



**THE HON ED HUSIC MP
MINISTER FOR INDUSTRY AND SCIENCE**

MC23-000173

The Hon Sussan Ley MP
Deputy Leader of the Opposition
Parliament House
CANBERRA ACT 2600

Dear Ms Ley *Sussan,*

Thank you for your letter of 22 January 2023 regarding the Modern Manufacturing Initiative.

Contract discussions for these grants began in August 2022 following my review of the program to ensure that this grants round – announced in the shadow of an election after a lengthy delay – was not yet another example of the rorts and waste for which the former government was famous.

Following my decision to proceed with that funding, my Department has now executed grants for 42 of the projects that I approved. Negotiations on the contracts for the remaining projects are progressing but, unlike our predecessors, we are applying the highest level of rigour to ensure they are executed as proposed, and deliver value for money. I am working with my Department to ensure that the remaining grants are received by Australian businesses as quickly and efficiently as possible.

Unlike the nine Industry Ministers in the former government, I will ensure that these important projects are not undermined by short-term political considerations.

Labor is the party that built Australian manufacturing – and we're proud that it has supported generations of high skill, high wages workers. Only Labor has the vision and the commitment to rebuild Australian manufacturing so that it can continue to deliver on the promise of a better life for millions of Australians now and into the future.

Yours sincerely

Ed Husic MP



**DEPUTY LEADER OF THE OPPOSITION
THE HON. SUSSAN LEY MP**

The Hon. Ed Husic MP
Minister for Industry and Science
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Dear Minister,

I write to you following our correspondence on the 1st of August 2022 (enclosed) regarding the status of *Modern Manufacturing Initiative* (MMI) grants which were yet to be processed.

Initially, I wrote urging you to confirm the funding arrangements for all MMI grant recipients given your politically motivated pausing of the program. I note your review confirmed the MMI followed thorough independent assessment processes.

Minister, it took you more than a month to respond to my simple request on behalf of these recipients who were made to wait by the Albanese Government. Finally, on the 5th of September 2022, you responded noting that "the examination of grants has concluded" and that "contract discussions would begin".

Despite your assurance, reporting suggests that the Department of Industry has still not processed grants to approved recipients within the MMI 'Collaboration' stream.

This is seriously concerning, given the impact these commitments have for hundreds of workers, countless communities, and for investment certainty for our country, in what is an incredibly competitive and fast-moving global market.

Today, Australian manufacturing is being held back by this Labor Go-Slow. I am sure you agree the delays we are seeing are not good enough when these companies have so much to offer their communities, our country and the world. Under the Albanese Government it is quickly becoming a lost year for manufacturers, with nothing but industry-inaction since the election.

Whether its critical medical, defence or renewable projects, each one of these approved grant recipients were given your assurance and continue to languish almost 18 months since they made applications under the proven program.

These concerns, coupled with your government's failure to address rising input costs, energy prices, or acute worker shortages adds to the concerns of our manufacturers.

I ask that you direct your department to finalise these grants and end this indecision immediately.

Yours sincerely,

The Hon. Sussan Ley MP
Deputy Leader of the Opposition
Shadow Minister for Women
Shadow Minister for Industry, Skills and Training
Shadow Minister for Small and Family Business

22 January 2023



**THE HON ED HUSIC MP
MINISTER FOR INDUSTRY AND SCIENCE**

MC22-004339

The Hon Sussan Ley MP
Deputy Leader of the Opposition
Parliament House
CANBERRA ACT 2600

Dear Ms Ley

Sussan.

Thank you for your letter of 1 August 2022 regarding the Modern Manufacturing Initiative.

As you will know, the former Government made a decision to delay the announcement of the successful Modern Manufacturing Initiative grant recipients until the caretaker period had commenced. Given the track record of the former Government when it came to the use of public funds, I undertook an examination of the decision taken by the former Prime Minister and former Minister for Industry when selecting the successful applicants.

On 26 August 2022, I announced the examination of grants has concluded. As a result, I was able to inform those successful grant recipients that contract discussions would begin. I was also able to inform the recipients that did not receive a grant that they were unsuccessful, something that I note the former Prime Minister and former Industry Minister failed to do.

Yours sincerely

Ed Husic MP

5 SEP 2022



**DEPUTY LEADER OF THE OPPOSITION
THE HON. SUSSAN LEY MP**

The Hon. Ed Husic MP
Minister for Industry and Science
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

~~Dear Minister Husic,~~

Dear Ed

I write to raise concerns on behalf of manufacturers across Australia who face an uncertain future because of the inaction of the Albanese Government.

As you are aware, the Morrison Government's \$1.3 billion *Modern Manufacturing Initiative* (the Initiative) was designed to bolster our industries, help manufacturers scale-up, and become more competitive and resilient. The initiative is supporting critical industries including defence, space, national security, food security, recycling, clean energy, and importantly medical products.

Minister, it is deeply concerning that the Government has stalled the processing of grants. Your comments in the media about a 'value for money' assessment taking place ignores that comprehensive assessments by an independent committee have already been done. This additional process does nothing but undermine confidence and diminish industries already doing it tough, industries working tirelessly to build sovereign capability in Australia.

Manufacturing is crucial because it supports local jobs and builds our nation's prosperity. With soaring electricity prices, labour shortages and rising inflation, Australian manufacturers cannot afford a government which does not deliver on its commitments.

As your indecision is putting jobs at risk, I implore you to today write to all grant recipients and confirm their funding arrangements under the Initiative.

Given the urgency of this matter, I request your urgent consideration of this correspondence.

Yours sincerely,

The Hon. Sussan Ley MP
Deputy Leader of the Opposition
Shadow Minister for Women
Shadow Minister for Industry, Skills and Training
Shadow Minister for Small and Family Business

1 August 2022