

ANNUAL REPORT 2007

Background

The NCER was formed in June of 2006. Initially effort was concentrated upon the task of setting up a Governing Board and an International Advisory Board. In line with the ambition of becoming a National Centre the Governing Board was constructed of representatives from other Australian universities that have a strong econometric presence - specifically University of New South Wales, Australian National University (ANU), Monash University and the University of Melbourne - as well as local representatives. The International Advisory Board was composed of distinguished econometricians from the US, Europe and Asia, including Professor David Hendry of Oxford University, Professor P.C.B. Phillips of Yale University, Nobel Laureate Robert Engle of New York University and Professor Lucrezia Reichlin of the European Central Bank. All the individuals who we initially contacted agreed to sit on the Advisory Board, which was a pleasing sign. A web site was established, www.ncer.edu.au, and a conference to inaugurate NCER was held in the middle of July 2006. Since then we have continued to work upon setting up the structure and activities of the NCER some of which are outlined below.

Working Paper Series

A working paper series has now been set up and papers are downloadable from the web site. In 2006 there were six papers and one has been already accepted for publication in a top international journal. By December of April 2007 there are twenty papers. The series has been listed on IDEAS and REPEC at <http://ideas.repec.org/s/qut/auncer.html> and <http://econpapers.repec.org/paper/qutauncer/> respectively.

Recent information on access to the working papers is as follows

File downloads	
Last month:	166
Last 3 months:	406
Last year:	1214
Since start:	1214

This seems like a very promising start.

Working Groups

It was envisaged that the NCER have both a local and a national focus. To achieve the national objective it was decided to set up a series of Working Groups on topics that were currently important in econometric research. Researchers would be affiliated to these groups and the Centre would support activities relating to them. Generally this would involve some small conference with a distinguished speaker. Groups might also meet at other times during the year to discuss their research.

Three national groups have been established. The groups involve not only locals but also individuals whose position is in overseas universities but who have either had a past connection with QUT or are regular visitors to Australia.

Macroeconometric modelling

The macroeconometrics group is lead by *Professor Adrian Pagan* and currently has 10 researchers formally connected to it. The first meeting of the working group was held on the 21st December at the Reserve Bank of Australia's (RBA) Coombs Centre in Kirribilli. The RBA provided facilities and accommodation for the event and we are grateful to them for that. Four papers were presented. Dr C. Nismark (RBA) and Dr. J. Benes (RBNZ) spoke about modelling developments in the Reserve Bank of Australia and New Zealand respectively. Professor Bruce Preston of Columbia University and Professor Adrian Pagan spoke about some new developments in model design and estimation respectively. The workshop was very stimulating and it was agreed that one should be held each year at some location.

In 2007 Professor Pagan helped organize an international conference which was an extension of the 2006 conference. It was entitled *Monetary Policy in Open Economies* and was held at the RBA on December 17-18 2007. The conference featured a number of members of the macroeconometrics group as lecturers and discussants and the conference papers were concerned with the design, estimation and validation of small macroeconomic models and their use in analysing various issues arising in monetary policy in small open economies.

Volatility

The volatility group was lead by *Professor Vance Martin* of the University of Melbourne and has 8 researchers. There are two developments of note to report. The group was successful in getting up an ARC International Linkage award which links QUT, Oxford, Glasgow and Manchester for a three-year period, allowing exchanges of students and research collaboration. The group celebrated a major success with the acceptance for publication of a paper by two of its members, Adam Clements (QUT) and Ralf Becker (Manchester) in the *Journal of Banking and Finance*, which is a top 5 finance journal.

At the Board Meeting at the end of 2007 it was decided to reorganise this group and broaden its focus. As a result the new research program will be in *Financial Econometrics*. *Professor Stan Hurn* will be organising a workshop for this group around the visit of Professor Yacine Ait-Sahalia in late July of 2008, provisionally called *Frontiers in Financial Econometrics*.

Non-Linear and Complex Systems Analysis

This group is lead by Professor R Wolff and has eleven members.

The group had a successful conference in September 2007 jointly sponsored by the ARC Financial Integrity Research Network (FIRN) in which contemporary topics in finance and econometrics were treated with emphasis on new methods and perspectives. This meeting aimed to provide both academics and practitioners with access to an assembly of leading researchers in econometric methodology for complex systems. International invited speakers included Professor Wolfgang Härdle (Humboldt-Universität zu Berlin), Professor Anthony Lawrance (University of Warwick) and Dr Peter Thomson (Statistics Research Associates Ltd).

Workshops and Seminars

The other national activity organized by the NCER involves sets of lectures on particular topics. Two sets of lectures were held in 2007.

Econometric Methods for Business Cycle Analysis – was presented by Professors *Don Harding* and *Adrian Pagan* on May 28-30 at the University of Melbourne (joint with the Macroeconomics Centre, University of Melbourne). Around 40 registrations were received.

Panel Data Econometrics – was delivered by Professor M. Arellano at QUT on 9/10 July. Professor Arellano delivered the A.W. Phillips lecture at the Australasian Meetings of the Econometric Society meeting at the University of Queensland in the previous week. Around 40 registrations were received.

A number of NCER seminars were held from April 2007. Speakers included

- Professor John Geweke,
- Dr Ralf Becker,
- Professor Bob Gregory, and
- Professor Avner Kalay (jointly sponsored by FIRN).

Visitors

Local activities revolve around the distinguished visitor program. During 2006/7 a large number of visitors spend 3 or more days at QUT. A selection of these follows:

Professor David Hendry, Chair Department of Economics, Oxford

Professor Kenneth Lindsay, Department of Mathematics, University of Glasgow

Dr Ralf Becker - University of Manchester

Professor Gunnar Bardsen – NTNU, Trondheim

Professor Roger Craine – University of California, Berkeley

Professor Susan E. Mayer - University of Chicago, Dean of Harris School of Public Policy Studies

Professor Bob Gregory - Australian National University

Professor Avner Kalay - Tel Aviv University and University of Utah (jointly sponsored by the FIRN ARC Research Network)

Professor Robert Engle of NYU

Professor Bruce Preston of Columbia University

Professor Dominique Guegan of Ecole Normale Supieure de Cachan, Paris

It is hoped to make the NCER an important historical archive by recording interviews with a selection of visitors and making these available on the web as podcasts. To date there is an interview with Rob Engle on the website and one with John Geweke being edited. Interviews with Yacine Ait-Sahalia and David Hendry are planned.

Corporate Sponsors

Finally, the NCER would like to acknowledge the generous financial assistance of a number of sponsors during 2007. By their sponsorship, these organisations have very tangibly demonstrated their strong support of the NCER's activities resulting in a genuine partnership to promote outcomes of considerable community benefit.

- [Queensland Investment Corporation](#)



- [Office of Economic and Statistical Research, Queensland Treasury](#)

