



Australian Government
**Department of Industry, Science,
Energy and Resources**

Senator the Hon Slade Brockman
Chair
Senate Economics Legislation Committee
Parliament House
CANBERRA ACT 2600

Dear Senator Brockman

On reviewing the Proof Hansard of the testimony given by the department at the Senate Estimates hearing on 25 March 2021, we find that some of the information provided to the Committee would benefit from clarification and correction.

The following exchange occurred between Senator Chisholm and Mr Bruce Wilson, Head of Division, Industry Growth:

Senator CHISHOLM: On some specific measures, the 2021 budget contains a measure for \$15 million to support an upgrade of steel processing and galvanising capacity in Whyalla. Has this money been allocated to anyone yet?

Mr Wilson: That's a grant for the Ferretti company in Whyalla. We are currently negotiating a deed around that grant. That's with Ferretti to come back to us. I think it's at the signature point.

Senator CHISHOLM: Did that project go to tender?

Mr Wilson: That was a decision of government, under the budget grant. It was awarded as a budget outcome.

Senator CHISHOLM: And it was awarded to that company directly?

Mr Wilson: That's correct.

Senator CHISHOLM: Was there any process that the government went through to give \$15 million to that company?

Mr Wilson: It was part of the budget process. I can't comment on, particularly, the budget process.

Senator CHISHOLM: Right. Had you had any dealings with that company previously?

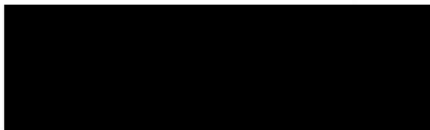
Mr Wilson: Yes. Under the Manufacturing Modernisation Fund round 1, there was a small grant of \$750,000 to Ferretti to do a feasibility study on their ability to manufacture high-voltage powerlines. That was our previous contact with Ferretti.

Prior to the 2020-21 Budget, the department has previously engaged with Ferretti International Ottoway Pty Limited (Ferretti International) in relation to two grant programs.

- On 30 April 2020, the Australian Government announced the successful recipients of grant funding for the \$50 million Manufacturing Modernisation Fund. This included a \$750,000 grant awarded to Ferretti International to install new equipment to modernise its existing facilities.
- This followed a \$600,000 grant the Australian Government provided to Ferretti International in 2019, to support a feasibility study to develop transmission tower manufacturing in Whyalla.

I apologise for any inconvenience caused and ask that you alert other members of the Committee to this correction.

Yours sincerely



Bruce Wilson
Head of Division
Industry Growth Division

29 April 2021