

MEDIA RELEASE

Thursday, 4 August, 2011

Productivity Commission recommends lowering the GST threshold.

The release of the draft report of the Productivity Commission backs up claims by retailers that the low value import threshold should be reduced. The Productivity Commission has identified that there is an in-principle need to reduce the low value import threshold. This is a very important finding.

The PC has found that while the threshold should be lowered, it cannot be reduced because of the inefficiency of parcel handling processes and the operations of Customs.

Spokesperson Brad Kitschke said;

“The recommendation by the PC that the threshold should be lowered is great news for retail. It backs up what we have been saying all along. We are not surprised that Customs has come under fire for its inefficiency, we have been extremely critical of Customs throughout this review and the PC has validated those concerns.”

The recommendation to establish a task force to look at parcel handling processes and the efficiency of Customs should be rejected and instead immediate action is required from the Minister.

“Retailers should not be punished because the bureaucracy is inefficient. We don’t need another taskforce or a talkfest. We need action. The Minister for Customs Brendan O’Connor should task senior executives in Customs to make the required changes to ensure efficiency. Customs need to take responsibility for their failures and implement immediate changes.” Kitschke said.

“Retailers are already embracing online trading. They are not opposed to online retail and more and more Australian retailers are engaging in a multi-channel approach, but the PC has made it clear that to be able to compete online they need this threshold reduced. This must happen now, and if the inefficiency of Customs is the sticking point then heads need to roll and changes must be made.”

“There is also a serious case for a reduction in tariffs. This would ensure that goods are able to be imported into Australia without the burden and impost of outdated protectionist measures. This can only lead to cheaper prices for consumers.

For interviews Brad Kitschke call 0403 809 630