

The Treasurer of Victoria

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2007

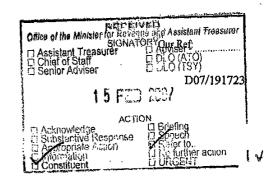
Treksjiry Place

Treksjiry

The Hon Peter Dutton MP Minister for Revenue and Assistant Treasurer PO Box 6022 Parliament House CANBERRA ACT 2600

Dear Minister

Proposed Changes to the Tourist Refund Scheme



I am writing in response to your letter of 4 January 2007 seeking approval for a number of changes to the Tourist Refund Scheme (TRS).

I welcome enhancements to the scheme and note that changes to the scheme have been under consideration for some time. While it is usual practice for changes to the GST base to be considered firstly by Treasury representatives on the GST Administration Sub-committee (GSTAS), I understand that the Commonwealth Government wishes to expedite the process to ensure that changes can be implemented on 1 February 2008.

In recognition of this timing consideration, I am happy to advise that I approve the following proposed changes:

- 1. allowing tourists to aggregate invoices from a single retailer in order to meet the \$300 threshold to qualify for a refund;
- 2. extending the period within which goods must exported under the TRS from 30 days to 60 days; and
- 3. extending the period within which duty free goods must be exported under the "sealed bag" system from 30 days to 60 days.

However, in relation to the proposal to open the market for the tourist refund function, I am not yet able to provide my endorsement. I understand that there are a number of issues to be resolved in relation to this proposal, including further consideration of the impact on rural and regional tourist areas, more analysis of the costs and benefits of the proposal, analysis of the impact of commissions on transactions and determining the regulatory framework for the refund operators. I think it would be beneficial for the matter to be discussed in more detail by GSTAS, scheduled to meet on 16 February 2007.



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The GSTAS is the most appropriate forum for these issues to be discussed further. I have asked my department to encourage a timely resolution of these issues through that forum.

Thank you for your oversight of the review of the TRS. I am advised that some of the changes are strongly supported by the sector.

Yours sincerely

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JOHN BRUMBY MP Treasurer