



THE UNIVERSITY OF
MELBOURNE

MELBOURNE INSTITUTE OF APPLIED ECONOMIC AND SOCIAL RESEARCH



MELBOURNE INSTITUTE
of Applied Economic and Social Research

ANNUAL REPORT 2008 AND OUTLOOK 2009

MELBOURNE INSTITUTE OF APPLIED ECONOMIC AND SOCIAL RESEARCH

ANNUAL REPORT 2008 AND OUTLOOK 2009

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DIRECTOR'S REPORT



Professor Stephen Sedgwick

The Melbourne Institute provides world-class applied economic and social policy research about issues of contemporary relevance to Australia.

As can be seen from this Annual Report, the Melbourne Institute has been particularly fortunate to have established strategic partnerships with a number of key funders and sponsors which have patiently supported independent long-term research in a number of fields. I want to take this opportunity to acknowledge and celebrate the importance and the variety of these partnerships.

Most of these relationships are with government departments. However, a number are with commercial organisations or non-government entities. We are continually adding to our 'family'. For example, this year we have concluded a new multi-year funding relationship with the National Centre for Vocational Education Research (NCVER), amongst others.

Long-term, strategic relationships contribute to our effectiveness in a number of ways. The financial certainty they provide improves our capacity to hire good talent, and continuity of work allows our researchers to deepen their understanding of Australian data and institutions. Just as importantly our strategic relationships provide a basis for dialogue that enables our researchers to inform and be informed about research issues that are of highest contemporary importance to our stakeholders. They help us ensure that all of our research is relevant and that we remain engaged with our community. We are hopeful such strong strategic relationships can be extended and sustained into the future, despite the difficult

budget environment that many organisations now face.

However, strategic relationships extend to a wide variety of our activities, well beyond the nature of our research. For example, strategic relationships also support our work to develop and publish a range of unique policy-relevant datasets. These datasets notably include the HILDA Survey data, the contract for which was again won by the Melbourne Institute this year from the Department of Families, Housing, Community Services and Indigenous Affairs; plus a range of economic indicators published by the Melbourne Institute's Applied Macroeconomics and Industrial Economics teams, a number of which have been sponsored by the same organisation for many years. Several new publications were added to our existing portfolio this year, including the *Melbourne Institute Monthly Bulletin of Economic Trends*.

Well-established relationships also support elements of our outreach activities to promote research-based debate on contemporary economic and social policy in Australia, and to facilitate public discussion. A highlight of 2008, for example, was the fifth Economic and Social Outlook Conference, hosted jointly by the Melbourne Institute and *The Australian*. This brought together 65 speakers from politics, academia, business, non-government organisations, and commentators and drew a capacity audience. Held in March, well before the onset in September 2008 of the sharp global credit crisis, the conference provided an opportunity to take stock of Australia's framework of economic and social policies shortly after the election of the new government. However, this activity was one of a number of public or semi-public events and seminars, including our regular Forums held in Melbourne and Canberra, and a series of in-house seminars on issues as diverse as skills formation, and the health workforce.

It is particularly pleasing that during 2008 the Intellectual Property Research Institute of Australia (IPRIA) moved to the Melbourne Institute, and is now under the leadership of Associate Professor Beth Webster. IPRIA is jointly funded by IP Australia and the University of Melbourne. It is also a multi-year funding arrangement, which supports research and outreach activities concerning innovation.

Although fully self-funded, the Melbourne Institute prides itself on maintaining high academic standards. We are an academic institution after all. This Annual Report details an impressive list of publications, peer review grants and other indicators of the academic excellence of the work of our dedicated staff. I extend my grateful thanks to all of our people, academic and professional. We could not survive as a successful enterprise without their enthusiasm, talent, professionalism, integrity and flexibility.

Thanks are also due to the long-standing Chairman of our Advisory Board, Tony Cole, and to the other members of the Board — some of whom have been friends of the Melbourne Institute for many years. We very much value their wisdom, insights and continued support.

In 2008 the senior management team began a review of the Melbourne Institute's strategic plan. With human capital issues figuring increasingly in policy discourse, both here and abroad, this review has enabled us to consider how we can work with our established strengths and build our capacity to contribute across a broader range of human capital issues. This review will be taken further in 2009.

We expect 2009 will be another exciting year, with a range of new work coming to fruition as the year progresses. This includes, for example, research on the extent of Australia's integration with Asia; further developments in our modelling capability regarding the operations of the tax and transfer system and general equilibrium dynamic modelling; and measures of the extent of social exclusion in contemporary Australia.

At a time of significant policy challenges across the world — as governments come to grips with the evolving global financial crisis and its aftermath — we at the Melbourne Institute are looking forward to another productive year working with all of our partners and stakeholders.

A stylized, handwritten signature in black ink, consisting of several sweeping, connected strokes.

Professor Stephen Sedgwick
Director

HIGHLIGHTS 2008

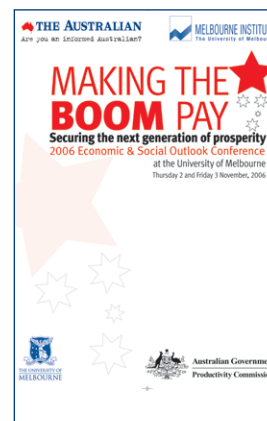
- In 2008 total competitively won research income received by the Melbourne Institute rose 7 per cent to \$11m. This total has grown strongly in recent years and was 43 per cent above the level of 2004. This performance has led to a similarly strong rise in research incentives payments received from the Commonwealth, which amounted to almost \$1m in 2008. Contract research income totalled \$9.6m in 2008 and National Competitive Research grants \$1.3m.
- Staff were also successful in securing three new ARC Discovery Grants and three new Linkage Grants commencing in 2009 amounting to \$785,000 over five years.
- The Melbourne Institute and *The Australian* jointly held their fifth Economic and Social Outlook Conference in March, entitled 'New Agenda for Prosperity'. The event was the first broad-ranging policy conference after the election of the new government, and included contributions from the Prime Minister, key senior Commonwealth Ministers, Shadow Ministers, academics and commentators.
- The Australian Government announced in July that the Melbourne Institute was successful in its bid to continue to manage the Household, Income and Labour Dynamics in Australia (HILDA) Survey for waves 9 to 12. The seventh wave of the HILDA Survey was completed, with an excellent wave-on-wave response rate of close to 95 per cent achieved. The size of the HILDA user community continued to grow and by the end of 2008 the number of people registered to use at least one of the HILDA data releases numbered 1045.
- In July 2008, Associate Professor Beth Webster was appointed as the new Director of the Intellectual Property Research Institute of Australia (IPRIA), which is now located at the Melbourne Institute. Associate Professor Beth Webster continues to head the Industrial Economics research program.
- The Melbourne Institute's Labour Economics and Social Policy research program commenced work on a new program relating to vocational education and training for the National Centre for Vocational Education Research (NCVER) following a tender process in late 2007.
- Work continued under the long-standing Social Policy Research Services (SPRS) contract, currently managed by the Department of Education, Employment and Workplace Relations (from 2001 to 2005 the contract was managed by the Department of Families, Housing, Community Services and Indigenous Affairs): nine projects were completed in 2008 (with seven commenced for completion in 2009) and nine refereed journal articles based on research under this contract were accepted or published in 2008. The third annual SPRS Conference was held in October. This presented an opportunity for the researchers to present their findings to relevant policy advisers in Canberra.
- The first wave of the MABEL — Medicine in Australia: Balancing Employment and Life — survey was sent to all doctors in Australia in June 2008, with over 10,000 doctors responding. One of the largest longitudinal panel surveys of doctors in the world, MABEL is conducted by the Health Economics team and will provide new insights on how changes in the working lives of Australian doctors are influencing the provision of healthcare. An initial set of results will be available in the first half of 2009.
- Two academic workshops were conducted by the Melbourne Institute:
 - 'Education and Skill Mismatches in the Labour Market', November — jointly organised by the Labour Economics and Social Policy research program and the NCVER, and
 - Health Economics Workshop', March — organised by the Health Economics research program.
- The Industrial Economics research program commenced or concluded about a dozen projects concerned with innovation and organisational performance. The program also developed an innovative approach to measure the growing integration between Australia and Asia, in association with Asialink and PricewaterhouseCoopers. This will be published early in 2009 as the *PricewaterhouseCoopers Melbourne Institute Asialink Index*.
- Melbourne Institute staff members (and affiliated associates) published one book, three chapters in edited books, and 44 articles in refereed journals, and presented papers at 31 domestic or international conferences.
- Melbourne Institute staff continued to serve on a wide range of Advisory Boards and committees of professional or policy interest. For example, the Director was appointed Chair of an Expert Reference Group established by the Minister for Employment Participation, the Hon Brendan O'Connor, to provide advice about a performance management framework for the employment services contract — to take effect from mid-2009. Also Associate Professor Beth Webster was appointed to the advisory panel for the Review of the Australian Automotive Industry headed by the Hon Steve Bracks.
- The Melbourne Institute continued to publish a range of economic surveys which provided timely insights into the implications for Australia of the unfolding global financial crisis. The Applied Macroeconomics group also resumed the monthly publication of short-term economic forecasts. These are contained in the *Monthly Bulletin of Economic Trends*.

Medicine in Australia:
Balancing Employment and Life (MABEL)

OUTLOOK FOR 2009

2009 promises to be yet another busy year at the Melbourne Institute. Some examples of what is in store follow.

- The Melbourne Institute will host an invitation-only academic conference in mid-June on tax reform at the request of the Review of Australia's Tax System, headed by Dr Ken Henry, Secretary to the Treasury.
- The sixth Economic and Social Outlook Conference, which will again be co-hosted by *The Australian*, is planned for November. A major theme will be the implications of the global economic and financial crisis for a range of economic and social policies.
- The 2009 HILDA Survey Research Conference will be held on 16–17 July 2009, at the University of Melbourne. The conference will again provide a forum for the discussion of research based on the Household, Income and Labour Dynamics in Australia (HILDA) Survey.
- The ninth wave of the HILDA Survey will be conducted, which will include a health module for the first time. It will also be the first time that the fieldwork is conducted by Roy Morgan Research.
- Work will continue under the Social Policy Research Services contract managed by the Department of Education, Employment and Workplace Relations. This will be the last full year of funding under the current contract. Arrangements to apply in respect of future years will depend on decisions yet to be taken by the government.
- The first results of the survey Medicine in Australia: Balancing Employment and Life (MABEL) will be published in early 2009. Wave 2 of the survey goes out in June.
- Professorial Research Fellow Tony Scott will become the Director of Research of the new National Health Workforce Research Partnership. Funded by the National Health Workforce Taskforce for \$3m over three years, this is a collaboration with the Australian Health Workforce Institute and PricewaterhouseCoopers. It will address national health workforce planning and policy issues.
- In collaboration with the Brotherhood of St Laurence, the Melbourne Institute aims to develop new measures of poverty and social exclusion for Australia. This work is consistent with the long-standing poverty focus of the Melbourne Institute extending back to the pioneering work of its founding Director, Professor Ronald Henderson, who developed the Henderson Poverty Line in 1966 and went on to chair the Australian Government's Commission of Inquiry into Poverty, established in 1973. The launch of the new measures is planned for November.
- The Melbourne Institute will convene a major conference on 'Commercialising Inventions' early in the year. Ten other seminars are planned throughout the year by the Industrial Economics program on topics ranging from the Australian inventors survey results, the economics of trade marks and designs, and auction markets for patents.
- The Melbourne Institute plans to deepen its capabilities in respect of education-related research in coming years.



The sixth Economic and Social Outlook Conference will be held in November 2009.

LABOUR ECONOMICS AND SOCIAL POLICY



Professor Kostas Mavromaras

2008 was another highly successful year for the Labour Economics and Social Policy (LESP) research program.

The Social Policy Research Services (SPRS) contract entered its eighth year. The emphasis of the research continued to be on the dynamics of the labour market, where the LESP team is arguably a leading force in the development of Australian research and resulting evidence-based policy. The highly successful third annual SPRS conference in Canberra highlighted the quality, continuity and cohesiveness of the research resulting from the SPRS contract.

The LESP team continued to build on its considerable contributions to ARC-funded research, and to further expand the diversity of its research and the breadth of its national and international collaborations with the success of two Discovery Grant applications for funding beginning in 2009 and two new Linkage Project Applications with funding started during 2008. The ongoing ARC projects made good progress producing a number of working papers and published articles.

Once again, the LESP team has maintained a high level and quality of academic output. Members of LESP presented two papers at national conferences and 16 papers at international conferences in 2008. In 2008, 12 working papers were produced, and 19 journal articles were published. The development work related to the Melbourne Institute Tax and Transfer Simulator (MITTS) model continued throughout 2008.

In terms of finances and staff numbers, LESP continued to grow throughout 2008. Further developing our internal

management structure, Associate Professor Guyonne Kalb is now the Deputy Director of LESP and a member of the Melbourne Institute's Senior Management Group.

LESP further developed its research output and future research possibilities on skills issues within the broader human capital agenda. The emphasis remains on skills shortages, skills mismatches and related labour market issues. A partnership between LESP and the National Centre for Vocational Education Research (NCVER) was started, with a number of research projects completed during 2008.

Our international network has extended beyond the established relationship with Swansea University, to include the Economic and Social Research Institute, Dublin, and new funding from the European Union CEDEFOP on skill mismatches research. The second Education and Skill Mismatches Workshop took place in 2008 and involved Australian and overseas academics, State and Commonwealth government officials and NGO representatives.

Social Policy Research Services Contract

2008 was the eighth year of the research partnership with the Commonwealth Government. Seven new projects were started in 2008, and nine projects were completed.

The third SPRS Annual Conference, held in Canberra in October 2008, provided an overview of the findings since the last conference on projects funded under the SPRS contract. In view of the increased responsibilities assigned to the Department of Education, Employment and Workplace Relations (DEEWR) after the election, the customary panel discussion at the end of the conference addressed what broader range of research issues is now consistent with the wider remit of DEEWR, which presently encompasses both employment and education.

Regular meetings of the Research Management Committee were held throughout the year in Canberra and Melbourne. As 2009 is the final year of the current SPRS contract, the Committee agreed that four projects would be undertaken as part of the 2009 research agenda.

Listed next is the status of SPRS projects that were started or in progress during 2008.

SPRS Projects Completed in 2008

5/06	Location Economics of Income Support Recipients
7/06	Working Credits — A Low Cost Alternative to Universal Income Tax Credits?
1/07	Incidence of Work-Related Injury and Illness and Outcomes for Specific Groups of Workers
2/07	Intergenerational Correlation of Labour Market Outcomes
3/07	The Factors that Influence Wage Progression
6/07	Full-Time Work and Sole Parents
7/07	Teenage Mothers' Income Support, Education and Paid Work: The Dynamics of Welfare Participation (the final report was completed in 2007 and was formally approved in February 2008)
8/07	Skills Acquisition, Employability and Employment Choices of Income Support Recipients
9/07	Pathways to Higher Pay

SPRS Projects Started in 2008

1/08	The Employment Outcomes of Youth Entering the Labour Market
2/08	Wage Transitions of Apprentices
3/08	Location Economics of Income Support Recipients (extension of project 5/06)
4/08	Combining Income Support and Earnings
5/08	Mental Wellbeing of the Australian Working Population
6/08	Experiences of Income Support Recipients with a Mental Illness
7/08	Dynamics of Household Joblessness in Australia 2001–2006

NCVER

2008 was the first year of the National Vocational Education and Training Research Evaluation program (NVETRE), undertaken in collaboration with the National Centre for Vocational Education Research (NCVER). Four projects commenced in 2008 as planned. Three projects are planned for 2009.

The second Education and Skill Mismatches Workshop was organised jointly with the

NCVER and largely covered issues that are related to skills utilisation and vocational and other education and training. A number of overseas researchers visited the Melbourne Institute between October and December 2008, dealing with issues related to VET in Australia and Europe.

A Melbourne Institute Economics Forum and a Melbourne Institute Public Economics Forum on skills utilisation and related issues are planned for the first quarter of 2009 — and these events will be supported by the NCVER.

Listed next is the status of projects started during 2008 and projects that are planned to start in 2009.

NVETRE Projects in 2008

2008-1	Analysis of Private Returns to VET (Completed)
2008-2	The Incidence and Wage Effects of Overskilling among Employed VET Graduates (Completed)
2008-3	Labour Market Dynamics: The Role of VET (In progress)
2008-4	The Role of Education in Labour Market Outcomes of People with Disabilities (In progress)

NVETRE Projects in 2009

2009-1	VET as an Antidote to Persistent Overskilling (Planned)
2009-2	The Role of VET in Preventing the Scarring Effect of Youth Joblessness (Planned)
2009-3	An Investigation of the Student Outcome Survey of VET Graduates (Planned)

ARC/NHMRC Projects

- The LESP team was again successful in securing ARC funding for several new Discovery and Linkage projects. The team's substantial involvement in ARC projects is outlined below.

ARC Discovery Grants

Ongoing:

- 'Understanding the Saving Behaviour of Australian Households: Private Retirement Provision and the Policy of Forced Saving'.

- 'The Effects of the Tax and Social Security System on Labour Supply and Social Welfare'.

New:

- 'Effects on Labour Supply, Savings and Welfare of the July 2007 Policy Changes to Superannuation and the Age Pension'.
- 'International Comparisons of Retirement Decisions and Well-Being of Mature Age Populations: Applied Micro Economic Analyses'.

ARC Linkage Grants

Ongoing:

- 'Economic Modelling of the Nurses' Labour Market in Australia'.
- 'Experimental Evaluation of YP4: Is "Joining Up" Services for Homeless and Jobless People a Net Benefit to Society?'.
- 'Job Retention and Advancement of Disadvantaged Job-Seekers'.
- 'Ageing Baby Boomers in Australia: Informing Actions for Better Retirement'.

New:

- 'Obesity Prevention among Low Income Families: Economic and Strategic Modelling'.
- 'Improving Employment Outcomes in Early Psychosis: Social and Economic Benefits of Early Intervention'.

NHMRC Grants

- 'Understanding the Dynamics of the Medical Workforce to Improve Population Health and Equity of Access: The Australian Longitudinal Survey of Doctors'.

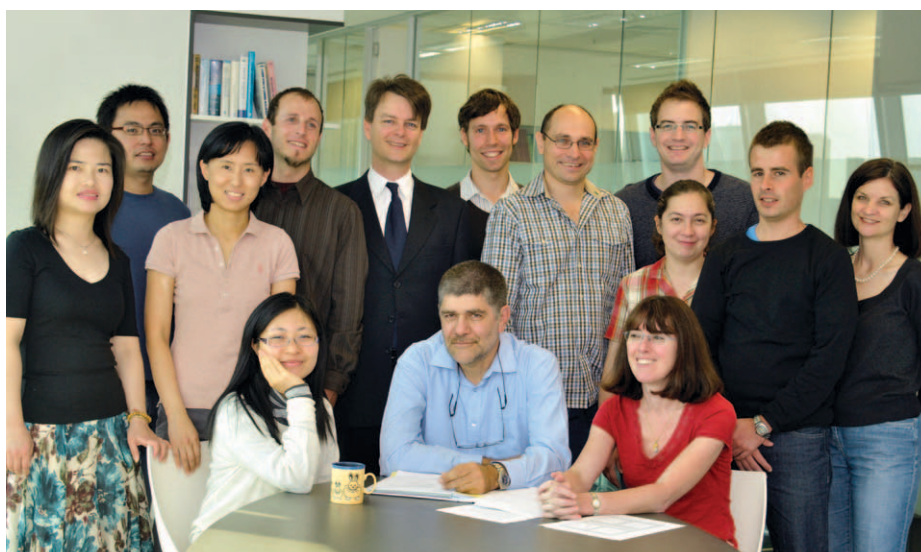
Smaller Projects and Consultancies

Labour Supply Effects of Minimum Wages

This scoping study was commissioned by the Australian Fair Pay Commission (AFPC). The project investigated how the Melbourne Institute Tax and Transfer Simulator (MITTS) could be used to analyse the effects of minimum wages on labour supply. The final report was delivered in June 2008, and a related research paper was presented at the 2008 AFPC Research Workshop on 30–31 October, and was published as a chapter in their conference proceedings.

Distributional Modelling Based on the Garnaut Climate Change Review Results

This project used the CGE Modelling from the Garnaut Climate Change Review as inputs into MITTS, to disaggregate economy-wide macro level results into results at the household and individual level. This allowed some analysis of the distributional effects from climate change mitigation. The research appeared as Report No. 9 in the Melbourne Institute Report series in December 2008.



Members of the Labour Economics and Social Policy team

An Analysis of Churn within the Australian Tax and Transfer System from 2003–04 to 2008–09

A project was commissioned by *The Australian* to investigate the 'churn' of tax and transfers at a micro level, where churn is defined as individuals paying income tax while at the same time also receiving income support payments. This project resulted in a final report (published on the Web) in September and a series of newspaper articles in *The Australian* in September and October 2008.

MITTS Model: Training and Technical Assistance

As part of an ongoing consultancy with the Commonwealth Treasury, the Melbourne Institute provided continuing assistance with the Melbourne Institute's microsimulation model in 2008.

Comparative Well-Being of DVA and Centrelink Pensioners

This project, completed in December 2008, was commissioned by the Department of Veteran's Affairs (DVA) to compare — using HILDA data — the well-being of DVA Pensioners (their financial, health and life satisfaction) to the well-being of Centrelink Pensioners. Findings from the Final Report will be presented at the DVA Applied Research Seminar Series in March 2009.

Poverty Lines: Regional Updates

Quarterly, regional-level *Poverty Lines* were issued in 2008 according to the agreement with Westpac.

International Reform Monitor

Since 1999, the Melbourne Institute has been a partner organisation of the International Reform Monitor project, which is a network of representative organisations from 15 OECD countries. Initiated and coordinated by the Bertelsmann Foundation (Germany), the network monitors and produces publications on developments in labour market policy, industrial relations, and social policy in member countries.

External and Internal Collaborations

Internal Collaborations

Several internal collaborative projects were either initiated or built upon in 2008, including the continuation of the joint work with the Applied Macroeconomics team on the

ambitious undertaking to link MITTS to the Melbourne Institute Dynamic Stochastic General Equilibrium (MIDGE) model. Another collaboration with the recently established Health Economics team saw further development of the MABEL Survey and related research on the labour market for nurses.

Collaboration with the Brotherhood of St Laurence

Collaborative work with the Brotherhood of St Laurence continued under the leadership of Dr Rosanna Scutella, the Ronald Henderson Research Fellow. An ARC Linkage project on 'Disadvantaged Job Seekers' involves Melbourne Institute researchers, Dr Rosanna Scutella, Dr Roger Wilkins and Professor Kostas Mavromaras together with distinguished researchers from overseas, Professor Paul Gregg (University of Bristol) and Dr Jonathan Wadsworth (London School of Economics). The major focus of this project in 2008 was to design and implement the first wave of the planned longitudinal survey of disadvantaged jobseekers placed in employment. To date over 1200 responses to the mail-out survey have been received. Analysis of these responses is underway with a number of publications planned in 2009 to discuss survey findings. A further area of collaboration with the Brotherhood of St Laurence is a project developing Australian measures of poverty and social exclusion. This work is to continue in 2009 with the launch of these measures planned for November.

International Collaborations

Collaborative work with researchers outside Australia included the continuing work on 'Evaluation of Obesity Prevention' with researchers at the University of Aberdeen,

and work with Dr Justin van de Ven (National Institute of Economics and Social Research, UK) to develop a life-cycle model of individual and household behaviour with regard to savings and labour supply — which has now resulted in a successful ARC Discovery Grant application.

Professor Peter Sloane and Dr Nigel O'Leary (both from the Department of Economics and WELMERC, Swansea University) visited Melbourne in 2008 to continue joint research into the incidence and effects of skill mismatches in the Australian and UK labour markets, which is jointly funded by the UK Economic and Social Research Council and the Melbourne Institute.

Professor Paul Gregg visited the Melbourne Institute early in 2008 to work on the ARC Linkage project on disadvantaged job seekers (previously described), giving seminars at both the Melbourne Institute and the Brotherhood of St Laurence. The LESP team is also involved in a project with James Thurlow for the World Bank on agricultural distortions, poverty and inequality in South Africa.

In other ongoing collaboration, staff are working with Associate Professor Sholeh Maani (University of Auckland) analysing national exam grades at high school while accounting for early school leaving. Staff are also working with Mr Thor Thoresen (Statistics Norway) on a project that compares Australia and Norway with regard to family-related payments. The project applies the countries' respective microsimulation models to analyse the effects on expenditure, labour supply and income distribution of changing parts of Australian policy towards the Norwegian system.



From left: Associate Professor Guyonne Kalb, Ha Vu and Dr Hielke Buddelmeyer

THE HILDA SURVEY



Professor Mark Wooden

Last year we reported that the Australian Government had decided in 2007 to provide funding to extend the collection of HILDA Survey data for a further four years, that is to conduct waves 9 to 12. Subsequently the government conducted a tender for the right to manage the HILDA Survey contract over that period, which thankfully was won by the Melbourne Institute.

The decision to continue the survey is testimony of the value to the researchers, and to policy advisers, of the data generated by the HILDA Survey.

Welcome to Roy Morgan

One unexpected development during 2008 was the announcement by the Nielsen Company that it would cease its involvement as the fieldwork provider for the HILDA Survey on the completion of wave 8. The Melbourne Institute thus undertook its own tender during the first half of 2008 to find a replacement for Nielsen. The successful tenderer was Roy Morgan Research, which is particularly well known for its flagship survey vehicle — the Morgan Gallup Poll.

Roy Morgan will assume responsibilities for all data collection functions from wave 9 onwards. This includes all testing phases, which commenced in late 2008.

Transition to CAPI

A key feature of the Roy Morgan tender was a proposed change in data collection method. For waves 1 to 8 the primary mode of data collection has been personal interviews employing traditional pen-and-paper methods. For future waves we

will continue to rely primarily on personal interviews, but using computer-assisted methods (CAPI).

The shift to CAPI will reduce costs by eliminating the data entry stage. In addition, it is expected that the incidence of both recording and reporting errors will be reduced, given CAPI provides the ability to query internally inconsistent responses.

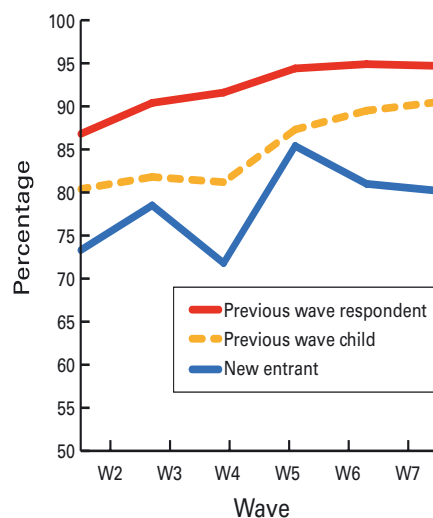
Nevertheless the change in collection mode, together with the change in data provider, has the potential to significantly disrupt data continuity, a particularly serious problem for a longitudinal survey. Overseas experience, however, indicates that if the transition is well managed, such discontinuities will be minimal if not avoided entirely. During 2008 we have thus designed and implemented a plan that we expect will ensure that the experience of the HILDA Survey is similar to its international counterparts.

Data Collection and Questionnaire Design

Wave 7

The main business of the HILDA Survey is the collection and dissemination of data, and collection of data for wave 7 was finalised in 2008. Rates of respondent participation remained high, with our headline rate — the proportion of respondents from wave 6 who also participated in wave 7 — again reaching almost 95 per cent.

HILDA Survey Response Rates Remain High



After the usual array of checks and edits and extensive value-adding enhancements — construction of derived variables, weights, and imputation of missing values — the unit record data from wave 7 will be released in February 2009.

Wave 8

In addition to the preparation of data release 7, the other major activity during 2008 was the testing of the wave 8 survey instruments and the commencement of the wave 8 fieldwork (from late August). Preliminary indications are that response rates will be similar to previous years.

The key feature of wave 8 is the repeat of the extension module on fertility and family formation previously included in wave 5. In addition, new question sequences on relationships with non-co-resident family members have been included for the first time.

Wave 9

Development work also commenced during 2008 on the wave 9 questionnaires, with skirmish testing of new content conducted in November.

The main innovation for wave 9 is the inclusion of a dedicated health module, expected to be included every four years. Among the topics being considered for inclusion are: child health, difficulties caused by health conditions, serious illness conditions, retrospective childhood health, health expectations, private health insurance, utilisation of health services, diet and physical activity.

Families, Incomes and Jobs: Volume 3

The HILDA Survey team also released its third statistical report during 2008. This report presents short articles analysing a range of issues informed by the first five waves of the HILDA Survey. The structure of the report largely mirrors the content of the survey, examining change in four key areas: family life, incomes, employment and joblessness, and life satisfaction and overall well-being.

The next statistical report (Volume 4), which will cover the first six waves of data, was also drafted during 2008 and will be released in 2009.

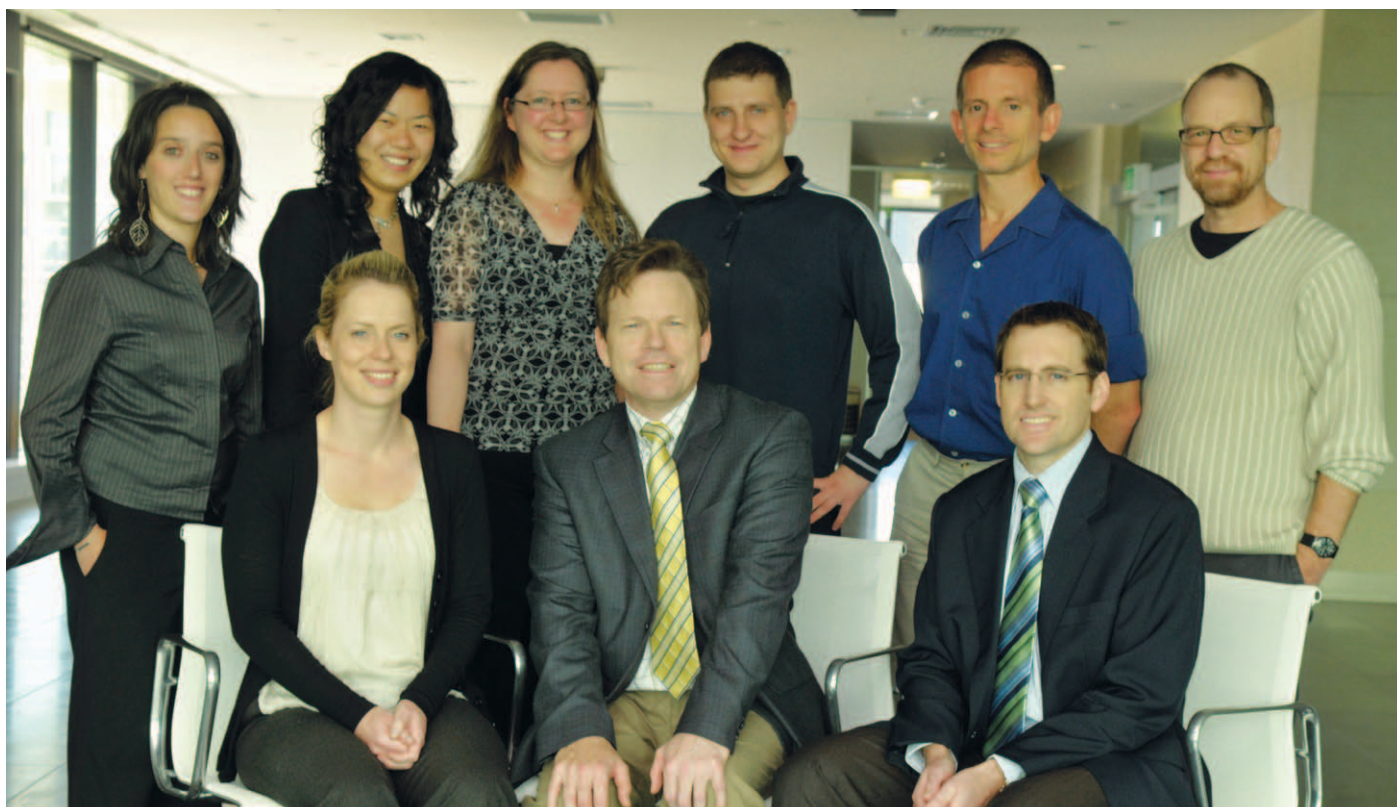
HILDA Passes the 1000th User Mark

One of the major successes of HILDA has been the uptake of the data within the research and public policy communities. As shown in the accompanying table, the number of approved users of the HILDA Survey data has gradually grown over time, and during 2008 the size of the community, in terms of heads, passed the 1000 mark. This is an impressive achievement given both the complexity of panel data and the relatively small size of the research community in Australia who possess the necessary skills to make use of the data.

Use of the HILDA Survey Data Continues to Grow

Release	Total data orders	Orders by new users	Cumulative number of users
Release 1 (Wave 1)	204	204	204
Release 2 (Waves 1 and 2)	265	167	371
Release 3 (Waves 1 to 3)	280	154	525
Release 4 (Waves 1 to 4)	329	170	695
Release 5 (Waves 1 to 5)	387	175	870
Release 6 (Waves 1 to 6)	400	175	1045

Of course, data orders do not necessarily imply effective data use. While it is virtually impossible to identify any simple metric for measuring data use within government, within academia it is relatively straightforward to identify publications that make use of the HILDA Survey data. The results of this monitoring exercise are reported on our website in the guise of the HILDA bibliography. At the end of 2008, HILDA had generated 149 papers published in scholarly journals (with a further 26 known to be forthcoming), and an even larger number of conference papers, working papers and publicly available reports. This is quite encouraging given the relatively short life of the survey.



Members of the HILDA team

APPLIED MACROECONOMICS



Professor Guay Lim

Outputs of the Applied Macroeconomics research program include significant data analysis contained in a number of (sponsored) reports on the Australian economy, as well as research papers using advanced macroeconomic theory and macroeconometric techniques. Examples of the outputs in 2008 are described below.

Reports on the State of the Australian Economy

- *Westpac – Melbourne Institute Indexes of Economic Activity*
- *Westpac – Melbourne Institute Survey of Consumer Sentiment (Australia, NSW, Victoria, Queensland, Western Australia, South Australia)*
- *Westpac – Melbourne Institute Survey of Unemployment Expectations*
- *Manpower – Melbourne Institute Employment Report*
- *Melbourne Institute Wages Report*
- *TD Securities – Melbourne Institute Monthly Inflation Gauge*
- *Melbourne Institute Survey of Consumer Inflationary Expectations*
- *Melbourne Institute Household Saving and Investment Report*
- *Melbourne Institute Monthly Bulletin of Economic Trends*

Understanding the Australian Economy

Review of the Australian Economy 2008–09: Recession, Retrenchments and Risks

This article provides a brief review of the Australian economy as it grapples with the implications of the global financial crisis. It discusses the probability of a recession, the states and industries likely to face severe retrenchments, and the risks to inflation from easy monetary policy in conjunction with a stimulatory fiscal policy. (Forthcoming, *Australian Economic Review*, March 2009, G. Lim, C.L. Chua, E. Claus and S. Tsiaplias)

Phillips Curve and the Equilibrium Rate of Unemployment

A time-varying Phillips curve was estimated as a means to examine the changing nature of the negative relationship between wage inflation and the unemployment rate in Australia. The implied equilibrium unemployment rate was generated and the analysis showed the important role played by variations in the slope of the Phillips curve in changing the equilibrium unemployment rate. The deviations of actuals from the estimated equilibrium unemployment rates also performed well as measures of inflationary pressures. (G. Lim, R. Dixon and S. Tsiaplias)

Nesting Yield Curve Shifts and Rotations in a Model of Monetary Policy Shocks

In response to monetary policy shocks, the term-structure generally shifts but sometimes rotates. This paper produces an empirically implementable model for nesting both responses. Estimates from data on the United States, Canada, Australia and New Zealand using latent factor models and identification through heteroskedasticity offer informational advantages over event studies. The results strongly support the hypothesis that differing term-structure responses are reactions to different types of monetary policy shock, rather than differing reactions to the same policy shock. Model simulations produce results that closely resemble actual outcomes. (E. Claus with M. Dungey)

A Univariate Model of Aggregate Labour Productivity

In this paper, the authors set out a model of labour productivity which distinguishes between shocks which change productivity permanently, and shocks which have transient effects on productivity. They show that this model is a type of unobserved components model — a random walk with drift plus noise model. The advantage of this approach is that it provides a coherent framework to identify the deterministic trend growth component and also the productivity-enhancing (or technology-related) stochastic components. The model is applied to aggregate labour productivity in Australia and the time series of technology shocks extracted is used to shed some light on the contributions of policy reforms to productivity. (G. Lim with R. Dixon)

Forecasting Methodologies

Forecasting Australian Macroeconomic Time Series with a Large Variable Set

This paper investigates the forecasting performance of the diffusion index approach for the Australian economy, and considers the forecasting performance of the diffusion index approach relative to composite forecasts. Weighted and unweighted factor forecasts are benchmarked against composite forecasts, and forecasts derived from individual forecasting models. The results suggest that diffusion index forecasts tend to improve on the benchmark AR forecasts. The authors also observe that weighted factors tend to produce better forecasts than their unweighted counterparts. They find, however, that the size of the forecasting improvement is less marked than previous research, with the diffusion index forecasts typically producing mean square errors of a similar magnitude to the VAR and BVAR approaches. (S. Tsiaplias and C.L. Chua)

Seven Leading Indexes of Employment

This paper constructs seven leading indexes of New Zealand employment and compares their forecasting performance. The paper has two aims. The first is to extend the leading index approach to

employment. Typically, the literature focuses on output and to a lesser extent on inflation. Output and employment share many similarities which make the leading index approach particularly appealing. The second aim is to assess the forecasting performance of indexes constructed using various methods available in the literature. The list of construction methods aims to be comprehensive including all major approaches, but it remains by no means exhaustive. The methods divide into two main categories: those based on a small number of component series and those based on large datasets. They reflect varying degrees of technical sophistication, ranging from simple scoring of changes to relying on frequency domain methods to estimate dynamic latent factors. The results show that, despite the varying degree of statistical sophistication, no single index dominates in terms of accuracy in forecasting employment growth one to four quarters ahead. This suggests that relying on a suite of models may be the optimal forecasting strategy. (E. Claus)

A Bayesian Simulation Approach to Inference on a Multi-State Latent Factor Intensity Model

This paper provides a Bayesian approach to inference on a multi-state latent factor intensity model to manage the problem of highly analytically intractable pdfs. The sampling algorithm used to obtain posterior

distributions of the model parameters includes a particle filter step and a Metropolis-Hastings step within a Gibbs sampler. A simulated example is conducted to show the feasibility and accuracy of this sampling algorithm. The approach is applied to the case of credit ratings transition matrices. (C.L. Chua, G. Lim and P. Smith)

Macroeconometrics and Macro-Simulations

Productivity Shocks in the Short and Long Run

This paper uses a dynamic general equilibrium model to study the nexus between productivity growth and unemployment. The model predicts a positive effect of productivity on unemployment in the short run and a negative effect on unemployment in the long run. The model was applied to a diverse set of data and estimated using maximum likelihood and structural vector autoregression techniques. The authors find empirical evidence from a number of countries to support the hypothesis (P. Chen with G. Gong, A. Rezai and W. Semmlar)

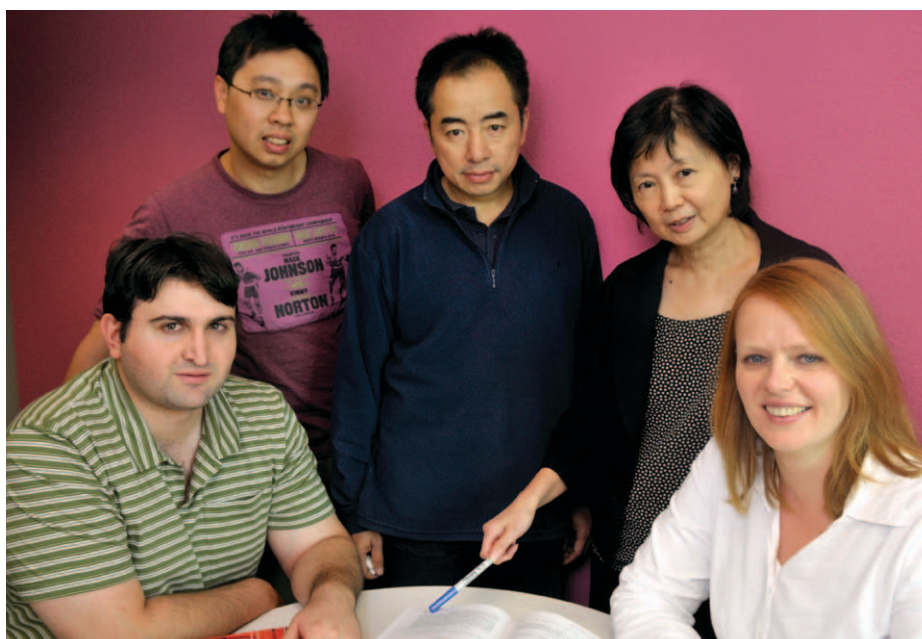
Cyclical Fiscal Policy, Income Inequality and Welfare in Small Open Economies

This paper compares the effects of pro- and counter-cyclical government spending on

income inequality and welfare in a small open economy. The authors examine the consequences of alternative government spending rules following shocks to productivity, domestic interest rates, terms of trade and export demand. The simulated results show that the type of spending rule makes negligible difference to welfare, in the face of domestic or external shocks. However, pro-cyclical government spending reduces income inequality by more than counter-cyclical spending behaviour across different shocks and alternative relative labour intensities. (G. Lim with P.D. McNelis)

Boom-Bust Cycles, Default Risk and Asset Pricing

This paper finds default perception and default risk to be important in understanding the co-movements of various real and financial variables during economic booms and busts. The authors use time series data for the US post-war economy and measure default premia by corporate bond spreads. They find that an increase in risk perception during periods of economic contractions have an impact on credit conditions, default premia of corporate bonds and asset pricing, in general. These effects have significant implications for monetary authorities in their implementation of monetary policy during periods of economic downturns. (P. Chen with L. Grüne and W. Semmler)



Members of the Applied Macroeconomics team

HEALTH ECONOMICS



Professor Tony Scott

The Health Economics research program was formally established at the beginning of 2008, after building significant momentum since 2005. Its aim is to conduct high-quality and policy-relevant research across a number of areas of applied health economics. The program is based in the Melbourne Institute and employed five researchers in 2008. The program has 19 other 'members' from across the University of Melbourne, including the Department of Economics, School of Population Health, and Department of General Practice. This includes other economists conducting academic research in health and health care.

Research is funded from competitive external grants from ARC, NHMRC, State and Commonwealth governments, and other sources. Since 2005, we have been involved in grants worth \$7.1m, with \$3.1m as chief investigator. Members have a strong international record of health economics research in the following areas:

- health care workforce and health professionals' labour markets;
- health insurance and health care finance;
- performance, incentives and competition in health care;
- the economics of primary health care services;
- social and economic determinants of health; and
- the economics of substance use and abuse.

These are under-researched areas of work within Australia and internationally, as well as being highly policy relevant.

The methods used in these areas include the interrogation of large datasets using econometric techniques, through to the collection of data using specially designed surveys and experiments.

We continue to meet regularly with policy makers at various levels of government informing them of our research findings and activities, with a view to building long-term partnerships. These include the Department of Human Services (Victoria) and a number of sections in the Commonwealth Department of Health and Ageing.

Research

Publications

Research staff had papers accepted and published in *Social Science and Medicine* and *Health Economics*, and presented at a number of domestic and international peer-reviewed conferences. Eight working papers were also produced which were submitted to leading journals in 2008.

Workshops and Visitors

The Health Economics research program hosted a one-day workshop in March. Speakers included Professor Carol Propper (University of Bristol) and speakers from the Melbourne Institute and the Department of Economics. Topics included the performance of public and private hospitals, by Dr Paul Jensen, and how obesity may be caused by parents' 'bad habits', by Professor Kostas Mavromaras.

Other visitors and seminar speakers in 2008 included Professor Bob Elliott (University of Aberdeen), Dr Tom van Ourti (Erasmus University), Professor Steve Birch (McMaster University) and Professor Jeff Richardson (Monash University). We also hosted an MSc student from the University of York (Paedric Ward).

Projects in 2008

MABEL

The first wave of the NHMRC-funded longitudinal survey of doctors (Medicine in Australia: Balancing Employment and Life) was administered in the middle of 2008, with over 10,000 doctors completing the survey. These doctors are representative by age, gender, doctor type and geographic location. Initial results will be available in the first half of 2009, with the second research wave to commence in June 2009.

Improving Your Working Life

This survey of nurses investigates factors influencing nurses' labour supply. It is funded by an ARC Linkage Grant with the Department of Human Services, and the survey was administered in late 2008. The data will be analysed during 2009.

Blended Payments for General Practitioners

This research was funded by an ARC Discovery Grant which was completed in 2008. The research evaluated the effects of the Practice Incentive Program on indicators of quality of care. Results showed improvements in quality of care for diabetes and asthma, but not for cervical screening or mental health. Results will be published throughout 2009.

Financial Incentives, Personal Responsibility and Prevention

Professor Tony Scott and Dr Stefanie Schurer were invited to prepare a discussion paper for the National Health and Hospitals Reform Commission (NHHRC). This reviewed evidence for the use of financial incentives provided to patients to encourage their uptake of preventive health services. This will be included in the NHHRC Interim Report published in early 2009.

The Sonography Workforce

This was the subject of a review for the Department of Human Services involving Professor Tony Scott, Peter Sivey and colleagues from the Australian Health Workforce Institute at the University of Melbourne.

New Grants Awarded in 2008

Four new project grants were awarded in 2008, to begin in 2009.

Two ARC Linkage Grants are in the area of the social and economic determinants of health, which is an area of proposed expansion for the Health Economics program.

The first study, 'Obesity Prevention among Low Income Families: Economic and Strategic Modelling', will be conducted by Dr Catherine Burns, Professor Kostas Mavromaras, Professor Tony Scott, Ms Lisa Gold and Dr Mark Lawrence. VicHealth is our Linkage partner. This project will examine the determinants of healthy food choices amongst low socio-economic groups.

The other ARC Linkage Grant, 'Social and Health Inequalities Related to Changes in Drinking Water in Rural Victoria', will be conducted by Dr Andrea Sanigorski, Professor Liz Waters, Professor Tony Scott, Dr Mark Gussy, Ms Lisa Gold and Dr Hanny Calache. The Department of Human Services (Victoria) is our Linkage partner. This project examines the role of fluoridation of the water supply in relation to drink choices, obesity and dental health.

A research grant was received from the Australian Primary Health Care Research

Institute, for a systematic literature review on the impact of financial incentives on the quality of primary health care in Australia. This project will be conducted by Professor Tony Scott, Dr Lucio Nacerella, Dr John Furler and Professor Doris Young. A narrative and Cochrane systematic literature review will be conducted.

A Faculty Research Grant, provided by the Faculty of Economics and Commerce, was received to investigate the validity of the relative income hypothesis using Australian survey data (HILDA). This project,

conducted by Dr Stefanie Schurer, examines the degree by which different measures of relative income and the estimation methods chosen influence the conclusions on the effects of income position on individual well-being (life satisfaction). The project develops alternative parametric and non-parametric estimation methods that overcome methodological shortfalls identified in the general happiness literature.



Members of the Health Economics team

INDUSTRIAL ECONOMICS



Associate Professor Beth Webster

Major Projects

The ARC Linkage Grant project 'Uncertainty and the Success of Innovation' was completed in 2008. Four papers have been written using the data from the survey of Australian inventors who previously submitted patent applications to IP Australia. The first paper was on the determinants of commercialisation, the second on the effects of the macroeconomic environment on commercialisation, the third on industry experience with patent enforcement, and the fourth on the value of inventions.

Optimal performance of the patent system continues to be a major focus for the Industrial Economics program and in 2008 two new papers were completed — one on misclassification in patent offices, and the other on strategic behaviour by applicants during the patent examination process.

A further research program is currently investigating knowledge spillovers using data from patent citations. Specific papers include spillovers from star inventors, the geographical decay of knowledge spillovers, and the trade-off between incoming and outgoing knowledge spillovers.

A major study of the quality of hospitals in Victoria was concluded. Papers included estimating the effects of hospital type on acute myocardial infarction outcomes; developing an algorithm for estimating hospital quality using mortality outcome measures; assessing the relationship between competition, technical efficiency, and quality; and defining hospital markets and estimating the effect of competition on hospital quality.

In the most recent round of ARC Grants announced at the end of 2008, members

of the Industrial Economics team were successful with another Linkage Grant application entitled 'The Market for Technology in Australia'. The partner organisations are IP Australia, the Australian Institute for Commercialisation and Watermark Patent and Trademark Attorneys.

Regular Reports

Four regular reports, aimed at government and industry, were completed during 2008. These comprised the *IBM – Melbourne Institute 'Innovation Index of Australian Industry'*, the *R&D and Intellectual Property Scoreboard*, the *Australian Patent Applications Scoreboard* and the *PricewaterhouseCoopers Melbourne Institute Asialink Index*.

The IBM – Melbourne Institute 'Innovation Index of Australian Industry'

In 2008, the second annual report card on the state of innovative activity in Australia was produced. The report, funded by IBM Australia, tracks patterns in the rate of Australia's innovative activity by using a wide range of innovation indicators, by industry. The Index fills a gap in current innovation research, as it is the first study to reflect the complex nature of innovation via an inter-industry, multi-indicator analysis approach incorporating data on R&D intensity, patent intensity, trade mark intensity, design intensity, organisational/managerial transformation, and productivity.

R&D and Intellectual Property Scoreboard 2008

This annual report was completed in 2008 and was co-produced with IBISWorld, CTG and IP Australia. The report, which will be released in 2009, documents the number of patent, trade mark and design applications made by Australian firms in 2008 and the amount of R&D expenditure. As such, it provides a benchmark of the most innovative Australian firms. The report also disaggregates this information so that the rankings of innovative firms can be identified by industry.

Australian Patent Applications Scoreboard 2008

The *Australian Patent Applications Scoreboard 2008*, co-produced with IP Australia, reports data and analysis on the number of patent applications made

in Australia each year, and demonstrates how patterns of innovation are changing over time. The Scoreboard shows a strong growth in the number of patent applications to IP Australia — especially in the proportion of foreign applications filed through the Patent Cooperation Treaty protocol. In the report, patent applications are categorised into 30 technology areas and are allocated according to the patent attorney firm which acted on behalf of the inventor. This provides an accurate account of the leading patent attorney firms by technology area.

PricewaterhouseCoopers Melbourne Institute Asialink Index

A new report was undertaken in collaboration with PricewaterhouseCoopers and Asialink (University of Melbourne). This report, for release in February 2009, is intended to be produced annually and measures the rate of change in Australia's engagement with its Asian neighbours. The Index is Australia's first comprehensive study of Australian-Asian engagement — as measured across a range of areas, including trade, investment, tourism, education, migration, business development and humanitarian assistance, between Australia and 25 Asian economies in the period 1990–2007.

IPRIA

The Industrial Economics staff were also involved in projects and seminars hosted by the Intellectual Property Research Institute of Australia (IPRIA) — which is an interdisciplinary research centre (economics, law and management) primarily funded by IP Australia.

A broad range of seminars on intellectual property were held in 2008 across Australia, including Melbourne, Sydney, Brisbane, Perth and Adelaide. The seminar themes were 'The Value of Copyright: Determining Shadow Prices'; 'IP Professionals and Ethics'; 'Mastering the Trade Mark System'; 'Does Australia Have an Innovation Problem?'; 'Privilege and the IP Professional'; 'The Future of the International IP System'; 'World IP Day 2008 Employees' IP and the Employment Relationship — Incentives to Innovate'; and 'In the Shadow of the Australia–China FTA Negotiations: What Australian Business Thinks about IP'.

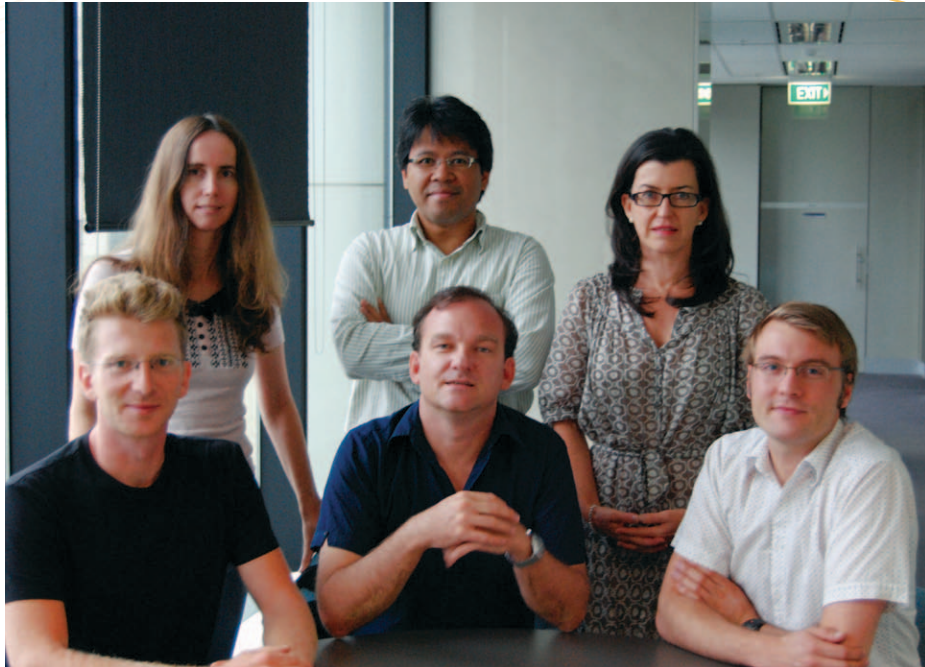
Miscellaneous

Associate Professor Beth Webster was appointed for three years to be a member of the Advisory Council on Intellectual Property, which is the independent body appointed by the government to advise the Federal Minister for Innovation, Industry, Science and Research on intellectual property matters. She was also invited to form part of the panel for the Review of the Australian Automotive Industry headed by the Hon Steve Bracks. Dr Paul Jensen was invited to contribute to the Innovation Measurement Roundtable as part of the Cutler Innovation Review.

A report for AusAID on 'Monitoring the ASEAN Community' conducted in collaboration with the ASEAN Secretariat was finalised in June 2008. It is expected to be launched in January 2009.

A major review of the economic effects of changing the patent inventive step was conducted for IP Australia.

Associate Professor Beth Webster was invited to give a keynote address at the Applied Econometrics Association 97th International Conference in Tokyo.



Members of the Industrial Economics team

CONTRIBUTIONS TO POLICY ANALYSIS AND KNOWLEDGE TRANSFER

A feature that distinguishes the Melbourne Institute from teaching departments in the Faculty of Economics and Commerce is its deep involvement in applied research and knowledge transfer activities.

In a very real sense, virtually all of our contracted research activities are examples of knowledge transfer: work that is informed by our research and which responds to a contemporary policy issue. This is manifestly the case in respect of research commissioned by the government or its agencies. It is also true in respect to many commercially sponsored surveys such as those relating to economic conditions and to ARC Linkage Grants, which represent a partnership between the Melbourne Institute and another party to pool expertise — usually to explore a policy-relevant issue. In addition, the Melbourne Institute conducts a number of public events, or in-house seminars, intended to engage the community and/or policy makers about issues of contemporary policy focus.

Since these matters are so pervasive throughout the work of the Melbourne Institute it would be very repetitive to attempt a comprehensive listing of them in this section. The following is therefore best seen as a highly selective but illustrative list.

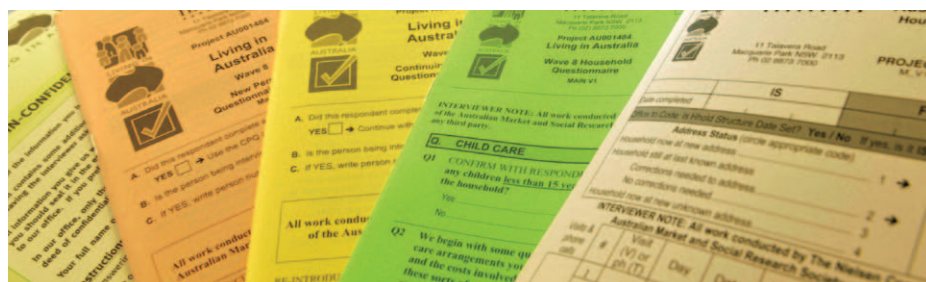
- The Melbourne Institute organised the fifth Economic and Social Outlook Conference, 'New Agenda for Prosperity'. The event was the first broad-ranging policy conference after the election of the new government (details on page 18).
- The Health Economics research program commenced the survey 'Medicine in Australia: Balancing Employment and Life (MABEL)'. Wave 1 of the survey was successfully administered to 10,000 doctors (details on page 12).

- The Melbourne Institute organised quarterly Economics Forums in Melbourne and Canberra (details on page 17).
- Release 6 of the HILDA Survey dataset was delivered to 400 individual users, and the third statistical report, *Families, Incomes and Jobs*, was published — reporting findings from the HILDA Survey (details on page 8).
- The Labour Economics and Social Policy research program commenced work on a new research contract, for the National Centre for Vocational Education Research (NCVER), on vocational education and training (details on page 5).
- Several professional workshops were initiated including 'Education and Skill Mismatches in the Labour Market 2008' (details on page 5).
- In association with Asialink and PricewaterhouseCoopers, a comprehensive report was produced on Australia's engagement with Asia, called the *PricewaterhouseCoopers Melbourne Institute Asialink Index* (details on page 14).
- The Melbourne Institute Director was appointed Chair of an Expert Reference Group, established by the Minister for Employment Participation. Associate Professor Beth Webster was appointed to the advisory panel for the Review of the Australian Automotive Industry, and to the Commonwealth's Advisory Council on Intellectual Property.
- Nine projects were completed under the Social Policy Research Services (SPRS) contract, currently managed by DEEWR. The annual SPRS workshop on work conducted under the contract was presented by Melbourne Institute staff to policy advisers in Canberra (details on page 5).



The Australian Economic Review

- The Melbourne Institute continued to produce the *Australian Economic Review*, Australia's leading academic journal specialising in policy-relevant applied economic research (details on page 30).
- The Melbourne Institute published a range of economic surveys. It also began, after a break of a year or so, to publish short-term economic forecasts, which are contained in the *Monthly Bulletin of Economic Trends* (details on page 30).
- A report for AusAID, 'Monitoring the ASEAN Community', was produced in collaboration with the ASEAN Secretariat.
- In addition to a large number of reports which included views of Melbourne Institute staff on a range of topics, staff also contributed 301 opinion pieces or other articles which were published in newspapers, and spoke at 45 non-academic conferences in 2008.



HILDA surveys

MELBOURNE INSTITUTE FORUMS

Economics Forum in Melbourne

The Melbourne Institute Economics Forum in Melbourne entered its 11th year in 2008 and generated considerable interest. Luncheons were held on 1 July and 13 October at the Park Hyatt, and 16 September at the Sofitel Melbourne. A particular policy issue was covered and discussed at each forum.

The forums were chaired by Mr Tony Cole of Mercer (Australia) Pty Ltd.

Topics and speakers in 2008 were:

Too Little Too Late? Preparing and Caring for Children for Life (1 July)

Professor Collette Tayler (The University of Melbourne)

Associate Professor Guyonne Kalb (Melbourne Institute)

Dr Matthew Gray (Australian Institute of Family Studies)

Changing Fortunes of Australian Families in the Long Boom (16 September)

Associate Professor Bruce Headey (Melbourne Institute)

Professor Mark Wooden (Melbourne Institute)

Dr Roger Wilkins (Melbourne Institute)

The 2008 Review of the Australian Automotive Industry (13 October)

The Hon Steve Bracks

Professor Joshua Gans (Melbourne Business School)

Mr Tony Pensabene (Australian Industry Group)

Public Economics Forum in Canberra

In 2008 the Melbourne Institute Public Economics Forum in Canberra continued into its 10th year and maintained very strong interest levels. Luncheons were held on 29 April, 24 June and 15 September at the Hyatt Hotel Canberra. A particular policy issue was covered and discussed at each forum.

The forums were chaired by Dr Ken Henry (Department of the Treasury) and Dr Jeff Harmer (Department of Families, Housing, Community Services and Indigenous Affairs).

Topics and speakers in 2008 were:

Boosting the Labour Supply (29 April)

Dr Peter Burn (Australian Industry Group)

Dr Andrew Leigh (The Australian National University)

Professor Guay Lim (Melbourne Institute)

Too Little Too Late? Preparing and Caring for Children for Life (24 June)

Professor Collette Tayler (The University of Melbourne)

Associate Professor Guyonne Kalb (Melbourne Institute)

Dr Matthew Gray (Australian Institute of Family Studies)

Changing Fortunes of Australian Families in the Long Boom (15 September)

Associate Professor Bruce Headey (Melbourne Institute)

Professor Mark Wooden (Melbourne Institute)

Dr Roger Wilkins (Melbourne Institute)



A Melbourne Institute Public Economics Forum

NEW AGENDA FOR PROSPERITY CONFERENCE

The Melbourne Institute and *The Australian* jointly held their fifth Economic and Social Outlook Conference in March, entitled 'New Agenda for Prosperity'. The two-day conference brought together over 420 delegates from academia, politics, public service, business, unions and community groups to discuss policy options for Australia.

Key plenary sessions focused on the macroeconomic challenges of the China boom and the new inflation pressures; whether the benefits of the boom have bypassed significant parts of Australia; the challenge of tackling indigenous disadvantage after the 'apology'; the regulation of the infrastructure catch-up; and the environmental constraint on growth. Concurrent sessions covered issues including education, hospitals, welfare, labour supply, broadband, tax, innovation and research, and the regulatory burden.

The conference was opened with an address by the Prime Minister, the Hon Kevin Rudd. It was addressed by the Leader of the Opposition, the Hon Brendan Nelson, eight Ministers, three Shadow Ministers and 52 other distinguished speakers.

The speakers and Chairs were:

Professor Margaret Abernethy
(The University of Melbourne)

The Hon Anthony Albanese MP

Professor Ian Anderson (The University of Melbourne)

Professor James Angus (The University of Melbourne)

Mr Gary Banks AO (Productivity Commission)

Mr Ravi Bhatia (Primus Australia)

Mr Garry Bowditch (Infrastructure Partnerships Australia)

Dr Hielke Buddelmeyer (The University of Melbourne)

Senator the Hon Kim Carr

The Hon Fred Chaney AO (Desert Knowledge Australia)

Ms Melinda Ciento (Business Council of Australia)

Senator the Hon Stephen Conroy

Mr Peter Cosier (Wentworth Group of Concerned Scientists)

Mr Tim Cox (PricewaterhouseCoopers)

Professor Glyn Davis AC (The University of Melbourne)

Professor Julian Disney AO (National Affordable Housing Summit)

Dr Stephen Duckett (Queensland Health)

Mr Henry Ergas (CRA International)

Mr Bill Evans (Westpac Banking Corporation)

Professor John Freebairn (The University of Melbourne)

Professor Geoff Gallop (The University of Sydney)

Dr Frank Gelber (BIS Shrapnel)

Dr Rowan Gilmore (Australian Institute for Commercialisation)

Mr Phillip Glyde (Australian Bureau of Agricultural and Resource Economics)

Professor Robert Gregory AO (The Australian National University)

Dr Nicholas Gruen (Lateral Economics)

Dr Steve Hatfield-Dodds (CSIRO Sustainable Ecosystems)

Ms Jennifer Hewett (*The Australian*)

Professor Peter Høj (The University of South Australia)

Mr Mitchell Hooke (Minerals Council of Australia)

Mr Michael Horn (Brotherhood of St Laurence)

Mr Andrew Johnson (Australian Council of Social Service)

Mr Alan Johnston (Productivity Commission)

Associate Professor Guyonne Kalb (The University of Melbourne)

Dr Michael Keating AC (Independent Pricing and Regulatory Tribunal)

Mr Paul Kelly (*The Australian*)

Professor Paul Kerin (Melbourne Business School)

Dr Stephen King (Australian Competition and Consumer Commission)

Professor Marcia Langton AM (The University of Melbourne)

Professor Richard Larkins AO (Monash University)

Mr Jeff Lawrence (Australian Council of Trade Unions)

Mr Charles Laycock (Iatia Vision Sciences)

Dr Andrew Leigh (The Australian National University)

Professor Guay Lim (The University of Melbourne)

The Hon Jenny Macklin MP

Professor Geoff Masters (Australian Council for Educational Research)

Mr Donald McGauchie AO (Telstra Corporation Ltd)

Professor Peter McPhee (The University of Melbourne)

Mr George Megalogenis (*The Australian*)



The Hon Kevin Rudd MP, Professor Glyn Davis and Professor Stephen Sedgwick



Mrs Heather Ridout



Ms Mary Ann O'Loughlin



Professor Ross Garnaut

The Hon Dr Brendan Nelson MP
 Mr Tony Nicholson (Brotherhood of St Laurence)
 Ms Mary Ann O'Loughlin (The Allen Consulting Group)
 Mr David Pearce (The Centre for International Economics)
 Mr Hutch Ranck (DuPont Australia and New Zealand)
 Professor Ian Renard (The University of Melbourne)
 Dr Anthony Richards (Reserve Bank of Australia)
 Mr Chris Richardson (Access Economics)
 Mrs Heather Ridout (Australian Industry Group)
 Professor Alan Robson AM (The University of Western Australia)
 The Hon Nicola Roxon MP
 The Hon Kevin Rudd MP
 Mr Graeme Samuel AO (Australian Competition and Consumer Commission)
 Professor Peter Saunders (The Centre for Independent Studies)
 Professor Tony Scott (The University of Melbourne)

Professor Stephen Sedgwick (The University of Melbourne)
 Mr Eric Sidoti (The Whitlam Institute)
 Mr Rod Sims (Port Jackson Partners Limited)
 Professor Judith Sloan (Australian Fair Pay Commission)
 The Hon Tony Smith MP
 Mr Michael Stutchbury (*The Australian*)
 The Hon Wayne Swan MP
 The Hon Lindsay Tanner
 Professor Collette Tayler (The University of Melbourne)
 The Hon Malcolm Turnbull MP
 Mr Matthew Warren (*The Australian*)
 Professor Neil Warren (The University of New South Wales)
 Mr Alan Wood (*The Australian*)
 Professor Mark Wooden (The University of Melbourne)
 Mr Michael Woods (Productivity Commission)
 Associate Professor Judith Yates (The University of Sydney)
 Professor Mike Young (The University of Adelaide)

Mr Galarrwuy Yunupingu AM
 The Gala Dinner address was given by Professor Ross Garnaut, Professor of Economics at the Australian National University and the Federal Government's Climate Change Adviser.
 On this occasion the David Finch Lecture was delivered in conjunction with the conference. Professor Richard Cooper, Mauritis C. Boas Professor of International Economics at Harvard University, spoke on 'Understanding Global Imbalances'.

Papers and presentations are available on the Melbourne Institute website at www.melbourneinstitute.com/conf2008/default.html.



Attendees at the conference

OUR STAFF, 2008

Director

Professor Stephen Sedgwick BEd Hons
Sydney MSc (Economics) *London*

Research Staff

Professorial Research Fellows

Professor Guay Lim BEd MEd PhD ANU
(Director, Applied Macroeconomics)

Professor Kostas Mavromaras BA Hons
Piraeus DPhil *York* (Director, Labour
Economics and Social Policy)

Professor Anthony Scott BA Hons
Newcastle MSc *York* PhD *Aberdeen*
(Director, Health Economics)

Professor Mark Wooden BEd Hons *Flinders*
MSc *London* (Deputy Director and Director,
HILDA Project)

Principal Research Fellows

Associate Professor Guyonne Kalb MEd
Erasmus PhD *Monash*

Associate Professor Elizabeth Webster BEd
Hons MEd *Monash* PhD *Camb* (Director,
Industrial Economics)

Senior Research Fellows

Dr Lixin Cai BEd *Henan* MA *Renmin* MEd
PhD *ANU*

Dr Pu Chen BEng *Shandong* MMgmt PhD
(Eco) *Bielefeld* (from 4 August 2008)

Dr Paul Jensen BEd *Sydney* PhD *UNSW*

Dr Rosanna Scutella BCom Hons PhD *Melb*

Dr Yi-Ping Tseng BEd *Taiwan* PhD *ANU*

Dr Roger Wilkins BCom Hons MCom *Melb*
MSc *Wisc* PhD *Melb* (Deputy Director
Research, HILDA Project)

Dr Jongsay Yong BA BSocSc Hons MSocSc
NUS MA PhD *Brit Col*

Research Fellows

Dr Hielke Buddelmeyer MA *Vrije* PhD *NYU*

Dr Michael Chua BEd Hons PhD *UNE*

Dr Edda Claus BA (Eco) *McGill* PhD *ANU*

Mr Simon Freidin BBSoc Hons
GradDipCompSc *LaT* (HILDA Survey
Database Manager and Analyst)

Ms Alison Goode BA Hons *Newcastle Upon*
Tyne MSc *Aberdeen*

Dr Nicolas Hérault BSc (Eco) MSc (Eco)
PhD *Bordeaux*

Dr Sung-Hee Jeon BA *Ewha Womans* MA
PhD *York* (*Toronto*)

Ms Weiping Kostenko BIS *Beijing Jiaotong*
MEco *Guangdong Academy of Social*
Science (from 31 March 2008)

Dr Wang-Sheng Lee BA (Eco) *Colby* MA
Michigan PhD *Melb*

Dr Umut Oguzoglu MA PhD *Guelph* (until
23 July 2008)

Dr Alfons Palangkaraya BSc *UMo* MA *Penn*
St PhD *Ore St*

Mr Cain Polidano BAgricEcon Hons *LaT*
MAgric (Eco) *Sydney* (from 31 March 2008)

Dr Stefanie Schurer DiplPol *Potsdam* MSc
(Eco) *York* PhD (Eco) *RGS Econ*

Mr Peter Sivey BSc (Eco) MSc (Health Eco)
York (from 4 February 2008)

Dr Sarantis Tsiaplias BCom Hons/LLB
Deakin PhD *Melb*

Ms Nicole Watson BSc *UWA* GDipMgtSc
Canberra MMedStat *Newcastle* (Deputy
Director, Survey Management, HILDA
Project)

Dr Julia Witt BA Hons *Toronto* MA PhD
Guelph (until 5 September 2008)

Survey Manager

Ms Anne Leahy BCom GCertClassics *Melb*

Research Officers

Mr Paul Agius BA GDipSoc *LaT* MSc
(Applied Statistics) *Swinburne* (HILDA
Database Support Officer) (until 25 April
2008)

Mr David Black BCom Hons *Melb*

Ms Yin King Fok BCom Hons/BIS *Melb*

Mr Markus Hahn German Diplom (Eco)
Ruhr (HILDA Research Officer) (from 5 May
2008)

Mr Clinton Hayes BSc Hons *Otago* (HILDA
Survey Methodologist) (until 30 May 2008)

Mr Peter Ittak BSc BEco *Monash* (HILDA
Database Support Officer) (from 5 May
2008)

Ms Michelle Summerfield BSocSci *Edith*
Cowan (HILDA Database Support Officer)
(from 14 May 2008)

Ms Claire Sun BSc BCom *Auckland* (HILDA
Survey Methodologist) (from 1 December
2008)

Ms Lauren Tyrell BPub.Policy/Mgmt Hons/
BMedia and Coms *Melb* (from 4 August
2008)

Mr Mark van Zijll de Jong BCom Hons
Lincoln

Ms Ha Vu BEd *Newcastle* Hons *ANU*

Ms Diana Warren BCom MCom Hons
W'gong

Ms Rezida Zakirova MSc (Math) *Moscow*
ABD MA (Eco) *CEU* (from 21 January 2008)

Research Assistants

Ms Leanne Ellis BSocSci *RMIT* (until 27
June 2008)

Ms Kerry Ware

PhD Students

In Progress (Melbourne Institute Students)

David Black

Yin King Fok

Yashar Gedik

Edhie Purnawan

Andreas Stierwald

Mark van Zijll de Jong

Ha Vu

Diana Warren

In Progress (External Students)

Catherine Bao (Department of Economics,
The University of Melbourne)

Omar Bashar (Department of Economics,
The University of Melbourne)

Pawan Chongussayakul (Department of
Economics, The University of Melbourne)

Jui Saprungrueng (Department of
Economics, The University of Melbourne)

Russell Thomson (Division of Economics,
Research School of Pacific and Asian
Studies, The Australian National University)

Vicar Valencia (Department of Economics,
The University of Melbourne)

Chris Wiew (School of Population Health,
The University of Melbourne)

Professional Staff

Business Manager

Ms Rachel Derham BSc GradCertUniMgmt
Melb

Publications Manager

Ms Nellie Lentini BA *Monash*

Communications and Publicity Manager

Mr Cliff Howard BCom *Melb* (from 10
November 2008)

Functions Manager

Ms Penelope Hope BA *LaT*

Finance and Resources Manager

Ms Theresa Goh BBus (Bus Admin) MPA
RMIT ASA

Computing Systems Officer

Mr Woei Tian Liew BSc MSc *LaT GDipEc
Melb*

Executive Assistant to the Director

Ms Sharna Thomason BSocSci
GradCertPolicy and Human Services *RMIT
(from 7 April 2008)*

Administrative Officer, Labour Economics and Social Policy

Mrs Paula Madsen

Administrative Assistant, HILDA

Ms Nicky Auster Bus/BA *Monash*

Administrative Assistants

Ms Michelle Best BEnvSc *LaT*

Ms Michelle Wilson BA Hons *Melb*

Honorary Appointments

Adjunct Professors

Professor Jeff Borland MA PhD *Yale FASSA*
(Department of Economics, The University
of Melbourne)

Professor John Creedy BSc (Eco with
Stats) *Brist BPhil (Eco) Oxf FASSA* (Truby
Williams Chair of Economics, Department
of Economics, The University of Melbourne)

Professor John Freebairn BAgEc MAgEc
NE PhD Davis FASSA (Ritchie Chair in
Economics, Department of Economics,
The University of Melbourne)

Professor Bill Griffiths BAgEc Hons
UNE PhD Illinois FASSA (Professor of
Econometrics, Department of Economics,
The University of Melbourne)

Professorial Fellows

Professor Peter Dawkins BSc *Lough
MSc (Eco) London PhD Lough* (Secretary,
Department of Education and Early
Childhood Development)

Professor Robert Drago BS *Tulsa MA PhD
Mass/Am* (Professor of Labor Studies and
Women's Studies, Pennsylvania State
University)

Professor Alan Duncan BA Hons *Manc
DPhil York* (Professor of Microeconomics,
School of Economics, The University of
Nottingham)

Professor Peter Sloane BA (Eco) Hons
Sheffield PhD Strathclyde FRSA FRSE
(Director, Welsh Economy and Labour
Market Evaluation Centre (WELMERC),
Swansea University)

Professor Ross Williams BCom *Melb
MScEc PhD London FASSA*

Principal Fellows

Dr Mark Crosby BEc Hons *Adel MA PhD
Queen's* (Associate Professor – Economics,
Melbourne Business School)

Associate Professor Bruce Headey BA *Oxf
MA Wisc PhD Strath*

Dr Gary Marks BSc Hons MSc *Melb PhD
Qld*

Associate Professor Michael Shields
BA Hons *Stafford MSc Health York PhD
Leic* (Associate Professor and Reader,
Department of Economics, The University
of Melbourne)

Vale

We wish to express our deepest sympathies to family and friends of Dr Ernst Arthur Boehm, who passed away on 10 November 2008. Ernst was a great friend and Principal Fellow of the Melbourne Institute since January 1986.

Senior Fellows

Dr Denise Doiron BA *Monc MA PhD UBC*
(Department of Economics, The University
of New South Wales)

Dr Mark Rogers BSc *London MSc Warw
PhD ANU* (Harris Manchester College,
Oxford University)



The Administrative team

ADVISORY BOARD, 2008

Chairperson

Mr Tony Cole, Business Leader for Investment Consulting in Asia Pacific, Mercer (Australia) Pty Ltd

Members

Professor Margaret Abernethy, Dean, Faculty of Economics and Commerce, The University of Melbourne

Ms Carol Austin, Investment Services Director, Contango Asset Management

Mr Gary Banks, Chairman, Productivity Commission

Professor W. Max Corden, Professorial Fellow, Department of Economics, The University of Melbourne

Ms Rachel Derham, Business Manager, Melbourne Institute

Mr Bill Evans, General Manager, Economics, Westpac Banking Corporation

Ms Jane Halton, Secretary, Department of Health and Ageing

Dr Jeff Harmer, Secretary, Department of Families, Housing, Community Services and Indigenous Affairs

Mr Grant Hehir, Secretary, Department of Treasury and Finance, Victoria

Dr Christopher Kent, Head of Economic Research, Reserve Bank of Australia

Professor Guay Lim, Professorial Research Fellow, Melbourne Institute

Adjunct Professor Alison McClelland, Executive Director, Strategic Policy, Research and Communications Division, Department of Planning and Community Development, Victoria

Professor Kostas Mavromaras, Professorial Research Fellow, Melbourne Institute

Mr Tony Nicholson, Executive Director, Brotherhood of St Laurence

Ms Lisa Paul, Secretary, Department of Education, Employment and Workplace Relations

Professor Peter Rathjen, Deputy Vice-Chancellor (Research), The University of Melbourne

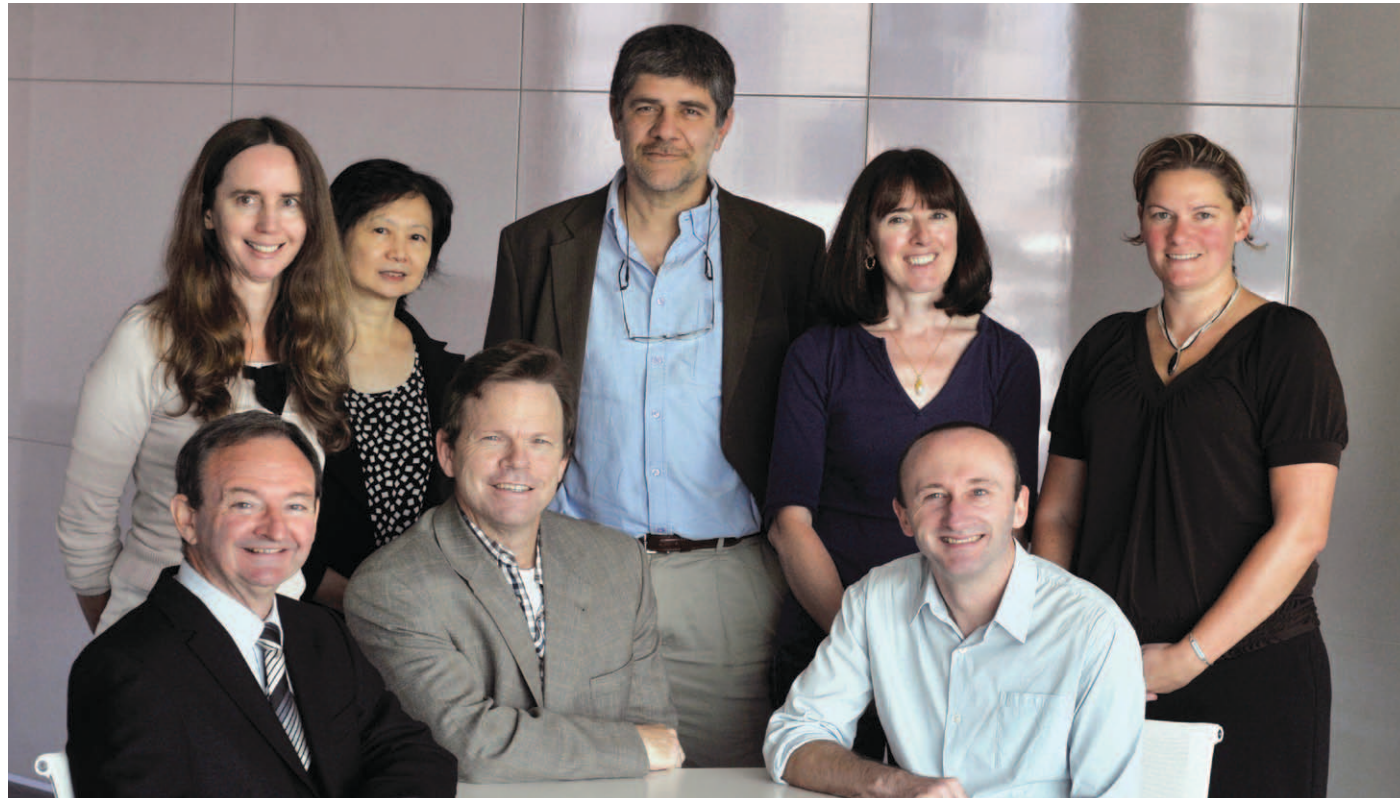
Mr Phil Ruthven, Executive Chairman, IBISWorld

Professor Anthony Scott, Professorial Research Fellow, Melbourne Institute

Professor Stephen Sedgwick, Director, Melbourne Institute

Associate Professor Elizabeth Webster, Principal Research Fellow, Melbourne Institute

Professor Mark Wooden, Deputy Director and Professorial Research Fellow, Melbourne Institute



The Senior Management team

STAFF PUBLICATIONS, 2008

Books and Monographs

Lim G & McNelis PD. 2008. *Computational Macroeconomics for the Open Economy*. Cambridge, United States: MIT Press.

Book Chapters

Buddelmeyer H, Mourre G & Ward-Warmedinger M. 2008. Why Europeans Work Part-Time? A Cross-Country Panel Analysis, in *Research in Labor Economics, Volume 28: Work, Earnings and Other Aspects of the Employment Relation*, Polachek S & Tatsiramos K (eds). Philadelphia, United States: JAI Press, 81–139.

Scott A, Ubach C, French F & Gillian G. 2008. Examining the Preferences of Health Care Providers: An Application to Hospital Consultants, in *Using Discrete Choice Experiments to Value Health and Health Care*, Ryan M, Gerard K & Amaya-Amaya M (eds). Dordrecht, Netherlands: Springer, 153–171.

Stein J & Lim G. 2008. Asian Crises: Theory, Evidence and Warning Signals, in *Debt, Risk and Liquidity in Futures Markets*, Goss B (ed.). New York, United States: Routledge, 18–45.

Journal Articles — Refereed

Barrett G & Tseng Y. 2008. Retirement Saving in Australia. *Canadian Public Policy*. 34 (s1): 177–193.

Buddelmeyer H & Verick S. 2008. Understanding the Drivers of Poverty Dynamics in Australian Households. *Economic Record*. 84 (266): 310–321.

Cai L, Kalb G, Tseng Y & Vu H. 2008. The Effect of Financial Incentives on Labour Supply: Evidence for Lone Parents from Microsimulation and Quasi-Experimental Evaluation. *Fiscal Studies*. 29 (2): 285–325.

Cai L & Liu A. 2008. Union Wage Effects in Australia: Are There Variations along the Distribution? *Economic Record*. 84 (267): 496–510.

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Chen P & Hsiao C. 2008. What Happens to Japan if China Catches a Cold?: A Causal Analysis of Chinese Growth and Japanese Growth. *Japan and the World Economy*. 20 (4): 622–638.

Clarkson J, Turner S, Grimshaw JM, Ramsay C, Johnston M, Scott A, Bonetti D, Tilley CJ, MacLennan G, Ibbetson R, MacPherson LMD & Pitts NB. 2008. Changing Clinicians' Behavior: A Randomized Controlled Trial of Fees and Education. *Journal of Dental Research*. 87 (7): 640–644.

Claus E, Dungey M & Fry R. 2008. Monetary Policy in Illiquid Markets: Options for a Small Open Economy. *Open Economies Review*. 19 (3): 305–336.

Coelli M & Wilkins R. 2008. Are Skills Shortages a Constraint on Increasing Employment in Australia? *Australian Economic Review*. 41 (3): 310–322.

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Headey B. 2008. The Set-Point Theory of Well-Being: Negative Results and Consequent Revisions. *Social Indicators Research*. 85 (3): 389–403.

Headey B & Muffels R. 2008. Do Generous Welfare States Generate Efficiency Gains which Counterbalance Short Run Losses? Testing Downside Risk Theory with Economic Panel Data for the U.S., Germany and The Netherlands. *Social Indicators Research*. 86 (2): 337–354.

Headey B, Muffels R & Wooden M. 2008. Money Doesn't Buy Happiness: Or Does It? A Reconsideration Based on the Combined Effects of Wealth, Income and Consumption. *Social Indicators Research*. 87 (1): 65–82.

Headey B, Na F & Zheng R. 2008. Pet Dogs Benefit Owners' Health: A 'Natural Experiment' in China. *Social Indicators Research*. 87 (3): 481–493.

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Marks G. 2008. Gender Differences in the Effects of Socioeconomic Background: Recent Cross-National Evidence. *International Sociology*. 23 (6): 845–863.

Naccarella L, Southern D, Furler J, Scott A, Prosser L, Young D, Swerissen H & Waters E. 2008. Primary Care Funding and Organisational Policy Options and Implications: A Narrative Review of Evidence from Five Comparator Countries. *Medical Journal of Australia*. 188 (8): S73–S76.

Palangkaraya A, Jensen P & Webster E. 2008. Applicant Behaviour in Patent Examination Request Lags. *Economics Letters*. 101: 243–245.

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Schneider E, Chen P & Frohn J. 2008. A Long-Run Structural Macroeconomic Model for Germany: An Empirical Note. *Economics*. 2 (2008-16).

Scutella R & Perkins D. 2008. Improving Employment Retention and Advancement of Low-Paid Workers. *Australian Journal of Labour Economics*. 11 (1): 97–114.

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Tsiaplias S. 2008. Factor Estimation Using MCMC-Based Kalman Filter Methods. *Computational Statistics & Data Analysis*. 53 (2): 344–353.

Tsiaplias S. 2008. The CPI and Other Measures of Australian Inflation. *Australian Economic Review*. 41 (1): 105–113.

Williams R. 2008. Methodology, Meaning and Usefulness of Rankings. *Australian Universities' Review*. 50 (2): 51–58.

Williams R. 2008. Ranking Australian Universities: Controlling for Scope. *Higher Education in Europe*. 33 (2/3): 331–344.

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Wiseman V, Scott A, Conteh L, McElroy B & Stevens W. 2008. Determinants of Provider Choice for Malaria Treatment: Experiences from The Gambia. *Social Science & Medicine*. 67 (4): 487–496.

Witt J. 2008. The Effect of Information in the Utilization of Preventive Health-Care Strategies: An Application to Breast Cancer. *Health Economics*. 17 (6): 721–731.

Wooden M & Warren D. 2008. Paid Annual Leave and Working Hours: Evidence from the HILDA Survey. *Journal of Industrial Relations*. 50 (4): 664–670.

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Avenell A & Goode A. 2008. Assessing the Evidence Base for Interventions to Prevent the Further Increase in Obesity. *Australian Economic Review*. 41 (1): 97–104.

Buddelmeyer H. 2008. Book review of 'International Perspectives on Welfare to Work Policy', edited by Richard Hoefer and James Midgley. *Economic Record*. 84 (267): 522–523.

Frick J, Jenkins S, Lillard D, Lipps O & Wooden M. 2008. Die Internationale Einbettung des Sozio-Oekonomischen Panels (SOEP) im Rahmen des Cross-National Equivalent File (CNEF). *Vierteljahrshefte zur Wirtschaftsforschung*. 77 (3): 110–129.

Lim G. 2008. Inflation Targeting. *Insights: Melbourne Economics and Commerce*. 4 (November): 51–55.

Marks G & Sedgwick S. 2008. Is There a Housing Crisis? The Incidence and Persistence of Housing Stress 2001–2006. *Australian Economic Review*. 41 (2): 215–221.

Mavromaras K & Goode A. 2008. Obesity as a Multidisciplinary Research Topic: Editors' Introduction. *Australian Economic Review*. 41 (1): 67–71.

Scott A. 2008. For Love or Money? Paying Doctors to Improve the Quality of Health. *Insights: Melbourne Economics and Commerce*. 4 (November): 61–64.

Scutella R. 2008. Book review of 'Advances in Household Economics, Consumer Behaviour and Economic Policy', edited by Tran Van Hoa. *Economic Record*. 84 (267): 518–519.

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Sedgwick S. 2008. New Agenda for Prosperity. *Insights: Melbourne Economics and Commerce*. 4 (November): 42–46.

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Melbourne Institute Working Papers

Black D, Tseng Y & Wilkins R. 2008. The Decline in Male Employment in Australia: A Cohort Analysis. Melbourne Institute of Applied Economic and Social Research Working Paper No. 1/08.

Buddelmeyer H & Wooden M. 2008. Transitions from Casual Employment in Australia. Melbourne Institute of Applied Economic and Social Research Working Paper No. 7/08.

Cai L. 2008. Be Wealthy to Stay Healthy: An Analysis of Older Australians Using the HILDA Survey. Melbourne Institute of Applied Economic and Social Research Working Paper No. 8/08.

Cardak B & Wilkins R. 2008. The Determinants of Household Risky Asset Holdings: Background Risk and Other Factors. Melbourne Institute of Applied Economic and Social Research Working Paper No. 2/08.

Chua M, Lim G & Smith P. 2008. A Bayesian Simulation Approach to Inference on a Multi-State Latent Factor Intensity Model. Melbourne Institute of Applied Economic and Social Research Working Paper No. 16/08.

Chua M, Palangkaraya A & Yong J. 2008. A Two-Stage Estimation of Hospital Performance Using Mortality Outcome Measures: An Application Using Victorian Hospital Data. Melbourne Institute of Applied Economic and Social Research Working Paper No. 10/08.

Chua M & Tsiaplias S. 2008. Can Consumer Sentiment and Its Components Forecast Australian GDP and Consumption? Melbourne Institute of Applied Economic and Social Research Working Paper No. 3/08.

Coelli M & Wilkins R. 2008. Credential Changes and Education Earnings Premia in Australia. Melbourne Institute of Applied Economic and Social Research Working Paper No. 11/08.

Corden M. 2008. The World Credit Crisis: Understanding It, and What To Do. Melbourne Institute of Applied Economic and Social Research Working Paper No. 25/08.

Creedy J, Hérault N & Kalb G. 2008. Abolishing the Tax-Free Threshold in Australia: Simulating Alternative Reforms. Melbourne Institute of Applied Economic and Social Research Working Paper No. 15/08.

- Creedy J, Hérault N & Kalb G. 2008. Tax Policy Design and the Role of a Tax-Free Threshold. Melbourne Institute of Applied Economic and Social Research Working Paper No. 13/08.
- Dixon R & Lim G. 2008. A Univariate Model of Aggregate Labour Productivity. Melbourne Institute of Applied Economic and Social Research Working Paper No. 9/08.
- Goodall S & Scott A. 2008. Is Hospital Treatment in Australia Inequitable? Evidence from the HILDA Survey. Melbourne Institute of Applied Economic and Social Research Working Paper No. 5/08.
- Jensen P, Palangkaraya A & Webster E. 2008. Application Pendency Times and Outcomes across Four Patent Offices. Melbourne Institute of Applied Economic and Social Research Working Paper No. 6/08.
- Jeon S, Kalb G & Vu H. 2008. The Dynamics of Welfare Participation among Women Who Experienced Teenage Motherhood in Australia. Melbourne Institute of Applied Economic and Social Research Working Paper No. 22/08.
- Lee W & Suardi S. 2008. Minimum Wages and Employment: Reconsidering the Use of a Time-Series Approach as an Evaluation Tool. Melbourne Institute of Applied Economic and Social Research Working Paper No. 20/08.
- Lee W & Suardi S. 2008. The Australian Firearms Buyback and Its Effect on Gun Deaths. Melbourne Institute of Applied Economic and Social Research Working Paper No. 17/08.
- Lim G, Dixon R & Tsiaplias S. 2008. Phillips Curve and the Equilibrium Rate of Unemployment. Melbourne Institute of Applied Economic and Social Research Working Paper No. 21/08.
- Lim G & McNelis P. 2008. Cyclical Government Spending, Income Inequality and Welfare in Small Open Economies. Melbourne Institute of Applied Economic and Social Research Working Paper No. 18/08.
- Schurer S. 2008. Discrete Heterogeneity in the Impact of Health Shocks on Labour Market Outcomes. Melbourne Institute of Applied Economic and Social Research Working Paper No. 19/08.
- Schurer S. 2008. Labour Market Outcomes of Second Generation Immigrants: How Heterogeneous Are They Really? Melbourne Institute of Applied Economic and Social Research Working Paper No. 14/08.
- Scott A, Schurer S, Jensen P & Sivey P. 2008. The Effect of Financial Incentives on Quality of Care: The Case of Diabetes. Melbourne Institute of Applied Economic and Social Research Working Paper No. 12/08.
- Tsiaplias S & Chua M. 2008. Forecasting Australian Macroeconomic Variables Using a Large Dataset. Melbourne Institute of Applied Economic and Social Research Working Paper No. 4/08.
- Warren D. 2008. Australia's Retirement Income System: Historical Development and Effects of Recent Reforms. Melbourne Institute of Applied Economic and Social Research Working Paper No. 23/08.
- Warren D. 2008. Retirement Expectations and Labour Force Transitions: The Experience of the Baby Boomer Generation. Melbourne Institute of Applied Economic and Social Research Working Paper No. 24/08.
- Melbourne Institute Report**
- Buddelmeyer H, Hérault N, Kalb G & van Zijl de Jong M. 2008. Disaggregation of CGE Results into Household Level Results through Micro-Macro Linkage: Analysing Climate Change Mitigation Policies from 2005 to 2030. Melbourne Institute of Applied Economic and Social Research Report Series No. 9.
- Other Reports and Working Papers**
- Buddelmeyer H, Hérault N & Kalb G. 2008. 'Churn' within the Australian Tax and Transfer Systems of 2003/04 to 2008/09: An Analysis Using the Melbourne Institute Tax and Transfer Simulator (MITTS). Melbourne Institute of Applied Economic and Social Research.
- Buddelmeyer H, Jensen P, Oguzoglu U & Webster E. 2008. Fixed Effects Bias in Panel Data Estimators. IZA Discussion Paper No. 3487.
- Buddelmeyer H & Kalb G. 2008. The Effect of Minimum Wage Changes on Labour Supply and Income Distribution. 2008 Minimum Wage Research Forum Proceedings, Volume 2, October 2008, Commonwealth of Australia.
- Cai L & Liu A. 2008. Public-Private Wage Gap in Australia: Variation along the Distribution. Centre for Economic Policy Research Discussion Paper No. 581, Australian National University.
- Cai L, Mavromaras K & Oguzoglu U. 2008. The Effect of Health and Health Shocks on Hours Worked. IZA Discussion Paper No. 3496.
- Cai L & Waddoups C. 2008. Union Wage Effects in Australia: Evidence from Panel Data. Centre for Economic Policy Research Discussion Paper No. 585, Australian National University.
- Creedy J, Hérault N & Kalb G. 2008. Abolishing the Tax-Free Threshold in Australia: Simulating Alternative Reforms. Department of Economics Working Paper No. 1048, University of Melbourne.
- Creedy J, Hérault N & Kalb G. 2008. Comparing Welfare Change Measures with Income Change Measures in Behavioural Policy Simulations. Department of Economics Working Paper No. 1030, University of Melbourne.
- Creedy J, Hérault N & Kalb G. 2008. Tax Policy Design and The Role of a Tax-Free Threshold. Department of Economics Working Paper No. 1046, University of Melbourne.
- Freebairn J & Scutella R. 2008. The Case for Change: A Snapshot Analysis of the Australian Tax System. Research Report for the Brotherhood of St Laurence. Fitzroy, Australia.
- Headey B & Warren D. 2008. Families, Incomes and Jobs Volume 3: A Statistical Report on Waves 1 to 5 of the HILDA Survey. Melbourne Institute of Applied Economic and Social Research.
- Jensen P, Leahy A & Webster E. 2008. IBM® – Melbourne Institute 'Innovation Index of Australian Industry'. IBM and Melbourne Institute of Applied Economic and Social Research.
- Jensen P, Palangkaraya A & Webster E. 2008. Application Pendency Times and Outcomes across Four Patent Offices. IPRIA Working Paper No. 1/2008.
- Jensen P, Palangkaraya A & Webster E. 2008. Misclassification in Patent Offices. IPRIA Working Paper No. 2/2008.
- Jensen P, Palangkaraya A, Webster E & Yong J. 2008. The Effect of Raising the Australian Statutory Inventive Step on the Australian Global Production System. IPRIA Occasional Papers 1/08.
- Mavromaras K, Goode A & Smith M. 2008. Intergenerational Transmission of Healthy Eating Behaviour and the Role of Household Income. IZA Discussion Paper No. 3535.
- Schurer S. 2008. Labour Market Outcomes of Second Generation Immigrants: How Heterogeneous Are They Really? Ruhr Economic Papers No. 57.
- Wooden M, Watson N, Agius P & Freidin S. 2008. Assessing the Quality of the Height and Weight Data in the HILDA Survey. Melbourne Institute of Applied Economic and Social Research HILDA Project Technical Paper Series 1/08.

SEMINARS AND PRESENTATIONS, 2008

- Black D. 2008. 'Incidence of Work Related Injuries – Migrants, Youth and Mature Age Workers', DEEWR Social Policy Research Services Workshop: Building Roads to Employment, Canberra, 28–29 October.
- Black D. 2008. 'The Dynamics of Educational Mismatches in the Labour Market', Melbourne Institute Workshop Series, 4 June.
- Buddelmeyer H. 2008. 'Labour Supply and Welfare Participation in the Australian Population: Using Observed Job Search to Account for Involuntary Unemployment', EcoMod 2008 International Conference on Policy Modeling, Berlin, Germany, 2–4 July.
- Buddelmeyer H. 2008. 'Parent's Perception of their Children's Weight', Economics Program Seminar Series, Research School of Social Sciences, Australian National University, Canberra, 25 May.
- Buddelmeyer H. 2008. 'Some Observations on Labour Market Transitions and Welfare-to-Work', New Agenda for Prosperity: Economic and Social Outlook Conference, University of Melbourne, 27–28 March.
- Buddelmeyer H. 2008. 'Transitions from Casual Employment in Australia', 11th Australasian Labour Econometrics Workshop, Australian National University, Canberra, 25–26 April.
- Buddelmeyer H. 2008. 'What Determines How Long Women Spend Out of the Work Force after the Birth of a Child?', DEEWR Social Policy Research Services Workshop: Building Roads to Employment, Canberra, 28–29 October.
- Cai L. 2008. 'Be Wealthy to Stay Healthy: An Analysis of Older Australians', ACERH, Australian National University, Canberra, 21 May.
- Cai L. 2008. 'Dynamic Labour Supply of Married Australian Women', Productivity Commission, Canberra, 23 September.
- Cai L. 2008. 'Effects of Health and Health Shocks on Working Hours', 11th Australasian Labour Econometrics Workshop, Australian National University, Canberra, 25–26 April.
- Cai L. 2008. 'Effects of Health on Wages of Australian Men', NATSEM, University of Canberra, 19 June.
- Cai L. 2008. 'Public–Private Sector Wage Gap in Australia: Variation along the Distribution', National Institute of Governance, University of Canberra, 3 September and 37th Australian Conference of Economists, Gold Coast, 30 September–3 October.
- Cai L. 2008. 'Skills Acquisition, Employability and Employment Choices of Income Support Recipients', DEEWR Social Policy Research Services Workshop: Building Roads to Employment, Canberra, 28–29 October.
- Cai L. 2008. 'The Relationship between Health and Labour Force Participation: Evidence from a Panel Data Simultaneous Equation Model', Economics Program Seminar Series, Research School of Social Sciences, Australian National University, Canberra, 30 May.
- Cai L. 2008. 'Union Wage Effects in Australia: Evidence from Panel Data', Economics Program Seminar Series, Research School of Social Sciences, Australian National University, Canberra, 16 September.
- Chen P. 2008. 'A Structural Macroeconometric Model for Germany', 14th International Conference on Computing in Economics and Finance, Paris, France, 26–28 June.
- Chen P. 2008. 'Causal Analysis in Economics', 13th Australasian Macroeconomics Workshop, University of Sydney, 26–27 March.
- Chen P. 2008. 'Subs4coint', 2nd International Workshop on Computational and Financial Econometrics (CFE'08), Neuchâtel, Switzerland, 19–21 June.
- Chua M. 2008. 'A Bayesian Simulation Approach to Inference on a Multi-State Latent Factor Intensity Model', 13th Finsia-Melbourne Centre for Financial Studies Banking and Finance Conference: Risks, Governance and Regulation in a Transforming Financial World, University of Melbourne, 29–30 September.
- Claus E. 2008. 'Equity Market Integration in the Asia Pacific: Evidence from Discount Factors', Melbourne Institute Workshop Series, 3 June and Small Open Economies in a Globalized World, Wilfrid Laurier University, Ontario, Canada, 12–15 June.
- Claus E. 2008. 'Nesting Yield Curve Shifts and Rotations in a Model of Monetary Policy Shocks', Econometric Society Australasian Meeting, Wellington, New Zealand, 9–11 July and Melbourne Institute Workshop Series, 22 July.
- Hérault N. 2008. 'Comparing Welfare Change Measures with Income Change Measures in Behavioural Policy Simulations', 23rd Annual Congress of the European Economic Association, Milan, Italy, 27–31 August; 2008 Annual Congress of the AFSE, University Paris La Sorbonne, France, 18–19 September; and LARE-efi, University Montesquieu–Bordeaux IV, France, 22 September.
- Hérault N. 2008. 'Disaggregation of CGE Results into Household Level Results through Micro-Macro Linkage: Analysing Climate Change Mitigation Policies from 2005 to 2030', Institute for Employment Research Workshop: Linking Microsimulation and Macro Models, Nuremberg, Germany, 15–16 December.
- Hérault N. 2008. 'Intergenerational Correlation of Labour Market Outcomes', DEEWR Social Policy Research Services Workshop: Building Roads to Employment, Canberra, 28–29 October.
- Hérault N. 2008. 'The Impact of Agricultural Price Distortions on Inequality and Poverty in South Africa', GREThA – Research Unit in Theoretical and Applied Economics, University Montesquieu–Bordeaux IV, France, 15 September; Melbourne Institute Workshop Series, 25 November; and Institute for Employment Research Workshop: Linking Microsimulation and Macro Models, Nuremberg, Germany, 15–16 December.
- Jensen P. 2008. 'Hospital Type and Patient Outcomes', Health Economics Workshop, Melbourne Institute, 5 March; Health Economics Research Unit (HERU), University of Aberdeen, Scotland, 23 September; and Department of Applied Economics, Erasmus University, Rotterdam, The Netherlands, 30 September.
- Jensen P. 2008. 'Knowledge Management: Does Capture Impede Creation?', European Summer School on Industrial Dynamics (ESSID), Monte Sant'Angelo, Foggia, Italy, 1–6 September.
- Jensen P. 2008. 'Misclassification in Patent Office Examinations: Evidence from a Matched Sample of Applications', Melbourne Institute Workshop Series, 19 August.
- Jensen P. 2008. 'Patent Quality and Misclassification', 3rd Annual Conference of the European Policy for Intellectual Property (EPIP) Association, Berne, Switzerland, 3–4 October.
- Jeon S. 2008. 'Teenage Parents – Income Support, Education and Paid Work', DEEWR Social Policy Research Services Workshop: Building Roads to Employment, Canberra, 28–29 October.
- Jeon S. 2008. 'The Role of Individual Tax Deferred Savings Accounts in Retirement Financing', 42nd Annual Meeting of the Canadian Economics Association, Vancouver, Canada, 5–7 June.



A Melbourne Institute Public Economics Forum

Jeon S. 2008. 'The Role of Individual Tax-Preferred Retirement Savings Plans in the Retirement Financing of Older Canadians', Melbourne Institute Workshop Series, 1 July and Econometric Society Australasian Meeting, Wellington, New Zealand, 9–11 July.

Kalb G. 2008. 'Encouraging Labour Supply at Different Stages of the Life Cycle', Melbourne Institute Workshop Series, 26 March and New Agenda for Prosperity: Economic and Social Outlook Conference, University of Melbourne, 27–28 March.

Kalb G. 2008. 'Labour Supply Now and in the Future: Encouraging Labour Supply at Different Stages of the Life Cycle', Melbourne Institute Public Economics Forum, Canberra, 24 June and Melbourne Institute Economics Forum, Melbourne, 1 July.

Kalb G. 2008. 'Location Economics of Income Support Recipients', DEEWR Social Policy Research Services Workshop: Building Roads to Employment, Canberra, 28–29 October.

Kalb G. 2008. 'Pre-School and Early School: Labour Supply Now and in the Future', DEEWR Social Policy Research Services Workshop: Building Roads to Employment, Canberra, 28–29 October.

Kalb G. 2008. 'The Case for Labour Supply Incentives: A Comparison of Family Policies in Australia and Norway', 23rd Annual Congress of the European Economic Association, Milan, Italy, 27–31 August.

Kalb G. 2008. 'The Dynamics of Welfare Participation among Women who Experienced Teenage Motherhood', Melbourne Institute Workshop Series, 3 July and Econometric Society Australasian Meeting, Wellington, New Zealand, 9–11 July.

Kalb G. 2008. 'The Effect of Childcare Cost on Labour Supply and the Cost to Government', DEEWR Child Care Market Seminar, Canberra, 30 July.

Kalb G. 2008. 'The Effect of Minimum Wage Changes on Labour Supply and Income Distribution', Minimum Wage Research Forum, Australian Fair Pay Commission, Melbourne, 29–31 October.

Kostenko W. 2008. 'Does Labour Market Achievement Matter for the Wellbeing of Australian Immigrants? Culture and Gender Differences', Melbourne Institute Workshop Series, 2 December and Thirteenth Conference on Labour, Employment and Work (LEW13) and the Australian Labour Market Research Workshop, Victoria University of Wellington, New Zealand, 11–12 December.

Kostenko W. 2008. 'Underemployment and Mental Health for Skilled Migrants' Settlement in Australia', PhD Conference in Economics and Business, Australian National University, Canberra, 20 November.

Lee W. 2008. 'Accounting for the Increasing Prevalence of Obesity: A Distributional Decomposition Analysis', Melbourne Institute Workshop Series, 29 July.

Lee W. 2008. 'Minimum Wages and Employment: Reconsidering the Use of a Time-Series Approach as an Evaluation Tool', Melbourne Institute Workshop Series, 12 August and 3rd International Symposium of Labor Economics, Xiamen, China, 11–13 December.

Lee W. 2008. 'On Assessing the Specification of Propensity Score Models', Econometric Society Australasian Meeting, Wellington, New Zealand, 9–11 July and Far Eastern and South Asian Meeting of the Econometric Society, Singapore Management University, Singapore, 16–18 July.

Lim G. 2008. 'Inflation Targeting', FEC Alumni, Melbourne, 20 August.

Lim G. 2008. 'Outlook for the Australian Economy', Melbourne Institute Public Economics Forum, Canberra, 29 April and RMAA, Melbourne, 20 May.

Lim G. 2008. 'Time-Series Econometrics & Forecasting', Victorian Department of Treasury and Finance, Melbourne, 22 January.

Lim G. 2008. 'Where Are the Jobs?', Manpower Vision Series, National Press Club, Canberra, 10 June.

Mavromaras K. 2008. 'Assessing the Incidence and Wage Effects of Overskilling', 2nd International Conference on Educational Economics, University of Athens, Greece, 27–30 August.

Mavromaras K. 2008. 'Intergenerational Transmission and Healthy Eating Behaviour', Health Economics Workshop, University of Melbourne, 8 March and Scottish Economic Society 2008 Annual Conference, Perth, Scotland, 21–23 April.

Mavromaras K. 2008. 'Melbourne Institute Update on Work-in-Progress', DEEWR Social Policy Research Services Workshop: Building Roads to Employment, Canberra, 28–29 October.

Mavromaras K. 2008. 'The Effect of Health and Health Shocks on Hours Worked', XXII Annual Conference of the European Society for Population Economics, University College London, United Kingdom, 19–21 June; HEDG, Department of Economics, University of York, United Kingdom, 25 June; Econometric Society Australasian Meeting, Wellington, New Zealand, 9–11 July; and 30th Australian Conference of Health Economists, Adelaide, 2–3 October.

Mavromaras K. 2008. 'The Problem of Overskilling in Australia and UK', Scottish Economic Society 2008 Annual Conference, Perth, Scotland, 21–23 April.

Mavromaras K. 2008. 'VET and Overskilling', Education and Skill Mismatches in the Labour Market Workshop, Melbourne Institute, 27 November.

- Mavromaras K. 2008. 'Vocational Education and Training', DEEWR Social Policy Research Services Workshop: Building Roads to Employment, Canberra, 28–29 October.
- Oguzoglu U. 2008. 'Fixed-Effects Are Not All Rubbish: A Guide for Microeconomists', Melbourne Institute Workshop Series, 6 May.
- Palangkaraya A. 2008. 'Australian Patent Applications Scoreboard 2008', IPRIA/IPTA, 4 September.
- Polidano C. 2008. 'VET and Work Experience in Successful Labour Market Entry for Australian High School Graduates', Melbourne Institute Workshop Series, 9 December.
- Polidano C. 2008. 'Volunteering, Vocational Education & Training and Part-Time Work and Labour Market Entry for High School Graduates in Australia', Thirteenth Conference on Labour, Employment and Work (LEW13) and the Australian Labour Market Research Workshop, Victoria University of Wellington, New Zealand, 11–12 December.
- Schurer S. 2008. 'Labour Market Outcomes of Second Generation Immigrants', Centre for Microeconometrics, University of Melbourne, 14 May.
- Schurer S. 2008. 'The Effect of Financial Incentives on Treatment Intensity in Diabetes Management', CHE Seminar Series, Monash University, 11 June.
- Schurer S. 2008. 'The Effects of Financial Incentives on Quality of Care: The Case of Diabetes', 30th Australian Conference of Health Economists, Adelaide, 2–3 October.
- Schurer S. 2008. 'The Glass Is Half Full or Half Empty: Heterogeneity in the Impact of Health Shocks on Labour Market Outcomes', Melbourne Institute Workshop Series, 11 March; Spring Meeting of Young Economists, Lille, France, 17 April; and RWI Essen Brownbag Seminar, Germany, 2 May.
- Scott A. 2008. 'Are Doctors Happy Down Under?', 9th International Medical Workforce Collaborative Conference, Edinburgh, United Kingdom, 17–20 September.
- Scott A. 2008. 'Incentives and the Health Workforce', 1st Colloquium of the Australian Health Workforce Institute, Melbourne Business School, 8 December.
- Scott A. 2008. 'MABEL: Methods and Results from a Randomized Trial of Response Mode', Health Economics Collaboration, School of Public Health, University of Sydney, 17 June; Melbourne Institute Workshop Series, 15 July; Health Advisory Management Committee of the Medical Board of Tasmania, Launceston, 3 October; and School of Population Health, University of Melbourne, 16 October.
- Scott A. 2008. 'Making Hospitals Work: Chronic Problems and Untried Solutions', New Agenda for Prosperity: Economic and Social Outlook Conference, University of Melbourne, 3 March.
- Scott A. 2008. 'The Effects of Financial Incentives on Quality of Care: The Case of Diabetes', Melbourne Institute Workshop Series, 5 August; 17th European Workshop on Econometrics and Health Economics, Coimbra, Portugal, 3–6 September; and Joint Meeting of the UK Health Economists' Study Group and the Nordic Health Economists' Study Group, Aberdeen, Scotland, 27–29 September.
- Scott A. 2008. 'Understanding the Dynamics of the Medical Workforce: The MABEL Longitudinal Survey of Doctors', Berkeley Global Health Workforce Conference: From Evidence-Based Research to Policy, University of California, Berkeley, 4–5 April.
- Scutella R. 2008. 'Major Inequities in the Australian Tax System', Brotherhood of St Laurence Research and Policy Workshop, Melbourne, 17 June.
- Scutella R. 2008. 'Measures of Poverty and Social Exclusion', Melbourne Institute Workshop on Developing Measures of Poverty and Social Exclusion, 4 December.
- Sedgwick S. 2008. 'Human Capital and Social Inclusion: We Are All Human Capital Now!', Brotherhood of St Laurence Symposium: Social Inclusion Down Under, Melbourne, 26 June; National Employment Services Association National Conference: Future Directions, Cairns, 13–15 August; and Department of Human Services Policy Group Presentation, Melbourne, 23 October.
- Sedgwick S. 2008. 'Schools', DEEWR Social Policy Research Services Workshop: Building Roads to Employment, Canberra, 28–29 October.
- Sivey P. 2008. 'Does Quality Influence Patient Choice of Hospital? Evidence from a Two-Stage Approach Using English NHS Data', Melbourne Institute Workshop Series, 22 April; CHERE Seminar, University of Technology Sydney, 1 May; and Centre for Health Economics Seminar, Monash University, 9 July.
- Sivey P. 2008. 'Output Substitution and Financial Incentives in Primary Care', Melbourne Institute Workshop Series, 1 October and 30th Australian Conference of Health Economists, Adelaide, 2–3 October.
- Tseng Y. 2008. 'Pathways to Higher Pay', DEEWR Social Policy Research Services Workshop: Building Roads to Employment, Canberra, 28–29 October.
- Tsiaplias S. 2008. 'Co-movement and Integration among Developed Equity Markets', ATINER 3rd International Symposium on Economic Theory, Policy and Applications, Athens, Greece, 4–7 August.
- Watson N. 2008. 'UKHLS Weighting Strategy: What Does It Mean for You?', Joint Empirical Social Science Seminars, ISER, University of Essex, United Kingdom, 23 July.
- Watson N. 2008. 'What HILDA Does to Minimise Measurement Error', Workshop on Measurement Error, Australian National University, 20 May.
- Watson N. 2008. 'What Is the Value of an Overlapping Seam?', Panel Survey Methods Workshop, University of Essex, United Kingdom, 15 July.
- Webster E. 2008. 'Applicant Behaviour in Patent Examination Request Lags', RIETI International Workshop on Economic Insights into Patent System Design, Research Institute of Economy, Trade and Industry, Tokyo, 18 December.
- Webster E. 2008. 'Misclassification in Patent Offices', XCVIIIth International Conference of the Applied Econometrics Association: Patent and Innovation, Hitotsubashi University, Tokyo, Japan, 19–20 December.
- Webster E. 2008. 'Should Copyright Be Managed as an Economic Policy', Copyright and the Government's Innovation Agenda Conference, Australian Copyright Council and Copyright Society of Australia, The Mint, Sydney, 10 November.
- Webster E. 2008. 'What Creates Abnormal Profits: Collusion, Efficiency or Strategy?', 37th Australian Conference of Economists, Gold Coast, 30 September–3 October.

Wilkins R. 2008. 'Changes in Individuals' Household Wealth, 2002 to 2006', Melbourne Institute Public Economics Forum, Canberra, 15 September and Melbourne Institute Economics Forum, Melbourne, 16 September.

Wilkins R. 2008. 'Dimensions of the Income Safety Net: Income, Wealth, Financial Stress and Consumption Expenditure', Australian Fair Pay Commission Secretariat, Melbourne, 4 September and Australian Fair Pay Commission, Melbourne, 10 October.

Wilkins R. 2008. 'Full Time Work and Sole Parents', Parenting Branch, DEEWR, 12 August and DEEWR Social Policy Research Services Workshop: Building Roads to Employment, Canberra, 28–29 October.

Wilkins R. 2008. 'The Determinants of Household Risky Asset Holdings: Australian Evidence on Background Risk and Other Factors', Melbourne Institute Workshop Series, 23 September and 37th Australian Conference of Economists, Gold Coast, 30 September–3 October.

Williams R. 2008. 'Methodology, Meaning and Usefulness of Rankings', Australian Financial Review Higher Education Conference, Sydney, 13–14 March.

Williams R. 2008. 'The Increasing Importance of Rankings', Innovative Financing for Universities Conference, Sydney, 29–30 October.

Wooden M. 2008. 'Income, Wealth and the Poor: A Longitudinal View', Melbourne Institute Public Economics Forum, Canberra, 15 September and Melbourne Institute Economics Forum, Melbourne, 16 September.

Wooden M. 2008. 'Is Australia Advancing Fairly: What Does HILDA Say?', New Agenda for Prosperity: Economic and Social Outlook Conference, University of Melbourne, 27–28 March.

Wooden M. 2008. 'The Changing Distribution of Working Hours in Australia', Economics Society (NSW Branch) Seminar, Reserve Bank of Australia, Sydney, 9 July.

Wooden M. 2008. 'The HILDA Survey', National Workshop on Data Resources, Australian Institute for Population Ageing Research, University of New South Wales, 17 September.

Wooden M. 2008. 'The HILDA Survey and Its Contribution to Economic and Social Research', SOFIE-Health Summer School, University of Otago, Wellington, New Zealand, 18 February.

Yong J. 2008. 'A Two-Stage Estimation of Hospital Quality of Care Using Mortality Outcome Measures: An Application Using Victorian Hospital Data', Melbourne Institute Workshop Series, 13 May; Department of Human Services, Victoria, 11 June; and Far Eastern and South Asian Meeting of the Econometric Society, Singapore Management University, Singapore, 16–18 July.

Yong J. 2008. 'In the Shadow of the Australia–China FTA Negotiations: What Australian Business Thinks about IP', IPRIA Public Seminar (in association with Australia China Business Council), Melbourne Law School, Melbourne, 20 February; IPRIA Public Seminar (in association with Australia China Business Council), Macquarie Graduate School of Management, Sydney, 21 February; and IPRIA Public Seminar (in association with Australia China Business Council), Brisbane, 28 February.

Yong J. 2008. 'On Income, Personality and Happiness: An Investigation of Heterogeneity in Subjective Well-Being Using Australian Household Panel Data', Symposium on Interdisciplinary Studies on Happiness, Centre for Liberal Arts and Social Sciences, Nanyang Technological University, Singapore, 20 November and Melbourne Institute Workshop Series, 16 December.



PUBLICATIONS BY SUBSCRIPTION

Melbourne Institute Journal

Australian Economic Review

The *Australian Economic Review* specialises in economic topics that are of contemporary relevance to Australia. This is best illustrated by the Policy Forums where, in 2008, the topics covered were obesity, housing affordability, full employment and urban water. Sixteen contributed articles were published in the year and covered a diverse mix of topics. Two papers were invited. The Data Surveys and For the Student sections continued to play an important role in economic education. In 2009 the *Review* for the first time will be rated in the ISI citation count.

A summary of the composition of the articles published in the *Review* over the past four years is given in Table 1. Table 2 provides information on the number of contributed articles received and their disposition. There were 61 submissions in 2008, a 20 per cent increase over the number of submissions in 2007 but below the 2006 peak. The acceptance rate did not increase commensurately, so there has been an increase in the rejection rate. Over the four-year period 2005–2008 one-third of the papers submitted were accepted. The backlog of articles awaiting publication remains at a little over two issues.

Table 1 Published Articles, 2005 to 2008

Type of article	2005	2006	2007	2008
Invited Articles	2	3	2	2
Contributed Articles	12	15	14	16
Policy Forum	19	17	18	20
Data Surveys	4	4	4	3
For the Student	4	4	4	4
Pages	469	456	470	455

Table 2 Submissions, 2005 to 2008 ^a

Contributed papers	2005	2006	2007	2008
Brought forward from the previous year ^b	28	26	26	29
New submissions during the year	59	68	50	61
Total	87	94	76	90
Decisions made				
Accepted: Published	12	15	14	16
Accepted: In queue	3	5	8	10
Rejected/withdrawn	49	53	33	44
Resubmit	9	7	9	7
In process	14	14	12	13
Total	87	94	76	90

Notes: (a) Contributed articles only. (b) Sum of acceptances in the queue, re-submissions and articles in process.

Melbourne Institute Economic and Social Indicators

Westpac – Melbourne Institute Indexes of Economic Activity

Published monthly, the *Westpac – Melbourne Institute Indexes of Economic Activity* presents and examines movements in leading and coincident indicators of economic activity in Australia. Indexes of economic activity are designed to enhance the decision-making process of financial and business managers as well as policy makers by anticipating and identifying turning points in the economy. Each index blends several variables which reflect different aspects of the economy; their combination is intended to give a more representative picture than would any one variable by itself.

Westpac – Melbourne Institute Survey of Consumer Sentiment

The Consumer Sentiment Index is an average of five component indexes which reflect consumers' evaluations of their household financial situation over the past year and the coming year, anticipated economic conditions over the coming year and the next five years, and buying conditions for major household items. Assessments about future unemployment are also recorded. This report is produced monthly.

Westpac – Melbourne Institute Survey of Consumer Sentiment: NSW, Victoria, Queensland, Western Australia, South Australia

Key consumer sentiment data are published in relation to New South Wales, Victoria, Queensland, Western Australia and South Australia. This report is produced monthly.

Melbourne Institute Survey of Consumer Inflationary Expectations

The consumer inflationary expectations measures are designed to represent the average householder's expected rate of consumer price changes over the coming 12 months. The survey produces a direct measure of inflationary expectations as consumers are asked whether, and by how much, they believe prices will go up or down. This report is produced monthly.

Melbourne Institute Wages Report

This report records employees' (self-reported) pay changes over the previous 12-month period and their expected wages in the year ahead. This survey has been designed to capture the growth in pay. It adds to our knowledge about wages and complements the ABS labour cost index. This report is produced quarterly.

Melbourne Institute Household Saving and Investment Report

This survey-based report contains information about households' current and future saving behaviour, their reasons for saving, the structure of household assets and debts, and households' assessments of the best ways to invest savings. This report is produced quarterly.

Melbourne Institute Monthly Bulletin of Economic Trends

This report provides forecasts of the state of the Australian economy. Variables forecasted include the growth in GDP, consumption and the unemployment rate as well as the outlook for inflation, the 90-day bill rate and the exchange rate. The forecasts are generated using econometric techniques which combine both historical information and forward information contained in, for example, consumer expectations, leading indexes of economic activity, and financial futures. The monthly updates of forecasts for the ensuing four quarters provide information in advance of official quarterly data.

TD Securities – Melbourne Institute Monthly Inflation Gauge

TD Securities and the Melbourne Institute have developed a monthly inflation indicator to give markets and policy makers a monthly update on inflation trends. Based on the methodology used by the Australian Bureau of Statistics to calculate the quarterly consumer price index, this publication estimates month-to-month price movements for a wide-ranging basket of goods and services across the main capital cities of Australia. This report is produced monthly.

Manpower – Melbourne Institute Employment Report

This report provides forecasts of the growth in employment for Australia and the states of Victoria, New South Wales, Queensland,



Western Australia, South Australia and Tasmania. The forecasts are based on a time series model which utilises historical information as well as exclusive forward information contained in surveys conducted by the Melbourne Institute and Manpower. The report contains both point and interval forecasts of expected employment. This report is updated monthly.

Poverty Lines: Australia

Poverty Lines: Australia is a quarterly newsletter that updates the Henderson Poverty Line as defined in the 1973 Commonwealth Commission of Inquiry into Poverty. It is standard reference material for those concerned with social welfare policy in Australia. Minimum income levels required to avoid a situation of poverty are presented for a range of family sizes and circumstances. The updated poverty lines take into account changes in the average income level of all Australians, reflecting the idea that poverty is relative. Each issue includes a table indicating changes in the purchasing power of the poverty lines and a table comparing welfare payment levels with poverty lines for various family types.

Other Melbourne Institute Publications

Household, Income and Labour Dynamics in Australia (HILDA) Survey Annual Report 2008

The Household, Income and Labour Dynamics in Australia (HILDA) Survey is Australia's major nationally representative household panel survey. This document summarises activity undertaken on the HILDA Survey project during 2008.

Families, Incomes and Jobs, Volume 3: A Statistical Report on Waves 1 to 5 of the HILDA Survey

The aim of the Household, Income and Labour Dynamics in Australia (HILDA) Survey is to provide, on an annual basis, a new type of social statistics for Australia — longitudinal panel statistics describing the ways in which people's lives are changing. The report contains short reports and statistical tables covering the four main areas of HILDA: households and family life, incomes and wealth, employment and unemployment/joblessness, and life satisfaction and well-being. Particular emphasis is given to the persistence of problems over the first five years of the HILDA Survey (for example, the persistence of poverty over five years).

R&D and Intellectual Property Scoreboard 2008

This publication is the most comprehensive assessment to date of the innovative activities of large Australian enterprises. The report will be released in 2009 and provides an invaluable information source for benchmarking and competitor analysis. The innovative activities covered by the report include the latest available information on the level of R&D and applications for intellectual property. The report includes an innovation index, ranking Australia's most innovative firms; R&D expenditure and intensity rankings for parent companies; the level and intensity of intellectual property applications for parent companies; and industry listings.

Australian Patent Applications Scoreboard 2008

The *Australian Patent Applications Scoreboard* is a comprehensive collection

of data about the number of patent applications made in Australia each year. It provides a useful reference across a number of disciplines and industries. The Scoreboard is a useful tool for enterprises that facilitate the commercialisation of research projects. For example, it allows users to see at a glance the areas of technology where patent activity is highest in 2007, and activity going back ten years.

IBM® – Melbourne Institute 'Innovation Index of Australian Industry'

The *IBM® – Melbourne Institute 'Innovation Index of Australian Industry'* tracks patterns in the rate of innovative activity among Australian businesses (including government trading enterprises but not the non-trading government sector such as education) since 1990. It includes the intensity of innovations in relation to goods and services, technical operations, and organisational, managerial and marketing functions. The second edition was released in 2008.

PricewaterhouseCoopers Melbourne Institute Asialink Index 2008

The PricewaterhouseCoopers Melbourne Institute Asialink Index measures the level of engagement between Australia and Asia over the period 1990–2007 along seven dimensions: trade, investment, tourism, education, research and development, humanitarian assistance and migration.

Melbourne Institute Working Paper Series

The Melbourne Institute working papers are indicative of research projects undertaken within the Melbourne Institute. In 2008, 25 working papers were produced.

Melbourne Institute Reports

The Melbourne Institute publishes ad hoc reports on important economic and social topics investigated by Melbourne Institute researchers.

Melbourne Institute News

This quarterly newsletter was introduced in late 1999 to keep people abreast of various developments at the Melbourne Institute. Articles cover a range of items from the major research programs, the HILDA Survey, the MABEL Survey, conferences, forums and seminars.

FINANCE AND PERFORMANCE INDICATORS

	2004	2005	2006	2007	2008
INCOME					
Non-University Funds	\$7,706,733	\$8,506,488	\$9,051,614	\$10,624,303	\$11,719,127
made up of:					
Subscription Services	\$127,383	\$137,366	\$134,806	\$221,663	\$266,726
Forums/Conferences	\$144,063	\$228,197	\$264,478	\$132,722	\$437,358
Contract Research	\$7,133,888	\$7,728,851	\$7,931,174	\$9,366,250	\$9,620,507
Grants	\$301,399	\$412,074	\$721,156	\$903,668	\$1,394,536
Faculty of Economics and Commerce Allocation	\$1,115,240	\$1,218,209	\$1,178,320	\$1,269,768	\$1,412,222
Other University Funds	\$794,409	\$510,798	\$754,128	\$258,896	\$652,928
Total Income	\$9,616,382	\$10,235,495	\$10,984,062	\$12,152,967	\$13,784,277
PERFORMANCE INDICATORS					
A. Staffing					
Melbourne Institute Staff (as at December)	41	44	47	47	47
(total number)	8%	7%	7%	0%	0%
B. Research Performance Indexes					
1. Research Income					
National Competitive Research Grants	\$301,399	\$412,074	\$721,156	\$903,668	\$1,265,468
	145%	37%	75%	25%	40%
Other Public Research Grants	\$6,069,664	\$6,535,050	\$7,931,174	\$8,063,052	\$7,766,596
	2%	8%	21%	2%	-4%
Industry and Other Research Funds	\$1,335,670	\$1,559,364	\$399,284	\$1,303,198	\$1,982,979
	1%	17%	-74%	226%	52%
Total External Research Income	\$7,706,733	\$8,506,488	\$9,051,614	\$10,269,918	\$11,015,043
	5%	10%	6%	13%	7%
2. Publications					
Refereed Journal Articles: Weighted DEST points	24.8	34.0	22.4	29.1	31.4
	34%	37%	-34%	30%	8%
Total Publications: Weighted DEST points	30.5	54.1	40.4	47.0	34.99
	61%	77%	-25%	16%	-26%
Refereed Journal Articles (count)	25	45	29	45	44
	19%	80%	-36%	55%	-2%
3. Higher Degree Students					
Research Higher Degree Students (full-time equivalent)	5	5	5	5	4.5
	0%	0%	0%	0%	-10%
Research Higher Degree Completions	0	2	1	2	0
C. Indicators with Respect to Business, Government and Public Policy Debates					
1. Subscriptions to Melbourne Institute Products (excluding <i>Australian Economic Review</i>)	246	277	305	278	239
	-8%	13%	10%	-9%	-14%
2. Value of Subscriptions and Sponsorships ^a	\$566,288	\$615,756	\$781,587	\$780,474	\$855,881
	3%	9%	27%	0%	10%
3. References to the Melbourne Institute in the Media	1196	2479	2483	2208	2701
	-3%	107%	0%	-11%	22%
4. References to the Melbourne Institute in Parliament	12	34	13	9	25
	-43%	183%	-62%	-31%	178%
D. Financial Performance					
1. Total Income	\$9,616,382	\$10,235,495	\$10,984,062	\$12,152,967	\$13,784,277
	18%	6%	7%	11%	13%

Note: (a) The value of sponsorships is counted in the above income table as contract research.