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Review of General Tariff Arrangements Productivity Commission PO Box 80 Belconnen ACT 2616 State Chamber of Commerce

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Review of General Tariff Arrangements

The State Chamber of Commerce (New South Wales) is the peak employer organisation in New South Wales representing a wide range of businesses from small business proprietors to multinational corporations. Established in 1825, the Chamber is the second oldest continuing company in Australia, representing over 100,000 businesses through its direct membership and over 300 metropolitan and country Chambers throughout New South Wales.

The State Chamber welcomes the Review of Australia's General Tariff Arrangements. While the current tariff levels for items other than TCF and PMV may not constitute a significant trade barrier into some Australian markets, there are other industries that may become non-viable if their tariffs are reduced to zero. The main priority for this review, and for future negotiations on tariff reductions, should be to maintain pressure on our trading partners to reduce both their tariff and non tariff trade barriers.

To achieve this objective the State Chamber recommends that Australia avoid making unilateral reductions in tariffs. Rather, Australia should utilise these remaining tariffs to leverage lower protection levels from our trading partners. In light of this objective the State Chamber advocates bilateral and multilateral reductions in trade barriers.

The State Chamber also recommends that the Australian government take into consideration the impact of bilateral or multilateral tariff decisions on employment, primary industries and other businesses in economically depressed areas of regional Australia.

Additionally, the State Chamber considers the 3% Tariff Concession Order to be little more than a revenue raising measure which should be abolished. This measure impacts negatively on the competitiveness of Australian producers by adding to the cost of imports.

It is our understanding that the Australian Chamber of Commerce and Industry (ACCI) has already raised some of these issues in their submission. The State Chamber would like to reinforce those points.

If you have any further questions please contact Max Pahlow, the Chamber's Policy Adviser on 9350 8100.

Yours sincerely

KATIE LAHEY

CHIEF EXECUTIVE