



National Retail Association

MEDIA STATEMENT

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Australian jobs or multinational tax breaks? The PC must choose

The Productivity Commission faces a clear choice between securing Australian jobs and giving a taxpayer-subsidised handout to overseas retailers and international shipping companies.

Ahead of today's release of the draft report into the tax arrangements governing imports purchased on line, the National Retail Association said the submissions to the Commission had clearly laid out the competing interests.

"This is a direct choice between Australian businesses providing jobs and wealth in the local economy and overseas retailers who undermine the local economy and are encouraged to do so by avoiding GST, tariffs, customs duty and import charges.

"Do we, as a nation, want to support Amazon.com and international courier companies, or do we want to support the local bookshop that will be able to give our kids jobs when they are putting themselves through university?"

"The NRA's submission urged the Productivity Commission to come down on the side of the businesses that provide jobs for millions of Australians, particularly low-skilled workers and those seeking part-time or casual work."

Mr Black said the key principles of the GST regime, including competitive neutrality and equity, supported the elimination of the tax-free threshold applying to sales by overseas on-line retailers.

He said the well-documented growth in online shopping from foreign websites was causing increasing leakage from GST revenue and allowing more and more products to escape import duty.

"This growth actually exacerbates the unfair arrangements for Australian retailers, who not only pay their own import costs but cross-subsidise the costs of import of over 40 million low-value items the majority of which are sourced duty-free from foreign online retailers."

Mr Black said there was no empirical evidence to support claims that the cost of collecting GST, duty and customs fees would exceed the revenue generated.

"Unless this evidence is produced, the Commission must proceed on the basis that argument has not been made."

Mr Black said those aligned against changes to the tax arrangements were generally international organisations which argued that requiring them to collect and remit GST would cause administrative difficulties.

“However, none of these organisations discussed the fact that they operate perfectly well in jurisdictions where they are required to collect and pay taxes, including the UK, Canada, the European Union and New Zealand.”

The National Retail Association is Australia’s largest and most diverse retail representative body. Its members include major retail chains, small and independent retailers and businesses in the fast food sector.

Gary Black is available for interviews. Contact Malcolm Cole on 0408 612 603