# PM slammed for labelling Gary Banks a flat earther

Phillip Coorey | AFR | 18 April 2024

Anthony Albanese has turned up the heat over his Future Made in Australia Act by likening Gary Banks to a flat-earther after the former productivity commissioner criticised the policy.

While Mr Banks declined to respond, economics professor Richard Holden said the prime minister's insult was "wrong and uncalled-for".

*Prime Minister Anthony Albanese visited Alpha HPA in Gladstone, Queensland, on Wednesday.* ***Mike Richards.***

Professor Holden said Mr Banks had "raised a number of totally legitimate concerns that I and plenty of others have raised".

Professor Holden said there was a difference between safeguarding the sovereign manufacturing of essential products like medicines. Solar panels, he said, was "a very, very different proposition".

After Mr Banks joined all his successors, including incumbent Danielle Wood, in condemning the policy of loans, grants, subsidies and investment incentives as a return to protectionism, Mr Albanese said Mr Banks did not understand the policy in full, nor appreciate its objectives.

"The world's round, not flat, that's why he's wrong," the prime minister said.

Mr Albanese said the scheme was predominantly about loans, such as those he announced on Wednesday to help kick-start two critical minerals projects, as well as investment incentives that will be announced in the budget, to attract private capital, rather than subsidies.

Mr Albanese said the government was more interested in de-risking private sector investment than subsidising or underwriting unsustainable ventures.

“There is a role for government sometimes in just providing that support to get over the hump so that companies can begin to produce and provide that capital base,” he told Adelaide radio 5AA.

Mr Albanese said loans to critical minerals players would form part of the suite of support measures. “This isn’t corporate welfare,” he said. “This is something that will be repaid.”

Professor Holden said even loans were risky should the venture fail. He noted the example of US solar company Solyndra that went bankrupt after receiving a $US535 million US Department of Energy loan guarantee.

The Clean Energy Investor Group, representing developers and investors with a combined $38 billion renewable energy portfolio and a project pipeline of almost 50 gigawatts, welcomed the policy, saying it could unlock significant investment through the superannuation system.

Treasurer Jim Chalmers spruiked the policy to fellow G20 finance minsters at a meeting in the US.

“This generation of policymakers will be judged on our success in building a net-zero economy, fit to usher in a new era of prosperity,” he said.

The Coalition is unlikely to support the FMIA, saying the government should be removing industrial relations hurdles and lowering energy prices if it wants to attract investment.

Shadow infrastructure minister Bridget McKenzie noted the collapse this week of plastics manufacturer Qenos.

“What you’ve seen with Qenos is a response to excessively high energy prices over time,” she said.

“We’ve got gas up 26 per cent since this government’s been elected, electricity generally up in excess of 14 per cent, and when you’re a manufacturer in this country, energy costs, aside from your wages, is a key input.

On Wednesday Mr Banks made the same point.

“Energy and labour markets ... have been particular casualties of so-called reform. I have to say I’m not sure how much more such reform our country can stand,” he said, citing the two as major impediments to competition.

Mr Banks described the FMIA policy overall as a “fool’s errand” that risks repeating mistakes of the past by propping up “political favourites”.