



PRIME MINISTER

12 JUNE 1979

FOR PRESS

EXPORT CONTROL GUIDELINES - CONSULTATION WITH PREMIERS

The Prime Minister, Deputy Prime Minister, the Premier of Western Australia and the Premier of Queensland discussed export control guidelines on 11 June.

Agreement was reached on the following text which has been considered and endorsed by the Cabinets of the Commonwealth and the two States:

"The States accept that the Commonwealth has constitutional powers with respect to exports, but we believe those powers, however, should only be used after consultation and desirably with the agreement of the States, before any specific action is initiated.

"The manner of implementation of any controls is of major concern to the States and to the Commonwealth.

"Most of the minerals in question are of major importance to the States' and to Australia's economy. We both have a major interest in enhancing Australia's high reputation with purchasers and investors overseas and maximising development and economic growth.

"The States accept that special market circumstances may arise where some form of action is necessary to control exports, but the method of control should always be the subject of meaningful consultation between the Commonwealth and State.

"There is little to be gained by trying to define in advance what circumstances might justify intervention. These would have to be considered and desirably agreed on a case-by-case basis as a result of consultation between the Commonwealth, the State concerned, and the companies themselves.

"The main principles to be established in advance are that:

- (i) it is not the wish of either Government to be involved in commercial negotiations and only in special circumstances, desirably agreed between the Commonwealth and the State concerned, should controls be applied to particular marketing situations.

- (ii) it would be the Commonwealth's objective to reach agreement with the State concerning the implementation of such controls
- (iii) the Commonwealth and State should have sufficient information to assess the market circumstances of particular commodities. The Commonwealth should be in a position to seek information from companies about their negotiations as part of the Government's commercial intelligence.
- (iv) both State and Commonwealth Governments will remain closely in touch in all matters relating to resource development
- (v) either State or Commonwealth should be in a position to initiate discussions on a particular situation.

"As has already been announced, the guidelines announced last year are not now applying to iron ore and any application of export controls to a particular marketing situation in that industry will be subject to this general agreement.

"Because of the current marketing circumstances of coal, alumina and bauxite, the guidelines at this point remain in place for those commodities. However, consistent with this agreement, the Commonwealth will be in close consultation with the States concerned and the Northern Territory on the need for application of the guidelines."

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