

61 2 9556 2976

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Firstly we apologise for the lateness of this submission and appreciate your preparedness to accept it now.

Teco Australia Pty Limited are a leading global manufacturer and supplier of electric motors, industrial vibrators, inverters and air conditioners and wish to make the following brief but important points for consideration by the Commission in framing a final report for the Government's ultimate consideration.

- Teco are supporters of zero tariffs and no doubt the Government will adopt a view one way or the other in this respect. Should zero tariffs be adopted, then the following points become irrelevant. However, they are submitted for your earnest consideration in the event that zero tariffs are not adopted.
- With the exception of air conditioners, the goods imported by Teco are generally supplied to Australia's heavy construction, manufacturing and mining industries. Many of our customers compete in highly competitive export markets, which makes the benefits delivered through the PBL & TCO systems of considerable importance to the national economy.
- Teco's range of customers currently benefit directly from both the Policy By-Law [PBL] scheme [Items 45,46, 47 and 56] and the Tariff Concession Order [TCO] system.
- In respect of air conditioners, Teco's customers also benefit directly from concessions available through the TCO system. This results in lower prices to the consumer in what is a very competitive marketplace.
- There have been continual changes in Australia's local manufacturing capability, over the years, particularly in respect of electric motors and air conditioners. The flexibility available through the TCO system in providing a facility to quickly remove the unnecessary costs of protection, is a major benefit to industry and must be allowed to continue.
- For these reasons, Teco strongly support retention of the PBL provisions in their existing format.
- Teco also unequivocally support retention of the TCO system, which justifiably enables the concessional entry of goods, where it is demonstrated that no substitutable goods are manufactured locally.
- In addition to Teco advocating retention of the TCO system, we strongly urge the Commission to strenuously recommend to the Government that the existing 3% 'revenue' levy applying to business inputs, is counter productive to the national interest and has no philosophical or logical justification. Accordingly, it should immediately be scrapped and replaced with a totally 'duty free' regime so that ALL goods determined to be eligible for concessional entry under the TCO system are rightfully admitted on a duty free basis.

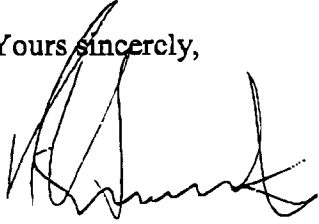
Teco Australia Pty Limited

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Thank you again for your understanding in relation to the timing of this submission.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Phillip C Hudson', written over the typed name below.

Phillip C Hudson fcbca; jp.

Teco Australia Pty Limited