

22 June 2017

Hon. Judith Collins  
Minister of Revenue

Hon Tim Macindoe  
Minister of Customs  
Parliament Buildings  
**WELLINGTON**

Dear Ministers

## DE MINIMIS ISSUES

As you may be aware, the Australian federal Parliament yesterday passed the *Treasury Laws Amendment (GST Low Value Goods) Bill 2017*.

This means that, from 1 July 2018, suppliers, online marketplaces and redeliverers with an Australian GST turnover of A\$75,000 or more are required to register, charge, report and remit GST on sales of low value goods to consumers in Australia. This obligation extends to New Zealand-based firms which might sell to Australian customers over the Internet.

The Australian Treasurer notes that his Government has "*delivered a win for Australian retailers by removing the unfair advantage foreign businesses had with respect to GST...to help Australian businesses grow and create more jobs and opportunities*". I ask that you do likewise to help New Zealand create business growth, jobs and opportunities for New Zealand.

From the point of view of New Zealand retailers, it is now more important than ever that the New Zealand Government follows the Australian lead, and we urge you to accelerate decision-making processes so that New Zealand is in a position to implement an offshore supplier registration model in tandem with Australia from 1 July 2018.

Aside from now being adopted by Australia, a similar model is already being used for transactions within the European Union; by Canada for magazine subscriptions; and we understand that Switzerland is moving down this track from next year.

Moving hand-in-hand with Australia from 1 July 2018 will mean that foreign retailers will be able to ready their systems for both countries at the same time; remove a significant competitive disadvantage for New Zealand businesses that is entirely caused by Government tax policy; and deliver a windfall gain for Crown revenues in excess of \$200 million next year.

I know that you are waiting for officials to report on this issue, but this issue is negatively impacting Kiwi businesses, both large and small, and there is no logical reason for further delay.

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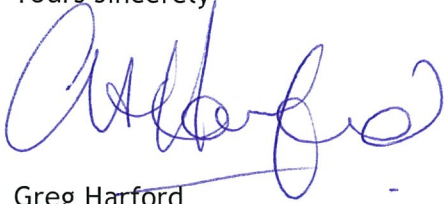
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On behalf of the retail sector, I ask that you now commit to introducing an offshore supplier registration model from 1 July 2018.

I look forward to hearing from you.

Yours sincerely



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