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Executive Director: M.H. R. Hambrook

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Ms Jill Irvine  
Administrator  
The Productivity Commission  
P.O. Box 80, Belconnen, ACT 2616

Ref:S10

26 June 2000

Dear Madam

**Comments on draft report: Review of Australia's General Tariff Arrangements**

The Australian Paint Manufacturers Federation Inc. has reviewed the above draft report and would like to offer the following comments and observations:

**1. Options canvassed by the Commission.**

The Commission has put forward four Options. Option one, the preferred Option, states: General tariffs on goods under reference be reduced to free sooner rather than later, preferably on 1 July 2001.

On behalf of the paint and ink industry, we would like to endorse this Option as being most appropriate.

**2. Commercial Tariff Concession Scheme.**

The Commission envisages that if Option 1 is approved, tariff concession arrangements for goods under reference would no longer be required after 1 July 2001.

The APMF believes however that until Option 1 comes into effect, the Tariff Concession Scheme should not only be retained but should be restored to allow the full 5% general tariff rebate.

The APMF reiterates the recommendation made in it's original submission that immediate steps should also be taken to address the difficulty the companies have in obtaining tariff concession orders for products for which there is only a general or "other" classification. For example, tariff item 3912.90.00 includes unplasticised Cellulose Esters, plasticised Cellulose Propionate, alpha or micro-crystalline Cellulose and plasticised Cellulose Acetate Butyrate. No cellulose derivative products are manufactured locally. As tariff concession orders are not issued under an "other" classification it is not possible to tame a tariff concession order for any of these products.

It is regrettable that the Commission has not seen fit to address this concern.

## 2. **The APMF**

The APMF is the representative body of the majority of Australian paints and ink manufacturers. It's members account for 97% of all paint sold in Australia.

The APMF is governed by a council representing both large and small paint manufacturers with an elected president. It is concerned with all coatings-related issues and also advises members of changes in tariff legislation and keeps members up to date with the status of the tariff regime.

According to the Australian Bureau of Statistics, the Australian paint manufacturing industry employs approximately 5,400 people and has an annual turnover of around \$1.63 billion. Ink manufacturers, who had been admitted as APMF members in 1997, employs approximately 800 people. It has an annual turnover of around \$220 million.

For further information about the APMF please refer to the attached annual report for 1999.

For any further information please contact the writer on (02)9922 3955 Fax: (02) 9929 9743 Email: [research@apmf.asn.au](mailto:research@apmf.asn.au)

Yours sincerely



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