

January 2018 | 04

BCEC

Bankwest Curtin Economics Centre

Newsletter

The latest news on BCEC's
research activities, publications,
events and people

bankwest



Curtin University



INSIDE THIS ISSUE:

BCEC wraps up 2017 with award wins 2

BCEC launches its first book, Perth's Infill Housing Future 4

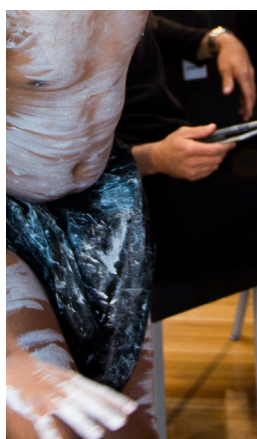
BCEC Quarterly Economic Commentary 6

PhD scholar Sara Hodgkinson shares her research 10

Upcoming Events 11

The Price is Right? BCEC examines the cost of living in WA 12

Staff in Focus 14





From the Director

As 2017 came to an end, we had many reasons to celebrate. Last year was the Centre's most successful yet, as evidenced by a suite of award wins for our research activities and the impact they have had. My warmest congratulations to [Rebecca Cassells](#), [Rachel Ong Viforl](#), [Mike Dockery](#) and [Richard Seymour](#) for their award successes. These awards stand alongside BCEC's strong commitment to the effective communication and engagement of our research activities, which will remain a core focus of the Centre in 2018.

Another terrific achievement for the Centre was launching [our first book](#), which delves into the complex topic of infill housing. This truly collaborative book included authors from across Curtin University, with substantial engagement with industry and government. My congratulations to the three book editors and numerous authors for delivering such an insightful look into Perth's housing future.

This form of collaboration is embedded in all of BCEC's research activities, and was something we drew upon for our [After the Siren](#) report, launched in September. With support from the Western Australian Football Commission, BCEC produced invaluable research into the community benefits of Indigenous participation in Australian Rules Football, which found compelling evidence of the benefits that sport, and AFL in particular, bring to the health and education outcomes of Indigenous communities.

In December 2017, BCEC also launched its first WA [Quarterly Economic Commentary](#) and a comprehensive report on the [Cost of Living in WA](#). As we look to the year ahead and the economic challenges and opportunities that face Western Australia, these research outputs will serve to support the strong evidence-base needed to inform good public policy. We look forward to continuing this work over the coming year and producing influential research that will contribute to the wellbeing of West Australian families, businesses and communities.

Professor Alan Duncan
Director,
Bankwest Curtin Economics Centre

AWARDS AND ACHIEVEMENTS

BCEC WRAPS UP 2017 WITH AWARD WINS

BCEC certainly had much to celebrate as 2017 came to a close, with a number of staff scooping up awards at the end of the year.

Two senior BCEC staff received accolades during Curtin University's annual Media Awards, which recognise academic staff who have made outstanding contributions to raising Curtin University's share of positive media coverage.

[Associate Professor Rebecca Cassells](#), BCEC's Head of Research Impact and Engagement Strategy, was awarded the prestigious Curtin University Most Prolific Media Commentator award.

Rebecca has appeared regularly on TV, radio and print media over the course of the year, providing expert commentary and analysis across a host of topics relating to gender equity, public policy, educational outcomes, labour markets and workplace wellbeing.

BCEC Deputy Director [Professor Rachel Ong Viforl](#) won the 2017 Curtin University award for the highest number of articles published in *The Conversation*.

Rachel published eight articles between October 2016 and June 2017 on a range of topics relating to home ownership, housing affordability, housing policy, household and mortgage debt, and WA's economic future, all of which are available to read on our website.

Congratulations also to [Dr Richard Seymour](#), BCEC Research Fellow and [Associate Professor Michael Dockery](#), BCEC Principal Research Fellow, for receiving the *Economic Analysis and Policy* Best Paper for 2017 award.

Their article, '[Are there institutional differences in the earnings of Australian higher education graduates?](#)', co-authored with Paul Koshy at the National Centre for Student Equity in Higher Education, was judged to be the paper with the greatest current or future policy relevance to be published in the Journal in 2017.



BCEC FEATURE SERIES

After the Siren launches with community celebration

BCEC's Feature report, [*After the Siren: The community benefits of Indigenous participation in Australian Rules Football*](#), was launched on Thursday 14 September, and reveals the numerous benefits that participation in sport, and AFL in particular, bring to Indigenous Australians.

What is clear from the report findings is that AFL is an inclusive sport that offers wide accessibility irrespective of socio-economic background. The report also highlights the broader role AFL can play in a community, by being the conduit through which community programs targeted at health and safety can be delivered, and the means through which communities can be brought together.

The report was launched at a community celebration that included guest panellists Kirby Bentley from the Fremantle Dockers Women's Team, Narelda Jacobs from Channel Ten, former AFL player Chance Bateman, Gavin Taylor from the WA Football Commission and Duncan Ord OAM, Director General of the Department of Local Government, Sport and Cultural Industries.



Mr Craig Spencer, Head of Community Engagement, Bankwest; Dr Sean Gorman, Senior Research Fellow, School of Media, Culture and Creative Arts, Curtin University; Ms Kirby Bentley, Vice-Captain, Fremantle Dockers Women's Team; Associate Professor Mike Dockery, Principal Research Fellow, Bankwest Curtin Economics Centre; Ms Narelda Jacobs, Journalist, Network Ten; Mr Chance Bateman, Hawthorn Football Club Premiership Player and Employment Mentor at the Wirrpanda Foundation; Mr Gavin Taylor, Chief Executive Officer, Western Australian Football Commission and Mr Duncan Ord OAM, Director General, Department of Local Government, Sport and Cultural Industries.

After the Siren aims to build on the narrative of Indigenous peoples' participation in football at a grass-roots level, and the associated individual and community level outcomes. It is based on analyses of data from the 2014-2015 National Aboriginal and Torres Strait Islander Social Survey (NATSISS), supplemented by interviews with a number of stakeholders in West Australian communities.

The report found Indigenous children who participate in AFL have better physical and mental health than those who don't. Children who played football were 6 per cent less likely to be assessed as having learning difficulties due to health issues. In addition, Indigenous boys living in remote Australian communities have a 20 per cent lower truancy rate if they play AFL.

Like all sports, problems do exist and the findings in this report offer an entry point through which we can begin to address these. There is enormous potential to widen the benefits of participation in AFL to Indigenous Australians though greater investment in structured AFL competitions and programs in remote communities, where none currently exist, and through the exciting emergence of the AFL Women's League.

Associate Professor Dockery also authored an article in [*The Conversation*](#), detailing the report findings. You can also view media coverage of the report on [*National Indigenous Times*](#), [*WA Today*](#) and [*The Examiner*](#).

"There is a very powerful narrative unfolding within this report: stories of successful Aboriginal footballers. These stories build on the assets, strengths and the culture of Australian Indigenous people."

Mr Duncan Ord OAM
Director General of the
Department of Local Government,
Sport and Cultural Industries



BCEC LAUNCHES ITS FIRST BOOK, PERTH'S INFILL HOUSING FUTURE: DELIVERING INNOVATIVE AND SUSTAINABLE HOUSING



Mr Troy Leber, Head of Property Finance, Bankwest; Professor Alan Duncan, Director, Bankwest Curtin Economics Centre; Mr Gavin Hegney, Director, Gavin Hegney Property; Ms Marion Fulker, Chief Executive Officer of Committee for Perth; The Hon. Peter Tinley AM MLA, Minister for Housing; Veterans Issues; Youth; Ms Gail McGowan, Director General, Department of Planning, Lands and Heritage; Professor Rachel Ong ViforJ, Deputy Director, Bankwest Curtin Economics Centre; Professor Deborah Terry AO, Vice-Chancellor, Curtin University; Mr Rowan Munchenberg, Managing Director, Bankwest and Associate Professor Steven Rowley, School of Economics and Finance, Curtin University.

BCEC launched its inaugural book, [*Perth's Infill Housing Future: Delivering Innovative and Sustainable Housing*](#), on Friday 20 October.

The book brings together a wealth of data, analysis and commentary on the state of Perth's infill housing sector, a sector vital in delivering a significant proportion of the housing required to meet future population growth.

In his opening remarks, The Hon. Peter Tinley AM MLA, Minister for Housing; Veterans Issues; Youth, said the book and contributions made by all involved offer thoughtful perspectives and provide a forward-thinking approach to the way we can address and deliver infill development.

"The book provides insights that are fundamentally important to the way we unlock the potential and opportunities that are necessary to increase rates of infill development, in order to meet the government's aspirational target of 47 per cent infill. There have been various conversations within government on how we might mandate that target and how we might drive it in legislative terms. It's a very difficult prospect," Minister Tinley said.

Launching the book, Editor Associate Professor Steven Rowley, from the School of Economics and Finance at Curtin University, discussed key findings including the roles of planning systems, infrastructure investments, community engagement and design-led innovations in promoting infill development, as well as the opportunities that infill housing presents for enhancing city sustainability.

"Over the past few years, we've seen an increase in the rate of infill development, up six per cent between 2013 and 2015, but this varies dramatically across Perth. Infill development currently stands at 34 per cent, which is well below the State Government's target of 47 per cent," Associate Professor Rowley said.

"Between 2011 and 2016, there was a slight reduction in the proportion of new housing made up of separate dwellings, indicating an increase in the number of medium and high density developments such as units and apartments.

"We expect this trend to continue, as more households seek affordable opportunities in central locations – close to quality amenities including transport links. However, this requires a change from the traditional Perth model of greenfield development to an increase in medium and higher density housing options."

Associate Professor Rowley also called on local governments to deliver the conditions necessary to attract private investment in infill development.

"Development opportunities arising from Metronet have the potential to deliver precinct-type developments and a range of infill housing options if planned correctly," Associate Professor Rowley said.

"Perth has already demonstrated how it leads the way in many aspects of sustainability and this book provides a number of examples to support this claim."



"The book provides insights that are fundamentally important to the way we unlock the potential and opportunities that are necessary to increase rates of infill development, in order to meet the government's aspirational target of 47 per cent infill. "

The Honourable Peter Tinley AM MLA
Minister for Housing; Veterans Issues; Youth



Mr Gavin Hegney, Director of Gavin Hegney Property, said the book explores unique aspects of the Perth housing market and the impact of the State's boom and bust market on housing.

"Western Australia has built more individual housing per capita than any other state and therein lies the opportunity and the challenge. The book's chapter on Housing Demand, Diversity and Affordability are three areas of interest to me as it outlines the ambitious targets set within strategic planning documents including Directions 2031 and Beyond," Mr Hegney said.

"The book discusses the current targets, which are down at almost 20 per cent, and you can see we're going to have to play catch up at some stage to meet that overall target average. It talks about the State Planning Strategy 2050 which recognises more diverse housing delivery and the importance of location – on transport hubs and transport corridors."

Ms Marion Fulker, Chief Executive Officer of Committee for Perth said the book allows us to reflect on what the community value most in housing developments, and to ensure they are engaged during the planning process.

"It's about adding quality of life, if people are going to be trading off one thing against the other. We need to consider what the community feel is being forced upon them. Households seek affordable opportunities in central locations – close to quality amenities including transport links," Ms Fulker said.

"Flexible planning regulations are needed to accommodate innovative housing solutions and we should not squander the opportunity for Metronet to connect our suburbs, reduce road congestion and meet Perth's future planning needs, and it's very much about taking that precinct approach."

Ms Gail McGowan, Director General for the Department of Planning, Lands and Heritage said we often get distracted by debates over density that seem to always

imply that density and choice is a bad thing.

"I think, as the book examines, we need to look at the whole landscape through a much broader lens. And as the book outlines, we are in a state of transition and we have to keep the spotlight firmly on how we want our city to grow and develop. We must be mindful of all the factors that help create a sustainable vibrant sense of place that makes a true community," Ms McGowan said.

Curtin University Vice-Chancellor, Professor Deborah Terry AO said how we respond to the economic and social challenges of our time – as a nation, as a state, and importantly as a community – is increasingly driving debate across all levels of government and all sectors.

"In this environment, the Bankwest Curtin Economics Centre has a critical role to play as an authoritative, independent and trusted source that can deliver the evidence-base needed to inform many of these debates, and ultimately good public policy for the people of Western Australia."

"WA Treasurer The Hon. Ben Wyatt MLA, a frequent attendee at BCEC events, has commented 'The BCEC is WA's signature think tank on public policy – and BCEC's research has been of great use in informing public policy debate,'" Professor Terry said.

Closing the event, Mr Troy Leber, Head of Property Finance at Bankwest said this book, the BCEC's first, is yet another valuable and important addition to the suite of forensic research reports released by the BCEC.

"The book looks at not only the current situation here in Perth, but also looks to the future, providing a roadmap for developers and planners who'll have to contend with housing Perth's growing population," Mr Leber said.

"Innovation in design and technology are going to be critical for developing sustainable and innovative housing."





RESEARCH HIGHLIGHTS

BCEC QUARTERLY ECONOMIC COMMENTARY



Alan Duncan

Director
Bankwest Curtin Economics Centre



Rebecca Cassells

Principal Research Fellow
Bankwest Curtin Economics Centre



Daniel Kiely

Senior Research Fellow
Bankwest Curtin Economics Centre

BCEC launched its first [Quarterly Economic Commentary](#) (QEC) in late December 2017. The QEC provides expert insights into the latest economic and social trends for Western Australia and how these compare to other states and territories. The first BCEC QEC reveals a relatively positive economic picture for the State, but more upswing for 2018, and relationships aren't necessarily what they used to be.

MIXED SIGNALS IN 2017 MAKE 'CAUTIOUS OPTIMISM' THE NEW YEARS MESSAGE

Recent Gross State Product (GSP) figures reported a 2.7% contraction in the year to June 2017, making WA the only state to report negative GSP growth in the last year. This led to some siren voices crying "recession", with accusations fired across the Nullarbor that WA was "letting Australia's economy down" by not contributing to national GDP growth.

Yet context is important. WA's annual economic growth has averaged 4.9% during a decade of unprecedented resources-fuelled economic expansion. Despite the most recent decline, WA's per capita GSP still sits at \$90,500 – far in excess of every other state, and \$20,000 above that of NSW.

Twitter: [@Alan_S_Dunc](#)

Email: alan.duncan@curtin.edu.au

"WE'RE BREAKING UP": IRON ORE AND INTERSTATE MIGRATION

The marriage between iron ore prices and interstate migration has held for more than 15 years in the West, but recent activity shows a divergence between the two. In fact, in the 2016-17 financial year, WA saw an overall population loss stemming from

interstate migration of 11,760 people, while at the same time the iron ore price lifted from \$69 to \$92 per tonne between 2015-16 and 2016-17. The relationship clearly isn't what it used to be.

Twitter: [@BeckCassells](#)

Email: rebecca.cassells@curtin.edu.au

HAVEN'T WRITTEN YOUR LETTER TO SANTA YET? ADD 'MORE UPSWING FOR 2018 PLEASE'!

Following the much documented and continuing decline in business investment, for some time now, WA has been experiencing relatively high unemployment, low wage growth and slow population growth. Together, these are keeping household consumption and retail trade growth at very low levels. While there are some indications that we are reaching the bottom, and perhaps turning the corner, looking at the results of newly

released economic data is a little like taking a long drive with the kids – 'are we there yet?'. Sustained business and consumer confidence into 2018 would be a welcome present this Christmas, leading to further employment growth, wage growth and in turn greater household consumption and retail spending. However, it will be well into 2018, and perhaps beyond, before the full fruits of such gifts will be borne.

Twitter: [@Daniel_F_Kiely](#)

Email: daniel.kiely@curtin.edu.au

WA ECONOMIC OVERVIEW



How is our economy doing?

GSP \Downarrow 2.7%

Year-on-year growth (June 2017)

SFD \Uparrow 0.4%

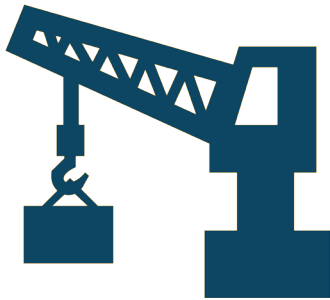
Quarter-on-quarter growth (September 2017)



Business Investment

 \Downarrow 0.5%

Quarter-on-quarter growth (September 2017)



Construction Work

 \Downarrow 5.0%

Quarter-on-quarter growth (September 2017)



Housing Finance Commitments

 \Downarrow 10.3%

Year-on-year growth (October 2017)



Consumer Spending

 \Uparrow 0.4%

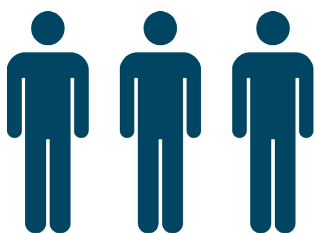
Quarter-on-quarter growth (September 2017)



Inflation and Cost of Living

CPI \Uparrow 0.46%WPI \Uparrow 0.55%

Quarter-on-quarter growth (September 2017)



Population Change

 \Uparrow 0.7%

Year-on-year growth (March 2017)



Labour Market and Change

Unemployment Rate

 \Downarrow 0.6%

Employed Persons

 \Uparrow 2.8%

Year-on-Year growth (October 2017)



BCEC IN THE CONVERSATION

THE CONVERSATION

It's too soon to celebrate a narrowing gender wage gap

By [Associate Professor Rebecca Cassells](#), Principal Research Fellow, Bankwest Curtin Economics Centre

The gender pay gap is trending downward. It has fallen from 24.7% to 22.4% in the past four years, in terms of total remuneration, according to the latest [gender equality scorecard](#).

But it's not time to [pop the champagne cork](#). The decline that we're seeing in both the Workplace Gender Equality Agency (WGEA) data and the Australian Bureau of Statistics' [wage data](#) is more likely to be driven by the economic cycle than the underlying structural and cultural changes required to bring about wage equality.

This doesn't mean that such changes aren't in play. But gender equality is a slow burn, particularly when it comes to pay gaps.

Women working full-time earn on average A\$26,527 less than men each year, and while most occupations have seen this gap narrow over time, it's the managerial workforce that has seen the biggest decline, with the gap falling from [29.8% to 27.2%](#) in the four years to 2017.

The WGEA data covers more than 4 million employees and 11,000 employers. Companies with more than 100 employees are asked to assess their organisation on a range of gender equity indicators, including the pay gap.

Australia is world-leading in this respect, as this is the fourth reporting year for employers. The [United Kingdom](#) only introduced similar reporting legislation this year.

Is the gender pay gap really shrinking?

Taking a longer view of the full-time gender pay gap using the [ABS Average Weekly Earnings Survey](#), we can see that it tends to widen when the economy is doing well and shrink when the economy contracts.

This is because male-dominated occupations such as mining and construction are typically more exposed to economic upturns and downturns, whereas women are more likely to work in sectors with greater wage protection, such as health care and education.

Despite some green shoots of recovery, the Australian economy is yet to break free from the post-resource boom



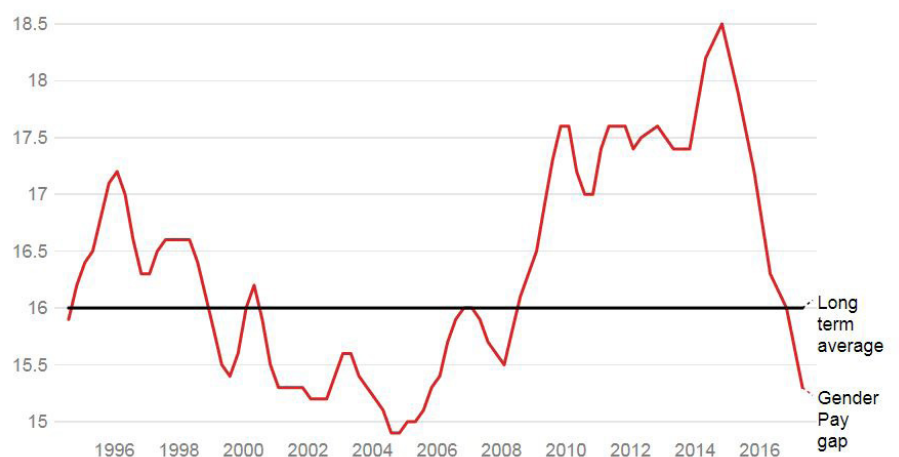
downturn. **GDP growth** remains below its long-term trend and labour market recovery is fragile at best.

When the economy is booming, men's wages grow faster than women's, which widens the gender pay gap. When the economy backs off, as we've seen recently, so do men's wages more so than women's.

For example, during the height of the boom between 2007 and 2009, men's average wages were growing by around 6.3% each year, whereas women's grew by around 4.8% across the same period. In recent times wage growth for men has averaged around 2.8%, but for women we've seen average yearly growth of around 6.0%.

All of this might lead you to the conclusion that closing the gap between the types of jobs done by men and women could positively impact the gender wage gap. This is probably true, but it's unlikely to be a silver bullet. What we typically see is that when **occupations become more feminised they often lose value**.

Full time gender pay gap 1994-2017 (%)



Source: Author provided based on ABS data • Created with Datawrapper

The good news

The good news from the WGEA reporting data is that more Australian firms are recognising gender equity as an issue and are doing something about it – and measuring the gender pay gap internally is a good start.

The data shows that there has been a big behavioural change among organisations when it comes to undertaking a gender pay gap audit – increasing by almost 11 percentage points in the last year alone, with 37.7% having conducted a gender pay gap analysis. What we need now is for this action to translate into outcomes.

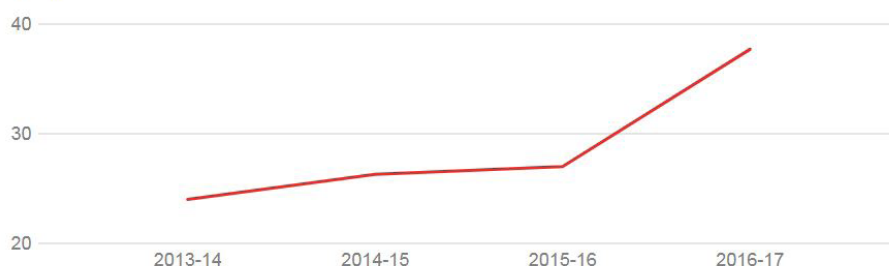
The gender pay gap has been a persistent feature of the Australian economy for some time. This is despite women making great inroads in educational attainment and labour force participation.

Data reported to the WGEA provides a valuable asset through which Australian organisations can monitor and evaluate their gender equity progress.

The recent narrowing of the gender wage gap suggests that this is more likely to be driven by the economic cycle. If the current downward trend in the gender pay gap continues while the economy lifts, we will truly be making progress in this area.

This article first appeared in [The Conversation](#) on November 17, 2017.

Organisations that have done a gender pay gap analysis (%)



Source: Workplace Gender Equality Agency • Created with Datawrapper



BCEC's newest PhD Scholar explores the impact of international policies on Indigenous health

[Sara Hodgkinson](#) recently joined the Centre after being awarded the 2018 BCEC PhD Scholarship. Sara shares her research interests, love of travel and aspirations for the future.



Why did you choose a career path in academia?

I have always loved to learn about the world around me, to develop ideas and to advance knowledge through deeper exploration of different topics. During my undergraduate studies, I became drawn to the idea of pursuing a career in academia so I could actively engage with and contribute to the production of knowledge in a vibrant research atmosphere. While studying my Masters degree at the University of Sheffield, I had the opportunity to conduct field research in Nepal and this opened my eyes to the realities of academic work and the 'real world' impact that it can have.

Tell us why you chose to apply for the BCEC PhD Scholarship.

The [BCEC Scholarship](#) appealed to me for several reasons. First and foremost, the opportunity to pitch my own topic and to help define the path of my own PhD research was incredibly attractive to me. A lot of PhDs on offer at the time were to conduct research on a topic that was predefined by supervisors or a research team. This scholarship has allowed me to choose an avenue of study that is particularly suited to my own interests, which is especially motivating.

The chance to work with established academics in a thriving research environment also greatly appealed to me. Both BCEC and Curtin University have a strong reputation for producing quality research and it is exciting to now be a part of that. In addition, I was also keen to experience living and working in a country and culture different to my own – and somewhere a little warmer and sunnier than the UK!

What topic have you chosen for your PhD?

My PhD focuses on international policies in relation to Indigenous health. Essentially, it seeks to establish whether international policies such as the Sustainable Development Goals (SDGs) overlook so-called Fourth World communities, and if so, then how, where and why.

The Fourth World refers to marginalised non-state nations within developed nations. They are usually characterised by poor, complex social problems and in Australia, some Aboriginal and Torres Strait Islander communities may fall into this category.

The ultimate aim of the research is to determine how international policies might better meet the needs of Indigenous communities in Australia and beyond.

What are some of the challenges you've had to face and what got you through?

I found conducting qualitative research in Nepal for my Masters degree incredibly challenging due primarily to the language barrier and also to the cultural traditions of the people being interviewed.

Getting to know the local people we were collaborating with helped us overcome a number of challenges, but also allowed us insight into their way of life, which helped us to understand and better navigate any barriers during our study.

What support do you have to enable the success of your study within research?

There is a strong sense of camaraderie here, which makes for a productive and collaborative working environment, and I know if I need a hand with anything, there are a variety of people I could approach. In addition, the resources available here at BCEC and at Curtin University are extensive which is invaluable when conducting in-depth research on any topic.

Tell us about some of your best travel experiences.

I've been lucky enough to travel quite extensively over the last decade, so there are quite a few! I lived in Singapore for five months as an exchange student during my time as an undergraduate, which was a wonderful experience and one that cemented my love of spicy food.

My time spent with a hill community in a remote part of Nepal was particularly special, partly due to the incredible backdrop of the Himalayas but mostly due to the kindness and friendliness of the people there.

Travelling has taught me that no matter where you go in the world you will find people with whom you share common ground and who may ultimately enrich your life.

What advice or words of wisdom would you share with others interested in applying for the BCEC PhD Scholarship?

Draw on your own passions to pitch a topic that you are truly invested in and don't underestimate your abilities! Also, if you are from overseas and concerned about moving to an entirely new place, rest assured the friendliness of people here at BCEC – and in Perth in general – will soon have you feeling at home.



UPCOMING EVENTS

BCEC|WGEA Gender Equity Insights 2018

When: Friday 2 March 2018
11.00am to 1.00pm

Where: Hyatt Regency Perth
Grand Ballroom, 99 Adelaide Terrace, Perth

The Bankwest Curtin Economics Centre together with the Workplace Gender Equality Agency invites you to the launch of the third report in the *BCEC|WGEA Gender Equity* series.

Gender Equity Insights 2018: Inside Australia's Gender Pay Gap extends and strengthens the evidence base around gender pay gaps and how these have changed over time across Australian workplaces.

Special investigations are included to provide additional insights and to highlight potential policy targets for governments and the business sector.

[Register now](#)

Future of Work in Australia

When: Friday 13 April 2018
7.15am to 9.00am

Where: Hyatt Regency Perth
Grand Ballroom, 99 Adelaide Terrace, Perth

Labour markets are in transition. Recent years have seen dramatic changes in the organisation of work with a more diverse mix of how people work across the economy as well as within individuals' lifetimes. Alternative forms of employment, facilitated by online platforms and other technological advances, are growing; at the same time, there is a concern that work is becoming more precarious, with contract and part-time work on the rise, accompanied by low wage growth in many sectors. As adoption of new technologies take over some of the tasks previously performed by labour, there is also increasing concern about the future of jobs.

This sixth report in BCEC's *Focus on the States* series will examine the way in which the organisation of work is changing, the impacts of automation on future employment prospects and the welfare implications of these changes.

To express your interest to attend these events, contact the Bankwest Curtin Economics Centre by email bcec@curtin.edu.au or phone 08 9266 2873.

The Price is Right? An Examination of the Cost of Living in Western Australia



Mr Rowan Munchenberg, Managing Director, Bankwest; Mr Russell Zimmerman, Executive Director, Australian Retailers Association; Ms Kitty Prodonovich, Chief Executive Officer, WA Regional Chambers of Commerce; Professor Deborah Terry AO, Vice-Chancellor, Curtin University; Hon. Simone McGurk MLA, Minister for Child Protection; Women's Interests; Prevention of Family and Domestic Violence; Community Services; Ms Bev Jowle, Executive Officer, Financial Counsellors' Association WA; Professor Alan Duncan, Director, Bankwest Curtin Economics Centre and Mr Timothy Marney, WA Mental Health Commissioner.

BCEC's *Focus on WA* report, *The Price is Right?* was launched on Friday 1 December. The report examines the real cost of living in Western Australia and compares recent changes in the cost of living, wages and financial hardship within Perth, Western Australia and across the nation.

In opening the event, Curtin Vice-Chancellor Professor Deborah Terry AO said the report sheds light on cost of living pressures and on the factors that are influencing income inequality and poverty in the State – issues that are of real concern to us all.

"A key finding within the report identified a disconnect between the real cost of living in WA and ongoing perceptions that WA is expensive to live, which haven't changed since the boom times. These perceptions have a negative impact on our capacity to diversify our revenue base as a State, to stand out against the rest of the country who are also competing in areas such as tourism and international education," Professor Terry said.

"The report helps to frame important conversations on how best to navigate the route to economic security and quality of life for all."

Minister Simone McGurk said addressing cost of living pressures is a responsibility we all share.

"As the Minister for Child Protection and the Prevention of Family and Domestic Violence, I am reminded daily of how difficult life is for our community who are experiencing financial stress, hardship and disadvantage."

"It is the responsibility of the Federal, State and Local governments, the business community, the not-for-profit sector, and all of us in our behaviour as consumers and the choices we make as individual citizens," Minister McGurk said.

In launching the report, BCEC Director and report co-author [Professor Alan Duncan](#) said the report examines the important issue of how real household living costs have changed in recent years, and the impact of those pressures on income and inequality in the State.

"Perth actually ranks relatively well on a broad comparison of living costs with other capital cities across Australia, counter to the popular perception of Western Australia being one of the most expensive places in the country to live," Professor Duncan said.

However, while cost of living pressures may have eased for many West Australians, Professor Duncan said living cost pressures continued to pose significant financial stress for those on lower incomes.

"On average, nearly 70 per cent of the spending of households in financial hardship is devoted to the basic necessities of life – housing, fuel and power, and food. This figure has risen by some 17 percentage points over the last six years," Professor Duncan said.

Report co-author [Professor Rachel Ong Viforl](#), Deputy Director at BCEC, said general income and spending patterns



within WA appeared to reflect the economic climate of the State, with the growth rate of wages and prices rising and falling in line with economic booms and downturns.

"Wages and prices within WA are still on an upward trend, but the increase is much slower than during the mining boom. Wages outpaced prices between 2002 and 2007, growing by over 60 per cent, while prices rose by only 40 per cent," Professor Ong ViforJ said.

Unique analysis by BCEC of data from local financial counselling services in WA confirms the role of high housing costs in driving financial hardship, with many households locked into spending at least half of their income on housing.

"Households who have sought financial counselling are spending 20 per cent more on average than the income they receive, which raises the risk of families getting into debt due to excess spending," Professor Ong ViforJ said.

Ms Bev Jowle, Executive Officer, Financial Counsellors' Association of WA said rising costs of living are a growing concern for financial counsellors and painted a very bleak picture of the financial hardship faced by people on low incomes.

"Financial counsellors are no longer talking about asking people to balance their budget or to do less with their money. The reality now is that people simply do not have the income to sustain a lifestyle in this economy," Ms Jowle said.

Mr Russell Zimmerman, Executive Director, Australian Retailers Association said while Perth ranks relatively well on a broad comparison of living costs with other states across Australia, housing prices in WA are impacting on the cost of living pressures in WA.

"The East Coast is seeing unprecedented building of apartments, developments of new freeways, major railways and construction of new infrastructure. I don't see the same amount of infrastructure being

built in WA. My point here is that where infrastructure is built, we see a significant increase in the retail figures compared to what you see in Western Australia," Mr Zimmerman said.

Ms Kitty Prodonovich, Chief Executive Officer at the WA Regional Chambers of Commerce noted that what concerns her the most about the report findings is the gap between the financially stable and the financially vulnerable and disadvantaged.

"WA has the second lowest level of financial resilience in Australia," Ms Prodonovich said.

"We must address these collectively, as it takes a whole community approach to make a community grow, develop and thrive."

In closing the event, Mr Timothy Marney, WA Mental Health Commissioner spoke about the importance of the comprehensive research that BCEC produces for Western Australia.

"I think the richness in this report warrants intensive interrogation, and will inform economic and social policy in WA for some time," Mr Marney said.

Professor Terry also congratulated the Bankwest Curtin Economics Centre on its outstanding work throughout 2017.

"This year's reports and activities have further secured BCEC's standing as WA's premier economic and social research institute. The capacity to deliver trusted, independent research and analysis combined with a deep commitment to communication, outreach and engagement is a rare combination that we applaud," Professor Terry said.

[The full report can be downloaded here.](#) A special article detailing key report findings was published in [The Conversation](#).

Coverage of the report findings can be viewed at [The West Australian](#), [ABC](#) and [Perth Now](#) or hear Professor Duncan discussing the report findings with [6PR's Gareth Parker](#).

"Addressing cost of living pressures is a responsibility we all share."

Hon. Simone McGurk MLA
Minister for Child Protection;
Women's Interests; Prevention
of Family and Domestic
Violence; Community Services





Kumesh Haripersad
Business Manager
Bankwest Curtin Economics Centre

AS A BUSY BUSINESS WOMAN, KUMESH'S RECIPE FOR SUCCESS AND A GOOD WORK LIFE BALANCE IS TO FOCUS ON THE POSITIVES AT WORK.

As the Centre's Business Manager, Kumesh is responsible for overseeing a number of diverse business operations including strategic management, project management, mentoring, training and event support to BCEC and its range of key stakeholders.

Since joining the Centre in 2015, Kumesh has been instrumental in driving overall strategic objectives of the Centre, delivering strong outcomes for the Centre and its key stakeholders.

Kumesh says the best thing about her job is the workplace culture that BCEC accords. Staff wellbeing and wellness is important for the Centre and Kumesh plays a major role in enhancing the positive culture of the Centre staff, through wellness activities and regular team building exercises.

Kumesh's recipe for success is to focus on the positives at work and to constantly build resilience.



Toan Nguyen
PhD Scholar
Bankwest Curtin Economics Centre

TOAN STUDIES ECONOMICS TO MAKE A DIFFERENCE IN SOCIETY

Toan is the Centre's inaugural PhD Scholar, joining BCEC in 2015.

Toan is very passionate about social and economic issues, particularly wealth and inequality, and his research aims to identify the causes and effects of immigration on the Australian economy.

His master thesis summary entitled 'Trade Diversion as Firm Adjustment to Trade Policy: Evidence from EU Antidumping Duties on Vietnamese Footwear' was published in The World Economy journal.

Toan was invited to speak at the Asian and Australasian Society of Labour Economics (AASLE) Conference in December and will present at the Royal Economic Society Annual Conference 2018 in London in March.

Toan says the best thing about working at BCEC is having the freedom and flexibility to be able to work in the way he wants. He says what he enjoys about studying economics the most is knowing he will be making a contribution to the sustainable development of Vietnam's economy.



Silvia Salazar
Research Fellow
Bankwest Curtin Economics Centre

BCEC'S NEWEST RESEARCH FELLOW COMES FROM A FAMILY OF ECONOMISTS

Silvia is a Research Fellow at BCEC and comes from a family of economists, following in the footsteps of her mother, father and brother.

Silvia research specialises in development economics, gender and ethnic inequality as well as public policy. She obtained her PhD at the Paris School of Economics and has held academic and teaching positions in France and Brazil. She has presented her research at numerous international conferences and workshops.

Her research focuses on the analysis of household well-being and consumption levels.

She analyses the factors affecting household welfare such as monetary expenditures and time consumption in leisure activities and domestic production. A large part of this research concentrates on how public policies affect income allocation and time distribution.

Silvia also has research experience in income inequalities and gender and Indigenous discrimination in the labour market. The specificity of her work lies in incorporation of the time dimension as well as in the utilisation of original and innovative econometric techniques in the study of well-being and public policies.



LATEST RESEARCH

Publications

Accessing BCEC's Publications

Visit bcec.edu.au to view the Centre's published reports, journal articles and working papers, along with presentations, newsletters and government inquiry submissions prepared by BCEC.

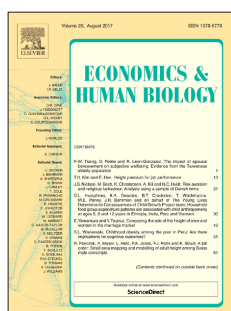


Spatial and Temporal Patterns in Housing Supply: A Descriptive Analysis

Rachel Ong Vitorj, Christopher Phelps, Steven Rowley, Gavin Wood

Urban Policy and Research

This paper provides an analysis of spatial and temporal patterns in housing supply in Australia over the period 2005–06 to 2015–16. It shows that by international standards, per capita housing supply is very strong in Australia. However, housing supply is concentrated in areas with relatively high prices. This paper concludes by discussing how understanding patterns of new supply can help policymakers determine interventions that increase housing supply's impact to alleviate inflationary pressures, hence improving housing affordability.



Do employers reward physical attractiveness in transition countries

Astghik Mavisakalyan

Economics and Human Biology

This paper studies the labour market returns to physical attractiveness using data from three transition countries of the Caucasus: Armenia, Azerbaijan and Georgia. The author estimates a large positive effect of attractive looks on males' probability of employment. Results from the most comprehensive model suggest a marginal effect of 11.1 percentage points. Using a partial identification approach, the author shows that this relationship is likely to be causal.

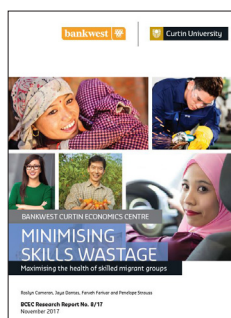


Unlocking the potential for working closer to home

Carey Curtis, Courtney Babb, Sam McLeod, David Robertson

Bankwest Curtin Economics Centre

This report examines the barriers to, and opportunities for, increasing the number of people able to work closer to their home in both metropolitan Perth and regional Western Australia. The research reveals a pattern of 'two cities' within the greater Perth metropolitan area, with inner-city and urban-fringe residents recording a much higher proportion of working closer to home than middle and outer suburbs.

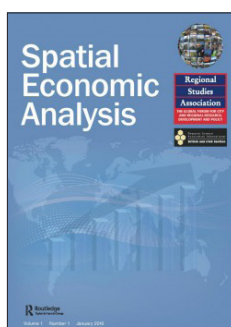


Minimising skills wastage: Maximising the health of skilled migrant groups

Jaya Dantas, Roslyn Cameron, Farveh Farivar, Penelope Strauss

Bankwest Curtin Economics Centre

Skilled migration is a key element in Australia's strategy to address major human capital issues and imperatives. However, underutilisation of professional migrant skills remains a critical problem. This report identifies the barriers skilled migrants face and investigates the link between workforce participation and health. The report also recommends innovative strategies to ensure migrants' skills are not wasted.



A regional model of endogenous growth without scale assumptions

Steven Bond-Smith, Philip McCann, Les Oxley

Spatial Economic Analysis

Explaining why countries and regions grow at different rates in the long run has fascinated, challenged and intrigued economists for over two-and-a-half centuries. The authors of this paper model growth using a scale-neutral approach to innovation allowing differences between regions to emerge due to regional mechanisms. In this model, agglomeration is growth enhancing as the scale effect for innovation arises from greater access to knowledge rather than any assumed scale effects in growth-modelling techniques.



Let's keep in touch

Bankwest Curtin Economics Centre

Curtin University, GPO Box U1987
Perth WA 6845, Australia

ph. +61 8 9266 1744
f. +61 8 9266 2373
e. bcec@curtin.edu.au

Visit our website
for more information

bcec.edu.au

