

27 March 2024

Industry and Infrastructure Branch
Labour Market, Environment, Industry and Infrastructure Division
Treasury
Langton Cres
Parkes ACT 2600

By email: NuisanceTariffs@treasury.gov.au

Dear Sir / Madam

Tariff reform: removal of nuisance tariffs

We act for Luyten 3D Pty Ltd (Luyten).

This submission is in respect of the proposal to remove the 5% tariff in respect of tariff heading 8485.30.90. Luyten is an Australian producer of goods that are covered by this tariff classification. The tariff imposed by this heading acts to provide protection to Luyten (and other Australian manufacturers) against European produced competition.

### 1. About Luyten

Luyten is an Australian owned company that specialises in the design and production of 3D construction printers and additives used for 3D printing. Luyten was founded in 2020. It is based in Melbourne where its goods are designed, tested and produced.

Luyten produces a range of construction printers that vary in size and method of construction. The smallest printer produced is a 1 m by 1m gantry style construction printer. The largest gantry style printer is 4 m x 8 m. Luyten also produces a crane style 3d construction printer that is 12 metres in width and 6 metres in height.

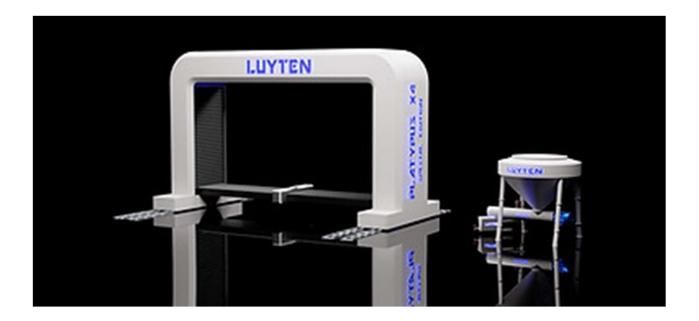
Luyten's printers are designed and produced in Australia from a mixture of Australian made and imported components.

The importance of Luyten's role in developing Australia's advanced manufacturing and robotics industry has been recognised in the form of Federal and State Government research and development grants. This has complemented publicly funded research into the development of 3D printers by Australian universities.

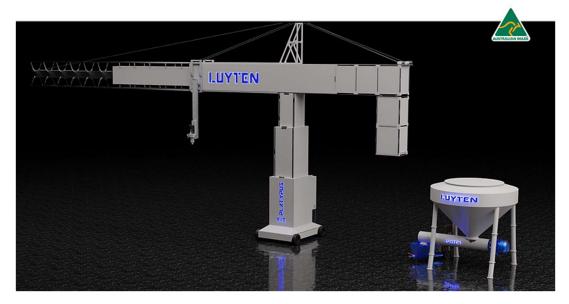
Examples of the Luyten printers are shown below. The full range can be seen at luyten3d.com.











The Luyten printers can be used to print any items that fits within the print range of the particular printers. The Luyten printers are designed for the printing of houses, parts of structures, furniture, plant boxes, signs and other items.

Luyten is prepared to accept an order for, and produce in Australia, its entire 3D printer range. Luyten has both domestic and export sales of its Australian produced printers.

Please contact us if you would like details of Luyten's past sales and current purchase orders.

# 2. Other Australian manufacturers

Luyten is not the only Australian manufacturer of 3D printers. For example, Luyten is aware of the Australian manufacturers <a href="Macro3D">Macro3D</a> and <a href="Macro3D">Contour3D</a>. Treasury is encouraged to make its own enquiries with these Australian manufacturers regarding the extent to which tariffs on heading 8485.30.90 are a nuisance or provide valuable protection.

## 3. Tariff classification 8485.30.90

Tariff classification 8485.30.90 covers the following goods:

MACHINES FOR ADDITIVE MANUFACTURING:

-By plaster, cement, ceramics or glass deposit:

---Other

The classification only applies to printers that use plaster, cement or ceramics (heading 8485.30.10 applies to glass deposits). This should be contrasted to 3D printers that print using plastics.

There are no tariff concession orders available for heading 8485.30.90.

The goods produced by Luyten are classified to heading 8485.30.90.

# 4. The tariff serves an important purpose

The 5% tariff on tariff heading 8485.30.90 serves an important protective purpose.



The main competitors of Luyten are printers produced outside of Australia. The company that claims to be the world leader is COBOD. COBOD 3D construction printers are produced in Europe. The printers are not currently subject to any Australian import concessions and there is no free trade agreement that applies.

The printers produced by Luyten and COBOD are a significant piece of capital equipment and range in value depending on the size and specifications. A 5% tariff on a product of this nature is a significant amount and would no doubt make a difference in the competitiveness of imported 3D printers against Australian produced printers.

3D construction printers are a relatively new industry with enormous growth potential. Luyten submits that it is in Australia's best interests to develop the Australian 3D printer industry. The industry represents the potential to create a vast number of engineering, design, robotics and manufacturing jobs. This value and potential has been reflected by the public investment in this industry. Grants have been given to promote public research via universities and private product development.

If given the opportunity to become established, the Australian industry could become both a major domestic and international supplier.

It is expected that the level of past imports under heading 8485.30.90 may be relatively low. This reflects that the 3D construction printer industry is in its infancy. As the demand for 3D printed dwellings increases, the demand for 3D construction printers will rapidly increase. This will increase demand for both locally produced, and imported, 3D construction printers. As demand increases, the role of the protective tariff will become more important.

# 5. History of seeking concessional entry of 3D construction printers

The likely increase in the level of imports of 3D construction printers is evident by the recent application for a tariff concession order (TCO) covering such goods. In September 2022, Fortex Pty Ltd (Fortex) applied for a TCO that would cover certain 3D construction printers. The proposed TCO would have been attached to tariff heading 8485.30.90.

Luyten objected to the proposed TCO on the basis that it produced substitutable goods in Australia. After considering the Luyten objection, the Department of Home Affairs refused to make the TCO.

Fortex sought internal review of the decision. On internal review, the decision to not make the TCO was upheld.

Fortex sought review of the decision by the Administrative Appeals Tribunal (**AAT**). The hearing of the matter occurred in mid-March 2024. The AAT decision is yet to be provided.

If the AAT rules that the TCO should be made, there will be a wide concession covering heading 8485.30.90. If the AAT rules that the original decision rejecting the TCO was correct, this will reflect a finding that there was an Australian industry producing substitutable goods.

It is submitted that the AAT review is an effective way to determine whether or not the tariff is a nuisance, or is serving an important protective purpose. If the TCO is made, the tariff will be effectively removed. If the TCO is not made, it will reflect that there is an Australian industry that warrants protection. As the matter is being determined by the AAT, it is appropriate to remove heading 8485.30.90 from the current proposed tariff reform.

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We understand that rebuilding Australia's manufacturing base is a key priority of the Federal Government. 3D construction printers represents high quality advance manufacturing in an area of extremely high growth potential. Significant public funding has already been committed to developing Australian capabilities in this high potential industry. Luyten submits that now is the time to encourage the growth of this Australian industry, rather than making it easier for foreign produced 3D construction printers to compete.

Please do not hesitate to contact us with any questions.

Yours faithfully CGT Law

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Director

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