

### **Low value import threshold – talking points**

- The Government's approach of calling for a Productivity Commission inquiry into the future of Australian retail, together with a campaign to ensure the threshold is not being abused, is supported by the vast majority of retailers, including the Australian National Retailers Association and the Fair Imports Alliance.
- The Government respects the fact that large retailers like Gerry Harvey and Myer have ongoing concerns, but the ANRA – their own industry body – supports the Government's approach.
- The Productivity Commission will commence work in early 2011 and report back to Government within 9 months. The Government has made it clear that sustainability and appropriateness of the current tax settings will be considered, so any suggestion otherwise is unfounded.
- By cracking down on non-compliance and having a rational review of the facts, challenges and opportunities faced by the retail sector in Australia, the Government will help the Australian retail sector to grow in a way that is globally competitive on prices and provides consumers with the choice and sophisticated product offerings they deserve.
- Claims the low value threshold on imported goods is responsible for the tough Christmas experienced by big Australian retailers are exaggerated.
- Online retail sales account for about three per cent of all retail sales in Australia, and it is estimated that between 20 per cent to half of these sales relate to overseas purchases.
- There is no denying that retailers are doing it tough, but other factors like the high Aussie dollar, the ongoing aftershocks of the GFC and the fact that Australians are simply spending less this Christmas are having a much greater impact than the absence of a 10 per cent GST, and in some cases customs duty, on a small number of overseas imports.
- Consumers enjoy shopping online because it offers them choice, convenience and often discounts beyond those attributable to the low value threshold.