

14 March 2018

Hon Grant Robertson  
Minister of Finance  
Parliament Buildings  
WELLINGTON 6160

Hon Stuart Nash  
Minister of Revenue  
Parliament Buildings  
WELLINGTON 6160

Dear Ministers

### THE DE MINIMIS RULES - AUSTRALIAN UPDATE

Further to previous correspondence, I wanted to let you know that the Australian Government is proceeding apace with the introduction of a GST registration requirement for offshore retailers from 1 July 2018.

The Australian Tax Office (ATO) has indicated that New Zealand is in the top five countries from which Australian customers are purchasing goods from retailers. You may be interested to know that New Zealand is so significant that the ATO is holding a seminar in Auckland to brief retailers on the GST registration requirements.

While we accept Australia's right to tax foreign firms on the same basis as Australian firms, we are deeply concerned that the New Zealand Government has so far failed to follow suit. As you know, retailers in New Zealand are deeply concerned by the competitive advantage that the de minimis rules confer on foreign websites, and the ultimate indignity is now that New Zealand retailers selling into Australia need to pay Australian GST to the Canberra Government, while Australian retailers are effectively given a tax-free pass by your Government when selling into New Zealand.

We continue to believe that the best solution to this thorny issue is for the New Zealand Government to require foreign firms doing business here to register for GST. While it may not be perfect, it is the most practical solution to deal with an issue that is causing massive problems for our domestic industry.

The issue is urgent, and I would like to confirm our call for you to announce in this year's budget that you will be introducing a GST registration requirement for foreign online retailers selling into New Zealand.

In the meantime, I would be happy to provide you with a more detailed briefing on the Australian situation, if that would be of assistance.

Yours sincerely

Scott Fisher  
Chief Executive

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