

**Review of
Australia's
General Tariff
Arrangements**

Submission
to the

Productivity Commission

by

International Packaging Machinery

prepared by

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- **BACKGROUND**

International Packaging Machinery P/L is an importer of state of the art packaging machinery, which it supplies to the Australian food and beverage industries. In addition, the company provides detailed packaging solutions and after sales service to their customers stemming from over twenty years of industry experience.

Some of the machinery imported is covered by existing Tariff Concessions and attracts a 3% Duty Rate, some machines are Duty Free and the remainder pay at the 5% general rate. Mostly all the replacement parts pay 5%.

- **MAIN ISSUES**

What should be the General Rate of Customs Duty post 2000 ?

- *Free.*
- *At the very least, the 3% Duty on goods covered by Tariff Concessions should be removed as it serves as nothing but a revenue earner for the Government and provides no protection for a local industry.*

When should any Tariff Changes take place ?

- *Immediately.*

What are the likely overall community effects resulting from a reduction in general Tariff Rates ?

- *A Duty Free rate for our machines and parts will allow Australia's food and beverage industries access to the highest technology available on the world market for their packaging needs, at prices that are not inflated by the added 5% impost. As the machines are of high value, savings can be passed on down the line to both local and export markets.*

Can a reduction in Duty Rates encourage the development of sustainable and internationally competitive Australian industries ?

- *The customers we have are competing locally and internationally with overseas companies who have access to the top end of advanced technology. To remain competitive in the food and beverage industry means companies in Australia must have access to the same equipment and, at the same time, minimising costs and charges where possible.*
- *The 5% rate does not influence a potential purchaser either way as to whether they will buy one or another machine and therefore serves no protection to the Australian manufacturer.*

Will reduced Tariffs promote the provision of high quality, competitively priced goods and services to Australian consumers ?

- *A further reduction in tariff rates should continue to strengthen the competitiveness of any local industries that have been able to maintain viability throughout the previous reductions.*

Are there goods produced in Australia which are complimentary or substitutes for goods that should have reduced duty rates and, if so, does the Australian producer represent a significant proportion of the market ?

- *There are a number of Australian manufacturers of the types of machines we import however features and performance characteristics vary markedly as do prices.*

What implications are there for the existing assistance arrangements following from any Tariff Changes ?

- *Complex Project By-Law submissions would become obsolete.*
- *The Tariff Concession System would not be needed*