

SHOPPING CENTRE

COUNCIL OF AUSTRALIA

Media Release

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SHOPPING CENTRE LANDLORDS JOIN THE CALL FOR REDUCTION IN THE GST THRESHOLD FOR IMPORTED GOODS

The Chairman of the Shopping Centre Council of Australia (SCCA), Steven Sewell, has urged the Federal Government to reduce the \$1,000 low value threshold for the payment of GST on imported goods.

This comes in the wake of yesterday's revised ABS figures suggesting that the amount of goods which Australians are purchasing online from overseas, which fall below the \$1,000 low value threshold, is higher than previously estimated.

"No-one is arguing that Australians should be prevented from buying online, whether from domestic or overseas suppliers," Mr Sewell said.

"This additional competition benefits everyone by causing all of us who work in the retailing industry to lift our game in the never-ending challenge of attracting customers. The integration of online retailing and physical retailing is an example of this."

"But there needs to be a level playing field so that Australian retailers – including Australian online retailers - are competing on the same terms as their overseas competitors."

Mr Sewell said this was not just an appeal to the Australian ethos of a 'fair go'.

"The ABS has estimated that around \$630 million is now being lost in GST revenue each year as a result of the excessively high threshold."

"This is money that should be flowing to our state and territory governments to help build and run our schools, hospitals and other services that Australians need and expect."

"The lost revenue also means other state taxes are being increased in order to provide these services. Retailers and retail property owners in Victoria have just had an example of this with the new property-based fire services levy which has seen cost increases of around 400%."

Mr Sewell rejected the argument that no action be taken because it would cost the Federal Government more to collect the GST than it would receive in revenue.

"This argument has now been demolished by several studies which have demonstrated the present approach of collecting the GST 'at the border' should be replaced by one which imposes the GST liability directly on the overseas suppliers of goods and services."

"The report of the GST Distribution Review recommended 'that the low value import threshold for GST be lowered to prevent the ongoing erosion of the GST pool'."

"The Federal Government also has a report, commissioned by the Australian National Retailers Association, demonstrating that it is feasible for Australia to adopt a GST collection system based on the approach adopted in the United Kingdom where the low value threshold is set at only 15 pounds sterling."

[The SCCA represents Australia's largest shopping centre owners and managers. Mr Sewell is CEO and Managing Director of Federation Centres.]

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