Registration

17:00 - 17:30 Tuesday, 7th July, 2026
Ann Harding Centre

Welcome reception (Agnieszka Tymula: 2025 Young Economist Award)

17:30 - 19:00 Tuesday, 7th July, 2026
Ann Harding Centre
Stephen Bartos
Speaker Agnieszka Tymula

Irrational Decisions, Rational Brains
Agnieszka Tymula — Speaker

Registration

08:00 - 09:00 Wednesday, 8th July, 2026
UC Refectory

Welcome to Country and Welcome Remarks

09:00 - 09:15 Wednesday, 8th July, 2026
02B09
Uwe Dulleck

Welcome to Country by Aunty Violet Sheridan. Aunty Violet is a proud Ngunnawal Elder who generously shares her cultural knowledge to bring communities together.

Welcome remarks by University of Canberra Chancellor Lisa Paul AO PSM

Welcome video from the Hon. Dr Jim Chalmers MP, Australian Treasurer

Keynote 1: Monika Schnitzer

09:15 - 10:30 Wednesday, 8th July, 2026
02B09
Dom English
Speaker Monika Schnitzer

Antitrust and Innovation: Lessons from the AT&T Antitrust Cases
Monika Schnitzer — Speaker

Morning tea

10:30 - 11:00 Wednesday, 8th July, 2026
UC Refectory

Poster

10:30 - 11:00 Wednesday, 8th July, 2026
UC Refectory

Special Session 1: Macroeconomic Policy

11:00 - 12:30 Wednesday, 8th July, 2026
02B09
Yiyong Cai
Panellists Cherelle Murphy, Isaac Gross
Speaker Sarah Hunter

Understanding supply shocks and their implications for monetary policy
Sarah Hunter — Speaker

Session 1A: Domestic Violence

11:00 - 12:30 Wednesday, 8th July, 2026
02B07
Kristen Sobeck

94 Identifying domestic violence victim-survivors and perpetrators using administrative data: International approaches and possibilities with Australian administrative data

Karinna Saxby[1], Thomas Shortridge[2], Kristen Sobeck[3]

[1]University of Melbourne, Melbourne, Australia. [2]Grattan Institute, Melbourne, Australia. [3]University of Canberra, Canberra, Australia

Abstract

Accurate identification of family and domestic violence (FDV) is essential for understanding its prevalence, dynamics, and consequences, yet remains challenging due to underreporting and fragmented data systems. This paper reviews international approaches to identifying FDV victim-survivors and perpetrators using administrative data, focusing on methods based on direct indicators (such as official FDV flags) and indirect or proxy measures (including offence types and health diagnoses). Then the paper outlines the emerging Australian landscape of national administrative data assets that can support FDV research, highlighting opportunities for data linkage and longitudinal analysis. It concludes by discussing key methodological and ethical challenges, including misclassification and limitations in capturing FDV among Indigenous Australians. Overall, the paper provides a practical guide for researchers using administrative data to study FDV.

262 Job Loss and Domestic Violence: Evidence from the Closure of the Newcastle Steelworks

David Johnston[1], Rachel Knott[1], Karinna Saxby[2,1]

[1]Monash University, Melbourne, Australia. [2]University of Melbourne, Melbourne, Australia

Abstract

Family and domestic violence (FDV) imposes severe and lasting costs on individuals, families, and communities. While economic hardship is widely hypothesised to elevate FDV risk, causal evidence, particularly from the Australian context, remains limited. This paper exploits the 1999 closure of the Newcastle steelworks as a quasi-natural experiment to identify the causal effect of a major labour market shock on police-recorded FDV incidents.

The closure disproportionately affected male blue-collar workers and generated substantial economic disruption across the Newcastle and Lake Macquarie region. Critically, a two-year announcement period (1997–1999) accompanied the closure, during which affected workers were offered retraining and voluntary redundancy packages. We combine this setting with administrative data from the NSW Bureau of Crime Statistics and Research, covering all police-recorded FDV incidents from 1995 to 2012. Using a difference-in-differences design with Mahalanobis-matched control areas and SA1, quarter-year, and matched-pair-by-year fixed effects, we compare FDV trends in treated areas to comparable regions elsewhere in New South Wales.

We find that during the announcement period, FDV incidents declined modestly in treated areas, consistent with a stabilising effect of transitional support. Following the closure, however, FDV rose substantially: overall incidents increased by approximately 16%, with alcohol-related incidents rising by around 45%. These findings suggest that while short-term adjustment policies may buffer immediate impacts, prolonged economic disruption carries significant risks for household safety and wellbeing, with implications for how policymakers design responses to industrial decline.

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37 Game day: The impact of major sports events on domestic violence

Dominic Furneaux-Bate[1], Mario Fiorini[2], Esther Mirjam Girsberger[2,3]

[1]BOCSAR, Parramatta, Australia. [2]University of Technology Sydney, Sydney, Australia. [3]IZA@LISER, Belval, Luxembourg

Abstract

We estimate the causal impact of elite rugby league matches on domestic assault in New South Wales (NSW), Australia, using police-recorded incidents from 2014–2024. Our analysis focuses on the State of Origin series – Australia's most prominent sporting rivalry – which features mid-week evening kick-offs and no concurrent national rugby league (NRL) games. Exploiting within-month, day-of-week variation, we show that State of Origin games increase domestic assaults by around 0.1 incidents per 100,000 residents – a sizeable 40% rise – in the ten hours following kick-off. The effect is driven almost entirely by alcohol related incidents, with larger impacts in the most socioeconomically disadvantaged local government areas. In contrast to prior studies, we find no evidence that match outcomes or betting-odds surprises differentially influence assault rates. Moreover, regular-season NRL games only have negligeable effects on domestic assault. These findings highlight the substantial social costs associated with major sporting events, particularly in vulnerable communities.

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231 Women in Power: Parliamentary Action, Social Attitudes, and Gender-Based Crime

Quynh Nga Do[1], Rafat Mahmood[2], Astghik Mavisakalyan[1], Leigh Tyers[3]

[1]CEVAW, Curtin University, Perth, Australia. [2]CEVAW, Monash University, Melbourne, Australia. [3]Curtin Institute for Data Science, Perth, Australia

Abstract

This paper studies the causal impact of female political representation on legislative behavior, social attitudes, and gender-based crime. Using a regression discontinuity design based on close mixed-gender electoral contests, we compare electorates that narrowly elected female versus male candidates. We link computational text analysis of parliamentary debates, roll-call votes, post-election survey responses, and administrative police records from 2010 to 2022 in Australia. We document three main findings. First, female MPs devote significantly more attention to gender-related issues in parliamentary speech and are more likely to support gender-related legislation, including measures

addressing gender-based violence, with no evidence of differential voting absence. Second, exposure to a narrowly elected female MP shifts constituent attitudes toward greater support for women's rights. Third, electorates that narrowly elect a female MP experience a statistically and economically meaningful decline in gendered crime rates during the subsequent term. Together, the results indicate that female representation can shape policy priorities, social attitudes, and downstream gendered outcomes, even within a disciplined party system.

Session 1B: Disability and Social Insurance

11:00 - 12:30 Wednesday, 8th July, 2026
02B11

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112 Disability Benefit Reform, Employment and Welfare: Evidence from Australia's Welfare-to-Work Reforms

Man Hin Chio, Chung Tran

ANU, Canberra, Australia

Abstract

We study the labour market effects of tightening eligibility criteria in disability and income support programs for individuals with partial work capacity. Such reforms typically lower the threshold for qualifying for long–term benefits or introduce stricter reassessment rules, generating differential exposure across cohorts. We use the Australian Welfare–to–Work reforms as a case study, which tightened eligibility for the Disability Support Pension (DSP) by reducing the work–capacity threshold from 30 to 15 hours per week. The reform created quasi–experimental variation through grandfathering provisions and staggered implementation, as pre–reform recipients were exempt while new claimants were gradually exposed to stricter rules. Leveraging linked administrative data from the Person–Level Integrated Data Asset (PLIDA) and a staggered difference–in–differences design, we estimate the causal effects of stricter eligibility on labour market outcomes. We find that exposure to tighter eligibility reduces employment and labour earnings in the short run. Contrary to the policy objective of increasing workforce participation, affected individuals experience persistent declines in employment and earnings, with little evidence of sustained labour market attachment. To assess broader implications, we develop a structural overlapping generations model with heterogeneous agents, health risk, and endogenous labour supply. The model quantifies the macroeconomic and welfare consequences of eligibility tightening across cohorts differentiated by disability severity and skill. It highlights a central trade–off between insurance provision and work incentives.

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125 The Fiscal and Distributional Impact of Means Testing the NDIS

Pelin Akyol, Theo Gibbons, Matthew Maltman, Matt Nolan

e61 Institute, Sydney, Australia

Abstract

The National Disability Insurance Scheme (NDIS) is a universal entitlement, providing funded supports to all eligible participants regardless of household income. This design feature has attracted increasing policy scrutiny as scheme costs have grown and are projected to grow further absent reform. One suggestion to contain cost growth is means testing. Whether means testing would represent a fiscally consequential reform while ensuring participants continue to receive the services they need depends on whether participant families have genuine capacity to contribute to the cost of their supports, an open empirical question this paper addresses.

We examine the distribution of financial capacity across the NDIS participant population using linked administrative data from the Australian Bureau of Statistics. We aggregate data on tax and government transfers to construct a measure of family income net of NDIS plan costs for the near-universe of NDIS participants. We use this measure to simulate means testing against established Australian pension thresholds. This allows us to characterise how capacity to pay varies by disability type, plan size, age, and household structure. We further examine how the Thriving Kids reforms will affect the progressivity of NDIS funding and the financial impact of means-testing.

Our results speak to whether means testing is a plausible mechanism through which the Government can reach its NDIS cost growth targets.

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203 Better targeted: Equity and means testing in Australia's system of social supports

Amy Auster, Henry Williams, Nicholas Tarrant, Indra Parta

Policy Institute Australia, Melbourne, Australia

Abstract

Australia's tax and transfer system has long been among the most well-targeted in the OECD, but four decades of compositional shift from cash transfers toward in-kind services, as well as looser mean testing, have eroded its redistributive power. This paper asks whether tighter means testing could materially improve vertical, horizontal, and intergenerational equity while contributing to the sustainability of the programs and the Commonwealth budget. Using a new microsimulation model built by Policy Institute Australia, we evaluate options for reformed means testing to four programs spanning both the working-age and old-age cohorts: the Age Pension, aged care, the Child Care Subsidy and Paid Parental Leave. Central to the approach is consideration of how owner-occupied housing could be treated in assets tests, and new policy innovations to ensure asset-rich, income-poor cohorts receive sufficient support in the system.

Session 1C: Health Economics

11:00 - 12:30 Wednesday, 8th July, 2026
02B02

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69 The Economics of Bulk-Billing Incentives

Zeke Findlay[1], Matthew Lilley[1], Ashley Craig[2]

[1]Australian National University, Canberra, Australia. [2]Australian National Univeristy, Canberra, Australia

Abstract

My research investigates increases to bulk-billing incentives in Australia and finds that conditional subsidies are an expensive route to greater access when existing compliance rates are high. I estimate the causal effect of the policy changes on bulk-billing rates and out-of-pocket costs between 2022 and 2025 using a Difference-in-Differences approach, exploiting eligible and ineligible cohorts.

I find the 2023 policy increased bulk-billing rates by 3 percentage points in the treated group, from a base rate of 85%, and reduced out-of-pocket costs by 12% relative to the control group. The marginal ‘free’ appointment induced by the policy saved the patient $22 and cost the government $480 in higher direct expenditure.

I find the 2025 policy increased bulk-billing rates by 4 percentage points in the 'newly eligible' cohort, from a base rate of 70%, and reduced out-of-pocket costs by 10% relative to the 'always eligible' cohort. This implies the marginal ‘free’ appointment saved the patient $30 and cost the government $480.

The results show that over 90% of the policy cost was a transfer to general practitioners for existing behaviour. Distributional analysis shows that the increases in bulk-billing, caused by the policy changes, were larger in affluent areas. I find no evidence of a near-term increase in labour supply or relocation to areas with higher treatment exposure.

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193 The Impact of Antidepressant Uptake on Labor Productivity: Evidence from Australian Linked Administrative Data

Ali Furkan Kalay, Henry Cutler, Jonas Fooken

Macquarie University Centre for the Health Economy, Sydney, Australia

Abstract

How do earnings evolve around the point at which workers first seek antidepressant treatment, and do the dynamics differ by gender and care intensity? Answering this question is difficult because the same mental-health episode that prompts treatment-seeking can also reduce earnings, confounding naive before-after comparisons. We use linked Australian administrative data spanning 2017-18 to 2022-23 and a stacked event-study design on a balanced panel of continuously employed workers to trace earnings dynamics around first observed antidepressant dispensing. Annual earnings fall sharply at initiation and remain below pre-initiation levels for several years. The decline is larger and more persistent for men: earnings are 4.4% lower four years after initiation, compared with 1.8% for women. Among workers who complement medication with mental-health services, women's post-initiation losses are close to zero after the treatment year, whereas men's losses remain sizeable. A discontinuation event study shows subsequent earnings recovery, especially for women. These patterns indicate that treatment transitions mark economically meaningful mental-health episodes and point to the value of early workplace support and coordinated care.

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245 The impact of telemedicine use on prices and service provision in general practice: Evidence from Australia

Paul Amores[1], Daniel Avdic[2], Bishal Chalise[1], Susan Mendez[3], Carol Propper[4], Anthony Scott[5]

[1]Deakin University, Melbourne, Australia. [2]University of Technology Sydney, Sydney, Australia. [3]University of Melbourne, Melbourne, Australia. [4]Imperial College London, London, United Kingdom. [5]Monash University, Melbourne, Australia

Abstract

The COVID-19 pandemic accelerated the adoption of telemedicine, significantly transforming healthcare delivery, financing, and market dynamics in primary care. While prior research has focused on the effects of telemedicine on access and quality, this study addresses a critical gap by examining its impact on general practitioners' (GPs) financial outcomes in a system with unregulated pricing. Using detailed administrative data, the study employs an instrumental variables approach, leveraging Google mobility data to account for endogenous telemedicine adoption. We find that telemedicine uptake leads to an increase in the volume of services provided, with a decrease in the number of shorter in-person visits and a larger increase in the number of longer telemedicine consultations. We also find an increase in average out-of-pocket expenses, with larger increases for in-person visits and longer consultations. This provides suggestive evidence that telemedicine adoption reshapes economic dynamics in primary care, with higher prices and a shift in the composition of services provided.

Session 1D: Innovation and Competition

11:00 - 12:30 Wednesday, 8th July, 2026
02B04

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107 Understanding Australia’s startup ecosystem using linked microdata

Joshua Woodbridge, Tris Sainsbury, Geoff Wells

Department of Industry, Science and Resources, Canberra, Australia

Abstract

Startup and scaleup businesses play a critical role in innovation, economic dynamism, and long-run productivity growth. Robust analysis of these ecosystems—both in Australia and internationally—are limited by gaps in timely, comprehensive and consistent business-level data. Existing research often relies on fragmented commercial sources, narrow surveys or inconsistent definitions of “startup-like” activity, making it difficult to compare findings or translate them into policy-relevant insights.

This study addresses these challenges by integrating Dealroom data on Australian startups and scaleups with BLADE and PLIDA. Dealroom offers broad coverage of high-potential businesses, including business models, funding rounds, founder characteristics and growth trajectories. Linking these sources provides a longitudinal view of business formation, survival, employment, innovation and financial performance, while also enabling analysis of how founders and workers contribute to these outcomes over time.

Using this integrated dataset, we document the scope, composition and geography of startup activity; identify characteristics associated with performance and scaling; and examine how startup growth relates to broader economic outcomes. The study also demonstrates the methodological value of integrating commercial and administrative microdata, highlighting new opportunities for evidence-based policy design in Australia’s evolving innovation ecosystem.

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118 How Does Local Competition Affect Different Types of Innovation? Evidence from Linked Employer–Employee Data

Omer Majeed, Nabeeh Zakariyya, Sarah Davies, Monica Wang

The Treasury, Canberra, Australia

Abstract

Competition is closely linked to the innovation incentives that underpin productivity growth, as firms innovate to capture or maintain market share. However, examining this relationship is challenging because both innovation and competition are difficult to measure. Innovation is commonly proxied by patents and R&D, which capture only part of innovative activity, while competition - despite its inherently local dimension - is typically measured using national aggregates. This paper seeks to address these measurement challenges by using novel and detailed microdata. First, it employs broad, survey-based innovation measures that capture both large and small innovations. Second, it constructs a disaggregated measure of local competition based on employee data and their geographic locations.

The paper finds novel and economically meaningful results. It shows that the relationship between innovation and competition follows an inverted-U-shaped pattern, complementing previous seminal work. However, previous work documented this pattern only for patents, and not for broader measures of innovation. The analysis shows that going from a monopoly to ten competitors is associated with an increase in the probability of innovation of around 15 percentage points. Moreover, the analysis finds novel evidence that this inverted-U relationship extends to disaggregated innovation types, including goods and services, marketing, and process innovation. The results also highlight how firms shift between innovation strategies as competition intensifies.

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254 Which aspect of management practices matter for innovation propensity? Evidence from Australian firms

Charley Xia

Australian National University, ACT, Australia

Abstract

This paper examines the propensity of firms to attempt innovation by focusing on two different aspects of management practices related to the pioneering works of Bloom and Van Reenen (2007) and Brynjolfsson and McElheran (2016). We construct different management scores at the firm level that measure the adoption of structured management practices (SM) on one hand, and the extensive use of data in decision-making (DDD) on the other. Using detailed administrative data on Australian firms, we find that those with better scores in either aspects are much more likely to attempt innovation, but the positive impacts of DDD is higher than SM for increasing innovation propensity. This finding is robust with respect to the different types of innovation that firms can undertake, and even more pronounced amongst firms with a greater proportion of managers in the workforce. Our findings reinforce the importance of public policies that provide readily access to data and improve data literacy skills for promoting innovation activities at the firm level.

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166 Scientific publishing by Australian Industry

Sarah Hegarty[1], Russell Thomson[1], Federico Bignone[2]

[1]Swinburne University of Technology, Hawthorn, Australia. [2]Warwick University, Warwick, United Kingdom

Abstract

We provide a comprehensive overview of scientific publishing by Australian industry between 1985 and 2014 based on a novel linked data incorporating Web of Science and the Australian Business Register. These data reveal that Australian companies contribute to published scientific research at a rate about one tenth that observed in the United States. Policy makers often focus on reshaping university and public sector research to generate greater economic impact from Australian science; however, these data indicate that the bottleneck in the Australian ecosystem may lie with corporate Australia's understanding and ability to innovate through engagement with science.

Session 1E: High School Students Lightning Session I

11:00 - 12:30 Wednesday, 8th July, 2026
02C05
Ben Freyens

58 Restructuring the Critical Minerals and Manufacturing industries to address structural impacts of Trade Liberalisation for the Australian Economy and Labour markets

Christian Stanley, Kanchan Bandyopadhyay

Padua College, Brisbane, Australia

Abstract

Trade liberalisation has been a central feature of Australia's integration into the global economy since the 1980's, accelerating post-COVID-19 amid the restructuring of global supply chains and the expansion of free trade agreements. Between 2015 and 2025, these policies have reshaped Australia's trade patterns and structural outcomes. This paper analyses Australia's critical minerals and manufacturing industries to evaluate the net benefit of trade liberalisation through the lens of the Australian economy and labour market. It argues that although trade liberalisation imposes structural employment costs, gains in economic growth and external stability are more substantial, resulting in a positive net benefit overall. However, these benefits have been unevenly distributed, reflecting a structural divergence between export-oriented, capital-intensive industries, and import-competing, labour intensive sectors. To mitigate these labour market impacts, targeted structural adjustment policies, including workforce retraining, are required to support the transition of displaced workers into more competitive industries. This reflects Kaldor-Hicks efficiency, where the gains from trade are sufficient to compensate those adversely affected, reinforcing the role of government in managing the distributional consequences of globalisation.

111 The Impacts of Protectionism on Australian Lithium Exports to Japan

Charlotte Coombes

Loreto College Coorparoo, Brisbane, Australia

Abstract

This report evaluates the impact of protectionism on Australia's lithium export industry, focusing on trade with Japan. Rising global demand for lithium, driven by population growth, changing consumer preferences, and climate change policies, has increased prices and intensified international competition. While Australia remains a major producer, expanding global supply is reducing its market share. Using the economic criteria of prices and export volumes, the report finds that increased protection would raise prices and reduce export competitiveness, leading to lower export volumes and investment. Consequently, maintaining a liberalised trade environment provides the greatest net benefit to the Australian economy by supporting competitiveness and long-term growth.

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95 Trade Liberalization and the Australian LNG Industry: Impacts on Economic Growth and External Stability

Oscar Zhong

Brisbane Grammar School, Brisbane, Australia

Abstract

The modern global economy of 2025 is one where trade policy decisions carry profound consequences. As Australia's export economy becomes ever-more integrated with the Indo-Pacific, this paper answers: "What are the economic impacts of Australia's trade liberalisation policies on the liquefied natural gas industry?" This paper examines 2014 to 2024, during which Australia expanded its free trade agreement network, including ChAFTA (2015), JAEPA (2015), CPTPP, and the India ECTA (2022). Using empirical analysis of trade and national accounts data alongside circular flow and aggregate demand frameworks, this paper creates causative relationships between trade liberalisation and its impacts, evaluated against economic growth and external stability. The direct effect of trade liberalisation was expanding market access to high-demand Asian economies, enabling LNG exports to grow from $16.3 billion in 2014 to $68.78 billion in 2024. Critically, this paper finds this growth is decomposable into volume expansion — driven by the Gorgon and Wheatstone projects lifting export volumes to fifteen megatons by 2019 — and price-driven revenue growth accounting for all post-2019 gains. This trend showed overall positive impacts on both criteria. Ceteris paribus, increasing LNG export value contributed approximately $39 billion to GDP and supported over 130,000 jobs in 2023–2024. However, trade liberalisation increased Australia's dependence on Asian demand, with recent FTAs failing to achieve meaningful diversification and introducing new sources of trade policy uncertainty. The overall positive impact on Australia's LNG sector highlights the importance of strong and diversified economic relationships with partner nations in the modern context.

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114 Investigation into ChAFTA's impact on the Australian Beef Industry

Ava Curtis

Mount Alvernia College (High School), Brisbane, Australia

Abstract

This study investigates the impact of ChAFTA on Australia’s beef industry. This topic is important because it helps explain the significance of trade agreements effect on export growth employment, and industry stability. While ChAFTA was designed to improve trade, the extent of its long-term benefits for the beef industry remains unclear due to later trade restrictions. This report aims to evaluate whether ChAFTA produced net economic benefits for Australia’s beef industry. The study used secondary data from government and industry sources, alongside trend

analysis of export values, tariffs, and employment. The key message is that while ChAFTA had the potential to have positive long-term outcomes, political instability between the two countries limited those benefits. Instead, China became an example to the Australian economy of why diversification must be implemented as a trading strategy to not allow large impacts to export profits. Export growth increased after tariff reductions occurred at the start of ChAFTA, but trade restrictions after 2020 weakened those gains. Employment and export resilience improved when markets diversified. These findings show that trade agreements can support industry growth, but industries also need to implement diversification to reduce exposure to geopolitical risk.

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150 China Australia Free Trade Agreement - The changing dynamics of Australia's iron ore exports to China, under ChAFTA

Monica Milano, Rebecca Webster

Mount Alvernia, Brisbane, Australia

Abstract

The China-Australia Free Trade Agreement (ChAFTA), introduced in 2015, is beneficial as it strengthens the bilateral trades relations and economic growth, through specialisation, tariff reduction, and comparative advantage. In 2023, China and Australia's two-way trade exceeds over $200 billion annually, with China purchasing over one-third of Australian exports (Wu & Interesse, 2023). The effects ChAFTA has on the Australian iron ore industry, and China's manufacturing sector will be assessed under the two economic criteria of economic growth and efficiency.

Session 1F: Econometric Methods and Measurement

11:00 - 12:30 Wednesday, 8th July, 2026
02C06

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8 Distance-based Test for Nonlinear Granger Causality between Two Multivariate Time Series

Ba Chu

Carleton University, Ottawa, Canada

Abstract

Granger causality is a commonly used tools to conduct observational causal discovery with time series data. Since Granger non-causality is also a form of conditional independence (CI), we contribute to the recent research on distance correlation by extending its capability to test for CI and Granger non-causality between two multivariate time series conditional on another multivariate time series and possibly the lags of the first two time series. The proposed test statistic is asymptotically non-pivotal. We therefore propose a bootstrap version that is fast and easy to implement. We also provide a theoretical justification for the asymptotic validity of the proposed procedure. A Monte

Carlo simulation study confirms that our proposed bootstrap test has good size and power performance. A real data application to illustrate the applicability of the proposed method is also given.

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199 Nowcasting Transaction-Based House Price Indices Using Web-Scraped Listings and MIDAS Regression

Radoslaw Trojanek[1], Luke Hartigan[2], Norbert Pfeifer[3], Miriam Steurer[3]

[1]Poznan University of Economics and Business, Poznan, Poland. [2]The University of Sydney, Sydney, Australia. [3]University of Graz, Graz, Austria

Abstract

Timely transaction-based residential property price indices are crucial for effective monetary and macroprudential policy, yet transaction-based data often suffer from significant reporting delays. Online property platforms, by contrast, provide list prices of properties in real-time. This paper examines whether immediately available online list prices can improve timely nowcasts of transaction price movements. Using 16 years of micro-level data from Warsaw and Poznan, we construct quality-adjusted monthly list-price and quarterly transaction-price indices using the hedonic rolling-time-dummy method. We find that list-price indices consistently lead transaction-price indices by one to two months, with the strongest relationship in Warsaw's larger, more liquid market. Building on this lead-lag relationship, we develop a Mixed Data Sampling (MIDAS) regression framework to nowcast quarterly transaction-price growth using monthly list-price data. Our preferred MIDAS specifications reduce one-quarter-ahead root mean square error by approximately 16–23 percent for Warsaw and 5–15 percent for Poznan relative to standard autoregressive benchmarks. The predictive advantage is greatest when incorporating list-price data from the first or second month of the quarter, as third-month data introduces forward-looking noise. Our results show that properly constructed list-price indices can play an important role to provide early housing market signals, potentially enhancing the timeliness of policy responses.

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291 Spatial Stochastic Frontier Model with Latent Classes

Kai Du[1], Artem Prokhorov[2], Kien C. Tran[3]

[1]University of Wollongong, Wollongong, Australia. [2]University of Sydney, Sydney, Australia. [3]University of Lethbridge, Lethbridge, Canada

Abstract

This paper develops a spatial stochastic frontier model with latent classes to address two empirical regularities in efficiency analysis: spatial interdependence and unobserved technological heterogeneity. Existing approaches typically ignore spatial spillovers when modelling heterogeneity or assume homogeneous technology when accounting for spatial dependence. Our framework integrates a spatial autoregressive structure with latent class panel analysis, allowing for class-specific production frontiers, spatial lag parameters, and inefficiency distributions. We estimate the model using the Expectation-Maximisation (EM) algorithm for computational stability and derive class-specific marginal effects decomposed into direct and indirect (spillover) components. Monte Carlo simulations confirm the estimator's finite-sample reliability, showing that parameter biases are small and diminish with sample size, while coverage probabilities cluster around the selected level of significance. An empirical application to 137 countries (2000–2019) reveals that developing economies exhibit stronger spatial dependence ($\rho \approx 0.50$) than advanced economies ($\rho \approx 0.35$), suggesting greater reliance on technology adoption from neighbours. Furthermore, an economic freedom indicator is a significant determinant of class membership, and for developing economies, indirect spatial spillovers act as a performance drag. These findings underscore the importance of accounting for both spatial interdependence and unobserved heterogeneity in efficiency analysis, with implications for policy design and resource allocation.

Session 1G: Housing Supply and Planning Reform

11:00 - 12:30 Wednesday, 8th July, 2026
02C07

98 What Are the Effects of Localised Upzoning? Evidence from Adelaide

Dom Behrens[1], Theo Gibbons[2], Matthew Maltman[2]

[1]The Centre for International Economics, Sydney, Australia. [2]e61 Institute, Sydney, Australia

Abstract

What happens when part of a city cuts minimum lot sizes to permit medium density housing? We study a 2013 reform in which two local councils within Adelaide reduced minimum lot sizes from 500sqm to as low as 150sqm for townhouses and apartments, until a partial reversal in 2019. We find the reform increased building approvals by 93 per cent, driven entirely by townhouses and apartments; the reversal returned the treatment effect to statistically and economically insignificant levels, providing dose-response evidence that lot-size regulation was the binding constraint. Removal of the regulatory barrier was sufficient to generate an immediate supply response from hundreds of established local firms; the market remained competitive throughout, with no firm capturing a meaningful share. We provide the first evidence on moving chains from a reform-induced supply increase. Movers into new housing were in their peak family-formation years with above-average incomes, while the dwellings they vacated were progressively filled by younger, and lower-income, renters. Local population growth accelerated, the median resident age fell, business registrations rose- particularly in retail and hospitality- and public transport patronage increased. Despite community opposition that ultimately led to the reform's reversal, we find no evidence of effects on local amenity: traffic, crime, greenery, and neighbourhood satisfaction were all unchanged or improved.

234 More homes, better cities: Analysing the impacts of Australian planning reforms on the commercial feasibility of new housing

Matthew Bowes[1], Brendan Coates[2], Joey Moloney[3]

[1]Grattan Institute, Melbourne, Australia. [2]Treasury, Melbourne, Australia. [3]AustralianSuper, Melbourne, Australia

Abstract

Housing affordability has rapidly become one of the defining challenges facing Australian policymakers. In response, NSW and Victoria have introduced planning reforms that upzone well-located areas to allow for more apartments and townhouses. But the scale and impact of these reforms is still not well understood. Our report presents novel analysis of the role of restrictive urban planning rules in Australia. We first document the scale of restrictive planning controls present across Australian cities. We then combine site-level estimates of planning controls, unit prices, and construction costs to estimate the impact of planning restrictions on ‘commercially feasible capacity’ - the stock of profitable housing development opportunities. We show that recent reforms introduced in Victoria unlock more feasible capacity than those in NSW, in part due to commercial feasibility challenges in mid-rise apartment

construction. We find that further reforms to planning laws in high demand areas could add substantially to commercially feasible capacity, particularly in Sydney.

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250 Growing up or growing out: How supporting infill development in established areas could reshape Sydney over the next 40 years

Ben Wynn Jones

NSW Treasury, Sydney, Australia

Abstract

An Alonso-Muth-Mills (AMM) model is used to examine how planning constraints could reshape Sydney over the next 40 years. The model is calibrated to reflect the features of urban Sydney in 2021, including housing costs, land rents, dwelling size and dwelling density. Using this baseline, the paper models projected population growth to 2066 under two scenarios: one where historical residential density constraints are maintained, and one where constraints are relaxed to allow more infill development in established areas.

The analysis compares the long-run equilibrium outcomes for housing costs, dwelling size, commuting distances and household welfare. By holding all non-planning parameters constant, the framework isolates the role of residential density constraints in shaping urban form. While the model abstracts from transition dynamics and inter-city migration, it provides powerful estimates of how planning constraints affect housing in growing cities.

Lunch

12:30 - 13:30 Wednesday, 8th July, 2026
UC Refectory

Careers Fair

12:30 - 13:30 Wednesday, 8th July, 2026
UC Refectory

Heads of School Lunch (by invitation)

12:30 - 13:30 Wednesday, 8th July, 2026
Semesters Room

Poster

12:30 - 13:30 Wednesday, 8th July, 2026
UC Refectory

Presenters expected to be available beside their poster 12:50-13:20.

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21 Climate Risk and Corporate Environmental Protection Investment: The Moderating Role of AI-Enabled Managerial Cognition

Zafar Ali, Jia Wang

Shenyang University of Technology, Shenyang, China

Abstract

This research study examines how firms adjust environmental protection investment in response to climate risk and whether AI-enabled managerial cognition strengthens this adaptive response. Using a panel of A-Share Chinese listed firms from 2010–2025, we combine firm-level environmental protection investment data from CSMAR with regional climate shock indicators and a novel text-based measure of AI-enabled managerial cognition derived from annual reports.

Employing firm and year fixed-effects models, we estimate the linkage between climate shocks and AI-enabled managerial cognition. The preliminary results indicate that climate shocks are positively associated with higher environmental protection investment. Which suggests that firms rise environmental spending when they are exposed to greater climate-related risk. More importantly, the interaction is positive and statistically significant. Which implies that firms with stronger AI-enabled managerial cognition respond more proactively to the climate shocks through increased environmental investment.

Subsample analyses reveals that the moderating role of AI is more distinct among non-state-owned enterprises which seems very consistent with stronger market-driven adaptation incentives.

These findings contribute to the environmental and resource economics by identifying technological augmentation of managerial decision-making as a micro-level mechanism which shapes the corporate climate adaptation. These results also have a policy implication by suggesting that digital transformation and AI adoption may enhance the private-sector responsiveness to climate risk management in emerging markets.

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48 The impact of climate change on inflation and financial stability in South Asia

Tempa Gyeltshen

Univeristy of Canberra, ACT, Australia

Abstract

This study examines the relationship between climate change, inflation, and financial stability in South Asia, a region highly vulnerable to climate change, using quarterly data from 1990 to 2025. Using a mixed-methods approach that combines econometric analysis with policy reviews and expert interviews, this research investigates how extreme weather events and long-term climate variability affect price stability and the resilience of financial systems. The quantitative analysis employs dynamic panel data models to assess the impact of climate-related variables on headline and core inflation, as well as financial stability. The qualitative component critically reviews central bank policies and stakeholder perspectives to assess institutional responses and adaptation strategies. The findings aim to fill a gap in economic literature by providing a comprehensive understanding of the impact of climate change on inflation and financial stability. Additionally, this research offers policy recommendations to enhance regional preparedness and resilience in addressing climate change.

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64 Costly Acts of Care: Prosocial Decision-Making at Funerals

Komal Arshad

Queensland University of Technology, Brisbane, Australia

Abstract

Costly prosocial decisions present a central puzzle in behavioural economics: when helping is expensive and norm-governed, what shapes how much individuals give and to whom they give? We examine this question in the context of funeral contributions, a setting characterised by high financial stakes, rapid decision timelines, and strong social obligations. Using 17 experimentally varied vignette scenarios evaluated by 834 AI-simulated respondents (19,958 decisions across 34 kin and non-kin relationships), we test how four contextual levers, information, expectation, need, and urgency, influence funeral contributions. Information framing exerts the strongest effect: a high-cost funeral anchor increases contributions by approximately AUD 4,400 (≈150%), demonstrating a powerful anchoring effect. In contrast, both implicit and explicit need cues reduce contributions, consistent with norm crowding out and autonomy-threat dynamics. Expectation cues have heterogeneous effects, increasing contributions for kin but reducing them for close non-kin. Urgency uniformly suppresses contributions, with larger declines among non-kin. Overall, genetic relatedness provides a baseline structure for prosocial allocation, but contextual framing frequently overrides relational hierarchies, showing that high-cost helping decisions are shaped as much by situational cues as by kinship.

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115 How have water reforms impacted irrigation farmland prices in South Australia?

Mubeen Rehman[1], Sarah Wheeler[2,1], Duygu Yengin[1], Nadezhda Baryshnikova[1,3]

[1]Adelaide University, Adelaide, Australia. [2]Flinders University, Adelaide, Australia. [3]Keio University, Tokyo, Japan

Abstract

The unbundling of water rights from land in Australian water markets, followed by the separation of access, delivery, and use rights, is designed to facilitate water trading and promote the reallocation of water toward higher-value consumptive uses. This study examines the implications of this policy reform for irrigation agricultural land values in the Murray-Darling Basin area of South Australia (SA) within a hedonic pricing framework that incorporates farmland characteristics, including physical attributes, production industries, natural capital, and economic and spatial influences. We aim to estimate the causal impact of unbundling water policy on farmland property transactions and value assessments in SA using two datasets: 1) a geocoded, parcel-level cadastre dataset of farmland market transactions, providing detailed sales information across all property types over a 41-year period from July 1985 to June 2025; and 2) agricultural land assessment valuations data spanning July 2002 to June 2025. Employing a difference-in-differences (DiD) empirical methodology, the results reveal that the implementation of the unbundling policy is associated with a decline in farmland values in the South Australian Murray region. This effect arises as

water, once separated from land, becomes a tradable asset, enabling irrigators to reallocate water to higher-value uses as well now owning water as a tradeable asset, which this value more than offsets losses in land values. The estimated causal effects are robust to alternative specifications using assessment valuations data.

Keywords: Farmland market transactions; Assessment valuations; Murray Darling Basin; Unbundling policy; Hedonic pricing; Difference-in-differences

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128 Climate Shocks and the Dual Commons: How Extraction Non-Compliance UnderminesTank Irrigation Infrastructure Maintenance

Sharunya Gnanasubramaniam

University of New South Wales, NSW, Australia

Abstract

Many collective action problems do not exist in isolation. Communities often manage multiple common-pool resources and public goods simultaneously. The literature has treated overextraction from common-pool resources and underprovision of public goods as distinct problems. However, when the two goods are structurally linked, a breakdown in one domain directly undermines provision in the other.

This paper provides causal evidence on that mechanism. The setting is community-managed tank irrigation in Sri Lanka, where water extraction operates as a common-pool resource subject to spatial asymmetry and tank infrastructure maintenance operates as a public good sustained by voluntary labour contributions. As climate change increases drought frequency, upstream over-extraction reduces downstream cultivatable extent, lowering the material return to maintenance while eroding the cooperative beliefs that underpin voluntary contribution.

I develop a theoretical model formalising this dual commons problem through two channels: a material channel, whereby upstream over-extraction reduces downstream cultivatable extent and lowers returns to maintenance, and a belief-mediated channel, whereby observing upstream compliance or deviation updates cooperative expectations and shapes contribution.

I test this causal effect using a randomised framed field experiment with farmers. Upstream compliance sustains maintenance during the shock and generates lasting cooperative momentum through belief updating rather than material returns alone. In communities where deviation is the anticipated norm, compliance is the surprise, and it is this positive departure from expectation that shifts cooperative beliefs and sustains contribution beyond the season of scarcity.

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129 The Economic Returns to Expanding Access to Cognitive Behavioural Therapy for Insomnia in Australia: A Cost-Benefit Analysis of a Digital Delivery Model

Jackson Smith[1], Ieva Avdic[2,3], Sruthi Srikanthan[2], Alexander Sweetman[4]

[1]Deloitte Access Economics, Canberra, Australia. [2]Deloitte Access Economics, Melbourne, Australia. [3]Monash University, Melbourne, Australia. [4]Australasian Sleep Association, Adelaide, Australia

Abstract

Chronic insomnia affects over 3 million Australian adults, imposing substantial economic costs through reduced productivity, increased healthcare utilisation, and impacts on wellbeing. Despite strong clinical recommendations for Cognitive Behavioural Therapy for Insomnia (CBT-I) as the first-line treatment, uptake remains extremely low (around 1%), reflecting structural, financial, and workforce-related barriers to access.

This paper evaluates the opportunity for expanding access to CBT-I through a mixed delivery model that integrates digitally delivered, self-guided therapy with clinician oversight eligible for the majority, or approximately 80%, of patients with insomnia, alongside traditional clinician-delivered CBT-I if determined by clinical need. The proposed treatment delivery model provides a scalable and lower cost digital intervention to address existing supply constraints while maintaining clinical effectiveness.

The study develops a cost-benefit framework informed by an extensive literature base and provides one of the first evaluations of a mixed CBT-I delivery model. The analysis compares this intervention to current practice, characterised by pharmacological or no treatment, and evaluates outcomes over a five-year horizon, incorporating intervention costs and benefits from reduced healthcare utilisation and improved productivity.

Preliminary results indicate that delivering CBT-I to a cohort of 100,000 individuals would incur costs of approximately $31.9 million and generate total economic benefits of $149.7 million, corresponding to a benefit-cost ratio of 4.7. Sensitivity analyses assess the robustness of these findings under varying assumptions. These results provide novel Australia-specific evidence on the economic returns to digital and hybrid models of care, with implications for telehealth policy, primary care funding, and mental health investment.

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181 Understanding and Measuring Trust and Distrust Across Public Service Ecosystems: An Energy Context

Aleksandra Van Hummel, Ryan Payne, Rebekah Russell-Bennett, Benjamin Vu

University of Canberra, Canberra, Australia

Abstract

Consumer trust in public services is declining while distrust continues to rise, threatening the collective action required to address complex global challenges including the energy transition. Despite its importance, trust remains inconsistently conceptualised across disciplines and distrust has been largely overlooked or treated as its simple inverse. As a result, the possibility that both can coexist giving rise to ambivalence, remains largely overlooked in the literature.

This study therefore challenges the assumption that trust and distrust are simply opposites by developing and validating a new measure of consumer trust and distrust across the energy ecosystem. Furthermore, it examining how different configurations of trust and distrust including ambivalence shape consumer energy behaviour. Following established scale development procedures, a multi-phase mixed-methods approach was adopted, drawing on qualitative interviews (n=41) and three survey-based studies (n=1,201;n=1,204;n= 1,040) across four ecosystem actors - government, distributors, retailers and community.

The findings provide support for treating trust and distrust as distinct yet coexisting constructs, with ambivalence identified as a prevalent and behaviourally meaningful consumer orientation. Five consumer orientations were identified (trust, distrust, trust-dominant ambivalence, distrust-dominant ambivalence and indifference) each producing systematically different behavioural profiles. Importantly, trust-dominant ambivalent consumers were the most behaviourally active, while trusting consumers exhibited a significant intention-behaviour gap, suggests trust alone is insufficient to drive behaviour. Government emerged as the strongest predictor of behaviour across all outcomes. These findings challenge the adequacy of single-construct, single-actor approaches and offer a more precise conceptual and measurement foundation for understanding and supporting consumer engagement with the energy transition.

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196 Son preference and multidimensional well-being

Mehwish Ghulam Ali, Ashton de Silva, Sarah Sinclair, Ankita Mishra

RMIT, Melbourne, Australia

Abstract

Son preference, or the systematic preference for male offspring, is a persistent gender bias with implications extending beyond specific country contexts. It shapes fertility decisions, intra-household resource allocation and long-term human capital outcomes, making it a critical policy concern in development economics.

This common gender bias obstructs policy efforts towards the United Nations' Sustainable Development Goals on gender equality. The gendered nature of well-being calls for a multidimensional approach. Popular measures of well-being are often unidimensional and limited in capturing the granularity of intra-household gender disparities, which as evidence suggests often begin at home.

In this United Nations Working Paper, by using the Pakistan Demographic and Health Surveys, this study examines the nuanced relationship between multiple dimensions of individual well-being and son preference, as captured via a novel measure of son preference called 'gender preference at birth' (GPB). This is a new measure of son preference and combines stated fertility preferences and observed fertility outcomes to acknowledge that households in countries with high fertility and low contraception usage have less control over their fertility decisions.

Findings indicate that son preference, as measured by GPB, affects inter- and intra-household well-being in complex ways. Results indicate women and girls fare better overall in smaller households, despite the presence of son preference. However, larger gender gaps within these households suggest parents may be channelling any resource benefits to sons.

These findings highlight the need for disaggregated analysis of son preference when devising well-being strategies for women and girls in Pakistan.

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217 The OCT-DT Schema for Organ, Cell and Tissue Donation and Transplantation: A Framework for System-Level Costing Across Care Pathways in Australia

Erin Britton[1], Cindy Bell[2], Sruthi Srikanthan[3], Tom Forster[2], Campbell McMullin[3], Julia Conway[4], Yusuf Uzun[4]

[1]Deloitte Access Economics, Sydney, Australia. [2]Deloitte Access Economics, Brisbane, Australia. [3]Deloitte Access Economics, Melbourne, Australia. [4]Independent Health and Aged Care Pricing Authority, Sydney, Australia

Abstract

The organ, cell and tissue donation and transplantation (OCT-DT) system in Australia is a complex service system, involving multiple clinical, institutional and funding components. Despite significant clinical advancements over the past three decades, policy and system challenges remain. Inconsistencies in data capture, costing and reporting currently contribute to inefficiencies in its funding and pricing models.

This study adopts a mixed method design to develop a comprehensive theoretical framework to inform costing of OCT-DT activity, in the context of data reporting and classifications that underpin Australia's activity-based health funding system. A review of peer-reviewed and grey literature, a quantitative analysis driven by a targeted data collection exercise and an extensive qualitative data collection through large-scale stakeholder consultation enabled the mapping and development of the OCT-DT Schema to examine donor and recipient pathways. The Schema

provided an innovative framework for systematically identifying variation and gaps in data and costing practices across the Australian healthcare system.

Findings demonstrate substantial variation in how states and territories capture OCT-DT activities, including significant gaps in accurately capturing cross-jurisdictional and posthumous activity. Substantial variation in data capture and costing practices was also observed and documented, particularly in allocation of donation costs, recording of retrieval activity, and laboratory costing for haemopoietic stem cell donation. The study contributes to literature by detailing opportunities for service improvement through funding and pricing as levers for system improvement. The schema approach also offers a novel, replicable method for examining how data, costing and funding interact along complex clinical pathways, supporting policy improvements.

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246 Do anxiety and fearful behaviour shape cognitive skill development of young children? Causal evidence from Linked Administrative Data

Nasantogtokh Yunren, Nadezhda Baryshnikova, Florian Ploeckl

Adelaide University, Adelaide, Australia

Abstract

This paper examines the relationship between anxiety and fearful behaviour and young children's cognitive skills at school entry, a key period for human capital formation. Early emotional difficulties may have lasting consequences for school readiness and later-life development. While existing economic research has emphasised early-life conditions and socioemotional skills, there is limited causal evidence on how specific emotional behaviours contribute to cognitive outcomes.

To address this, we use an instrumental-variables approach based on exogenous variation in natural-disaster exposure, which affects anxiety and fearful behaviour but is plausibly unrelated to underlying cognitive ability. We draw on the Person Level Integrated Data Asset (PLIDA), which links large-scale Australian administrative records across multiple domains, consisting of Australian Early Development Census (AEDC), Australian Taxation Office (ATO), Services Australia, the Medicare Address Directory, Disaster Assist Data Home Affairs, and the 2016 ABS Census.

We estimate Tobit models to account for censoring in the outcome variable and apply censored quantile regression to examine heterogeneity across the distribution of cognitive outcomes. Preliminary results suggest a negative relationship between anxiety and fearful behaviour and school-based language and cognitive skills, with larger effects at the lower end of the distribution. These findings suggest that early emotional vulnerability plays an important role in shaping both school readiness and skill formation.

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258 Menopausal Transitions and Women's Employment Outcomes in Australia

Yuying Hou, Jinhu Li, My Tran

Australian National University, Canberra, Australia

Abstract

With the increasing participation and importance of women in the labour market, more midlife women are now experiencing menopause while remaining in employment. Despite its prevalence, research on the economic

consequences of menopause remains limited. This study aims to estimate the relationship between severe menopausal symptoms and women's labour force participation and to further explore variations across different occupational types. This study used data from Waves 1 to 6 of the 1946-1951 cohort in the Australian Longitudinal Study on Women's Health, which included 56,345 eligible observations. Linear regression models, including Ordinary Least Squares (OLS), Random Effects (RE), and Fixed Effects (FE), were applied to address the associations. We will further identify causality using advanced difference-in-differences (DID) approach. Hausman tests were conducted to assess model suitability. Logistic regressions were used for robustness checks. We conducted subgroup analysis by occupation skills levels using the same analytical framework. Further analysis will be conducted to assess the underlying mechanisms for the causal relationships. Preliminary results from the RE and FE models showed that an increase in the number of severe menopausal symptoms was significantly associated with fewer weekly working hours and a higher likelihood of being out of the labour force. These effects varied across occupational skill groups: the association was not significant among high-skill women but was stronger among medium-skill and particularly low-skill women. Overall, the findings highlight the impact of menopause on women's labour market participation and emphasize the need for supportive workplace and social environments for women experiencing severe menopausal symptoms.

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273 Classifying Digital Assets for Regulation: A Property-Rights Taxonomy Using Cladistics

Alex Pham

RMIT University, Melbourne, Australia

Abstract

Digital asset markets have grown faster than regulatory frameworks and economic classification systems can adapt, undermining effective property rights assignment, market governance, and policy design. In this context, policymakers, supervisors, and market institutions lack a consistent, analytically grounded taxonomy for distinguishing among increasingly complex digital asset types. This paper develops a digital asset taxonomy that combines property rights economics with cladistic methodology originally developed in evolutionary biology. Cladistics, which groups entities by shared derived characteristics and branching relationships, is well-suited to an asset domain characterised by rapid variation and continual innovation. Using non-fungible tokens (NFTs) as a proof-of-concept, the paper shows how digital assets can be systematically classified according to their underlying bundles of rights, how distinct "families" of asset types emerge over time, and how this framework can accommodate future innovations without ad hoc reclassification. Unlike existing taxonomies that treat digital assets as static categories, the cladistic approach provides the generative logic by which new asset forms evolve from existing ones. The resulting taxonomy has direct implications for regulatory design, jurisdictional classification disputes, tax and reporting treatment, and financial market governance, providing public institutions with a transparent, generalisable tool for navigating a rapidly evolving asset landscape marked by mistrust and misinformation.

Special Session 2: How can we make economics more attractive to under-represented groups?

13:30 - 15:00 Wednesday, 8th July, 2026
02B09

Catherine de Fontenay
Panellists Louisa Coglan, Emma Chow, Cherelle Murphy

Session 2A: Work, Risk, and Progression: The Economics of Disability

13:30 - 15:00 Wednesday, 8th July, 2026
02B07

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103 One Risk, Two Systems: Disability Insurance and Long-Term Care Substitution at the Age-65 Divide

Maathu Ranjan

Australian National University, Canberra, Australia

Abstract

Governments in aging societies finance both disability support and long-term care, yet the extent to which these programs generate fiscal spillovers remains unclear. We study the introduction of Australia's National Disability Insurance Scheme (NDIS) using a difference-in-differences-in-discontinuity design that exploits its staggered rollout and an age-65 eligibility cutoff. Among individuals near the aged care margin, NDIS participation reduces residential aged care entry by 12 percentage points and lowers health system expenditures. These effects grow over time, indicating that short-run evaluations understate the fiscal consequences of capacity-enhancing disability support. We estimate that reduced aged care and health spending offset approximately one-fifth of program costs. Fiscal effects are heterogeneous: individuals with greater functional impairment generate larger care-related savings, while those with stronger labor market attachment exhibit smaller care responses but increased earnings. Our results highlight the importance of dynamic fiscal spillovers and participant heterogeneity in designing and evaluating disability policy.

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113 Disability employment and working from home in Australia

Aaron Mollross

Australian National University, Canberra, Australia

Abstract

Disability employment rose sharply in Australia after the onset of COVID-19. While work from home (WFH) has been proposed as a key driver, other explanations include tight labour-market conditions and composition changes in the disability population. To assess these explanations, this paper combines two empirical approaches: an instrumental variable analysis using cross-sectional data, and difference-in-difference models using panel data. The results

suggest that expanded WFH access had, at most, a marginal effect on disability employment growth in Australia. The instrumental variable estimates show no statistically significant causal effect of increased occupational WFH on disability employment once endogeneity controls are included. Instead, disability employment growth is closely linked to broader occupation-level employment growth, consistent with a tight labour market. The difference-in-difference results show stronger post-pandemic employment growth for people with disability, but these gains were concentrated in occupations with low pre-pandemic WFH capability. Overall, the findings point to labour market tightness, rather than expanded WFH access, as the main explanation, while also pointing to a possible role for institutional settings and pre-pandemic norms.

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148 What counts as disability? Measurement choices and career outcomes in the Australian Public Service

David Hansell, Sharon Rosenrauch

Australian National University, Canberra, Australia

Abstract

Accurately identifying people with disability in linked administrative datasets is critical for monitoring population health, evaluating policy interventions, and fulfilling international human rights obligations. Using data from the Australian Public Service Employment Database (APSED) from 2005 to 2024, linked with the ABS Person Level Integrated Data Asset (PLIDA), we identify seven disability indicators that span the disablement pathway: (i) self-identified disability in APSED; Census information on whether a person (ii) needs assistance, (iii) identifies as having a mental health condition, or (iv) identifies as having a chronic health condition; whether someone has had a National Disability Insurance Scheme (NDIS) application (v) approved or (vi) rejected; and (vii) whether someone has ever received a disability support payment (DSP).

Our results show a low level of correlation amongst these measures, consistent with each indicator identifying a conceptually distinct subset of APS employees with disability who may be at different stages of the disablement pathway. Workers with disablement spend longer at each classification level than their non-disabled counterparts, with the exception of those who have received DSP or have a mental health condition. Finally, we estimate the probability an APS employee with disability is promoted at each main classification level of the public service. Our results show disability is most strongly associated with a lower relative likelihood of promotion at the lower levels, but some measures, such as having a mental health condition, negatively affect promotion at all levels, including entry into the Senior Executive Service. We discuss implications and avenues for research.

Session 2B: Efficiency, equity and public preferences

13:30 - 15:00 Wednesday, 8th July, 2026
02B11

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6 Do Distributional Concerns Justify Lower Environmental Taxes?

Ashley Craig[1], Thomas Lloyd[2], Dylan Moore[3]

[1]Australian National University, Canberra, Australia. [2]University of Michigan, Ann Arbor, United States. [3]University of Hawai'i, Manoa, United States

Abstract

How should taxes on externality-generating activities be adjusted if they are regressive? In our model, the government raises revenue using distortionary income and commodity taxes. If more or less productive people have identical tastes for externality-generating consumption, the government optimally imposes a Pigouvian tax equal to the marginal damage from the externality. This is true regardless of whether the tax is regressive. But, if regressivity reflects different preferences of people with different incomes rather than solely income effects, the optimal tax differs from the Pigouvian benchmark. We derive sufficient statistics for optimal policy, and use them to study carbon taxation in the United States. Our empirical results suggest an optimal carbon tax that is remarkably close to the Pigouvian level, but with higher carbon taxes for very high-income households if this is feasible. When we allow for heterogeneity in preferences at each income level as well as across the income distribution, our optimal tax schedules are further attenuated toward the Pigouvian benchmark.

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7 Public Preferences for Economic Reforms Are Shaped More by Design Than Cost

Christopher Hoy

University of Melbourne, Melbourne, Australia

Abstract

Public opposition is a major barrier to economic reforms, such as subsidy removal. Using multilayered, randomized survey experiments with 10,000 respondents across ten surveys in five countries, this paper shows that opposition to energy price reforms is shaped more by design and communication than by cost. Around 70 percent of respondents strongly opposed a 100 percent immediate price increase, but resistance was nearly halved when reforms were phased in, targeted at high-energy consumers, or paired with compensation. Informational messages also reduced opposition by as much as halving the price increase. An expert prediction survey revealed systematic misunderstandings: specialists underestimated the influence of design features and greatly misperceived coping strategies and compensation preferences. These findings demonstrate that behavioural biases—such as present bias, loss aversion, and fairness heuristics—are as influential as economic costs in shaping people's opposition to economic reforms, underscoring the importance of careful design and communication of politically sensitive reforms.

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270 A Dynamic Model of the Effects on Efficiency and Equity of Tax Policies

Chris Murphy

Australian National University, Canberra, Australia

Abstract

The Australian Government has regularly used Computable General Equilibrium (CGE) modelling to assess the economy-wide effects of tax policy options. That modelling has focussed mainly on the long run effects on economic efficiency. For example, my team at KPMG Econtech used the MM900 model to estimate the marginal excess burdens (MEBs) of 12 different taxes for the Henry Tax Review.

In this paper the author develops a new CGETAX model that provides a more comprehensive picture of the effects of tax policy options. It introduces equity by replacing one representative consumer with three consumers representing the tritiles of the distribution of lifetime labour incomes (Harding, 1990). It incorporates dynamics by allowing for sluggish adjustment of capital stocks.

CGE models do not usually cover, at the same time, the short run and long effects on efficiency and equity of changes to tax policy. Notable exceptions are Bhattarai, Haughton, Head and Tuerck (2017) for the USA and Tran and Wende (2021) for Australia. The new CGETAX model goes further by distinguishing as many as 13 different taxes and by taking into account additional aspects of production that are important for assessing tax policies such as oligopoly power and competition between incorporated and unincorporated businesses.

In one application of the new model, the paper shows how the inefficiency rankings of taxes change when dynamics are taken into account. In another application the model is used to design tax reform packages for Australia that substantially improve efficiency while maintaining equity.

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28 Unravelling Inequality in Australia: Facts, Causes, and Policies

Peter Abelson

Macquarie University, Sydney, Australia. Crawford School ANU, Canbera, Australia

Abstract

Abstract

This paper discusses the various forms of inequality in Australia and how they have evolved in the 21st century. The principal focus is on income and wealth. Other welfare issues are highlighted where they are especially relevant. The paper describes the distributions of household market and disposable incomes (i.e. income before and after taxes and transfers) and the distribution of household wealth. It then describes gender differences in income and wealth, generational differences, and the income and wealth of indigenous Australians and migrants. The paper also discusses unreported incomes from the “non-observed economy”, from concealed and illegal activity, and from tax exempt charitable and religious bodies, and their implications for equality. In considering generational issues, the paper also considers briefly the impacts of changes in other welfare factors, such as environment and health, identified in Abelson (2021). To identify these various inequalities, the paper draws on existing data sources. It also provides some international comparisons. The paper also briefly addresses the main drivers of the identified income and wealth inequalities and possible policies.

Session 2C: Energy Markets and Climate Change

13:30 - 15:00 Wednesday, 8th July, 2026
02B02

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292 Inferring the Value of Stored Water in Hydroelectric Schemes

Daniel Arzhintar[1], Gordon Leslie[2], Kelly Neill[3], Paul Wyrwoll[4]

[1]Productivity Commission, Melbourne, Australia. [2]Monash University, Melbourne, Australia. [3]University of Sydney, Sydney, Australia. [4]Australian National University, Canberra, Australia

Abstract

We study how a major hydroelectric scheme operator values its stored water. Using wholesale electricity market bidding data, we estimate a descriptive function of the opportunity cost of generation, which follows from the operator's implicit water valuation. The function exhibits near-complete passthrough of an exchange-traded electricity futures price and decreases with greater reservoir volumes and snow depth. It remained stable even when the value of releases to an alternate, dependent river was high, as it ceased-to-flow. These results may motivate development of futures-linked administered water prices for hydropower schemes to provide water services for non-energy uses.

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53 An Exploratory Analysis on the Impact of Dispatchable Battery Energy Storage on Electricity Prices in the Australian NEM

Rabindra Nepal[1], Daniel Davi-Arderius[2], Tooraj Jamasb[3]

[1]University of Wollongong, Wollongong, Australia. [2]University of Barcelona, Barcelona, Spain. [3]Copenhagen Business School, Copenhagen, Denmark

Abstract

Empirical studies of whether merchant arbitrage acts as a countervailing force to the "merit order effect" of solar and wind is important but unexplored in the Australian National Electricity Market (NEM). This study fills in this gap by studying the actual impacts of charging and discharging Battery Energy Storage Systems (BESS) on the day-ahead electricity spot prices. Australia is a global leader in BESS and the findings of this study are not only relevant to the ongoing reform of the NEM but also to other countries on the path to decarbonizing their energy mix. We use hourly data between 2024 and 2025, and a methodology based on an Autoregressive Moving Average (ARMA) model with Generalized Autoregressive Conditional Heteroskedasticity (GARCH) features. We find that BESS impacts on the spot-prices, but its impact is asymmetric: charging BESS has decreased the spot price, while discharging them has increased the spot price. We find positive welfare impacts from BESS when diesel generators are replaced, but not for other generation technologies. Some policy recommendations are provided based on the findings.

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100 Australia's Evolving Energy Consumer

Matthew Trachevski

Australian Energy Market Commission (AEMC), Sydney, Australia

Abstract

Australian households are rapidly transforming how they access energy services, driven by the uptake of efficient electric appliances, electric vehicles, rooftop solar photovoltaics, and home battery systems. This presentation examines the economics of residential electrification in Australia, focusing on the costs, benefits, and payback periods associated with replacing gas and petrol technologies with efficient electric alternatives and installing consumer energy resources. Using a detailed techno-economic model developed for the Australian Energy Market Commission's Residential Electricity Price Trends report, we assess household energy use across time, energy services, fuel types, locations, and dwelling characteristics.

We assess the current state of electric technology adoption, highlighting rapid growth in rooftop solar, heat pump water heaters, batteries, and electric vehicles. We then analyse the key drivers of adoption, showing how large energy efficiency gains from electric technologies substantially reduce household energy consumption, and how solar and battery systems can enable high levels of self-consumption and export revenue. Finally, we examine why payback periods vary significantly across regions, using Shapley decompositions to identify the relative contributions of climate, energy prices, and subsidies.

Our results show that electrification and solar and battery investments can deliver substantial cost savings, but their financial attractiveness differs markedly by city. Regions with colder climates and generous subsidies tend to favour appliance electrification, while higher electricity prices accelerate payback periods for solar and battery installations. These findings provide insight into where and how Australia's energy consumers are likely to evolve in the years ahead.

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174 Quantifying the macroeconomic costs of climate change using a top-down damage function approach in a multi-region CGE framework

Alex Watkins[1], Cedric Hodges[2], Rhiain Powell[2]

[1]Deloitte Access Economics, Brisbane, Australia. [2]Deloitte Access Economics, Hobart, Australia

Abstract

This paper develops and implements a top-down framework for translating empirical macroeconomic climate damage estimates into inputs for a recursive-dynamic computable general equilibrium (CGE) model. Drawing on the causally identified impulse response functions (IRFs) of Bilal and Känzig (2026), who estimate a long-run GDP loss of approximately 22% per degree Celsius of sustained warming (Penn World Table sample, h=10), we decompose the aggregate damage signal into three structurally distinct factor-level shocks: total factor productivity erosion, labour-augmenting productivity losses attributable to heat stress, and capital stock deterioration through an accelerated depreciation channel. These country-level shocks are further disaggregated across production sectors using exposure weights calibrated to reflect the relative temperature-sensitivity of each sector's workforce and production process, then integrated with a tail-risk module that quantifies additional capital destruction from intensified extreme weather events.

The damage shocks are implemented in D. Climate a multi-region multi-sector recursive-dynamic CGE model, using annual shock paths over the period 2025 to 2100 under a warming trajectory consistent with SSP2-4.5. Pre-model damage function estimates suggest substantially larger macroeconomic impacts than those implied by standard integrated assessment models, reflecting the stronger causal identification underpinning the Bilal-Känzig damage function. The paper contributes a novel, replicable methodology for incorporating empirically grounded climate damages into CGE analysis.

Session 2D: Firms and Productivity

13:30 - 15:00 Wednesday, 8th July, 2026
02B04

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134 Industrial Robots and Firm Markups: Evidence from China’s Manufacturing Sector

Yixiao Zhou, Rentao Rao, Ziwei Xue

Australian National University, Canberra, Australia

Abstract

This article investigates the impact of the adoption of industrial robots on the markups of firms in China's manufacturing sector. We measure firms' exposure to industrial robots at the industry level and the city level and examine how firm-level markup and productivity respond to it. Our results show that increased exposure to industrial robots, on average, compresses firm-level markups among China's manufacturing firms. This decline is non-uniform, being most pronounced among firms with high markups. In the Chinese context, these firms tend to be smaller, younger, private firms rather than dominant incumbents. We further reveal that, for these firms, robot adoption triggers an increase in operating costs consistent with the idea of adjustment costs and, therefore, reduction in markups. In contrast, other firms experienced reduction in both cost and revenue, with the former having a greater magnitude and therefore maintaining stable or increasing markups. Our results suggest that access to resources and international markets helps mitigate adjustment costs for adopting industrial robots. Finally, we find no evidence of productivity gains, a finding consistent with the high adjustment costs associated with major technological transitions.

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222 Productivity in Western Australia and across Australia: Similarities in firm-level productivity dynamics

Lynn Riggs

WA Department of Treasury and Finance, Perth, Australia

Abstract

Western Australia has not been immune to the productivity slowdown experienced by other jurisdictions within Australia and across the globe. While aggregate productivity measures appear to point to State-specific issues, the results indicate that the productivity slowdown is not a State issue per se but exists more so at an industry and firm level. For the analysis, we estimate firm-level MFP following Wooldridge using the Business Longitudinal Analysis Data Environment (BLADE) from the Australian Bureau of Statistics for the period 2011 to 2019. While previous research has largely focused on productivity dispersion using measures such as interquartile ranges or 90-10 MFP ratios, this research examines changes in the full distribution of firm-level productivity across States and over time. We use kernel density estimates and productivity quartiles to examine changes in firm-level productivity in different industries. We also use regression analysis to examine the characteristics of the lowest performing firms relative to the highest performers. While the original objective of this research was to achieve a better understanding of the factors behind the productivity slowdown in Western Australia, the similarity of results across States has broadened the research focus to examine firm-level productivity trends across Australia.

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240 Did pass-through of the 2022 fuel excise cut depend on local competition?

Nicholas Sladden

University of Melbourne, Melbourne, Australia

Abstract

Economic theory states that cost pass-through should increase in competitive markets. Using a rich dataset of daily, station-level prices in Perth, this paper examines cost pass-through in petrol markets of varying levels of competition, before and after the fuel excise was halved in 2022. I estimate an asymmetric Error Correction Model with threshold switching to account for the different phases of the petrol price cycle. I find that competition significantly reduces the pass-through of cost increases and enhances the pass-through of cost decreases pre-excise cut, consistent with economic theory. Post-excise cut, these effects vanish and the speed of pricing adjustments increases, suggesting that the scrutiny accompanying the fuel excise cut led retailers to change pricing behaviour.

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31 The Causal Impact of 2018 Tariff Shock on US Firms: Does Artificial Intelligence Mitigate Tariff-Induced Losses?

Mamun Chowdhury, Sushanta Mallick, Charlotte Meng

Queen Mary University of London, London, United Kingdom

Abstract

This study examines two interrelated questions: First, to what extent did the 2018 tariff escalation affect the profitability of US firms importing intermediate inputs? Second, did firms that leveraged artificial intelligence (AI) technologies mitigate these losses more effectively than their non-AI peers? We use a difference-in-differences approach to compare importers of intermediate inputs with importers of final consumption goods, isolating the effect of tariffs following the policy changes after 2018. Controlling for firm-level heterogeneity, we address this gap by constructing a firm-level measure of AI adoption based on textual analysis of SEC 10-K filings, which captures firms' investments in AI. We then employ a triple-difference estimator to test whether the post-2018 change in profitability for AI-adopting intermediate-input importers differs from that of non-AI intermediate-input importers, relative to the corresponding difference among non-intermediate-input importers. The findings of our study reveal two key insights. First, the 2018 tariff shock reduced the profitability of intermediate-input-importing firms relative to non-intermediate-input-importing firms, after controlling for firm characteristics. Second, AI adoption among these firms partially mitigated tariff-induced losses, as evidenced by a more negligible adverse interaction effect, suggesting that AI enhances resilience but does not fully offset tariff impacts.

Session 2E: The gas tax (PRRT): is it working and should it be replaced?

13:30 - 15:00 Wednesday, 8th July, 2026
02C05
Beth Webster
Panellists Ingrid Burfurd, Henry Williams, Jason Nassios

The PRRT, introduced in 1988, places a 40% tax on rents related to the extraction of Australian gas. With prospects for normalisation of world oil markets, Australia will not be beholden to quid-pro-quo petrol-gas deals. In this session, three public policy experts discuss the performance of the gas tax so far and whether it represents and efficient way to ensure Australians benefit from the gas that we collectively own.

This special session was organised by the Economic Society of Australia (Victoria).

Session 2F: Law and Technology

13:30 - 15:00 Wednesday, 8th July, 2026
02C06

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161 The economic impact of legal decisions on patent policy

Hazel Moir

Australian National University, Canberra, Australia

Abstract

Despite the importance of technological change and innovation in economic growth, most mainstream economists have little to no understanding of how patent policy actually works. This is unfortunate, as the monopoly reward provided by a patent largely operates to restrain the dissemination of new technology. Well-balanced patent policy is needs to ensure an adequate incentive to innovation which would not otherwise happen, while also maximising the spread of new technology as soon as possible after the monopoly period to raise productivity generally.

A deeper understanding of the reality of patent policy demonstrates reforms that would increase balance in the patent system, reducing the cost of unnecessary monopoly grants and increasing the speed of innovation diffusion.

A recent Full Federal Court (FFC) decision highlights how patent policy is continually re-written by judges, with no attention to the impact of such changes on overall economic wellbeing. Such changes are made in response to disputes between two private parties, with no public impact consideration.

The High Court has granted leave to appeal. The FCC decision is based on a clear recitation of parliamentary intent to limit the scope of undeserved patent privileges so the High Court's decision will be important for patent policy balance. It overturns prior, erroneous, interpretation of scope of extensions to patent duration for selected pharmaceuticals. If the appeal is upheld, the costs of the Pharmaceutical Benefits Scheme will be unnecessarily higher.

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110 Can Digital Technology Make Self-Listed Firms More Efficient?

Shann Turnbull

International Institute for Self-governance, Sydney, Australia. Australian Institute of Company Directors, Sydney, Australia

Abstract

Significant Stock Exchanges trade their own issued securities, as do many other incorporated entities. There are more private US firms with employee ownership plans that trade their shares then there are firms listed on both the New York and NASDA exchanges. Like cooperatives, employee ownership firms introduce "sunlight" share trading with disclosure of beneficial owners. Such disclosure is not typically required by law for public exchanges unless a significant number of shares are traded, like 5% of issued shares. US off-market trading has increased to record

levels to over 50% in 2025. This proves that autonomous public trading of securities is a viable, growing, and acceptable option. Self-traded securities eliminate listing fees, other third-party costs, proof of ownership, delays, and brokers front running against their clients, dark pools, and naked short selling. Sunlight share-trading exposing beneficial owners, controllers and other price manipulators allows the public to be informed of the price that insiders believe the shares are worth. Insiders who do not disclose they have access to privileged information are exposed to whistle blowers, loss of reputation and the cost of penalties and/or damages. Other self-regulating corporate governance options are identified to promote more efficient and ethical capitalism. The paper recommends that regulators introduce sunlight trading in regulatory sandboxes created to promote financial innovations. In Australia, this would create competition for the ASX. It removes the need for the Reserve Bank and the Australian Securities and Investment Commission compounding ASX's unethical, dysfunctional complexity with irrelevant "tokenised asset markets".

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43 The HILDA Research Assistant: A Retrieval-Augmented and Agentic LLM for Accelerating Economic Research

Taylor Ey[1], Jan Kabatek[2], Ujjwal KC[2]

[1]Melbourne Institute, Melbourne, Australia. [2]Melbourne Institute of Applied Economics and Social Research, Melbourne, Australia

Abstract

Advances in generative AI and large language model (LLM) system architectures present new opportunities to enhance economic research productivity through the creation of domain-specific chatbots and autonomous data analysis agents. This paper illustrates the practical deployment of such systems via the HILDA Research Assistant, a specialised LLM chatbot designed to address methodological queries related to the Household, Income and Labour Dynamics in Australia (HILDA) survey. To ensure reliability and mitigate hallucinations, the assistant integrates four system architectural components: retrieval-augmented generation, which grounds responses in authoritative sources; prompt engineering, which enforces source citation and transparent reasoning; curated document repositories, which maintain the integrity and readability of the authoritative sources; and coding agents, which enable automated exploratory data analysis. These components enable researchers to efficiently identify relevant variables, review the HILDA literature, and generate descriptive statistics within a single conversation. Moreover, the paper also examines the security and ethical implications of deploying generative AI with restricted data. Collectively, these design choices may serve as a transferable framework for researchers seeking to deploy their own reliable, domain-specific AI tools with sensitive data.

Session 2G: Transport and Adaptation

13:30 - 15:00 Wednesday, 8th July, 2026
02C07

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77 Regulation in General Equilibrium: A Quantitative Spatial Transport Model for Fare Pricing

Isaac Mann, David Levinson

The University of Sydney, Sydney, Australia

Abstract

Standard transport appraisal treats fare regulation in isolation, ignoring how price signals reshape urban geography. We bridge the gap between regulatory practice and quantitative spatial economics by constructing a Quantitative Spatial Transport Model (QSTM) for Greater Sydney, Australia. Unlike partial equilibrium frameworks, our model endogenises the location decisions of households and firms, labour markets, and real estate dynamics in response to transport shocks.

We apply this framework to optimise the weekly public transport fare cap. We find that zero-fare policies are welfare-suboptimal due to precipitous revenue losses. Instead, allocative efficiency requires a higher user contribution, revealing that current binding caps function as implicit subsidies for long-distance commuters. Higher fares trigger a spatial reorganisation: residents centralise to minimise commuting costs, causing firms to decentralise to suburban sub-centres to access labour. These shorter commutes considerably reduce public transport operator costs. The centrifugal shift in employment reconfigures agglomeration economies, demonstrating that transport pricing can promote a more compact residential form while encouraging polycentric firm location.

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239 The price of a park: estimating buyers' willingness to pay for off-street apartment parking in Melbourne and Sydney

Ashleigh Chang, Dominic Behrens

Grattan Institute, Melbourne, Australia

Abstract

Minimum car parking requirements mandate that most new homes are sold with an off-street parking space. Yet buyers often value parking at well below what it costs to build. Our report quantifies this mismatch for Melbourne and Sydney. We estimate buyers' willingness to pay for parking using hedonic price regressions on recent apartment sales, with neighbourhood fixed effects absorbing location sorting. We find a clear gap between construction costs and what buyers' are willing to pay. Gaps of this magnitude are sufficient to render otherwise viable developments uneconomic, acting as a handbrake on housing supply.

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214 Addressing barriers to private investment in adaptation

Sebastian Broadhurst[1], Julian Parise[2], Sean Sutton[2], Krystal Ha[1], Max Oss-emer[1]

[1]Productivity Commission, Melbourne, Australia. [2]Productivity Commission, Canberra, Australia

Abstract

This paper examines how projected damages from climate change hazards could be limited via policy changes which reduce barriers to private investment in climate change adaptation, with a particular focus on housing resilience in Australia. Methodologically, quantitative scenario modelling estimates direct physical damage to Australia’s detached and semi-detached housing stock between 2026 and 2100 under stylised adaptation scenarios. Under the baseline scenario, cumulative climate-related physical damage to detached and semi-detached homes could reach around $744 billion in present value terms by 2100. Adaptation measures could reduce this by up to $240 billion, including around $186 billion from improving the resilience of existing homes and $54 billion from steering new development away from high-risk areas. Qualitative policy analysis identified several reform recommendations which could reduce the expected damages. These recommendations include increasing the availability of climate risk information via an improved national climate risk database, increasing the market signalling of resilient housing through a resilience rating system for housing, the development of a national strategy to coordinate levels of government to increase

housing resilience and a strengthened role for the Climate Change Authority to review and advise on national climate adaptation policy.

Session 2H: Economic Thought

13:30 - 15:00 Wednesday, 8th July, 2026
02C08
John Hawkins

50 Adam Smith on Speculation: Some Institutional Aspects of Smith's Theory of Speculation

Riko Stevens

University of Notre Dame Australia, Fremantle, Australia. University of Western Australia, Perth, Australia

Abstract

Historians of economics have devoted remarkably little attention to Adam Smith's treatment of speculation. This paper provides an exposition of Smith's theory of speculation in which it is illustrated that speculation tended to exert stabilising effects at the microeconomic level but destabilising effects at the macroeconomic level. The paper also provides an interpretation of Smith's theory of speculation in which the nature of speculative behaviour, and thus the welfare consequences that arise from it, depends crucially on the institutional arrangement of markets. Recognising this important role of institutions in Smith's analysis of speculation not only provides a richer account of his treatment of that subject but also deepens our understanding of his broader approach to economic analysis. Smith's analysis of speculation is very modern and still offers fruitful insight into the nature of what remains a controversial subject matter in economics.

117 Keynes's uncompleted book on ancient currencies

John Hawkins

University of Canberra, Yarralumla, Australia

Abstract

Keynes started working on a history of money in the summer of 1920. After apparently putting it aside in 1921 he returned to it in 1924 and worked on it intermittently until 1926. The incomplete work is included in volume XXVII of the *Collected Writings of John Maynard Keynes*, published by the Royal Economic Society.

Unsurprisingly given Keynes's busy life and contributions, his work on ancient currencies is not mentioned in essays on his life and contribution to economics. But nor is it mentioned in most full-length books on him, not even in the relevant volume of the definitive biography by Skidelsky. The few of Keynes's biographers who mention the work tend to be rather dismissive, treating it as a distraction, an aberration, or even 'Babylonian madness'. Keynes's work in the area has had little direct impact. It is unmentioned in recent accounts of the origins of money.

But his work on the topic did influence some passages in the *Tract on Monetary Reform* and the *Treatise on Money*.

The unpublished work also sheds some light on the debate on ‘chartalism’, also known as the ‘state theory of money’, which Keynes defined as ‘the doctrine that money is peculiarly a creation of the state’ as opposed to the idea that it emerged as a more convenient alternative to barter.

There are also discussions of early experiences of inflation and the long-run stability of the relative price of gold and silver.

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101 Productivity and Living Standards Are Not Everything: Reassessing Krugman’s maxim

John O'Mahony

Deloitte Access Economics, Sydney, Australia

Abstract

Paul Krugman’s well-known claim that, in the long run, productivity is “almost everything” in determining living standards has become a central organising principle in economic policy debates. This paper argues that the maxim is only conditionally valid within a narrow accounting framework and becomes misleading when applied to real-world economies. Three critiques are developed. First, both productivity and living standards are incompletely measured, particularly through the omission of natural resources and non-market sector outputs. Second, productivity is an inadequate proxy for broader social welfare, which includes environmental sustainability, distributional outcomes, and non-market services. Third, the direction of causality is not one-way: living standards, demand conditions, and macroeconomic policy also shape productivity outcomes. The paper further shows that even within a conventional framework, other factors—including labour force participation, population dynamics, and net foreign income—make non-trivial contributions to long-run living standards. The central conclusion is that the apparent dominance of productivity is a feature of restrictive assumptions rather than a general property of economies. A productivity-centric policy framework is therefore incomplete. Policymakers should move beyond a productivity-centric framework toward a broader dashboard of economic and social indicators. Periods of weak productivity growth may reflect not only economic constraints but also socially optimal choices in mature economies.

Afternoon tea

15:00 - 15:30 Wednesday, 8th July, 2026
UC Refectory

Poster

15:00 - 15:30 Wednesday, 8th July, 2026
UC Refectory

Special Session 3: Does the budget get in the way of good policy?

15:30 - 17:00 Wednesday, 8th July, 2026
02B09
Ashley Craig
Panellists John Kehoe, Amy Auster
Speaker Sam Reinhardt

Session 3A: Migration and Labour Market Outcomes

15:30 - 17:00 Wednesday, 8th July, 2026
02B07

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3 Does Economic Performance in Home Countries Impact Immigrants' Labour Market Outcomes? Evidence from Australia

Ruoshui Shan, Xiaodong Fan

Monash University, Melbourne, Australia

Abstract

This paper provides causal evidence that macroeconomic conditions in immigrants' countries of origin shape their labour market behaviour in the host country. We develop and empirically test a reference-dependent framework with loss aversion, in which immigrants evaluate their material well-being in the host country relative to a benchmark anchored in home-country economic conditions. Utilizing Australian longitudinal data from 2001 to 2017, we find that increases in home-country GDP (Gross Domestic Product) raise immigrants' labour force participation, employment, hours worked, and annual labour earnings, with little effect on hourly wages. These responses are stronger among immigrants with closer economic or cultural ties to their countries of origin and do not attenuate with time spent in the host country. Our findings highlight the role of transnational economic linkages in shaping post-migration labour supply and provide new evidence on how economic shocks abroad influence labour market outcomes in destination countries.

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259 Modelling Migration Pathways: Empirical Insights from Visa Journeys in Australia

Tyler Reysenbach, Nicholas Husek

Department of Home Affairs, Canberra, Australia

Abstract

Understanding how visa holders move through the visa system is critical to managing Australia's migration program. Increasingly, migrants move through multiple temporary visas before departing Australia or obtaining permanent residency. Using detailed Home Affairs microdata on visa grants, the Immigration Analysis Centre has developed a novel pathway-based modelling framework that tracks movements across the visa system over time. This system wide approach reveals patterns of behaviour and cross policy interactions that are not observable through visa specific analysis alone.

This paper focuses on international students, one of the largest groups of temporary migrants. Leveraging contemporaneous internal data, the paper provides the first evidence on how international student visa pathways have changed in the post-COVID environment. We find that international students now experience longer and more complex visa journeys, driven by a combination of policy changes and temporary pandemic-era measures.

These findings show how temporary visa changes can have long-term impacts as they impact migrants' entire visa journeys. Our pathways framework demonstrates that pathway-based evidence is needed to fully understand migrant behaviour and design and evaluate migration settings.

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266 Somebody I Used to Know: The Role of Early Co-workers in Migrants' Economic Outcomes

Harshit Shah[1], Lachlan Vass[1,2]

[1]e61 Institute, Sydney, Australia. [2]ANU, Canberra, Australia

Abstract

Migrants account for around 26.3 per cent of all jobs in Australia, and debate on the permanent migration program has focused largely on reforming the points test for skilled visas — what attributes are rewarded and how heavily they are weighted. Far less attention has been paid to the role of firms in shaping migrant outcomes, despite recent increases in the share of visas allocated to the employer-sponsored stream.

Using linked employer–employee microdata, we analyse the link between a migrant's first firm, the composition of their co-workers, and their initial and subsequent earnings. We find three main results. First, migrants are more concentrated across firms than non-migrants, but migrant-dominated workplaces are less common than often assumed: around 70 per cent of migrants work at firms where migrants are 50 per cent or less of workers, and 30 per cent at firms where migrants are 25 per cent or less. Second, both migrants and non-migrants earn more when they start at firms with a mix of migrant and non-migrant workers; those beginning at firms concentrated at either extreme earn meaningfully less. Third, these initial earnings differences are not closed over subsequent years, even through job switching.

That the same pattern holds for non-migrants indicates firm-level factors — not migrant-specific channels alone — are a key driver. Policies that inadvertently channel migrants into highly concentrated workplaces risk weakening the long-run economic returns to migration. The findings suggest the firm deserves greater weight in migration policy design, alongside the characteristics of migrants themselves.

Session 3B: Political Economy

15:30 - 17:00 Wednesday, 8th July, 2026
02B11

177 Decision-Makers as Decision-Shapers: Evidence on the Influence of Representatives on Direct Democratic Votes

Yves Kläy[1,2], Reiner Eichenberger[1], Marco Portmann[2], David Stadelmann[3]

[1]University of Fribourg, Fribourg, Switzerland. [2]Institute for Swiss Economic Policy (IWP), Lucerne, Switzerland. [3]University of Bayreuth, Bayreuth, Germany

Abstract

This paper estimates whether elected representatives causally shape citizens' decisions in direct democratic votes. We study Swiss referenda, where voters decide on the same policy proposals that legislators previously vote on in parliament, allowing a direct comparison between representatives' positions and citizens' binding policy choices. Using close elections between candidates with opposing positions on a given issue, we implement a regression discontinuity design that generates quasi-random variation in the issue positions of elected representatives. Having an issue supporter instead of an issue opponent as a representative increases the electorate's share of yes votes by about 8.7 percentage points. The effect is strongest where alternative information is scarce, suggesting that representatives shape voter choices partly by providing cues on complex policies. The results imply that even in institutions designed to let citizens overrule politicians, representatives remain an important force in preference formation and policy choice.

178 The Rhetoric and the Reckoning: An Economic Model of Acoustic Separation and Defensive Governance

Alfredo Paloyo

University of Wollongong, Wollongong, Australia

Abstract

This paper develops a formal economic model to analyze the welfare consequences of "acoustic separation" in corporate law, a phenomenon where courts announce strict conduct rules to shape behavior but apply highly contextual, lenient decision rules when imposing sanctions. Using the Australian ASIC v Healey litigation as an institutional template, we model corporate board behavior under conditions of doctrinal uncertainty and legal advisory intermediation. We demonstrate that risk-averse legal advisers, who face asymmetric malpractice liability, systematically inflate the perceived legal standard well above the range of plausible judicial applications.
In a multi-director setting, while some rhetorical elevation is necessary to combat collective free-riding, unbounded escalation triggers a structural distortion in director behavior. By introducing a two-effort model, we decompose director action into substantive monitoring, which actually improves misstatement detection, and visible process, which merely improves a director's evidentiary standing in court. Our model proves that under high doctrinal uncertainty and noisy judicial observation, directors rationally substitute substantive cognitive engagement with wasteful defensive governance, or "compliance theater".
Calibrating the model to the Australian corporate market reveals that post-Healey rhetoric overshoots the socially optimal standard by 30% to 50%, generating deadweight losses that align with empirical spikes in directors and

officers insurance premiums. To correct this distortion, we propose an architecturally specific statutory safe harbor. By legislating ex ante verifiable compliance mechanisms, this intervention directly reduces adjudicative noise and advisory-market inflation, dismantling the compliance theater pathology and aligning corporate governance back with socially optimal monitoring.

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72 Overcoming Reflection: A Panel data approach to Judicial Network effects

Xiaodong Gong, Ben Freyens

BGL, University of Canberra, Canberra, Australia

Abstract

We present an identification strategy that directly addresses the reflection problem in network effects models. We illustrate by examining how network effects shape individual judges' decisions in labour disputes. Using a rich multi-level panel dataset covering more than 2,000 rulings over a 16-year period, we identify these effects by leveraging the random assignment of cases to judges and the precise sequencing of case filings and decisions. This allows us to address the simultaneity (or reflection) problem that complicates the identification of network effects in standard models. The depth of the data also enables us to explore the underlying sources of these network effects. Our findings reveal heterogeneous and asymmetric endogenous (behavioural) network effects, with the magnitude and direction of influence varying across judge types.

Session 3C: Environmental Policy and Green Investment

15:30 - 17:00 Wednesday, 8th July, 2026
02B02

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67 Environmental Responses to Foreign Standards: Technical Barriers to Trade and the Geography of US Emissions

Sergio H. Rocha[1], Prakrati Thakur[2]

[1]Monash University, Melbourne, Australia. [2]Rensselaer Polytechnic Institute, Troy, United States

Abstract

We provide first causal evidence of the effect of foreign Technical Barriers to Trade (TBTs) on the local environment in a developed country. We combine data on TBT adoption by US' export destinations, bilateral US exports, and local industrial composition in a shift-share design to estimate the effect of exposure to foreign TBTs on regional pollution emissions in the US. We estimate that a 1 standard deviation (s.d.) increase in TBT treatment leads to 0.14, 0.05, and 0.13 s.d. increase in SO$_2$, PM10, and VOC emissions growth, respectively. These effects are stronger when the foreign TBTs are unharmonized with US standards, mandate considerable production adjustments, and are

subject to observable compliance. Unlike TBTs, exposure to foreign tariffs reduces local emissions growth by directly restricting trade flows. Our findings highlight the environmental consequences of non-traditional trade policy instruments for policymakers seeking to balance openness, standardization, and sustainability.

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162 What Drives Local Government FOGO Adoption? Evidence from New South Wales and Victoria.

Sijia Liu

Adelaide University, Adelaide, Australia

Abstract

This paper uses empirical methods to explore why Australian local councils adopt household food organics and garden organics (FOGO) services at different speeds. FOGO is a kerbside collection service that allows food to be added to the green lid garden waste bin, therefore improving recovery rates and reducing waste sent to landfill. The question is which local conditions accelerate or delay adoption. This matters for the role of government in policy/service adoption: uniform mandates may set targets, but implementation depends on inherited service systems, local performance pressure, and household service fit. We use a unique annual dataset from NSW Environment Protection Authority (EPA), Recycling Victoria and Australian Bureau of Statistics (ABS) including waste management and census data at the council level spanning nearly twenty years. The baseline specification is a discrete-time complementary log-log hazard model, with Cox proportional hazards models used as robustness checks. Preliminary results indicate that in NSW, councils with fortnightly yellow-bin recycling and more 20-30-year-old residents adopt FOGO significantly faster, while councils with more couple-with-children families adopt more slowly. In VIC, councils with existing garden organics services, more female residents, and more couple-with-children families adopt FOGO substantially faster, whereas councils with higher recovery rates adopt more slowly, consistent with weaker marginal incentives where incumbent systems already perform well. The findings imply that governments can accelerate FOGO rollout by building on existing collection systems, targeting councils with greater marginal gains, and adapting rollout design where household burden is higher.

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189 Commitment under recognition uncertainty: how fossil-market flexibility delays or accelerates green investment

Hiroshi Matsushima

Australian National University, Canberra, Australia

Abstract

Cross-border trade in certified green commodities is a central instrument of climate policy, yet trade in green hydrogen has stalled: fewer than one in ten announced projects reaches final investment decision. I isolate a margin that existing frameworks have not formalized, the timing of bilateral commitment to certified green supply, and I identify the state variable that governs it: variance in whether certified output will be recognized as green under the importing jurisdiction's rules. I call this object eligibility variance.

I develop a bilateral commitment-timing framework in which the buyer can lock in a certified green relationship or continue trading on a flexible incumbent fossil portfolio while recognition settles. Incumbent flexibility plays two opposing roles: it raises the option value of waiting, and it reduces downside risk of the green relationship. The sign of the flexibility effect reverses at a characterizable cutoff in eligibility variance. The same fossil market acts as a bridge when recognition is clear, and as a destination when recognition is uncertain. For certified goods with near-zero embedded emissions, reducing eligibility variance moves the timing margin more than raising the carbon price.

I calibrate the framework to Australia-Japan energy trade using institutional events and LNG contract data. The corridor crosses the bridge-destination boundary in the early 2020s, driven by certification clarity rather than LNG flexibility. Mutual recognition delivers the largest threshold reduction among the instruments considered. Export-oriented electrolysis projects, the most exposed to unresolved recognition, reach FID at sharply lower rates than comparable projects with established pathways.

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123 LPG expansion and Energy Poverty in India: An impact evaluation of the Pradhan Mantri Ujjwala Yojana

Namrata Nair

Adelaide University, Adelaide, Australia

Abstract

Energy poverty remains a critical development challenge in India with millions relying on traditional sources of fuel. We use the roll out of Pradhan Mantri Ujjwala Yojana (PMUY), one of the world's largest clean fuel programmes to assess effects on household energy poverty across 570 Indian districts. Using district-level administrative data on connection intensity matched with nationally representative household consumption expenditure data from successive rounds of the National Sample Survey (NSS) spanning 2011-2024, we exploit variation in rollout intensity to estimate causal effects. We address the endogenous targeting of connections towards poorer districts through a shift-share instrument based on pre-policy LPG distributor network density. Results show that greater PMUY rollout intensity reduced expenditure-based energy poverty, lowered multidimensional energy poverty, and increased LPG adoption. Distributional analysis reveals that gains are concentrated in the middle and upper quantiles of the energy poverty distribution, with persistently deprived districts showing smaller responses. Findings offer actionable lessons that large-scale fuel programmes can serve as an effective instrument for reducing household energy poverty in developing countries. However, sustained welfare gains require policies that support continued fuel use beyond initial connection receipt and substitution away from traditional fuels.

Session 3D: Competition and Firm Behaviour

15:30 - 17:00 Wednesday, 8th July, 2026
02B04

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139 Delegation and Task Direction: Theory and Evidence from Organizational Data

Andrew Wait[1], Hajime Katayama[2], Natalia Ponomareva[3], Vladimir Smirnov[1]

[1]University of Sydney, Sydney, Australia. [2]Waseda University, Toyko, Japan. [3]Macquarie University, Sydney, Australia

Abstract

This paper examines the joint decision of firms regarding two key aspects of worker management: (i) the level of information provided to workers about their tasks (direction), and (ii) the extent to which workers are delegated authority to handle incidents autonomously (delegation). We develop both a theoretical model and empirical analysis using a novel establishment-level dataset. Our results show that firms are more likely to provide broad instructions when they also delegate greater decision-making authority to workers. We address the potential endogeneity between these two decisions and explore the co-factors influencing their joint determination. Specifically, we find that broader instructions and greater delegation are more prevalent in firms that (i) use incentive schemes based on individual performance objectives, (ii) have lower-level supervisors or peer-based performance monitoring, (iii) emphasize group work, and (iv) rely on infrequent monitoring. These findings suggest that firms with decentralized decision-making structures tend to adopt both broader communication and higher autonomy for workers.

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175 Non-competes: a case of missing wages in Australia

Omer Majeed[1,2], Sarah Davies[1], Nabeeh Zakariyya[1], Amee McMillan[1,2], Yun Jiang[1]

[1]Treasury, Canberra, Australia. [2]Australian National University, Canberra, Australia

Abstract

Non-compete clauses have become a focal point in debates over fairness and efficiency in modern labour markets. There is growing academic and policy interest in non-competes, yet evidence on wage effects remains conflicting and largely US-focused. We develop a heuristic framework suggesting workers should be compensated for lost mobility, but argue that market failures such as bargaining power and incomplete information likely prevent this. Using new Australian survey data linked to administrative records, we find no systematic evidence of wage compensation. To reconcile conflicting results in the literature, we test robustness across multiple samples and methodologies. However, our novel results show that there is substantial heterogeneity: high-productivity firms show a positive association with wages, while low-productivity firms use non-competes widely without clear justification. Smaller firms also appear to adopt non-competes in blanket fashion. Our broader findings raise concerns over both efficiency and equity, and underscore the case for policy scrutiny.

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233 Kookaburras in the Coal Mine: Measuring AI Disruption with Australian Administrative Data

Zac Gross

Monash University, Caulfield East, Australia

Abstract

This paper studies whether the diffusion of generative artificial intelligence altered labour-market outcomes in Australia. I combine occupation information from the 2021 Census with monthly Single Touch Payroll employer to track workers in occupations that differ in their exposure to large language models. AI exposure is assigned using pre-determined occupation scores, so the design is not mechanically affected by post-shock occupation switching. I construct occupation-month aggregates and compare indexed earnings and new-hire rates across exposure groups, then examine heterogeneity by age and employer technology adoption. We document where divergence first appears in linked administrative data and which margins appear most responsive. This shows the value of high-frequency payroll data for studying a fast-moving general-purpose technology shock and highlights heterogeneity that will matter for later causal work, especially across career stages and across firms with different digital capabilities. Final results from the linked administrative data remain pending ABS clearance.

Session 3E: High School Students Lightning Session II

15:30 - 17:00 Wednesday, 8th July, 2026
02C05
Maria Racionero

80 Rising International Trade and its Effect on the Australian Cotton Industry

Shubh Punj

Brisbane Grammar School, Brisbane, Australia

Abstract

International trade, defined as the exchange of goods and services between nations, has become increasingly pertinent to Australia's economic structure. On the back of multiple free trade agreements (FTAs) between Australia and the Asia region, trade liberalisation and expanding regional integration has been crucial in addressing Australia's structurally narrow export base.

Whilst existing literature acknowledges that trade liberalisation can enhance export competitiveness and market access, it often under-examines how these macroeconomic shifts affect individual export industries. This study addresses that gap by investigating how Australia's rising trade liberalisation and relationships from 2014 to 2024 influenced the performance of the Australian cotton industry, with particular attention to the industry's capacity to respond to external shocks in demand.

This study applies data from industry and governmental reports, conducts supply and demand analysis, and utilises both the circular flow of income and aggregate demand theories. Case studies including China's 2020 informal soft-ban on Australian cotton and subsequent trade-direction pivot towards Vietnam and Bangladesh are also investigated. This study argues that trade liberalisation has had an overall positive effect on the Australian cotton industry by expanding market access, supporting regional employment and increasing contributions to economic growth. However, these gains remain limited by environmental instability and dependence on external demand.

Consequently, the Australian cotton industry demonstrates both the economic benefits and structural consequences of trade liberalisation, making it a valuable study for understanding the broader implications of free trade in export-oriented economies.

127 Why the Australia and Singapore Free Trade Agreement is Vital to Australia's Growth and Economic Interests.

Imogen McKenna

Mount Alvernia College, Brisbane, Australia

Abstract

This report examines the significance of the Singapore–Australia Free Trade Agreement (SAFTA) in supporting Australia's economic growth through LNG while strengthening broader economic resilience through a complementary bilateral partnership. Using data from government trade statistics, energy production reports and economic models including comparative advantage, capital mobility and the circular flow of income to analyses SAFTA's influence on LNG exports and wider bilateral integration. Findings show Singapore imports around 30% of its LNG from Australia, reinforcing Australia's position. SAFTA enhances this advantage by removing trade barriers, stabilising demand and increasing investment flows, with Singapore contributing over $140 billion in capital. Beyond LNG, Singapore's manufacturing sector and refining capacity supply Australia with essential goods and fuel, helping offset domestic limitations and strengthening supply chain security. Evaluated against sustainability and economic growth criteria, results suggest SAFTA delivers strong short-term benefits through predictable LNG demand, investment inflows and improved fuel and import reliability. Long-term sustainability is challenged by Australia's reliance on LNG and global shifts toward renewables. However, Singapore's partnership helps mitigate vulnerabilities by supporting energy security, providing manufactured imports and enabling future green-energy collaboration. SAFTA therefore reduces exposure to price volatility and strengthens Australia's broader economic adaptability. Overall, SAFTA provides substantial economic value by stabilising Australia's growth LNG economy while deepening a strategic partnership that supports fuel security, manufactured imports and long-term resilience. Although Australia must diversify beyond LNG to remain competitive, the agreement remains vital for sustaining growth, strengthening bilateral cooperation and ensuring mutual economic advantage.

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81 The liberalisation of Australia's trade 2014-2024, and its impact on the barley industry

Jack Fleming

Brisbane Grammar School, Brisbane, Australia

Abstract

This report evaluates the impact of Australia's trade liberalisation from 2014-2024 on the barley industry. Two criteria were used: economic efficiency and sustainable economic growth. The methodology includes data from ABARES, the ABS, and DFAT. Economic models, including supply-demand curves and circular flow of income models, were key in evaluation.

Over 2014-2024, the Australian trade surplus grew 562.94%, driven by export growth (94.41%) exceeding import growth (70.06%). Alongside increasing commodity prices, trade liberalisation was a cause. The signing of free trade agreements (FTAs), rising from 8 (2014) to 18 (2024), improves market access and export security. Notably, the ChAFTA agreement facilitates the sale of Australian natural resources to manufacturing firms in China. This contributed to a narrowing current account balance, improving external stability.

Considering the export-oriented nature of the Australian barley industry, it was selected as the case study. Despite concerns of increased competition, trade liberalisation positively impacted the economic efficiency within the barley industry. Through tariff-reducing FTAs, deadweight loss was mitigated. Additionally, certain FTAs such as RCEP improve market access, incentivising high production and improving productive efficiency.

Further, trade liberalisation positively affected sustainable economic growth within the barley industry. Higher export value directly contributes to greater aggregate demand and according to the circular flow of income model, increases expenditure flows to supporting industries, such as fertiliser providers. Additionally, export firms diversified their trading destinations. Hence, this outweighs the concern of industry reliance on exports.

Overall, the benefits of trade liberalisation outweigh the associated costs.

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130 The Impact of Increasing Protectionism on Australia's LNG to Improve Consumer Prices and Economic Growth

Sofia Dixon

Loreto College Coorparoo, Brisbane, Australia

Abstract

Domestic Prices Increasing to Global Levels

Prioritising LNG exports has significant consequences for domestic energy prices and household welfare. As LNG exports increase, domestic gas prices become linked to international export-parity pricing, meaning Australian consumers compete with global buyers for domestically produced gas (IEEFA, 2025), leading to shortages when exporters redirect uncontracted gas to overseas markets rather than supplying local consumers (Australian Government, 2026). East-coast wholesale gas prices rose by more than 250% between 2021 and 2022 (Figure 4), demonstrating a sharp increase in prices. In contrast WA prices remained relatively stable over the same period, reflecting its insulating domestic gas reservation policy (Utilizer, 2025). This widening price gap highlights the structural disparity between the two markets, the east-coast is exposed to international LNG price shocks, while the west coast is protected by guaranteed domestic supply (The Oxford Institute for Energy Studies, 2021). Rising gas prices increase electricity costs for households and businesses, reducing disposable income and limiting consumption. In the short run, falling consumer spending shifts AD left, reducing real GDP and slowing economic growth. Within the circular flow of income, a reduction of household spending reduces aggregate demand, slowing economic activity and lowering overall economic welfare across the broader economy.

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82 Australia's Natural Gas Trade

Oliver Mellick

Brisbane Grammar School, Brisbane, Australia

Abstract

Australia's natural gas industry has been almost unrestricted since the early 2000’s, forming one of the nation’s most liberal trade sectors. This report analyses patterns and trends in Australian trade from 2014 to 2024 and evaluates the impact of such a degree of liberalisation in the natural gas industry on Australian resource allocation and employment.

The continued signing of FTAs, the most notable of which being the 2015 ChAFTA, has only furthered the unregulated development of the industry. It was identified that natural gas export revenue rose by 390% from 2014 to 2022, followed by a 25% decline to 2024. However, 95.7% of natural gas mining and refinery in Australia falls under foreign ownership. With only 4.3% equity, the Australian welfare only marginally benefits from the industry’s gross success. While Australia couldn’t have expanded its gas industry without this investment, it misses out on further potential earnings due to its weak royalty and taxation framework.

Trade liberalisation has had a largely negative impact on Australian resource allocation, contributing to economic complexity stagnation, domestic gas price inflation, and a failure to capture sovereign wealth from a publicly owned resource. Furthermore, it has not had significant positive impacts on Australian employment. The capital-intensive nature of the industry saw total employment fall from 25,300 to 22,800 between 2020 and 2024 despite revenue growth, while structural gender inequality persisted throughout the period.

The findings suggest that unrestricted trade liberalisation in resource industries requires complementary regulatory frameworks to ensure equitable distribution of economic gains.

96 The Impact of Trade Liberalisation on Globalisation and Market Outcomes Through the Lens of International Education and Iron Ore Exports

Talen Huntley, Kanchan Bandyopadhyay

Padua College, Brisbane, Australia

Abstract

Trade liberalisation has reshaped Australia's economy from 2015-2025 through three major free trade agreements (FTAs): ChAFTA (China-Australia FTA) (2015), ECTA (Australia-India Economic Cooperation and Trade Agreement) (2022), and RCEP (Regional Comprehensive Economic Partnership) (2022). This report investigates FTA impacts on iron ore and international education sectors since 2015. Economic growth, measured by real GDP, export income, as well as equity, measured by income distribution and structural unemployment, determine the net benefit of trade liberalisation. Key findings include iron ore export values increasing 168% from 2015-2025 and education exports reaching $50 billion AUD in 2023-2024. This report argues that trade liberalisation delivers a net positive outcome overall with a positive outcome for the national economy in terms of economic growth, but a negative outcome for workers in import-competing industries in terms of equity. To manage this negative outcome for affected workers, future policies must integrate FTA negotiation with domestic structural adjustment, housing and retraining, to convert economic gains into equitable outcomes. Without this integration, the positive net benefit judgment cannot be sustained in the long run.

Session 3F: Institutions and Economic Decisions

15:30 - 17:00 Wednesday, 8th July, 2026
02C06

138 The economic theory of walls

Doug Mcleod

Macquarie University, Sydney, Australia

Abstract

We show that walls are required for order to develop within a system, whether the system is biological or economic. Although it is well understood within biology that membranes are essential for ordered systems to develop, it is not felt necessary within that discipline to account for wall formation with a mathematical model - the science is more pragmatic and factually oriented. We develop such a model here by modelling entity lifecycles and resource flows using Markov matrices and a game theory model of defection. This model is one step in understanding how order can arise and increase within a system. The model is general and has economic application also.

173 Execution Economics: Decision Sovereignty and the Transmission of Decisions into Outcomes

Peter Fritz AO, Catherine Fritz-Kalish AM, Olga Bodrova

Global Access Partners, Sydney, Australia

Abstract

Standard economic theory explains how decisions are made but typically assumes that, once taken, they are transmitted into outcomes without loss. This leaves unspecified the conditions under which decisions are faithfully implemented, weakened or produce unintended effects. This paper presents Execution Economics, a formal framework that addresses this gap through the identity **Y = d(P) · S,** where Y is realised outcome, d(P) is decision quality as a function of predictive capacity, and S is *decision sovereignty* – the structural capacity of an institutional system to transmit decisions into outcomes.

The framework yields three testable predictions. First, a *congestion effect*: as decision load increases relative to execution capacity (ρ = d(P)/K), decision sovereignty deteriorates, and beyond a stability boundary additional decision capability reduces outcomes. Second, a *collapse condition*: as decision sovereignty approaches zero, decisions fail to translate into outcomes, whether due to excess decision load or breakdowns in governance capacity. Third, a *reversal condition*: when decision sovereignty is negative, improvements in decision capability worsen outcomes.

These dynamics are illustrated through empirical cases including AI adoption under capacity constraints and the Australian Robodebt scheme. The framework suggests that institutional performance depends not only on decision quality, but on the capacity to transmit decisions into outcomes under conditions of load, governance and alignment.

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119 Why Institutions Endure: Norms, Leadership, and What Enables Reform

Omer Majeed

ANU, Canberra, Australia. Treasury, Canberra, Australia

Abstract

Why do most countries remain trapped in bad institutions, while a few transition out? This paper introduces a novel framework highlighting how interactions between societal norms and leadership actions shape institutions. It offers three insights. First, leadership behavior correlates with societal norms through contagion, habit formation, and incentives---cross-country evidence supports this. Second, building on major reforms, the paper shows reforms endure only when norms shift and explains the policy mechanisms behind successful transitions. Third, the paper illustrates how norms anchor strategic reformist-elite interactions.

Session 3G: Housing and Household Outcomes

15:30 - 17:00 Wednesday, 8th July, 2026
02C07

159 Towards sustainable housing markets: A simple distributional analysis of Australia

Tomohiro Ando[1], Natalia Bailey[2], Alicia Rambaldi[3], Jyoti Shukla[1], Raghu Tirumala[1], Piyush Tiwari[1]

[1]University of Melbourne, Melbourne, Australia. [2]Monash University, Melbourne, Australia. [3]University of Queensland, Brisbane, Australia

Abstract

The global housing market is increasingly shaped by climate change: rising sea levels, flooding, and bushfires. Housing, arguably the largest household asset for most families and a central element of urban development, sits at the intersection of environmental sustainability, economic market and community. However, the distributional impacts of climate risk on housing remain insufficiently studied. Most empirical studies usually rely on mean-based statistical models. While such models provide useful insights, they mask heterogeneity across the house price distribution. Quantile regression provides a methodological solution to fill this gap. Unlike ordinary least squares (OLS), which estimates the mean effect of explanatory variables, quantile regression uncovers how these effects vary across different points of the conditional housing price distribution. For example, flood exposure may depress values of low-priced properties but have a reversed effect on high-end waterfront properties, where scenic amenities dominate over the exposure to such risk. Similarly, risk exposure to bushfire may reduce values in suburban fringe markets but hold negligible impact in luxury rural retreats where buyers prioritize lifestyle over risk. By estimating coefficients at various percentiles of housing prices, this study disentangles the average effect by capturing the vulnerability of affordable housing, the stability of the middle market, and the speculative dynamics of luxury segments separately. These distributional insights are essential for designing sustainability policies that are both effective and equitable.

209 Peer Effects in Social Housing: Evidence from Australia

Barbara Broadway[1], Anna Zhu[2]

[1]Melbourne Institute: Applied Economic & Social Research, Carlton, Australia. [2]RMIT, Melbourne, Australia

Abstract

Much previous literature has identified peer effects as playing a significant role in influencing individual behaviours and outcomes, especially in terms of labour market outcomes. However, relatively scant evidence exists on the role of peer effects amongst those who live in social housing. Using a rich administrative dataset on public housing inhabitants, we exploit plausibly random assignment of new entrants to a social housing peer group in Australia to estimate the impact of peers on labour market participation and earnings. Our results show that peer effects play a large role in employment decisions and subsequent earnings for new entrants to social housing. We control for precise area-level differentials to account for the broader ‘neighbourhood effect’, isolating the direct, peer-to-peer influence net of local environmental influences. We also provide evidence for a mechanism by which the observed peer effects in employment decisions are transmitted: namely, the sharing of information relating to job search from peers to new social housing entrants. We find this mechanism is particularly pronounced for those born outside of Australia, especially those from a non-English speaking background.

A live recording of ABC's The Economy Stupid: Why not tax wealth, and why not start with billionaires?

17:00 - 17:45 Wednesday, 8th July, 2026
02B07
Peter Martin
Panellists Richard Denniss, Kristen Sobeck

Alan Auerbach Dinner

18:15 - 21:15 Wednesday, 8th July, 2026
Yacht Club
Christine Williams
Speaker Alan Auerbach

There will be an express bus leaving from outside Oscar's Bakery Cafe, Cooper Lodge, 7 Telila Street, next to the UCX bar, at the University of Canberra at 5.50pm on Wednesday 8 July to take those ACE 2026 delegates registered to attend the dinner with Alan Auerbach to the CSCC Yacht Club for a 6.15pm start.

There will be another bus to bring ACE 2026 delegates back which will leave the CSCC Yacht Club at 9.15pm and stop at the QT in Civic, the University of Canberra, and the Mercure in Belconnen (in that order).

The Future of U.S. Economic Policy
Alan Auerbach — Speaker

Registration

08:00 - 09:00 Thursday, 9th July, 2026
UC Refectory

Keynote 2: Linxu Zhang - Comments: Katherine Wynn, Yu Sheng

09:00 - 10:30 Thursday, 9th July, 2026
02B09
Gordon Leslie
Panellists Katherine Wynn, Yu Sheng
Speaker Linxiu Zhang

Enhancing food system resilience with a nexus approach
Linxiu Zhang — Speaker

Morning tea

10:30 - 11:00 Thursday, 9th July, 2026
UC Refectory

Special Session 4: The energy transition

11:00 - 12:30 Thursday, 9th July, 2026
02B09
Rafat Mahmood
Speakers Flavio Menezes, Frank Jotzo, Linxiu Zhang

Session 4A: Empirical Migration Research

11:00 - 12:30 Thursday, 9th July, 2026
02B07

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260 Introducing the Immigration Analysis Centre: Insights from the Visa Pathways Model

Amee McMillan

Department of Home Affairs, Canberra, Australia

Abstract

The Immigration Analysis Centre undertakes quantitative analysis to support the development of migration policy and the administration of the migration system, with a particular specialisation in microdata analysis.

It was established by the Department of Home Affairs in September 2025 after a recommendation from the Parkinson review.

The Centre aims to be a trusted adviser to Government with a reputation for rigorous analysis, policy relevant output and responsiveness to the needs of policy makers. It also aims to partner with and be a central point of contact for academics, analytical teams in the APS, and others with an interest in immigration policy analysis.

The Centre is also supporting the development of new internal and external data assets through the integration of new linked data, and the facilitation of data sharing agreements between government departments.

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256 The role of temporary migration pathways in explaining the declining outcomes of the Australian skilled migration program

Peter Varela, Robert Breunig

ANU, Canberra, Australia

Abstract

This paper explores the role of temporary visa pathways in selecting migrants for the Australian permanent migration program. We show that migrants who first arrive in Australia on a temporary employer sponsored visa have the strongest long-term economic outcomes, while international students have the worst long-term economic outcomes. Working Holiday makers and offshore permanent migrants lie between these extremes. These differences are substantial – permanent migrants that followed the student pathway earn around 50 per cent less than those arriving on a skilled work visa, with this difference persisting in the years following migration. Using a Oaxaca-Blinder framework, we show that these outcomes occur as a result of selection on both observable and unobservable characteristics. We also show that the share of international students in the permanent migration pathways has grown substantially in the past decade and that this trend can largely explain the declining economic outcomes of the skilled migration program.

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235 Negative shocks travel home: the income elasticity of remittances in a temporary migration scheme

Ryan Edwards, Estelle Stambolie

ANU, Canberra, Australia

Abstract

Using high-frequency financial diaries from Fijian temporary migrant workers in Australia and their families back home, we estimate the within-individual income elasticity of remittances at approximately 0.3 and a marginal propensity to consume remittance income at around 0.7. Migrants send regular, stable amounts home, regardless of their earnings level: remittance budget shares in our sample fall with income, resembling Engel's Law. Exploiting fortnightly variation within individuals, we find that the contemporaneous elasticity is driven by negative shocks, while positive shocks are absorbed with higher consumption or savings abroad. The immediate pass-through of earnings declines to families, for whom remittances are typically the primary and often only source of income, has direct implications for worker welfare protections and the vulnerability of remittance receiving households.

Session 4B: Implementing policy in an environment of misinformation and declining trust

11:00 - 12:30 Thursday, 9th July, 2026
02B11
Christine Williams

296 Implementing policy in an environment of misinformation and declining trust

Bevan Read[1], James Murphy[2]

[1]Fivecast. [2]Trellix

Abstract

We examine the modern information environment through an intelligence lens, focusing on how narratives are shaped, amplified, and operationalised in today’s digital landscape, and the often-overlooked economic consequences that follow. It provides a perspective on how information dynamics influence economic outcomes.

Confidence, trust, and perception underpin how markets behave and how decisions are made. As the information environment becomes more contested, the ability to identify influence and understand intent becomes critical not just for protecting public discourse, but for maintaining economic stability.

The task is not to control the conversation, but to ensure it remains authentic, transparent, and resilient to manipulation and that those operating within it are equipped to recognise when it is being shaped.

Bios

Bevan Read is a Senior Tradecraft Advisor at Fivecast specialising in the Asia-Pacific region. With extensive experience across cyber intelligence, defence intelligence, and information operations, he advises and trains organisations in the use of open-source intelligence (OSINT) for investigations across government, cybersecurity, financial, and private-sector settings.

James Murphy is Field Chief Technology Officer for Threat Intelligence, Asia Pacific, at Trellix. He advises organisations on advanced cyber threats, with expertise in nation-state activity, ransomware, threat intelligence, and cybersecurity strategy. He is a regular speaker on the intersection of cybersecurity, geopolitics, and enterprise risk.

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274 Trust and Engagement with Fact and Commentary News Stories

Uwe Dulleck[1], Xiadong Gong[1], Sora Park[1], Yuyang Chen[1], Richard Fletcher[2], Caroline Fisher[1], William Lukamto[1], Pinker Yao[1]

[1]University of Canberra, Canberra, Australia. [2]University of Oxford, Oxford, United Kingdom

Abstract

In this paper, we investigate whether and how differently readers understand and respond after reading fact-based vs commentary media pieces, hoping to shed some light on why we see the increase of subjectivity in journalism. Our analysis is based upon data drawn from an add-on survey to a subsample of the Digital News Report (DNR) 2023 sample in three countries – Australia, Singapore and UK. We make use of viewers being randomly allocated to different types of news pieces (and types of platforms) in an embedded experiment. We find that viewers understand commentary pieces less but engage more with the commentary that fact-based pieces, which may explain the trend of increasing subjectivity in reporting and the concerns of misinformation associating with this trend.

Session 4C: Inflation and Policy

11:00 - 12:30 Thursday, 9th July, 2026
02B02

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15 The Inflationary Impact of Government Spending Shocks: Do Funding Choices Matter?

Changchen Ge[1], Solmaz Moslehi[1], Giovanni Caggiano[2], Xuan Zhou[3]

[1]Monash University, Melbourne, Australia. [2]University of Padua, Padova, Italy. [3]Reserve Bank of Australia, Melbourne, Australia

Abstract

This paper studies whether the inflationary effects of government spending shocks depend on how they are expected to be financed. Using U.S. data from 1960Q1–2015Q4, we classify narrative defense spending news shocks as funded or unfunded based on forward-looking implied tax rates derived from municipal–Treasury yield spreads. Estimating a proxy-SVAR, we find stark asymmetries: funded shocks lower inflation and keep expectations anchored, while unfunded shocks raise inflation, inflation expectations, and debt, and reduce output. Our results reconcile mixed

empirical findings and provide evidence for a fiscal-backing channel consistent with the Fiscal Theory of the Price Level.

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19 Is inflation driven by aggregate or sectoral output gaps?

James Morley[1], Jieying Zhang[2]

[1]University of Sydney, Sydney, Australia. [2]Tohoku University, Sendai, Japan

Abstract

We examine whether inflation is driven by aggregate or sectoral output gaps. The aggregate output gap may not fully capture inflationary pressures because it can obscure sectoral shocks and heterogeneity in propagation to prices. We find that aggregating sectoral output gaps by weights estimated from real-time regressions produces a better fit of the Phillips curve than using the aggregate output gap. We confirm the sectorally-aggregated output gap based on these weights has significant explanatory power for inflation beyond the aggregate output gap and find it performs better in forecasting inflation, although the aggregate output gap retains its own distinct information.

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213 Wages when Inflation is Lower and Higher than Expected

Nalini Prasad

UNSW Sydney, Sydney, Australia

Abstract

This paper explores how wage-setting behaviour adjusts to changes in the inflation environment. I utilise data from 185,000 multi-period wage agreements between firms and it workers in Australia. I find that negotiated wage growth responds asymmetrically to inflation surprises: negative surprises have little effect while positive surprises raise wage growth. However the pass-through of inflation surprises is nonlinear; while moderate positive inflation surprises lead to higher wage growth, the marginal response declines sharply for large shocks. During the post-pandemic high-inflation period, negotiated wage growth did not rise proportionally with inflation surprises. I show that these findings can be rationalised by a model of state-dependent wage setting in which workers respond to unexpected real wage losses while firms face convex costs of nominal adjustment.

Session 4D: Microeconomic Theory I

11:00 - 12:30 Thursday, 9th July, 2026
02B04

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83 Time and Income Allocation in Non-cooperative and Cooperative Families

Rongzhao Zhu, Jose Rodrigues-Neto

Australian National University, Canberra, Australia

Abstract

This paper studies time and income allocation in a two-agent family with altruistic preferences, home production of a public good, and voluntary transfers. We first characterize the Nash equilibrium of the non-cooperative game and compare it to the set of Pareto efficient allocations. Then, we analyze a cooperative family in which agents bargain over income shares using the non-cooperative outcome as the disagreement point. Existing non-cooperative household models (Anderberg and Rainer, 2013; Bertrand et al., 2021) show that an increase in one partner's earning capacity can reduce the other's welfare for a non-empty set of parameters. The central result of this paper shows that such welfare conflicts can arise even when the household cooperates. Moreover, cooperation enlarges the parameter region generating welfare conflicts. If the earning capacities are fixed, cooperation benefits both agents. However, it may amplify distributive conflicts in response to changes in earning capacities.

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211 A Game-Theoretic Model of Cyber Defense Against Heterogeneous Hackers

Yuechen Wang, Jose Rodrigues-Neto

Australian National University, Canberra, Australia

Abstract

We model cybersecurity as sequential contests between a defender and multiple independent hackers. The defender, exposed to multiple potential breaches, invests in a single costly defense against attackers motivated by heterogeneous rewards. Between the defender and each attacker, the outcome is determined by a Tullock contest success function with linear discriminatory power. In the unique subgame perfect equilibrium, the defender's optimal defense level increases with the joint stress posed by undeterred strong attackers and is sufficient to deter the strongest among the remaining weaker ones. We provide a comprehensive algorithm that characterizes the optimal defense across different relative strengths between the defender and attackers. The model offers a theoretical foundation for understanding the dichotomy in cybercrime: the contrast between pervasive but low-profile breaches and rarer, high-value extortion attacks.

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136 Strategic Vaccination with Imperfect Protection

Sai Gedipudi, Jose Rodrigues-Neto

Research School of Economics, Australian National University, Canberra, Australia

Abstract

We study vaccination decisions when the vaccine may cause a severe adverse effect and provides imperfect protection against a deadly disease. Vaccine effectiveness is captured by two distinct measures: protection against infection and protection against mortality. Agents differ in disease vulnerability, modelled as an increasing function of age, leading to equilibrium and policy outcomes characterised by age-based vaccination thresholds.

We compare laissez-faire behaviour with two policy goals: minimising mortality and minimising expected years of life lost. Both policy goals require higher vaccination rates than arise in equilibrium, reflecting the presence of positive externalities.

We show that the interaction between the two dimensions of vaccine effectiveness can generate non-standard behavioural responses. In laissez-faire, higher mortality protection increases vaccine uptake, but when mortality protection is sufficiently high, improvements in infection protection can reduce uptake. Under both policy goals, if one measure of protection is sufficiently high, increases in the other can reduce the corresponding vaccination rates. Despite this, both total mortality and expected years of life lost decline as either measure of effectiveness improves. In contrast to the perfectly effective case, full vaccination coverage can arise with an imperfect vaccine under both policy goals and, under stronger conditions, in laissez-faire equilibrium.

Session 4E: Indigenous Policy and Valuing Health and Safety

11:00 - 12:30 Thursday, 9th July, 2026
02C05

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106 Structural Drivers of Energy Inequality: Evidence from Indigenous Australians

Rohan Best[1], Duygu Yengin[2], Andrew Taylor[3], Maneka Jayasinghe[4,1], Ruth Wallace[4]

[1]Macquarie Business School, Macquarie University, Sydney, Australia. [2]School of Economics, Adelaide University, Adelaide, Australia. [3]Northern Institute, Charles Darwin University, Darwin, Australia. [4]Faculty of Arts and Society, Charles Darwin University, Darwin, Australia

Abstract

Energy inequalities exist between nations and between groups within nations, reflecting differences in access to resources, infrastructure, and financial security. This paper provides the first national-level analysis of Indigenous Australians' experiences in the energy market, measuring the scale, persistence, and structural drivers of energy inequality. Using repeated cross-sectional regressions with 2003–2023 Household, Income and Labour Dynamics in Australia (HILDA) data and 2022–2024 Energy Consumers Sentiment Survey data, we examine difficulties in paying energy bills and self-reported inability to heat homes as indicators of energy stress. The analysis reveals the central role of structural factors such as financial buffers rather than Indigenous status itself, highlighting how institutional and economic constraints shape equitable access to essential energy services.

In 2023, Indigenous households are at least 14 percentage points more likely to experience energy stress through being unable to pay bills on time, and around 9 percentage points more likely to be unable to heat their homes. Around three-quarters of the observed variation is due to differences in access to emergency funds. Wealth is the strongest driver of energy stress, with housing tenure, education, and financial resilience also contributing. Objective indicators such as arrears, disconnections, and hardship program use explain around half the difference and help identify at-risk households. Energy stress is persistent: households with prior difficulties were 47 points more likely to face similar challenges. These findings show energy stress is not merely a matter of short-term affordability but reflects structural inequality that shapes energy demand and market participation.

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251 Owning the Evidence – Indigenous Data Sovereignty as Economic Infrastructure

Shaun Cumming[1], Lindsay Bridge[2]

[1]First Nations Economics, Byron Bay, Australia. [2]First Nations Economics, Perth, Australia

Abstract

This paper examines Indigenous Data Sovereignty as a policy, practice, and implementation challenge, and presents a First Nations governed digital solution that responds to long standing issues in the way governments collect, interpret, and use data about Aboriginal and Torres Strait Islander peoples. For decades, data systems have operated through extractive and deficit based approaches that have produced deep mistrust among communities. Many First Nations people experience data collection as surveillance or as a precursor to externally imposed decisions. This mistrust has created a significant social policy problem. Governments rely on data to design programs, allocate funding, and measure outcomes, yet the data they hold is often incomplete, inaccurate, or culturally unsafe.

The paper outlines an IDS policy position that centres ownership, control, access, and custodianship as the foundations for ethical and effective data governance. It then presents a practical IDS framework that enables communities to define what data is collected, how it is interpreted, and how it informs decisions that affect their lands, livelihoods, and futures. This framework is grounded in cultural governance, community authority, and transparent decision pathways.

The paper concludes with an implementation solution, a First Nations governed digital platform that operationalises IDS principles through role based permissions, sovereign storage, and community designed dashboards. This solution reframes data as community controlled infrastructure and provides governments with a practical pathway to rebuild trust, strengthen accountability, and support evidence driven self determination. It positions Indigenous data as a central social policy issue that requires structural reform, not technical adjustment.

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108 Estimating a Value of Statistical Life and Monetary Value per QALY for Cost-Benefit Analysis: A Discrete Choice Experiment with NSW Residents

Kusha Baharlou[1], Simon Fifer[2], Thames Kularatne[2], John Rose[2], Richard De Abreu Lourenco[3], Jason Baena-Tan[1], Jo Whatley[1]

[1]NSW Treasury, Sydney, Australia. [2]CaPPRe, Sydney, Australia. [3]CHERE, Sydney, Australia

Abstract

Reductions in the risk of death, injury, and illness are key benefits in government cost-benefit analysis (CBA) across transport, health, environmental, and public safety policy areas. Two parameters are required to monetise these benefits. The Value of a Statistical Life (VSL) represents aggregate willingness to pay (WTP) for a small reduction in mortality risk. The monetary value per Quality-Adjusted Life Year (QALY) represents WTP for one additional year of life in full health.

In Australia, both parameters are applied inconsistently across policy areas. Neither has a recent, dedicated, primary evidence base suitable for use across sectors. A Discrete Choice Experiment (DCE) was administered to a representative sample of NSW residents to produce a VSL and a monetary value per QALY for consistent application across policy areas. This study produced a mean VSL of $7,275,000 and a mean value per QALY of $68,030. This is the first Australian primary study to produce both values from the same DCE framework.

Session 4F: Productivity, Measurement and Economic Welfare

11:00 - 12:30 Thursday, 9th July, 2026
02C06

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73 Has the promise of productivity been broken? Understanding the distribution of Australia's economic gains, 1994–2024

Warwick Smith[1,2], Adelajda Soltysik[1]

[1]Centre for Policy Development, East Melbourne, Australia. [2]University of Melbourne, Parkville, Australia

Abstract

Productivity growth is routinely invoked as the primary pathway to higher living standards. However, this promise rests on the assumption that gains flow broadly to workers. To test this assumption this paper investigates where the last three decades of productivity growth have actually gone and what that might mean for future distribution of productivity gains.

Using a Bivens-Mishel decomposition framework applied to Australian data, we find that market-sector labour productivity rose by approximately 70% between 1995 and 2024, while real median hourly earnings grew by less than 40%. Early in this period, rising wage inequality explained most of the gap. More recently, decoupling has become structural: a falling labour share and diverging relative prices now drive the wedge between productivity and median wages. Sectoral analysis across 16 market industries confirms that high-productivity industries exhibit the widest gaps — consistent with capital, not labour, capturing the gains.

We also use an analysis of HILDA survey data to assess the Productivity Commission's claim that Australians have traded productivity for leisure. While individual average hours have fallen, total household hours have held steady or risen. The apparent "leisure dividend" is a compositional illusion driven by the growth of part-time employment among second earners and rising involuntary underemployment. The explanation is about constrained choice, not freely taken time.

Following Acemoglu and Johnson (2023), we argue that shared prosperity is a policy choice. Productivity growth without distributional reform is not a solution to Australia's living standards challenge, but instead, is likely to increase inequality.

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39 Measuring productivity: ABS' medium-term aspirations – Australian Bureau of Statistics

Jason Annabel

Australian Bureau of Statistics, Canberra, Australia

Abstract

Despite a temporary and artificial improvement during the COVID-19 pandemic, Australia's productivity performance over the past decade has been uninspiring. Measured productivity growth in the non-market sector, which includes large parts of the 'care economy', has been exceptionally poor in recent years, sparking discussion.

In 2025, the Australian Bureau of Statistics published an article on labour productivity. It explained, in simple language, how the concept is measured and what it means. It outlined some of the conceptual and practical difficulties in compiling accurate statistics, particularly for services delivered by non-market producers, and what this means for the interpretation of productivity estimates.

In the System of National Accounts, non-market economic activity is defined by institutional sector, not by industry. For productivity measurement purposes, the ABS assigns three industries to the non-market sector: education, health care, and public administration. Mapping an institutional sector classification onto an industry classification has, arguably, created some confusion in interpreting Australia's recent productivity performance. In some quarters, there seems to be a misunderstanding that these three industries correspond to 'the government' or 'the public sector'.

A small team has been created to work on productivity measurement priorities. These include 'partitioning' the health and education industries into market and non-market 'segments', applying a productivity lens to each segment, and the feasibility of using consumer 'outcomes'-based data as a proxy for service quality change over time.

Our presentation will focus on our planned approach to splitting health and education into market/non-market components, and related productivity metrics being considered.

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47 Health and Welfare Thematic Account, 2012–13 to 2024–25

Ting Li, Mary Farrugia

Department of Health, Disability and Ageing, Canberra, Australia

Abstract

This statistical working paper presents a comprehensive thematic and extended accounts framework for measuring health and welfare activity in Australia from 2012-13 to 2024-25. It captures both the market value of activity within the Australian System of National Accounts and the non-market contributions that fall outside the production boundary. The paper also examines digital transformation across the sector and quantifies non-market activities such as volunteer services and unpaid household work. Together, these components establish a consistent evidence base to support future productivity analysis and policy development.

In 2024-25, health and welfare activity contributed $284.9 billion to Gross Value Added (10.9% of the economy), making it Australia's largest economic activity. The care and support economy accounted for 4.3% of national output, reflecting continued growth across aged care, disability support and childcare services. Non-market activity added substantial value, with unpaid household and volunteer work estimated at $420.5 billion. The paper also quantifies digital transformation within the sector, by adopting two options recommended by the United Nations. Digital transformation is estimated at $71.7 billion in total, driven by telecommunications, computer system design services and data-enabled technologies.

The methodology developed in this paper addresses longstanding measurement gaps by integrating production, expenditure and income perspectives, incorporating indirect effects through input-output linkages, and using an individual-function replacement-cost approach to value unpaid work. By offering a holistic and consistent measurement base, the paper supports long-term government planning and improves understanding of the sector's contribution to economic resilience, labour demand and service system sustainability.

152 On the estimation of Income Elasticity of Marginal Utility of Income: A New Approach

Eliyathamby (Selva) Selvanathan[1], Maneka Jayasinghe[2], Saroja Selvanathan[1]

[1]Griffith University, Nathan, Australia. [2]Charles Darwin University, Darwin, Australia

Abstract

The income elasticity of the marginal utility of income (w) is a fundamental parameter in economic analysis. It provides a quantitative measure of diminishing marginal utility and serves as a key input in welfare economics, optimal taxation theory, cost–benefit analysis, and intertemporal policy evaluation. By capturing how the value of additional income varies across individuals and over time, this elasticity helps economists and policymakers design policies that better account for equity considerations and social welfare.

The key requirement of estimating w based on the well-known demand systems, including Almost Ideal Demand Systems (AIDS) and Quadratic Almost Ideal Demand Systems (QAIDS) is the availability of price data over a number of time periods. However, most of the Household Expenditure Data does not contain such price data and typically reports expenditure data for a single time period. Recently, Selvanathan et. al. (2025) developed a new approach to estimate w for the Linear Expenditure System (LES). In this paper, we provide an extension of their method for the AIDS and QAIDS, which are the most popular demand systems currently in use in consumer demand analysis. In doing so, we derive formulas to estimate the w without needing multi-period price data. We demonstrate our new approach with United States consumption data.

Session 4G: Education Policy and Opportunity

11:00 - 12:30 Thursday, 9th July, 2026
02C07

168 When Ambitions Align: Peer Parental Aspiration and Student Achievement

Yuzhi Zhou

Australian National University, Acton, Australia

Abstract

Parental aspirations are a key determinant of children’s academic achievement, yet students may also be influenced by the aspirations of their classmates’ parents. Using the China Education Panel Survey (CEPS) data and exploiting random classroom assignments, I assess the impact of peer parental aspirations on test scores. High peer parental aspirations significantly enhance scores, particularly when combined with high parental aspirations indicating a social multiplier in educational investment. These effects exhibit substantial heterogeneity, with larger and more persistent

impacts for boys, while girls' outcomes depend on peer–family aspiration alignment, and effects are stronger in mathematics than in language subjects.

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147 The impact of equity programs on higher education enrolment

Jessica Arnup, Olivia Halls, Ben Edwards

Australian National University, Canberra, Australia

Abstract

A key strategy for promoting equity in access to higher education in Australia has been the implementation of targeted widening participation equity initiatives. These programs often focus on providing outreach activities and raising educational aspirations of students, particularly students from underrepresented or disadvantaged backgrounds. Despite substantial investment in such initiatives over the past two decades through the Higher Education Participation and Partnerships Program, there has been limited large-scale evaluation of the effectiveness of equity programs in Australia. Using four waves of data of over 2000 young people from the GENERATION survey of Australian youth, this study investigates the impact of equity programs on enrolments in higher education, institutional belonging, academic engagement and university drop-out. Using a quasi-experimental design and propensity score matching methods (Inverse Probability Weighted Regression Adjustment), the research aimed to examine the effect of attending a school with an equity program in senior secondary schooling, adjusting for observed student and school characteristics. The results indicated no statistically significant effect of attending a school with an equity program on students' outcomes post-secondary schooling. In robustness analysis, no significant treatment effects were found on student outcomes in Year 12. The absence of measurable effects raises important questions about the design and implementation of equity programs in Australia.

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207 How does tuition removal affect student's choices: evidence from Australia's Fee-Free TAFE

Bowen Wang, Tunye Qiu

The Australian National University, Canberra, Australia

Abstract

This paper investigates the impact of Australia's Fee-Free TAFE policy on students' post-school intentions using panel data from the Generation Survey between 2022 and 2023. Employing a Difference-in-Differences framework with Propensity Score Matching, the study finds that removing tuition fees led to a 12.1 percentage point increase in TAFE enrolment intentions among students choosing between TAFE and employment. No significant effect was observed among those choosing between TAFE and university. Students whose mothers lack a university qualification were significantly more responsive, highlighting the role of parental background in shaping education decisions. The findings support human capital theory and suggest that tuition subsidies are most effective when targeted toward students facing structural or informational barriers.

Session 4H: Development Economics

11:00 - 12:30 Thursday, 9th July, 2026
02C08

41 Smart-Connected Economic Networks as a Foundation for Environmental Governance: Theoretical Modeling and Empirical Evidence

Yixuan Ma

Nanjing University, Jiangsu Province, China

Abstract

Environmental governance is undergoing a profound transformation as it expands from physical space into digital space. Meanwhile, a “smart-connected economic network”—with cities as nodes and driven by digital connectivity and intelligent coordination—is reshaping the pathways and mechanisms of environmental governance. This paper proposes a theoretical paradigm for smart-connected economic networks in the era of digital intelligence and, based on panel data for 278 prefecture-level in China from 2012 to 2022, systematically investigates the mechanisms through which smart-connected economic networks affect environmental governance. Starting from three core dimensions—carbon reduction, pollution reduction, and greening expansion—this study innovatively constructs a comprehensive evaluation index system for environmental governance. It further employs multi-regional input–output (MRIO) model to reveal the transmission effects of cross-regional pollution, and combines it with a dynamic inoperable input–output model (DIIM) to characterize the dynamic evolution of the environmental governance system during shock and recovery. Empirical results show that smart-connected economic networks exhibit a time-dependent carbon-reduction effect and significantly improve the effectiveness of pollution reduction and greening expansion, with pronounced heterogeneity across regional distribution, resource endowments, dependence on local state-owned enterprises, and the strength of officials’ promotion incentives. The positive effects of smart-connected economic networks on environmental governance are more salient under institutional environments with strong regulation and sufficient incentives. This paper reveals new mechanisms of environmental governance under the integration of information space and physical space, providing theoretical support and policy implications for China’s comprehensive green transformation and ecological-civilization construction in the era of digital intelligence.

42 Does governance still matter? Reassessing ODA allocation in a geopolitically changing Aisa-Pacific

Muhammad Akhtaruzzaman

Toi Ohomai Institute of Technology, Rotorua, New Zealand

Abstract

This study investigates whether and how governance quality affects official development assistance (ODA) among developing countries in the Asia–Pacific developing region. The analysis employs pooled OLS and Random-Effects models to examine the relationship between governance and ODA. To address endogeneity in governance measures, this study applies control-function approach that isolates exogenous variation in institutional quality. The results show that higher governance quality—particularly political stability, rule of law, and voice and accountability—is associated with greater ODA per capita. Conversely, higher income levels and greater trade openness correspond with lower ODA per capita. The study also identifies a regional paradox- ODA inflows increased despite governance scores on average in the region stagnated or declined. These findings are preliminary and may evolve as the analysis is extended to incorporate geopolitical dynamics in the region. This emerging pattern suggests that while donors

continue to reward governance at the margin, rising ODA may also reflect broader strategic alignment. The study contributes to the aid-selectivity debate and sets a foundation for a richer model that explicitly examines the interplay between governance and geopolitical factors in the Asia–Pacific region.

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183 Macroeconomic Effects of Saudi Development Aid: Evidence from a Shift–Share Instrumental Variable

Abdullah Khojah[1,2], Viet Ngu Hoang[2], Jerry Ho[2]

[1]Umm Al-Qura University, Makkah, Saudi Arabia. [2]Queensland University of Technology, Brisbane, Australia

Abstract

Empirical evidence on the effectiveness of Arab aid remains scarce. This study examines the macroeconomic effects of Saudi development aid on recipient countries using project-level data from the Saudi Aid Platform (SAP). Covering 110 developing countries over 2005–2019, we construct a shift-share instrumental variable that interacts Saudi Arabia's gross fixed capital formation (GFCF) with the probability of receiving Saudi development aid, addressing exclusion restriction concerns associated with oil price-based instruments prevalent in the literature. Two-stage least squares estimates show no significant effect of Saudi aid on GDP per capita growth within five years of commitment. The null result for GDP per capita retains a causal interpretation. Moreover, we find suggestive evidence of modest compositional effects: development aid is associated with higher household consumption growth after one year, higher government consumption growth after two years, and with increased gross fixed capital formation and total factor productivity growth after three years. These effects are small; a 10% increase in development aid corresponds to approximately 0.06, 0.08, 0.09, and 0.04 percentage-point increases in the growth rates of household consumption, government consumption, GFCF, and TFP, respectively. However, the parallel trends assumption does not hold for these secondary outcomes; therefore, they should be interpreted as suggestive evidence of fiscal and investment channels rather than as precise causal estimates. The results suggest that Saudi aid operates through incremental fiscal and investment channels rather than producing large short-run macroeconomic impacts, contributing new empirical evidence to this understudied literature.

Lunch

12:30 - 13:30 Thursday, 9th July, 2026
UC Refectory

WEN Lunch: Monika Schnitzer

12:30 - 13:30 Thursday, 9th July, 2026
UCX Student Lounge
Maria Racionero
Speaker Monika Schnitzer

Special Session 5: Communicating economics

13:30 - 15:00 Thursday, 9th July, 2026
02B09
Stephen Bartos
Panellists Victoria Thieberger, Shane Wright, Peter Martin

Session 5A: Climate Events, Gender Norms and Domestic Violence

13:30 - 15:00 Thursday, 9th July, 2026
02B07

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232 Female Representation and Environmental Outcomes: Evidence on Policy, Beliefs, and Behaviour

Quynh Do[1], Rafat Mahmood[2], Astghik Mavisakalyan[1]

[1]CEVAW, Curtin University, Perth, Australia. [2]CEVAW, Monash University, Melbourne, Australia

Abstract

Does the gender of elected politicians affect environmental outcomes? We study this question using close mixed-gender elections to the Australian House of Representatives in a regression discontinuity design. Electorates narrowly won by female candidates experience significantly lower tree-cover loss (1.8 percentage points) and reduced forest-related carbon emissions (9.7 tCO2/ha) relative to comparable electorates won by male candidates. Investigating mechanisms, we show that female Members of Parliament are 20–26 percentage points more likely to vote in favour of environmental legislation, that constituents in female-represented electorates are 18–23 percentage points more likely to view climate change as very important, and that solar water heater adoption rises by 0.8–1.1 installations per 1,000 inhabitants. Placebo tests on lagged outcomes and balance tests on MP and district characteristics support the identification strategy. Unlike prior work set in developing countries where corruption and weak institutions drive the link between politicians and deforestation, our results demonstrate that politician identity matters for the environment even in a high-income democracy with strong party discipline, operating through legislative preferences and constituent persuasion.

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249 When Protection Fails: Disasters and Violence Against Women

Rafat Mahmood[1,2], Pushkar Maitra[1,2]

[1]Monash University, Melbourne, Australia. [2]Centre for Elimination of Violence Against Women, Melbourne, Australia

Abstract

While existing literature links natural disasters to increased gender based violence in developing countries, evidence from high-income settings remains scarce. This study provides the first large-scale causal evidence from Australia, combining administrative crime records with disaster declarations at the Local Government Area level using a staggered difference-in-differences design. Disasters produce short-run increases in domestic violence, sexual assault, sexual acts and a composite measure of gender based violence, concentrated within one to three months post-disaster. Effects are strongest in urban and affluent areas, consistent with institutional strain mechanisms. Household survey evidence further identifies mental health deterioration and partner conflict as individual-level pathways.

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252 Weathering the Family: Cold Shocks and Intimate Partner Abuse in Australia

Quynh Nga Do[1,2], Astghik Mavisakalyan[1,2], Panos Sotirakopoulos[1,2]

[1]CEVAW, Perth, Australia. [2]Curtin University, Perth, Australia

Abstract

We study the effect of extreme temperature exposure on intimate partner abuse (IPA) in Australia, using eight waves of the Longitudinal Study of Australian Children (LSAC) matched to daily weather records from the Australian Bureau of Meteorology over 2004--2018. Exploiting within-person variation in exposure to cold and heat across survey waves, and conditioning on a rich set of fixed effects, we find that cold temperature shocks significantly increase IPA while extreme heat has no discernible effect. A one-standard-deviation increase in cold cumulative degree hours, approximately equivalent to two days of cold temperature exposure in a year, raises the probability of any IPA by 0.5 percentage points relative to a mean of 9.9 percent, with effects concentrated in mother-reported abuse and in physical violence specifically. Investigating mechanisms, we document a striking within-household divergence in labour market outcomes: cold shocks reduce mothers' employment and income while simultaneously raising fathers' income, widening the intra-household economic gender gap in ways consistent with a bargaining power channel. Cold exposure also increases maternal binge drinking, pointing to a concurrent behavioural pathway. Our findings demonstrate that the welfare costs of extreme cold extend beyond direct economic and health losses to the safety of intimate relationships, and suggest that policies supporting women's economic participation and household income during adverse weather events may help reduce domestic abuse.

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253 Natural Disasters and Traditional Masculinity Norms

Erica Lukas[1,2], Astghik Mavisakalyan[1,3]

[1]ARC Centre of Excellence for the Elimination of Violence Against Women, Melbourne, Australia. [2]Faculty of Business and Law, Curtin University, Perth, Australia. [3]Curtin Centre for Applied Ethics, Curtin University, Perth, Australia

Abstract

This paper examines the impact of exposure to natural disasters on conformity to traditional masculinity norms. Using longitudinal data from the Ten to Men: The Australian Longitudinal Study on Male Health, we implement a difference-in-differences strategy that exploits variation in the timing of disaster exposure across individuals. Masculinity norms

are measured using the Conformity to Masculinity Norms Inventory (CMNI), a validated psychometric index capturing multiple dimensions of masculine identity. We find that exposure to natural disaster is associated with a significant increase in conformity to masculinity norms. Disaggregated analysis shows that the effects are concentrated in dimensions related to risk-taking, dominance, identity signalling, and self-reliance. Heterogeneity analysis indicates that the effects are stronger among older individuals, those with lower education, and those living in regional areas. Evidence on mechanisms suggests that disaster exposure increases the likelihood of property damage, job loss, and personal injury, pointing to economic and physical disruption as key channels shaping behavioural responses. Overall, the findings highlight the role of environmental shocks in reinforcing traditional masculinity norms and contribute to a better understanding of the social consequences of natural disasters.

Session 5B: Science and Technology

13:30 - 15:00 Thursday, 9th July, 2026
02B11

38 The Role of R&D Tax Incentive (RDTI) Program in Shaping Innovation: Evidence from Australian Patenting Firms

Kevin Nguyen

The Office of the Chief Economist, IP Australia, Canberra, Australia

Abstract

This paper investigates the role of Australia's R&D Tax Incentive (RDTI) program as an effective industrial policy tool in shaping firm-level innovation and productivity outcomes, with a particular focus on patenting behaviour. Using linked administrative datasets from the Australian Bureau of Statistics Business Longitudinal Analysis Data Environment (BLADE) covering a panel of 7,798 patenting firms on average per year active in Australia from 2006 to 2022, we conduct a Difference-In-Differences analysis to estimate the causal impacts of the RDTI introduction in 2012 and its major reform in 2021 on firm patenting and productivity. We find that the RDTI program has had a positive effect on patent applications, particularly among large firms and in high-R&D intensity industries.

To assess knowledge diffusion, we construct a spillover index using firm-level patent classification shares from their total patent portfolios, adapting a technological proximity formula originally introduced by Jaffe (1986). Analysing a panel of 844 patenting firms per year active in Australia from 2018 to 2022, we find that spillover effects are concentrated geographically and vary by industry, and larger firms contribute more substantially to the diffusion of innovation than smaller firms. Furthermore, firms that benefit more from spillovers tend to demonstrate higher productivity. These insights offer new evidence on the broader impacts of R&D subsidies and drivers of patenting activity in Australia, while encouraging broader consideration of the direct and indirect benefits of R&D tax incentives in weighing the case for targeted innovation policy.

116 Profitable Adoption of Emerging Digital General-purpose Technologies: The Role of Management Skills

Jonathan Hambur[1], Sunny Kim Nguyen[2]

[1]RBA, Sydney, Australia. [2]Moodys Analytics, Sydney, Australia

Abstract

This paper examines whether having Board members with relevant experience and skills is associated with more profitable adoption of cloud computing and artificial intelligence/machine learning technologies. Using text-based measures of adoption constructed from Australian listed companies' reports and event study techniques, we show that firms with Board members who have relevant technological backgrounds are more likely to adopt profitably. These same firms also hire more skilled workers around adoption, suggesting they are making larger investments in complementary skills and processes to facilitate ethe profitable adoption. These findings highlight the critical role of management capabilities in the profitable adoption of emerging digital GPTs.

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216 Knowledge Capital and Worker Mobility: Evidence from Australian Administrative Data

Trevor Kollmann[1], Alfons Palangkaraya[1], Elizabeth Webster[2]

[1]Swinburne University of Technology, Hawthorn, Australia. [2]University of Melbourne, Parkville, Australia

Abstract

In the standard human capital framework (Becker, 1975), workers accumulate productive capacity through investments in schooling and labour market experience, with wages reflecting the marginal product of this capacity. Yet even after controlling for ability and education, the value of experience is context-specific. The productive knowledge, or knowledge capital, that workers accumulate through extended engagement with an industry or occupation is not captured by a single measure of experience. Firms reveal its value through the premia they pay for context-specific experience: for managers with prior export experience to destinations they are entering (Mion and Opromolla, 2014), for inventors whose mobility transmits measurable knowledge (Almeida and Kogut, 1999), and for star scientists whose loss reduces collaborator productivity (Azoulay, Graff Zivin and Wang, 2010).

This paper estimates the value of knowledge capital from the wage trajectories of involuntarily displaced workers in the Person Level Integrated Data Asset (PLIDA), a population-level linked employer-employee dataset covering the universe of Australian workers from 1999 to 2024. Involuntary separations are identified through Employment Termination Payment codes, which flag genuine redundancies under the ATO framework from 2007 onwards. The empirical strategy estimates an augmented Mincer equation with person and AKM firm fixed effects, decomposing the post-displacement wage penalty into industry-specific and occupation-specific components. The paper's central contribution is a distance gradient exploiting the hierarchical structure of ANZSIC, quantifying how knowledge capital depreciates as workers move progressively further from the context in which it was accumulated, with implications for the measurement of Australia's productive capacity.

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87 Effect of worker mobility on productivity in technologically advanced firms

Elizabeth Webster[1], Alfons Palangkaraya[2], Trevor Kollman[2]

[1]University of Melbourne, Carlton, Australia. [2]Swinburne University of Technology, Hawthorn, Australia

Abstract

Robert Oppenhiemer said ‘The best way to send information is to wrap it up in a person’. Co-working facilitates trusted relationships, and trust reduces complexity & improves investment confidence. This is especially important for firms wishing to embark on uncertain innovation projects. We use a panel database of ~ 1 million Australian firms,

2005-06 to 2021-22, ~13 million workers, to test whether worker mobility increases the productivity of firms hiring R&D experienced workers. We find that Hiring R&D-experienced workers raises receiving firm productivity, especially if worker is R&D experienced from corporate sector. But it depends on receiving firm's absorptive capacity. Hiring R&D worker from collaborative mission-based competitive org has the largest impact on receiving firm productivity. Hiring workers in other contexts had no impact on productivity.

Session 5C: Macroeconomics

13:30 - 15:00 Thursday, 9th July, 2026
02B02

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137 Parenting Style and Fertility: A Cross-country Analysis

Shuyun May Li[1], Solmaz Moslehi[2], Yao Yao[3], Siew ling Yes[2]

[1]The University of Melbourne, Melbourne, Australia. [2]Monash University, Melbourne, Australia. [3]Victoria University of Wellington, Wellington, New Zealand

Abstract

Parenting style and fertility are inherently interrelated. Intensive parenting increases parental effort and discourages fertility, while having more children constrains the time and effort parents can devote to each child, shaping parenting choices. Despite this interaction, existing research has largely studied fertility and parenting style in isolation. This paper bridges the two literatures by examining how socioeconomic conditions and policies jointly shape parents' choices of fertility and parenting style, and how parenting style mediates fertility outcomes. Using data from the World Values Survey, we document systematic cross-country patterns in parenting styles and fertility across stages of economic development. As income rises, parenting shifts from authoritarian to authoritative and eventually toward permissive styles, while fertility declines and partially rebounds in high-income economies. Micro-level evidence confirms that, relative to authoritative parents, authoritarian parents have more children, whereas permissive parents have fewer. To interpret these patterns, we develop a quantitative overlapping-generations model in which parents jointly choose fertility and parenting style in response to socioeconomic environments, including returns to education, inequality, structural change, and the marketisation of childcare. The model is calibrated to a benchmark economy, US, and to a selective group of countries at different development stages to account for observed patterns in fertility and parenting style within and across countries. Our quantitative analysis aims to uncover the role of parenting style in the quantity–quality trade off underlying fertility decisions, evaluates the contribution of socioeconomic and macro factors, and assesses policies aimed at raising fertility.

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156 Tax Avoidance and Wealth Inequality

Jose Alvarado

University of Queensland, Brisbane, Australia

Abstract

The hypothesis that wealth inequality is driven by the higher returns earned by the rich—thereby offsetting the progressivity of the tax system—overlooks a key dimension: tax avoidance. This paper shows that tax avoidance not

only undermines the progressivity of the tax system but is also one of the reasons why the wealthy earn higher returns. Using micro-data from Chilean tax records, I quantify tax avoidance and find that the top 0.01% of taxpayers reduce their tax payments by 80% through corporate investments. To measure the impact of tax avoidance on wealth inequality, I calibrate a Bewley-Huggett-Aiyagari heterogeneous agent model, incorporating two departures from standard approaches: (i) endogenous portfolio choices between safe and corporate risky assets, and (ii) tax functions that account for tax avoidance. The model successfully replicates the 50% wealth share held by the top 1\% in Chile. The main intuition is that, given the presence of tax avoidance, the after-tax rate of return on risky assets increases, leading agents to reallocate their portfolios towards these assets, ultimately resulting in an even higher rate of return on wealth. The main quantitative result is that, without tax avoidance, the top 1% wealth share decreases from 50% to 11%. These findings suggest that tax avoidance is a key driver of wealth inequality. The mechanisms identified in Chile—whereby corporate structures enable tax avoidance and amplify wealth concentration—are not unique to Chile but offer insights for understanding the interaction of tax avoidance and portfolio decisions in other economies.

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153 Beyond the accumulation of capital: Australia's capital productivity performance

Joseph Christensen

Productivity Commission, Melbourne, Australia

Abstract

Workers need capital to be productive. Although increasing the amount capital per worker is central to improving Australia’s productivity growth, investing in the right types of assets and using new and existing capital effectively is also crucial. This paper uses ABS and OECD data to examine capital productivity in the Australian market sector over time and in an international context. It finds that capital productivity in Australia has decreased 18% since 1995, and that it was slightly below the average level of selected OECD countries in 2023. The paper then examines the relationship between labour productivity and capital intensity in different countries to determine how effectively they use capital and invests in technology to make workers more productive. This reveals that Australia’s level of non-agricultural market sector labour productivity is higher than the selected average at a given rate of capital intensity, but it remained below the productivity frontier. Excluding mining from the analysis causes Australia to fall to a below average position, suggesting that the Australian mining industry is more productive and the non-mining economy employs capital less effectively than in other countries. The paper then outlines some policy implications and recommendations to improve Australia’s productivity performance by expanding investment in new technologies and making capital allocation and management more effective at increasing worker productivity.

Session 5D: Behavioural economics I

13:30 - 15:00 Thursday, 9th July, 2026
02B04

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145 Accountability for future generations

Moinul Islam[1], Noriaki Hagimoto[2], Raja Timilsina[3], Koji Kotani[1]

[1]Kochi University of Technology, Kochi, Japan. [2]School of Economics and Management, Kochi, Japan. [3]Asian Development Bank Institute, Tokyo, Japan

Abstract

Intergenerational sustainability (IS) is compromised because the current generation affects future generations, but the opposite is not true. This one-way nature tends to prevent the current generation from communicating with and taking accountability for their actions to future generations. While communication is known to mitigate some problems between parties, little is known about how intergenerational communication resolves some problems between the current and future generations. This research addresses how accountability among generations as a communication device promotes IS, hypothesizing that being accountable for future generations positively influences individuals in the current generation to take sustainable actions. We institute online intergenerational goods game (IGG) experiments via oTree with Python programming with two treatments, following Hauser et al. (2014) and Chen et al. (2016). In baseline IGG treatment, we prepare a sequence of generations, each consists of five individuals, and they are asked to choose their individual harvests where the resource is exhausted when the individual harvests' sum in the current generation exceeds some threshold, otherwise, the resource is replenished for the next generation. In intergenerational accountability (IA) treatment, individuals are additionally asked to be accountable by explaining the reasons of their harvest decisions and advice for future, passing the account to the next generation. We find that IA induces individuals to choose their harvests for being both intragenerationally and intergenerationally fair as well as for being intergenerationally sustainable.

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187 Social enterprise or traditional charity? Donor preferences for homelessness organisations in Australia

Meg Elkins, Lisa Farrell

RMIT University, Melbourne, Australia

Abstract

Social enterprises have grown rapidly as a model for addressing homelessness in Australia, yet little is known about whether donors respond differently to social enterprise framing than to traditional charity models. Prior experimental work finds that commercial activity can reduce donation intentions, moderated by perceived mission consistency and donor attitudes toward social enterprise. These studies have largely estimated average effects, leaving preference heterogeneity across donor types uncharacterised, and none have applied a vignette experiment in an Australian homelessness context.

We examine donor preferences using a within-person factorial vignette design. Respondents recruited via Prolific are presented with four fictitious homelessness organisations varying in organisational model: a traditional emergency shelter charity (the baseline), an urban social enterprise employing people with lived experience of homelessness, a policy advocacy charity, and a rural social enterprise. Each respondent allocates a hypothetical budget of $150 across the four organisations as they choose.

We estimate a two-stage model of the donation decision and apply a latent class fractional multinomial logit to recover discrete donor segments, an approach motivated by the expectation that average effects mask opposing responses across donor types. Class membership is predicted by empathy, altruism, moral foundations, and social enterprise familiarity. We anticipate a social enterprise premium among some donor segments, offset by scepticism in others. The study contributes quantitative vignette-based evidence on Australian donor preferences across charitable organisational models, with implications for how homelessness organisations communicate their mission.

Session 5E: Economic History, Human Capital and Development

13:30 - 15:00 Thursday, 9th July, 2026
02C05

65 Human Capital and the Australian Economic Miracle, 1840-1870

Tim Hatton

Australian National University, Canberra, Australia

Abstract

In 1840 Australia was in the last throes of its history as a penal colony; by 1870 just one generation later it was the richest country in the world. This stands in sharp contrast to colonies and ex-colonies elsewhere in the world founded on extractive institutions in which political power was concentrated, high inequality persisted, human capital formation was stunted and economic growth was slow. The traditional Australian narrative has emphasised staple exports of pastoral and mineral products supported by public and private investment financed by foreign borrowing as the key drivers of growth. This paper highlights the accumulation of human capital. While the labour quality of convicts and assisted immigrants have been positively reappraised there has been no overall synthesis. The paper revisits those earlier contributions and provides further evidence that, by the standards of the mid-nineteenth century, Australia had relatively high human capital. Much of this was due to positive selection of unassisted immigrants from the principal source, the UK.

135 When Primary Care Collapses: Rural Economic Reform and Rising Mortality in China

Shulei Zhang[1], Minhee Chae[2], Xin Meng[1]

[1]Australian National University, Canberra, Australia. [2]Nankai University, Nankai, China

Abstract

China’s economic reforms, initiated in the late 1970s, substantially increased agricultural productivity but also dismantled the village-based primary health care system that had provided basic preventive and treatment services in rural areas as the commune system collapsed. This paper quantifies the health costs of that institutional change. Using a unique county-by-year dataset that links mortality, disease incidence, and local health provision, we estimate difference-in-differences and trend-break models. We find that the reform significantly increased crude death rates relative to pre-reform levels, corresponding to roughly a 1.3 percent increase in mortality despite substantial post-reform income growth. This increase is concentrated in counties that experienced large post-reform declines in village primary care providers, the so-called barefoot doctors. The estimated effects become slightly larger after controlling for income, suggesting that income growth offsets part of the reform’s mortality impact. We also document sharp post-reform trend breaks in the incidence of several major vaccine-preventable infectious diseases. The estimated slope changes correspond to increases in the incidence trend equivalent to roughly 5 to 15 percent of the pre-reform mean incidence for several major infections. Taken together, the results show that rural market-oriented reforms carried substantial and long-lasting health costs by weakening local primary care capacity.

197 The Impact of Asset Transfers on Quality of Child Labour in Rural Bangladesh

Dipanwita Sarkar[1], Jinnat Ara[2], Jayanta Sarkar[1]

[1]Queensland University of Technology, Brisbane, Australia. [2]Bangladesh Institute of Development Studies, Dhaka, Bangladesh

Abstract

This paper studies the long-term effects of BRAC's Targeting the Ultra Poor (TUP) asset transfer program on children's time use, schooling, and employment in rural Bangladesh. Using four waves of panel data from a randomized controlled trial, we estimate intent-to-treat impacts over seven years. Unlike programs that directly incentivize schooling, TUP relaxes household constraints through productive asset transfers, training, and income support, potentially reshaping children's labor allocation via changes in household production and labor demand.

The analysis covers children aged 5–17 and follows a cohort aged 5–10 at baseline to trace longer-term developmental and occupational trajectories while limiting compositional bias. We find that the program significantly reallocates children's labor toward more productive activities. Children in beneficiary households increase participation in agricultural self-employment and, over time, non-farm skilled work, while reducing engagement in unskilled, low-return labor. Despite higher work participation, there is no evidence of adverse schooling effects: dropout rates and years of education remain unchanged, with children more likely to combine schooling and work.

Earnings gains are concentrated in higher-return farm and non-farm skilled activities, alongside declining earnings from unskilled labor. Limited changes in independent earnings suggest that increased work occurs primarily within household enterprises. Dynamic analysis shows transitions from exclusive schooling to schooling combined with productive work, with only delayed increases in full-time employment. Overall, we find that asset transfers do not reduce child labor but transform its composition, improving the quality of children's work without compromising education.

Session 5F: Public Policy and Evaluation

13:30 - 15:00 Thursday, 9th July, 2026
02C06

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131 Randomised trials in Australian public policy: a stocktake and a large-scale trial

Vy Nguyen[1], Ethan Slaven[2]

[1]Commonwealth Treasury, Melbourne, Australia. [2]Commonwealth Treasury, Canberra, Australia

Abstract

Randomised controlled trials (RCTs) are increasingly used in Australian public policy to estimate the causal effect of programs. In an environment of declining trust and misinformation, evidence from randomised trials can strengthen the transparency and credibility of policy decisions.

In this presentation, Ethan Slaven and Vy Nguyen from Commonwealth Treasury will first give a summary of their recent stocktake report of all 369 public policy randomised trials that have been conducted in Australia since the 1970s. This will include a discussion of the ethics of conducting randomised trials in non-medical, public policy settings, and also a discussion of some of the barriers to randomised trials happening.

They will then share the results of a particular RCT that they conducted in collaboration with the Australian Charities and Not-for-profits Commission. This large-scale trial of 15,000 charities tested whether sending an additional reminder email to a responsible person would improve compliance with annual reporting requirements. The intervention increased on-time submissions by 5.6 percentage points and brought forward reporting timelines. Despite its simplicity, there were costs associated with this intervention, making it valuable to test rather than assume that the intervention was effective.

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198 What is the Impact of Reducing Mutual Obligations? Evidence from a Randomised Controlled Trial in Online Employment Services

Scott Copley[1,2], Sanda Naing[2], Joseph Airo-Farulla[2], Tash Lawther[2], Dylan Seah[2]

[1]Australian Government Department of the Treasury, Canberra, Australia. [2]Australian Government Department of Employment and Workplace Relations, Canberra, Australia

Abstract

Workforce Australia Online, administered by the Department of Employment and Workplace Relations, supports job seekers to access tools, information and training to self-manage their employment journey.

Mutual obligation requirements (MORs) facilitate an income support recipient's connection to the labour market via job search and participating in activities to improve their employment prospects. Prior evidence shows that MORs positively influence how quickly job seekers find work, but there is limited Australian evidence on the optimal level of MORs and their impact on employment.

In partnership with the Australian Centre for Evaluation, the department designed and conducted a large-scale randomised controlled trial testing the impact of reduced MORs on employment outcomes for newly enrolled job seekers. We leverage departmental and linked administrative data from the Person Level Integrated Data Asset (PLIDA) to estimate the impact of lowered MORs on exits from employment services, employment rates and wage earnings.

Results will be presented on how two different magnitudes of MOR reduction impact employment outcomes. We will share findings from complementary qualitative research which explores how these reductions affect participants' experiences.

The presentation will also explore practical considerations for designing and implementing RCTs in a public sector context, as well as lessons from using PLIDA for RCTs.

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133 Causal Effects of Financial Assistance and Small and Medium Enterprise Turnover During Crises

Phuong Nam Phan[1], Kompal Sinha[1], Elisabetta Magnani[1], Sasan Bakhtiari[2]

[1]Macquarie University, Sydney, Australia. [2]Xi'an Jiaotong-Liverpool University, Suzhou, China

Abstract

We analyse the causal impact of emergency government policy on small and medium-sized enterprise (SME) performance during systemic crises, using Australia's COVID-19 fiscal response as a natural experiment. Drawing on firm-level panel data for 1,859 SMEs from the Australian Business Longitudinal Analysis Data Environment (2018–2021), we implement a Doubly Robust Difference-in-Differences design to estimate the short- and medium-term effects of crisis-related financial assistance on firm turnover. We find, first, that the aggregate package of COVID-19 support measures did not, on average, increase SME turnover relative to non-recipient firms. Second, policy effects differ by instrument: tax concessions generated a statistically significant but temporary increase in turnover, whereas direct subsidies had no measurable impact. Third, the positive effects of tax concessions dissipated within one year of receipt. Fourth, treatment effects are heterogeneous, with smaller and younger firms exhibiting stronger turnover responses than larger and more established firms. While certain tax-based measures can provide short-run revenue stabilisation, broad-based financial assistance does not necessarily translate into sustained improvements in SME performance during economic crises.

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121 Higher Sanctions, Deterrence, and Evasion: Evidence from Fines and the Threat of Incapacitation

Romain Gauriot, Maria Wisniewska

Deakin University, Melbourne, Australia

Abstract

A central question in the economics of crime is how different forms of punishment affect deterrence. We study the impact of monetary fines and demerit points on speeding recidivism. Exploiting a large increase in sanctions in Queensland, we estimate their causal effects on subsequent offending. Higher fines produce only modest reductions in re-offending, whereas additional demerit points generate substantially stronger deterrence. We further show that higher fines increase the likelihood of fine renomination, consistent with a blame-shifting mechanism.

Session 5G: Agriculture, Resources and Food Security

13:30 - 15:00 Thursday, 9th July, 2026
02C07

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84 Stockpiling or Recycling? Country-Specific Strategies for EV Battery Mineral Security

Yitian Wang[1], Joaquin Vespignani[2], Russell Smyth[1]

[1]Monash University, Melbourne, Australia. [2]University of Tasmania, Tasmania, Australia

Abstract

Accelerating transport electrification is vital for net-zero goals, yet remains hindered by slow, uncertain development of battery minerals. We show how non-technical risk, such as policy, regulatory, social, and geopolitical risk, increase capital costs, delay greenfield supply, and heighten price volatility for lithium, cobalt, nickel, manganese, graphite, and copper. Combining Fraser Institute investment scores with reserve shares of these critical minerals, we construct dynamic, mineral-specific risk premiums, derive an optimal stockpiling rule balancing risk and storage costs, and introduce a distance-to-iso-cost map, which provides a way to compare recycling and stockpiling as strategies to mitigate non-technical risk in battery mineral markets. Our framework suggests that stockpiling will remain the most cost-effective strategy in 2030 across all countries. However, by 2040, recycling will become relatively more cost-effective in Japan and Korea, whereas stockpiling will continue to be relatively more cost effective in China, the United States, and the European Union, albeit with noticeably smaller differentials. The method that we propose provides a tractable and updateable toolkit for deciding optimal stockpiles and prioritising recycling where it is most cost-effective.

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170 Fertilizer Scarcity, Subsistence Needs, and Input Allocation: Evidence from Smallholder Farmers in Sri Lanka

Thilani Munaweerage[1], Shyama Ratnasiri[1], Md Sayed Iftekhar[2]

[1]Griffith University, Gold Coast, Australia. [2]Griffith University, Brisbane, Australia

Abstract

Input scarcity has emerged as a critical constraint in smallholder agriculture, particularly in settings where households are both producers and consumers. This paper examines how farmers allocate inputs across different crops while meeting subsistence needs in the presence of policy-induced input scarcity. The paper develops a theoretical model based on a Stone-Geary utility function, in which a representative farming household allocates fertilizer between a staple crop and a market crop, with staple crop production meeting all subsistence consumption requirements. The model predicts that, in this context, rising fertilizer prices induce households to allocate more resources towards staple production. To empirically assess the prediction, the study employs multi-year farm level survey data from Sri Lanka, using the 2021 fertilizer import ban as a case study. Fixed-effect panel regression results reveal that fertilizer scarcity leads to a significant increase in the share of fertilizer and land allocated to staple crop. These findings provide strong evidence that smallholder farmers prioritize subsistence needs under binding input constraints, deviating from standard profit maximization behaviour. Overall, the findings highlight the importance of considering subsistence behaviour when designing agricultural input policies in developing countries.

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154 Beyond Import Dependence: Adjustment Dynamics of Beef Food Security in Indonesia

Vidyahwati Tenrisanna[1], Kasmiyati Kasim[1], St Aisyah R[2], Besse Nur Rahmi Warsita[3]

[1]Department of Socio-Economics of Animal Husbandry, Faculty of Animal Science, Hasanuddin University, Makassar, Indonesia. [2]Agribusiness Study Program, Faculty of Agriculture, State University of Gorontalo, Gorontalo, Indonesia. [3]Master of Science in Agriculture Student, School of Environment and Rural Science, University of New England, Armidale, Australia

Abstract

Indonesia faces significant challenges in beef food security due to a growing gap between domestic production and rising consumption, resulting in import dependence and vulnerability to external market disruptions. This situation raises concerns about the resilience and sustainability of the national food system in the context of global supply chain uncertainties. While imports help stabilize local supply, there is insufficient evidence regarding whether the

country's beef food system operates under stable equilibrium mechanisms or adaptive resilience processes. This study investigates the dynamic relationships among beef consumption, domestic production, and imports in Indonesia using annual time-series data from 1999–2024 obtained from FAOSTAT and the OECD–FAO Agricultural Outlook. An Autoregressive Distributed Lag–Error Correction Model (ARDL–ECM) framework was employed to examine short-run adjustment dynamics and food system responses to disequilibrium conditions. The results indicate the absence of a stable long-run cointegration relationship, suggesting that Indonesia's beef food system does not operate through persistent equilibrium-based mechanisms. Nevertheless, the error correction term was negative and statistically significant, indicating that food security adjustment is adaptive and temporary rather than equilibrium-based, with approximately 55% of short-term disequilibria corrected within the adjustment period. Domestic production positively influenced beef consumption, whereas imports mainly served as short-term supply stabilisers without significant long-run contributions to food security. Overall, Indonesia's beef food security is shaped more by adaptive resilience mechanisms than by stable equilibrium processes. Strengthening domestic production capacity and resilient food system governance is therefore essential to reduce structural import vulnerability and improve long-term food security sustainability.

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230 Economic Consequences of Telecommunication Disruption from Natural Hazards in a Regional Context

Quoc Anh Nguyen[1], Stefanos Xenarios[1,2], Russ Wise[1,3], Paul Box[4]

[1]CSIRO, Canberra, Australia. [2]Nazarbayev University, Astana, Kazakhstan. [3]Swinburne University of Technology, Melbourne, Australia. [4]CSIRO, Sydney, Australia

Abstract

Telecommunication infrastructure is under increasing risk from natural hazards, with resultant service disruption leading to potentially large spillovers effects. To analyse the consequences of disruption, we propose a microeconomic model where downstream firms use telecommunication service as an input. Firms operate under imperfect competition and face short-term price rigidity when disruption occurs. We model telecommunication disruption as a cap on the service firms can purchase, leading to labour substitution that raises firms' marginal cost. We found that firms reduce output in response to disruption, but only when the loss in services crosses a threshold. This threshold is determined by (1) how much service loss raises marginal cost, and (2) firms' markup. We apply our model to two regions in Southeastern Australia to quantify the response across economic sectors to hazard-induced telecommunication disruption.

Afternoon tea

15:00 - 15:30 Thursday, 9th July, 2026
UC Refectory

Keynote 3: Klaus Schmidt & Muriel Niederle

15:30 - 17:00 Thursday, 9th July, 2026

02B09
Dom English
Speakers Klaus Schmidt, Muriel Niederle

Prosocial Preferences and Climate Regulation
Klaus Schmidt — Speaker

A Gender Agenda: From the Lab to the Field to Policy
Muriel Niederle — Speaker

Conference dinner

18:30 - 21:30 Thursday, 9th July, 2026
Arboretum
Robert Breunig

Two buses have been booked to provide transport for ACE delegates registered for the Conference dinner to the Arboretum for a **6.30pm** start on Thursday 9 July.

The first is an express service which will leave from outside the Mercure Belconnen at **6.10pm** to go to the Arboretum. It will return to the Mercure Belconnen from the Arboretum, leaving the Arboretum at **9.45pm**.

The second will leave from outside Oscar's Bakery Cafe, Cooper Lodge, 7 Telila Street, next to the UCX bar, at the University of Canberra at **6pm** on Thursday 9 July. It will return delegates to the University of Canberra and to the Mercure Belconnen (in that order), leaving the Arboretum at **9.30pm**.

Registration

08:00 - 09:00 Friday, 10th July, 2026
UC Refectory

e61 x WEN x ACE Netwoking Coffee - Come by for a free cuppa

08:00 - 09:00 Friday, 10th July, 2026
Café Mizzuna, University of Canberra

Join us for a free coffee before the start of the final day.

This is a relaxed, informal opportunity to connect with colleagues and peers from across organisations before the day begins. All are welcome, whether you're attending the conference or just keen for a cuppa and a chat.

No registration needed.

Keynote 4: Alan Auerbach

09:00 - 10:30 Friday, 10th July, 2026
02B09
Laura Berger-Thomson
Speaker Alan Auerbach

The Marginal Net Taxation of Americans' Labor Supply
Alan Auerbach — Speaker

Morning tea

10:30 - 11:00 Friday, 10th July, 2026
UC Refectory

Special Session 6: Do Labor's tax changes make sense?

11:00 - 12:30 Friday, 10th July, 2026
02B09
Martine Mariotti
Panellists Richard Holden, Robert Breunig
Speaker Matt Nolan

Session 6A: Labour Markets in Transition

11:00 - 12:30 Friday, 10th July, 2026
02B07

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27 Who still works from home? The changing traits of remote workers

Aaron Mollross

ANU, Canberra, Australia

Abstract

Working from home (WFH) expanded sharply in Australia during the COVID-19 pandemic and remains elevated. While a growing literature examines the impacts of WFH, less is known about the evolving composition of remote workers. Using longitudinal data from the Household, Income and Labour Dynamics in Australia (HILDA) survey from 2017 to 2024, this paper comprehensively investigates the socio-demographic, occupational and geographic characteristics associated with WFH uptake before, during and after the pandemic. Descriptive models show that WFH is tightly related to education, wages and occupational teleworkability, with these associations strengthening after 2020. Younger cohorts are persistently less likely to WFH, and women are increasingly more likely than men to work remotely, with couples displaying joint sorting into similar home-working arrangements. Pre-pandemic, WFH was concentrated among longer-tenure and supervisory staff, but access diffused down the organisation hierarchy during lockdowns. Spatial patterns also shifted, with remote work now concentrated among inner-city residents in Australia's major cities. The findings help inform policy debates on the effects on labour markets and urban structures.

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277 AI and early career labour demand in Australia: Looking for early evidence

Blair Chapman

SEEK, Melbourne, Australia

Abstract

I study how generative AI is reshaping early-career labour demand in Australia using millions of job advertisements from SEEK spanning 2016 to 2025, and occupation-level AI automation and augmentation exposure scores from Jobs and Skills Australia (2025). Early-career roles are defined using the bottom quartile of the real advertised salary distribution within each occupation during a fixed pre-treatment threshold period. A two-way fixed effects event study and difference-in-differences design is estimated within the continuous treatment framework of Callaway, Goodman-Bacon and Sant'Anna (2024), comparing outcomes for more and less AI-exposed occupations following the launch of ChatGPT in November 2022.

The preferred sample restricts to non-routine cognitive occupations, those most directly in affected by generative AI tools. Within this sample, augmentation exposure is the primary driver of differential change in early-career hiring. In a joint model controlling for both exposure dimensions simultaneously, a one standard deviation increase in augmentation exposure is associated with a 1.6 percentage point increase in the early-career share of job advertisements post-treatment, with effects growing over time: 0.8 pp in 2023, 1.9 pp in 2024, and 2.3 pp in 2025. Automation exposure shows no statistically significant effect in any specification, though point estimates are directionally negative and growing in magnitude.

Taken together, the evidence is consistent with a junior complementarity channel in which AI augmentation tools raise the relative productivity of early-career workers in cognitively intensive roles, increasing their attractiveness to employers, with implications for education, training, and skilled migration policy.

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163 Local and spillover effects of renewable energy investments on labor markets in Australia

Yating Deng, Paul Burke

Australian National University, Canberra, Australia

Abstract

This paper analyses how utility-scale renewable energy projects affect regional and local employment and unemployment outcomes in Australia. We combine detailed information on wind and solar project installations with labor market estimates and examine effects using the local projections difference-in-differences (LPDID) estimator. While we find no statistically significant effects on the unemployment or employment rates at the regional Statistical Area Level 4, significant effects are obtained at the finer-grained Statistical Area Level 2. Specifically, renewable project commissioning is associated with a reduction in the local unemployment rate of 0.36 percentage points on average. The decline in the local unemployment rate begins shortly before commissioning and persists for several years. Effects extend to neighboring areas. The findings also indicate that wind projects generate little local unemployment response but benefit neighboring areas, whereas solar projects reduce the local unemployment rate in both the host and neighboring areas. We find no robust effects on median income.

Session 6B: Illicit tobacco

11:00 - 12:30 Friday, 10th July, 2026
02B11
Bjorn Jarvis

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293 Are tax cuts a crime solution?

Amber Shuhyta

Illicit Tobacco and E_Cigarette Commissioner, Canberra, Australia

Abstract

Illicit trade now dominates the Australian tobacco and e-cigarettes market, posing a significant threat to Australia's public health, community safety, and economy. A global surplus of cheap supply, of a highly addictive commodity, has been weaponised by criminal syndicates. The most striking feature of the current environment is the degree of market displacement. A substantial proportion of tobacco and nearly all vapes supply occurs outside lawful channels. These markets are characterised by persistent availability despite seizures and enforcement activity, price differentials that strongly shape consumer behaviour, and repeated instances of intimidation, arson, and violence associated with market control. The availability of illicit product is substantially driving down consumer costs and creating a perverse disincentive to quit.

There is a dominant public discourse calling for a reduction in excise, based on the economics theory of the Laffer Curve, arguing that excise has passed an "optimal" point, price differentials are now so large that evasion dominates, and revenue collapse proves policy failure. However, is the Laffer Curve application valid in a Pigouvian tax scenario? For a Pigouvian measure, illicit trade reduces effectiveness but does not negate the logic. It instead might show that there is an enforcement and supply chain integrity challenge, plus the need for targeted demand and access reduction. A Pigouvian paradigm argues that criminal markets exist because profits are high — not because tax theory is wrong.

The debate feels circular, so how do we get out of it and focus on what's going to work?

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294 The Wickedness of Illicit Tobacco: Market Structure, Pricing, and Policy Responses

Justin Douglas

Department of Home Affairs, Canberra, Australia

Abstract

Illicit tobacco represents a worsening public health and community safety challenge marked by a market structure that cannot be resolved through fiscal or enforcement levers alone. Illicit tobacco already accounts for the majority of consumption in Australia, and indicators suggest its market presence is expanding. Understanding the economic features sustaining this trajectory is central to informing effective government responses.

This paper reviews conventional approaches to understanding the economics of illicit goods markets and concludes the market has entered a phase characterised by Schrödinger pricing, in which the same product is sold at licit and illicit prices, with constrained arbitrage preventing convergence. While price differentials matter, observed market outcomes indicate that substitution into illicit consumption is state dependent, with incomplete information and constrained incomes driving hysteresis. As a result, neither excise nor border prescriptions alone are sufficient once markets are segmented by enforcement risk, retail control, and smoker inertia. We show that illicit prices are distributed, with convenience and habituation sustaining multiple prices within close geographic proximity. The market increasingly resembles a vertically integrated form of kinetic industrial organisation, where competition occurs outside competition law through strategic interaction and remains profitable under extreme enforcement pressure.

The analysis underscores the importance of coordinated policy design over single-lever responses when confronting complex illicit markets.

295 Experimental estimates of illicit tobacco consumption and its impact on Household Final Consumption Expenditure

John Mitchell

Australian Bureau of Statistics, Canberra, Australia

Abstract

Public commentary has highlighted the rapid growth of the illicit tobacco market and raised questions on how to interpret this trend in economic data. in response to sustained user interest, the ABS initiated work in mid-2025 to identify data and methods to assess the economic impact. This paper draws on that work to present an experimental methodology, data sources and estimates of the impact that growth in the illicit tobacco market has on household consumption as measured in the national accounts. Key findings relate to the extent of growth in the illicit market, the role of illicit cigarettes, e-cigarettes and other nicotine products. The work concludes that while the inclusion of illicit tobacco moderates the decline in the volume of household consumption expenditure on cigarettes and tobacco it does not materially alter the level or growth of total HFCE.

Session 6C: Gender, Work and Economic Security

11:00 - 12:30 Friday, 10th July, 2026
02B02

228 Evaluating the Impact of Reforms to the Workplace Gender Equality Act

Sruthi Srukanthan Srikanthan[1], Grace Holland[1], Evie Fox Koob[2], Preston Tsamassiros[2], Rhiain Powell[2], Tea Van den Brenk[3], Sam Bridges[1]

[1]Deloitte Access Economics, Melbourne, Australia. [2]Deloitte Access Economics, Sydney, Australia. [3]Deloitte Access Economics, Brisbane, Australia

Abstract

Australia's gender pay gap stood at 21.1% in 2024-25, with men holding 67% of board positions and 78% of CEO roles. To accelerate progress, four key reforms to the Workplace Gender Equality (WGE) Act 2012 were introduced following a 2021 Review: mandatory board sharing of WGEA reports, public disclosure of employer-level gender pay gaps, and requirements to hold policies across six gender equality indicators and commit to measurable gender equality targets.

This study presents an interim evaluation of the reforms' impact on WGEA's ability to drive accelerated workplace change. It is the first study formally assess the impact of these reforms. Using a mixed-methods design, the study draws on a survey of 436 employers, focus groups, interviews, and WGEA's private sector employer dataset

spanning 2020-21 to 2024-25. The core econometric sample comprises a balanced panel of 1,982 employers over five years. Analytical approaches include linear probability modelling, interrupted time series (ITS), and difference-in-differences designs.

Findings indicate early signs of accelerated progress. Around 68% of surveyed employers reported taking action in response to the reforms, and ITS modelling identified trend breaks in key employer behaviours. While aggregate improvements outcome including the gender pay gap are not yet apparent, employers with the highest pre-reform gender pay gaps experienced an additional 2.2 percentage point reduction in base salary gaps, equivalent to approximately four years of accelerated improvement.

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149 Why Do Women Ask Lower Wages? The Role of Self-Evaluation

Shuyuan Qin[1,2], Xiaodong Gong[1]

[1]University of Canberra, Canberra, Australia. [2]Chongqing University, Chongqing, China

Abstract

This paper estimates gender gap in asked wage by jobseekers. This gap can be attributed to the difference in self-evaluation between gender for individuals with the same productivity. We use unique CV data from a major Chinese online recruitment platform obtained in 2024. We analyse and compare across three types of jobseekers with varying degrees of exposure to the market: on-the-job seekers, off-the-job seekers, and new seekers (those looking for their first jobs). We control for wages in their latest (current) jobs in our asked wage equations for job seekers with market experiences and whether the job being sought matches their latest job—these variables provide measures of market value of the jobseeker. We find that there is no gap between male and female on-the-job seekers in their asked wages, but find significant gender gaps in asked wages for off-the job seekers and the new job seekers, with the gap being larger for the new job seekers. The IV estimate of gender gaps in jobseekers' minimum asked wages for the latter two groups are 3.2% and 6.0%, respectively. This pattern suggests that self-evaluation of job applicants' market value varies across groups due to their exposure to the market---women with less exposure to the market (off-the job and new seeker) thus with less clear signals then to under estimate their market values. Results from the DDML model and restricted samples confirm the robustness of the baseline results.

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75 Who Owns Businesses? Declining Self-Employment and Gender Gaps in Business Ownership in Australia

Gianni La Cava[1], Rachel Lee[1], Jiaqi Luo[2], Ewan Rankin[1]

[1]e61 Institute, Sydney, Australia. [2]Stockholm University, Stockholm, Sweden

Abstract

Over the past two decades, Australia has experienced a marked decline in self-employment, concentrated among unincorporated businesses with employees, while solo self-employment has remained relatively stable. Over the same period, incorporated business ownership has risen, suggesting a shift in the organisational form of business activity rather than a broad-based decline in entrepreneurship.

Using multiple data sources (BLADE, PLIDA, HILDA, and ABS aggregate data) this paper documents these trends and examines how they vary across workers and households. We frame the analysis through an occupational choice perspective, focusing on how changes in labour market conditions may have altered the relative attractiveness of

wage employment and self-employment. In particular, rising returns to non-routine skills in wage employment, alongside the expansion of employment-linked benefits such as superannuation and paid leave, are consistent with an increase in the opportunity cost of operating an unincorporated business.

We document substantial demographic heterogeneity. The decline in self-employment is most pronounced among couple households, particularly younger couples during child-rearing years, highlighting the potential role of household decision-making and income risk. Motivated by these patterns, we examine how childbirth is associated with self-employment outcomes. While childbirth is linked to large and persistent changes in women's wage earnings, its association with business ownership appears more limited.

Overall, the findings point to a reallocation of work across organisational forms, shaped by labour market incentives and household characteristics. While this shift does not necessarily imply lower productivity, persistent gender gaps in business ownership remain, raising the possibility of misallocation of entrepreneurial talent.

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218 From Coverage to Adequacy: Gender, Work Patterns and Retirement Income in Australia

Alison Preston

University of Western Australia, Perth, Australia

Abstract

Australia's retirement income system has expanded substantially since the introduction of employer-mandated superannuation contributions under the Superannuation Guarantee (SG) in 1992, reflecting rising coverage and an increase in contribution rates from around 3–4% to 12% today. Early analyses showed that an earnings-linked system structurally disadvantages women due to gendered labour market patterns, including lower earnings, career interruptions, and part-time employment. More recent policy discourse suggests these inequalities will diminish for younger cohorts as women's labour force participation increases.

This paper revisits these claims. Using updated age-specific participation profiles, we show that while women's full-time employment has increased—particularly at prime working ages—persistent reliance on part-time work and differences in employment intensity remain. These patterns matter because superannuation accumulation depends not only on participation, but on earnings trajectories and continuity of contributions over the life course.

We contrast observed participation profiles with assumptions embedded in industry projections, including those by ASFA and HESTA, suggesting that today's 30-year-olds will achieve adequate retirement incomes. We argue these projections understate the cumulative impact of part-time work, interruptions, and wage inequality on lifetime contributions and compound returns. The results suggest that improvements in participation alone are insufficient to close gender gaps or ensure adequate retirement incomes.

The findings have important implications for retirement income policy, highlighting the continued importance of the Age Pension and the need to account for diverse, gendered life-course employment patterns.

Session 6D: Microeconomic Theory II

11:00 - 12:30 Friday, 10th July, 2026
02B04

143 ATM Network Access and Bank Fees under Direct Charging: An n-Bank Model

Mark Melatos, Vladimir Smirnov

University of Sydney, Sydney, Australia

Abstract

This paper develops a theoretical model of Australia's ATM banking system in which consumers evaluate all banks in the market on the basis of their general banking fees and ATM networks. By adopting a multi-dimensional product space in which consumers place independent valuations on each bank, we are able to analyse both the symmetric case, in which all banks adopt the same fee structure, and the asymmetric case, in which a subset of banks levy surcharge fees. In this way, the model addresses some limitations of the existing ATM-pricing literature. We find that lower surcharge fees increase consumer surplus and reduce bank profits, greater competition for consumers leads banks to charge lower account fees, and that coordination among banks can support profitable exclusionary pricing when surcharge fees and fixed costs are sufficiently high.

1 Patents, Secrecy, and Financing Innovation

Michael Klein[1], Yibai Yang[2]

[1]Rensselaer Polytechnic Institute, Troy, United States. [2]University of Macau, Macao, China

Abstract

This paper reexamines the relationship between financial development and the economic impact of patent policy. We present country-level empirical evidence that patent protection is more likely to stimulate economic growth at low levels of financial development. We explore the micro-foundations of this result in a large sample of Chinese firms. We find that financially constrained firms exhibit a strong preference for patents over trade secrets, while firms concerned about competitor imitation favor secrecy. To interpret these patterns, we develop a general equilibrium growth model featuring innovative firms that endogenously choose between patents and secrecy. This choice depends on innovation size, the relative effectiveness of secrecy in deterring imitation, and the ability of patents to lower borrowing costs by mitigating financial frictions. We demonstrate that greater financial development decreases the cost-reducing effect of patenting, incentivizes more firms to choose secrecy, and reduces the economic benefits from strengthening patent protection.

278 The Role of Intermediaries in the Choice Between Outsourcing and Vertical Integration

Khanh Phan

University of Sydney, Sydney, Australia

Abstract

Within an incomplete contracts framework, this paper examines how firms choose to organise their production – to internally produce the intermediate inputs through vertical integration, or to engage in arm's-length transactions either directly with the input suppliers or through intermediary firms. The model suggests that the firm's choice depends on the relative intensity of headquarter services and intermediate inputs in the final good, as well as the elasticity of market demand for the final good. In particular, it is found that an intermediary firm is used when the final-good production is very intermediate-input intensive and the final-goods market demand is relatively elastic.

Session 6E: Purifying capitalism from ethical blindness?

11:00 - 12:30 Friday, 10th July, 2026
02C05

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59 Purifying capitalism from ethical blindness?

Shann Turnbull[1,2,3], Brendan Lyon[4,2], Geoffrey Watson[5]

[1]International Institute for Self-Governance, Sydney, Australia. [2]Australian Business Ethics Network, Melbourne, Australia. [3]Australian Institute of Company Directors, Sydney, Australia. [4]University of Wollongong, Wollongong, Australia. [5]The Centre for public integrity, Melbourne, Australia

Abstract

Why have economists ignored the ability of organisations to become ethically self-governing without markets or state? The Design Principles of polycentric self-governance were identified by Elinor Ostrom in her 2009 Nobel Prize acceptance lecture. Polycentric self-governance is illustrated by all living things, and in Australia, by its Federation. Without self-governance, capitalism has been poisoned by virtuous people like Sir Adrian Cadbury. He pioneered governance codes that accepted toxic corporate dictatorships with absolute powers to corrupt absolutely, directors, their businesses and society. These have suited the self-interests of the conflicted ridden self-listed ASX. The ASX has apparently captured economists in Treasury, ASIC, APRA, ANPC, and AUSTRACT. The ASX removes the purpose of having a public exchange to provide efficient price discovery by hiding the identities of insiders, money laundering, short selling, dark pools, bribery and other corrupt practices. Private firms with employee ownership share plans and cooperatives disclose beneficial owners and trade their own shares. The Australian Treasurer possess the power to likewise extend self-trading to any firm with such disclosure, but who also establishes a Senator Murray governance board. This would create competition for the ASX that the internet makes obsolete. Systemic unethical practices that do not meet a voters pub test are claims that corporations are public when they keep beneficial owners secret, the independence of auditor or directors, directors setting and marking their own exam papers by chairing AGMs held to hold them accountable, and being engaged in their own nomination, and pay of themselves, and their auditor.

Session 6F: Tax Systems and Tax Reforms

11:00 - 12:30 Friday, 10th July, 2026
02C06

223 Extended Company Tax Reforms: A CGE analysis

Jason Nassios, Janine Dixon

Centre of Policy Studies, Victoria University, Melbourne, Australia

Abstract

This study presents updated and extended economy-wide modelling of company income tax reform in Australia, using the VURMTAXG model. Relative to Nassios et al. (2025), this study introduces three extensions: estimates of foreign ownership shares by industry and firm size (these were previously estimated by industry only); the implementation of a Net Cash Flow Tax (NCFT); and consideration of threshold effects of a staged Corporate Income Tax (CIT) schedule under monopolistic competition. We find that a Net Cash Flow Tax displays considerable potential to recoup lost revenue from cuts to the CIT rate, taking pressure off domestic households and reversing losses in gross national income, domestic welfare, real post-tax wages and real private consumption associated with a cut to the CIT rate. Even after accounting for foreign ownership shares by firm size, and productivity losses due to the effects of size thresholds for CIT, the implementation of the full package of CIT cuts funded mainly by a NCFT and residually by personal income taxes is shown to increase gross national income and economic welfare.

208 Examining the efficiency of the NSW tax system

Florence Stoker, Angela Phang, John Dundas, Guilherme Bandeira, Adam Sinclair

NSW Treasury, Sydney, Australia

Abstract

In this paper, NSW Treasury examines the principle of tax efficiency within the state tax system and the role of an efficient tax system in supporting long-term fiscal sustainability.

Using computable general equilibrium (CGE) modelling, the paper examines three interrelated research questions. First, what are the marginal economic costs of NSW taxes? Second, what is the aggregate efficiency of the current NSW tax system, and how does this change as governments seek to raise higher levels of revenue? Finally, what insights do these results provide for future tax reform aimed at improving efficiency while meeting long-term revenue needs?

To our knowledge, this is the first study to quantify the economic costs of an Australian state tax system. The paper estimates the current marginal excess burden (MEB) of the NSW tax system at 22.5 cents per dollar of tax revenue raised, providing policymakers with an evidence base and a practical benchmark for weighing the economic costs of revenue-raising against the net benefits of new spending. The paper estimates that the MEB increases non-linearly at higher tax rates. If NSW tax revenue increased by around 3 percentage points of gross state product (consistent with the long-run revenue and expenditure gap estimated in the 2021 NSW Intergenerational Report), the MEB of the NSW tax system would more than double to 47.9 cents per dollar raised.

The paper also quantifies the economic benefits of replacing the NSW Emergency Services Levy with a broad-based land tax, a reform currently being progressed in NSW.

5 Tax Amnesty and Tax Evasion: Evidence from Tax Zombie Firms in Indonesia

Henderi Henderi, Ishita Chatterjee, Shawn Chen

The University of Western Australia, Perth, Australia

Abstract

This study examines tax amnesty's effectiveness in reducing tax evasion in Indonesia, a developing country with limited tax enforcement capacity. Using confidential tax administrative data from the Indonesian Directorate General of Taxes covering 504,751 firm-year observations for 48,659 large and medium-sized firms from 2011 to 2023, we employ triple-differences (DDD) to identify the causal effects of tax amnesty. We introduce a novel definition of tax zombie firms—firms reporting zero revenue and zero taxable income for three out of five years before the amnesty to capture persistent non-compliance behaviour within the formal economy.

Our results reveal substantial heterogeneity in policy effects. The DDD estimates show that the tax amnesty increases reported income tax payments, revenues, and costs among tax zombie firms relative to non-tax zombie firms, suggesting improved compliance among extreme evaders and reduced evasion. In contrast, non-tax zombie firms exhibit weaker or negative relative responses, suggesting that the policy may weaken compliance incentives. Results remain robust to alternative definitions of tax zombie status based on four and five pre-reform years. Although asset disclosure was also a primary objective, assets respond uniformly, indicating the reform mainly affected reporting rather than real capital adjustments.

This paper contributes to the literature by demonstrating that tax amnesty deters extreme tax evasion among persistently non-compliant firms, but weakens compliance incentives among otherwise compliant firms, revealing a fundamental trade-off in disclosure-based enforcement policies. From a policy perspective, the results underscore the importance of credible post-amnesty enforcement and targeted audit strategies to sustain long-run compliance gains.

Session 6G: Digital Innovation and Decision-Making

11:00 - 12:30 Friday, 10th July, 2026
02C07

255 Decision Support with Context: Evidence from Human and Algorithmic Recommendations

Sofoklis Goulas[1], Rigissa Megalokonomou[2], Panos Sotirakopoulos[3,4]

[1]Yale, New Haven, United States. [2]Monash, Melbourne, Australia. [3]CEVAW, Perth, Australia. [4]Curtin, Perth, Australia

Abstract

When professionals receive recommendations, does information about the individuals affected change whether they follow them? We study this question in the context of teacher grading, where contextualizing a recommendation with student behavioral information may increase its persuasiveness, but perhaps differently depending on whether the source is human or algorithmic. Using a randomized survey experiment with K–12 teachers in Greece, we show that behavioral context shifts teachers' grades toward lenient recommendations by half a point on a 10-point scale. Yet, it leaves teachers unmoved when the recommendation is harsh. Strikingly, these effects are identical whether the recommendation comes from a human colleague or an AI system, which suggests that what makes advice persuasive is its content, not its source. Our findings carry direct implications for how AI-assisted decision tools should be designed: context matters, but only when it justifies generosity.

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16 Digital public goods and implications for higher education reform

Serguei Mikhailitchenko

Swinburne University of Technology (Online), Melbourne, Australia

Abstract

This study revisits the public goods theory to bring some more clarity into the set of concepts and models that are frequently used for presenting this theory to Economics students. The author suggests that the costs of construction of a public good should be classified as sunk costs as soon as the construction is complete, while the costs of maintenance and operation of a public good at the subsequent stages represent fixed costs. In subsequent periods the marginal rate of transformation becoming zero on the production possibilities curve due to the zero marginal cost of services provided by public goods. The study presents a natural monopoly model where economic agents consume services streaming from the public goods rather than public goods as such with quantity of services must appear on the horizonal scale of the model and added horizontally. The study explains why, with all natural monopoly features, multiple firms are operating in the digital public goods markets. The model then applied to the higher education market to determine the optimal funding option for types of educational services that satisfy the public good criteria. The author recommends creating a free online university, developing large test banks, introducing compulsory central exams with questions drawn randomly from the test banks immediately before the exam. The proposed changes will drastically reduce the costs and improve the quality of higher education at the same time.

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257 A Global Online Experiment Platform for Real-Time, Multilingual, and Interactive Experiments for Humans and AI

Ryohei Hayashi

Kochi University of Technology, Kochi City, Japan

Abstract

We have developed an online economic experiment platform that allows real-time, interactive studies with participants from varied geographic locations. Our platform enables individuals in countries such as Australia and Japan to simultaneously engage in the same experiment—such as the ultimatum game—using their native languages and preferred measurement units for currency, length, weight, area, and volume on smartphones or tablets. Furthermore, it will enable interaction experiments that combine humans and AI.

Unlike traditional approaches to investigating the impact of indirect reciprocity and in-group/out-group bias on decision-making, which relied on separate regional studies due to technological limitations, our platform coordinates synchronized, multilingual, and multicurrency experiments. This allows for global experiments that mix people from individualistic and totalitarian cultures, combine economically wealthy and poor people, or use situations with varying degrees of money illusion or time zone differences.

To address network latency, our platform uses an edge-computing architecture with servers strategically located in each participating region. Participants connect to their nearest server, while efficient inter-server communication maintains flawless data synchronization and synchronous interaction. Furthermore, it addresses communication interruptions caused by smartphone users opening other applications during the experiment.

By removing prior technical barriers, our platform enables innovative experimental designs and methodologies that were once unattainable, significantly expanding the scope of experimental economics and supporting new contributions toward both academic literature and policy debates.

Session 6H: Education, Health and Life Outcomes

11:00 - 12:30 Friday, 10th July, 2026
02C08

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225 Neighbourhood crime and student cognitive development

Kushneel Prakash[1], Sefa Awaworyi Churchill[2], Russell Smyth[3]

[1]The University of Melbourne, Melbourne, Australia. [2]RMIT University, Melbourne, Australia. [3]Monash University, Melbourne, Australia

Abstract

We empirically examine the effect of neighbourhood crime rates on standardized test scores for a nationally representative sample of students in Australia. We use linked survey data to NAPLAN test scores which we than match to crime rates at the postcode level to estimate the causal effect of neighbourhood crime on student cognitive development. Our baseline results suggest that a standard deviation increase in the crime rate causes a 0.028 standard deviation decrease in numeracy test scores and 0.039 standard deviation decline in literacy test scores. We find that the extent to which the child exhibits behavioural and emotional difficulties, the extent to which the child engages in prosocial behaviour and the extent to which the child is absent from school are channels through which crime causes a decline in test scores.

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265 When Housing Becomes a Shock: Evidence on Child Wellbeing in Australia

Rebecca Valenzuela, Lyn Craig

University of Melbourne, Melbourne, Australia

Abstract

This paper examines how housing stress and housing instability affect child wellbeing in Australia. We conceptualise housing transitions—such as entry into housing stress, overcrowding, and residential mobility—as economic shocks

that tighten household budget constraints and disrupt living environments while children are present. Using data from the Survey of Income and Housing, we document strong associations between housing stress and child-related material deprivation, food insecurity, and expenditure patterns. We then use longitudinal data from the Household, Income and Labour Dynamics in Australia Survey to estimate within-household changes in children's outcomes following housing shocks. Across both datasets, we find that housing shocks are associated with deteriorations in child wellbeing, with effects disproportionately borne by households facing tighter pre-shock resource constraints. The results highlight heterogeneity in household capacity to buffer economic shocks, with implications for child human capital accumulation under sustained cost-of-living pressures.

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272 Structural Downward Mobility in the Chronic Neurological Condition of Multiple Sclerosis: Threshold Dynamics, Decision-Proximal Evidence, and Sex-Based Baseline Vulnerability

Mustafa Kamal, Paul Blacklow, Ingrid van der Mei, Bruce Taylor, Julie Campbell

University of Tasmania, Hobart, Australia

Abstract

Background and Objectives: Multiple sclerosis (MS) is a chronic neurological disease that often constrains functional capacity, severely impacting income. Extending predominantly Northern European evidence centred on employment or mean income, this study conceptualises MS as a progressive human capital shock and analyses distribution-wide downward mobility, including labour-market mechanisms and sex-specific penalties.

Methods: We linked the 2023 Australian Multiple Sclerosis Longitudinal Study (AMSLS) with a propensity-score-matched healthy benchmark from the Household, Income and Labour Dynamics in Australia (HILDA) Survey. Analysis utilised generalised ordered logit models to estimate transitions across gross personal income tiers and Generalised Structural Equation Modelling (GSEM) to decompose income loss into direct wage effects versus mediated pathways using decision-proximal indicators, including self-rated productivity loss and MS-related occupational change.

Results: People with MS were overrepresented in lower income tiers relative to controls. Downward mobility was driven primarily by unemployment and disability retirement rather than within-job wage compression. Income penalties occurred for both sexes, with no evidence of a larger proportional MS shock for females. Income loss was predominantly mediated by occupational displacement and career erosion, with minimal direct wage effects. Adjustment dynamics differed by sex, with abrupt displacement drives male loss; gradual erosion drives female loss.

Conclusions: Income loss under MS reflects threshold-based occupational disruption rather than gradual wage decline, supporting policies prioritising early workplace accommodation and job retention over post-exit income replacement.

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86 Unpacking the Funding–Performance Nexus: New Panel Evidence across Australian School Sectors

Benjamin Vu

University of Canberra, ATC, Australia

Abstract

Abstract: This study examines the impact of government school funding on Year 7 outcomes in Numeracy, Reading, Spelling, and Writing across Australian school sectors from 2009 to 2022. Using panel data analysis, the results show that increases in government recurrent funding are positively associated with Numeracy outcomes in Catholic and Independent schools, Reading in Independent schools, and Writing in Government schools, although the estimated effects vary and are modest. Across all sectors, improvements in the index of community socio-educational advantage are strongly linked to better educational outcomes. The analysis finds that the introduction of the Gonski funding reforms in 2011 was associated with improved Numeracy, Reading, and Spelling outcomes for Catholic and Independent schools, and improved Spelling for Government schools. In contrast, the COVID-19 pandemic had a significant negative effect on student achievement across all sectors. Overall, our findings support previous studies in highlighting the roles of funding, socio-economic conditions, and policy interventions in shaping educational outcomes.

JEL classification: I21, I22, I24, I28

Keywords: School funding, outcomes, school sectors, Australia.

Lunch

12:30 - 13:30 Friday, 10th July, 2026
UC Refectory

YEN Lunch: Young Economists views' on the age of digital disruption

12:30 - 13:30 Friday, 10th July, 2026
UCX Student Lounge
Brodie Knox
Panellists Jemina Li, Rui Zhang, Dominic Behrens

Free

13:30 - 15:00 Friday, 10th July, 2026
02B09

Session 7A: Housing Policy and Property Markets

13:30 - 15:00 Friday, 10th July, 2026
02B07

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275 Rental Property Tax Deductions and Individual Investor Housing Demand

Christian Gillitzer

University of Sydney, Camperdown, Australia

Abstract

This paper provides evidence on how individual taxpayers respond to rental property tax incentives in a system where capital gains are taxed concessionally and rental losses are fully deductible against labour income. Using administrative tax return data from Australia and variation in marginal tax rates induced by mid-2000s reforms, I show that reductions in marginal rates significantly reduce the likelihood of holding an investment property with a negative net rental income position. My findings demonstrate how debt is used to generate tax losses and thereby shift income from the labour to capital gains tax base, providing new evidence on how leverage-based income shifting opportunities can shape rental investment behaviour and the composition of housing demand. The empirical results are consistent with a standard model, which I leverage to derive predictions for the effects of reforms to the tax treatment of rental deductions.

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160 Sticky rents under contractual and relational frictions to rent adjustment

Nicholas Garvin, Amy Tramontozzi

e61 Institute, Sydney, Australia

Abstract

Rent changes are infrequent and uneven, reflecting a range of frictions that shape how market conditions pass through into individual rents. Fixed-term leases restrict when adjustments can occur, while negotiation at lease renewal and vacancy risk introduce additional sources of variation across tenants and time. We study how rents adjust at lease expiry, comparing new tenants and continuing tenants, to understand how repricing varies across tenancy types and lease transitions. We exploit the recent post-pandemic cycle, which saw a sharp decline in vacancy rates and a rapid increase in rent inflation, to examine how landlords adjust both the frequency and magnitude of rent changes under shifting market tightness. We document three main findings. First, rent adjustments are infrequent but strongly cyclical, rising with market tightness yet remaining below levels implied by full annual repricing. Second, there is substantial heterogeneity in rent outcomes across tenants and contracts. New tenants consistently face higher rent changes than continuing tenants, and this gap widens during the cycle. The source of this difference also changes with market conditions, which suggests that landlords adjust how they manage vacancy risk as conditions change. For continuing tenants, we further show that formal contract renewal acts as a focal point for repricing. Finally, lease structures adjust endogenously: fixed-term contracts become more prevalent relative to

rolling agreements during periods of high rent inflation, concentrating repricing at renewal points. Overall, these findings highlight how contractual constraints and landlord–tenant bargaining jointly determine the timing and magnitude of rent adjustment.

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236 Stamp Duty Exemptions and Housing Market Behaviour: Evidence from First-Home Buyer Policy Reform in New South Wales

Enuri Edirisinghe, Prasad Bhattacharya, Xueli Tang

Deakin University, Burwood, Melbourne, Australia

Abstract

This study examines how transaction tax incentives shape housing market behaviour, using evidence from the 2017 reform of the first-home buyer (FHB) stamp duty assistance scheme in New South Wales (NSW). The reform introduced a distinctive policy structure, with a full exemption below AUD 650,000, a declining concessional schedule between AUD 650,000 and AUD 800,000, and a phase-out above the upper threshold. Exploiting these features, the analysis applies a bunching framework to study behavioural responses at policy thresholds, supported by regression discontinuity design (RDD) estimates, using transaction-level housing data.

The results show strong bunching at the AUD 650,000 threshold, with an estimated excess mass of approximately 460 transactions and a normalised bunching estimate of around 0.69, implying a substantial reallocation of transactions toward the cutoff. In contrast, responses at the AUD 800,000 threshold are economically small, with excess mass below 50 transactions and a normalised estimate close to 0.10, indicating negligible behavioural adjustment. For the transactions within the concessional band, the analysis uncovers continuous behavioural responses to declining tax benefits.

Overall, the findings demonstrate that the design of transaction tax schedules plays a central role in shaping housing market behaviour. Sharp notches generate concentrated bunching, while smoother incentive structures induce more diffuse adjustments across the price distribution. The study contributes new Australian evidence on the behavioural effects of stamp duty concessions and highlights the importance of policy design in determining market responses.

Session 7B: Using the PBO's "Build Your Own Budget" as a teaching tool

13:30 - 15:00 Friday, 10th July, 2026
02B11

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55 Using the PBO’s ‘Build Your Own Budget’ as a teaching tool

John Clark[1], Leonora Risse[2,1]

[1]Parliamentary Budget Office, Canberra, Australia. [2]Queensland University of Technology, Brisbane, Australia

Abstract

As part of its educational role, the Parliamentary Budget Office has created a tool for students to step into policymakers' shoes and design their own budget. The Build Your Own Budget (BYOB) tool is a hands-on educational resource to assist students, and the wider community, understand the dynamics of fiscal policy and the Australian Government's budget and fiscal position.

Available as an interactive spreadsheet, BYOB enables students to picture themselves pulling the levers on the policy dashboard. Students can explore, as hypothetical examples, what would be the cost to the Government of lowering personal income taxes? What about increasing the JobSeeker payment rate? Or what would happen to the budget if unemployment were to fall to historic lows?

In this two-part presentation, Dr John Clark (PBO) will firstly provide an introduction to BYOB, covering its origin, purpose, structure and functions. Second, Dr Leonora Risse (QUT and PBO Expert Panel Member) will demonstrate ways the BYOB can be used in a practical teaching context. She will share learning activities that require students to explore different economic parameters and policy scenarios, building their understanding of fiscal trade-offs and risks.

This presentation will be especially valuable for educators looking for practical ways to teach students about the relationships between economic variables through real-world applications and an inquiry-based learning approach. It will show how this PBO resource is valuable across the wider economic profession as a means of sparking students' curiosity in economics, promoting economic literacy, and enhancing the public's understanding of fiscal policy.

Session 7C: Gender, Households and Economic Participation

13:30 - 15:00 Friday, 10th July, 2026
02B02

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105 Applied economics in the courtroom: Measuring opportunity loss from domestic and family violence

Conrad Liveris

Independent, Perth, Australia

Abstract

This paper shows how applied economics can quantify economic opportunity loss in a real-world decision setting. Using a forensic case study drawn from family law practice, it develops an individual counterfactual earnings model for a woman whose education and labour market participation were disrupted during a long relationship involving alleged coercive control and financial abuse. The analysis combines Australian labour force statistics, graduate outcomes data, occupational earnings benchmarks and superannuation assumptions to estimate the earnings path she would likely have followed absent that disruption, and compares it with her observed post-separation position of insecure, low-paid administrative work.

On conservative assumptions, the model estimates more than $865,000 in lost earnings and superannuation over ten years. Longer-run scenario analysis suggests that realistic alternative re-entry pathways may leave lifetime earnings between $500,000 and $800,000 below the original accounting trajectory. The paper argues that these losses are best understood as economic scarring through interrupted human capital accumulation, weaker labour force attachment, underemployment, reduced productivity and lower retirement savings.

The contribution is methodological as well as substantive. It demonstrates how standard economic tools, including counterfactual modelling, benchmark wage analysis and working-life scenarios, can be used to quantify losses that are often discussed qualitatively but rarely measured rigorously at the individual level. In doing so, it connects micro-level loss assessment to the broader economic burden of domestic and family violence in Australia, and shows the practical value of economics in institutional settings where decisions must be made about causation, magnitude and long-term disadvantage.

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220 Beyond market costs: the wellbeing impacts of unpaid household and care work

Evie Fox Koob

London School of Economics, London, United Kingdom. Deloitte Access Economics, Sydney, Australia

Abstract

Australian women undertake substantially more unpaid work (housework and care) in households than Australian men, equivalent to 1.25 additional hours per day. The cost or value of this time is typically measured using replacement or opportunity cost methods based on unrealised labour market contributions. While these valuations are important, they ignore the wellbeing costs of unpaid work to women and other carers, on emotional, physical, and cognitive levels. This study presents a quantitative method for understanding and measuring the extent, scale and distribution of wellbeing costs for unpaid carers: self-reported life satisfaction regression modelling. Longitudinal OLS fixed-effects regressions are used to derive robust correlational estimates of the within-person association between time-use related to unpaid work and life satisfaction, using Waves 2 to 23 of the HILDA Survey. The analysis broadly identifies small effect sizes of time spent on unpaid work after controlling for common determinants of life satisfaction. However, there is evidence of wellbeing costs for women carers in two key contexts: caring for elderly / disabled relatives consistently has a large, negative impact on life satisfaction for females, while unpaid care and domestic work are also found to be depleting for working females. This work attests to the need for greater attention on the “human costs of caring”, particularly relative to costs to the market economy.

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283 Disentangling Kinship: Post-marital residence and Household Decision-Making in Timor-Leste

Xinran Hu

University of Melbourne, Melbourne, Australia

Abstract

Kinship traditions play an important role in intra-household interactions by influencing how members of a family interact on a daily basis. In this paper, I explore the relationship between different kinship traditions and couples' decision-making patterns. I focus on the contrast between matrilineal and patrilineal (descent emphasising the mother's/father's bloodline) and in particular two specific practices accompanying different descent systems: inheritance and post-marital residence.

I first show using a global sample from the Demographic and Health Survey (DHS) that historical post-marital residence practices are significantly correlated with modern-day involvement in decision-making of both spouses after controlling for other cultural characteristics.

Then with primary survey data collected from Timor-Leste offering information on modern-day kinship practices, I provide evidence that matrilocality (the tradition where a married couple resides with the wife's family) is associated with increasing involvement in decision-making for both couple, due to fewer husbands and wives being excluded from the decision-making process of their household, and more couples making decisions jointly. On the other hand, no association is found between inheritance and decision-making, except that husbands are less likely to be the sole decision-maker. Said results are mainly driven by households living with the wife's family in matrilocal communities, indicating that the wife's parents play a pivotal role in shaping the dynamics between a couple.

Session 7D: Behavioural economics II & International Trade

13:30 - 15:00 Friday, 10th July, 2026
02B04

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200 Do We Praise and React More to Acquaintances or Strangers? Manipulating social image in one-shot versus repeated experimental interactions

Paul Blacklow[1], Amy Beth Corman[2], Hugh Sibly[3]

[1]University of Tasmania, Hobart, Australia. [2]RMIT University, Melbourne, Australia. [3]Independent Economist, Hobart, Australia

Abstract

We present an experiment designed to identify whether repeated interactions between people, relative to one-shot interactions, influences the extent they undertake costly actions to improve their social image. We expected these actions to be reduced in repeated interaction but, in contrast, we find they were increased. Gender differences are critical to our findings, with females more likely to spend some money to improve their social image than males irrespective of treatment, but those males who spend, spend significantly more when interactions are repeated. Repeating interactions also influence the formation of feedback participants provide to one another.

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179 Subtracting fees to subtract confusion. Using behavioural insights to improve International Money Transfer calculators

Bethany Jones, Scott Copley, Hanne M. Watkins

Behavioural Economics Team of the Australian Government, Department of the Prime Minister and Cabinet, Canberra, Australia

Abstract

Australians send an estimated $21 billion overseas annually via international money transfer (IMT) services, yet pricing remains complex and often opaque. While ACCC guidance has led providers to introduce online calculators, differences in calculator design limit consumers' ability to compare offers, particularly where fees are added, exchange rate margins obscure costs, or total transaction costs are unclear. In partnership with the ACCC, BETA designed and experimentally tested seven alternative calculator formats with 5,673 Australians. The findings show that consistently subtracting fees improves comparability and decision accuracy, allowing consumers to rely on the amount received as a simple heuristic, while increasing confidence. Adding 'comparison rate prompts'—summarising total costs in dollar or percentage terms—further enhances decision-making, especially when evaluating a single offer, with no evidence of cognitive overload. Overall, calculators that subtract fees and include comparison prompts perform best, indicating a clear opportunity to improve consumer outcomes in IMT markets. Further field testing would help assess real-world impacts.

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126 Price effects of US-China trade wars

Thuy Hang Duong[1], Weifeng Larry Liu[1,2]

[1]Australian National University, Canberra, Australia. [2]Reserve Bank of Australia, Sydney, Australia

Abstract

This paper examines the short-run price effects of US tariffs during the Trump administrations. Using a monthly industry-level event-study with staggered treatment timing, we estimate their impact on domestic producer price inflation across two trade war episodes over 2018-2019 and 2024-2025. The results show that tariffs increased inflation in both episodes, but the magnitude and persistence differ. In 2018–2019, tariffs led to large and sustained price increases, indicating strong cost pass-through from imported intermediate inputs from China. In contrast, in 2024–2025, despite more aggressive tariff measures, inflationary effects were not proportionally larger and dissipated more quickly. This attenuation reflects global supply-chain reallocation following the first US-China trade war and the COVID-19 pandemic, as US firms diversified away from Chinese inputs, weakening input-cost transmission.

Session 7E: Forecasting and Expectations

13:30 - 15:00 Friday, 10th July, 2026
02C05

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290 Macroeconomic impacts of extreme weather events in Australia

Larry Liu

Reserve Bank of Australia, Sydney, Australia

Abstract

Extreme weather events are projected to become increasingly frequent and intense around the world over the coming decades. Australia is particularly vulnerable to those climate risks due to its geographic and environmental characteristics as well as its prominent climate-sensitive economic sectors. This paper examines the macroeconomic impacts of extreme weather events in Australia over the next decade and explores their implications for monetary policy, using a multi-country-multi-sector general equilibrium model (G-Cubed). The analysis focuses on six major types of extreme events, including floods, heatwaves, bushfires, droughts, storms, and cyclones, and evaluates their effects under alternative scenarios: one-off severe events and annually recurring events under multiple Shared Socioeconomic Pathways (SSP) scenarios. We calibrate their direct impacts on capital stock, labour productivity and total factor productivity, and then feed these shocks into the G-Cubed model to produce general equilibrium effects on macroeconomic variables including output and inflation under different monetary policy rules. The results show that extreme weather shocks decrease output while raising inflation, with inflationary dynamics shaped by the interaction of supply- and demand-side channels. These effects create a trade-off for monetary policy. When weather shocks occur frequently, the effects become more persistent, complicating the calibration of policy responses as prolonged periods of above-target inflation may result in drifting inflation expectations. Moreover, the results also show significant heterogeneity across event types.

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241 Density Doubts: Public Perceptions of Forecast Density Visualizations

Edda Claus[1,2], Markus Hahn[3], Shaun Vahey[4,2]

[1]Wilfrid Laurier University, Waterloo, Canada. [2]CAMA, Australian National University, Canberra, Australia. [3]Australian National University, Canberra, Australia. [4]University of Warwick, Coventry, United Kingdom

Abstract

Many policymakers use forecast density visualizations to communicate risks. These ubiquitous visualizations attract frequent media scrutiny, yet no extant studies have examined their effectiveness as tools to communicate macroeconomic risks to the public. In this paper, we analyze public perceptions of forecast densities using data from a unique cross-sectional survey. In a survey experiment conducted during January 2024, each respondent was shown a randomly allocated visualization that was based on the Reserve Bank of Australia's forecast for the unemployment rate. Over 4000 respondents were asked a battery of questions about the interpretation of the forecast, including the most likely outcome and the probability of specific events. Our analysis reveals three main findings. First, just over half of respondents failed to identify the expected value, and most respondents misperceived risk (approximately 90%). Second, the type of density visualisation mattered. In terms of the absolute error (relative to the expected value), kernel density plots were interpreted more accurately than histograms, but less accurately than quantile dot plots, whereas kernel density plots increased the perceived risk relative to other types of visualization. Third, the expertise of the respondent influenced the effectiveness of the plot. The histogram, for example, reduced prediction errors for respondents with low expertise.

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237 Introducing the BOSS - the Australian Business Outlook Scenarios Survey

Ben Wang, Natalia Ponomareva, Jeffrey Sheen

Macquarie University, North Ryde, Australia

Abstract

The Business Outlook Scenarios Survey (BOSS), launched in June 2024, is a monthly survey of Australian businesses that captures expectations and uncertainty about key macroeconomic variables, such as inflation and the

cash rate, as well as firm-level outcomes including revenue, employment, costs, wages, and prices. This paper outlines the survey's design and core questions, presents headline time-series indicators for the Australian economy, examines alternative question designs, and discusses implications for monetary policy and future research.

Session 7F: Regulation and Public Policy

13:30 - 15:00 Friday, 10th July, 2026
02C06

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221 Australian evidence on the elasticity of demand for petrol

Jack Buckley[1], David Byrne[2], Nicolas de Roos[3], Matthew Elias[4], Matthew Lewis[5], Aditya Maitra[1], Xiaosong Wu[2]

[1]e61 Institute, Sydney, Australia. [2]University of Melbourne, Melbourne, Australia. [3]University of Liverpool, Liverpool, United Kingdom. [4]University of Chicago, Chicago, United States. [5]Clemson University, Clemson, United States

Abstract

This paper studies the responsiveness of petrol demand to changes in price. We estimate this elasticity of demand using aggregated, consented and de-identified transaction data covering a large sample of Australians over the 2019-2026 period. Identification comes from the purchasing response to shocks to the price level driven by global oil market volatility. We test how this elasticity of demand varies across household characteristics such as income and geography. We use these estimates to quantify the incidence and distributional effects of oil price shocks on households, as well as the effects of policy responses.

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248 Who should pay for creative destruction of essential services? Towards a beneficiary contribution framework for declining regulated industries.

Samuel Lam

HoustonKemp, Sydney, Australia

Abstract

When a regulated industry declines due to technological displacement, existing regulatory practice allocates transition costs among remaining consumers, investors, and taxpayers. This paper argues that this practice is incomplete. Drawing on the beneficiary pays principle from climate justice and transmission cost allocation, it proposes a fourth cost-bearing party: the displacing industries that capture value from the transition.

The focus on regulated industries is deliberate. These industries operate under a regulatory compact that provides for cost recovery over the asset life in exchange for price regulation. That compact does not currently account for

displacement risk, yet these industries provide essential services where disorderly transition imposes significant costs on vulnerable consumers and the broader community.

The Australian gas-to-electricity transition illustrates the problem. Ben-David (2025) recently proposed that electricity distribution networks underwrite gas network stranded assets. This paper takes a broader approach, developing a general framework for identifying beneficiary classes across the displacing value chain. It surveys implemented examples including the Australian taxi/rideshare levy and the telecommunications Universal Service Fund, and examines design challenges including legislative designation of beneficiary classes, the lifecycle of displacement, and incentive effects. With accelerating technological change, including advances in artificial intelligence, the frequency of structural industry displacement is likely to increase, making a principled framework for managing transition costs an increasingly pressing policy question.

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169 Time to align Australia with leading nations so Australians can buy good products: How to fix our broken producer responsibility schemes

Helen Millicer[1], Helen Lewis[2]

[1]One Planet Consulting, Melbourne, Australia. [2]Institute of Sustainable Futures, UTS, Sydney, Australia

Abstract

Over 60 nations have regulated for producers of specific priority products to be responsible for proper management for the duration of a product's life. Extended Producer Responsibility (EPR) applies the ‘polluter pays’ policy principle to common products that have significant negative externality costs, such as batteries and packaging. It is a policy instrument advocated for use by the OECD and World Bank that rectifies both economic and environmental misalignments. EPR practice is sophisticated overseas but still embryonic in Australia. It requires the attention of Australia’s economists, statisticians and system modellers.

This presentation summarises a research report by experts in government policy, industry programs being released in May. It investigates the three essential elements for successful EPR:

1. Legislation and regulation design, roles of government
2. Producer Responsibility Organisations – their structure, governance, budgets, eco-modulated fees, delivery on targets
3. Regulators – their structure, governance, role, power and pursuit of non-compliance.

The report uses real-world data from Australia and overseas and applies a strategic overarching view of policy decisions and their impacts. It recognises that outcomes are determined by policy decisions irrespective of product type.

The research applies global best practice frameworks to measure Australia’s problems and opportunities for EPR. The report concludes that Australia’s current approach is ineffective, confusing, inconsistent and disjointed, and makes a series of recommendations.

Australia has a small window of opportunity (1-5years) to fix its patchwork of tangled policies and regulations to deliver on government promises, meet 2030 targets, and fix risks faced by Australia’s product stewardship schemes.

Session 7G: Labour Market Mobility

13:30 - 15:00 Friday, 10th July, 2026
02C07

22 Unveiling Income Premium between City and Regional Area

Yogi Vidyattama[1], Robert Tanton[2]

[1]University of Canberra, Canberra, Australia. [2]Deakin University, Geelong, Australia

Abstract

Wage and income differentials across locations have long been a topic of discussion among economists. These disparities not only contribute to inequality between regions, but also influence labour mobility. This study aims to assess the nature and extent of wage differences between metropolitan and non-metropolitan areas in Australia. It addresses two research questions. First, what quantitative evidence exists regarding differential wages paid to workers in the same occupations in metropolitan versus non-metropolitan locations? Second, which occupations exhibit higher or lower wages in regional areas?

To fully assess the effect of location on incomes, we estimate an individual-level regression model of log income against personal characteristics and regional classifications, which answers Research Question 1. For Research Question 2, we estimate an additional model including an interaction term between occupation and region, identifying which occupations have higher or lower wages in regional areas. In both models, we control for key factors affecting income: age, gender, occupation, industry, and education. The analysis uses the Australian Bureau of Statistics Person Level Integrated Dataset (PLIDA). This dataset links Census information with Australian Taxation Office data.

The results show an existence of income premium in regional areas. While Managers and Professionals generally earn more in major cities, industrial workers have significantly higher incomes in regional areas. Across more than 90 occupations groups, workers in all four regional categories receive income premiums compared with their metropolitan counterparts. The study highlights many roles in which regional workers are financially advantaged within the national labour market.

224 Stuck in Place: Internal Migration and Access to Geographic Opportunity in Australia

Josiah Hickson

Australian National University, Canberra, Australia. Department of Employment, Canberra, Australia. Australian Taxation Office, Canberra, Australia

Abstract

In a country of spatially unequal opportunity, internal migration is a potential equilibrating mechanism: in principle, workers can leave economically disadvantaged towns in search of better wages, and families can relocate to environments that foster upward mobility. Whether they actually do so, and whether this occurs equally across the distribution of family income, is a question with profound implications for inequality. Using 33 years of intergenerationally-linked ALIFE data, I document lifetime internal migration rates for individuals born in Australia between 1976 and 1999. I show that two-thirds of young Australians move less than 20km from where they grew up by the time they get their first job, highlighting that the radius of opportunity is narrow. There is a strong income gradient to who relocates: children from low-income families are less likely to move regions and are less likely to relocate to towns which offer more opportunity.

219 Agglomeration and Wage Premium in Indonesia

Teguh Warsito[1,2], Yanrui Wu[1]

[1]The University of Western Australia, Perth, Australia. [2]PKN STAN, Tangerang Selatan, Indonesia

Abstract

This study investigates the Indonesian agglomeration wage premium by decomposing the relationship into genuine productivity spillovers and two primary mediating channels: human capital accumulation and formal employment status, with an extended analysis incorporating a spatial econometric framework. This study uses large-scale microdata from the 2022–2025 Sakernas, comprising a refined sample of over 222,000 observations tailored to the study's objectives. By employing an IV-2SLS approach and accounting for individual and job-level covariates alongside regional and temporal dimensions, the study effectively addresses endogeneity of population density. The empirical findings reveal that human capital and formal employment all serve as significant mediators. These channels partially mediate the relationship, as the total wage elasticity of population density decreases from 0.1659 to a direct effect of 0.1248. The extended spatial analysis reveals that while the direct productivity effect of local agglomeration remains robust with an elasticity of 0.1228, the spatial spillovers from neighboring regions are statistically insignificant. These results indicate that agglomeration benefits in Indonesia remain spatially encapsulated within administrative boundaries. The absence of significant externalities suggests that agglomeration benefits are currently trapped within regency borders. Therefore, regional policies should focus on dismantling the barriers that cause this encapsulation while continuing to strengthen local human capital and formalization.

Keywords: agglomeration wage premium; human capital channel; formal job channel; spatial analysis

Break

15:00 - 15:15 Friday, 10th July, 2026

Closing Panel Session: Is economics still relevant for policy?

15:15 - 16:15 Friday, 10th July, 2026
02B09
Robert Breunig
Panellists Maathu Ranjan, Angela Jackson, Aruna Sathanapally

Closing remarks

16:15 - 16:30 Friday, 10th July, 2026
02B09

The conference will conclude with closing remarks from ESA ACT Branch President Professor Stephen Bartos, reflecting on the highlights of ACE 2026 and acknowledging the many contributors who made the conference possible. This will be followed by a presentation from the ESA VIC Branch, introducing ACE 2027 and inviting delegates to the next Australian Conference of Economists.

Afternoon tea

16:30 - 17:00 Friday, 10th July, 2026
UC Refectory