

Federal Labor's Australian Manufacturing Future Fund (AMFF)

On Sunday 15 October Federal Leader of the Opposition Bill Shorten announced Labor's plan to institute a \$1 billion *Australian Manufacturing Future Fund* to support financing in the manufacturing sector.

The announcement was made in conjunction with Shadow Minister for Innovation, Industry, Science and Research, Kim Carr, and Shadow Assistant Minister for Manufacturing and Science, Nick Champion.

The *Fund* aims to address a finance gap identified in the advanced manufacturing sector, with high lending criteria in place due to potential risk. ABS data on barriers to innovation detail more than one in four innovative businesses cite access to finance as their primary barrier to investment and growth. The *Fund* will partner with private finance to reduce the perceived risk of innovative projects. It will apply commercial rigour in its investments and will offer financing in the forms of equity, concessional loans and loan guarantees.

\$34 million over four years will be contributed towards the *Fund*. It will constitute an investment in financial assets and therefore will be largely off-budget and not included in the Federal budget's fiscal or underlying cash balances. The *Fund* is modelled on the previous Labor Government's Clean Energy Finance Corporation, which addressed a similar finance gap in the renewables sector by committing \$4.3 billion across 79 transactions with a total project value of \$11 billion in its first four years of operation.

The *Fund* will aim to provide impetus for investment in Australia's future manufacturing capacity at a time when the automotive industry and its related supply chain companies are facing imminent closures. The *Fund* will aspire to create high-skill jobs, support firms linking in to global supply chains and diversify the Australian economy. Practically, this could entail:

- auto component manufacturers re-tooling or diversifying into other industries;
- food manufacturers investing in new equipment for new products to export to Asia; and
- metals fabricators expanding into pre-fabricated housing.

More information on the AMFF can be found [here](#).

Further information

For more information, please contact your Hawker Britton consultant [Simon Banks](#) on +61 419 638 587.