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**From:** s9(2)(a)  
**Sent:** Friday, 29 June 2018 11:35  
**To:** Policy Webmaster  
**Subject:** Proposed changes to GST on overseas purchases

I am opposed to the introduction of GST on small value overseas purchases and I urge the government to reconsider.

New Zealand has a relatively small population and is geographically isolated. It is inevitable that many items are simply unavailable for purchase within NZ. Consumers therefore have no choice but to look overseas for such items.

Furthermore, though things are improving, few retailers in NZ offer a mature and efficient online shopping experience. Even within NZ, therefore, it is often challenging to source and purchase a particular item even when it is available, especially for people living away from the main commercial centres (and even if located, items are sometime unreasonably expensive, often not in stock, delivery times can be long and unreliable, and communication poor). In many cases, then, consumers again have little choice, if they want an effective and reliable service, but to turn to overseas retailers.

I doubt that almost anyone buys overseas in preference to buying within NZ, where the latter is possible and practical. Personally, within the last month I have spent several thousand dollars with NZ retailers and about \$200 with an overseas retailer. The overseas items - particular sports equipment - could not be found in NZ, yet I previously spent around 5 times that amount with NZ retailers in related purchases. NZ retailers have not lost out. If anything, the opportunity to buy certain items overseas makes it more likely that I will make related purchases within NZ (purchases that I might otherwise not have made).

Given that consumers are shopping overseas not from disloyalty but from necessity, rather than seeing the non-collection of GST on low value goods as a loophole to be plugged, it would be fairer to treat it as a small tax break for consumers in a difficult position. Retailers complain that as things stand it is not a level playing field, but they are themselves failing to provide a level playing field for consumers, in terms of choice, price, availability, and an effective means of shopping.

If the government does unfortunately go ahead with its proposals, I would suggest it also makes another alteration, namely to do away with the \$400 threshold altogether. This threshold will be further accentuated with the proposed changes. In particular, I suggest that however the tax is collected, there should be no additional fees applied. If sub-\$400 purchases must be subject to GST (and only GST) then it would make sense - and simplify things enormously - to apply the same to all purchases. (Besides, it has always struck me as unreasonable to be charging such large amounts (or, frankly, any amount) for the administration of collecting other charges, namely tax and duty.)

Finally, as I am sure the government is well aware, the imposition of the same sort of tax in Australia has led to Amazon blocking Australian consumers from its global sites. If this were to happen in NZ, it would be a great blow to NZ consumers. Whatever the government chooses to do with regard to GST, all steps should be taken to ensure that it (or anything along the same lines) does not happen here.

Yours Sincerely,

s9(2)(a)