Archivists seminar, Australian Archivists, Canberra, 1998.
- Ville, S., 'Foundations of Australian Big Business', presented to the Canadian Business History Conference, Ontario (Canada), 1998.
- Ville, S., 'Corporate leadership in twentieth-century Australia', presented to Menzies Centre for Australian Studies, University of London, London (United Kingdom), 1998.
- Ville, S., 'Multicultural business enterprise in the Australian corporate economy', presented at the Australian National University, 1998.
- Ville, S., 'The Solomon Judgment in British business history', presented at the London School of Economics, London (United Kingdom), 1998.
- Ville, S., 'The organisational structure of pastoral agent conformists', presented to the EHSANZ annual conference, Wellington (New Zealand), 1998.

**(d) Research Seminar Program**

The department again ran a regular and highly stimulating seminar program to which resident and visiting academics presented current research. In addition to Australian residents, the program attracted contributors from Holland, Zimbabwe, Canada, the United Kingdom, United States of America and Japan. The department also assisted with the organisation of contributions to the ANU Public Lecture Series and the European Studies Seminar Series.

**Economic History Seminar Program**

Friday 3 April	<b>Dr Bruce Kent</b> <i>Australian National University</i>	"Taking the Mickey out of the Macro: The United States Congress and the Origins of the Marshall Plan."
Friday 1 May	<b>Dr Simon Ville</b> <i>Australian National University</i>	"Multinational Business Enterprise in the Australian Corporate Economy."
Friday 15 May	<b>Dr René Barendse</b> <i>International Institute of Asian Studies (Leiden)</i>	"War and Economic Expansion: The Arabian Seas in the 18 <sup>th</sup> Century".
Friday 29 May	<b>Dr Grant Fleming</b> <i>Australian National University</i>	"National Competition Policy: Rules and Business Behaviour 1906-1996."
Friday 12 June	<b>Dr Eira Kramer</b> <i>University of Zimbabwe</i>	"Agricultural production and Marketing in the Peasant Sector in Colonial Zimbabwe in the

Friday 26 June	<b>Dr Gillian Hamilton</b> <i>University of Toronto</i>	1930s and 1940s” “The Decline of Apprenticeship: Evidence from 19 <sup>th</sup> Century Montreal.”
Friday 17 July	<b>Prof Roy Church</b> <i>University of East Anglia</i>	“The History of Marketing: Methodology, Interpretations and Evidence.”
Friday 31 July	<b>Dr Zorina Khan</b> <i>Bowdoin College Brunswick (USA)</i>	“Litigation and Settlement of Civil Disputes during Economic Development: Evidence from NSW District courts, 1860-1900.”
Friday 14 August	<b>Dr R.V. Jackson</b> <i>University of Queensland</i>	“More on Convict Height...”
Friday 25 September	<b>Prof Takao Ishida</b> <i>Obirin University (Tokyo) – Australian National University</i>	“The Function of the ‘London Account’ of Australian Banks in the Nineteenth Century.”
Friday 13 November	<b>Dr Jan Jacobs</b> <i>Australian National University and University of Gronigen</i>	“Bias and Ignorance in the Construction and Use of (Historical) Macro-Economic Data.”

#### ANU Public Lecture Series

Date	Speaker	Title of Lecture
7 May	Laurens Brinkhorst Member of the European Parliament	Third Robert Schumann Lecture

#### European Studies Seminar Series

Date	Speaker	Title of Lecture
15 September	Professor Jaine Pastor	“European Monetary Union: A Spanish perspective”
7 May	Laurens Brinkhorst Member of the European Parliament	“Environmental issues: A European perspective”

#### **4. Outreach and Administration**

Dr Boot was appointed Head of Department for 1998. His position was subsequently extended to the end of 2000. He also continued as Chair of the Management Committee of Graduate House and was actively involved in the construction and opening of the new Graduate House building. Mr Cornish continued as Dean of Students and sat on and chaired various university committees. He was also awarded the Golden Key Adviser of the Year. Dr van der Eng conducted surveys of rural development in Indonesian, and of Australia’s program of development assistance to Indonesia for the Australian Agency for International Development (AusAID), and contributed to the Agency’s planning workshops as development projects in Indonesia. 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, U.S.A. Mr Gage arranged seminars, conferences and public lectures in European Studies. Dr Ville was the Editor of *the Australian Economic History Review*, and visited a number of Universities in Canada and the United Kingdom, New Zealand and Australia whilst on outside studies program in the second half of 1998.

## 5. Staff

Dr Grant Fleming, lecturer in the department, was transferred to the Department of Commerce. Mrs Helen Bridge, research assistant in the department, accepted a redundancy package. The department would like to record its deep appreciation of the work of Mrs Bridge. With breaks for family reasons, Mrs Bridge has worked in the department since she graduated from the Australian National University in 1963. Her contribution to the research activities of the department was immense and deeply appreciated by all who worked with her. Her positive and willing personality was always a source of support and inspiration to those who knew and worked beside her - she will be missed by everyone. Another departure was Helen Fairbrother, the departmental administrator. Although she worked in the department for only 2 years, her departure was felt deeply by all who knew her. There were 3 visitors to the department, two of whom were distinguished visitors from overseas. Further visitors are planned for 1999. The gender profile of the department is largely male, a problem that has been worsened by the loss of Mrs Bridge.

### (a) Staff list for 1998

Senior Lecturer and Head of Department

H.M. Boot, BSc (Econ) *Lond*, PhD *Hull*

Reader

S.P. Ville, BA, PhD *Lond*

Senior Lecturers

S.H. Cornish, BEc *WA*

P. van der Eng, BA PhD *Gronigen*

Lecturers

J.E S. Gage, BA *Manchester*

A. Martina, BComm *Rhodes* MA *Essex* PhD *ANU*

Research Assistant

H. Bridge, BA *ANU* (to December)

Departmental Administrator

H. Fairbrother (to August)

C. O'Shea (November to December)

### (b) Visitors

Professor Roy Church, School of History, University of East Anglia (July-August 1998)

Professor Takao Ishida (April 1998 – April 1999)

Dr Bruce Kent (January-December 1998)



## THE AUSTRALIAN NATIONAL UNIVERSITY

### DEPARTMENT OF STATISTICS AND ECONOMETRICS

### FACULTY OF ECONOMICS AND COMMERCE

## ANNUAL REPORT 1998

### 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. Units 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.

In 1998, the department introduced a Masters Degree in Applied Statistics and Graduate Certificates in Applied Statistics and Business Statistics for 1999. The department also offers courses in econometrics for other honours and diploma programs in economics and science areas, and provides the econometrics units that are required for the Master of Economics degree and in the coursework component of the PhD Program in Economics.

The Faculty has moved to new undergraduate degree structures based on eight units in each year. The Actuarial Studies degree and associated combined degrees have been modified to conform to the new structure. In addition, a proposal for joint law and actuarial studies degrees has been advanced through both relevant faculties.

Some notable awards were made to staff members. A highlight this year was the recognition by the Faculty and the University of two staff members for their outstanding performances. Dr Martin was awarded the inaugural 1998 Faculty of Economics and Commerce Award for Excellence in Teaching. Ms Jennifer Hunt was awarded a Council Medal for General Staff Excellence in 1998. Dr O'Neill was elected as a Fellow of the American Statistical Association.

### 2. Courses and Teaching

Enrolments in Quantitative Methods for Business and Economics 1 were 462, down compared to 567 last year. Statistical Techniques 1 enrolments were down this year, being 290 compared to 297 in 1997. Enrolments in Statistical Techniques 2 were marginally up, being 131 this year compared to 125 in 1997.

#### (a) Honours Program

Actuarial Studies	<i>H1 (2)</i>	<i>H2A (3)</i>	<i>H2B (2)</i>
Statistics	<i>H1 (1)</i>	<i>H2A (2)</i>	
Statistics/Econometrics	<i>H1 (1)</i>		

#### *Honours Awards and Medals*

Mr Rohan Gifford and Mr Steven Roberts were awarded University Medals.

**(b) Graduate Coursework**

Three students completed their Graduate Diploma in 1998.

**(c) Student Results**

*Refer to Appendix Table Analysis of Student Performance*

**3. Research Activity**

**(a) Research Grants**

Barry, S. and O'Neill, T., "Bayesian Analysis of Truncated Regression Data Applied to Road Safety and Wildlife Research" Faculties Research Grant \$5,740

Breunig, R., "Nonparametric Regression with Stratified Samples" Faculty of Economics and Commerce Summer Research Grant \$1,800

Breunig, R., "Nonparametric Regression using Complex Survey Data" Faculties New Starters Grant \$5,000

Martin, M., "Calculating Edgeworth expansions using Computer Algebra" Faculty of Economics and Commerce Summer Research Grant \$1,800

Poskitt, D.S. and P. Hall, "The Analysis of Radar Data" Department of Defence \$30,000

Skeels, C.L. and Poskitt, D.S. "On the Analysis of Structural Breaks and Non-Stationary Time Series" ARC Small Grant \$9,000

Skeels, C.L. "A Monetary Conditions Index for Australia" Faculty of Economics and Commerce Summer Research Grant \$1,800

Stern, S.E. "Simulation-based parametric Inference for Statistical Models with Range-Restricted Parameters", Faculty of Economics and Commerce Summer Research Grant \$1,800

**(b) Publications**

**Refereed Journal Articles (C1)**

Barry, S & O'Neill, T. J. (1998). "Truncated logistic regression and residual intracluster correlation" (Editorial) Biometrics, 54, 1193-1194.

Breunig, R.V. and \*Ullah, A. (1998). "Econometric Analysis in Complex Surveys". Handbook of Applied Economic Statistics, New York: Marcel Dekker, 325–363.

Breunig, R.V. and \*Russell, R.R. and \*Chiu, C. (1998). "Aggregation and Econometric Analysis of Demand and Supply". New York: Marcel Dekker, Handbook of Applied Economic Statistics, 325–363.

Hall, P., \*Park, B.U. and Stern, S.E. (1998). "On polynomial estimators of frontiers and boundaries". Journal of Multivariate Analysis, 66, 71–98.

Levtchenkova, L., Pagan, A. and Robertson, J.. (1998). "Shocking Stories", Journal of Economic Surveys, 12, 507-522.

Nicholls, D.F. (1998). "State Space Modelling in Time Series", Australian and New Zealand Journal of Statistics, 40.

Olsen, P., Barry, S., \*Baker, G.B., \*Mooney, N., \*Cam, G. and \*Cam, A., (1998) “Exclusion Probabilities for Single-Locus paternity analysis when related males compete for matings”. Molecular Ecology, Volume 6, (12), 1155-1166.

O'Neill, T. J. and Barry, S. (1998). “Monte Carlo Methods” in: Encyclopedia of Biostatistics, Volume 4, Ed Armitage, VP & Colton, T, 2686-89. J Wiley, Chichester, In Press.

Penm, J. (1998). “The impact of the Asian Financial Crisis on the Economy of Hong Kong – the fourth paper of a series of publications on the assessment of the future development of three international financial centres: Taipei, Hong Kong and Shanghai in: Industry of Free China, Volume 88, 8 Number 8, 47-76.

Pagan, A. and Robertson, J. (1998), “Structural Models of the Liquidity Effect”, Review of Economics and Statistics, 80, 202-217.

Poskitt, D.S. and \*Lutkepohl, H., “Consistent Estimation of the Number of Cointegrating Relations in a Vector Autoregressive Model”, Econometrics in Theory and Practice, R. Galata and H. Kuchenhoff, Springer-Verlag.

\* Not a staff member of the ANU

**(c) Conference Presentations**

<b>Staff Member</b>	<b>Title of Paper</b>	<b>Conference</b>
(E2) Professor Des Nicholls	Statistics into the 21 <sup>st</sup> Century	Australian Statistical Society, Gold Coast, Queensland in July
(E2) Dr Steven Stern	The Score and Information Bias of Adjusted Profile Likelihoods	Centre de Recherchés Mathématique Summer School on Likelihood and Asymptotics, Banff, Canada in August
(E2) Dr Andreas Ruckstuhl	Robust Fitting of the Binomial Model	ETH Zurich and University of Zurich, Switzerland, June
(E2) Dr Andreas Ruckstuhl	Graphical Methods for Model Assessment in Generalized Linear Models	Applied Statistics of ETH, Zurich and University of Zurich, Switzerland, June
(E2) Dr Robert Breunig	Nonparametric Density Estimation for Stratified Samples	Econometric Society Australasian Meeting, Australian National Univeristy, July
(E2) Dr Ken Brewer	Reference Bayesian Hypothesis Testing	6 <sup>th</sup> International Conference on Bayesian Statistics (“Valencia 6”), June
(E2) Dr Ken Brewer	Bayesian Methods in the Sciences	Carleton University, Ottawa, June
(E2) Dr Ken Brewer	Design-based on Prediction-based Inference? Stratfield Random VS Stratfield Balanced Sampling	University oaf Southampton, June
(E2) Dr Ken Brewer	Design-based on Prediction-based Inference? Stratfield Random VS Stratfield Balanced Sampling	Methodologists at Statistics, Canada, June

#### **(d) Research Seminar Program**

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

Professor Thomas DiCiccio, Cornell University  
Professor Douglas Steigerwald, University of California  
Professor Gordon Fisher, Concordia University

#### **4. Outreach and Administration**

##### **(a) Assistance to Government and Professional Associations**

The Econometric Society Australasian Meeting Conference was held at the ANU in 1998, jointly hosted by the Department of Statistics and Econometrics, the Department of Economics (Faculties) and Economics (RSSS). Dr Skeels was the Co-Chair 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. Ms Jennifer Hunt, Ms Tracy Skinner and Ms Barbara Donaldson were involved in the administration and organisation for the ESAM Conference held at ANU.

Dr O'Neill continued as Head of Department in 1998 and was re-appointed until December 2000. Dr O'Neill is 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 attended the Statistical Society of Australia, 14th Biennial Conference at the Gold Coast, Queensland from 6 –10 July 1998. Dr O'Neill provided advice to Customs Australia. Dr O'Neill is a member of the 16th Biennial Conference Organising Committee for the Statistical Society of Australia.

Professor Nicholls was on several internal committees Building and Grounds, University Appeals, Parking Reference Group and Level E Promotions for the Faculty. Externally he was also on several committees: University of Wollongong Faculty of Informatics Visiting Committee, External Assessor ARC Small Grants (University of Wollongong), Central Council Statistical Society of Australia and Honorary Life Membership Committee and National President of the Statistical Society of Australia. Professor Nicholls gave statistical advice for the following, ANU Student Recruitment; Australian Education International; Australian Surveying and Land Information Group; Professional Services Review Health Insurance Commission; and Housing Industry Association. Professor Nicholls attended and presented a paper at the Statistical Society of Australia, 14th Biennial Conference held at the Gold Coast, Queensland in July.

Dr Martin is the Convenor of the Actuarial Studies Program in the department. Dr Martin served as departmental representative on MATHLAC and Faculty of Science. Dr Martin provides IT support for the department and is also on the Departmental Curriculum Committee. Dr Martin is an Associate Editor of the *Journal of Statistical Computation and Simulation*, *Journal of the Royal Statistical Society Series B*, and *Australian and New Zealand Journal of Statistics*. Dr Martin was a referee for several journals including *JRSSB*, *JSCS*, *Australian and New Zealand Journal of Statistics*, and *Journal of the American Statistical Association*. Dr Martin attended the Statistical Society of Australia, 14th Biennial Conference at the Gold Coast, in July.

Dr Stern is the Honours Program convenor in the department and convenor of the Graduate Program in Statistics. Dr Stern also represented the department on the Faculty Graduate Studies Committee. Dr Stern attended the Statistical Society of Australia, 14th Biennial Conference at the Gold Coast, Queensland in July. Dr Stern is also a member for the 16th Biennial Conference Organising Committee for the Statistical Society of Australia. Dr Stern is an associate editor and a referee for *JRSSB*, and a referee for *JASA*.

Dr Andreas Ruckstuhl conducted a course on Robust Statistics and Nonlinear Regression, Postgraduate Courses in Applied Statistics at ETH, Zurich, Switzerland and an Introduction to S-Plus, Courses in Applied Statistics for Researchers at the ANU. Dr Barry represented the department on the Faculty Education Committee. Dr Skeels is a member of the Faculty Undergraduate Studies Committee and the Board of Studies, Graduate Program in Commerce.

Dr Robert Breunig presented a paper “Nonparametric Density Estimation for Stratified Samples” at the following institutions: University of Wisconsin, in October; Deakin University, in October; Monash University, in October; University of New South Wales, in September; University of Sydney Econometrics Workshop, in August; U.S. Bureau of Labor Statistics in February, Federal Deposit Insurance Corporation in February and Georgia State University, in January. Dr Breunig was a referee for several journals including *Journal of Development Economics*, *Journal of Quantitative Economics*, and *Empirical Economics*.

Ms Rachel Lloyd attended the Teaching Economics Conference at Macquarie University in July and the National Teaching Forum in Canberra in November. She also attended the Econometric Society Australasian Meeting Conference at ANU in July. Ms Lloyd represented the department for Undergraduate Academic Performance Committee and the Faculties Undergraduate Studies Committee. Mrs Joy Searle attended the Statistical Society of Australia, 14th Biennial Conference at the Gold Coast, Queensland in July and the National Teaching Forum in Canberra in November. Mrs Searle was awarded a Certificate of Tertiary Teaching from UNSW in 1998. Mrs Searle was on the Faculty Steering Committee on Teaching Awards for 1998.

Mr Poskitt was a departmental representative for the Faculty of Science. He also represented the department for DEETYA Publications. Mr Poskitt was a member on the Local Organising Committee for the 1998 Australasian Meeting of the Econometric Society for the 1998 Australasian Meeting, which was also attended by Dr Wyhowski. Dr Wyhowski is the convenor for the econometrics seminars and served as departmental representative on ECONLAC.

**(b) Cooperation with the IAS**

Dr Andreas Ruckstuhl continued his joint appointment with the CMA. Dr Owen Jones of the Stochastic Stochastic Analysis Program in the CMA presented a unit “Simulation Methods” for the Graduate Diploma in Statistics.

**(c) Gender and Equity Balance**

The gender balance in the department was largely unchanged during the year.

## 5. Staff

### (a) Staff List (as at 20 December 1998)

#### Reader and Head of Department

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

#### Professor

D.F. Nicholls, BSc *NE* MSc PhD

#### Readers

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

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

#### Senior Lecturers

M.A. Martin, BSc *Qld* PhD

C.L. Skeels, BEc PhD *Monash*

S.E. Stern, PhD *Stanford*

#### Lecturers

S. Barry, BSc PhD

R.V. Breunig, BIS PhD *Calif.*

A. Ruckstuhl, Master of Mathematics PhD *ETH*

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

#### Associate Lecturers

R Lloyd, BEc BA (Asian Studies) MEastAsianStud

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

#### Adjunct Senior Lecturer

C. Thorburn, BEc *Macq* FIAA ASA

#### General Staff

B. Donaldson, Assistant Administrator

J.A. Hunt, Departmental Administrator

T. Skinner, Teaching Services Administrator

#### Staff Movements

Dr Robert Breunig was appointed as a level B in June.

Mr Michael Hiron (Programmer level 7) resigned in July.

Dr John Robertson (Level B) continued his leave without pay.

Dr Steve Stern was tenured and promoted to level C.

### (b) Visitors

Professor Douglas Steigerwald, Cornell University April - July 1998

Professor Thomas DiCiccio, University of California, June - August 1998

Dr Jack Penm 1998-99

Dr Ken Brewer 1998-99



**THE AUSTRALIAN NATIONAL UNIVERSITY**

**CENTRE FOR APPLIED ECONOMICS**  
**FACULTY OF ECONOMICS AND COMMERCE**

**ANNUAL REPORT 1998**

**The Centre**

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.

**Director**

Dr Robert Albon was Director of the Centre in 1998 and was re-appointed as Director for two years from January 1999.

**Management Committee**

The Centre is managed by a Management Committee. For 1998 the Committee comprised the Director (Chair), Professor Tim Brailsford, Professor Steve Dowrick and Dr Richard Heaney.

The Management Committee met three times during 1998.

The Director would like to extend his thanks to all those who helped with the management of the Centre in 1998.

**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 1998 included Asian economic performance, competition policy, constitutions, corporate law, education, federalism, the environment, fiscal policy, monetary policy, taxation, telecommunications, trade policy, and welfare policies. Volume 5 contained a total of 35 articles (including review articles), 20 book reviews, and 10 items in other departments. **Agenda** has a strong and loyal subscriber base of around 400, 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** are listed in the American Economic Association's electronic data base, EconLit.

Dr Michael James continued as Editor of the journal. Dr Robert Albon continued as Associate Editor. Ms Maureen O'Connor continued as Editorial Assistant.

The Director thanks all those who helped with **Agenda** in 1998, especially those who supplemented their normal duties.

The major costs of **Agenda** in 1998 were the Editor's consultancy and associated costs, printing and distribution. In 1998, 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 1998 in order to accommodate reduced Faculty funding.

The first issue of volume 6 of **Agenda** will be produced under the same editorial arrangements as in 1998, but the remaining three issues of that volume will be edited by Robert Albon with the assistance of Professor Steven Dowrick, Dr Franco Papandrea and Dr Graeme Wells. An Editorial setting out these new arrangements will be included in the first issue of Volume 6.

### **Other Centre Activities**

The Centre organised a two-day visit by Professor Giancarlo Valori, Chairman of Italy's Autostrade, scheduled for August. Unfortunately, Professor Valori cancelled his trip to Australia because of business commitments in Europe, and the visit did not take place.

On September 25 the Centre hosted a Visiting Delegation from the Chinese Academy of Social Sciences and provided a one-day program on Australian labour market reforms and programs. The Delegation was welcomed by Steven Dowrick and talks were given by Paul Chen, Steven Dowrick, Mark Warburton and Anthony Krieg and Jeff Borland.

The Director is interested in proposals for other Centre activities in 1999, including conferences, workshops and publications.

## **APPENDIX**

### **ANALYSIS OF STUDENT PERFORMANCE**