



A.C.N. 008 930 541

21<sup>st</sup> June 2000

Review of General Tariff Arrangements  
Productivity Commission  
PO Box 80  
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ACT 2616

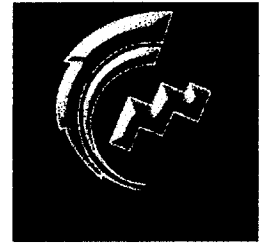
Dear Sir/Madam

It has come to my attention that the 5% import duty currently applied to many goods is currently to be reviewed, and as a retailer of musical instruments in Western Australia I would like to submit that, in respect to musical instruments, this duty has no benefit to the consumer and does not protect the minimal Australian industry there is due to the fact that it is indiscriminate.

For instance, there was recently a 5% tariff granted applied to all imported electric guitars, and this was despite the fact that the entire level of Australian manufacture of electric guitars is less than 1% of the total market, and even that is only in one small segment of the market.

Import statistics indicate that over 28,000 electric guitars were imported into Australia last year whereas barely 1000 were produced in Australia.

It seems a very harsh penalty to the consumer when the fact that the vast majority of guitars imported are well under the value of anything able to be produced here. It is the children, parents and beginners who are the most penalised and who must pay more just so that there is the slightest price advantage to the Australian product. Our professional consumers love the Australian made product and I am proud to promote and support it, however in a very small but significant way, I believe the 5% duty serves to exclude new people from entering the market and it could be strongly argued that, in the long term, this penalises the Australian Manufacturer too... less people entering the market – the smaller the ultimate professional and advanced market.



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My submission is that the removal of the 5% duty would, through lower prices, allow more people to take up a musical instrument and, and would in no way affect the small but important Australian Manufacturing base that exists... it may in fact be detrimental to them. Some form of developmental subsidisation or export assistance would have far greater impact.

Thankyou for your consideration.

Yours truly,  
CONCEPT MUSICAL INSTRUMENT PTY LTD

Graham Hoskins  
Managing Director