
IN THIS ISSUE

- [A Word From The President](#)
 - [In Celebration - Michael Young](#)
 - [In Celebration - David Pannell](#)
 - [In Memoriam - Ron Duncan](#)
 - [Upcoming Events - AARES2027](#)
 - [Upcoming Events - NZARES](#)
 - [Research Highlights - Fleming-Muñoz & Ubilava](#)
 - [Call for Papers - In Memoriam of Adam Loch](#)
 - [Federal Updates - New AARES Appointments](#)
 - [Branch Updates - AARES QLD Branch](#)
 - [Branch Updates - AARES SA Branch](#)
 - [Branch Updates - AARES VIC Branch](#)
 - [Views Item - A/Prof Tim Nelson](#)
 - [Views Item - Prof Moriah Bostian](#)
 - [Views Items - Policy Notes Webpage](#)
-
-

A Word from the President

Over the last few months, I have focused my attention on several matters, including the organisation of the Special General Meeting (SGM) held on 17th July. The purpose of the meeting was to appoint several new office bearers, including **Dr Bernardo Cantone as Federal Treasurer, Dr David Adamson as Federal Secretary, Dr Gavan Dwyer as Chair of the Investment Committee**, all commencing on 17th July. **Professor Glyn Wittwer** was also appointed **as AJARE Editor-In-Chief**, with his term commencing in January 2027. I thank all our newly appointed Directors for their willingness to serve the Society and contribute to the work of the AARES Board.

On 12th June, we held our first **early career-focused webinar entitled "What Makes a Paper Great (or at Least More Attractive to Editors)?"** that was offered by Professor John Rolfe (CQU), Professor David Stern (ANU), and Dr Iain Fraser (Adelaide University) with great success. Approximately 50 members attended the session, and from 24 poll responses, most indicated that the webinar was relevant or highly relevant, and that it met or exceeded their expectations.

Many thanks to Professor John Rolfe, Professor David Stern, and Dr Iain Fraser for their outstanding presentations and continued support to our society. **To watch a replay of the webinar, please visit the following link:** [AARES webinar replay](#)

Our next early career focused webinar will be on 2nd October at 12:00 PM AEST, which will be entitled **"From Good Ideas to Funded Grants: How to Prepare Proposals Reviewers Actually Want to Fund"**, and will be offered by Professor David Pannell (UWA), Professor Sarah Wheeler (Flinders University) and Professor Oscar Cacho (UNE).

On a sad note, we received the news that **Emeritus Professor Ronald (Ron) Duncan AO, AARES President in 2002, passed away** on 1st July at the age of 89. We shared this news with our members and extended our condolences to his family and members affected by his passing. We are in contact with the Duncan family to organise a memorial session in his honour at the upcoming AARES Conference.

I encourage all branches to continue organising activities for their members and to actively promote participation in the next AARES Conference, noting that submissions are now open.

Thank you all for your contributions; they are deeply appreciated and make a difference to our society.



Emilio Morales
AARES President

In Celebration

Michael Young Appointed AO

AARES congratulates **Emeritus Professor Michael Young** (Adelaide University) on his appointment as an **Officer of the Order of Australia (AO)** in the 2026 King's Birthday Honours in recognition of his distinguished service to conservation and the environment, water resource management, and tertiary education.

Mike was among a group who established the **Australia-New Zealand Ecological Economics Society** in 1995. Recognising the importance of ecological and natural resource issues, AARES added "resource" to the society's name in 1996.

Congratulations, Mike, on this well-deserved recognition.



Read more [here](#).

David Pannell Receives a Lifetime Achievement in Research Award

AARES congratulates **Emeritus Professor David Pannell** (Centre for Environmental Economics and Policy, Department of Agricultural and Resource Economics, The University of Western Australia) on receiving a **Lifetime Achievement in Research Award from the Agricultural Economics Society (UK)**.

The award recognises David's outstanding and sustained contribution to agricultural economics through his influential research, leadership and service to the discipline over many years.

Congratulations, Dave!



Read more: [link](#)

In Memoriam

Vale Emeritus Professor Ron Duncan AO

It is with great sadness that AARES advises members of the passing of **former AARES President Emeritus Professor Ron Duncan AO** on Wednesday 1 July 2026, aged 89.

On behalf of the AARES Board and members, we extend our deepest condolences to Ron's family, friends and colleagues. We honour his significant contribution to AARES and his lasting impact on the agricultural and resource economics community.

Ron was a valued member of AARES for many years, serving as President and later being recognised as an **AARES Distinguished Fellow (2006)**. Throughout his career, he made important contributions to economics, policy and education, while generously supporting and mentoring many members of our profession.

Ron's leadership, intellect and commitment to the discipline helped strengthen the AARES community, and his contribution will be remembered with great respect and gratitude.



Upcoming Events

The 71st Annual AARES Conference

3–5 February 2027 | Rydges Melbourne, Australia

Seven Decades of Agriculture and Resource Economics: Lessons, Legacy and Futures

Time is running out to submit your contribution to the 71st Annual AARES Conference.

The Local Organising Committee invites final submissions for:

Contributed Papers (scheduled for 3–5 February 2027)

Special Sessions (scheduled for 3–5 February 2027)

Pre-Conference Workshops (scheduled for 2 February 2027)

Join colleagues from across academia, industry and policy to share research, exchange ideas and contribute to important conversations shaping the future of agriculture and resource economics.

Submission deadline: Sunday, 9 August 2026

Read more [here](#).

NZARES 2026 Annual Conference

The New Zealand Agricultural and Resource Economics Society (NZARES) 2026 Annual Conference will take place at the [Commodore Hotel](#) in **Christchurch** on **27-28 August 2026**.

NZARES is also planning an exciting pre-conference field trip in the afternoon of 26 August, perfect for networking and exploring local insights. More details, including registration info and program highlights can be found on the [NZARES website](#).

We look forward to seeing you in Christchurch for what promises to be another great gathering of ideas in agricultural, resource and environmental economics!

Research Highlights and Opportunities

The Potential Impacts of a Strong El Niño

We are pleased to highlight the recent contribution of members **David A. Fleming-Muñoz**, Professor of Agricultural and Resource Economics at La Trobe University, and **David Ubilava**, Associate Professor of Economics at the University of Sydney, who have published an article in *The Conversation* exploring what a strong El Niño could mean for Australian communities, jobs and food prices.

We congratulate David and David on sharing their research and expertise with a wider audience and contributing to important conversations about climate, agriculture and economic resilience.

Read the full article [here](#).

Call for Papers: Water Allocation Reform Under Scarcity and Uncertainty: In Memoriam of Adam Loch

AARES is pleased to share a call for papers for a special issue of *Water Economics and Policy* in memory of Adam Loch.

Guest edited by AARES member **Dr David Adamson (Adelaide University)** and **Dr Dionisio Pérez-Blanco (IMDEA, Spain)**, the special issue recognises the life and contributions of Dr Adam J. Loch (1971–2025), whose research made significant contributions to understanding water allocation, irrigator decision-making, water markets, climate adaptation and institutional reform.

The special issue welcomes both review articles reflecting on Dr Loch's professional contributions and original research articles building on areas central to his research agenda, including:

- transaction costs
- water reform
- water use efficiency
- climate change adaptation
- decision-making under risk and uncertainty
- water theft

Submission deadline: 31 December 2026

Researchers are encouraged to contribute papers that honour Adam's intellectual legacy and continue the important conversations he helped shape

For submission details and guidelines [here](#).

Federal and Branch Updates

New AARES Appointments

AARES is pleased to announce the appointment of several members to key Society roles. These appointments include:

Dr Bernardo Cantone - Federal Treasurer

Dr David Adamson - Federal Secretary

Dr Gavan Dwyer - Chair of the Investment Committee

Professor Glyn Wittwer - Editor-in-Chief of *AJARE*

Erdal Karacan - Social Media Volunteer

The appointments of Bernardo, David, Gavan and Glyn were confirmed at the Special General Meeting (SGM) held on Friday 17 July 2026 and will commence in January 2027.

AARES thanks all appointees for their willingness to serve the Society and looks forward to their expertise and contributions in these roles.

The Special General Meeting of the Australasian Agricultural and Resource Economics Society was held online via Microsoft Teams on Friday 17 July 2026, from 12.00–12.30 pm AEST. The Minutes from the meeting, including reference documents provided as Appendices, are available to download [here](#).

Queensland Branch Update

The AARES Queensland Branch held a successful **mini-symposium** on 30 April, bringing together 27 participants across both in-person and online formats. The branch hosts three mini-symposia each year, with each event featuring a diverse range of speakers from academia, government and industry, showcasing current research and emerging issues in environmental and resource economics.

The April mini-symposium featured presentations from:

Bianca Bucksco (Natural Capital & Climate, Brisbane) - "Economic values of urban green space: a preliminary analysis for New Farm Park"

Quoc Anh Nguyen (CSIRO) - "Modelling the Economic Consequences of Telecommunication Disruption from Natural Hazards in a Regional Context"

Jozef Masseroli (FTI Consulting) - "Energy transition in Australia and climate goals: when having a State perspective leads to sub-optimal outcomes"

Sean Pascoe (CSIRO) - "Rethinking the use of the residual method for ecosystem services valuation"

The presentations generated thoughtful and engaging discussions on environmental and resource economics, with participants exploring current issues and research insights across the field. The event concluded with an opportunity for informal networking over pizza and drinks.

The Queensland Branch also welcomes **Praseed Thapa**, who has recently joined the AARES QLD Committee as the **Early Career Researcher (ECR) Engagement and Communications Officer**. We look forward to Praseed's contribution in strengthening engagement with early career researchers and supporting branch communications

AARES QLD has also launched a dedicated **LinkedIn page** to share branch news, events and announcements with the wider community. [Follow the page](#) for the latest updates.

South Australian Branch Update

The AARES South Australia Branch hosted an event on Tuesday 7 July at Intersection Traders, featuring visiting **Professor Richard Volpe (California Polytechnic State University)** and a panel discussion on current issues in food and agricultural economics.

Professor Volpe presented a seminar on **"Food Price Inflation and Cost Challenges in the US Food System: Insights for Australia"**, examining recent food price trends and their relevance to the Australian context.

The seminar was followed by a panel session, **"Business Structures for Success (or not) in a Beer Industry in Crisis"**, featuring **Dr Daniel Gregg** and **Dr Iain Fraser**. The discussion built on reflections from the **Beeronomics AARES pre-conference workshop held in February 2026**, exploring the challenges facing the beer industry and the role of business structures in responding to changing market conditions.

Victorian Branch Update

We are pleased to welcome **Alexandria Sinnett** as the new **AARES Victorian Branch Councillor**.

Alexandria's details, along with the full list of AARES office bearers, are available [here](#).

Views

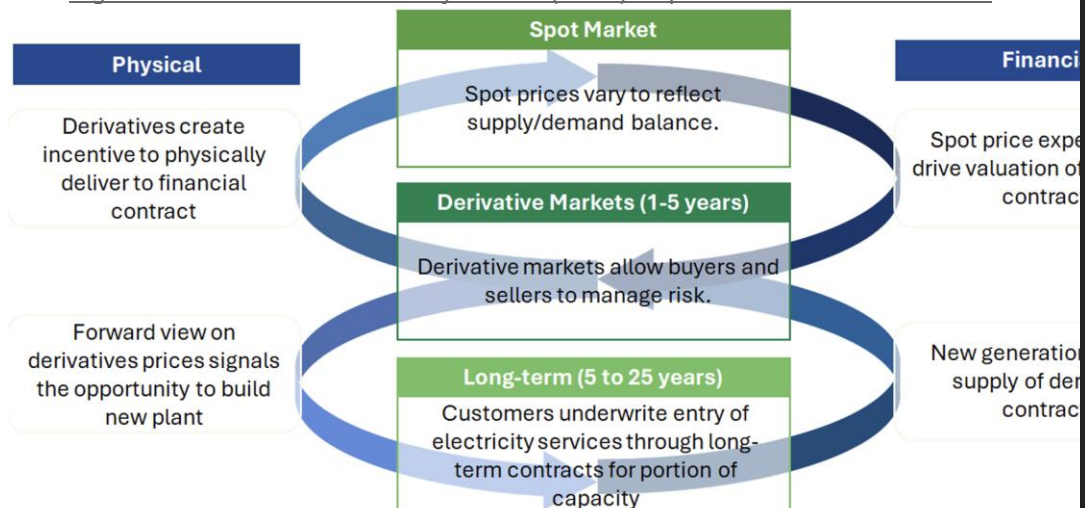
Policy Options for Strengthening Australia's Electricity Market During the Renewable Transition

Associate Professor Tim Nelson

Chair, National Electricity Market Review and Associate Professor, Centre for Energy Economics and Policy Research, Griffith University

Australia's National Electricity Market (NEM) is one of the longest electricity systems in the world, stretching from far north Queensland to Tasmania and around to South Australia. It is undergoing one of the fastest energy transitions in the world. Renewable generation has increased from around 8 per cent in 2010 to more than 40 per cent today, while rooftop solar has become the single largest source of installed capacity. At the same time, ageing coal generators are retiring as they reach the end of their engineering lives. Governments have shifted away from the use of market-based instruments such as carbon pricing and renewable certificate schemes towards direct intervention via underwriting schemes to drive new investment.

Figure 1: The National Electricity Market (NEM)'s operation across timeframes



As highlighted in Figure 1, the NEM (created in 1998) was intended to operate as an integrated system across three timeframes: in the short term, spot prices coordinate the dispatch of generation to meet demand with significant price volatility driving efficient use of resources; in the medium term, derivative markets allow participants to hedge this price volatility and manage financial risk; and in the long term, expectations of future spot and contract prices drive investment decisions in new capacity. The effectiveness of the market depends on strong linkages between these layers. Spot outcomes inform contract pricing, and contract markets in turn shape both bidding behaviour and investment incentives.

The energy transition is not simply technological. It is fundamentally reshaping how electricity markets' function. It is in this context that Australian governments

commissioned an independent expert review of the NEM in late 2024. The Expert Panel provided its final report in late 2025 with key recommendations being supported and implementation now underway (Nelson et al, 2025). The key insights from the Review were not that any one component of market design was significantly deficient but that the linkages between short-term dispatch, medium-term risk management and long-term investment pricing signals have weakened. Without reform, the lack of consistent price signals across different timeframes risks undermining reliability, increasing costs and reducing competition.

Problems identified by the NEM Review

Firstly, the rapid growth of behind-the-meter resources (such as rooftop solar, batteries and flexible demand) has created a class of ‘hidden’ participants. These resources increasingly respond to wholesale prices but are not fully visible to the market operator in dispatch. As a result, prices no longer fully reflect system-wide supply and demand conditions. Without reform, batteries could be discharging while other batteries are charging with significant and unnecessary overinvestment.

Secondly, the shift to weather-dependent renewable generation has fundamentally changed the nature of the physical electricity system and energy market risk. Electricity prices are now driven less by fuel costs and more by weather patterns. Periods of very low prices during high solar output are increasingly interspersed with sharp price spikes when wind and solar are scarce. The system has become both predictably variable (i.e. the sun rises and sets each day) and unpredictably volatile (e.g. stochastic wind availability).

And finally, a mismatch has emerged between the contracting horizons of market participants and the financing needs of new generation assets. Retailers and large customers typically contract only a few years ahead, while renewable and firming generation assets require long-term revenue certainty in a system that is undergoing significant technological change. The Review termed this mismatch of contracting horizons the ‘tenor gap’ and noted it is now a key barrier to investment.

Key Recommendations of the NEM Review

1. Improve visibility in the short-term market

Efficient price formation requires that all material supply and demand be visible to the dispatch process. As behind-the-meter resources (such as solar, batteries and EVs) are increasingly deployed by households and small businesses, policy should ensure that

price-responsive resources are either directly dispatchable or visible to the market operator. This reinforces a core economic principle of the market's original design: *prices can only allocate resources efficiently when all relevant information is incorporated.*

2. Strengthen forward contract markets

Investment in renewables has increased the proportion of resources that are *weather dependent*. As such, the nature of risk is evolving away from fuel (coal and gas prices) and towards weather patterns. While the system has changed physically in this way, the contracts used to manage price risk have been slow to evolve. But forward markets are central to risk allocation, retail competition and investment. Without evolution, the changing nature of the risks of operating in the spot market cannot be managed in the forward contract market. The NEM Review therefore makes two important recommendations:

- The regular convening of an industry-led contract standardisation design process. This would develop contract products suited to a weather-dependent system, including contracts for energy (i.e. MWh) shaping (i.e. storage) and firming (i.e. continuous dispatchable capacity) services.
- A market-making obligation to ensure minimum liquidity and price transparency for trade in these products.

These measures would support competition and allow risks of spot market participation to be more efficiently managed.

3. Address the tenor gap with targeted intervention

The most significant structural issue identified in the NEM Review is the 'tenor gap'. Without long-term contracting, capital-intensive investments in renewables, storage and firming capacity are difficult to finance. The NEM Review recommends a new Electricity Services Entry Mechanism (ESEM) to address this gap. The ESEM would:

- procure long-term contracts for key services (energy, shaping and firming) through a reverse auction process,
- operate only where private markets cannot provide sufficient contracting depth, and
- issue standardised, tradeable contracts (defined through the contract design process – see above) that integrate with forward markets.

The ESEM would effectively utilise price signals that integrate with forward markets and (eventually) the spot market.

Conclusion: reinforcing the market's original architecture

The NEM's core design remains fit for purpose. The central issue is not the spot market, but the weakening of the institutional links that connect spot (dispatch), forwards (risk management) and investment. The NEM Review's recommendation restores the coherence of the NEM's original design while adapting it to the realities of a weather-dependent, distributed and decarbonising electricity system.

References

Nelson, T. Conboy, P. Hirschhorn, P. and Hancock, A. (2025), *NEM Review Final Report to Energy Ministers*, Commonwealth Government Publication, Canberra.

Environmental Adjustments to Agricultural Total Factor Productivity

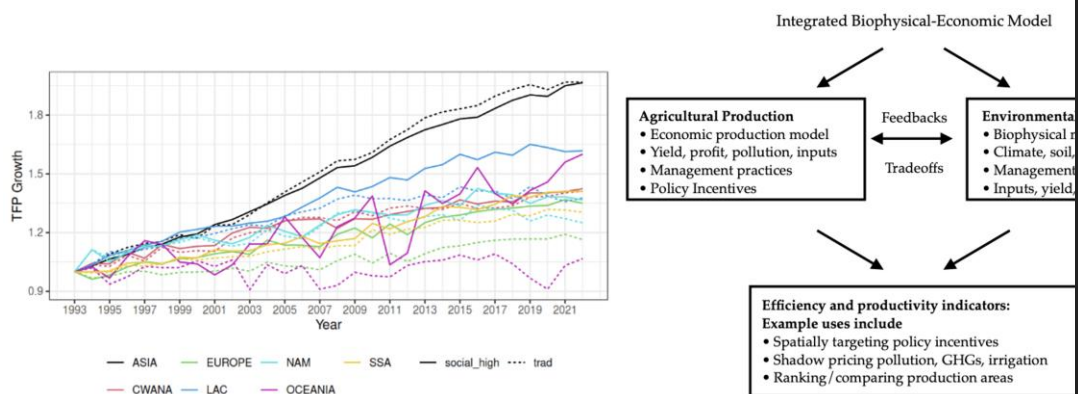
Professor Moriah Bostian

Endowed Professor of Economics, Lewis and Clark College, Portland, US

Agricultural productivity has long been one of the most important indicators of the sector's performance, measuring our capacity to produce more food with limited land, labour, water and capital. But as climate change and environmental degradation increasingly shape agricultural production, the way we measure productivity must also evolve. Productivity growth has underpinned global food security for decades. Yet agriculture both depends on and affects the natural environment. Climate change, water availability, soil quality and greenhouse gas (GHG) emissions increasingly influence agricultural production, while farming itself shapes environmental outcomes. As governments place greater emphasis on sustainability, an important policy question emerges: are current measures of agricultural productivity capturing the full picture?

Traditional measures of agricultural total factor productivity (TFP) compare the growth of all agricultural outputs with the growth of all inputs, providing a comprehensive measure of productive performance. Unlike partial indicators such as labour productivity, TFP captures the efficiency with which all production resources are used and has become the standard benchmark for evaluating agricultural performance at farm, regional and

national levels. However, conventional TFP measures generally exclude environmental assets and externalities. Consequently, productivity growth may be overstated when higher output is achieved through greater natural resource depletion, increased pollution, or unusually favourable climatic conditions. Conversely, it may be understated when producers invest in pollution abatement, ecosystem restoration, or adapt to increasingly adverse climates. Recent evidence illustrates both effects. Ortiz-Bobea et al. (2021) identify climate change as an important contributor to the recent slowdown in global agricultural TFP growth, while Chancellor et al. (2021) show that adjusting Australian productivity measures for climate effects changes estimated TFP growth across most agricultural industries.



These challenges have prompted important international efforts to incorporate environmental information into agricultural productivity measurement. The OECD Network on Agricultural TFP and the Environment is developing best-practice approaches for environmental accounting, while the UN Common International Classification of Ecosystem Services (CICES) contributes to the broader System of Environmental-Economic Accounting (SEEA). Similarly, the USDA ERS International Agricultural Productivity (IAP) Dataset continues to expand the international evidence base. Together, these initiatives reflect growing consensus that future productivity measurement should recognise both economic and environmental performance.

Two complementary methodological approaches provide practical pathways for environmentally adjusted TFP. The first builds on economic index theory, where changes in aggregate outputs are compared with aggregate inputs using price-weighted indexes such as the Fisher and Tornqvist indexes, both recognised as superlative indexes (Diewert, 1976). This framework can incorporate natural resources and environmental outcomes by assigning implicit economic values to non-marketed inputs and outputs (O'Donnell, 2012), making it particularly attractive for extending existing

national productivity accounts. The second draws on production theory, representing agricultural technology through distance functions—including the radial formulations of Farrell (1957) and Shephard (1970), and the directional approach of Luenberger (1995) and Chambers (1996). As Wang and Chambers (2026) emphasise, these methods provide economically meaningful measures of performance while allowing productivity growth to be decomposed into efficiency change and technological change. Rather than competing approaches, they offer complementary perspectives for measuring environmentally adjusted productivity.

Recent research demonstrates that these approaches are no longer purely conceptual.

Barnhart et al. (2023) applied a production-theoretical framework using directional distance functions to measure agricultural productivity in the Mississippi River Basin while explicitly accounting for nutrient runoff and changing climatic conditions. Henningsen et al. (2026), in contrast, used an index-number framework to adjust global agricultural TFP for greenhouse gas emissions. Together, these studies illustrate that environmental adjustment can be implemented using established economic methods rather than requiring entirely new measurement frameworks.

The policy challenge now is implementation. Initial efforts should focus on environmental variables that are increasingly observable and internationally comparable, particularly land, water, climate and GHG emissions. Advances in remote sensing, integrated biophysical-economic modelling and computational methods are rapidly improving the feasibility of these adjustments, while pilot studies can help refine methodologies before broader adoption.

Agricultural productivity has always been about producing more with less inputs. In the twenty-first century, however, "less inputs" must include not only conventional production inputs but also the environmental resources upon which agriculture ultimately depends. Environmentally adjusted TFP offers an opportunity to align productivity measurement with sustainable development objectives while remaining grounded in well-established principles of economic index and production theory. Improving these measures will provide policymakers with stronger evidence to support agricultural innovation, environmental stewardship and long-term food security.

References

Barnhart, B.L., Bostian, M., Grosskopf, S., Färe, R. and Lochner, S. (2023). A productivity indicator for adaptation to climate change. *PLOS Climate*, 2(11), e0000199.

Chambers, R., Chung, Y.H. and Färe, R. (1996). Benefit and distance functions. *Journal of Economic Theory*, 70(2), 407–419.

Farrell, M.J. (1957). The measurement of productive efficiency. *Journal of the Royal Statistical Society: Series A (General)*, 120(3), 253–281.

Henningesen, A., Ang, F., Bostian, M., Dakpo, H. and Vrachioli, M. (2026). Sustainable productivity should be measured from society's perspective: An application to global agriculture. Working paper.

Luenberger, D.G. (1995). *Microeconomic Theory*. Boston: McGraw-Hill.

O'Donnell, C.J. (2012). An aggregate quantity framework for measuring and decomposing productivity change. *Journal of Productivity Analysis*, 38(3), 255–272.

Ortiz-Bobea, A., Ault, T.R., Carrillo, C.M. et al. (2021). Anthropogenic climate change has slowed global agricultural productivity growth. *Nature Climate Change*, 11, 306–312.

Pixabay (2026). *Beautiful free images*. Available at: <https://pixabay.com> (Accessed: 21 July 2026).

Shephard, R.W. (1970). *Theory of Cost and Production Functions*. Princeton, NJ: Princeton University Press.

Diewert, W.E. (1976). Exact and superlative index numbers. *Journal of Econometrics*, 4(2), 115–145.

Wang, S. and Chambers, R.G. (2026). Recent developments in productivity and efficiency analysis in the agricultural sector. In: Daraio, C. (ed.) *Handbook on Research Methods and Applications on Productivity and Efficiency*. Cheltenham, UK: Edward Elgar Publishing Ltd. Forthcoming.

Chancellor, W., Hughes, N., Zhao, S., Soh, W.Y., Valle, H. and Boulton, C. (2021). Controlling for the effects of climate on total factor productivity: A case study of Australian farms. *Food Policy*, 102, 102091.



Policy Notes Webpage

Members can now access current and future **AARES Policy Notes** through the dedicated [webpage](#).

Federal Executive	Branch Councillors
Emilio Morales President	ACT Vacant
Peggy Schrobback President Elect	East Asia Yu Sheng
Jeff Connor Past President	NE Oscar Cacho
David Adamson Secretary	NSW Michael Harris
Bernardo Cantone Treasurer	NZ Wei Yang
Steele West Promotions & Development	NA Daniel Scheitrum
Gavan Dwyer Investment Committee	VIC Alexandria Sinnett
David Stern AJARE Editor	SA Bethany Cooper
Sophie Lountain News & Views Editor	WA Alaya Spencer-Cotton
	QLD Rajendra Adhikari
	ECP SA Sophie Lountain
	ECP QLD Bernardo Cantone
	Executive Support
	Lyn Spiteri Central Office Manager
	Vacant Conference Coordinator

Comments or suggestions?

If you would like to contribute to the next issue of *News & Views*,
please contact the Editor at: sophie.lountain@adelaide.edu.au

[View this newsletter in your browser.](#)

Copyright © 2025 AARES, All rights reserved.
office@aares.org.au