

## **SUPPLEMENTARY QUESTION**

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1. Noting the comment in your submission that “Local content should be defined as Australian and New Zealand content and competition between states should be deemed unconstitutional. Otherwise, NSW businesses cannot achieve the scale required to manufacture efficiently, thus placing them also at a cost disadvantage,” do you see dangers in mixed messaging about local content, which often seems to imply it means NSW only but when pressed turns out to mean Australia and New Zealand. Is it important to be consistent and clear in government messaging about local content?

There is danger in having unclear messaging. If local is to be defined as Australia and New Zealand, then all states need to comply by including the same message. We believe that that would provide the best outcome for the country. Manufacturers could then have greater economies of scale, which helps to justify investment and innovation and reduce cost, rather than feeling like their production needs to be split across states just to satisfy state preferences.

Procurement staff also need to be empowered to use some discretion, or common sense. If a NSW product is marginally more expensive (measured on a whole of life basis), common sense would dictate that it still makes sense to buy the NSW product for logistical, environmental or marketing reasons, without having to put a number on it.