



2 December 2016

Manager  
Indirect and Not-for-Profit Unit  
Individuals and Indirect Tax Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Email: [lowvaluegoods@treasury.gov.au](mailto:lowvaluegoods@treasury.gov.au)

Dear Manager

**Re: Exposure Draft Treasury Laws Amendment (2017 Measures No. 1) Bill 2017**

**1. Introduction**

1.1 The Motor Trades Association – Queensland (MTA Queensland) (the Association) responds to The Treasury’s invitation for submissions to the Exposure Draft *Treasury Laws Amendment (2017 Measures No. 1) Bill 2017* (the Exposure Draft). The MTA Queensland’s comments are on behalf of its constituent divisions and are confined to issues which relate to the interest of Queensland’s automotive value chain.

**2 Context**

2.1 The MTA Queensland in various submissions to Commonwealth Departments and Agencies on behalf of its small to medium business operators sought a ‘GST level playing field’ on automotive value chain retail products that cost \$1,000 or less to compete against overseas businesses.

2.2 The view was that whilst e-commerce had introduced economic and administrative productivity benefits, the challenge was competing with on-line trading which thrives on the concept of the “global village” ignoring spatial retail or location specific competition. The anecdotal information particularly from retailers of motor-cycle apparel and accessories and parts and automotive vehicle accessories and parts indicated that consumer on-line sourcing of goods was eroding traditional sales volume and having a detrimental effect on sales revenue and profitability.

2.3 In-store monitoring of consumer behaviour such as “trying on”, “checking out”, unauthorised and clandestine photographing or copying of accessory or part numbers indicated that consumers were merely “exploiting” the dealership or the retailer to appraise the item /product with the intention of third party offshore sourcing. It was reasonable to assume therefore, that they discerned that there were significant price advantages in the sourcing of products on-line. This included automotive franchised and non-franchised and branded and unbranded accessories and parts.

**3. Submission**

3.1 The MTA Queensland from a policy perspective perused the Exposure Draft Explanatory Materials referring to the application of the GST to low goods imported goods. The Association is supportive of the

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policy that has the intention of providing that low value goods imported by consumers in Australia will face equivalent GST treatment to goods that are sourced domestically.

3.2 The Association is supportive of the measure that provides from 1 July 2017, the law will require overseas vendors, electronic distribution platforms and goods forwarders to account for GST on sales of low value goods to consumers in Australia if they have GST turnover of \$75,000 or more.

3.3 We note the Council on Federal Financial Relations gave in-principle agreement on 21 August 2015 to the change.

#### **4 MTA Queensland background**

4.1 The MTA Queensland is the peak organisation in the State representing the specific interests of businesses in the retail, repair and service sector of Queensland's automotive industry located in the State. There are some 13,000 automotive value chain businesses employing in excess of 90,000 persons generating in excess of \$14.5 billion annually. It is an industrial association of employers incorporated pursuant to the *Industrial Relations Act* of Queensland. The Association represents and promotes issues of relevance to the automotive industries to all levels of Government and within Queensland's economic structure.

4.2 The Association is the leading automotive training provider in Queensland offering nationally recognised training, covering technical, retail and the aftermarket phases of the motor trades industry through the MTA Institute (MTAI) - a registered training organisation. It is the largest automotive apprentice trainer in Queensland employing in excess of 35 trainers geographically dispersed from Cairns to the Gold Coast and Toowoomba and Emerald. The MTAI last financial year accredited courses to in excess of 1,600 apprentices and trainees.

#### **5 Conclusion**

5.1 The MTA Queensland supports the application of the GST to low value imported goods as outlined in the Exposure Draft.

5.2 We would be please to provide further comment on any matters in our submission that may require further clarification or amplification.

Thank you for your consideration.

Yours sincerely



**Dr Brett Dale DBA**  
Chief Executive Officer



**Kellie Dewar**  
General Manager