It is expected that this phase of the project will be finalised early in 1977.

**Phase 3**

In the third phase, two further kinds of outputs will be produced:

- Long term 'snapshot' views of the economy 15, 20 and 25 years in the future. It is here that the long run impact of changing demographic variables, such as fertility rates, will show up.

- Time paths for major variables in the economy tracked year by year over a five to ten year horizon which are able to take account of major short run disturbances in the economy.

It is planned to complete this phase of the study by the end of 1977.

**Post-Development Phase**

After completion of Phase 3, IMPACT will have an on-going role and any developments thereafter would be enhancements or modifications which may become necessary to accommodate changing circumstances and extended uses of the model.
PART III

EXPECTED COMPLETION DATES FOR SEGMENTS OF THE PROJECT

DATE

PHASE

DESCRIPTION

1976

Completion of the second phase will enable the type of questions described above (and discussed in more detail in Part I, Section 3(ii)) of this paper to be answered year-by-year for a five to seven (and possibly ten) year horizon in the form of linked annual ‘solutions’. Again, the analysis would abstract from major short-run disturbances in the economy.

Phases 1 and 2

Completion of this phase will provide the basis for studying the consequences of changes, including policy-induced changes, to the economy. It will be possible to address such questions as:

- Given the absence of major short-run disturbances in the economy, what would be the effects in one year's time of changes in, for example, tariffs on particular industries or aggregate domestic consumption, or for example, gross domestic product by industry, etc.?
- For all participating agencies the end of the year, provided there are no further delays, the completed and available for use in the aggregation tables, for example, goods and services?

Phases 1

Completion of this phase will provide the basis for studying the effects of changes, including policy-induced changes, to the economy as a whole. It will be possible to address such questions as:

- In the absence of any unforeseen setbacks or delays, a full operational version of IMPACT will be available by the end of next year.
- The development of the model is planned in three phases and output will become available at the completion of each phase.

The attached paper on the IMPACT project has been prepared, at the Government's request, by the Chairman of the Industries Assistance Commission following the Cabinet's decision to approve continuation of the project. The paper is based on a report prepared for the Government in consultation with other agencies participating in the project. Its purpose is to explain why the IMPACT project is being undertaken.
integrated segments of a general purpose analytical tool based on compatible data systems and modelling designs. Thus the analysis undertaken in separate policy fields would be compatible and comparable on a valid basis - and the prospects of achieving sound and coordinated policies would be enhanced.

In summary, the IMPACT project offers the opportunity to develop a tool of policy analysis to achieve better informed and better coordinated advice in related areas, without impinging on the exercise of independent professional judgements of individual agencies. It also provides an opportunity to achieve substantial savings in the public and private costs of providing the necessary data and in the costs to Government of the research inputs to such policy advice. The alternative is to continue with a fragmented approach which must inevitably exacerbate the problem of policy coordination and add to the public and private costs of preparing advice for the Government.

2.3 THE CONTRIBUTION OF IMPACT TO DECISION-MAKING IN THE PRIVATE SECTOR

IMPACT will improve the quality of the information on which advice to the Government is based. More rational, consistent and better coordinated advice should result. This will help to create an environment conducive to more informed decision making in business.

Because the focus of IMPACT is heavily on Australian industry structure and its relationship to changing social and demographic conditions, the domestic labour market and international trade, it will be particularly appropriate for evaluating policies which bear directly on the business sector in general and on individual groups of industries and workforce categories in particular. Thus, output from the model will enable businesses and other organisations to make their own independent assessments of the future environment in which they will be operating and plan their initiatives accordingly. They will also be able to make better informed assessments of the efficacy of Government policies which affect their activities and thus be better equipped to influence the direction of future policies.

Finally, the costs to the community in general, and to business in particular, of providing information to the Government for policy purposes will be less under the coordinated approach being followed with IMPACT than would be the case if each agency of the Government were to continue with separate and fragmented analyses of the same basic issues.
PART I
THE PURPOSE OF DECISION-MAKING

1. THE PURPOSE OF DECISION-MAKING

PART II
THE GOVERNMENT COORDINATION

2. THE GOVERNMENT COORDINATION

PART III
THE INSTITUTIONAL FRAMEWORK

3. THE INSTITUTIONAL FRAMEWORK

PART IV
THE DECISION-MAKING NATURE

4. THE DECISION-MAKING NATURE

PART V
THE DECISION-MAKING PROCESS

5. THE DECISION-MAKING PROCESS

PART VI
THE DECISION-MAKING MECHANISMS

6. THE DECISION-MAKING MECHANISMS

PART VII
EVALUATION OF DECISION-MAKING

7. EVALUATION OF DECISION-MAKING

PART VIII
CONCLUSIONS

8. CONCLUSIONS

 CONTENTS
2.2 THE CONTRIBUTION OF IMPACT TO GENERAL GOVERNMENT POLICY DEVELOPMENT

IMPACT WILL PROMOTE BETTER COORDINATION OF POLICY ADVICE AMONG AGENCIES WHICH HAVE RESPONSIBILITIES IN RELATED ECONOMIC AND SOCIAL FIELDS. IT ALSO PRESENTS AN OPPORTUNITY TO IMPROVE THE OVERALL QUALITY OF POLICY ADVICE, WHILE REDUCING THE TOTAL COST OF DATA AND RESEARCH INPUTS.

The IMPACT project has significance beyond the needs of the participating agencies. It will provide a comprehensive framework for systematic study and analysis of issues which fall within the ambit of other agencies with policy advising functions in related economic and social fields. Recognition by the participating agencies that the IMPACT model will have application beyond their particular areas of interest underlines the 'open shop' approach which has been adopted during its development (i.e. wide circulation of working papers, seminars, etc.). The participating agencies agree that any other agencies of the Government which have something to contribute to, and/or would benefit from, the development of IMPACT should be welcomed as participating parties.

In the wider context of general Government policy development, IMPACT is an example of inter-agency cooperation which demonstrates that it is possible to break the rigid demarcation of functional responsibilities within the bureaucracy and bring the combined skills and insights of different agencies to bear on common problems. Such joint institutional initiatives enhance the prospects of coordinating policy advice which is research or information based in areas where economic and social factors interact. This cooperative approach also reduces the pressure to expand existing research units, or create new ones, which is the alternative and practiced institutional response when changes indicate a need for new or expanded analyses of policy issues.

The availability of IMPACT to other Government agencies should also contribute to better policy coordination across-the-board. Without adequate coordination, it is more likely that decisions taken in one area will generate unforeseen problems in other areas which, in turn, will have to be tackled separately. Clearly, the net effects of such a series of uncoordinated policy
The current crisis in the world of work and trade has led to a rethinking of the role of governments and international organizations in the economy. The importance of policy actions which are essential for the development of the economy cannot be overstated. Policies that ensure the stability of the economy, promote trade, and encourage investment are crucial for the long-term growth of any nation.

In summary, the development of a robust and flexible economic policy framework is essential for sustainable economic growth. Governments must work in concert with international organizations to ensure that policies are aligned and support economic stability and growth. The role of trade and investment in fostering economic development cannot be understated, and policies that promote fair and open trade are necessary for the prosperity of all nations.
Although not in itself a policy study, IMPACT will provide a comprehensive framework for policy studies of the Australian economy, which will assist the agencies in arriving at their independent judgements about the advice they provide to the Government on the likely effects of policy actions in the areas of industry development, business investment, employment and international trade. The purpose of IMPACT is to provide a basis for such improved advice in a way which avoids fragmented, incompatible and perhaps even contradictory approaches to the same problems by the different agencies.

Implications for public policy

The development of the IMPACT framework on this co-operative basis will:

- improve the range and quality of information available to the Government about the likely effects of a particular policy action in one area on other areas. For example, a decision to change tariffs or investment policies can be expected to have direct, but uneven, effects on employment in import competing (and other) industries;
- ensure that the individual agencies, in preparing advice for their Ministers, are able to take account of the dynamics of economic, social and demographic inter-relationships;
- enable the participating agencies to achieve greater co-ordination by jointly examining problems which each have been studying separately, often in a fragmented way;
- place the Government in a better position to pursue related and interacting policies which are in harmony;
- achieve continuing economies in the costs of servicing policy research (annual savings, initially $125,000, will increase substantially over time);
- reduce the costs to business and private citizens of providing the data inputs necessary for informed public policy advice and decision making;
- help create a business environment in which investment and other private initiatives are better informed.

DIEA considers that IMPACT will provide a valuable tool to assist in analysing a range of issues in the field of Immigration policy. For example, insights obtained from the IMPACT model on probable shortfalls in the labour supply of particular Australian industries would be taken into account in advising the Government on the nature and magnitude of future annual migrant intakes. Conversely, indications from IMPACT of the areas of industry in which labour supply is expected to exceed demand would alert the Department to potential problems of absorbing migrants into the workforce.

IMPACT would also provide a basis for studying the role of migrants in industry development, both as a source of labour and as consumers of final outputs. In this way it would improve present knowledge of the contribution migrants make to economic growth and thus the basis on which the efficacy of programs can be assessed for purposes of policy advising.

In the longer term, DIEA expects that the economic-demographic modelling techniques of IMPACT will improve the quality of demographic projections, because the socio-economic factors which influence demographic trends are imbedded in the model.

(e) The Australian Bureau of Statistics

The Australian Bureau of Statistics (ABS) envisages that major and enduring benefits will flow, both from the development of IMPACT as a joint project and from its own participation in that development.

In addition to providing basic data required by government agencies, the ABS has responsibilities to advise and assist those agencies in technical statistical matters and to ensure that the methodologies they use accord with sound statistical practices. It is also an important function of the ABS to encourage inter-agency coordination in the collection and use of statistics. The ABS considers that the IMPACT project will benefit it in the performance of these functions in five principal ways:

- **First**, substantial and continuing savings in the costs of providing data will result from the coordinated approach in IMPACT. This is because the ABS will not have to supply each of the participating agencies with separate and varying presentations of the same basic data to support their independently conceived analyses of the same general policy issues. Since three of the participating agencies (DIE, DEIR and the IAC) are
Incorporation of Participation in Decision-making and Public Consultation

Participation in decision-making and public consultation is crucial in ensuring that the interests and needs of all stakeholders are considered. This process is essential for developing effective and inclusive policies.

The proposed policy framework aims to enhance participation by:

1. Creating opportunities for public engagement at various stages of the policy-making process.
2. Establishing mechanisms for feedback and responsiveness to public concerns.
3. Facilitating dialogue between policymakers and the public to foster a collaborative environment.
4. Incorporating diverse perspectives and ensuring that all voices are heard.

By adopting these approaches, we can effectively integrate public input into the decision-making process, leading to more informed and equitable outcomes.

In conclusion, participation is a fundamental principle in democratic governance. It empowers citizens and promotes transparency and accountability. Let us work together to build a participatory society that values every member's contribution.

The Department fully supports the integration of participation and public consultation in all phases of the policy-making process.
Insights of this type from IMPACT will also provide a basis for more informed assessments of future job prospects for particular occupational groups, which can be used to assist in the placement and vocational guidance functions of DEET. Of particular assistance in preparing policy advice will be IMPACT's ability to test the sensitivity of desired policy outcomes to different strategies in related policy areas. Some examples of the use of IMPACT for this purpose envisaged by DEET are:

- Both NEAT and Immigration affect the structure and size of the labour force. IMPACT will provide a framework for assessing the consequences of changes contemplated in the NEAT or Immigration programs.

- A high or low tariff stance can be expected to affect the demand for labour in different industries. By providing estimates of the likely changes in demand for different industry groups, IMPACT can assist in assessing the usefulness of NEAT in overcoming any resulting labour market imbalances.

- Alternatively, the likely impact of a particular NEAT program under different tariff scenarios could be estimated.

One of the most common uses by DEET of IMPACT is expected to be the assessment of initial impacts and subsequent diffusion through the demographic-economic system of a single policy change. Some examples of policy changes and their implications of interest to DEET are as follows:

- The likely effect of changes in tariffs on employment in particular industries concerned;

- The likely absorption of displaced persons of different occupations elsewhere in the labour force;
from different NPI/POP options. The criteria for choosing NPI/POP options may include factors such as effectiveness, cost, and feasibility.

Due to the lifting of restrictions, a number of sex and gender attributes are now more widely recognized and accepted. However, the composition of the population remains a significant factor in determining the effectiveness of NPI/POP strategies. The purpose of this report is to present an understanding of the economic and demographic changes and their impact on the evolving population.

In preparing the solution, the government is essential to consider the perspective of the population. The report focuses on the effectiveness of different NPI/POP strategies and their overall impact on the population. This report aims to provide a comprehensive analysis of the factors influencing NPI/POP effectiveness and to identify strategies for improving future interventions.
term unless they receive increasingly higher levels of assistance or can achieve technological break-throughs which enable them to substantially outstrip the productive efficiency of their overseas competitors. It is important that producers within these industries are able to plan their investment decisions with a knowledge of the likely consequences that demographic changes will have on their future business environment.

A changing demographic structure of the kind foreshadowed in the Borrie Report would also have a marked influence on the future volume and pattern of demand for goods and services from both the public and private sectors. For example, demand for the products of many industries may contract, or remain unchanged, and for others it may increase at rates considerably lower than in the past. In these circumstances it would be difficult for manufacturers in the affected industries to achieve economies of scale and the Government would need to decide whether they should be allowed to contract, whether they should be given additional assistance to continue production, or should be assisted to adjust to the changing situation.

Declining fertility and an aging population would, for example, affect the average size and age composition of households and reduce the rate of increase in demand for detached housing. It would also reduce the demand for goods and services of the kind required to satisfy the needs of younger people in general and of household formation in particular. The consequence would be a substantial shift in the pattern of public expenditures - and industry would also have to adjust the pattern of its outputs from satisfying the needs of younger people (particularly demands associated with household formation) to one of satisfying the needs of a more mature population. To the extent that future changes in the structure of the Australian population can be foreseen, so too can the attendant consequences be foreseen for the future pattern of public expenditures and for the structure of private industry, provided it is possible to take the evolving supply and demand conditions into account in a sufficiently logical and systematic way.

Industry structure and development are also affected by changes in general economic factors, such as the level of personal consumption expenditure, the level of private investment expenditure, taxation policy, the exchange rate, and the tariff; they are also affected by constraints in tariffs in a more detailed industry context than that provided by IMPACT, using available ABS data and relatively simple additional computations. In this way IMPACT will provide the framework and the benchmarks to support a variety of more detailed special analyses.

Finally, the development of IMPACT will remove the need to continue with a number of alternative and less comprehensive forms of analyses which have had to be used in the past. To this extent, elimination of the need to continue these less satisfactory forms of analyses constitutes a substantial offset to IAC costs during the development of IMPACT and significant annual savings after the model becomes fully operational.

(b) Department of Industry and Commerce

The Department of Industry and Commerce (DIC) is directly concerned with the activities of, and the formulation of policy with respect to, over three-quarters of the hundred or so industries into which IMPACT divides the economy, so that the model is of particular importance to its areas of responsibility.

Foremost among the projects on which IMPACT will be used is that which provided the original impetus for its development - the problem of charting the long-term implications for Australia's industrial structure of major demographic changes. A changing demographic can affect a particular industry directly, through changes in the demand for the goods or services produced by that industry and changes in the characteristics of the workforce available to it, and indirectly via the direct and indirect effects upon other industries. The problem is of the highest importance for the development of long-term Government policies towards particular industries, yet so complex that the net effect on a given industry cannot be estimated without comprehensive analyses of the kind a model such as IMPACT will permit.

The IMPACT model would shed light on several other major problems of long-term policy development. DIC would use it, for example, in studying the impact of changes in the level of private investment - a subject of considerable importance at the present time. The Department is of course concerned to promote the development of efficient and economic new industries in Australia; and IMPACT would be used to analyse the effects on other industries of such proposals, the likely availability of skilled labour and other resources needed by the new industries and the export earnings likely
The need for an integrated framework in which to study the policy implications of economic and social interaction has been recognized. The recent explosion of interest in economic and social interaction, and the increasing focus on the economic aspects of social interaction, have made it necessary to develop a more structured approach to this field.

Economic and social interaction are complex phenomena that involve a wide range of economic and social variables. The study of economic and social interaction requires a multidisciplinary approach, combining insights from economics, sociology, and other social sciences. The framework developed in this study provides a basis for understanding the economic and social interactions that take place in the real world.

The importance of understanding the economic and social interaction between different agents is crucial for policymakers, economists, and other social scientists. By understanding the economic and social interactions between agents, policymakers can develop more effective policies that address the needs of different groups in society. Additionally, economists can use the framework developed in this study to better understand the implications of economic and social interactions on the economy as a whole.
initiative to develop IMPACT was finally triggered by the release of the
Borrie Report, which foreshadowed a decline in the rate of population growth,
reduced levels of migration and a slowing-down in the rate of increase in
female workforce participation. This report served to focus the attention of
the participating agencies more sharply on the policy implications of
demographic change in the areas of industry development, protection,
employment and migration. As a consequence, and in recognition of the
mutuality of interests and concern, the agencies agreed to proceed with the
development of IMPACT as a joint project.

(11) The IMPACT design

The basic element of the IMPACT project is the development of a
medium to long-term economy-wide, economic-demographic model. It will differ
from many other medium-term models in two respects: first, a large amount of
detail will be built into the model structure to facilitate policy analysis
both at a relatively disaggregated industry level and on the basis of a
disaggregated labour force; and, second, the structure of IMPACT will be
unique in that it will integrate three separate approaches to economy-wide
modelling, each of these approaches corresponding to a module (or segment)
in the structure of IMPACT. The three modules (MACRO, ORANI and RACHYROO)
each serve different but inter-related purposes in modelling the Australian
economy.

MACRO is a macro-economic module based on a new medium-term model of
the Australian economy nearing completion at the Reserve Bank of Australia.
Its function is to model the effects of

- tax rates
- the level and composition of government spending
- monetary variables
- the overall size of the workforce

ON

- aggregate private investment
- aggregate personal consumption
- the general level of prices.

the potential effects on industry structure of changes in such areas as
wage rates, consumption patterns, import and export prices, patterns of
overseas trade, the exchange rate, and indirect taxes.

In reporting on particular matters referred to it by the Government
the Commission is required to have regard for the effects of its recommendations
on other industries, employment (particularly in the regional context),
consumers and international trading arrangements. Successive governments have
urged the Commission (and its predecessor, the Tariff Board) to include in its
reports the fullest possible account of the effects of implementing its
recommendations. For example, when announcing (on 28 April 1971) the
Government's decision to proceed with the present six-year review of the Tariff,
the then Minister for Trade and Industry said:

"It is clear that the more comprehensively the Tariff
Board is able to take into account the significant
economic and non-economic factors which the Government
itself must take into account, the more valuable its
reports will be to the Government. Similarly the more
comprehensively the Board is able to support its
recommendations with a full exposition of the factual
basis and its analysis of the facts, the more informed
the Government will be when exercising its judgement and
arriving at its decision. It is also evident that the
Government needs as clear advice as the Tariff Board
can give in its reports to enable the Government to
reach judgements on the likely consequences of
implementing the Board's recommendations."

IMPACT has been designed to provide a comprehensive basis for analysing the
effects of implementing the Commission's recommendations. It focuses heavily
on Australian industry structure and its relationship to changing demographic
conditions, the labour market and international trade, and the level of
disaggregation will permit the simultaneous study of some 100 industry groups
and some 12 major and 40 minor labour force occupational categories.

IMPACT will therefore provide direct inputs to the Commission's on-
going program of industry inquiries. For example, in the case of references
such as those now before the Commission on textiles, clothing and footwear, it
will be possible to frame recommendations in the light of better informed
assessments of the time profiles and magnitudes of structural adjustments which

* In addition, more detailed studies can be undertaken using the IMPACT
framework and ABS data.
(III) The application of IMAP to policy making

In part, it is very important that the economic community
understand the potential benefits of introducing new markets and the
potential for the introduction of new markets in the area of economic
leadership and policy making. In this context, the potential for the
introduction of new markets has been examined.

(IV) The application of IMAP to market making

In economic leadership and policy making, it is very important to
understand the potential benefits of introducing new markets and the
potential for the introduction of new markets in the area of economic
leadership and policy making. In this context, the potential for the
introduction of new markets has been examined.
WHAT WOULD BE THE EFFECTS IN ONE, TWO, THREE, ..., SEVEN YEARS TIME OF CHANGES IN:

- the tariff level on a particular industry
- the availability of a particular type of labour skill
- export prices
- the level of (aggregate) personal consumer spending
- the level of (aggregate) private investment expenditure
- different immigration scenarios

ON
- gross production by input-output category?
- imports and exports by input-output category?
- prices of goods and services by input-output category?
- wage relativities and/or unemployment by occupational class?
- the balance of trade OR the change in the exchange rate which would be needed to ensure a zero balance on current account?
- new investment by input-output category?
- profitability by input-output category?

Policy issues of medium term importance on which IMPACT should be able to provide valuable insights include, for example:

- the effects on industry structure and employment of changes in the pattern of international trade, including proposed exchanges of concessions in multilateral trade negotiations;
- the effects of selective tariff changes on imports, exports and employment by input-output industry category.

Typical of the longer-term issues which can be studied within the IMPACT framework are:

- analysis of the effects of changing demographic factors, such as fertility patterns, on the demand for the products of particular Australian industries, and on Australia's international trade;
- measuring the probable re-distribution of income which would result from changes in the structure and growth of different domestic industries.

The development of IMPACT as a joint project benefits the work of the participating agencies in several important ways:

First, it ensures economies in the use of scarce professional resources; it avoids fragmented approaches to the development of analytical tools required to address the same problems (including overlapping requests to the business sector for information). Thus it provides the means to lower substantially the public and private costs of preparing policy advice.

Second, it brings together in a coordinated effort the relevant skills and special experience of each agency; this must enhance the quality of the final product and, incidentally, foster closer liaison and cooperation between these agencies.

Third, it will foster the development within each agency of 'in house' expertise in the application of new techniques which are being used increasingly by governments of other industrialized countries and which are widely accepted as a valuable aid in assessing alternative policy options.

Fourth, it will contribute to the presentation of more systematically researched advice to government in related areas of policy in a way which will not cut across the exercise of alternative professional judgements by each agency; rather it will avoid unnecessary disputation and confusion arising from the use of incompatible data and analyses which may not take adequate account of all the important relevant issues.

The fifth agency involved in the IMPACT project, the ABS, sees as a major benefit the avoidance of costly duplication in its services which has occurred in the past, and which would continue if each of the other participating agencies proceeded independently. Involvement of the ABS in its role of providing data services and in terms of its professional contribution of econometric and methodological skills will also foster development of its
Government, when participation in the process of any policy decision is required, should make
the participation mandatory rather than optional, for then the policy decision will be more likely to be
influenced by the public. However, it is equally important to ensure that the
participation of the public is voluntary, for then the policy decision will be more likely to be
influenced by the individual. The government should therefore ensure that the
participation of the public is both mandatory and voluntary, for then the policy decision will be more likely to be
influenced by both the public and the individual.

In addition, the government should provide a framework for the conduct of
participation, which includes the following:

1. The government should provide a framework for the conduct of participation, which includes the following:

   - The government should establish a clear and concise set of rules for the conduct of participation, which should be
     communicated to the public.
   - The government should ensure that the public is aware of the rules and procedures for participation, and that
     these procedures are followed.
   - The government should provide incentives for participation, which should be equal for all.

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In summary, the government should provide a framework for the conduct of participation, which includes the following:

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   communicated to the public.
2. The government should ensure that the public is aware of the rules and procedures for participation, and that
   these procedures are followed.
3. The government should provide incentives for participation, which should be equal for all.
often result in policy action which alters the course of future events. This does not in any way diminish the value of making such projections. It serves to emphasise that insights into the likely trend of future events provides a better informed basis for advice on policy action. Since IMPACT can also be used to simulate the probable effects of exercising different policy options, the Government will be better informed about the implications of the policy advice it chooses to implement.

1.3 DOES IT DUPLICATE EXISTING WORK?

IMPACT is being developed in a way which makes maximum use of the results of research and experience in relevant fields in Australia and overseas. This is achieved through continuing liaison with individuals and institutions working in the same general areas of research and through the systematic circulation of technical working papers to some 140 governmental, academic and other research agencies and individuals (both in Australia and overseas) for comment and advice. In addition, representatives from academic institutions and Government agencies attend regular seminars on technical aspects of the IMPACT work program. In these ways it is possible to ensure that research efforts are not unnecessarily duplicated, that the best available professional judgements are available to the project, and that issues of potential importance to interested Government and other institutions are made known to the project team.

PART 2

BENEFITS EXPECTED TO FLOW FROM THE PROJECT

2.1 ITS CONTRIBUTION TO THE WORK OF THE PARTICIPATING INSTITUTIONS

IMPACT will provide for each agency a basis for better researched and coordinated policy advice. As a joint project it will reduce the total costs of servicing policy research and, at the same time, increase the 'in-house' skills of the agencies.

1) Benefits Common to Each Agency

Four of the agencies involved in IMPACT - the departments of Industry and Commerce, Employment and Industrial Relations, Immigration and Ethnic Affairs, and the Industries Assistance Commission - all have responsibilities in areas where there is a need to take account of the interaction between economic, social and demographic factors in order to provide the Government with advice which is compatible and consistent. It is in the work of these four agencies however, that serious problems of coordinating policy advice may arise - for example, in the fields of industry development, tariffs and employment.

It is the agreed view of these four agencies that many of the more serious problems of policy coordination can be avoided if it is possible to make better informed assessments of the medium and longer-term impacts of policy changes on the inter-relations between industry development, labour supply and demand, and related social issues. Whereas in the past each agency proceeded independently with analytical efforts directed more specifically to their immediate areas of concern, the IMPACT study represents a coordinated attempt to address the problem as a whole - that is, the need for a comprehensive analytical framework which takes account of the dynamics of important economic, social and demographic inter-relationships and thus provides a basis for better informed assessments of the medium and longer-term implications that changes in one area of policy will have for other related areas. IMPACT is applicable not only to analysis of the effects of policies which are developed within the participating agencies: it will also provide a framework within which these agencies can better assess, and thus advise the Government on, the likely consequences of other Government policy measures - for