



[Home \(/\)](#) / [Ministers \(/ministers\)](#)

/ [The Hon Dr Jim Chalmers MP \(/ministers/jim-chalmers-2022\)](#)

/ [Media releases \(/ministers/jim-chalmers-2022/media-releases\)](#)

/ [Tariff reform to cut costs for businesses and boost productivity](#)

**11 March 2024**

# Tariff reform to cut costs for businesses and boost productivity

**Joint media release with**

**Senator the Hon Don Farrell  
Minister for Trade and Tourism**

**Senator the Hon Murray Watt  
Minister for Agriculture, Fisheries and Forestry  
Minister for Emergency Management**

**The Hon Clare O'Neil MP  
Minister for Home Affairs  
Minister for Cyber Security**

The Albanese Labor Government will abolish almost 500 nuisance tariffs from 1 July this year.

We will eliminate import tariffs on a wide range of imported goods including toothbrushes, hand tools, fridges, dishwashers, clothing, and menstrual and sanitary products.

This is the biggest unilateral tariff reform in at least two decades.

It will cut compliance costs, reduce red tape, make it easier to do business, and boost productivity.

Australian workers and businesses are not protected by these tariffs, but they still have to navigate the red tape involved and bear the costs of complying with the tariff regime.

These reforms are an important step towards simplifying Australia's trading system and removing compliance costs for Australian businesses, particularly small-to-medium enterprises.

After successive trade agreements, most goods are now imported duty-free. This means that businesses spend time and money proving their imports are eligible for existing tariff preferences and concessions, a compliance cost they often pass on to consumers.

The Albanese Government will remove this burden by abolishing almost 500 different tariffs, so that businesses can keep their compliance costs down and focus on what they do best.

In this one package of reforms, we will abolish 14 per cent of Australia's total tariffs.

Removing these tariffs will streamline approximately \$8.5 billion worth of annual trade and save business over \$30 million in compliance costs each year.

Examples of products subject to the removal of the five per cent customs duties include:

- Washing machines with annual imports worth over \$490 million, raise less than \$140,000 in revenue per year.
- Fridge-freezers with annual imports worth over \$668 million, raise less than \$28,000 in revenue per year.
- Tyres for agricultural vehicles, tractors or other machines with annual imports worth over \$102 million, raise less than \$10,000 in revenue per year.

- Protective footwear with annual imports worth \$160 million, raise less than \$112,000 in revenue per year.
- Toothbrushes with annual imports worth over \$84 million raise less than \$22,000 in revenue per year.
- Menstrual and sanitary products with over \$211 million worth of annual imports, raise less than \$3 million in revenue per year.
- X-ray film with over \$160,000 in annual imports, raise less than \$200 in revenue per year.
- Chamois leather with \$100,000 in annual imports, raise less than \$1,000 in revenue per year.
- Pyjamas with almost \$108 million in annual imports, raise less than \$120,000 in revenue per year.
- Fishing reels with over \$50 million in annual imports, raise less than \$140,000 in revenue per year.
- Rollercoasters with over \$16 million in annual imports, raise less than \$40,000 in revenue per year.
- Dodgem cars with over \$2 million in annual imports, raise less than \$15,000 in revenue per year.
- Ballpoint pens with annual imports worth over \$57 million, raise less than \$95,000 in revenue per year.
- Toasters with annual imports worth over \$49 million, raise less than \$1,000 in revenue per year.
- Electric blankets with annual imports worth over \$31 million, raise less than \$5,000 in revenue per year.
- Bamboo chopsticks with over \$3 million in annual imports, raise less than \$3,000 in revenue per year.

Removing tariffs on menstrual and sanitary items will align tariff policy settings with changes made to the GST.

Consultation on the proposed initial reforms is underway, with submissions open on the [Treasury website](https://treasury.gov.au/consultation/c2024-506306) (<https://treasury.gov.au/consultation/c2024-506306>) and closing 1 April 2024.

The tariffs identified have been selected because their abolition will deliver benefits for businesses without adversely impacting Australian industries or constraining Australia in sensitive FTA negotiations.

A full list of tariffs to be abolished will be finalised and provided in the Budget.

### **Quotes attributable to Treasurer Jim Chalmers:**

By abolishing hundreds of import tariffs, we'll reduce red tape, boost productivity, ease the burden on small businesses and help to cut the cost of doing business.

This is meaningful economic reform that will deliver meaningful benefits to businesses of all sizes around Australia.

These tariffs impose a regulatory burden on Australian businesses and raise the costs of imported goods but they do little to protect our workers and businesses because they apply to goods that are mostly already eligible for duty-free importation.

Tariff reform will also provide a small amount of extra help with the cost of living challenge by making everyday items such as toothbrushes, tools, fridges, dishwashers and clothing just a little bit cheaper.

These tariff reforms will be better for businesses, better for consumers and better for the economy.

### **Quotes attributable to Minister for Trade and Tourism Don Farrell:**

With one in four Australian jobs trade-related, and 27 per cent of Australia's economic output supported by trade, the importance of trade to Australia's national wellbeing cannot be overstated.

Trade that is simple, fast, and cost-effective can boost Australia's international competitiveness, help create jobs, and reduce cost of living pressures.

## **Quotes attributable to Minister for Agriculture, Fisheries and Forestry and Minister for Emergency Management Senator Murray Watt:**

Scrapping these tariffs is good for Aussie farmers and good for Aussie consumers.

A decade of Coalition inaction was a productivity handbrake on our farms, and we have been determined to fix that.

## **Quotes attributable to Minister for Home Affairs and Minister for Cyber Security Clare O'Neil:**

Reducing costs for Australian consumers is an absolute priority for our government.


Eliminating these tariffs will mean cheaper goods for Australians and less complicated compliance for Australian businesses.




The Hon Dr Jim Chalmers MP  
Treasurer

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