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Newsletter #73

Economic Society of Australia,
 New South Wales Branch,
September 2020
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Dear friend,

Upcoming Webinars

Alternative Careers Using Economics - ONLINE ONLY Wednesday 2 September - 4.30 AEST

Have you ever considered where studying economics might take you – aside from careers with the job title 'economist'? Join our panel as they discuss their career paths and where an economics degree has taken them (so far!). The SA Women in Economics Network (WEN) is very pleased to host this webinar as part of the national seminar program with the Economics Society of Australia (ESA).

Click [here](#) for more information and to register



ESA Events for Social Sciences Week

To coincide with **Social Sciences week** ESA are pleased to invite you to the following two events

Economic well-being: Is GDP the right measure - Gross Domestic Product, while used so often, has long been criticised as a less than perfect measure of economic well-being.

Regulation of digital platforms - Australian experience - The rise of digital platforms has come with many benefits for consumers and business, but also poses new regulatory challenges. Following the Australian Competition and Consumer Commission's (the ACCC)

Accelerating infrastructure project delivery post-COVID

With COVID-19 driving economic downturn in Australia and globally, the role for fiscal support, including infrastructure investment, will be critical in promoting recovery. There are several things governments can focus on to accelerate investment and strengthen the role infrastructure can play in bolstering growth- across project selection; accelerating the development process; mobilising for success and streamlining construction. In this session, we discuss some key insights for Australia, including through domestic and international case studies.

Shannon Cotter, Infrastructure Advisory Leader- Australia and New Zealand at EY, will lead a discussion on these ideas in an interactive session.

The NSW Women in Economics Network (WEN) is very pleased to host this webinar and look forward to welcoming you to this event.

About our Speaker

Shannon leads EY's Infrastructure Advisory team in Australia and New Zealand and specialises in providing advice on infrastructure and franchising projects within the transport sector. Shannon has advised on some of Australia's most high profile transport projects, including Sydney Metro, SA Rail Franchising, Victorian Rail Franchising, Sydney Ferries Franchising, Melbourne Metro, Port of Hastings, East West Link and Regional Rail Link. Shannon also spent six years advising the UK, Irish and Texan Governments on their rail franchising and toll road PPP programmes.

Registration and Joining this Webinar

To register please book online below. The link to join this webinar will be included in your auto-generated invoice email - please look out for this and keep it safe until the webinar is due to be broadcast. Note, these emails sometimes get caught in spam folders. The timing of this event is AEST.

Please also keep an eye out for webinar events from other ESA Branches. The Central Council [Calendar](#) has all this information.

Reading and Listening

If you missed the earlier webinars, you can listen to them via the Central Council website, including the latest event - **Ted Evans Public Policy Lecture with Professor Ian Harper on "The Human Dimension of Good Economic Policy-Making"** - Click [here](#) to listen.

Women in Economics has launched a fortnightly blog series by NSW WEN in partnership with National WEN and the NSW Economics Society of Australia (ESA). The articles discuss prominent economic issues and be written by our committee and network members. Click [here](#) to read.

The WEN site has also compiled a useful selection of podcasts - click [here](#) to listen

Latest News

At the Annual General Meeting held on Wednesday 12 August, a new Council was elected for 2020/2021. On behalf of ESA NSW, President Penny Smith acknowledged and thanked those Councillors from 2019/2020 who were no longer standing for election, namely Tony Bryant, Muheed Jamaldeen, Rachel Krust, and Howard Zhang.

Click [here](#) to meet your new Council

The legislated increases in compulsory super contributions should...

Australia's top economists oppose the next increases in compulsory super: new poll



Wes Mountain/The Conversation, [CC BY-ND](#)

Peter Martin, Crawford School of Public Policy, Australian National University

The five consecutive hikes in compulsory super contributions due to start next July should be deferred or abandoned in the view of the overwhelming majority of the leading Australian economists surveyed by the Economic Society of Australia and The Conversation.

Two thirds – 29 of the 44 surveyed – want the increases deferred or abandoned. Only 13 think they should proceed as planned.

An even larger majority, including some economists who want the increases to proceed, believe they will hit wage growth. Several are concerned they will hit employment.

Compulsory superannuation contributions are paid by employers.

But ahead of the most recent increase in compulsory super, from 9% of salaries to 9.5% in 2013 and 2014, the then Labor superannuation minister Bill Shorten said the increase would cost employers nothing because it would be [taken from wage rises](#).

More salary to super	
Scheduled increases	
July 2013	▲ 0.25% to 9.25%
July 2014	▲ 0.25% to 9.5%
<hr/>	
July 2021	▲ 0.5% to 10%
July 2022	▲ 0.5% to 10.5%
July 2023	▲ 0.5% to 11%
July 2024	▲ 0.5% to 11.5%
July 2025	▲ 0.5% to 12%
Employer contributions, % of salary	

Source: Australian Tax Office

“A portion of what would have been employees’ increases will go into compulsory savings,” he said.

That conventional wisdom has since been challenged in work funded by the [superannuation industry](#) and has been examined extensively in the [retirement income review](#) at present with the government.

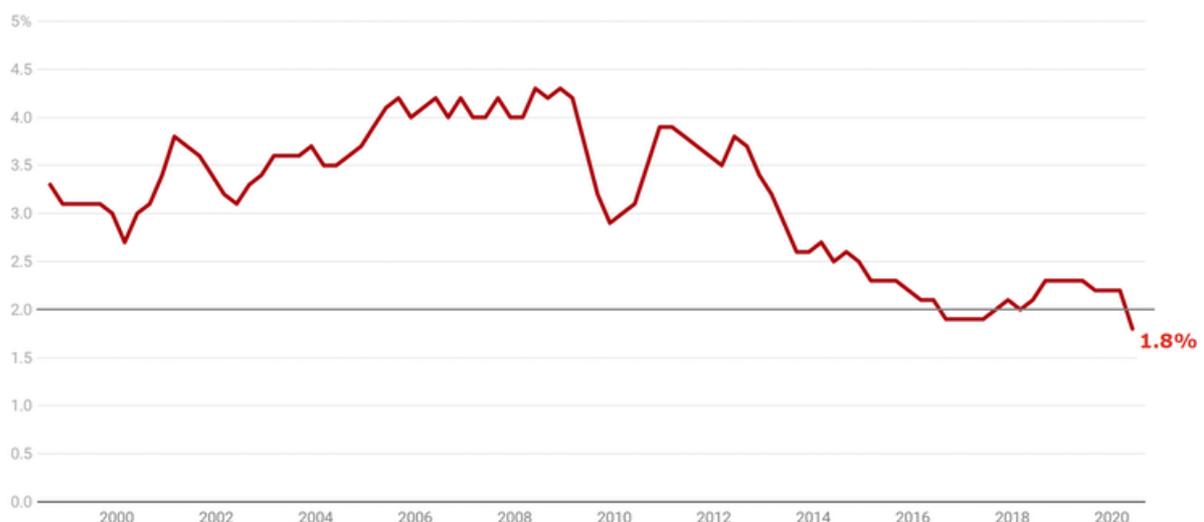
The two most recent increases in compulsory superannuation in 2013 and 2014 were small by design – 0.25% of salary each.

The next five increases, originally due to begin in 2015 but postponed to start in July 2021, are much bigger – 0.5% of salary each – at a time when wage growth is much smaller.

In 2012 Shorten was expecting wage increases of 3-4% and “assuming that a quarter of a per cent of that 3% to 4% may well go into your compulsory savings”.

Wage growth has since slipped to 1.8%, the lowest on record. If the best part of 0.5% is taken out of that each year for the next five years it is unlikely to climb.

Wage growth has slipped to 1.8%



The 44 members of the Economic Society's [57-member panel](#) who responded include Australia's preeminent experts in the fields of microeconomics, macroeconomics economic modelling, labour markets and public policy.

Among them are former and current government advisers and a former head of the Australian Fair Pay Commission and member of the Reserve Bank board and a former member of the Fair Work Commission's minimum wage panel.

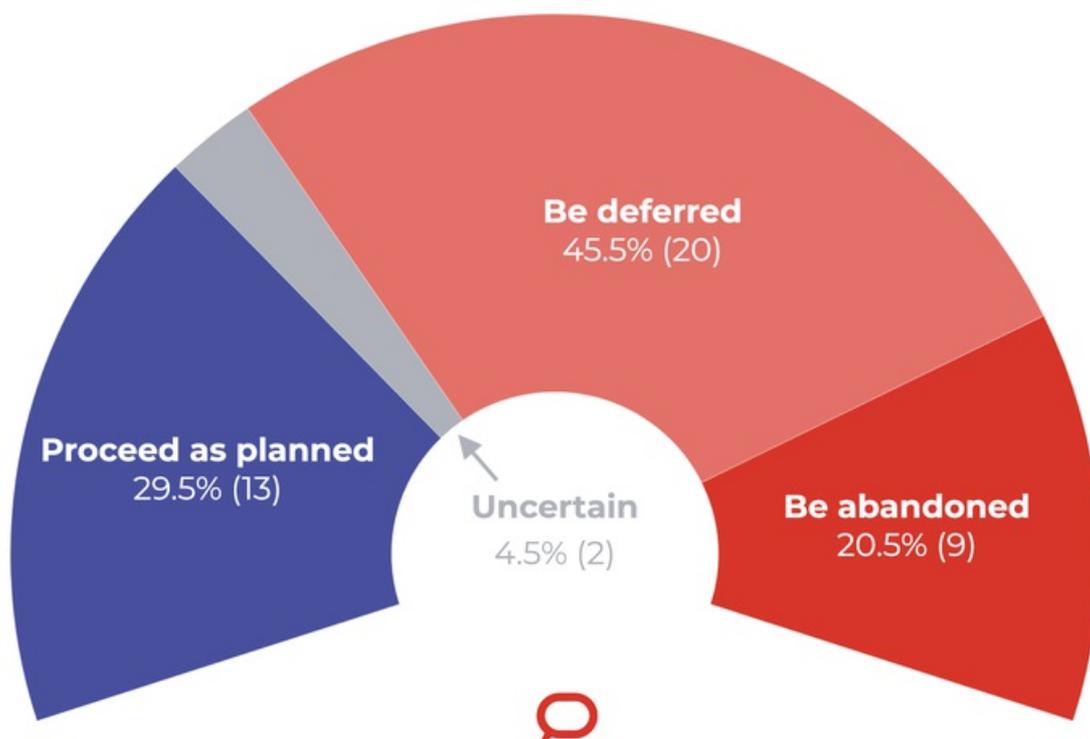
Read more:

[5 questions about superannuation the government's new inquiry will need to ask](#)

Each was asked whether the legislated increases in compulsory super contributions should proceed as planned, be deferred or be abandoned.

Only 13 of the 44 thought the increases should proceed as planned. 29 thought they should be deferred or abandoned, nine of them preferring they be abandoned altogether.

Responses from 44 economists to the question: "The legislated increases in compulsory super contributions, which are set to climb from 9.5% of wages to 12% over the next five years, should..."



Source: The Economics Society of Australia

Economists Society of Australia/The Conversation, [CC BY-ND](#)

Those who thought they should be deferred argued that now is "not a time to encourage saving". In the current circumstances we should be "far more worried about spending power today than in the golden years of present-day workers".

Economist Saul Eslake said he had changed his mind. The latest evidence (which will be updated in the [retirement income review](#)) suggests that the current 9.5% so-called [super guarantee](#) will be enough to provide most people with an adequate income in retirement .

“In saying that I acknowledge that there is still a significant problem with regard to the adequacy of superannuation savings for women relative to men, but I don’t see how raising the super rate for everyone to 12% solves that problem,” he said.

“Not a time to encourage saving”

Economic modeller Janine Dixon said it was not clear that the optimal contribution was 12% rather than 9.5%. The increase would force some households into [greater debt](#). While this would pose a risk to economic stability at any time, Australia could “not afford to let the household sector weaken further at present”.

Economist Geoffrey Kingston said anyone who felt 9.5% was not enough remained “free to make voluntary contributions”.

Among those believing the increases should proceed as planned were two former politicians, Labor’s Craig Emerson and former Liberal leader John Hewson.

Emerson said 9.5% was “considered inadequate by the burgeoning retiree population”. Without an increase, that population “would successfully demand increased pension levels from the Commonwealth”.

Opponents more confident

Hewson said compulsory super had become a fundamental part of an effective retirement incomes strategy and, COVID and economic collapse notwithstanding, we should “finish the job”.

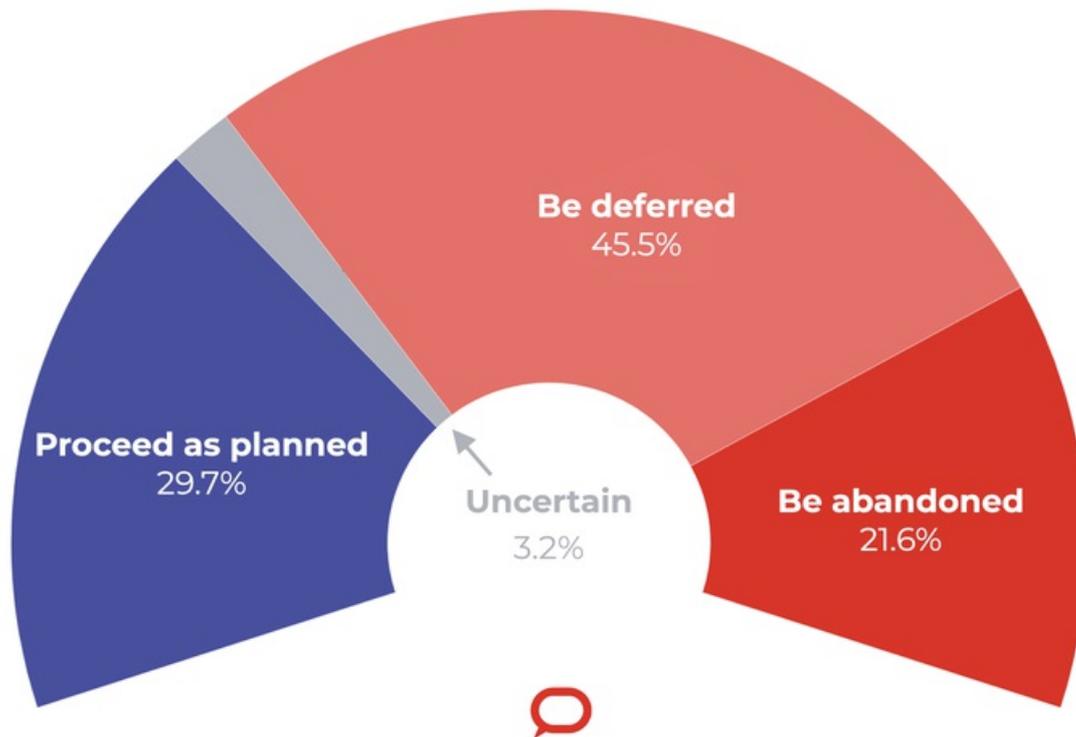
Sue Richardson, a former member of the Fair Work Commission’s wage panel, believed any deferral might lead to another deferral and be “hard to recoup”.

The economists were asked to rate their confidence in their responses on a scale of 1 to 10.

Unweighted for confidence, 20.5% of those surveyed wanted to abandon the increases altogether. When weighted for confidence, that proportion climbed to 21.6%. The proportion that wanted the increases either deferred or abandoned climbed to 67.1%

Responses **weighted** by confidence:

“The legislated increases in compulsory super contributions, which are set to climb from 9.5% of wages to 12% over the next five years, should...”



Source: The Economics Society of Australia

Asked whether the increases were likely to be largely paid for via slower wage growth than otherwise, 30 of the 44 economists agreed. Only eight disagreed.

Economist Nigel Stapledon said this “should not be controversial”.

Private sector economist Michael Knox said: “unless one lives in an unreal world, increases in superannuation guarantees are funded by employers out of the total wage the worker might otherwise receive”.

Super and wages come from the same pool

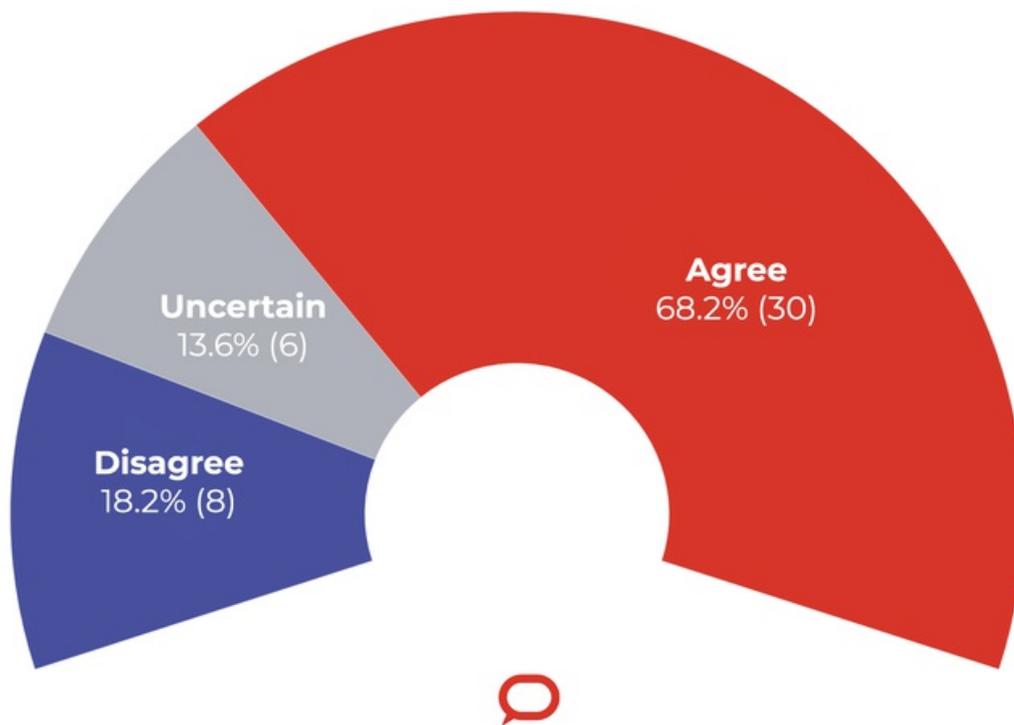
Several enterprise bargains explicitly make a trade-off between wages and superannuation, providing for wage increases that will be **0.5 points higher** should compulsory super contributions not climb by 0.5 points.

Economist Alison Booth said if employers weren’t able to trim wage rises to pay for the scheduled increases in super contributions, they might “attempt to adjust on other margins”.

In a recession, when workers lack bargaining strength, “employers could coerce them to accept other adjustments to their contracts”.

Responses from 44 economists to the proposition:

"Increases in compulsory super contributions are likely to be largely paid for via slower growth than otherwise in workers' wages"



Source: The Economics Society of Australia

Economists Society of Australia/The Conversation, [CC BY-ND](#)

Two of the eight economists who disagreed with the proposition that the increases in compulsory super would come at the expense of wages thought that employers wouldn’t grant wage rises anyway. Increases in super contributions might be one way for employees to get something.

A concern among both those who agreed and disagreed was that if the increase didn’t come at the expense of wages, it would push up the cost of hiring and come at the expense of jobs.

“Inflation is very likely to be very, very low and wages to be sticky,” said government advisor Matthew Butlin.

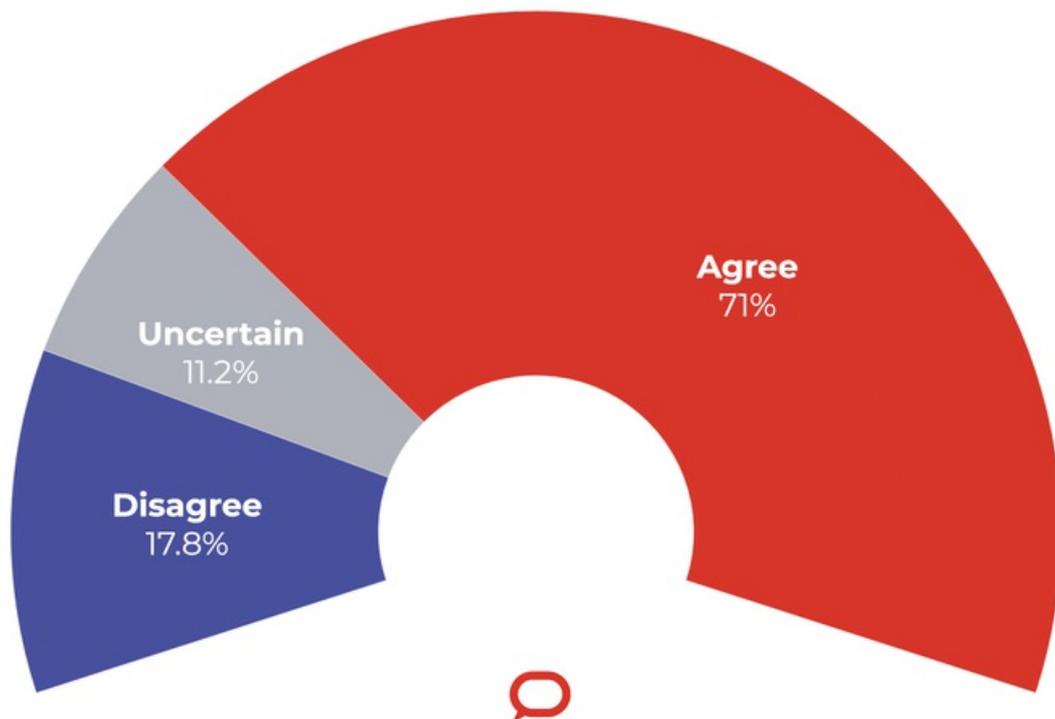
A drag on jobs if not wages

“Higher superannuation payments in an environment where wages are unlikely to rise and cannot fall will raise real labour costs and reduce the incentive to employ.”

Economic modeller Janine Dixon said that while over time the increase in contributions would probably come from wages, the immediate impact would be to increase the cost of hiring, "which is an unacceptably large risk in the present climate".

When adjusted for confidence, the proportion of those surveyed expecting the increases to largely paid for via slower wage growth climbed from 68.2% to 71%. The proportion disagreeing fell from 18.2% to 17.8%.

Responses **weighted** by confidence:
"Increases in compulsory super contributions are likely to be largely paid for via slower growth than otherwise in workers' wages"



Source: The Economics Society of Australia

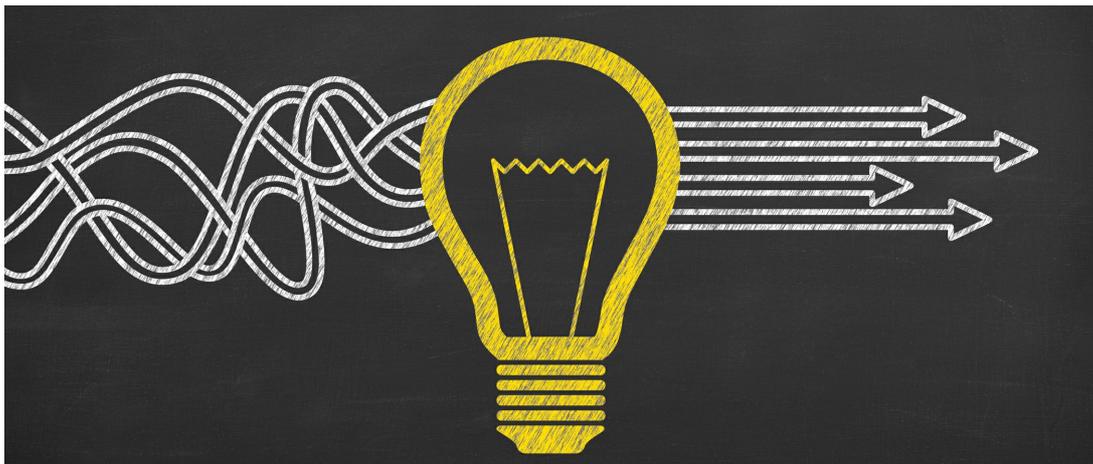
Economists Society of Australia/The Conversation, [CC BY-ND](#)

Individual responses

Peter Martin, Visiting Fellow, [Crawford School of Public Policy, Australian National University](#)

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Virtual Policy Hackathon - Results



We're very excited to announce our winning teams

Joint first prize winners:

- Accelerating Priority Transmission Projects: Nick Vernon, Agrata Verma, Bella Hancock. Mentored by Danielle Wood.
- Fast-tracking projects to upgrade the Australian Transmission Network: Patrick Sweeney, Sam Edge, Elke Taylor, Jacob Keillor, Timothy Meng Junn Fong. Mentored by Kenneth Clements.

Runner-up:

- JobStarter - A HECS-based SME loan scheme for priority industries: Harry Tod, Tom Tod, Angela Vumbaca, Theresa Choy. Mentored by Gigi Foster.

Congratulations to all participants on excellent and thought-provoking proposals and we hope you found the experience enjoyable and motivating. We'd also welcome any feedback on the event that you may wish to share (via email), and would be happy to connect with you about how you can get involved with ESA. [Contact Us](#).

Judges' statement

Joint first prize winners -

- *Accelerating Priority Electricity Transmission Projects and*
- *Fast-tracking projects to upgrade Australian Transmission Network*

Policy hacks are most useful where the market or the government isn't getting the job done. The hack that these two groups independently came up with would expedite priority electricity transmission projects to help ensure renewables can connect to the grid, something neither the market nor the government is managing to do quickly.

The Integrated System Plan released by the Australian Energy Market Operator has identified more than 15 projects that will be needed to make the grid work over the next 20 years. One, Project

EnergyConnect, which would link NSW and South Australia, is urgent.

The teams recommend shrinking the usual four to five year process of commissioning a transmission upgrade by underwriting the early stages of projects with Commonwealth and state government funds and performing tasks in parallel.

Alongside the ongoing benefits of a decentralised grid and lowered barriers to entry for suppliers would come jobs, needed right now.

We found the proposals to be practical, with clear and already demonstrated lasting benefits and to be ready for implementation.

Runner up:

JobStarter - A HECS-based SME loan scheme for priority industries

Judges comments: While in normal times the panel would look askance at the idea of advancing money to startups that might never have to be repaid, in the present circumstances, with so few businesses willing to take risks, the proposed hack could help solve a problem.

It builds on Australia's most successful public policy export, income contingent loans, at first introduced as part of the Higher Education Contribution Scheme.

It would provide a profit-contingent loan of up to \$500,000 per annum to startups and early-stage small and medium sized enterprises, to be repaid only if the venture made a profit.

The funds would be set aside for priority industries in which Australia either had a comparative advantage or saw significant growth potential.

The panel sees dangers. By design unsuccessful businesses wouldn't repay, and successful ones might be able to manipulate their reported profit to minimise repayments. But in the present circumstances even wasted spending supports the economy. If it encourages new enterprises and risk-taking, that's a bonus.

General Comments

The projects we were the least attracted to were those that proposed developments that would probably happen anyway. We were similarly wary of those that suggested changes so big they were more of a revolution than a hack.

A remarkably common theme underlying many of the proposals was digital delivery, whether it be for matching skills to needs and education, online learning, telehealth or a change in the way companies are taxed. Although not obviously related to the coronavirus crisis, many of these ideas would have seemed far less realistic were it not for the role of the crisis in accelerating our take-up of digital technology.

The proposals convince us that there are innovative practical hacks out there. We are grateful to the entrants for bringing them to our attention, and grateful to the mentors for helping them draw out their ideas.

Alison Booth, Peter Martin, Jeremy Thorpe

Careers and Graduate Opportunities

Advertising an economics position on the ESA website is a good way to get wide exposure for a role. If you would like to advertise a role on the website, please contact our [administrator](#) for more information. There is a small fee of \$110 inc GST.

Current opportunities include:

Parliamentary Budget Office

Assistant Director – Various Divisions

- Parliamentary Executive Level 1
- Full-time on-going
- Parliament House, Canberra
- \$112,508–\$129,905 per annum + attractive employer superannuation

About the Parliamentary Budget Office

The Parliamentary Budget Office (PBO) supports the Parliament by providing independent, authoritative and non-partisan analysis of budgetary issues and the fiscal cost of policy proposals. In light of the current fiscal situation, the PBO is in a unique position to support the Parliament and general public at this critical time through analysis that is timely and relevant.

The PBO's role comprises three main elements, which are to:

- enable fiscal impacts to be considered during policy development by providing policy costing and budget analysis services to all parliamentarians
- improve public understanding of budget and fiscal policy issues by conducting and publishing research in these areas
- enhance transparency around election commitments by preparing a post-election report on the budget impacts of the election commitments of parliamentary parties.

About the roles

The PBO is seeking people with an aptitude for analysis to work in either of the two analytical areas of the PBO (Budget Analysis Division and Fiscal Policy Analysis Division).

While successful applicants will be offered roles in an area focused primarily on either undertaking costings of policy proposals (Budget Analysis Division) or conducting budget research (Fiscal Policy Analysis Division), the PBO supports mobility within the organisation as part of career development and expects Assistant Directors to undertake work across both of these functions at times in response to peak pressures. There are annual opportunities for rotations and opportunities to be seconded across areas for particular projects including cross-division projects that provide opportunity for staff to contribute to and lead organisational change, and have significant exposure to the PBO's Executive and agency head.

Duties

The duties of the position vary across the two analytical Divisions.

The primary focus of Budget Analysis Division is preparing estimates of the costs of policy proposals for parliamentarians. The duties in the Division include:

- being the lead analyst for the preparation of costings and evaluations of revenue proposals (Revenue Analysis Branch) and expenditure proposals (Program Analysis Branch)
- analysing large datasets using tools such as SAS and Excel
- building and/or adapting models and frameworks to analyse the budget
- applying strong written communication skills to the drafting of costings, costing evaluations and published reports that are accessible to a wide audience
- working across the PBO and with other organisations to obtain data and information to assist with costings, costing evaluations and PBO research reports and to test and communicate our findings
- assisting unit managers with supervising, guiding and mentoring staff and providing leadership to small project teams
- contributing to the preparation of PBO research reports, including analysing budget and economic data to provide insights into budget and fiscal policy settings
- contributing to external engagement activities, including presenting on PBO models and reports.

The primary focus of Fiscal Policy Analysis Division is conducting quantitative analysis and publishing research papers on budget and fiscal policy matters. The duties in Fiscal Policy Analysis Division include:

- being the lead analyst for the preparation of several PBO research reports each year, including building and/or adapting models and frameworks to analyse the budget
- applying strong written communication skills to the drafting of published reports that are accessible to a wide audience
- contributing your technical expertise and understanding of the budget and fiscal policy matters to help shape and deliver the research program
- assisting unit managers with supervising, guiding and mentoring staff and providing leadership to small project teams
- working across the PBO and with other organisations to obtain data, test and communicate the findings of our research, and enhance our understanding of the budget
- contributing to external engagement activities, including presenting on research papers
- undertaking costings of revenue and expenditure proposals as required with appropriate training to respond to periods of elevated demand for costings from parliamentarians.

Contact officer: Amanda Bruce (02) 6277 9520 or Amanda.bruce@pbo.gov.au

For further information and how to apply, go to the PBO's recruitment page at https://www.aph.gov.au/About_Parliament/Employment/Parliamentary_Budget_Office

Applications close Sunday 13 September at 11:30pm AEST

Research Fellow

- **Salary Package:** Level A – \$93,830 to \$100,559 plus 17% employer's superannuation and annual leave loading

- **Appointment Type:** Full-time, fixed-term – 3 years

- **Macquarie University (North Ryde) location**

The Role

Our research centre is seeking a talented Research Fellow with skills relevant to health economics to contribute to a series of key research projects. The successful applicant will work collaboratively with an extended team of researchers producing various publications. You will also be expected work alongside and engage with senior academics and various government and industry bodies.

About You

You will have completed a graduate qualification that is related to the field of health economics, whilst demonstrating experience in health-related industries or tertiary environments. An ability to apply your high level written skills including analysing, interpreting and modelling, is fundamental to the delivery of impactful reporting. Your effective communication and collaborative approach to working with others will ensure you perform effectively within an inter-disciplinary and external context.

About Us

Macquarie University's Centre for Economic Impacts of Genomic Medicine (GenIMPACT) is a strategic initiative to undertake innovative research on the impact of genomic medicine and the impact of health on productivity and socioeconomic outcomes more broadly. Our vision is to provide research excellence with high policy relevance. Our work on genomics is built on our internationally recognised research program on the impacts of ill health on capacity to work and its cascading impacts on income, superannuation and savings, income in retirement for individuals, and increased welfare payments and reduced taxation revenue for the government.

We have an extensive multidisciplinary collaborative network spanning other academic organisations, government, private industry and non-government organisations. Our research has been influential in the formulation of public policy.

Macquarie is a university engaged with the real and often complex problems and opportunities that define our lives. Since our foundation 54 years ago, we have aspired to be a different type of university. Over the years, we've grown to become the centre of a vibrant local and global community. [Connect with us today.](#)

To Apply

To be considered for this position, please apply [online](#) by submitting your CV and a separate cover letter that demonstrates how you meet the following selection criteria:

Selection Criteria:

- An undergraduate qualification in health economics or related qualifications (e.g. epidemiology)
- Outstanding written skills with experience in producing publications in academic journals an advantage.
- Proven teamwork and relationship building skills, including the ability to contribute to collaborative research.
- Excellent quantitative, data analysis and statistical skills.
- Excellent communication skills.
- Demonstrated time management skills and ability to work to deadlines.

Desirable:

- Familiarity with the Australian health care system.
- Experience working with senior academics and industry partners.
- Commitment and ability to supervise research students.

Specific Role Enquiries: Please contact our Centre on fbe-genimpact@mq.edu.au

Application Submission: <https://jobs.mq.edu.au/en/job/508119/research-fellow>

Applications Close: Thursday, 10 September 2020, 11:55pm (AEST)

At Macquarie University, we are committed to providing a working environment where each individual is valued, respected and supported to progress. Our priority is to ensure culture, policies and processes are truly inclusive and that no-one is disadvantaged on the basis of their Aboriginal and Torres Strait Islander identity, gender, culture, disability, LGBTIQ+ identities, family and caring responsibilities, age, or religion. We encourage everyone who meets the selection criteria and shares Macquarie University's values of scholarship, empowerment and integrity to apply.

Learn more about our progress towards [Equity, Diversity and Inclusion](#).

Research Fellow or Senior Research Fellow - Economic Modeller, Centre of Policy Studies

Academic B \$111,194 - \$132,043 per annum, Academic C \$136,213 - \$157,060 per annum (inclusive of 17% employer superannuation). This is a full time (36.75 hours per week) fixed term 1 year appointment with the expectation of ongoing renewal subject to satisfactory performance.

- Join a world-leading research institution
- Work in a high performing and motivated team
- Located at our City Flinders campus

About the Organisation

Victoria University aims to be a great university of the 21st century by being inclusive rather than exclusive. We champion the student, not the institution. As the university of opportunity and success, we will be open and excellent, creating exceptional value for any student from any background and uplifting the communities in which we operate. Victoria University has a distinctive dual-sector structure, supporting stronger education and career pathways. The university aspires to deliver a learning and teaching experience that empowers a diversity of students to grow their capabilities and transform their lives for the better.

About the Role

An opportunity exists for a highly motivated researcher with strong quantitative skills to join the economic modelling team at the Centre of Policy Studies (CoPS) at Victoria University. CoPS specialises in the development and application of large-scale computable general equilibrium (CGE) models. CoPS' staff are the creators of a number of high profile CGE models, and the CGE modelling software package, GEMPACK, used in over 95 countries. Each year, CoPS undertakes contract research studies for private and public sector agencies around the world. Recent CoPS studies have covered a wide range of policy topics in such diverse areas as: tax, trade, macro policy, climate change, water policy, banking and finance, migration, major projects, microeconomic reform, transport, and labour markets. Working under the broad direction of the Director of CoPS and other senior CoPS staff, the researcher will be required to undertake research in the development, application and/or computation of large-scale economy-wide models.

About the Person

You will have a strong background in applied economics or a relevant quantitative background in applied mathematics or computer science, and value the importance of detailed quantitative analysis in informing evidence-based decision making in economics. The position represents an excellent opportunity for a person with the necessary modelling skills to join and play a valued role in this highly regarded research centre. Familiarity with computable general equilibrium modelling is desirable, but we would also welcome inquiries from candidates with skills in either a related area of economy-wide modelling, such as DSGE or macro econometrics, areas of applied mathematics or computer science relevant to the solution of large-scale models, or large-scale economic modelling of urban, regional or transport systems.

Duties

Duties will include:

- Undertaking economic research for diverse funding agencies, nationally and internationally
- Undertaking development of large-scale economic models
- Training others in the development and application of large scale economic models

Skills & Expertise

A full list of selection criteria is available in the Position Description

Benefits

- Salary sacrifice options
- Professional development opportunities
- Flexible working arrangements available
- On-site gym and more!

How to apply

For a Position Description and to submit an application please visit our website www.vu.edu.au/jobs

Applications must be submitted as ONE PDF document comprising;

- A cover letter
- Your CV
- Your responses to the selection criteria listed in the Position Description

Please note: *Applications which do not address the selection criteria will not be considered.*

Applications close 4.00pm Wednesday 23 September 2020

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