
From: s9(2)(a)
Sent: Friday, 1 June 2018 10:11
To: Policy Webmaster
Cc: meka.whaitiri@parliament.govt.nz; stuart.nashmp@parliament.govt.nz
Subject: Proposed changes to GST on imported goods.

I understand there is a discussion document regarding the proposed changes to the GST charges for foreign imports. I would like to put forward my point of view.

Firstly, I am not against charging a fair amount of GST on imported goods, provided it is done in a way that does not limit consumers options. I have been importing items from overseas websites for personal use for over 10 years. Some cheaper items, up until now, have not incurred any taxes and others I have paid the tax and duty charges. One of the things that has become obvious to me is that even when you add shipping, tax and duty, New Zealand consumers have been overcharged by our local retailers for a long time.

For example, on separated occasions, I have bought an electric guitar from the USA, an electronic piano from Germany and a receiver/amplifier from the UK and after adding significant air freight costs, duty and taxes, have managed to acquire the items for between 40% and 60% of the cheapest prices available locally. Books, especially science and education books, are another example where costs in New Zealand are often significantly higher than the cost of importing. And when it comes to books, do we really want to put an additional tax on reading? Countries like the UK do not even charge VAT on books, so shouldn't we look at a similar zero-rating, rather than increasing the cost of learning?

My main reason for making this submission, is the latest news that companies like Amazon will now be blocking Australians from using their US and international websites because the Australian Government is bringing in changes similar to those you have proposed. While paying the GST and shipping will on the whole still leave overseas goods cheaper than local ones in many cases (unless you decide to introduce an unreasonable processing fee too, like you have with higher priced items), a ban on the use of the Amazon website will unfairly hit NZ consumers. So while the retail lobbyists talk about levelling the playing field, it is actually about stifling the competition, so they can continue to charge way over the global market rates.

What worries me most is that there are some items that you just can't buy in NZ. For example, I have size 15 feet and my 15 year old son has just grown into size 16. There are few, if any shoes in that size available in NZ. Rebel Sports, for example, have a total of 16 pairs of shoes available in size 15 and none in size 16 and they are better than most of their local competitors. They don't see it as worth their effort to bring in items for people who don't fit into the average. So at the moment we buy shoes from Amazon and other retailers in the US. If you bring in this proposal and it causes those retailers to ban NZ buyers then we are left with little to no choice.

So, I am in favour of charging GST, if you can find a way to do it which does not limit choices and cause international retailers to stop selling to the already hard done by Kiwi consumers. I would work through your plans with companies like Amazon prior to any law change and caution against going through with an ill-thought-through law, like they did in Australia, which is bad for consumers, limits options and is a mandate for local businesses to rip off everyday customers.

Regards,

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