



Australian Citizens Party

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MEDIA RELEASE

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ALP and Liberals' manufacturing failure a case of criminal negligence

The major political parties' economic policies from the 1980s onwards smashed Australian manufacturing, which shrank from 20 per cent of GDP in 1980 to barely 5 per cent now. But then came the COVID-19 pandemic, and the severe disruption of global supply chains. Suddenly every politician started complaining that Australia was too dependent on imports, and that we had to revive domestic manufacturing. Or they were in 2020. Only two years on from the beginning of the pandemic, both parties are already backtracking, as is evident in a [new Senate report on manufacturing](#) they have combined to produce which is a betrayal of Australians.

Given the circumstances, any Australian Parliamentary inquiry and report on manufacturing in 2021-22 should be a clarion call for the biggest investment in manufacturing since World War II. Yet what have the Liberals and Labor produced in this Senate report? *More of the same!* As the Labor Party had the majority of members on the committee, its majority report reflects the ALP's current manufacturing policy. Unbelievably, the current policy is weaker than the ALP's pre-pandemic manufacturing policy in 2016. The majority report recommendations amount to the usual window dressing platitudes on the need for more research and development, more skills training and apprenticeships, and more "green" manufacturing. None of it, however, reflects the need for a total transformation of the economy to again make Australia a manufacturing powerhouse.

For example, Labor recommends a "review" of Australia's government procurement policy to enable more local businesses to tender for government supply contracts. This is a "no-brainer"—government procurement creates major demand in the marketplace. Bob Katter MP argues that if all levels of government—federal, state, and local—had been required to buy Australian-made cars, it would have been enough to ensure the ongoing viability of the Australian car industry. But that breaks free trade "rules" that enable multinationals to dominate all economies. However, instead of learning the lesson of the pandemic and throwing out such unjust rules, Labor is only recommending a "review", showing it isn't serious about supporting manufacturing at all.

Neither is Labor serious about the principal need of the manufacturing sector—investment. The report recommends a Manufacturing Industry Fund, which is clearly based on Labor's own election policy of a \$15 billion fund. This could most generously be described as a "start"—the actual investment needs of manufacturing are far greater. As the [Advanced Manufacturing Growth Centre](#) identified in its submission: "[manufacturers] regularly report that banks are unwilling to lend to companies to fund growth or new equipment purchases because banks lack an understanding of what manufacturing looks like today and perceive it to be high risk. Manufacturers report ... there is a 'valley of death' when it comes to finding the larger amounts of money required to grow their enterprises to commercialisation and meaningful scale."

As weak as Labor's recommendations are, they positively shine in comparison to the minority report recommendations of the Liberals. Bearing in mind that this is the party whipping us up for war against China right now, its attitude to manufacturing is insane, rooted in ideological lies. In a paragraph that should be framed and mounted as Australia's national suicide note if the Liberals succeed in keeping our nation on its current road to economic perdition, Liberal Senators Andrew Bragg and Paul Scarr wrote: "The majority report proposes a number of recommendations which would underpin a government-driven interventionist approach in the manufacturing sector. Such policies have not worked in the past and there is no evidence to suggest that they will work in the future. The danger is that they will distort the market and cause more harm than good."

Calling Labor's weak policy recommendations "a government-driven interventionist approach" only exposes how ideological the Liberals are. Saying a government interventionist approach has "not worked in the past" exposes how dumb they are. Australian manufacturing peaked in the mid-1960s at 30 per cent of GDP *entirely due to government support*. Starting in the economic mobilisation of WWII, the support continued with Ben Chifley's establishment of the car industry, with investment from the Commonwealth Bank; the establishment of the Commonwealth Development Bank (CDB) in 1960 "for the establishment or development of industrial undertakings, particularly small ones", according to then-Commonwealth Bank chairman Warren McDonald; and the ongoing use of tariffs and bounties to foster local production.

The attitude of the two major parties as expressed in this report is unforgivable. The ALP and Liberals would deny that in the 1980s they knew their policies would smash manufacturing, but they cannot deny it now. Moreover, they cannot deny that Australia's lack of domestic manufacturing and reliance on imports made us dangerously vulnerable in the pandemic. To ignore that reality, and stick to their failed approaches, is no longer a case of ideology, but criminal negligence.

Shooting the messenger

One extraordinary section of this report proves the major parties know what frauds they are. That is the section dedicated to a barely-disguised attack on the Citizens Party for nothing more than participating in the inquiry, and encouraging other organisations to participate.

The report stated:

1.9 While 130 submissions is a reasonably large number for an inquiry, approximately two thirds of those submissions were made by members or supporters of the Australian Citizens Party (ACP)—formerly the Citizens Electoral Council (CEC).

1.10 The ACP frequently conducts mass campaigns on economic issues such as banking, currency regulations and manufacturing. They are disposed to focus on policies that were implemented in the 1950s and 1960s and they tend to advocate, regardless of the specific issue, for the same suit of measures including:

- *the establishment of a national development or postal bank;*
- *instituting 'Glass-Steagall' banking regulations;*
- *building the 'Bradfield Scheme' to pump water from Queensland to New South Wales and Victoria; and*
- *a return to tariff protection.*

1.11 The ACP itself also provided a submission which mirrored those themes but also included additional modern themes such as thorium nuclear reactors and nanotechnology.

The difference between the Citizens Party and the two majors is that the Citizens Party is serious about restoring manufacturing, which is why we promote proven policies that worked to make us a manufacturing powerhouse in the 1950s and 1960s, including a national development bank that can invest hundreds of billions into Australian industries. The two major parties are manufacturing frauds, spouting rhetoric to appeal to voters but stuck in the ideology that has made Australia weak, and vulnerable to global economic and geopolitical events.

For a prosperous, secure future, support the proven policies that work—support the Citizens Party!

Click here to watch a 3-minute Citizens Party video: [CREATE A NATIONAL BANK! Australia can create more than a 1.5 million jobs almost overnight](#)