
From: s9(2)(a)
Sent: Wednesday, 2 May 2018 08:32
To: Policy Webmaster
Subject: GST on low-value imported goods

Dear Sir/Madam

My feedback relates to the following rule:

- Offshore suppliers would be required to register, collect and return GST on supplies of goods to New Zealand consumers if the value of the goods is \$400 or less. Tariffs and cost recovery charges would no longer be collected on goods valued at or below this value.

I propose that the value of \$400 should be increased to \$1,000 and the tariff and recovery charges also not collected on any goods valued at below that amount.

The reason for this is the cost to overseas businesses in implementing these rules.

The NZ government is proposing a requirement for GST to be collected on low value goods only – this means that the cost of implementing this for the overseas business relates to low value goods they are selling and therefore the cost to benefit is high for them. Having to charge GST on a books worth only \$20 is a high price to pay to be able to supply to New Zealand consumers. In my experience most customers currently keep under that limit to ensure that GST and duties don't also apply and I believe this will continue as duties can be very costly over the \$400 value. Therefore increasing the limit will encourage and allow consumers to purchase more at once and help offset the costs the overseas business will now be incurring.

The current \$400 value has also not increased with inflation and buying power has therefore decreased when buying from offshore an increase would make up for this.

The proposal ensures fairness for our NZ businesses and creates an equal playing field but this is not quite true as it adds a complexity that the NZ business does not have to face, increasing this level will ensure that we are not simply keeping an uneven playing field but just changing the side that is affected the most.

Finally with Australia implementing a similar scheme using the same \$1,000 that they are proposing for the threshold will also reduce compliance costs for overseas businesses by keeping the schemes more aligned and leave less uncertainty over their sales.

Thank you.

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