DR SOPHIE SCAMPS MP
FEDERAL MEMBER FOR MACKELLAR

Senator the Hon Tim Ayres
Minister for Industry and Innovation
Minister for Science
Via email: Minister.ayres@industry.gov.au
Cc: The Hon Dr Anne Aly MP, Minister for Small Business

Dear Minister,

Re: Regulatory imbalance for Australian businesses

I write to you on behalf of local businesses in my electorate who have raised concerns with me regarding the regulatory imbalance between locally produced and imported products in the Australian market.

While I welcome and acknowledge the recent release of *Ambitious Australia: Strategic Examination of Research and Development*, which focuses how we can strengthen Australia's innovation ecosystem and support Australian businesses, I am concerned that it does not directly address a key issue.

Manufacturers based in the electorate of Mackellar have expressed concern that Australia does not provide a fair or competitive marketplace, as locally produced goods are often required to meet more stringent regulatory, testing and compliance standards, than imported products. This creates an unfair playing field whereby Australian businesses must absorb higher costs and longer timeframes simply to participate in their own domestic market.

As an example, DemCox, a local steel fabrication drafting business, is being directly impacted with clients increasingly turning to cheaper overseas-produced construction inputs. These imported products benefit not only from lower labour costs but also from substantially lower regulatory and testing requirements than those imposed on Australian manufacturers. While local firms must meet rigorous standards for safety, quality and compliance, imported materials are often able to enter the market without the same level of scrutiny, providing them with a clear price and faster approval advantage.

Similar challenges have been raised by Pharmacare, an Australian-based health and supplements manufacturer in Warriewood on the Northern Beaches of Sydney. Pharmacare must comply with detailed domestic development, audit and Therapeutic Goods Administration (TGA) requirements in order to sell products in Australia. Steri-7, a small local disinfectant manufacturer, also faces crippling audit and compliance costs that its overseas competitors simply don't face. The standards Steri-7 must meet are higher and more costly than companies importing products that compete on the same shelves. These

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Authorised by Dr Sophie Scamps
Independent MP

quality-assurance obligations affect cost and time to market, while lower-cost imported alternatives are not subject to the same level of regulatory oversight.

World leading med-tech company, Smart MC's in Belrose, has similarly invested considerable time and expense in meeting International Organisation for Standardisation requirements during development and certification. Despite this commitment, the company has indicated that further expansion may need to occur overseas to manage cost, scale and regulatory pressures.

Such examples raise the question of why equivalent testing and oversight standards are not applied to imported products before they are permitted into the Australian market. Imported products should be held to the same high standards as Australian-made and manufactured products to protect consumers and maintain public confidence. The absence of such parity undermines local manufacturers and threatens the commercial viability of Australian-developed innovation.

Many thanks for considering this important issue impacting manufacturers and innovators in Australia

Yours sincerely,

Dr Sophie Scamps MP
Federal Member for Mackellar

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