

2 May 2018

GST and low-value goods
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Submission on GST and low-value goods

I wish to make a submission on the review of GST on low-value goods bought from international websites.

While I broadly support the measure, some of the thinking it is incorrect.

Myth: everything's already available here

The Minister's media release of 1 May 2018 states "Large multinationals sell exactly the same products into our market without collecting GST". The selection of goods available in New Zealand is vastly smaller than what's available internationally. There are a huge number of goods that simply aren't stocked in New Zealand, meaning local retailers aren't disadvantaged when goods are purchased overseas.

For example, in April 2018 alone, I searched for quality underwear in a size 22, special camera attachments for my iPhone and specific brands of shoes, and none of these items were available in New Zealand at any price or from any retailer. While I have no issues paying GST on goods I buy locally or internationally, it's important not to perpetuate the myth that everything anyone could ever want can be purchased from a local retailer.

Myth: Kiwis are motivated to shop on international websites based on price

Service in many stores is non-existent and I don't wish to reward bad service by spending money in such stores. If I'm not going to receive personalised service, then I will purchase online either through a local or international website. To say Kiwis are shopping on international websites purely because of price is also a myth. As part of this process, retailers should take a good, hard look at their service levels and what they can do to retain customers.

Many thanks for the opportunity to comment.

Yours sincerely

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