



National Retail Association

MEDIA STATEMENT

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Customs must move to combat cheap online import fraud

Retailers are urging the Australian Customs Service to take immediate compliance action to stem the surging importation of fraudulently under-valued retail imports.

The National Retail Association said retailers were struggling to compete with cheap online imports, which were being falsely declared as worth less than \$1000 to avoid attracting GST.

NRA Executive Director Gary Black said retailers were reporting widespread instances of online overseas retailers taking further advantage of the high Australian dollar by under-valuing their products in import declarations.

“Struggling retailers are urging Customs to step up compliance efforts to help prevent under-valued products swamping local markets.

“By under-valuing products in import declarations, overseas online retailers are further undercutting local retailers already struggling because of subdued trading conditions.

“Increased compliance checks by Customs to crackdown on this fraudulent practice would represent an immediate and practical first step to help local retailers,” he said.

Mr Black said the National Retail Association had spent the past two days in Canberra lobbying the Government and Opposition to help retailers being unfairly under-cut.

“The NRA has made clear to the Government that this issue looms as one of the biggest threats that bricks and mortar Australian retailers have faced for decades.

“Currently imported goods under \$1000 in value do not attract GST, duty or other customs fees and charges.

“The effect of this is that Australian retailers who import shipments are paying up to 30 percent more than a consumer buying on-line,” he said.

Mr Black said that in addition to Customs launching a compliance crackdown, the Government must also eliminate the \$1000 threshold.

“The \$1000 tax free threshold is unique to Australia, with countries such as the United States, United Kingdom, Canada and New Zealand all imposing varying amounts of tax, duties and charges.

“Customs could impose an additional charge on small packages, such as \$5, to fund the cost of increased administration and enforcement,” he said.

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