

10 April 2017

Committee Secretary
Senate Standing Committee on Economics
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

And by email: economics.sen@aph.gov.au

Dear Sir or Madam

Treasury Laws Amendment (GST Low Value Goods) Bill 2017

Thank you for the opportunity to comment on the *Treasury Laws Amendment (GST Low Value Goods) Bill 2017*, scheduled to commence on 1 July 2017.

We have reviewed the *Selection of Bills Committee (Report No. 3 of 2017)* and the reasons for the referral to the Committee for inquiry and report (ref: section 2 (e); Appendix 6 & 7).

This includes the need to scrutinise the 'detail and implementation' of the proposed measures, stakeholder feedback, the extent of the affected market and the ability of the Australian Taxation Office (ATO) to collect the tax.

We support the Government's policy position, and principle of the Bill, to amend the *A New Tax System (Goods and Services Tax) Act 1999*, and broaden the scope of the application of the Goods and Services Tax (GST), and ensure that certain supplies of 'low value goods' (\$1,000 or less) imported by consumers in Australia, will have equivalent GST treatment to goods sourced domestically.

This will be achieved through the proposed 'vendor registration collection model'.

The Bill will require overseas vendors, electronic distribution platforms and goods forwarders (e.g. freight) to register for and pay GST on sales of low value goods to consumers in Australia, if they sell \$75,000 or more of low value goods.

We advise that our members are not liable parties under the Bill.

While we are not experts in imports and customs arrangements, we would support any revisions or clarifications that ensure that the principle of the Bill to broaden the scope of the application of the GST is maintained, while also seeing that the GST is collected under the proposal model in an efficient and rigorous manner.

We are keen to ensure that the proposed arrangements under the Bill – such as the definition of the supply of 'low value goods' and the treatment of suppliers of low value goods – are clarified, supported and communicated by groups such as the ATO and Department of Immigration and Border Protection (Customs) to ensure understanding and compliance by affected vendors, including how the proposed arrangements apply to the supply-chain and relevant processes and labelling. This includes how the arrangements will apply to online market-places/platforms.

After this policy was flagged as a key measure in the 2016-17 Federal Budget, we note that the Draft Bill was subject to consultation in late 2016, which included the proposed new arrangements.

We urge the Committee to support and recommend the passage of the Bill, including a 1 July 2017 commencement. We would welcome an opportunity to discuss this submission with the Committee, if required.

Yours sincerely



Angus Nardi
Executive Director