



FACULTY OF
BUSINESS &
ECONOMICS

MELBOURNE INSTITUTE OF APPLIED
ECONOMIC AND SOCIAL RESEARCH



MELBOURNE INSTITUTE®
of Applied Economic and Social Research

ANNUAL REPORT 2010
AND OUTLOOK 2011

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DIRECTOR'S REPORT



Professor Deborah Cobb-Clark, Director and Ronald Henderson Professor

The Melbourne Institute solidified its position as Australia's leading economic and social policy research institute in 2010 with the development of major new research initiatives in the areas of housing vulnerability and education and childhood development.

Homelessness is a major social policy issue with up to 105,000 Australians estimated to be homeless on Census night 2006. In 2010, the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) commissioned the Melbourne Institute to design and manage the project 'Journeys Home: Longitudinal Study of Factors Affecting Housing Stability'. The study will be a new panel survey examining the experiences of individuals vulnerable to homelessness. The study will provide vital information to enable policy makers to better target and design their policies so as to assist them with their goal of reducing Australians' vulnerability to homelessness.

In addition, in 2010 the Victorian Department of Education and Early Childhood Development (DEECD) established a new, multi-million dollar research partnership with the Melbourne Institute. The partnership will fund a new research program within the Melbourne Institute — the Economics of Education and Child Development (EECD) — which will provide the evidence necessary for DEECD to ensure that all Victorian children and young people have a healthy and happy start in life; are engaged with and benefiting from schooling; and make successful transitions from school to further education and/or work and training.

Both of these new research projects are integral to the Melbourne Institute's mission of enhancing the wellbeing of Australians by undertaking cutting-edge research on Australian issues, contributing that knowledge to policy development, and providing important social and economic commentary. In June 2010, the Melbourne Institute's 2011–2015 Strategic Plan for achieving that mission was adopted. Our strategic plan (available on the Melbourne Institute website) reaffirms our intention to remain the number one centre of excellence in high-quality policy-relevant research on the Australian economy and society and to become one of the world's leading economic and social policy research institutes.

Long-term, strategic research partnerships are critical to the Melbourne Institute's effectiveness. They allow us to build capacity, to make investments in understanding institutional details and complicated datasets, and to expand the evidence base. Moreover, good public policy cannot take place in the shadows. Our research partnerships ensure that independent scrutiny of research findings by knowledgeable scholars and policy makers is possible so that meaningful public debate can take place. The Melbourne Institute is extremely privileged to have the opportunity to work with a number of key organisations in government and industry and 2010 saw those partnerships both expanded and strengthened.

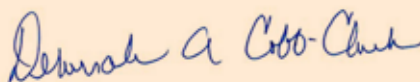
We are also very fortunate that in 2010 the Melbourne Institute was successful in recruiting a number of senior staff with exceptional academic credentials and extensive expertise in social and economic policy. Associate Professor Duncan McVicar joined the Labour Economics and Social Policy (LESP) research program in July 2010. His research interests include program evaluation, unemployment, disability, and youth transitions. In addition, Associate Professor Chris Ryan was hired in 2010 to lead the new EECD research program. Chris has been directing the Social Policy Evaluation, Analysis and Research (SPEAR) Centre at the Australian National University since 2005 and was previously an Assistant Secretary with the Department of Employment, Education and Training. Professor John Haisken-DeNew from the University of Bochum, Germany, has also accepted a position with the EECD research program. John was employed for over 10 years in two of Germany's leading research institutes — DIW in Berlin and RWI in Essen — and has research interests focusing on a wide range of social and economic policy issues. Finally, Dr Justin van de Ven has accepted a position as a Senior Research Fellow in the LESP research program. Currently employed at the National Institute of Economic and Social Research in London, Justin has extensive research experience in modelling the effects of public policy on retirement decisions. We are very excited about the senior leadership that each of these individuals will provide to the Melbourne Institute.

Academically, 2010 was an extremely successful year for the Melbourne Institute. We published a record number of papers in leading domestic and international outlets. We also had three successful ARC grant applications which will generate more than \$875,000 over the next three to four years. In addition, the Melbourne Institute became the Australian node for an international research network being lead by the Center for Research on Child Wellbeing (Princeton University) focused on outcomes for child migrants. The Melbourne Institute's strong academic performance is fundamental to ensuring the continued success of the economics discipline (and related disciplines) in the ARC's rankings of Australian universities.

A number of individuals have contributed to this success. I would like to thank the members of our Advisory Board, in particular our Chairman, Tony Cole, for all of their time, effort and support over the years. I would also like to thank our long-term strategic, research partners and to welcome DEECD to the family.

I am very much looking forward to working with all of you. In addition, the Faculty of Business and Economics at the University of Melbourne continues to provide critical financial and professional support for what we do. Most importantly, I would like to thank all of the professional and academic staff of the Melbourne Institute. Your enthusiasm, talent, entrepreneurial skills, and professionalism make it all possible. I am particularly grateful for the support that the senior management team — especially Professor Mark Wooden — gave me as I was settling in and getting my feet under me.

I know that we are all looking forward to 2011 which seems set to be another exciting year for the Melbourne Institute.



Professor Deborah Cobb-Clark
Director and Ronald Henderson Professor



HIGHLIGHTS OF 2010

Contract Research

1

Professor Deborah Cobb-Clark commenced as the Director and Ronald Henderson Professor on 27 April 2010. A world expert on the effects of public policies on labour market outcomes, much of Professor Cobb-Clark's research has focused on immigration policy and how this might affect the labour market outcomes of migrants. She has also examined how the receipt of income support affects young people's decisions to engage in risky behaviour and the role of gender in promotions, occupational choice and wages. She is currently leading the innovative 'Youth in Focus' project, a longitudinal survey funded by the Australian Research Council and the Commonwealth Government.

4

Funding has been secured to establish an international research network which will be housed in the Center for Research on Child Wellbeing (Princeton University), and engage collaboratively with three additional research centres located in Australia, the United Kingdom and Spain. The intellectual work of the network involves three themes: (i) social and economic consequences of age at migration; (ii) institutions of the welfare state and child wellbeing; and (iii) migrant fertility and living arrangements. The Melbourne Institute is the Australian research node. The network will involve workshops, research seminars and research visits to investigate the themes.

7

A new partnership between the University of Melbourne and the National Centre for Vocational Education Research (NCVER) aims to build the knowledge base for policy makers and practitioners. The research program entitled 'Promoting Social Inclusion for Disadvantaged Groups through Education and Training' will be funded by a three-year research grant from NCVER.

2

The Department of Education and Early Childhood Development (DEECD) has awarded a major research grant to the Melbourne Institute. The grant, which may end up in excess of \$5 million, will fund a research partnership between DEECD and the Melbourne Institute for up to five years. As part of this we will be setting up a new research program — the Economics of Education and Child Development — which we hope will help the Melbourne Institute become an international centre of excellence for applied research in the economics of education.

5

2010 saw the completion of the ninth wave of the Household, Income and Labour Dynamics in Australia (HILDA) Survey, and the commencement of the tenth wave. Wave 9 was the first wave conducted using computer-assisted interviewing techniques and the first conducted by Roy Morgan Research. The turnaround time between completion of fieldwork and data release is down to eight months. Release 9 will be accompanied by a discussion paper on the transition to computer-assisted interviewing and the change of fieldwork.



HILDA CAPI tablet

3

A combined team from LESP and HILDA was successful in a tender bid to develop the study 'Journeys Home: Longitudinal Study of Factors Affecting Housing Stability' in collaboration with FaHCSIA. This study will be a new panel survey examining the experiences of samples of homeless Australians, and others identified as being at risk of, or vulnerable to, homelessness. It will provide integral information to assist with the Australian Government's strategy to reduce homelessness in Australia. It will be used by policy makers, academics and service providers to develop effective, evidence-based early intervention and prevention responses.


6

Data from the first wave of the Medicine in Australia: Balancing Employment and Life (MABEL) longitudinal survey of doctors were released in July. The release contains unit record data on 10,498 doctors who completed the survey in 2008. Applications forms for the data are on <www.mabel.org.au>. It is anticipated that Wave 2 data will be released at the start of 2011.

Academic Research/Research Grants

<p>1</p> <p>The Melbourne Institute had three successful ARC grant applications.</p> <ul style="list-style-type: none"> • Professor Deborah Cobb-Clark, 'Non-Cognitive Skills and Human Capital Investments: The Importance of Individuals' Sense of Control', ARC Discovery Grant, \$297,316 over three years. 	<ul style="list-style-type: none"> • Professor Beth Webster, Associate Professor Paul Jensen, Dr Alfons Palangkaraya, Professor Brian Wright (University of California, Berkeley), Professor Sadao Nagaoka (Hitotsubashi University), Associate Professor Bruno van Pottelsberghe (Université Libre de Bruxelles) and Professor Show-Ling Jang (National Taiwan University) with IP Australia and Institute of Patent and Trademark Attorneys of Australia, 'The Efficiency of the Global Patent System', ARC Linkage Grant, \$430,039 over four years. 	<ul style="list-style-type: none"> • Professor Tony Scott, Dr Jongsay Yong, Associate Professor Helena Britt (University of Sydney) and Professor Hugh Gravelle (University of York), 'The Effect of Competition and Doctor Heterogeneity on Prices Charged by Doctors', ARC Discovery Grant, \$248,258 over three years.
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Workshops

<p>1</p> <p>The Melbourne Institute co-hosted the first Australasian Workshop on Econometrics and Health Economics held on 8–9 April at the Monash Conference Centre, Melbourne. The workshop, attended by about 39 delegates, was organised by Professor Bruce Hollingsworth (Director of the Centre for Health Economics at Monash University) and Professor Tony Scott (Director of the Health Economics research program at the Melbourne Institute).</p>	<p>3</p> <p>The Melbourne Institute in 2010 made available to staff and PhD students of the Melbourne Institute and the Department of Economics an in-house training course on STATA. The course, delivered by Associate Professor Kit Baum (Boston College Economics and DIW Berlin), was attended by 30 staff and students.</p>	
<p>2</p> <p>HILDA user training courses were held in Sydney on 8 June and in Canberra on 9 June. Places were made available for 30 and 70 registrants respectively, and both courses were close to fully subscribed.</p>	<p>4</p> <p>The Microeconometrics Research Unit at the University of Melbourne, a joint initiative of the Department of Economics and the Melbourne Institute, held a one-day workshop devoted to the Economics of Education on 23 July 2010. Speakers from the Melbourne Institute were Professor Deborah Cobb-Clark ('Are Young People's Educational Outcomes Linked to Their Sense of Control?') and Dr Cain Polidano ('Employment Outcomes from Vocational Education and Training for People with Disability').</p>	

OUTLOOK FOR 2011

Regional Dimensions of Economic Performance

Economic policy discussions in Australia have become increasingly concerned with the regional dimensions of economic performance. Is Australia a two-speed economy? How will Victoria benefit from the (expected) resource boom? What are the direct and indirect linkages between the resource and service (and manufacturing) States? In 2011, the Applied Macroeconomics team will analyse the relationships between the States and their reactions to external and policy shocks. New generation VAR methodologies which broaden the range of variables analysed and which take explicit account of inter-state trade will be applied. A more comprehensive and coherent picture of the effects of shocks on the economy would result. The model will improve our understanding of regional reactions to policy and external (real and financial) shocks.

HILDA Survey to Get Bigger

2011 will see the administration of the eleventh wave of the Household, Income and Labour Dynamics in Australia (HILDA) Survey. The key feature of this wave is a marked expansion in sample size, with the aim being to extend the sample by another 2000 households. With around 7200 households currently responding to each wave, this represents an increase approaching 30 per cent. This will put the total sample size of the HILDA Survey on par with some of Australia's most significant cross-sectional surveys (such as the ABS Survey of Income and Housing).

Industrial Economics

During the past few years, the Industrial Economics team has been developing a program of work studying the commercialisation of science, the markets for technology and the behaviour of the international patent system. During 2011, we aim to continue this work via a survey of participants in the market for technology and an analysis of PATSTAT — the international patent database. Emerging areas of research include plant breeders' rights and the effects of star inventors on the productivity of research environments.

Economic and Social Outlook Conference

The sixth Economic and Social Outlook Conference, 'Growth Challenge', will be hosted jointly by the Melbourne Institute and *The Australian* on 30 June and 1 July 2011. As usual, the conference will address a wide range of economic and social policy issues including managing the economy's growth shock, financing the education revolution, tackling social disadvantage amid the boom, climate change and energy security, skills shortages, population and immigration growth, tax reform, funding an older Australia, water policy, women in the workforce, broadband, health reform, the financial system after the crisis and political options for a boom economy

The HILDA Survey '10th Anniversary' Research Conference 2011

The 2011 HILDA Survey Research Conference will be held in July 2011. The aim of the conference is to provide a forum for the discussion of research based on the Household, Income and Labour Dynamics in Australia Survey. Attendance at the conference is open to all, but should be of special interest to users of the HILDA Survey data and persons with an interest in the outcomes from longitudinal survey research in the broad field of economic and social policy.

Social Policy Research Services (SPRS) Partnership

Our ongoing SPRS research partnership with the Department of Education, Employment and Workplace Relations is now in its seventh year, with projects recently started which examine how schools can retain disadvantaged youth in education, how VET-in-schools affects school completion and post-school outcomes, and the factors that contribute to relatively poor labour market outcomes for Indigenous Australians. Further research, including an examination of labour market outcomes for vulnerable migrants, is planned to start later in the year.

National Centre for Vocational Education Research

Our research partnership with the National Centre for Vocational Education Research is now in its fourth year, with examinations of the impacts of education and training on different measures of social exclusion, mature age participation in education and training and its impacts, and the role of education and training in supporting progression from casual employment.

Melbourne Institute Staff Growth

2011 will see the commencement of a number of new staff with the Melbourne Institute. Associate Professor Chris Ryan will lead the new EECD research program. Professor John Haisken-DeNew has also accepted a position with the EECD research program. Dr Justin van de Ven will join us from the UK National Institute of Economic and Social Research as a Senior Research Fellow in October. Dr Francisco Azpitarte will join us in February, from the London School of Economics, as the new Ronald Henderson Research Fellow. Dr Jinhua Li will commence in May and Dr Sonia Kassenboehmer in July as Research Fellows. Rong Zhang, Felix Leung and Abraham Chigavazira will commence in March and Kyle Peyton in April as Research Support Officers.



Associate Professor Chris Ryan

LABOUR ECONOMICS AND SOCIAL POLICY



Associate Professor Guyonne Kalb, Director of the Labour Economics and Social Policy research program

The Labour Economics and Social Policy (LESP) research program continued to do well in 2010. The Social Policy Research Services (SPRS) contract with the Department of Education, Employment and Workplace Relations (DEEWR) entered its sixth year following a previous four-year contract with the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA). The National Vocational Education and Training Research and Evaluation (NVETRE) contract with the National Centre for Vocational Education Research (NCVER) entered its final year. Towards the end of 2010 the NCVER put out a request for tender for another three-year research program, for which the LESP team successfully applied. Another major highlight of the year was a new contract with FaHCSIA to set up a longitudinal survey of homeless individuals or individuals at risk of homelessness. It was won by a team consisting of Dr Rosanna Scutella, Dr Yi-Ping Tseng and Professor Mark Wooden (project leader) from the LESP and HILDA teams, as well as Associate Professor Eóin Killackey from the Centre for Youth Mental Health at the University of Melbourne and Dr Guy Johnson from RMIT.

In addition to the successful contract work, the LESP team maintained a high level and quality of academic output in 2010: nine working papers were produced, 16 journal articles were published, several papers were accepted to appear in 2011, and staff contributed chapters to three books.

There were a number of staffing changes in 2010. Associate Professor Duncan McVicar took up the position of Principal Research Fellow in mid-2010 and, while three Research Fellows and a Research Officer left, four new Research Fellows and a Research Officer joined the team. Dr Hielke Buddelmeyer was promoted to Senior Research Fellow.

Social Policy Research Services Contract

Five new projects started in 2010 and five projects were completed. Two ad hoc projects were also undertaken. Regular meetings of the Research Management Committee were held throughout the year in Canberra. Four projects have been approved for the 2011 research agenda and discussions are in progress for two further projects.

A fifth well-attended one-day SPRS conference was held in Canberra, which again highlighted the excellent policy-relevant research being carried out under the SPRS contract. In addition to these presentations, a number of papers from earlier years in the contract were presented at national and international academic conferences. Five articles based on the research under this contract were published or accepted for publication in refereed journals in 2010.

Listed next are SPRS projects that commenced or were in progress during 2010.

SPRS Projects Completed in 2010

1/09	Transitions of Income Support Recipients with Incapacity Exemptions
2/09	Impact of Education and Training on Income Support Recipients
3/09	Successful and Unsuccessful Pathways to Employment
1/10	The Effects of Childcare and Preschool on Child Development
5/10	Dynamics of Future Mature Age Workforce Participation

SPRS Projects Started in 2010 (not yet completed)

2/10	Second Chance Education: Re-engagement in Education of Early School Leavers
3/10	Activation and Welfare Dependency
4/10	Employment Retention in an Economic Downturn



Some members of the Labour Economics and Social Policy research program team



Dr Trinh Le and Dr Hielke Buddelmeyer



Some researchers of the 'Journeys Home' study

National Vocational Education and Training Research and Evaluation Program

The LESP team was successful in gaining renewal of its funding under the new 2011–2013 NVETRE program to carry out projects in the national research priority area 'The Contribution of Education and Training to Social Inclusion: To Explore the Reduction of Disadvantage through Education and Training'.

In November 2010, the Melbourne Institute co-hosted a 'VET and Disability' roundtable with NCVET at the University of Melbourne, at which recent research commissioned by NCVET in this area was presented. The roundtable was attended by representatives from the National VET Equity Advisory Council, Brotherhood of St Laurence, Victorian Disability Advisory Council, Australian Industry Group, Productivity Commission and Skills Australia.

Papers from the NVETRE program were also presented at the 20th Australian Labour Market Research Workshop, the Economics of Education Workshop (at the University of Melbourne), the Australian Conference of Economists, and the 21st Australian Labour Market Research Workshop. Furthermore, two refereed journal articles (one published and one accepted) were based on the research done under this contract.

Two projects were carried out under the 2010 research agenda. Listed next are the projects that were completed during 2010.

NVETRE Projects Completed in 2010

2009-1	The Role of VET in Preventing the Scarring Effect of Youth Joblessness
2009-2	Measuring the Quality of VET Using the Student Outcomes Survey
2009-3	Combining VET and Employment in Youth Transitions
2010-1	The Effect of VET Completion on Wages of Young People
2010-2	Career Progression from VET for People with a Disability (Final Report submitted January 2011)

Journeys Home: Longitudinal Study of Factors Affecting Housing Stability

In November, FaHCSIA commissioned the Melbourne Institute to design and manage the study 'Journeys Home: Longitudinal Study of Factors Affecting Housing Stability'. This study will be a new panel survey examining the experiences of homeless Australians, and others identified as being at risk of, or vulnerable to, homelessness. This project is led by a team of researchers from the Melbourne Institute, the Centre for Youth Mental Health at the University of Melbourne, and RMIT University. The study started immediately, and is currently setting up the sampling frame and questionnaires as well as selecting the interviewing organisation for the first pilot to be in the field in the first half of 2011.

ARC/NHMRC Projects

The LESP team continued its involvement in ARC-funded research, which produced a number of working papers and published articles. The LESP team also continues to contribute to a major NHMRC project. The team's projects are outlined below.

ARC Discovery Grants

- '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'.
- 'Effects on Labour Supply, Savings and Welfare of the July 2007 Policy Changes to Superannuation and the Age Pension'.

ARC Linkage Grants

- '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'.
- 'Improving Employment Outcomes in Early Psychosis: Social and Economic Benefits of Early Intervention'.

NHMRC Grant

- '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

Paid Parental Leave (PPL) Scheme Evaluation

Staff at the Melbourne Institute were part of a consortium led by the Institute for Social Science Research (ISSR) (University of Queensland) that was commissioned by FaHCSIA to evaluate the newly introduced PPL scheme. This involves assessing the new scheme with regard to a number of aspects, using existing data and new data to be collected in surveys. The Melbourne Institute will focus on evaluating the effect on labour supply.

Economic Evaluation of the Journey to Social Inclusion Program for Individuals with Chronic Homelessness Using a Randomised Control Trial

The Sacred Heart Mission commissioned a four-year study by the Melbourne Institute to carry out cost-benefit analyses of its J2SI program. The Melbourne Institute is responsible for the random assignment of treatment and control groups. The baseline survey and the six-month follow-up survey have been completed and the 12-month follow-up began in November.

Development of a Household Expenditure Measure

The Melbourne Institute was contracted by a consortium of lenders (such as banks or credit unions) through Edgar, Dunn & Company to develop a general minimum or subsistence household expenditure measure. This will assist lenders offering various products, such as mortgages, personal loans and credit cards. The project started in June 2010 and will run for just under a year.

A Multidimensional Measure of Poverty and Social Exclusion in Australia

As a follow-up on last year's project to estimate poverty and social exclusion in Australia, the Melbourne Institute and the Brotherhood of St Laurence have collaborated to produce an update of the estimates of poverty and social exclusion for Australia using the latest wave of the Household, Income and Labour Dynamics in Australia Survey. The aim is to release a yearly update of the multidimensional measure on a website to be set up by the Brotherhood of St Laurence.

Poverty Lines: Regional Updates

Quarterly, regional-level *Poverty Lines* were issued in 2010 according to the agreement with Westpac.

Collaborations

National Collaborations

Collaborative work with the Brotherhood of St Laurence continued under the leadership of Dr Rosanna Scutella on 'Disadvantaged Job Seekers' and on a project on social exclusion and poverty. A new collaboration with the ISSR at the University of Queensland commenced in the middle of the year. Towards the end of 2010, the 'Journeys Home: Longitudinal Study of Factors Affecting Housing Stability' project started jointly with the Centre for Youth Mental Health at the University of Melbourne and with RMIT University.

International Collaborations

Collaborative work with researchers from a range of countries continued on a number of projects. For example, our staff are collaborating with Dr Tom Crossley (University of Cambridge and Institute of Fiscal Studies, UK), Professor Paul Gregg (University of Bristol, UK), Professor Jeremiah Hurley (McMaster University, Canada), Associate Professor Sholeh Maani (University of Auckland, New Zealand), Mr Thor Thoresen (Statistics Norway), Dr Justin van de Ven (National Institute of Economic and Social Research, UK), Professor Jan van Ours (Tilburg University, Netherlands), Dr Jan Podivinsky (University of Southampton, UK), Dr Arnold Polanski (Queen's University Belfast, Ireland) and Dr Michael Anyadike-Danes (Economic Research Institute of Northern Ireland).



From left: Mr Daniel Kuehnle and Dr Cain Polidano

THE HILDA SURVEY



Professor Mark Wooden, Director of the HILDA Survey

After the tumultuous events of 2009 — a change in both data provider and method of data collection — 2010 was a relatively quiet year for the Household, Income and Labour Dynamics in Australia (HILDA) Survey. Perhaps of most significance, during 2010 we accelerated the timeline for delivery of the unit record data, with both Release 8 and Release 9 being released during the year. Release 9 became available in early December, just nine months after fieldwork was completed. We are planning on all future releases following a similar timeline.

Data Collection and Questionnaire Design

Wave 9

Data collection for Wave 9 was completed in early March 2010, with a headline response rate of 96.3 per cent, a full percentage point higher than in Wave 8. This is the highest response rate recorded during the life of the HILDA Survey. It is also superior to the rates reported at the comparable stage in both of our international sister studies — the British Household Panel Survey (BHPS) (95.7 per cent) and German Socio-Economic Panel (SOEP) (94.5 per cent).

On the downside, the response rate for our Self-Completion Questionnaire (SCQ), which is typically handed to respondents following the completion of the personal interview, continues to fall. In Wave 9, completed SCQs were collected from 86.6 per cent of interviewees.

Wave 10

2010 also saw the commencement of fieldwork for our tenth annual survey wave. The customary Dress Rehearsal was conducted over the period March to May, with the main survey fieldwork commencing in August. The key feature of the Wave 10 content is the repetition of the wealth

module, previously included in Waves 2 and 6. In addition, Wave 10 saw the inclusion for the first time of a sequence of questions intended to measure the extent to which employees both salary sacrifice and receive non-cash benefits.

Wave 11

Work also began on the development of the interview scripts and questionnaires for Wave 11. The intent in Wave 11 is to combine, for the first time, the retirement module and the fertility/family formation expansion module into the same wave.

The retirement module is on a four-year cycle, and has previously been conducted in Waves 3 and 7. Information on family formation, on the other hand, is collected every year, but additional information has been collected in Waves 5 and 8 (a three-year cycle). These different cycles thus ensured both modules would collide in Wave 11.

The two modules make natural partners in the sense that one is targeted primarily at older people and the other primarily at younger people. This means the additional burden on any single respondent is mostly not large. The intent is to bring the two modules together in Wave 11 and then subsequently repeat both modules every four years.



Some members of the HILDA Survey team

Data Use

The size of the HILDA Survey data community continues to grow. Release 8, covering the first eight waves of data, became publicly available on schedule in early February, with the number of registered users reaching 428. While this number is smaller than for Release 7 (455), new users meant the cumulative number of users over the life of HILDA grew from 1278 to 1401.

But more important is what users do with that data. Certainly academic research using the data continues to flourish, with the list of journal articles and other publications growing every year. For example, at the end of 2010, 251 refereed journal articles using HILDA Survey data were known to have been published.

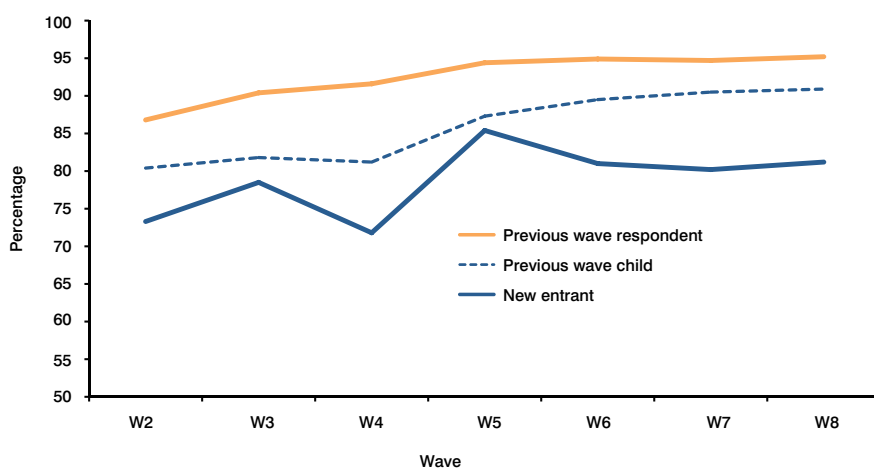
International Linkages

The HILDA Survey team has continued to nurture its linkages with other longitudinal studies being conducted elsewhere in the world. This was reflected in an extended visit by Nicole Watson to the German Institute for Economic Research in Berlin, the home of the SOEP, and in presentations made at international workshops on tracking sample members (in London) and on panel survey methods (in Mannheim). Further, as a result of our participation in the latter event, the Melbourne Institute (with the assistance of sponsorship from the Department of Families, Housing, Community Services and Indigenous Affairs and the Australian Bureau of Statistics) secured the rights to host the next International Panel Survey Methods Workshop in 2012.



HILDA Survey publications

HILDA Survey Response Rates Remain High



The Use of HILDA Survey Data (number of licensed users)

Release	Total data orders	Orders by new users	Cumulative number of users
Release 1 (Wave 1)	204	204	204
Release 2 (Wave 2)	265	167	371
Release 3 (Wave 3)	280	154	525
Release 4 (Wave 4)	329	170	695
Release 5 (Wave 5)	387	175	870
Release 6 (Wave 6)	401	175	1045
Release 7 (Wave 7)	448	194	1239
Release 8 (Wave 8)	428	123	1401

APPLIED MACROECONOMICS



Professor Guay Lim, Director of the Applied Macroeconomics research program

Applied Macroeconomics Research

Forecasting the Australian Economy

Many nations began 2010 with the hope and optimism that the worst of the global financial crisis (GFC) was over. But as 2010 progressed, worrying signs began to surface internationally. In the United States, there were no clear signs of a rebound in the labour market; in Japan, domestic growth was anaemic; and in Europe, the debt overhang associated with the fiscal stimuli led to fears of sovereign debt defaults in the so-called PIGS countries (Portugal, Ireland, Greece and Spain). Our forecasts for Australia are presented in the *Melbourne Institute Monthly Bulletin of Economic Trends* and our annual review of the economy is published in the March 2011 issue of the *Australian Economic Review*.

Reports on the State of the Australian Economy (based on survey, sampling and indicator analysis)

The Applied Macroeconomics team produces the following regular reports.

- Westpac – Melbourne Institute Indexes of Economic Activity (monthly)
- Westpac – Melbourne Institute Survey of Consumer Sentiment (Australia, NSW, Victoria, Queensland, Western Australia, South Australia) (monthly)
- Westpac – Melbourne Institute Survey of Unemployment Expectations (monthly)
- Melbourne Institute Wages Report (quarterly)
- TD Securities – Melbourne Institute Monthly Inflation Gauge (monthly)
- Melbourne Institute Survey of Consumer Inflationary Expectations (monthly)
- Melbourne Institute Monthly Bulletin of Economic Trends (monthly)
- Melbourne Institute Household Saving and Investment Report (quarterly)
- Westpac – Melbourne Institute Credit Market Survey (quarterly)
- The Global Proxy – Melbourne Institute Shareholder Confidence Index™ (quarterly)

Global Proxy – Melbourne Institute Shareholder Confidence Index

The Shareholder Confidence Index was introduced in May 2009 to capture the collective views of Australian retail shareholders. It is a summary balance measure of shareholders' confidence in the Australian share market. The Index is designed for easy interpretation — a

value below 100 is suggestive of 'bearish' sentiment while a value above 100 is suggestive of 'bullish' sentiment. The performance of the Index as a leading indicator of the S&P/ASX 200 Share Price Index is shown below (the comparison was conducted in November 2010).

Academic Research

Projects and Publications

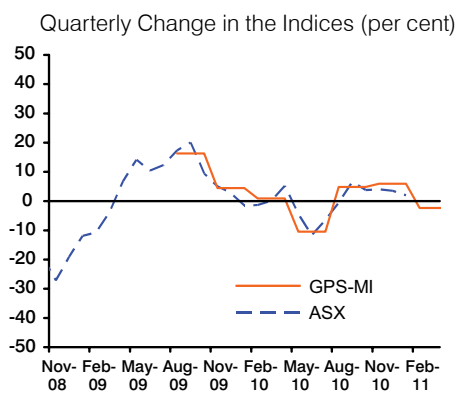
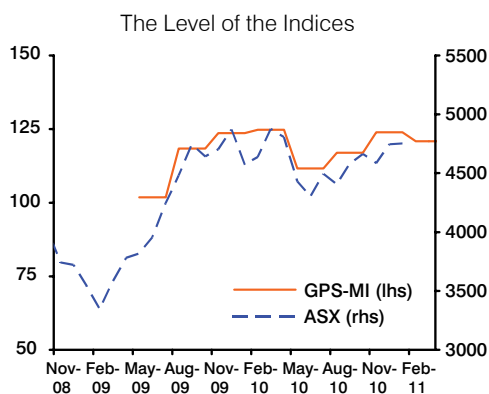
Members of the Applied Macroeconomics team are involved in a range of research projects. Many papers are directly focused on Australian issues, and a few result from international collaborations. For 2010, our research was published (or will shortly be published) in the following journals: *Economic Record*, *Journal of Forecasting*, *Australian Economic Review*, *Applied Economics*, *Journal of Economic Surveys* and *Australian and New Zealand Journal of Statistics*.

State and Territory Economic Performance and National Economic Policy

Economic policy discussions in Australia have become increasingly concerned with the regional dimensions of economic performance. The overriding research question asked in this project is: what are the nature and sources of economic differences between the States and how should national policy be formulated given different regional implications?

In 'Regional and National Unemployment Rates: A Beveridge Curve, Latent Variable Approach' (Melbourne Institute Working Paper 15/10) a model which allowed for variations in the equilibrium unemployment rates over time and across the States of

GPS-MI Shareholder Confidence Index and the S&P/ASX 200 Share Price Index



Note: GPS denotes Global Proxy Solicitation; MI denotes Melbourne Institute.



The Applied Macroeconomics research program team

Australia was estimated. The equilibrium unemployment rates were found to vary by States and over the sample period 1983(4) to 2008(2). More importantly, equilibrium unemployment rates had low and, in some cases, negative correlations with each other. In terms of implications for policies to reduce unemployment, these results downplay the potential role of national policy initiatives and suggest instead a key potential role for regional policies.

A Business Activity Index for Victoria: A Feasibility Study

The aim of this project is to construct a composite business activity index for Victoria. The index served as a monitor of the business environment within Victoria. To enable a comparison of performance across the States, similar indexes were also constructed for New South Wales, Queensland, Western Australia and South Australia.

Consumption, Housing Wealth and Financial Wealth

This research investigates the effects of generational shifts and financial innovations on the marginal propensities to consume. Overall, it aims to explore the linkages between housing and financial market fluctuations and economic stability.

A study of wealth effects on consumption was conducted using the US Consumer Expenditure Survey data from 1988 to 2005. In particular, the marginal propensity to consume from income, housing wealth and financial wealth allowing for cohort, age and period effects was estimated. We found evidence of (i) period profiles in income elasticities which correspond to business cycle influences; (ii) hump-

shaped age profiles for income and wealth which suggest the importance of financial wealth when income elasticities plateau and the importance of housing wealth when income elasticities fall; and (iii) cohort profiles which draw attention to the significance of financial wealth for the baby-boomer generation.

The Usefulness of Leading Indexes for Economic Forecasting: Assessing the Various Methods

This project investigates the relative usefulness for forecasting of leading indexes constructed using various methods available in the literature. The literature covering the construction of indexes of economic activity is huge. The methods vary greatly in their degree of technical sophistication, ranging from simple scoring of changes to relying on frequency domain methods to estimate dynamic latent factors. Though theoretical arguments can be made whether a particular index is superior to others, usefulness for forecasting is ultimately an empirical question. This study tests the various methods in terms of their usefulness for short-term forecasting.

Forecasting with Single Source State Space Models

The aim of this project is to apply the single source state space framework to solve the traditional problem of decomposing a macroeconomic time series into its trend and cycle while accounting for the asymmetric impact of positive and negative shocks as well as the possibility of a permanent structural change. The method was applied to forecasting the unemployment rate and

it outperformed alternative forecasting procedures typically used to forecast unemployment.

The Effects of Taxation on Migration: Some Evidence for the ASEAN and APEC Economies

This paper investigates the effects of taxation on migration. It develops a stylised, two-country model to examine the impact of taxation on labour mobility. The theoretical prediction that taxation affects migration decisions is supported by some empirical evidence for the ASEAN and APEC economies. Average tax rates are found to have a larger impact on migration choices than marginal rates. Moreover, the results suggest that educated migrants are more responsive to taxation than migrants with no education. Average tax rates are most important for migrants with secondary education, while marginal rates have a greater influence on the decisions of migrants with tertiary education. The finding that taxation affects migration decisions, in particular of educated migrants, has important policy implications.

PhD Training

The Applied Macroeconomics team has three PhD students: two students (co-supervised with staff in the Department of Economics) have completed. Sui Lay Tan is exploring whether an economic case can be made to integrate the ASEAN5 (Malaysia, Singapore, Thailand, Philippines and Indonesia).

HEALTH ECONOMICS



Professor Anthony Scott, Director of the Health Economics research program

Established in 2008, the Health Economics research program aims 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 six researchers in 2010. There are also two PhD students attached to the program. In addition, there are 19 associate members from across the University of Melbourne, including the Department of Economics, School of Population Health, and the Department of General Practice. The program also includes other researchers conducting academic research in health policy and health care.

The program's research is funded from competitive external grants from the ARC, NHMRC, State and Commonwealth governments, and commissioned research projects from government departments and the private sector. Since 2005, staff in the program have been involved in grants and contracts worth \$9.5 million, including grants of \$5 million in which the program's staff were acting as chief investigators.

The program's staff and affiliated 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.

Besides being highly policy relevant, these are also under-researched areas of work in Australia and internationally. The methods used in these research areas range from the interrogation of large datasets using econometric techniques, through to the collection of longitudinal data using specially designed surveys and experiments.

Researchers in the program meet regularly with policy makers at various levels of government, sharing with them our research findings and activities, with a view to building long-term partnerships. Government departments with which the program has regular contact include the Department of Health (Victoria), Health Workforce Australia, and a number of sections in the Commonwealth Department of Health and Ageing.

Research

Publications

In 2010, staff in the Health Economics research program published nine papers in peer-reviewed international and Australian journals. These include: *Medical Journal of Australia* (three papers), *Health Economics* (three papers), *BMC Health Services Research*, *Health Policy* and *Journal of Health Economics*.

During the year staff in the program also made a number of conference presentations at domestic and international conferences, including:

- IRDES Workshop on Applied Health Economics and Policy Evaluation, Paris;
- 1st Australasian Workshop on Econometrics and Health Economics, Melbourne;
- 32nd Australian Conference of Health Economists, Sydney;
- Econometric Society World Congress, Shanghai; and
- Social Aspects of a Changing Population, Singapore.

Workshops and Visitors

The Health Economics research program hosted the 3rd Annual Health Economics Workshop on 11 February 2010. Professors Hugh Gravelle (University of York, UK) and Ms Line Bjørnskov Pedersen (University of Southern Denmark) presented their work on respectively pay for performance in the United Kingdom and the agency relationship in primary care organisation

in Denmark. In addition, local researchers Dr Mabel Andalon (Department of Economics), Dr Peter Sivey and Professor Tony Scott also presented their research at the workshop.

Professor Tony Scott is also the co-organiser of the Australasian Workshop of Econometrics and Health Economics, the first of which was held in Melbourne in April. This was preceded by a Training Workshop in Health Econometrics delivered by Professor Andrew Jones (University of York, UK).

During 2010 the program played host to the following visitors: Professor Hugh Gravelle (University of York, UK), Professor Andrew Jones (University of York, UK), Professor Carol Propper (Imperial College London), Dr Francesco Paolucci (Australian National University), Dr Luigi Siciliani (University of York, UK), Dr Teresa Bago d'Uva (Erasmus University, Netherlands), Ms Adrienne Goebbels (University of Maastricht, Netherlands) and Ms Line Bjørnskov Pedersen (University of Southern Denmark).

Projects in 2010

MABEL

The third wave of the NHMRC-funded longitudinal survey of doctors (Medicine in Australia: Balancing Employment and Life) was administered in the middle of 2010, with over 15,000 doctors invited to participate, including 11,752 who had previously responded in Wave 1 (conducted in 2008) or Wave 2 (conducted in 2009) or both, plus a top-up sample of 3552 additional doctors. The response rate in 2010 was almost 80 per cent for the continuing sample of doctors and around 30 per cent for the additional doctors. A number of papers were published in journals, and several invited presentations were made at both international and national conferences. The Health Economics research program also has three PhD students working on MABEL: two located at Monash University and one at the Melbourne Institute. A list of all publications and presentations are provided on our website at <www.mabel.org.au>.

Measuring, Assessing and Explaining Hospital Performance

This five-year research project is funded under a NHMRC Partnership grant in

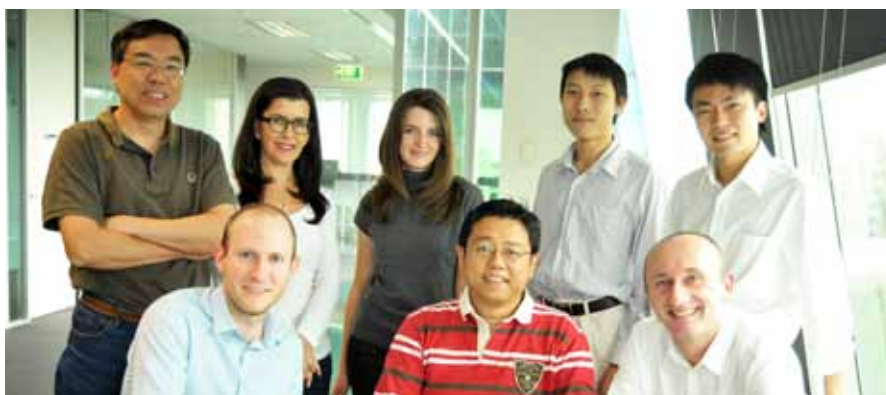
collaboration with the Victorian Department of Health. The aim of this research is to improve the generation and use of knowledge in understanding both the measurement and drivers of hospital performance. This will help build long-term capacity in the use and analysis of linked administrative data to simulate and evaluate policies to improve hospital performance. The research will be embedded in an analytical model based on the economic theory of production. The model specifies a number of hypotheses concerning the relationships between inputs, outputs, quality and costs that can be tested empirically. This conceptual basis is essential to help understand the complexity of hospitals as a system of production and of hospital performance. The empirical method consists of two stages. In the first stage an empirical implementation of a hospital production model will be carried out. Hospital performance will be measured using a combination of administrative data on costs and quality (existing key performance indicators, readmission and mortality rates, and Australian Patient Safety Indicators). The research outcome at this stage will yield various estimates of efficiency and quality of care. In the second stage these efficiency and quality estimates are related to hospital characteristics such as hospital size and resources available to the hospital to examine the drivers of hospital performance.

Projects for the National Health Workforce Planning and Research Collaboration

One project was conducted in 2010 under a three-year collaborative partnership between the Australian Health Workforce Institute and PricewaterhouseCoopers, and funded by Health Workforce Australia. This involved a review and critique of alternative methods for health workforce planning.

Obesity Prevention among Low Income Families: Economic and Strategic Modelling

This project, started in 2009, examines the determinants of healthy food choices amongst low socio-economic groups. The research, funded from an ARC Linkage grant with VicHealth as the Linkage partner, is led by Dr Catherine Burns at Deakin University. The other



Some members of the Health Economics research program team

chief investigators are Professor Kostas Mavromaras (Flinders University), Professor Tony Scott (Melbourne Institute), Ms Lisa Gold (Deakin University) and Dr Mark Lawrence (Deakin University).

Social and Health Inequalities Related to Changes in Drinking Water in Rural Victoria

This project, another ARC Linkage grant project started in 2009, is led by Dr Andrea Sanigorski in the School of Population Health, University of Melbourne. The Linkage partner is Dental Health Victoria. The project examines the role of fluoridation of the water supply in relation to drink choices, obesity and dental health.

Effects of Private Health Insurance on Health Care Usage and Health Outcomes

This project, funded by an ARC Discovery grant, investigates the dynamic relationship between private health insurance, health care usage and health outcomes. Australians spend more than \$7 billion each year on private health insurance, of which government subsidies amount to more than \$2 billion. Having private insurance is likely to result in better health for the insured, but more health resources are also likely to be used. Moreover, the health of the uninsured could be adversely affected if health resources available to the public hospital sector are reduced. This research aims to inform health policy-making on the effects of subsidising private health insurance on health care usage and health outcomes. The research began in 2008 and concluded in 2010.

Economic Evaluation of New and Amended Workforce Configurations

This project, started in the second half of 2010, was commissioned by the Victorian Department of Health. The project aims to conduct a systematic evaluation of the benefits and costs of the pilot programs under the Better Skills, Best Care (BSBC) strategy. The evaluation will be carried out on pilot programs on workforce roles in the areas of anaesthetics, emergency, and intensive care conducted at the Alfred, Warrnambool and Kyabram Hospitals. The evaluation will be conducted from the health-system perspective, to capture potential impacts on the health system as a whole. Aspects to be examined include (i) changes in the efficiency of service delivery, including throughput, waiting times, admissions and transfers; (ii) changes in the quality of service delivery and patient care in terms of intermediate clinical outcomes, including mortality rates and unplanned readmissions; (iii) changes to staffing and staff costs associated with changing workforce configurations; and (iv) changes to non-staff resource use such as test ordering and prescribing. The project is expected to be completed by the first half of 2011.

New Grants Awarded in 2010

Professor Tony Scott led a team of researchers in obtaining an ARC Discovery grant in 2010. The three-year grant will investigate the effect of competition and doctor heterogeneity on prices charged by doctors. The findings are expected to improve understanding of the pricing practices of doctors in Australia and their impact on health care costs.

INDUSTRIAL ECONOMICS



Professor Beth Webster, Director of the Industrial Economics research program

Major Projects

The ARC Linkage grant project 'Markets 4 Technology' which began in 2009 aims to scope the population of technology brokers in Australia. During 2010, we conducted a series of nearly 70 semi-structured interviews across Australia including people from technology transfer offices, business development managers, venture capitalists, patent attorneys and dedicated business broking houses, and government advice services. Partner organisations in this project are IP Australia, the Australian Institute for Commercialisation, and Watermark Patent and Trademark Attorneys.

The performance of the patent system continues to be a major focus for the Industrial Economics research program and, in 2010, three new papers arising from the 2007 Australian inventor survey were completed. These papers compared Australian inventors with inventors overseas and analysed the determinants of externally developing an invention. Work continues on the comparative analysis of Australian inventors and the effects of star inventors and inventors' networks on inventor productivity.

Collaborative works with researchers from the Health Economics research program continue on the analyses of the links between hospital market competition, quality, and efficiency and between private health insurance, hospital utilisation, and health outcomes.

Contract Research

During the year we completed contract research on 'Examining the Characteristics of Innovative Firms in Australia', a report prepared for the Australian Government Department of Innovation, Industry, Science and Research and 'Intellectual Property Rights and Climate Change Technology in Australia's Agricultural Sector', a report prepared for the Commonwealth Department of Foreign Affairs and Trade.

Academic Output and Grants

During 2010, the Industrial Economics staff had 16 journal acceptances and won three research grants ('Efficiency of the Global Patent system', \$430,000; 'Linking R&D, Innovation and the Performance of Australian Enterprises', \$45,000; and 'Plant Breeders' Rights', \$25,000).

Regular Reports

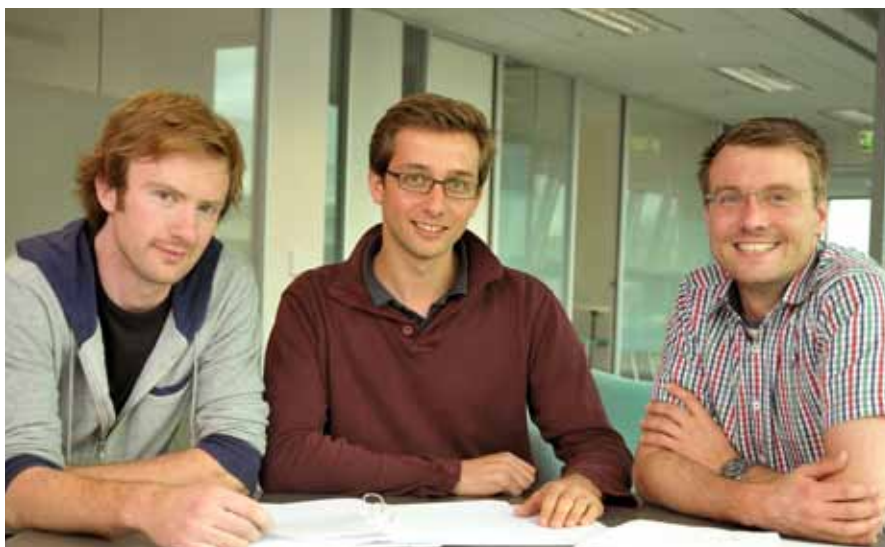
Four regular reports, aimed at government and industry, were completed during 2010. These comprised the *IBM® – Melbourne Institute Innovation Index of Australian Industry*, the *CTG R&D and Intellectual Property Scoreboard*, and the *PwC Melbourne Institute Asialink Index*. A new report, *PwC Melbourne Institute Asialink Index ANZ Services Report*, was launched in December.

IBM® – Melbourne Institute Innovation Index of Australian Industry 2010

In 2010, the third 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 April 2010 and was co-produced with IBISWorld, CTG and IP Australia. The report documents the number of patent, trade mark and design applications made by Australian firms in 2007 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.



From left: Mr Evan Lloyd, Dr Gaétan de Rassenfosse and Dr Russell Thomson



Some members of the Industrial Economics research program team

PwC Melbourne Institute Asialink Index 2010

This third annual report was undertaken in collaboration with PricewaterhouseCoopers and Asialink (University of Melbourne). This report 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 to 2008.

PwC Melbourne Institute Asialink Index ANZ Services Report 2010

The ANZ Services Index examines four sectors in Australia's international trade in services: education, transport, finance and business services. The Index looks at the level and spread of the trade between Australia and 16 countries of Asia in the period 2000 to 2008. It compares the relative growth in those sectors in the context of both Australia's goods trade and services trade with Asia, and with the rest of the world.

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 inter-disciplinary research centre (economics, law and management) primarily funded by IP Australia.

In 2010, IPRIA was part of a consortium of university innovation research bodies to establish an Asia Pacific Innovation Network. The first annual conference, which was held in Melbourne, was attended by over 70 people from all over the world. Keynote addresses were given by Professors Rochelle Dreyfuss, Ivan Png, Peter Drahos and Vincenzo Denicolo. We now look forward to the second conference to be held in Singapore in May 2011. During the financial year 2009–10, we published 23 refereed articles, nine non-refereed academic publications and nine other works. A further 12 articles are currently forthcoming. To complement this research, IPRIA fellows made over 40 academic presentations both domestically and overseas. One of the highlights for the year has been the continued high number of public events for legal professionals, industry and government. During the year, IPRIA hosted nearly 2200 people at 39 events across Australia. These events represent a mixture of evening or lunchtime seminars, one-day conferences, half-day workshops and panel discussions.

Miscellaneous

During 2010, Professor Beth Webster was appointed as a member of the Higher Education Base Funding Review; Associate Professor Paul Jensen was a visiting scholar at the University of Munich; Dr Alfons Palangkaraya was invited to join an international collaborative project on innovation and productivity; Dr Russell Thomson was invited to the KU Leuven Competition and Innovation Summer School Turunç (Turkey); and Dr Gaétan de Rassenfosse was selected to present a paper at the PATSTAT Patent Statistics for Decision Makers Conference in Vienna.



Industrial Economics publications

MELBOURNE INSTITUTE FORUMS



Melbourne Institute Forum



Professor Ross Garnaut



Professor Beth Webster, Mr Terry Stinson and Mr Terry Healy

Economics Forum in Melbourne

The Melbourne Institute Economics Forum in Melbourne entered its thirteenth year in 2010 and generated considerable interest. Luncheons were held on 15 April, 15 July and 30 November at the Sofitel Melbourne, 29 July at the Westin Hotel and 16 September at the Park Hyatt. A particular policy issue was covered and discussed at each forum.

The forums were chaired by Mr Tony Cole of Mercer (Australia) Pty Ltd, Mr Phil Ruthven of IBISWorld, Professor Peter Dawkins of the Department of Education and Early Childhood Development and Mr Jason Chang of KPMG.

Topics and speakers in 2010 were:

Retirement Savings (15 April)

Professor Ross Guest (Griffith University)
Dr David Knox (Mercer (Australia) Pty Ltd)
Dr Yi-Ping Tseng (Melbourne Institute)

Continuing Growth and Global Economic Stability (15 July)

Professor Ross Garnaut (The University of Melbourne and The Australian National University)
Dr Ligang Song (The Australian National University)
Professor Wing Thyee Woo (University of California)

Finding the Best Model to Exploit Australia's Inventive Talent (29 July)

Mr Terry Healy (CSIRO)
Mr Terry Stinson (Orbital Corporation)
Professor Beth Webster (Melbourne Institute)

Macroeconomic Policy Challenges: Dilemmas for the New Australian Government (16 September)

Professor Ross Garnaut (The University of Melbourne and The Australian National University)
Professor Guay Lim (Melbourne Institute)

Funding Our Nation's Schools (30 November)

Ms Mary Bluett (Australian Education Union, Victoria)
Mr Bill Daniels (Independent Schools Council of Australia)
Associate Professor Chris Ryan (The Australian National University)

Public Economics Forum in Canberra

In 2010 the Melbourne Institute Public Economics Forum in Canberra continued into its twelfth year and maintained very strong interest levels. Luncheons were held on 13 April, 27 July, 14 September and 2 December at the Hyatt Hotel Canberra. A particular policy issue was covered and discussed at each forum.

The forums were chaired by Associate Professor Guyonne Kalb of the Melbourne Institute, Mr Phillip Noonan of IP Australia, Dr Ken Henry of the Department of the Treasury and Dr Alison Morehead of the Department of Education, Employment and Workplace Relations.

Topics and speakers in 2010 were:

Retirement Savings (13 April)

Professor Ross Guest (Griffith University)
Dr David Knox (Mercer (Australia) Pty Ltd)
Dr Yi-Ping Tseng (Melbourne Institute)

Finding the Best Model to Exploit Australia's Inventive Talent (27 July)

Mr Terry Healy (CSIRO)
Mr Terry Stinson (Orbital Corporation)
Professor Beth Webster (Melbourne Institute)

Macroeconomic Policy Challenges: Dilemmas for the New Australian Government (14 September)

Professor Ross Garnaut (The University of Melbourne and The Australian National University)
Professor Guay Lim (Melbourne Institute)

Funding Our Nation's Schools (2 December)

Ms Mary Bluett (Australian Education Union, Victoria)
Mr Bill Daniels (Independent Schools Council of Australia)
Associate Professor Chris Ryan (The Australian National University)

OUR STAFF 2010



From left: Professor Mark Wooden at his induction to the ASSA and ASSA President Professor Barry McGaw

Director and Ronald Henderson Professor

Cobb-Clark, Deborah: BA (Eco) MA (Eco) PhD *Michigan* FASSA (from 26 April)

Research Staff

Professorial Research Fellows

Lim, Guay: BEc MEc PhD *ANU* (Director, Applied Macroeconomics)

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

Webster, Elizabeth: BEc Hons MEc *Monash* PhD *Camb* (Director, Industrial Economics)

Wooden, Mark: BEc Hons *Flinders* MSc *London* FASSA (Deputy Director and Director, HILDA Project)

Principal Research Fellows

Jensen, Paul: BEc *Sydney* PhD *UNSW*

Kalb, Guyonne: MEc *Erasmus* PhD *Monash* (Director, Labour Economics and Social Policy)

McVicar, Duncan: BSc Econ Hons *London* MSc PhD *Southampton* (from 6 July)

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

Senior Research Fellows

Buddelmeyer, Hielke: MA *Vrije* PhD *NYU*

Cai, Lixin: BEd *Henan* MA *Renmin* MEc PhD *ANU* (until 31 August)

Chen, Pu: BEng *Shandong* MMgmt PhD *Bielefeld* (until 30 July)

Chua, Michael: BEc Hons PhD *UNE*

Palangkaraya, Alfons: BSc *UMo* MA *Penn St* PhD *Ore St*

Scutella, Rosanna: BCom Hons PhD *Melb*

Tseng, Yi-Ping: BEc *Taiwan* PhD *ANU*

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

Yong, Jongsay: BA BSocSc Hons MSocSci *NUS* MA PhD *Brit Col*

Research Fellows Grade 2

Cheng, Terence: BSocSci Hons MSocSci *NUS*

Claus, Edda: BA (Eco) *McGill* MSc *Montréal* PhD *ANU*

de Rassenfosse, Gaétan: BBSc BS (Science in Management) MA (Science in Management) PhD *Bruxelles* (from 4 October)

Freidin, Simon: BBSc Hons GDipCompSc *LaT* (HILDA Survey Database Manager and Analyst)

Goode, Alison: BA Hons *Newcastle Upon Tyne* MSc *Aberdeen* (until 3 March)

Hanel, Barbara: MSc *Bonn* PhD *Erlangen-Nuremberg* (from 2 August)

Hérault, Nicolas: BSc (Eco) MSc (Eco) PhD *Bordeaux IV and Toulouse I*

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

Kim, Jounghyeon: BA (Econ) *Dongguk* MA (Econ) *Virginia* MA IDE *Yale* PhD *Indiana* (from 16 August)

Kostenko, Weiping: BIS *Beijing Jiaotong* MEco *Guangdong Academy of Social Science* PhD *Monash* (until 15 June)

Le, Trinh: BMS *Waikato* PhD *Canterbury* (from 6 September)

Lee, Wang-Sheng: BA (Eco) *Colby* MA *Michigan* PhD *Melb* (until 22 January)

Moschion, Julie: B (Econometrics) *Dauphine* MA (Macroeconomics) PhD *Paris* (from 18 October)

Polidano, Cain: BAgricEcon Hons *LaT* MAgric Econ *Sydney* PhD *Monash*

Schurer, Stefanie: Dipl *Potsdam* MSc *York* PhD *Bochum*

Sivey, Peter: BSc (Eco) MSc (Health Economics) PhD *York*

Stierwald, Andreas: Diplom-Volkswirt *Magdeburg* PhD *Melb* (until 31 May)

Tabasso, Domenico: BSc (Eco) *Bocconi* MSc (Eco) *Essex* (from 18 October)

Thomson, Russell: BSc Grd Cert Development *Melb* Grd Dip Econ PhD *ANU*

Tsiaplias, Sarantis: BCom Hons/LLB *Deakin* PhD *Melb* (until 15 January)

Vu, Ha: BEc *Newcastle* Hons *ANU* PhD *Melb*

Research Assistants Grade 2

Black, David: BCom Hons *Melb*

Dunn, Ross: BA App Sc *RMIT* GradDip *BIT Swinburne* (HILDA Database Support Officer) (from 11 January)

Fok, Yin King: BCom Hons/BIS *Melb*

Hahn, Markus: German Diplom (Eco) *Ruhr* (HILDA Research Officer)

Houng, Brendan: BCom Hons/B Software Eng *Melb*

Ittak, Peter: BSc BEc MPH *Monash* (HILDA Database Support Officer)

Kuehnle, Daniel: BA Hons Economics and Politics *Leeds* MSc Development Eco *Manchester*

Leahy, Anne: BCom GCertClassics GradDipPhilosophy *Melb* (Survey Manager)

Lentini, Nellie: BA *Monash* (Publications Manager)

Li, Ning: BA (App Math) MA (Eco Math) *China* PhD *LaT* (HILDA Survey Methodologist) (from 15 November)

Liew, Woei Tian: BSc MSc *LaT* GDip Ec *Melb* (Research Officer – Computing) (until 1 June)

Summerfield, Michelle: BSocSci Grad Cert Public Health *Edith Cowan* (HILDA Deputy Director, Survey Management)

Sun, Claire: BSc BCom MCom *Auckland* (HILDA Survey Methodologist) (until 13 September)

van Zijll de Jong, Mark: BCom Hons *Lincoln* (until 16 April)

Warren, Diana: BCom MCom Hons *W'gong*

Yan, Wenda: BBA (Eco and Int Fin) *Macau* Dip (App Eco) MSc (App Eco) *ANU* (from 1 February)

Zakirova, Rezida: BA (Banking) MSc (Math) *Moscow* ABD MA (Eco) *CEU*

Research Assistant Grade 1

Ware, Kerry

Professional Staff

Best, Michelle: BEnvSc *LaT* (Administrative Assistant)

Buchanan, Lyn: BA GradDip Ed *CDU* GradCert ICT Ed *CSU* (Executive Assistant)

Craw, Emma: BA Hons *Tasmania* (Administrative Assistant) (from 15 December)

Derham, Rachel: BSc GCertUniMgmt *Melb* (Business Manager)
 Fern, Virtue: (Executive Assistant) (*until 13 August*)
 Goh, Theresa: BBus (Bus Admin) MPA *RMIT* CPA (Finance and Resources Manager)
 Hope, Penelope: BA *LaT* (Functions Manager)
 Howard, Cliff: BCom *Melb* (Communications and Publicity Manager) (*until 9 November*)
 Madsen, Paula: (Administrative Officer, Labour Economics and Social Policy)
 Sapar, Nicky: Bus/BA *Monash* (Administrative Assistant, HILDA)
 Weaver, Phillip: BA Politics *Manchester Metropolitan* (Administrative Assistant) (*until 19 February*)
 Wilson, Michelle: BA Hons *Melb* (Executive Officer, IPRIA)

Honorary Appointments

Adjunct Professors

Borland, Jeff: MA PhD *Yale* FASSA (Department of Economics, The University of Melbourne)
 Creedy, John: BSc (Eco with Stats) *Brist* BPhil (Eco) *Oxf* FASSA (Truby Williams Chair of Economics, Department of Economics, The University of Melbourne)
 Dixon, Robert: BEc Hons *Monash* PhD *Kent* (Department of Economics, The University of Melbourne)
 Freebairn, John: BAgEc MAgEc *NE* PhD *Davis* FASSA (Ritchie Chair in Economics, Department of Economics, The University of Melbourne)
 Shields, Michael: BA Hons *Stafford* MSc Health *York* PhD *Leic* (Department of Economics, The University of Melbourne)
 van Ours, Jan: MSc *Delft* MSc PhD *Erasmus* (Professorial Fellow, Department of Economics, The University of Melbourne)

Professorial Fellows

Burkhauser, Richard: BA (Eco) *St Vincent* MA (Eco) *Rutgers* PhD *Chicago* (President of the Association for Policy Analysis and Management)
 Dawkins, Peter: BSc *Lough* MSc (Eco) *London* PhD *Lough* (Secretary, Department of Education and Early Childhood Development)

Drago, Robert: BS *Tulsa* MA PhD *Mass/Am* (Professor of Labor Studies and Women's Studies, Pennsylvania State University)
 Sloan, Judith: BEc Hons MA *Melb* MScEc *London*
 Williams, Ross: BCom *Melb* MScEc PhD *London* FASSA

Professor Ross Williams received a Member of the Order of Australia honour at the 2010 Queen's Birthday Honours for service to education, particularly in the discipline of econometrics, through research and administrative roles, as a contributor to professional publications, and as an adviser to state and federal governments.

Principal Fellows

Headey, Bruce: BA *Oxf* MA *Wisc* PhD *Strath*
 Marks, Gary: BSc Hons MSc *Melb* PhD *Qld*

Senior Fellows

Doiron, Denise: BA *Monc* MA PhD *UBC* (Department of Economics, The University of New South Wales)
 Rogers, Mark: BSc *London* MSc *Warw* PhD *ANU* (Harris Manchester College, Oxford University)
 Stillman, Steven: BA (Eco) Hons *Williamstown* MA (Eco) PhD *Washington*

PhD Students

Completed

Yashar Gedik
 Andreas Stierwald
 Ha Vu

In Progress (Melbourne Institute Students)

David Black
 Yin King Fok
 Markus Hahn
 Brendan Houg
 Kris Li
 Michelle McIsaac
 Sui Lay Tan
 Mark van Zijll de Jong
 Diana Warren

In Progress (External Students)

Durga Shrestha (Department of Epidemiology and Preventive Medicine, Monash University)
 Kate Folia (Department of Psychology, The University of Melbourne)
 Somvang Phimmavong (Department of Forest and Ecosystem Science, The University of Melbourne)
 Chris Wiew (School of Population Health, The University of Melbourne)
 Judith Willis (School of Social and Political Sciences, The University of Melbourne)



Ms Michelle McIsaac (PhD student) and Professor Tony Scott

ADVISORY BOARD 2010



Some members of the Melbourne Institute Advisory Board

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Ms Rachel Derham, Business Manager, Melbourne Institute of Applied Economic and Social Research, The University of Melbourne

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Dr Jonathan Kearns, Head, Economic Research, Reserve Bank of Australia

Professor Guay Lim, Professorial Research Fellow, Melbourne Institute of Applied Economic and Social Research, The University of Melbourne

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Mr Tony Nicholson, Executive Director, Brotherhood of St Laurence

Professor Nilss Olekalns, Head, Department of Economics, The University of Melbourne

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

Mr Phil Ruthven, Chairman, IBISWorld

Professor Anthony Scott, Professorial Research Fellow, Melbourne Institute of Applied Economic and Social Research, The University of Melbourne

Professor Elizabeth Webster, Professorial Research Fellow, Melbourne Institute of Applied Economic and Social Research, The University of Melbourne

Dr Lynne Williams, Under Secretary, Department of Treasury and Finance

Professor Mark Wooden, Deputy Director and Professorial Research Fellow, Melbourne Institute of Applied Economic and Social Research, The University of Melbourne

Professor Lyn Yates, Pro Vice-Chancellor (Research), The University of Melbourne

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Book Chapters

Drago R & Wooden M. 2010. 'Work Hours Mismatch in the United States and Australia', in Schneider B & Christensen K (eds), *Workplace Flexibility: Realigning 20th-Century Jobs for a 21st-Century Workforce*. Ithaca, USA: Cornell University Press, 262–75.

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Research Higher Degree Theses

Gedik Y. 2010. 'Geographical Localisation of Knowledge Flows'.

Stierwald A. 2010. 'Heterogeneity in Firm Performance: An Analysis of Large Australian Firms'.

Vu H. 2010. 'The Dynamics of Income Support in Australia'.

Melbourne Institute – Australia's Future Tax and Transfer Policy Conference: Proceedings of a Conference

The Australia's Future Tax System Review Panel hosted a two-day conference at the University of Melbourne in June 2009 on reform of Australia's tax and transfer system. The Melbourne Institute organised the conference for the Review Panel to provide an opportunity for leading international experts and a range of academics and stakeholders to debate leading edge tax and transfer policy issues, and contribute to the work of the review in an informal setting. In 2010, the papers presented at the conference were published in this volume (each in a separate chapter).

SEMINARS AND PRESENTATIONS 2010



Buddelmeyer H. 2010. 'Annual Labour Market Transitions of Young Australians', 20th Australian Labour Market Research Workshop, University of Sydney, 15 February.

Buddelmeyer H. 2010. 'Dynamics of Informal Employment in South Africa', Panel and Longitudinal Data: Methods and Applications Workshop, University of Melbourne, 14 April.

Buddelmeyer H. 2010. 'Incapacity Exemptions', DEEWR Social Policy Research Services 2010 Workshop, Canberra, 11 November.

Buddelmeyer H. 2010. 'Scarring Effect on Youth Joblessness', 21st Australian Labour Market Research Workshop, Flinders University, Adelaide, 13 December.

Cheng T. 2010. 'Demand for Hospital Care and Private Health Insurance in a Mixed Public–Private System: Empirical Evidence Using a Simultaneous Equation Modeling Approach', 2010 IRDES Workshop on Applied Health Economics and Policy Evaluation, Paris, France, 24–26 June; Centre for Health Economics Seminar, University of York, UK, 28–30 June; Econometric Society World Congress, Shanghai, China, 17–21 August.

Cheng T. 2010. 'What Factors Influence the Earnings of GPs and Medical Specialists in Australia?', Australian Centre for Economic Research on Health Seminar Series, Canberra, 17 March.

Claus E. 2010. 'International Evidence on the Impact of Taxation on Emigration', AMW 2010 15th Australasian Macroeconomics Workshop, Victoria University of Wellington, New Zealand, 8–9 April.

Cobb-Clark D. 2010. 'Are Young People's Educational Outcomes Linked to Their Sense of Control?', Economics of Education Workshop, University of Melbourne, 23 July; Economics Department Seminar Series, Deakin University, Melbourne, 8 September; Institute for Fiscal Studies Seminar Series, London, UK, 29 November.

Cobb-Clark D. 2010. 'Disadvantage across the Generations', Welfare Working Group Forum, University of Wellington, New Zealand, 10 June.

Cobb-Clark D. 2010. 'Involuntary Retirement and the Resolution of the Retirement–Consumption Puzzle', LEW 2010: 13th Annual Labour Econometrics Workshop, Melbourne, 13 August.

de Rassenfosse G. 2010. 'Productivity and Propensity: The Two Faces of the R&D–Patent Relationship', Department of Managerial Economics, Strategy and Innovation Seminar, Katholieke Universiteit Leuven, Belgium, 24 November.

de Rassenfosse G. 2010. 'The Role of Fees in Patent Systems: Theory and Evidence', OECD–EPO Conference on Patent Statistics for Decision Makers, Vienna, Austria, 18 November.

Garnaut R. 2010. 'Continuing Growth and Global Economic Stability', Melbourne Institute Economics Forum, Melbourne, 15 July.

Garnaut R. 2010. 'Macroeconomic Policy Challenges: Dilemmas for the New Australian Government', Melbourne Institute Public Economics Forum, Canberra, 14 September; Melbourne Institute Economics Forum, Melbourne, 16 September.

Héroult N. 2010. 'Intergenerational Correlation of Labour Market Outcomes', 59th Congress of the French Economics Association, Paris, France, 9–10 September.

Héroult N. 2010. 'Optimal Income Tax Reforms: A Microsimulation Analysis', IZA Brown Bag Seminar Series, Bonn, Germany, 3 February; 39th Australian Conference of Economists, Sydney, 27 September.

Héroult N. 2010. 'Sequential Linking of Computable General Equilibrium and Microsimulation Models', IZA/OECD Workshop: Economic Crisis, Rising Unemployment and Policy Responses: What Does It Mean for the Income Distribution?, Paris, France, 8–9 February.

Héroult N. 2010. 'The Effects of Macroeconomic Conditions on the Education and Employment Outcomes of Youth', Invited Seminar, GREThA – Research Unit in Theoretical and Applied Economics, University Montesquieu – Bordeaux IV, France, 14 September.

Héroult N. 2010. 'Welfare Change Measures in Behavioural Microsimulation Modelling Accounting for the Random Utility Component', 1st Essex Microsimulation Workshop, ISER, University of Essex, UK, 24 September.

Jensen P. 2010. 'Do Patents Matter?', International Schumpeter Conference, Aalborg University, Denmark, 24 June.

Jensen P. 2010. 'Estimating the Patent Premium', Department of Managerial Economics, Strategy and Innovation Seminar, Katholieke Universiteit Leuven, Belgium, 17 June; School of Economics and Finance Seminar, Queensland University of Technology, 16 September.

Jeon S. 2010. 'Can Your Work Make You Unhappy? A Look at Work Stressor and

- Subjective Well-Being', 39th Australian Conference of Economists, Sydney, 27 September.
- Jeon S. 2010. 'Mental Wellbeing of the Australian Working Population', DEEWR Social Policy Research Services 2010 Workshop, Canberra, 11 November.
- Kalb G. 2010. 'Melbourne Institute Update on Work in Progress', DEEWR Social Policy Research Services 2010 Workshop, Canberra, 11 November.
- Kalb G. 2010. 'Successful and Unsuccessful Pathways to Employment – Key Points', DEEWR Social Policy Research Services 2010 Workshop, Canberra, 11 November.
- Kuehnle D. 2010. 'Why Do Female GPs Earn Less than Male GPs? The Role of Personality in Explaining the Gender Wage Gap', 32nd Australian Conference of Health Economists, Sydney, 30 September – 1 October.
- Lim G. 2010. 'Macroeconomic Policy Challenges: Dilemmas for the New Australian Government', Melbourne Institute Public Economics Forum, Canberra, 14 September; Melbourne Institute Economics Forum, Melbourne, 16 September.
- Mclsaac M. 2010. 'Regional Socioeconomic Disadvantage and Distribution of General Practitioners', Primary Health Care Research Conference, Darwin, 2 July.
- McVicar D. 2010. 'Are Active Labour Market Programmes Least Effective Where They Are Most Needed? The Case of the British New Deal for Young People', DEEWR Social Policy Research Services 2010 Workshop, Canberra, 11 November.
- McVicar D. 2010. 'Estimating Peer Influences on Teenage Substance Use', 39th Australian Conference of Economists, Sydney, 27 September.
- Palangkaraya A. 2010. 'Hospital Market Concentration, Technical Efficiency, and Quality', School of Economics Workshop on Efficiency and Productivity in the Health Sector, University of Queensland, 30 September.
- Palangkaraya A. 2010. 'Misclassification between Patent Offices', Pacific Rim Innovation Conference, University of Melbourne, 21 January.
- Palangkaraya A. 2010. 'The Link between Innovation and Export – Evidence from Australia: A Research Proposal', 1st Workshop of ERIA Working Group on Globalization and Innovation in East Asia, Jakarta, Indonesia, 25 September.
- Palangkaraya A. 2010. 'The Link between Innovation and Export: Evidence from Australia's Small and Medium Businesses', 2nd Workshop of ERIA Working Group on Globalization and Innovation in East Asia, Nusa Dua, Bali, 21 December.
- Polidano C. 2010. 'Employment Outcomes from VET for People with Disability', Economics of Education Workshop, University of Melbourne, 23 July.
- Polidano C. 2010. 'Participation in and Completion of VET for People with Disability', 39th Australian Conference of Economists, Sydney, 27 September.
- Polidano C. 2010. 'The Re-engagement in Education of Early School Leavers', National Institute of Labour Studies Seminar Series, Flinders University, Adelaide, 12 March; DEEWR Social Policy Research Services 2010 Workshop, Canberra, 11 November.
- Polidano C. 2010. 'VET's Role in Employment Outcomes for People with Disability', Roundtable on Disability and Vocational Education and Training, Melbourne Institute of Applied Economic and Social Research, 17 November.
- Schurer S. 2010. 'Attitudes Matter Revisited? Locus of Control, Health and Labor Supply', Microeconometrics Workshop, University of Melbourne, 13 October.
- Schurer S. 2010. 'Intergenerational Transmission of Mental Health', 32nd Australian Conference of Health Economists, Sydney, 30 September – 1 October.
- Schurer S. 2010. 'More Gain, Less Pain? Income Gradient of Pain', Department of Economics Seminar Series, Monash University, 21 January; Department of Economics Seminar Series, University of Melbourne, 12 February; School of Economics and Finance Seminar Series, Victoria University of Wellington, New Zealand, 15 February; School of Economics Seminar, University of Queensland, 16 February.
- Schurer S. 2010. 'Personality, Well-Being, and Heterogeneous Valuation of Income and Work', International Conference of Applied Economics, Athens, Greece, 25 August.
- Scott A. 2010. 'Getting GPs into the Bush: Results from a Discrete Choice Experiment for Rural Location', Rural Health Incentives Workshop, Health Workforce Queensland, Brisbane, 25 March.
- Scott A. 2010. 'Reducing Physician Requirements through Improving Practice and Organisational Efficiency', International Medical Workforce Collaborative, New York, USA, 3 May.
- Scott A. 2010. 'The Effect of a Performance Incentive Scheme on the Allocation of Time across Multiple Tasks: The Case of Physicians', 7th Summer Workshop in Health Economics, University of New South Wales, 19 January; Department Seminar, Imperial College Business School, London, UK, 8 June; European Association of Labour Economics, London, UK, 18 June.
- Scott A. 2010. 'What Do Nurses Value about Their Work? Results from a Discrete Choice Experiment', 32nd Australian Conference of Health Economists, Sydney, 30 September – 1 October.
- Scutella R. 2010. 'Estimates of Poverty and Social Exclusion in Australia: A Multidimensional Approach', National Institute of Labour Studies Seminar Series, Flinders University, Adelaide, 5 October.
- Scutella R. 2010. 'What Is the Extent of Poverty and Social Exclusion in Australia', HILDA Survey Workshop, University of Melbourne, 16 November.
- Sivey P. 2010. 'Financial Incentives and Output Substitution in Primary Care', Melbourne Institute Health Economics Workshop, 2 February.
- Sivey P. 2010. 'GP Prices and Competition', Thursday Research Seminar, Queensland University of Technology, 18 November.
- Thomson R. 2010. 'Outsourcing Innovation and the Role of Risk and Uncertainty', Competition and Innovation Summer School, Turung/Marmaris, Turkey, 17–21 May.
- Tseng Y. 2010. 'Impact of Education and Training on Income Support Recipients', DEEWR Social Policy Research Services 2010 Workshop, Canberra, 11 November.

Tseng Y. 2010. 'Retirement Savings', Melbourne Institute Public Economics Forum, Canberra, 13 April; Melbourne Institute Economics Forum, Melbourne, 15 April.

Watson N. 2010. 'The Causes and Effects of Non-Monotonic Attrition', 2nd Panel Survey Methods Workshop, University of Mannheim, Germany, 6 July.

Watson N. 2010. 'The Impact of Introducing Computer Assisted Personal Interviewing to the HILDA Survey', 20th Australian Statistical Conference ASC2010, Perth, 8 December.

Webster E. 2010. 'Finding the Best Model to Exploit Australia's Inventive Talent', Melbourne Institute Public Economics Forum, Canberra, 27 July; Melbourne Institute Economics Forum, Melbourne, 29 July.

Webster E. 2010. 'Raising the Inventive Step: A Look at the Issues', Fisher Adams Kelly, Brisbane, 18 May; Davies Collison Cave, Sydney, 19 May; Allens Arthur Robinson, Melbourne, 21 May.

Webster E. 2010. 'The Role of Independent Research in Shaping and Informing the IP System', Presentation to Delegation from the Hangzhou Municipal Administration of Industry and Commerce, University of Melbourne, 27 November.

Webster E. 2010. 'What Is Good Policy for Copyright?', Authorship, Anthems and Authorisation: A Legal and Economic Review of the Copyright Triptych, Communications and Media Law Centre and IPRIA Seminar, Melbourne, 18 March; Sydney, 19 March.

Wilkins R. 2010. 'Does Part-Time Employment Help or Hinder Lone Mothers' Movements into Full-Time Employment?', Department of Economics Seminar Series, University of Otago, New Zealand, 30 April.

Wilkins, R. 2010. 'Income, Wealth and Consumption Measures in HILDA', HILDA Survey Workshop, University of Melbourne, 16 November.

Wooden M. 2010. 'The HILDA Survey', HILDA Survey Workshop, University of Melbourne, 16 November.

Wooden M. 2010. 'Tracking Sample Members over Time: The HILDA Survey Experience', EUCCONET Workshop, Centre for Longitudinal Studies, Institute of Education, London, UK, 1–2 July.

Wooden M. 2010. 'Transitions Out of Casual Employment: The Australian Experience', RWI Seminar Series, Essen, Germany, 8 July.

Wooden M. 2010. 'Using HILDA Survey Data to Study Working Time and Employment Arrangements', HILDA Survey Workshop, University of Melbourne, 16 November.

Yong J. 2010. 'Effects of Competition on Hospital Quality: A Two-Step Estimation Using Hospital Administrative Data', International Symposium on Social Aspects of a Changing Population, Nanyang Technological University, Singapore, 10 November.

Yong J. 2010. 'Hospital Utilization by Heart Disease Patients during End of Life', 32nd Australian Conference of Health Economists, Sydney, 30 September – 1 October; International Symposium on Social Aspects of a Changing Population, Nanyang Technological University, Singapore, 9 November.

Public Lectures in 2010

20 May
'The New Australian Resource Rent Tax'
Professor Ross Garnaut, Melbourne Institute of Applied Economic and Social Research

Inaugural Professorial Lecture
22 July
'Disadvantage across the Generations: What Do We Know about Social and Economic Mobility in Australia?'
Professor Deborah Cobb-Clark, Melbourne Institute of Applied Economic and Social Research

Department of Economics – Melbourne Institute Public Policy Lecture
26 August
'Designing Realistic Climate Policy'
Professor Warwick McKibbin, Australian National University/Lowy Institute for International Policy

Downing Lecture
10 November
'Family Economics and the Second Demographic Transition'
Professor Shelly Lundberg, Center for Research on Families, University of Washington



From left: Professor Shelly Lundberg, Professor Nils Olekalns and Professor Deborah Cobb-Clark

PUBLICATIONS BY SUBSCRIPTION



Melbourne Institute Journal

Australian Economic Review

The *Australian Economic Review* is an applied economics journal with a strong policy orientation. It specialises in economics topics that are of contemporary relevance to Australia. The established format of invited articles, contributed articles, a policy forum, a data survey and a section 'for the student' was continued in 2010. The review of the Australian economy has now become a regular feature of the March issue. The topics covered in the policy forums in 2010 were the health system, telecommunications, saving for retirement and the Henry review of taxation. The topics for invited papers were tax structures, climate policy and resource rent taxation.

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 articles received and their disposition. There were 77 submissions in 2010, an increase of 18 over 2009 and a record number for the journal. Over the four-year period 2007 to 2010, the acceptance rate was 20 per cent. The acceptance rate has declined in recent years. The backlog of accepted articles awaiting publication represents two issues.

Table 1 Published Articles, 2007 to 2010

Type of article	2007	2008	2009	2010
Invited Article	2	2	4	4
Contributed Article	14	16	15	12
Policy Forum	18	20	17	18
Data Survey	4	4	3	4
For the Student	4	4	4	4
Number of pages	470	455	506	470

Table 2 Submissions, 2007 to 2010^a

Contributed articles	2007	2008	2009	2010
Brought forward from the previous year ^b	26	29	30	16
New submissions	50	61	59	77
Total	76	90	89	93

Decisions made

Accepted: published	14	16	15	12
Accepted: in the queue	8	10	7	8
Rejected or withdrawn	33	44	58	64
Re-submission required	9	7	4	4
In process	12	13	5	5
Total	76	90	89	93

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, this report presents and examines movements in leading and coincident indicators of economic activity in Australia, together with comparative data from overseas. Indexes of economic activity are designed to enhance the decision-making process of financial and business managers and 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. This report is published monthly.

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

Each month we present the same consumer sentiment data as above in relation to New South Wales, Victoria, Queensland, Western Australia and South Australia.

Westpac – Melbourne Institute Survey of Consumer Unemployment Expectations

This report is concerned with consumers' views about whether unemployment would be more, the same or less in the coming 12 months. The Unemployment Expectations Index was first compiled in September 1974, on a quarterly basis. It became a monthly series in June 1993.

Melbourne Institute Survey of Consumer Inflationary Expectations

The measure of consumer inflationary expectations captures the average householder's expected rate of consumer price changes over the coming 12 months. This 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 published monthly.

Melbourne Institute Wages Report

This report records employees' (self-reported) wage changes over the previous 12-month period and their expected wages in the year ahead. It adds to our knowledge about wages and complements the ABS labour cost index. This report is published 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, and the structure of household assets and debts. This report is published quarterly.

The Global Proxy – Melbourne Institute Shareholder Confidence Index™

The Global Proxy – Melbourne Institute Shareholder Confidence Index™ is a summary balance measure of shareholders' confidence in the Australian share market. It is based on shareholders' assessments of three factors: returns,

volatility and trading intentions (whether to buy or sell). The first survey was conducted in March 2009. Each survey is conducted over the telephone and the results are based on 1600 respondents across Australia who directly own shares in companies listed on the Australian Stock Exchange. The report is published quarterly.

TD Securities – Melbourne Institute Monthly Inflation Gauge

Based on the ABS methodology for calculating 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 published monthly.

Melbourne Institute Monthly Bulletin of Economic Trends

This report provides forecasts of the state of the Australian economy. Variables forecasted include GDP growth, consumption, the unemployment rate, 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.

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 2010

The Household, Income and Labour Dynamics in Australia (HILDA) Survey is Australia's major nationally representative household panel survey. This report summarises activity undertaken on the HILDA Survey project during 2010.

Families, Incomes and Jobs, Volume 5: A Statistical Report on Waves 1 to 7 of the Household, Income and Labour Dynamics in Australia 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. This annual statistical report of the HILDA Survey 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 wellbeing. Particular emphasis is given to the persistence of problems over the first seven years of the HILDA Survey (for example, the persistence of poverty over seven 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. It 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. This report is published annually.

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 10 years.

IBM® – Melbourne Institute Innovation Index of Australian Industry 2010

This publication tracks patterns in the rate of innovative activity among Australian businesses (including government trading enterprises but not the non-trading government sector) since 1990. It includes the intensity of innovations in relation to goods and services, technical operations, and organisational, managerial and marketing functions. The fourth edition will be published in early 2011.

PwC Melbourne Institute Asialink Index 2010

The PwC Melbourne Institute Asialink Index measures the level of engagement between Australia and Asia over the period 1990 to 2009 along seven dimensions: trade, investment, tourism, education, research and development, humanitarian assistance, and migration. The third edition will be published in early 2011.

PwC Melbourne Institute Asialink Index ANZ Services Report 2010

The ANZ Services Report examines four sectors in Australia's international trade in services: education, transport, finance and business services. It looks at the level and spread of the trade between Australia

and 16 countries of Asia in the period 2000 to 2008. It compares the relative growth in those sectors in the context of both Australia's goods trade and services trade with Asia, and with the rest of the world.

Melbourne Institute Working Paper Series

The Melbourne Institute working papers are indicative of research projects undertaken at the Melbourne Institute. In 2010, 20 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 aims to keep people abreast of various developments at the Melbourne Institute. Articles cover a range of items from the major research programs, conferences, forums and seminars.

MABEL Matters

This newsletter was introduced in 2009 to inform people about developments in the MABEL (Medicine in Australia: Balancing Employment and Life) project. The latest newsletters (one each for GPs, specialists, doctors enrolled in specialty training programs, and interns and medical officers) contain results from the first wave of the MABEL longitudinal survey of doctors.



FINANCE AND PERFORMANCE INDICATORS

	2006	2007	2008	2009	2010
INCOME					
Non-University funds made up of:	\$9,051,614	\$10,624,303	\$11,719,127	\$11,654,112	\$11,128,511
Subscription services	\$134,806	\$221,663	\$266,726	\$257,309	\$276,007
Forums/conferences	\$264,478	\$132,722	\$437,358	\$440,298	\$63,513
Contract research	\$7,931,174	\$9,366,250	\$9,620,507	\$8,768,068	\$8,929,658
Grants	\$721,156	\$903,668	\$1,394,536	\$2,188,437	\$1,859,332
Faculty of Business and Economics allocation	\$1,178,320	\$1,269,768	\$1,412,222	\$1,932,916	\$2,183,463
Other University funds	\$754,128	\$258,896	\$652,928	\$331,350	\$407,070
Total income	\$10,984,062	\$12,152,967	\$13,784,277	\$13,918,378	\$13,719,043
PERFORMANCE INDICATORS					
A. Staffing					
Melbourne Institute staff (as at December)	47	47	54	56	56
(total number)	7%	0%	15%	4%	0%
B. Research performance indexes					
1. Research income					
National competitive research grants	\$721,156	\$903,668	\$1,265,468	\$1,683,004	\$1,419,467
	75%	25%	40%	33%	-16%
Other public research grants	\$7,931,174	\$8,063,052	\$7,766,596	\$7,460,480	\$8,403,209
	21%	2%	-4%	-4%	13%
Industry and other research funds	\$399,284	\$1,303,198	\$1,982,979	\$1,813,021	\$966,315
	-74%	226%	52%	-9%	-47%
Total external research income	\$9,051,614	\$10,269,918	\$11,015,043	\$10,956,505	\$10,788,990
	6%	13%	7%	-1%	-2%
2. Publications					
Refereed journal articles (weighted DIISR points)	22.4	29.1	31.4	29.25	32.01
	-34%	30%	8%	-7%	9%
Total publications (weighted DIISR points)	40.4	47.0	34.99	42.42	36.51
	-25%	16%	-26%	21%	-14%
Refereed journal articles (count)	29	45	44	38	46
	-36%	55%	-2%	-14%	21%
3. Higher degree students					
Research higher degree students (full-time equivalent)	5	5	4.5	6	5.5
	0%	0%	-10%	33%	-8%
Research higher degree completions	1	2	0	0	3
C. Indicators with respect to business, government and public policy debates					
1. Subscriptions to Melbourne Institute products (excluding <i>Australian Economic Review</i>)	305	278	239	273	289
	10%	-9%	-14%	14%	6%
2. Value of subscriptions and sponsorships ^a	\$781,587	\$780,474	\$855,881	\$786,252	\$968,969
	27%	0%	10%	-8%	23%
3. References to the Melbourne Institute in the media	2,483	2,208	2,701	3,641	3,607
	0%	-11%	22%	35%	-1%
4. References to the Melbourne Institute in parliament	13	9	25	9	3
	-62%	-31%	178%	-64%	-67%
D. Financial performance					
1. Total income	\$10,984,062	\$12,152,967	\$13,784,277	\$13,918,378	\$13,719,043
	7%	11%	13%	1%	-1%

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

FURTHER INFORMATION

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privacypolicy.html](http://www.unimelb.edu.au/unisec/privacy/privacypolicy.html)
