



The Productivity Commission
Commissioner Melinda Cileento
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CANBERRA, ACT, 2601

Lodged by email: tom.nankivell@pc.gov.au

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Keep Shopping Open – Submission to the Productivity Commission Inquiry into the GST on Low Value Goods

As an Australian online small business owner and entrepreneur of Disrupt Sports¹ who manufactures goods such as surfboards, skateboards and yoga mats here in Australia and exports to the world, I'm concerned about the GST Low Value Goods legislation and welcome the Productivity Commission's review of the unworkable law. The move by the Australian Government is anti online small business, anti free trade and anti consumer.

Adding GST to low value online goods via the proposed model is not a win for Australians. It will reduce consumer choice and protections, limit competition, drive up prices, add red tape, could cost more money than it raises – and it might not even work!

This law runs counter to everything I stand for as an Australian small business (who is based in the Prime Minister's electorate) and how I leverage online marketplaces to grow my business and reach globally. The law lacks a fundamental understanding that marketplaces are a convenient, simple and cost effective method of simply connecting buyers and sellers. It does not hold or manage my products. The effect of the government legislation is to raise prices on marketplaces platforms making my margins even lower, and potentially reducing consumer demand for my products by forcing consumers to pay more.

I took that message to the Australian Government late last year and was disappointed that given the Government's commitment to innovation and entrepreneurship that they did not seem to understand my concerns. I feel it is my responsibility to keep fighting this on behalf of online small businesses who are the innovation engine of our economy and mobilising fellow Australian consumers. Like most Australians I'm also a consumer who wants to be able to continue shopping online from overseas and have the choice that comes with that. This tax puts our global competitiveness and reach in jeopardy, and if other countries follow Australia it will mean that they will expect small businesses like mine to collect tax on their behalf which will cost me money to administer and make my business less competitive.

The consumer campaign **#keepshoppingopen** raises awareness amongst Australians in an open and democratic forum about why this law will harm small business, innovation and entrepreneurship, and why it is bad for consumers and Australia. Advertisements are currently running for example on Sky TV to raise awareness.

To date the campaign had more than 100,000 consumer emails sent to Canberra's politicians before the Bill reached the Senate. We re-launched the campaign last week and have so far had almost **4000 petitions** in the past few days signed by concerned consumers to the Productivity Commission (see attached text of the petition).

I ask that the Productivity Commission consider the content of the campaign website www.keepshoppingopen.com.au in its deliberations on this issue. I urge the Commission to consider the far reaching implications of this law and to support Australian small businesses online who are exporting to the world.

Yours faithfully

Gary Elphick

¹ **About Disrupt Sports**

DisruptSports.com is a 'Design your own' sports equipment platform helping customers and businesses design and brand their own high quality sports equipment from surfboards to snowboards, ping pong tables to footballs and everything in between. Some of DisruptSports recent achievements: Sent the worlds first surfboard into space; [Invented SmartSurf – the worlds first socially connected surfboard](#); Awarded the Optus 2016 start-up of the year; Awarded the NORA 2016 new online retailer of the year; Featured on Channel 10's SharkTank



CEO, Disrupt Sports www.disruptsports.com

Appendix:

Keep Shopping Open Petition to the Productivity Commission – Australia 2017

Dear Productivity Commission,

Keep Shopping Open for all Australians.

I am concerned about the Government's plans to introduce GST on all overseas online purchases from 1 July 2018.

The Government's proposed model of forcing overseas online vendors and marketplaces to collect GST on low value imported goods will be bad for Australian consumers in many ways.

- We'll pay even more, because overseas vendors will raise their prices to cover the cost of the GST, plus all the extra administration costs.
- We'll have less choice, because many overseas online vendors and marketplaces will put selling to Australia in the too hard basket. Less choice and less competition will lead to higher prices – an issue that will hit regional Australians even harder.
- We could have less protection, as this decision may push Australians to start shopping directly with overseas vendors and miss out on the consumer guarantees offered by trusted online marketplaces. That means less GST for Australia, and less protection from shonky sellers.
- We could pay more for nothing since the administration and enforcement costs, plus the estimated low compliance rate, mean it could cost the Government more revenue than it raises.

Australians have so much to lose from this proposed GST legislation and collection model.

Please recommend against it, so we can keep shopping open, competitive and affordable for Australians.