



## Office of Hon Bill English

Deputy Prime Minister  
Minister of Finance  
Minister Responsible for HNZC

- 5 FEB 2015

Mark Johnston  
New Zealand Retailers Association Incorporated  
PO Box 12086  
WELLINGTON 6144

Dear Mark Johnston

Thank you for your letter of 18 December 2014, regarding the de minimis threshold on imported goods and its impact on reaching surplus.

You are correct in that the Government is missing out on this potential revenue stream. We are also missing out on duties on some intangible goods and services that New Zealanders purchase online but that do not physically cross the border. However where the amounts are quite small, the administrative cost to collect the duty would be greater than the duty itself. We are considering how to best address these issues in the context of wider electronic commerce in tandem with the OECD (Working Party 9 on Consumption Taxes).

Furthermore, lifting the overall productivity and competitiveness of the economy is critical to creating more jobs and higher wages, and this is one of the Government's top priorities. Our Business Growth Agenda (BGA) is a programme of work that will support New Zealand businesses grow in order to create jobs and improve New Zealanders' standard of living. The BGA is focused on six key inputs businesses need to be internationally competitive: capital markets; innovation and ideas; skilled and safe workplaces; natural resources; infrastructure (including electricity, broadband and transport); and export markets. For more information on the BGA, please visit the following website: <http://www.mbie.govt.nz/what-we-do/business-growth-agenda>.

Thank you for taking the time to write.

Yours sincerely

A handwritten signature in blue ink that reads 'Bill English'.

Hon Bill English  
**Minister of Finance**