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PRIME MINISTER

PRIME MINISTER'S EPAC PRESS STATEMENT

The Economic Planning Advisory Council held its third meeting today.

The Prime Minister said that he had been heartened by the spirit of co-operation in which today's discussions had been held. He also emphasised the role of EPAC in bringing views to the Government.

In this spirit, he had invited the non-Commonwealth members of the Council to bring forth at the next meeting papers or ideas on desirable medium to long-term paths to greater economic growth.

A range of issues was discussed.

The Treasurer outlined the nature and the rationale of the new foreign exchange system announced last Friday.

The Treasurer also outlined the improved economic prospects evident since the Budget was brought down. In consequence, it now appears that the Budget forecasts for activity, employment and unemployment were somewhat too conservative.

Other members of EPAC contributed information based upon their areas of special knowledge, and in general also stated that in their view the current economic position had improved since the last EPAC meeting in October.

Council discussed a paper on "Supply Side" approaches to unemployment prepared as a background document by the Department of Employment and Industrial Relations. Members found the information contained in the paper to be useful, and indicated that they would bring forward considered reactions in their papers for the next meeting.

Council also discussed another background paper, prepared by Treasury, on the structure of taxation in Australia. The Government considered it valuable to have ideas expressed to it about the structure of the tax base within the context of existing revenue needs, and EPAC members agreed to develop their thoughts further in this area in their submissions for the next meeting.

Matters pertaining to the Prices Surveillance Authority and wages were discussed briefly, but it was agreed that there were other meetings being held this week at which these issues could appropriately be discussed more fully.

The meeting considered the status of papers prepared for EPAC.

It was agreed that all papers be treated on an 'In Confidence' basis prior to their consideration by Council.

It was also agreed that there be a general presumption in favour of declassifying and releasing papers after the Council had considered them, though the wishes of those individuals and organisations who had prepared papers should be respected.

Minutes of EPAC meetings will be made available publicly, normally before the next meeting of Council but after members had had an opportunity individually to check their accuracy.

Projections prepared for the second EPAC meeting by both the Department of Prime Minister and Cabinet and the Department of Employment and Industrial Relations, as well as the Director's Report on the Technical Committee's discussion of these projections have now been declassified.

The Prime Minister stressed that the documents contained projections of alternative scenarios rather than concrete forecasts of the future.

He also noted the Technical Committee's concurrence with this view, and the range of qualifications within that Committee on particular numbers in the various projections.

The background papers on "Supply Side" approaches to unemployment and the structure of taxation referred to above have also been declassified.

12 December 1983