

## TREASURY EXECUTIVE MINUTE

Minute No.

22 October 2010

Deputy Prime Minister and Treasurer

### **BRIEFING ON THE LOW VALUE IMPORT THRESHOLD FOR YOUR MEETING WITH MR SOLOMON LEW**

**Timing:** The meeting is scheduled for the evening of Monday 25 October 2010

#### **Recommendation/Issue:**

- That you note the following briefing on the low value import threshold, as requested by your office, for your meeting with Mr Solomon Lew.

**Noted**

Signature: .....

...../...../2011

**Section 22 Not Relevant**

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**Section 22 Not Relevant**

## ADDITIONAL INFORMATION

### Section 22 Not Relevant

Mr Lew is the Chairman of Premier Investments, whose main business interest at present appears to be the Just Group which comprises a number of retail fashion chains (Just Jeans, Jay-Jays, Dotti, Peter Alexander, Portmans, Jacqui E) and a stationery chain, Smiggle. According to Just Group's website approximately 70 per cent of its product is sourced from offshore and the remainder manufactured under contract in Australia.

Its stores sell some international brands (for example, Just Jeans stocks Levis and Calvin Klein jeans) which are likely to be vulnerable to online competition from imports. This is most likely as a result of the recent rise in the exchange rate.

- However, Mr Lew has acknowledged that the higher exchange rate also provides benefits to retailers because it reduces the cost of imported products.
- Customs duty currently applies generally to clothing imports (above the low value threshold) at a rate of 10 per cent. This rate was reduced on 1 January 2010. This would also have reduced costs to retailers of imported products.

### Section 22 Not Relevant