
From: s9(2)(a)
Sent: Thursday, 28 June 2018 14:38
To: Policy Webmaster
Subject: GST on imported low-value goods

To Whom It May Concern:

I wish to formally give feedback regarding the proposed changes to the collection of GST on imported low-value goods ordered online.

Before I begin, I wish to state that I have no issue with GST being collected on these goods.

With that said, I feel the proposed implementation is flawed and risks potentially unforeseen consequences that will negatively impact Kiwi consumers while offering zero benefit to New Zealand retailers.

Many people, including myself, will tell you that we shop online from overseas outlets simply because we cannot get what we need here. Shopping online for me is not a matter of choice, but one of necessity. Where I can purchase locally, I always will.

As an example, I recently desired a fountain pen from Faber-Castell. Rather than immediately heading to Amazon, I contacted a local retailer of fountain pens and asked her if she would be able to import it for me. While there was some delay in completing the order from request to receipt, ultimately I was satisfied with the product and happy to support a local business.

Unfortunately, this retailer is a rare exception. Most businesses decline such requests, if they even consider them at all. And as someone who requires 6XL or larger clothes, I am required to order from overseas.

Trust me, I wish I could go down to The Warehouse and get underwear to fit me, but it's a lottery. I've even tried to order from them online. Despite stating that they had the product in stock and charging my card, about a week later I received an email stating that they didn't have the item in stock anywhere in the country and refunded me. I ended up ordering the same item from Australia, and was able to get three pairs rather than the single pair The Warehouse would let me purchase on their website.

This leads to my issue with the proposed changes. Asking the retailer to administer GST presents a very real risk of retailers deciding that compliance is not worth the hassle when catering to such a small market. New Zealand often overestimates its importance in the global scale, and one only needs to look at the recent decisions Amazon has taken in regards to Australia, a much larger market than ours, to see that there is a risk to the availability of goods to the New Zealand public.

Already, many international retailers will not ship to New Zealand, which itself has seen to rise of forwarding services. Burdened with collecting GST for a foreign government potentially results in a similar Amazon-vs-Australia scenario where New Zealand IPs are geoblocked and unable to access the site at all.

Again, this results in fewer goods available to New Zealand, a reduced tax take for the government, and no advantage to New Zealand retailers who are not stocking these products in the first place. This will result in limited stock and limited choice for New Zealanders, who will be, like decades previous, be hostage to the whims of local retailers and what they deem to be worthwhile bringing to market. And as someone who is utterly reliant on the ability to purchase clothing from overseas, I am extremely worried at the government's insistence to proceed with this plan.

If GST is to be collected, under the pretence that this levels the playing field for New Zealand retailers, then there are better, less risky ways to do this than to place the burden on overseas entities that have absolutely no reason to comply. Collection at the border for all parcels would still allow this tax revenue to be collected, and an online system for payment and release of parcels would easily mitigate the administrative costs involved. This is just one of many potential solutions.

With experience in retail myself, I have seen local distributors decide that the New Zealand market is too small, with sales too low, to warrant dealing with it. Again, I stress that there is a huge risk that international retailers, with no obligation to go to the hassle and expense of collecting GST for the New Zealand government, might also decide that the country isn't worth the hassle. Without a hint of humour or irony, I sincerely hope that you reconsider this approach, as I really do need clothes to wear.

Kind regards and many thanks,

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