

May 2018 | 05



BCEC

Bankwest Curtin Economics Centre

Newsletter

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

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From the Director

We commenced 2018 with a strong focus on the ongoing issue of gender pay equity, with the Australian Gender Economics Workshop (AGEW) in February and launch of the third report in the BCEC|WGEA Gender Equity Insights Series in March.

AGEW 2018 was delivered in partnership with the Economics Society of Australia's Women in Economics Network. The two-day workshop culminated in a policy symposium that brought together experts, including international guest speaker Associate Professor Betsy Stevenson, to discuss policy imperatives for this ongoing key social issue.

In March, I was pleased to hear that the Chinese government approved the release of an IMF report I co-authored on tax policy and employment creation in China. This marks the first time a report of this kind has been authorised for public release by the Chinese government, which is a tremendous achievement for the IMF Mission I took part in.

A recent highlight has also been the release of our report into the future of work in Australia. This report looked at how the nature of work is changing and what this means for our country and its people. As part of our research, we developed a composite index of precarious employment, finding that this type of employment is highest for Australian women, but men are experiencing a far more rapid rise of precarious employment.

We were delighted to have special guest Scott Guerini involved in the report launch. Scott is a Year 7 student and Telethon Ambassador, and addressed the audience on what he imagines the future of work will mean for him and his classmates. Scott spoke of the need for schools to develop career-ready graduates who are adaptive to change.

As a Centre that strives to deliver high quality research to make a real difference to lives of families, communities and businesses, Scott provided an important reminder of the impact these social and economic issues will have on young people in Australia, framing the discussion of the research findings.

I hope you enjoy reading about the Centre's recent activities, research and achievements, and thank you for your continued support of BCEC in 2018.

Professor Alan Duncan
Director,
Bankwest Curtin Economics Centre

AWARDS AND ACHIEVEMENTS

BCEC RESEARCHERS SCOOP AWARDS AT THE ANNUAL FACULTY OF BUSINESS AND LAW AWARDS

BCEC certainly had much to celebrate in the first quarter of 2018, with a number of staff recognised at the Faculty of Business and Law Awards.

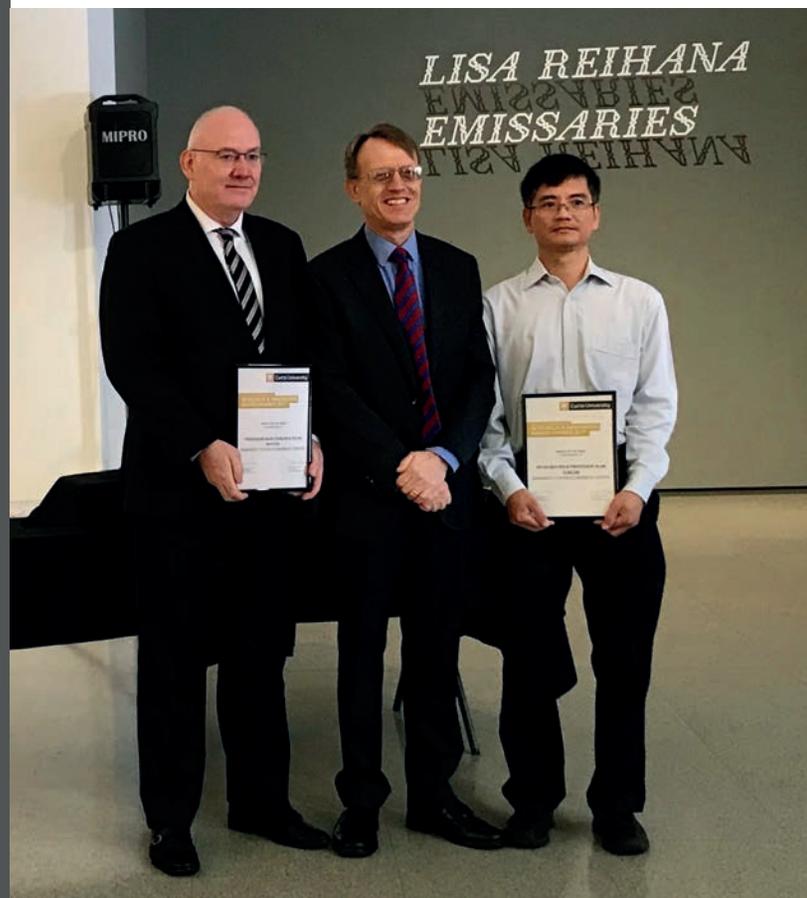
BCEC staff received accolades during Curtin University's annual Faculty of Business and Law Awards held in March, which recognise staff for their outstanding contribution to research and teaching.

Congratulations to BCEC Director, Professor Alan Duncan and BCEC Research Fellow, Dr Ha Nguyen, for receiving the 2017 Article of the Year Award for their paper, [Exchange rate fluctuations and immigrants' labour market outcomes: New evidence from Australian household panel data](#) published in the [Journal of International Economics](#).

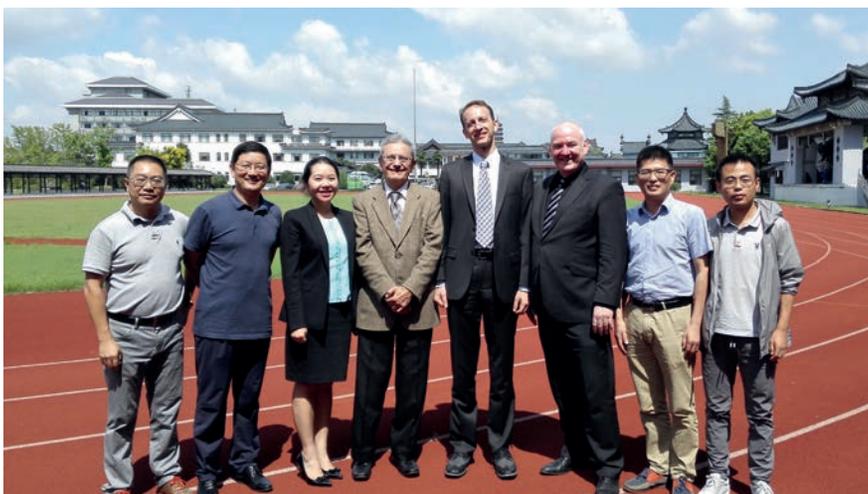
Associate Professor Michael

Dockery also received the 2017 Project of the Year Award for his publication titled [Aboriginal assets? The impact of major agreements associated with native title in Western Australia](#).

This report addresses the question of how effective agreements arising from native title determinations are at meeting the needs and aspirations of Aboriginal peoples who have achieved legal recognition as native title holders.



BCEC HIGHLIGHTS



BCEC Director joins IMF mission to China

In September 2017, BCEC Director [Alan Duncan](#) travelled to Yangzhou and Beijing as part of an International Monetary Fund (IMF) Expert Mission to the People's Republic of China.

The Mission team was a truly international partnership, with Alan working alongside mission chief Alexander Klemm and Li Liu, both from IMF, and Isaias Coelho from the Centro de Cidadania Fiscal, Brazil, to prepare an IMF Technical Assistance Report on the effects of taxation policy on employment creation in China.

The report examines the potential for reform to the Chinese taxation and social security system as it applies to employed labour, and to small and medium-sized enterprises. Research findings and reform recommendations draw on economic theory, international experiences, and empirical evidence on tax, social security and self-employment policy in China.

The Mission benefitted from detailed discussions with Chinese authorities

and tax administration officials during a workshop in Yangzhou and meetings in Beijing.

The workshop was held in Yangzhou, a city of 4.5 million people known for its beautiful gardens and temples, and home to the National Tax Institute of the State Administration of Taxation (SAT). The workshop was attended by senior Chinese tax administration officials from every province in China, to share their insights on what tax policy measures could be introduced in China to encourage employment and labour market growth.

Following the workshop, the Mission team travelled to Beijing to present their findings to the Chinese government, and delivered a report on the role taxation, social security and policy settings play on labour markets, including recommendations on incentives for small businesses and medium-sized businesses in driving employment growth across China's provinces.

The report, the first IMF Technical Assistance report on China to be authorised for public release, recommends a number of reforms for consideration by the Chinese government. These include a reduction in social security contributions, reduced personal income tax allowances, unified personal tax rates and thresholds across income schedules, refundable tax credits to support child care and senior care costs, and strengthened links between social security contributions and pensions.

Asked about his reflections on the mission, Alan said: "This really was an experience of a lifetime, not just being part of such an important IMF policy report, but to be able to see so much of an extraordinary, fascinating and vibrant country."

Copies of this IMF report can be downloaded from BCEC Publications, or directly from the IMF [website](#).



BCEC AND WEN HOST FIRST AUSTRALIAN GENDER ECONOMICS WORKSHOP



Associate Professor Rebecca Cassells, Principal Research Fellow, Bankwest Curtin Economics Centre; Conrad Liveris, Corporate Adviser on Workplaces and Risk; Diane Smith-Gander, Non-executive Director, Wesfarmers; Associate Professor Betsey Stevenson, University of Michigan; Hon. Simone McGurk MLA, WA Minister for Women's Interests; Child Protection; Prevention of Family and Domestic Violence and Tania Ceconi, Executive Director, CEOs for Gender Equity.

BCEC together with the Economic Society of Australia's [Women in Economics Network \(WEN\)](#) were excited to host the first [Australian Gender Economics Workshop \(AGEW\)](#) in Fremantle on Thursday 8 and Friday 9 February.

AGEW 2018, the first gender economics workshop of its kind in Australia, combined BCEC's commitment to deliver research that contributes to the economic and social wellbeing of Australians, and WEN's mission to advocate for and promote women in economics.

The workshop provided researchers with a forum to present and discuss innovative research incorporating gender analysis into all areas of economics.

We were delighted to receive such strong interest in the workshop from researchers working across a wide spectrum of gender economics topics.

Workshop participants were fortunate to hear from Noongar Elder Marie Taylor who delivered a warm welcome to country in both Noongar and English, and spoke about the matrilineal Noongar culture and the importance of gender equality.

The workshop was officially opened by Curtin Vice-Chancellor, Professor Deborah Terry AO, who acknowledged the

importance of the workshop in tackling gender inequality and driving good public policy.

"Gender equity is a challenge that essentially cuts across all critical policy areas. These are issues that go to the heart of fairness and equity in our society, but they also have very significant economic implications."

- Professor Deborah Terry AO
Curtin Vice-Chancellor

Keynote presentations were delivered by [Professor Alison Booth](#) (Australian National University) and [Associate Professor Betsey Stevenson](#) (University of Michigan), both of whom have made invaluable contributions to the knowledge base that informs our understanding of gender inequality and how to address it.

Professor Alison Booth delivered a compelling keynote, sharing her extensive research and expertise on competitive behaviour in economics and broached the question - How different are men and women really?

Professor Booth shared her research on gender differences in both choosing to compete and competitive outcomes, with evidence drawn from several innovative studies including the behaviour of secondary school students in single and co-ed schools in the UK, differences in competitive behaviour of birth cohorts in China and Taiwan, and a study of competition outcomes in Japanese speedboat racing.

A key overall conclusion from the three studies was that choosing to compete, or willingness to compete is malleable.

"Women tend to avoid competing against men but this tendency is less pronounced for those who have been educated in an environment in which women's value is upheld."

- Professor Professor Alison Booth,
Australian National University



“

The reason we see so much inequality is because it comes down to the value of women in society... there's a culture that we need to shift and it has to come through the education system, through families and our communities.

- Associate Professor Rebecca Cassells, BCEC



Associate Professor Betsey Stevenson delivered a timely and powerful keynote on the under-representation of women in economics and the stalled pipeline that exists across the globe.

Associate Professor Stevenson's innovative study on how gender is portrayed across best-selling introductory economics textbooks found that men make up three-quarters of the fictional people in economic textbook case studies. And where women were found in examples, they were typically involved in education or household tasks and were more likely to be passive rather than active participants in economic decision making.

Associate Professor Stevenson raised the importance of involving more women in economics, particularly as they tend to have different views around redistributive policies and government intervention in markets.

"Small interventions and role models matter in encouraging women to pursue economics."

- Associate Professor Betsey Stevenson, University of Michigan

The workshop also included the inaugural Best Student Paper Award, which was won by Ruth Badru (University of Otago) and awarded by Professor Siobhan Austen (Curtin University). Ruth's paper examines the effect of gender wage gaps and women's bargaining power on aggregate demand, and is an important contribution to the evidence base needed for the formulation of inclusive macroeconomic policies.

The workshop culminated with a Policy Symposium on Friday afternoon, which brought together senior influencers from government, research, industry and not-for-profit communities.

The symposium drew on research insights and key themes stemming from the workshop, helping to actively shape policies to enhance the status of women

across the full spectrum of economic and social outcomes.

CEOs for Gender Equity's [Tania Cecconi](#) chaired the event, with panellists the [Hon. Simone McGurk MLA](#), WA Minister for Women's Interests; Child Protection; Prevention of Family and Domestic Violence; Community Services, [Diane Smith-Gander](#), Non-executive Director at Wesfarmers, [Conrad Liveris](#), Corporate Adviser on Workplaces and Risk, [Associate Professor Betsey Stevenson](#) from the University of Michigan and [Associate Professor Rebecca Cassells](#) from BCEC.

AGEW Symposium panellists raised the importance of normalising parental leave in the workplace as one of the key policy elements needed to overcome gender disparities.

The panel also discussed the importance of challenging gendered roles in workplaces and society more broadly, along with reflecting on the value of women in driving gender inequality and the need for a cultural shift.

Both the workshop and policy symposium offered an important opportunity for all participants to connect to this wider community of economic researchers, policy analysts and experts within Australia, who all share a common goal to better understand and tackle the issue of gender inequality.

Along with BCEC and the Women in Economics' Network, the workshop was also sponsored by the Australian Government Office for Women at the Department of the Prime Minister and Cabinet, and the Australian Government Department of Jobs and Small Business. We thank the sponsors for their support of AGEW 2018.

The workshop program and presentations can be downloaded [here](#).





BCEC IN THE CONVERSATION

THE CONVERSATION

Using 'she' and 'he' reinforces gender roles and discrimination of women

By [Astghik Mavisakalyan](#), Senior Research Fellow, Bankwest Curtin Economics Centre and Professor Lewis Davis, Professor of Economics, Union College

In the face of overwhelming evidence of gender discrimination and sexual harassment, should we really devote energy to changing how people speak? Surprisingly, an emerging body of research suggests we should. Gendered language – using “he” or “she” instead of “they” – is one of the root causes of gender inequality at work.

Speaking a heavily gendered language may highlight gender distinctions in the mind of the speaker, leading to more pronounced gender roles and greater disparities in social outcomes across men and women.

But the fight over gendered language may easily seem frivolous. A group of 314 teachers in France recently declared they would no longer teach the rule that “the masculine prevails over feminine” when it came to plural norms.

This initiative follows a similar case in Sweden where teachers started replacing the pronouns “him” and “her” with an artificial genderless pronoun “hen”, which was subsequently introduced into the country’s official dictionary. And in the New York Times, Carmel McCoubrey advocated using “they” as a gender-neutral singular

pronoun, in place of the more awkward “he or she”.

What is gendered language?

Languages differ significantly in how gender is woven into their structure. Nouns have no gender in English but may be masculine or feminine in Spanish.

Languages also differ with respect to the gender structure of their pronouns. English, for example, distinguishes between male and female gender in the third person singular: he (masculine) versus she (feminine).

Finnish, on the other hand, a genderless language, only knows the neutral: hän (he/she). Other languages express gender even in the first or second person, such as Arabic: انتَ (anta – you, masculine) vs انتِ (anti – you, feminine).

Combining these grammatical rules allows researchers to rank languages on how gendered they are, and then investigate whether speaking a more highly gendered language is highly gendered is associated with a 25% increase in the gender wage gap, the difference in pay for otherwise similar men and women. It’s also associated

with fewer women on corporate boards and in senior management positions.

Research also links gendered language to share of housework done by men and women, to public policies, including the length of maternity leave and law requiring female representation in public office.

So, yes, gendered language matters, and it matters quite a lot.

As currently spoken, English is a mildly gendered language, as it does not have gendered nouns and, among its pronouns, requires gender only for the third person singular. The adoption of “they” as a gender-neutral third person singular pronoun, would make it non-gendered, the lowest category.

Over time, we could expect this change to decrease gender disparities across a host of measures, including wages, educational attainment, and leadership positions in corporate and political life. And that is something that everybody, regardless of their gender, should care about.

This article first appeared in [The Conversation](#) on March 8, 2018.

BCEC UPDATE

BCEC Professorial Fellow Gavin Wood shares his research interests and career insights

Gavin Wood is an Emeritus Professor of Housing and Urban Research at RMIT University and Professorial Fellow with the Bankwest Curtin Economic Centre. Gavin shares his research on relationships between housing wealth, welfare and public policy.



Tell us why you chose a career path in academia.

At school I showed no particular academic strengths and was much more interested in sport! However, on beginning my undergraduate studies in economics I gradually became interested in the issues and controversies that were topical at the time. It was an exciting time because the ideas put forward by monetarists clashed with those of Keynesians, and the debates between these two schools of thought spilled over into political forums. I was attracted by the freedom that academics had to pursue their ideas, and enthused by many of the lecturers that I was taught by; on starting a postgraduate course in economics at London University I began to think seriously about a career in research and was fortunate enough to be offered a research assistant position in the economics department at Aberdeen University in Scotland that set me on the path to an academic career.

What is the recipe for delivering robust research and successful collaboration given you're in the Eastern States?

I am old enough to remember the days when interstate and international collaboration between academics had to rely on the postal system and costly telephone calls. Airline travel was also expensive. Conducting research with colleagues working thousands of kilometres apart was much more difficult than it is in today's world with information technologies that permit instantaneous communication.

I no longer see my location in Melbourne as much of a hindrance especially since my appointment in BCEC gives me the opportunity to regularly spend some time in Perth.

Tell us about something interesting you are working on.

I am especially interested in the work that I have been conducting with BCEC collaborators, Rachel Ong Vitorj and [Susan J. Smith](#) on the relationships between housing wealth, welfare and public policy.

Australia's housing system is dominated by owner occupied housing. Soaring real house prices have allowed the Baby Boomer generation in particular to reap substantial capital gains. While Gen X and Gen Y struggle to get into home ownership, their parents have been taking advantage of innovative mortgage products that allow them to cash out housing equity to meet spending needs, or finance the acquisition of investment properties and other assets.

These developments pose challenges for housing policy because the home ownership 'dream' is over for a growing number of younger Australians due to high deposit requirements and crippling mortgage repayments. Affordable opportunities in rental housing will need to expand in order to meet these young Australians' demand for housing. But there are also wider ramifications. High rates of home ownership have been a pillar helping to support a retirement incomes policy, featuring means tested age pensions paid at flat rates that are low relative to those typical in other comparable countries. When the vast majority of retirees owned their homes outright these relatively low age pensions secured a reasonable standard of living as housing costs were effectively zero. That pillar is crumbling as home buyers pay down mortgages later in life, and the number of 'lifelong' renters increase.

An important goal of the superannuation guarantee has been to curb the number of seniors reliant on age pensions. If pay outs come to be used to repay mortgage debts still outstanding on retirement, or even as lump sum down payments to buy into home ownership later in life, one of the

more important goals of superannuation will be undermined.

Your research is centrally concerned with urban economics, housing finance, labour economics and public policy. Tell us more about this.

In each of these subject areas my approach is similar. I am an applied economist who seeks to scrutinise hypotheses generated by economic theory using the rigorous empirical techniques offered by econometrics. I find economic theory generally very helpful in understanding how market processes operate in housing and urban labour markets, and a source of ideas for policy designs. The relatively recent emergence of panel data sets and robust panel modelling techniques is advancing our ability to evaluate policy interventions, and is the source of findings that are increasingly valued by policy makers.

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

Mentors were very supportive and helped guide me early in my career. Senior academics have a potentially important role to play here, and in today's more competitive academic environment it is perhaps even more important.

I personally have benefited a great deal from research funding that has facilitated empirical work based on large micro data sets, and in recent years they are commonly panel data sets that are resource intensive to use and require generous funding support.

What advice or words of wisdom would you share with others interested in working within academia?

Firstly, be more patient with university bureaucracies than I have been! Navigating the modern university's administration and data collection systems can be energy sapping and frustrating.

Secondly, set realistic goals. Academic workloads can easily spiral exacerbated by many academics' commitment to their students, and growing pressure to publish and attract research grants.



Future of Work guest presenters with staff and students from Perth Modern School.

BCEC FOCUS ON THE STATES SERIES

BCEC launches Future of Work report

BCEC's latest *Focus on the States* report, [Future of Work in Australia: Preparing for tomorrow's world](#), was launched on Friday 13 April, and examines the way in which the organisation of work is changing – from workforces to workplaces – and the implications of these changes for Australia.

At the heart of this launch was a moving Welcome to Country delivered by Noongar elder, Robyn Collard and indigenous performers from the Moorditj Mob at Wesley College.

In welcoming guests to the launch, Scott Guerini, Year 7 student and Telethon Ambassador, spoke about his journey, one of determination and courage, and his aspirations for the future.

"Ask me to walk a Marathon, no worries, ask me to sit down and do school work all day and we have a bit of a problem," Scott said.

"My school have realised that students of today will need a certain set of skills when they head to work, so they are approaching teaching in different ways to ensure we are critical thinkers who are innovative, engaged, persistent, resilient and can work independently and collaboratively. So hopefully that will help me along the way."

Before introducing the Hon. David Kelly MLA, the Minister for Innovation and ICT, Scott launched BCEC's Future of Work video showcasing friends at his local gym talking about what they think work will look like in the future, to give Scott an idea of what is to come.

The Hon. David Kelly acknowledged some of the future leaders in attendance – students from five public and private schools across Perth including St George's Anglican Grammar School, Wesley College, Yule Brook College, Perth Modern School and Scotch College.

Minister Kelly went on to highlight the important role technology plays in creating more opportunities for the next generation, and the need for a collaborative approach to ensure we make the most of those opportunities.

Launching the report, Centre Director and co-author, [Professor Alan Duncan](#) said the Australian labour market is changing and precarious employment was on the rise.

"Our index of precarious work reveals that higher-skilled occupations such as professionals and managers have more stable employment, while traditionally male-held positions such as labourers and machinery operators and drivers are in the most precarious job circumstances," Professor Duncan said.

BCEC Senior Research Fellow and report co-author, [Dr Astghik Mavisakalyan](#), said that in moving towards the labour market of the future, there will inevitably be a transformation in the nature of work and the workplace.

"People are likely to change jobs more regularly in the future, to work fewer hours, or to hold more than a single job at some point in their careers."

Professor Duncan added that as the Australian labour market moves towards a more highly-skilled workforce, it is critical that up-skilling programs are available to those workers at risk of being displaced in the new world of work.



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My school have realised that students of today will need a certain set of skills when they head to work, so they are approaching teaching in different ways to ensure we are critical thinkers who are innovative, engaged, persistent, resilient and can work independently and collaboratively. So hopefully that will help me along the way.

- Scott Guerini, Year 7 student and Telethon Ambassador

“It is imperative that all workers – particularly low-skilled men – have access to retraining and education opportunities that smooth their transition to new, higher skilled jobs, or into other forms of employment,” Professor Duncan said.

Expert panellists agreed a collaborative approach is needed across community, government, industry and higher education.

Rhonda Brighton-Hall, Founder and CEO, mwah. Making Work Absolutely Human said it is imperative to challenge and re-vision the way we work.

“The importance of using this period of change is to re-design jobs in a way that better meet the needs of workers but also improve productivity for businesses,” Ms Brighton-Hall said.

When asked how Bankwest is helping its workforce adapt to the challenge of global digital disruption, Andy Weir, Executive General Manager Enterprise Services & Chief Information Officer at Bankwest said it starts with transformative leadership.

“It’s far less around traditional command and control type environments and enabling more nurturing and servant leadership environments whereby we are encouraging people to experiment; to encourage employees to test, fail, learn and iterate. It’s about asking how we enable our employees to perform at their best,” Mr Weir said.

With precarious employment rising rapidly, Anne Driscoll, Director General,

Department of Training and Workforce Development discussed the importance of education and training in this period of change.

“The importance of lifelong education and training and the need for new tailored micro-credential courses is absolutely essential to prepare us for the future of work, and the need to involve partnerships between educators, industry and government,” Ms Driscoll said.

In closing the event’s proceedings, Curtin University Vice-Chancellor, Professor Deborah Terry AO, said that there are opportunities in these times of change.

“From a higher education perspective, we know that we need to prepare our graduates for lifelong learning. We need to work to ensure that no segments of our community are left behind in this period of change,” Professor Terry said.

Report co-authors Professor Alan Duncan, [Associate Professor Rebecca Cassells](#), Dr Astghik Mavisakalyan, [Professor John Phillimore](#) and [Dr Yashar Tarverdi](#) authored an article in [The Conversation](#), detailing the report findings.

The report also generated extensive media interest, including articles in [The West Australian](#), [Australian Financial Review](#) and [Sydney Morning Herald](#), and interviews with Professor Duncan airing on ABC TV and radio stations 2GB and [6PR](#).



GENDER EQUITY INSIGHTS 2018: INSIDE AUSTRALIA'S GENDER PAY GAP



Michael Schoch, General Manager – Crux and Browse Project, Shell Australia, Jackie Woods, Engagement Executive Manager, Workplace Gender Equality Agency (WGEA), Professor Alan Duncan, Director, Bankwest Curtin Economics Centre, Hon. Simone McGurk MLA, Minister for Child Protection; Women's Interests; Prevention of Family and Domestic Violence; Community Services, Rowan Munchenberg, Managing Director, Bankwest, Associate Professor Rebecca Cassells, Principal Research Fellow, Bankwest Curtin Economics Centre, Susan Cull, Manager – People and Communities, Chamber of Minerals and Energy WA and Di Darmody, Producer and Presenter, 720 ABC Perth.

The Centre's latest publication – [Gender Equity Insights 2018: Inside Australia's Gender Pay Gap](#) – was launched in collaboration with the Workplace Gender Equality Agency (WGEA) on Friday 2 March 2018, ahead of International Women's Day.

This third report in the BCEC|WGEA Gender Equity Insights series, launched at the Hyatt Regency Perth, extends and strengthens the evidence base around gender pay gaps and how these have changed over time across Australian workplaces.

The Opening Address was delivered by the Honourable Simone McGurk MLA, Minister for Child Protection; Women's Interests; Prevention of Family and Domestic Violence; Community Services and proceedings closed by Bankwest's Managing Director, Rowan Munchenberg.

The report findings were presented by BCEC Director, Professor Alan Duncan and BCEC Principal Research Fellow, Associate Professor Rebecca Cassells.

Speaking to the findings at the launch of the report, Associate Professor Rebecca

Cassells noted that: "More employers than ever before are taking pay equity seriously, and we are now starting to see this translating into results."

"The proportion of employers who undertook a pay gap analysis has risen considerably over the past four years. Leading the charge are the mining and finance and insurance sectors, with almost two-thirds of organisations in these sectors undertaking a pay equity audit," Associate Professor Cassells said.

"We are seeing a re-balancing between male and female wages, especially among top-tier managers as a result of these actions. In monetary terms, this equates to a decrease in total remuneration of almost \$4,000 on average for male top-tier managers, and

an increase in total salary for top-tier female managers by around \$24,000 between 2015-16 and 2016-17."

Professor Duncan took the audience through the report's series of special investigations that "offer hard evidence on the sorts of actions that companies can take to drive change and promote greater pay equity."

"Firstly, almost all combinations of pay equity actions contribute to a reduction in gender pay gaps," Professor Duncan said.

"One of the most striking findings is that actions to correct like-for-like gender pay gaps, combined with reporting, reduce managerial gender pay gaps by 9.7 percentage points in base salaries, and 12.7 percentage points in total salaries."



Girls and women in our communities can do and be anything they want, and we need to do what we can to remove barriers they may face.

- Hon. Simone McGurk MLA

Minister for Child Protection; Women's Interests; Prevention of Family and Domestic Violence; Community Services



Susan Cull, Manager – People and Communities at the Chamber of Minerals and Energy WA, highlighted that the resources sector is leading the way towards eliminating the gender pay gap.

“Our industry’s commitment to reducing the gender pay gap is now bearing fruit, and we’re seeing a year-on-year lowering of the gender pay gap. Although there’s a raft of actions companies can take to address the gender pay gap, executive leadership and accountability is the key ingredient to making progress,” Ms Cull said.

Michael Schoch, General Manager – Crux & Browse Project, Shell Australia, said that diminishing the disparity in gender equality is not an issue of gender but one of leadership.

“Nothing is going to change until people like you lead the change. In the absence of knowing the metric I can guarantee there will be a gender pay gap, and with nearly as much certainty I know that the evidence is in the material within this report,” Mr Schoch said.

Jackie Woods, Engagement Executive Manager of the Workplace Gender Equality Agency, noted there is a growing focus on the links between employer action on pay equity and lower pay gaps.

“It’s through looking at the data that employers can pinpoint where they need to take action. We know employers don’t set out to pay men and women differently, but we hear time and time again that when CEOs conduct a pay audit they are shocked at the results and this inspires significant change,” Ms Woods said.

Rowan Munchenberg, Managing Director of Bankwest, closed the event proceedings, urging business leaders to take personal responsibility in driving change and in raising the profile of the gender equity issue.

“It’s important for leaders to use our influence to drive change, both within and beyond our organisations. I look forward to continuing to make my contribution to bring an end to gender inequality in WA and across Australia,” Mr Munchenberg said.



BCEC Business Manager shares her recipe for success supporting a busy and dynamic team



Kumesh Haripersad is the Business Manager at BCEC. Kumesh shares her recipe for success supporting a busy and dynamic team.

What is it like to be a Business Manager?

As the Business Manager for BCEC, I am responsible for the day-to-day operations of the Centre, ensuring that the goals of staff and key stakeholders are executed and met, as well as developing business plans and strategies to shape and facilitate the future of BCEC.

My life has been full of exciting challenges and I guess you could say I seem to have fallen into business management rather than it being my chosen career path. Previously, I was a Finance Manager at the South African Medical Council which then evolved to include managing business issues. I found that I liked handling a variety of portfolios rather than just one area of work. This, in addition to attaining an MBA, led me to work in the business management space.

What key skills do you need to do your job?

A thorough grounding in the role that I work in and the ability to exude confidence, graciousness, optimism, and ambition. As a Business Manager you have to embody a range of skills. You have to be organised and able to multitask to deliver on a multitude of tasks with competing deadlines. One of the major tasks that I am responsible for is assisting in the coordination of the Centre's marquee report launches which is monumental to put together. This entails an array of activities which can take up to two months to coordinate. At the same time, your attention is drawn to many other responsibilities including finance, operations, and human resource tasks.

What do you do to mentor the individuals on your team?

This is the one aspect of my career that I enjoy the most. Each individual on the team brings a different strength to the table. As a manager, I strive to recognise and leverage these talents by helping my team identify personal development opportunities, such as one-on-one career training with another team member who has a particular skill to offer.

What support do you have to enable success in your career?

I've always had the support of a strong, dynamic team whose commitment and dedication to hard work and 'giving your best' attitude synced well with my personal goals. For me it is important to have a team that have similarities but are not afraid to challenge the status quo. Having the support of your manager is also of paramount importance to your success as a Business Manager as it shapes the manner in which you execute your duties and keeps you motivated.

What's the toughest challenge or biggest battle you've faced in your career?

We have a small team and a mammoth task of supporting the delivery of BCEC's research impact and engagement activities. Probably the hardest thing has been my own personal evolution as the Centre has grown. It's been exciting to get up in the morning and head into the office, but it can also be stressful and taxing at times. So there's probably not a day that goes by that I haven't been challenged to do something different and contribute value in a new way.

There's usually this presumption that whatever skills get you into a position will continue to work at the next level, but I've learned that evolution must absolutely be continuous.

What's the biggest myth about your work?

The biggest myth is probably that as the Business Manager, everyone assumes you're too busy and that you never have time for a bit of downtime and a chat with your colleagues.

I always make sure I have time to do the listening that I need to do. To be present, to just be able to chat with the team on a personal level, and hear their perspectives is the biggest challenge from a leadership perspective. In my calendar I schedule in time regularly to catch up with work colleagues. That's one of my favourite times of the day.

What advice or words of wisdom would you share with others interested in working in business management?

If you're considering becoming a Business Manager, it might pay to think about the field or organisation you wish to work in. My career has always been something I have been proud of and something at which I have worked very hard. I have always tried to seek employment where I can add value, and with organisations that are socially responsible.

Since working at BCEC, I feel truly blessed to have been exposed to current research on key economic and public policy issues. I now have a good understanding of how research can help inform policy and impact the lives of people.

Lastly, if you enjoy working with people, love resolving issues, and thrive on each day being different, then a career in business management is for you. Pursuing something that you're passionate about with people who motivate you, makes work really fun, even through the difficult times.

UPCOMING EVENTS

Growing the Asian market for tourism in WA

When: Monday 25 June 2018
8.30am to 2.30pm

Where: Council Chambers
Building 100, Level 3
Curtin University

This symposium will explore ways in which to grow international tourism from the diverse Asian market to Western Australia. Join international keynote speaker, Professor Dr. Wolfgang Arlt from the China Outbound Tourism Research Institute in Germany and other key industry and academic experts, to learn about the most current topics and research findings within this important theme.

As part of the event, we will be launching the Bankwest Curtin Economics Centre funded report 'Are we China-ready? Chinese Tourism in Western Australia' by Associate Professor Jianhong (Cecilia) Xia, Professor Kirsten Holmes and Dr Torsten Reiners, which examines Chinese tourists' detailed travel experiences in WA.

This report recommends trip itineraries suitable for Chinese visitors, and provides consumer and market insights, which can inform tourism businesses, and government policies and strategies.

REGISTER

WA's Digital Economy: Bridging the digital divide

When: Thursday 2 August 2018
7.15am to 9.00am

The next Bankwest Curtin Economics Centre *Focus on Western Australia* report will examine inequalities across WA's regions in access to information and communication technologies. The report will explore the key drivers of data inequalities, and highlight potential solutions to improve access for the most disadvantaged groups. In the technological age, access to information and communication technologies provides a platform for businesses to compete on a local, national and international stage, for communities to remain connected, and for individuals and families and to access essential goods and services. As we strive to achieve inclusive societies and overcome social and economic inequalities, bridging the digital divide is of critical significance for businesses, communities and the local and national economy.

To express your interest to attend these events, email bcec@curtin.edu.au or phone 08 9266 2873.





BCEC IN THE CONVERSATION

THE CONVERSATION

Negative gearing reforms could save A\$1.7 billion without hurting poorer investors

By Helen Hodgson, Associate Professor, Curtin Law School, Curtin University

[Alan Duncan](#), Director, Bankwest Curtin Economics Centre

John Minas, Lecturer in Taxation, Griffith University

Rachel Ong ViforJ, Professor of Economics, School of Economics and Finance, Curtin University

Reforming negative gearing could save the federal government A\$1.7 billion without hurting “mum and dad investors”, according to our new modelling, by focusing tax deductions on investors with smaller property portfolios and removing them for richer investors.

Combined with changes to capital gains tax, reforming negative gearing could make the Australian housing market more sustainable and equitable.

Negative gearing allows investors to claim a tax deduction if their rental income is less than their expenses. It cost the federal government A\$3.04 billion in 2013-14, according to our calculations.

Our report also confirms that negative gearing and the capital gains tax discount incentivise housing investors to take on debt. This potentially makes the housing market less stable and crowds out first home buyers.

Read more: [FactCheck: are average earners the main beneficiaries of negative gearing?](#)

According to Treasury modelling, the Labor Party’s plan to limit negative gearing deductions on newly acquired rental housing would put relatively modest downward pressure on house prices. Preliminary research from Melbourne University has found that eliminating negative gearing would result in an increase in home ownership.

Nevertheless, there are concerns that reforming negative gearing would harm the financial wellbeing of mum and dad investors.

But using data on the distribution of property and incomes makes it possible to differentiate between poorer and wealthier investors, allowing the government to target reforms to cushion the blow for investors on lower incomes.

Targeted negative gearing reform

In our example, investors in the bottom half of the income and property distributions could be allowed to claim tax deductions for all allowable rental expenses. Those in the

51st–75th income percentiles could deduct 50% of those expenses, while negative gearing would be eliminated for those in the top 25% of incomes.

Our modelling of this scenario shows this would save the federal government A\$1.7 billion, or 57.3% of the current cost to the budget, each year. If negative gearing deductions were limited based on property values, the saving would be A\$1.5 billion (or 48.3%).

Given this reform would be less likely to hurt poorer investors, they would be less likely to withdraw from the rental market than if negative gearing was eliminated. This would also mitigate the impact of negative gearing reform on renters.

Most experts agree that negative gearing is linked to housing market activity. However there is no consensus on just how significantly negative gearing affects housing prices or rental market activity.

Means tax savings for negatively geared investors

If reforms are based on investor incomes

| Income percentile | Current tax savings | Tax savings after reform | Percentage change in tax savings |
|-------------------|---------------------|--------------------------|----------------------------------|
| Lowest 50% | 742.0 | 742.0 | - |
| 50% - 75% | 2,362.0 | 1,203.0 | - 0.5 |
| Highest 25% | 3,149.0 | - | - 1.0 |

Source: Authors own calculations

Our modelling does not focus on the impact negative gearing reform might have on the housing market, house prices, rents, or how investors might respond, but our modelling does show the impact of changing who can claim negative gearing deductions, as well as capping it at different levels.

These home owners also have an average taxable income of A\$82,000 per person, which is more than 250% of the average taxable income of renters (A\$31,000).

We modelled some alternative capital gains tax scenarios reducing the discount – which would increase the tax payable on net

This would reduce the difference between the tax payable by higher and lower income rental investors, and therefore reduce inequities in the current system.

Our modelling shows benefits of negative gearing are skewed towards more affluent investors in middle age and in full-time employment. Investors aged over 55 or who aren't in the labour market (those who are unemployed, retired or not working) benefit the least from negative gearing.

The cost of negative gearing

| X.1 | Budgetary cost | Reduction in budgetary cost |
|------------------------------------|----------------|-----------------------------|
| Current system | \$3.04B | - |
| Limit deductions by income | \$1.3B | \$1.74B |
| Limit deductions by property value | \$1.57B | \$1.47B |
| \$40,000 deduction cap | \$2.99B | \$0.05B |
| \$30,000 deduction cap | \$2.87B | \$0.17B |
| \$20,000 deduction cap | \$2.57B | \$0.46B |
| \$10,000 deduction cap | \$1.98B | \$1.06B |
| \$5,000 deduction cap | \$1.3B | \$1.73B |

Source: Authors own calculations

All amounts in Australian dollars

We need to change the way we tax housing to create a more equitable and sustainable housing market. But this needs to be done (and communicated to investors) in a way that limits the risk of a shock to the market if investors exit the housing market.

Policymakers have been reluctant to change the fundamental settings of the tax system, but our modelling shows it can be done in a way that limits the impact on poorer investors.

The main limitation on this reform is behavioural, determining how investors will react to the effects of tax changes. Housing reform is complex, involving a range of market factors as well as the tax drivers.

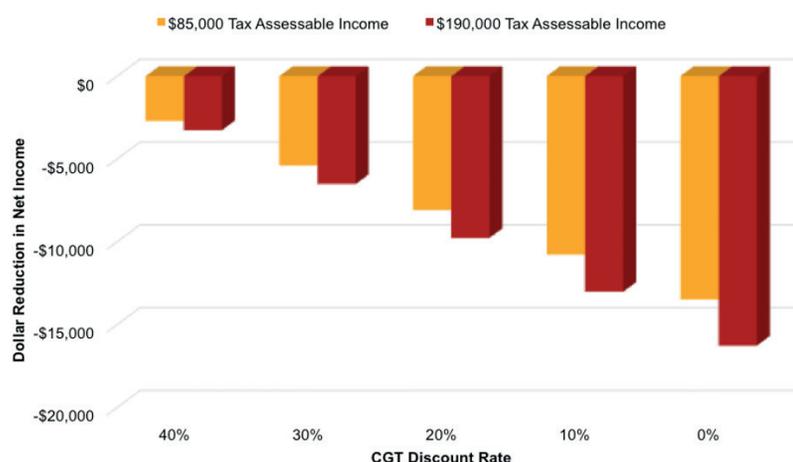
Who benefits from capital gains tax?

Our modelling does not focus on the impact negative gearing reform might have on the housing market, house prices, rents, or how investors might respond, but our modelling does show the impact of changing who can claim negative gearing deductions, as well as capping it at different levels.

Our research also identified that the capital gains tax discount has been a significant factor in the growth of negative gearing since 1999, as investors are able to claim a rental loss but do not pay full tax on later capital gains.

Home owners who also own at least one rental property receive the highest capital gains tax benefits. Our analysis showed this group has an average property portfolio valued at over A\$730,000.

capital gains. Our calculations show that reducing the discount would lead to higher income earners paying more capital gains tax.





Joanne Peckitt

Communication and Stakeholder
Engagement Coordinator
Bankwest Curtin Economics Centre

EXPANDING BCEC'S REACH AT THE CORE FOR JOANNE

BCEC's Communication and Stakeholder Engagement Coordinator, Joanne Peckitt, is always on the hunt for new channels and new ways to raise the profile of BCEC research and its staff. Since arriving at the Centre in January 2017, Jo has introduced new reporting and evaluation methods to chart what communications have the most impact in spreading BCEC's research, bringing additional strategic thinking to BCEC's communications tools.

Another aspect of Jo's position is broadening the Centre's engagement with key stakeholders, across the spectrum of government, policy, industry, associations and academia. Jo says developing new connections in this space is an ongoing, but always rewarding, task and something she enjoys setting aside time for each week.

In her spare time, you'll find Jo creating jewellery to wear with her bright work outfits, or at the beach with her energetic Australian Shepherd, Freddy.



Chris Phelps

PhD Scholar
Bankwest Curtin Economics Centre

CHRIS' AMBITION REMAINS THE SAME – TO BE MOTIVATED, STAY ONE STEP AHEAD, AND ENJOY LIFE!

BCEC PhD Scholar Chris Phelps is putting the finishing touches on the first significant chapter of his thesis, but says balance and interests outside of his study keep him motivated. Chris' research explores the price growth of housing across Australia, specifically why certain areas record higher growth than others. His thesis will also examine the impact of gentrification on housing affordability, which is the sudden influx of high income households into low income areas.

Chris recently presented the preliminary stages of this research at the BCEC Research Development series, an internal workshop series for emerging researchers. To add some variety into his week, Chris is part of an AHURI-funded research project, exploring the uneven distribution of housing supply in Australian cities. Chris is also finishing up his first semester teaching property market analysis at Curtin University. It's this variety that keeps him interested in both work and study, and will give him well-rounded skills for his future academic career.



Yashar Tarverdi

Research Fellow
Bankwest Curtin Economics Centre

YASHAR IS ON THE PATH OF LIFETIME LEARNING

BCEC Research Fellow Yashar Tarverdi never misses a beat keeping up with all the latest data and trends and thinking of new ways to analyse and understand data to solve problems. This ambition coupled with a unique set of skills is why Yashar is able to contribute to a number of the Centre's series of publications.

Yashar enjoys working on research that focuses on energy, environment, applied econometrics and data analysis and has an active academic profile. He is instrumental in pulling together the BCEC Monthly Labour Market Update, the Centre's economic commentary which explores the latest labour force data released by the Australian

Bureau of Statistics (ABS), providing expert insights and analysis around key labour market indicators.

Tasked with regularly exploring the latest socioeconomic data, this keeps Yashar alive to new trends, which helps him continue on the path of lifetime learning. Along with his scholarly work, he has contributed to several BCEC projects, from policy evolution of the HEADSPACE program, to a number of marquee reports including Positioned for An Ideas Boom?, Beyond our Means, Future of Work in Australia, Power to the People and Back to the Future.

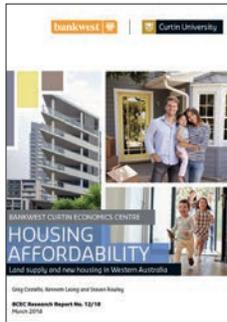


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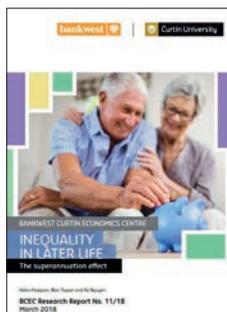


Housing affordability: Land supply and new housing in Western Australia

Greg Costello, Kenneth Leong and Steven Rowley

Bankwest Curtin Economics Centre

This Bcec Feature report addresses the topic of land supply, new dwelling construction and housing affordability, a major economic and social issue facing West Australian households. This report complements the Bcec Housing Affordability (2014 and 2016) reports, identifying and analysing vacant land and recent construction activity. The report finds that single residential remains the dominant title type throughout Western Australia for established dwellings, vacant land and new dwellings.



Inequality in later life: The superannuation effect

Helen Hodgson, Alan Fenna, Ha Nguyen

Bankwest Curtin Economics Centre

This Bcec Feature report examines the extent of economic inequality among Australians over 55 years of age, and seeks to identify the effect, if any, that the current superannuation system has on economic inequality in later life. The report examines inequality by reference to wealth, which includes the balance of a superannuation accumulation account, and by reference to income, which includes private pension income. The study shows that inequality decreases and wealth is distributed more equally than the population as a whole.



The income tax treatment of housing assets: an assessment of proposed reform arrangements: Inquiry into pathways to housing tax reform

Alan Duncan, Helen Hodgson, John Minas, Rachel Ong Viforj, Richard Seymour

Bankwest Curtin Economics Centre

This report models several potential transitional arrangements that may ease the distribution pressures arising from reforms to negative gearing and capital gains tax (CGT) reform, and help smooth a reform pathway that is more politically acceptable.

A progressive rental deduction reform is modelled whereby 'mum and dad' investors receive greater access to generous tax concessions that cushions these investors from significant drops in tax savings and will moderate adverse impacts on their economic wellbeing in comparison to a blunt cap on rental deductions.

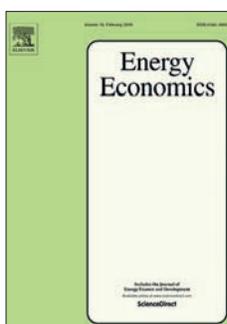


The evolution of the gender test score gap through seventh grade: new insights from Australia using unconditional quantile regression and decomposition

Huong Thu Le, Ha Nguyen

IZA Journal of Labour Economics

This paper documents the patterns and examines the factors contributing to a gender gap in educational achievements in early seventh grade of schooling using a recent and nationally representative panel of Australian children. Regression results indicate that females excel at non-numeracy subjects at later grades whereas males outperform females in numeracy in all grades, whether at the mean or along the distribution of the test score. Our results also reveal a widening gender test score gap in numeracy as students advance their schooling.



Oil and Women: A Re-examination

Astghik Mavisakalyan, Yashar Tarverdi

Energy Economics

This article re-examines the negative correlation between women in oil producing countries and their representation in the labour force. This article confirms that oil production does cause a decline in women's representation in the labour market. Additionally the authors show that, consistent with Dutch disease effects, oil production decreases women's employment in the traded sector. However, it also leads to an increase in women's employment in the nontraded sector. The article explores some social consequences of oil production and shows that production results in women marrying earlier and having more children.



Let's keep in touch

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