

20 October 2015

General Manager
Law Design Practice
The Treasury
Langton Crescent
PARKES ACT 2600

Via email: taxlawdesign@treasury.gov.au

Dear Sir/Madam

Tax Laws Amendment (GST treatment of Cross-Border Transactions) Bill 2015

The Australian Retailers Association (ARA) and the Shopping Centre Council of Australia (SCCA) provided a submission in response to the then *Tax Laws Amendment (Tax Integrity: GST and Digital Products) Bill 2015*, when first exhibited following the May Budget.

Our previous submission outlined our strong support for this important GST integrity measure. We also urged the Government to consider applying the principles in closing this loophole for intangible digital products to tangible products purchased offshore. In this regard, we are pleased that the Government has also reached agreement with the States and Territories to close the Low Value Threshold (LVT) loophole for the offshore purchase of tangible goods.

We have jointly reviewed the proposed amendments incorporated in the now titled *Tax Laws Amendment (GST treatment of Cross-Border Transactions) Bill 2015* and have no particular concerns with the proposed changes as the objectives of the Bill – and the Government’s policy intent in progressing this reform - remain the same.

The retail and shopping centre sectors are pleased to restate their broad support for the Government’s reform direction:

- Applying the GST to digital products and other imported services sourced offshore is not a new tax.
- It is the appropriate application of the GST to products which would, if purchased domestically, attract the GST.
- International corporations should to be paying their fair share of GST in Australia.

We continue to support the legislative basis which would see offshore suppliers of digital and other intangible goods and services (or a related electronic distribution platform - EDP) collecting and remitting GST to the Australian Government. This is a modern approach which will defer administrative costs from Government. We understand that there is still no intention to impose a ‘threshold’ under which the GST would not apply to the purchase of the intangible goods. We support this approach.

As a final comment, we would encourage the Government to take on board the lessons and outcomes from this body of consultation and stakeholder engagement as part of implementation of the now agreed position to close the LVT loophole on tangible products.

The ARA and the SCCA look forward to, where possible, assisting the Government in its ongoing deliberations on these important GST integrity measures.

Yours sincerely,



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