Ceteris Paribus

October 2004 Economic Society of Australia, Victoria

ACE 04 was ACE!

Neville Norman reviews the Sydney annual conference

I thought the Sydney Uni Australian Conference of Economists in late September was a great success, not least because:

1. for the first time we formally referred and rejected full papers. Great quality control!
2. presentation standards were generally exceptionally high;
3. even theoretical papers in advanced mode had something for the more general economist;
4. some of the superstars made a huge effort to encourage younger economists with their comments in the general sessions;
5. all meetings rooms were in the one large building with convenient mingling areas nearby for breaks and meetings;
6. the threat of red cards kept every session right to time – so much for the free market here!
7. Last but not least, the food was healthy and hearty.

High quality presentations

ACE04 gives a wonderful springboard for ACE05 in Melbourne – another note for your diaries please.

National Presidential Statement

I am pleased to assist the Society as National President in a three- year term from September 2004. I want to see members gain much more from the Society and for economists to be more widely and better regarded in society. We need a respected, noticed, friendly and efficient society and to this end I purpose to canvass some changes. We have a group looking at these matters, but I want any member to feel free to comment on them as they evolve in our deliberations.

Accreditation of practising economists. Subject to agreed standards it is an option for the Society to certify practising economists as such. This measure requires careful definition and consistent application.

Endorsement and support for economists in national awards. Many professional organisations have a mechanism for responding to government agencies that are considering persons for awards and distinctions. It is an option for the Society to make this move.

Encouragement of young economists. The Society already does much to support students and involve younger economists. We could do more.

Centralised records and data collections. The society exists as six branch Councils and a central administrating body. States seek to run autonomously. But there is a common core and generic issues at stake. At the least, a common information base would help.

There is no firm decision on any of these initiatives. We are considering our best responses. Comments to me at n.norman@unimelb.edu.au will get attention.

I do hope we can advance the Society and the value of it to members.

Neville Norman (National President)

President's Parley

Your Society has been very busy in recent weeks, not least with the August Forecasting Conference which many of you enjoyed, working with Robert Dixon and the Melbourne Uni team in planning ACE 05 (Australian Conference of Economists) for September 2005 and in appointing new administrators, PAMS. I want especially to thank our State Secretary Wes Maley and PAMS for a huge effort in getting our records and procedures in good shape.

I am delighted to announce that Maureen Brunt, Ern Boehm and Jim Perkins have been affirmed as Life Members of the Society. Mark your diaries for our late afternoon Year-End Function at the Reserve Bank on Thursday 9th December when our new Life Members will be there and will be inducted.

ACE 04 in Sydney was ace – my note in this issue explains why I thought so.

I am pleased to be National President as from September this year. I have unloaded some thoughts on where we might go.

NRN

Secretary News

Wes Maley, Society Secretary, on recent developments

New Service Provider

The Victorian Council recently appointed Professional Association Management Services (PAMS) as its new service provider. The Society's old phone number, which is listed in the White Pages, has been diverted to PAMS (03 9895 4495). Our former Mail Box (GPO Box 2714X, Melbourne, 3000) has been redirect to PAMS' address which is 613 Canterbury Road, Surrey Hills, VIC 3127.

Council believes PAMS will be able to significantly upgrade the service provided to members. The company has sophisticated software which should ensure that we can offer members more timely, secure and reliable services.

Archives

As part of the change in service provider the Society has taken receipt of all of its old records and these are now located at PAMS. Preserving our history is a priority and if there is a retired Economic Society member who could devote a few hours a week sifting through the old records and cataloguing those items we should keep in perpetuity he/she would be rendering the Society a huge service.

Is any member interested in taking on this task? If so, please let Wes Maley (9270 8601) know. Any assistance would be greatly appreciated.

Annual General Meeting

While there is advertisement about our forthcoming AGM on 26 October in this month's edition of Cet Par, members should note that the keynote speaker at the AGM will be Professor Peter Dixon who will be talking on "Reflections (Light and Otherwise) on being an Economist". This speech promises to be both entertaining and informative so please make a special effort to attend this meeting.

Helen Hughes, presenting at the Annual Conference of Economists, Sydney.

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Society will be held at **12:30pm** on **Tuesday 26th October 2004** at the **Australian Competition & Consumer Commission's Conference Room, Level 35, 360 Elizabeth Street, Melbourne.**

In terms of Clause 5(a) of the Constitution of the Economic Society of Australia (Victorian Branch) Incorporated, at the Annual General Meeting there will be an election for a President, Secretary, Treasurer and eleven other members to form a Committee of Management known as the Council of the Economic Society (Victorian Branch). Members are invited to submit nominations for the above positions, seconded by another member of the Society. These nominations should reach the Secretary of the Society, Wes Maley, Reserve Bank of Australia, Level 13, 60 Collins Street, Melbourne, Victoria 3000 by 5:00pm 25th October 2004.

An election will be conducted at the Annual General Meeting on 26th October unless the position on the Council is uncontested.

Keynote speaker is Professor Peter Dixon whose talk is titled "Reflections (Light & Otherwise) on being an Economist".

W.A. Maley

Secretary

Economists and brand recognition

Wes Maley

Do economists have a sufficient brand identity? Accountants for example spend very heavily on advertising, with the CPA using television to encourage businesses "to employ our thinking".

Are economists in danger of being sidelined because they pay insufficient attention to branding? Is the declining number of economics students at our universities a sign that we are losing the brand battle?

Philip Lewis, Anne Daley and Don Fleming[1] in a helpful paper noted that the number of undergraduate enrolments in the fields of Marketing & Distribution and Administration & Management grew by 128.6 per cent and 91.2 per cent respectively between 1995 and 2000. Over the same period enrolments in Business Administration, Hospitality Management and Personnel Management also grew strongly. On the other hand undergraduate enrolments in Economics between 1995 and 2000 declined by 8.5 per cent. Lewis et al also point to other studies documenting the decline in undergraduate enrolments in economics.

The main conclusion of Lewis, Daley and Fleming's paper is that the decline in Economics graduates coming out of universities has had a positive impact on the careers of economists. They find that compared to other disciplines the rate of return on an investment in an Economics degree has been improving relative to business, law and most other degrees over recent years.

While this finding is a positive for potential economists, as Society members, are we happy that enough is being done to arrest the long term decline in economics undergraduate enrolments?

The Victorian Council of the Economics Society has been undertaking some work by visiting schools and universities to encourage students to consider the merits of economics as a field of study. Recently, with Ian Gordon from the National Bank, and David Warfe from the ACCC, I was invited by Deakin Accounting & Finance Students' Society to talk about the merits of pursuing a career in economics or including the study of economics as a component of a business, law or other degree. Attendance at this function was encouraging.

I believe the Economics Society has an important role to play in promoting the Economists' brand. I hope over the next few years we can become more active in this area and develop strategies to increase community recognition about the significant role economics plays in business life and in the development of government and social policies.

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1 *Why Study Economics? The Private Rate of Return to an Economics Degree:* Centre for Labour Market Research, University of Canberra.

Business Analyst / Economist -Transfer Pricing

Tax Division - Melbourne

Ernst & Young is one of the world's leading providers of professional services. Our Taxation practice provides advice on all aspects of local and international taxation to a large, diverse and prestigious client base. Due to continued growth and expansion of our Transfer Pricing practice, an excellent opportunity has arisen for an experienced Business Analyst/Economist to join our team.

Transfer Pricing economics is concerned with understanding and evaluating all transactions between Australian-based companies and related overseas parties, and determining an appropriate economic and commercial result from those transactions. Transfer Pricing is an increasingly critical issue for multinational businesses. Ernst & Young is at the forefront of the discipline. The evaluation of our clients' economic and commercial activities and their operating profit performance involves a wide range of comparative economic analysis. We provide our clients with sound economic justification for the conduct of their business transactions with their associated overseas companies.

Candidates are not expected to have had direct experience in the application of Transfer Pricing economics. You will have a very good academic record, preferably with an honours degree or higher. Your qualification would ideally be strong in economics, but related areas may be relevant when considered with subsequent work experience. Exposure to economic and/ or financial analysis (particularly industrial and commercial activities) will be highly regarded. Other areas of analysis including public sector will also be useful. Although your work experience could fall within a wide range of economic/ financial analysis, it will display strong descriptive and quantitative analytical skills and a familiarity with company operating performance criteria and their measurement. We anticipate you have a proven track record in a related field.

To succeed, you must be highly numerate with well-developed research skills and the ability to interpret data. You must also possess excellent written and verbal communication skills and be keen to learn. If you are interested in this opportunity, please forward your resume to Julie Quinlan, Senior Consultant, People & Culture, Ernst & Young, email: Julie.quinlan@au.ey.com or phone (03) 9288 8481.

Applications close Monday 25 October 2004.

ERNST & YOUNG

Quality In Everything We Do

Transport Economics Forum

Speaker: Dr Colin A. Gannon

Many of you will know Colin from his days as Associate Professor of Economics at Monash. Colin has held a number of other senior appointments including Director of the Bureau of Transport Economics and until recently Lead Economist in Finance, Private Sector Development and Infrastructure at the World Bank. He is now Senior Economic Adviser - Transport with the ACCC. Over his career Colin has worked in many different countries primarily on transport, industrial organization, and economic development. Colin is a graduate of the University of Sydney, Stanford University, and the University of Pennsylvania.

Topic: Predation: Seeing ? Believing ?? Proving??? in Air Service Markets

One of the most controversial topics is the market behaviour of some large firms; their behaviour in "driving" small firms out of the market -- and the "unfairness" of the competition. Colin's talk will address the concept of predation, an appreciation of the necessary conditions for its existence, and the substantial economic difficulties in identifying it as seriously damaging illegal conduct. Different forms of predation, including pricing, have often been alleged in transport markets. Competition in the air services market will be drawn on to illustrate the issues involved.

Matters for discussion include "fierce competition" vs. predation"; and challenges in nailing-down the economic costs involved.

When: 5 pm, Tuesday 16 November
Where: Level 35, 360 Elizabeth Street, Melbourne,
Public inquiry room of Australian Competition and
Consumer Commission
Please note the date and location.

Deakin workshops

Details of Deakin University's Workshops in Theoretical and Applied Economics available at http://www.deakin.edu.au/fac_buslaw/sch_aef/research/workshops.php
13 Oct: Dr Buly Cardak (La Trobe University), "Why the Poor Don't Go To University: Attainment Constraints and Two Staged Education" (Burwood Campus M1.07).
20 Oct: Dr. Margaret McKenzie (Deakin University) "An Update on Privatization in Australia" and Dr. Mehmet Ulubasoglu (Deakin University), "Simultaneous Evolution of Privatization and Growth: Evidence from Turkish Cement Factories" (Burwood Campus M3.16).
27 Oct: Mr. John Joshua (Deakin University), "Contributions of Human Capital to Economic Growth" (Burwood Campus, B.2.20 -Blue Room).

Latrobe seminars

Department of Economics and Finance seminar Series. All seminars are held in DWB 222, usually on Fridays, from 12.00pm to 1.00pm.
15 Oct: Mr David Reimers (La Trobe University, Bendigo Campus) Endogenous Money - Who Cares?
22 Oct: Ms Lucy Gunn (Monash University) (TBA)
29 Oct: Prof Harry Paarsch (University of Iowa), Nonparametric Identification and Estimation of Multi-Unit, Sequential, Oral, Ascending-Price Auctions with Asymmetric Bidders

Welcome to PAMS

As noted in the Administrative News segment, the Society has appointed PAMS as the Victorian Council's new service provider. The Society learnt about PAMS from its advertising on 3MBS and its Chief Executive, Richard Gerner, has a strong interest and background in classical music. Richard recently established PAMS and in its first year of operation it achieved very strong growth in its client base. Richard says PAMS is focussed on providing services to specialised member based, not-for-profit organisations, principally in the professional, commercial and industrial sectors. Richard says that PAMS aims to provide best practice system and delivery services.

We are delighted at the prospect of working with PAMS to provide improved services for members and we welcome Richard and his team at PAMS to the Society. **WAM**

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