

---

**From:** s9(2)(a)  
**Sent:** Friday, 15 June 2018 10:33  
**To:** Policy Webmaster  
**Subject:** GST on low-value imported goods

### **Reasons why GST should not be imposed on buyers of low cost items from outside of New Zealand.**

The Goods and Services are not being provided by companies registered or even existing in New Zealand.

This also would impose on these companies the chore of calculating and adding on the tax amount, and this may well cause companies such as Amazon to refuse to provide items to New Zealanders. This is already happening in the transactions between Amazon and Australian buyers, where Australian buyers are being directed to the Amazon Australia site which has less variety of goods. If New Zealanders are to be limited to the Amazon Australia site, they will also have increased postal costs and delays.

In many instances the goods purchased are not available within NZ. For example Books for e readers such as Kindles. At least fifty percent of the books I have read in the last year are not available in NZ shops, or available in a kindle format locally. I cannot understand why a book written in Sweden and published electronically in the USA, should garner tax revenue to the New Zealand Government.

Penalising internet customers in this way will only encourage NZ retailers to continue to provide only products that will sell quickly. This means that there is less variety being offered and panders more to popular taste.

Often the goods that are available from NZ companies are much higher priced, than those available from the Internet. This is often defended with shipping costs being quoted, but this is not sustainable when investigated. For example, Alibaba provide goods in larger amounts and with smaller postal costs. One instance Power bank charger case for iphone6 is available for \$15.99 apiece if 30 are purchased by a retailer, but sell for \$69.99 here, a 200 percent mark-up.

Personally, when I look for a wanted item I search New Zealand sites first, and then extend to overseas ones when I find things are not sold here, or are much higher priced here. After all, we all like to feel we are getting a bargain, or at least not being ripped off.

There are practical concerns with the proposed rules that would make them unworkable in practice, as consumers will be reluctant to pay higher costs, for what may well be less choice. There is no certainty that they would be increasingly inclined to buy from local retailers.

Surely it is better that New Zealand retailers become more competitive, and adjust their practices to the modern day, rather than expect that they be effectively subsidized, and continue to stick to out-dated practices.

Yours sincerely

s9(2)(a)