

AUSTRALIAN TREASURY

**APPLYING GST TO LOW VALUE GOODS IMPORTED BY
CONSUMERS**



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Bicycle Industries Australia Ltd (BIA) represents bicycle manufacturers, importers, retailers and wholesalers within Australia.

The BIA was formed with the expressed aims;

- To foster the interests of the Australian Bicycle Industry
- To promote sound and ethical trading and commercial practices

The Australian bicycle industry comprises approximately 400 importers, manufacturers and wholesalers, along with approximately 960 specialised retail stores.



APPLYING GST TO LOW VALUE GOODS IMPORTED

BY CONSUMERS

Bicycle Industries Australia as the peak body for the bicycle industry is excited that the government has finally chosen to acknowledge the imbalance that the current low value threshold has created, making it more difficult for Australian businesses to compete in Australia and abroad.

The exposure draft released along with the accompanying Q&A and explanatory materials has demonstrated that the government, although working towards a solution, has no desire to implement a complete and effective outcome, which provides a level playing field for Australian businesses.

Does the BIA support the charging of GST on all products under \$1000?

YES

The BIA questions why the threshold is not lowered to allow the government to capture duties and other associated fees related the importation of goods. Fees, which the Australian importer in general is forced to pay.

The impact of all fees, is not 10%, government fees have traditionally added up to 20% to the price of goods and this process will simply provide half a solution.

We understand that the remit of this review is on the proposed implementation of legislation for the collection of GST and as such does not cover duties.

We accept that and will support any process that does not delay the implementation of GST collection on goods under \$1000. We do question why the government has chosen to take over 5 years since elected and does not in fact implement the process more rapidly now the decision has been made.

SUPPORT

We support all retailers being required to pay GST

We support the delivery of a two year review but are extremely concerned that this will not occur, as it has been a decade long process to this point.



CONCERNS

This process relies on ability to police and enforce the policy.

Something which the Australian retailer and consumer has very little trust or faith in. Many consumers have actively relied on the governments inability in that regard.

The system does not address the issue of products being sold into Australia that do not meet Australian standards.

This has been evident in foreign companies willingness to sell helmets into Australia that do not meet Australian standards.

This process does not reduce the willingness of offshore retailers from understating the value of invoices, saving both reported GST and the costs of duties and other government fees.

This has been an ongoing problem in the bicycle sector, and the current system provides no safe guards against the ongoing use of this ability.

The system you are proposing will make very little difference unless you have in place a way to match the money leaving the country to the amount stated on the invoice.

The ability and willingness of marketplace based retailers to collect and submit GST.

TIMEFRAMES

We are extremely concerned of the Introduction of the legislation in February with implementation on 1 July 2017. The delay that will occur if sent to a Senate hearing.

This will cause the loss of millions of dollars and Australian jobs.

Australia Must Come First.

It is up to our Politicians from all Political Persuasions to be held accountable on this issue and to fix this problem and to fix it NOW as a matter of priority.

It's now up to the ATO to use their powers to make this happen.



Peter Bourke

