

Federal Labor's National Reconstruction Fund

On March 30 2021, Labor Leader Anthony Albanese announced a Federal Labor Government will establish a \$15 billion **National Reconstruction Fund**.

The loan scheme which seeks to boost national manufacturing capabilities, create secure jobs and drive regional economic growth.

The plan will provide \$15 billion of investment through a combination of loans, equity, co-investment and guarantees.

An independent board would operate the fund, making decisions about how to invest the initial \$15 billion. The board will pick projects that it believes will achieve a return to cover borrowing costs, with an expected positive underlying cash impact.

This model has been adapted from the Clean Energy Finance Corporation Model which was established in the last Federal Labor government.

Albanese cited OECD data that ranked Australia last among developed nations in producing goods it consumes. Albanese also highlighted serious deficiencies in Australia's ability to manufacture products highlighted during the pandemic and said he hoped the fund will support local businesses to manufacture to create Australian jobs and to develop economic growth.

The fund will have a strong focus on regional economic development with the party placing an emphasis on resources and agriculture. Labor also hopes additional investment in science and innovation will lead to commercialisation and increased manufacturing of medical devices and pharmaceutical products to support businesses and workers in these sectors.

Labor announced the following industries will be eligible for funding under the new scheme:

- Food and beverage processing and transport
- Resources
- Agriculture
- Industries that contribute to the supply chain of cars, trains, and ships
- Low emission technologies
- Engineering
- Data science
- Medical science

This announcement follows [Labor's Industrial Relations Policy](#) which seeks to invest in Australian workers and the local economy.

You can read Hawker Britton's Occasional Paper on Federal Labor's Industrial Relations Policy [here](#).

For more information, please contact your Hawker Britton consultant Simon Banks on +61 419 638 587. Further Hawker Britton Occasional Papers on the activities of the Federal Opposition are available [here](#).