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23 June, 2000

Productivity Commission
PO Box 80
BELCONNEN ACT 2616

By Fax and Mail: (02) 6240 3311

REVIEW OF AUSTRALIA'S GENERAL TARIFF ARRANGEMENTS

Dear Sir

We wish to make a written submission with regard to the draft report on the Review of Australia's General Tariff Arrangements at hearings that will be held during the week of 26th June in Sydney and Melbourne.

Our company, which is both a local manufacturer and an importer, believes that the 5% tariff should be removed as soon as possible and certainly no later than 1st July 2001. We believe that the removal of this tariff will have little or no effect on our current business activities and will ensure that we continue to remain competitive on a global basis.

We do believe, however, that there is a case to be considered for a phase-in of the reduction in the case of the four local producers of heavy commercial vehicles (vehicles over 15 tonnes). The four truck manufacturers, Kenworth, International, Mack and Volvo, have a significant number of employees and with the cost of heavy commercial vehicles at over \$150,000, the sudden impact on their 5% tariff protection would have an impact on their business. We believe that heavy commercial vehicles should be treated separately and that the tariff on imported heavy commercial vehicles be reduced at the rate of 1% per year over five years.

Thank you for the opportunity to make a submission on this draft report.

Yours faithfully
EATON PTY LTD

for **R.J. JOHNSTON**
Managing Director