

## **Introduction**

### **Terms of Reference**

The Australian manufacturing industry, with specific regard to:

- a. what manufacturing capacities Australia requires for economic growth, national resilience, rising living standards for all Australians and security in our region;
- b. the role that the Australian manufacturing industry has played, is playing and will play in the future;
- c. the drivers of growth in manufacturing in Australia and around the world;
- d. the strengths of Australia's existing manufacturing industry and opportunities for its development and expansion;
- e. the sectors in which Australian manufacturers enjoy a natural advantage in energy, access to primary resources and skilled workers over international competitors, and how to capitalise on those advantages;
- f. identifying new areas in which the Australian manufacturing industry can establish itself as a global leader;
- g. the role that government can play in assisting our domestic manufacturing industry, with specific regard to:
  - i. research and development;
  - ii. attracting investment;
  - iii. supply chain support;
  - iv. government procurement;
  - v. trade policy;
  - vi. skills and training; and
- h. the opportunity for reliable, cheap, renewable energy to keep Australia's manufactured exports competitive in a carbon-constrained global economy and the role that our manufacturing industry can play in delivering the reliable, cheap, renewable energy that is needed.
- i. what manufacturing capacities Australia requires for economic growth, national resilience, rising living standards for all Australians and security in our region;

### **Wealth is shared amongst all Australian with onshore manufacturing**

The COVID-19 Pandemic alongside severe weather events enlivened a large cohort of Australians to recognise our national inherent capacity and sense of community.

It is now incumbent on Australian Industry and Federal Government to translate the message to the Australian economy. The message needs to be made loud and clear to the public by the Federal Government, that onshore manufacturing means our wealth is not sent offshore and rather circulated within our economy for the betterment of the entire community not selected individuals.

The tumultuous events over the last 2 years has exposed the cost of a naïve sense of security, in our trading partners. That particular trade partners would not subject our economy to trade weaponization, moreover Austrials Business community almost “Stockholm Syndrome Reliance” on low cost labour and offshore manufacturing.

### **Australian made Australian Owned**

As a consumer and citizen, I would certainly have a willingness to pay more and buy Australian made, this extends to my own social cohort of friends and colleagues whom create SME. I am often left with a sense of bewilderment, with those same people whom often to express their concern going to the lack of Australian made product, however equally cannot “shake loose” the sheer addiction to low cost manufacturing under dubious labour practices, typically holding the misguided belief that another SME will manufacture onshore.

### **Mining is not our “eternal saviour” it has rather exposed our vulnerabilities**

The “Stockholm Syndrome” of low cost labour and offshore manufacturing in the pursuit of higher profit margins have been largely shielded by the “happy go lucky” approach that our mining sector will always provide our Nation’s economic safety net.

We can produce our own steel, we can produce lithium batteries, we can produce our own rare earths, but we do not in the pursuit of higher profit for selected individuals, now exposing our Country’s vulnerability to trade weaponization.

### **We use to manufacture most of our consumer goods it is a figment of our collective imaginations that we cannot**

It is abundantly clear, that the over reliance on importing product has driven to the false and misguided misconception we do not have capacity to support ourselves almost entirely, and in a vast array of sectors 20 years ago did just that.

### **The Solution**

**Government Subsidies for “High Quality Confirming Product” and “Technological Advanced Innovation”** we do have something to sell and save our manufacturing in numerous sectors **“High Quality Product Conformity Mechanisms”**.

This message needs to be made loud and clear to our international counterparts. We are not just the world’s **“Mining Powerhouse”** now the subject the volatility and trade weaponization, not to mention Mach speed green development technologies, that will fundamentally change the landscape of our reliance in this sector in the medium to long term.

### **Australia can sell its credibility high product High quality image and produce high quality goods that Consumers overseas will pay more including Austrials own citizens.**

Australia is in a unique position but **must act now** to diversify not just pay lip service. We have the capacity to deliver on high quality goods subject to stringent product conformity rules and regulations, and equally use this as a shield to those overseas counterparts that seek to weaponize trade against our Great by incentivising industry subsidisation contingent on high quality product conformity, may cure to a large degree the above gaps leaving “no room” for poor product conformity practices.

### **Reopen our closed factories**

Multiple industries have fought to keep their trades onshore, given the industry capability developed over the 100 years, moreover, stand ready to meet supply requirements, however, simply can no longer compete with non-conforming imported product. As a concerned citizen I believe it would be a significant step forward in boosting Australian manufacturing, *“Subsidies rewarded on the basis of conforming high-quality Australian made product.”*

### **One Federal Product conformity system shared with G7**

There are numerous challenges and opportunities with existing procurement practices, including frameworks, standards, rules and norms, and intersections between tiers of government and the private sector and Product Conformity Assurance.

Within all jurisdictions across Australia, product safety regulation shares responsibility between the Australian Competition and Consumer Commission (ACCC) and the States and Territories product safety regulators.

### **How Australia can balance its international obligations with maximising local content opportunities, including by leveraging foreign direct investment.**

Australia can still balance its international obligations by focusing on the quality of products being 'fit-for-purpose' which inherently maximises local content opportunities, including by leveraging foreign direct investment, on a high-quality manufactured product.

### **EU centralised product conformity practices**

Outside of Australian jurisdiction European CE Marking scheme proves a perfect example of lack of accountability. The CE China Export mark was widely utilised in Europe for many years, largely as a result of poor information sharing and confusion over the level of product risk assessment, safety evaluation, or testing despite the two mechanisms remaining vastly different.

To address these problems, the European Parliament and the Council established a single digital gateway on 2 October 2018. The single digital gateway to date has saved companies more than €11 billion per year and increased the capacity of authorities to exchange evidence between different jurisdictions across different member states, providing for a perfect example of a system via centralisation that has combat non-compliance, by providing a clear understanding of the rules in each member Country.