ACHIEVING TAX NEUTRALITY ON LOW VALUE IMPORTS

The attachment “GST on low value imports” is my proposal to resolve this longstanding issue as discussed with Ministers and Treasury and Customs officials over past 4 years.

My proposal -- covers ALL GST and Customs duties –NO $75,000 exemptions

--places costs on industry –suppliers or brokers-their choice

--lets Customs increase $1,000 threshold to $2,500 (phase 2) (international standard).

Treasury proposal is similar to my second year option. Difference is my first year provides supplier history to enable reliable transition.

Concurrent implementation of my proposal and Treasury proposal (excluding $75,000 exemption) is the most cost effective and revenue outcome to maximise fairness to retailers, the Commonwealth and the States.

NOTE 1.

Productivity Commission identified the problem of finding a low cost solution. It did not have the mandate to find a solution. A subsequent Task Force did not have the competence or government will to resolve the issue.

NOTE 2.

Any proposals from a Swiss group do not have my authorisation. Such proposals are unlikely to include my broker arrival clearance option.