

Function Summary

Labor's Economic Policy Agenda *The Hon. Bob McMullan MP*

Some significant points from the Q&A:

1. A big point in the McMullan paper is the idea of restructuring Telstra; specifically, splitting up the corporation into a monopoly segment and a competitive segment (p. 15 of the paper).

But would it then sell the latter? That is obviously a major question for investors. McMullan's answer was less than clear, ending by repeating the ALP's stated policy that the percentage of Telstra would remain at its present levels.

2. Labor accepts the two frameworks for the conduct of fiscal policy and monetary policy (i.e. a balanced budget over the course of the cycle and 2-3% over the course of the cycle).

The implication of this is that there seems to me to be little room to fund big social changes unless the economy delivers a full kitty.

3. It is possible to run balanced budgets over the course of the cycle but say nothing about the size of government in the process. In answer to a question, McMullan indicated that the current climate for government and politicians is such that there is little (I would say no) chance that ALP would consider reducing both sides of the budget.

The implication of this is that Labor in government will remain a big taxing/spending one just like the current government.

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25 June 2002