

# AME SYSTEMS

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Review of General Tariff Arrangement  
Productivity Commission  
P.O. Box 80  
Belconnen ACT 2616

### Submission: Review of General Tariff Arrangements

As an Australian Owned and Regional Victorian Manufacturer of Electrical Systems we wish to register concerns we have for the abolition of the 5% General Tariff particularly as it related to imported heavy trucks.

AME Systems Pty. Ltd. employs 100 people and is located in Ararat and Scoresby Victoria and supply electrical systems to Kenworth Trucks, Iveco Trucks, Mack Trucks and several original equipment heavy vehicle builders around the nation.

The Australian Heavy Truck Manufacturing Industry is a competitive and viable local industry, working against Government imposed tariff impediment, which will expand should the 5% General Tariff be reduced favoring importers.

Zero Tariff negatively impacts the local industry seeking to export product, for heavy trucks – it means when seeking to sell offshore:-

<u>Doing Business With</u>	<u>Added Costs/Tariffs</u>
Canada	6.1%
France	
Germany	
Italy	All 22%
Sweden	
United Kingdom	
South Africa	24%
India	45%
Pakistan	60%

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Quality  
Endorsed  
Company

ISO 9002:1994  
Standards Australia

Indonesia

70%

The Commission must also consider quotas, trade barriers, and "mandatory deletion" imposed by other countries eg: Indonesia.

AME Systems Pty. Ltd. maintains that there is a strong case for mandatory reciprocal trading conditions be it with tariffs, quota and other conditions giving support to manufacturing business that employs highly skilled people, industry which has matured and grown over 30+ years.

The reduction of the General Tariff, in the eyes of the Commission, will reduce costs for local businesses. At AME we see that any increase in the number of imported heavy transport vehicles will add cost and difficulty to local truck builders and will cause diminishment in manufacture, closure of plants, and higher numbers of unemployed skilled people – in deed a deplorable cost increase.

Tariff reduction will send viable component and support businesses (family business) Australian owned to the wall.

The Tariff issue is now a short term concern or immediate issue that has monumental long-term effect – cutting the tariff will mean cutting off survival for local industries and embellishment to business offshore

- Reduction in local manufacturing will mean higher imports and higher overseas debt for which we have no financial offsets – Australia will mimic third world economy's should this pricing squeeze continue.
- Given the importance of manufacturing 1.1 million employed, and 31% of exports it makes more sense to support/partner existing viable business than to dream about new "not yet defined" business of the future – it takes up to 20 years for a manufacturing business to mature.
- The truck manufacturing industry is not an expendable item, parallel trading conditions between countries is equitable and supports the "Be Competitive" chant.

Australian Industry like AME Systems:-

- Employs Australia
- Grows Skills
- Provides opportunities for other business
- Pays millions in Taxes through Payc, FBT, Payroll, Company Tax and all the other duties and excuses.

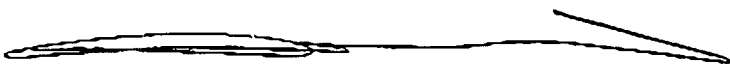
- We are local industry deserving respect.

Regional Australia is the home of manufacturing for a major portion of components used in building heavy trucks – let it not be that we bash the bush anymore. The regional impact is a very real issue for any Government.

- Trucks, being vehicles, should continue to attract a 15% duty as do automobiles if we are serious about being fair.

Lct's keep business in Australia

Yours sincerely



Peter Carthew  
Director