



## RETAIL NZ PUBLISHES ELECTION WISHLIST

Lower income taxes, greater controls on council rates, a review of GST and more national consistency on regulation are top of Retail NZ's wishlist for the election, in a policy statement published today.

"The retail sector is a huge contributor to the New Zealand economy. With an annual turnover of \$83 billion, it employs more than 209,000 New Zealanders across 27,000 businesses. However, retail firms and jobs in the sector are under pressure, and the new Government will be in a position to help support consumer spending, and make it easier for retailers to do business," Greg Harford, Retail NZ's General Manager Public Affairs said today.

"In our policy statement issued today, Retail NZ is asking political parties to commit to a number of actions, including effecting tax cuts through threshold adjustments and greater controls over local council rates increases to allow consumers to spend more of their own money. Taxes and rates make up a significant proportion of household expenditure, and if Government and councils take less from people's pockets, consumers will be able to make their own spending decisions. This is likely to have a significant positive impact on the retail sector.

"It's time also for the new Government to commit either to fixing the de minimis loophole that allows foreign firms to sell goods online to New Zealanders without paying GST, or to start seriously considering alternatives. The Government is currently missing out on \$235 million in tax revenue due to this loophole, which equates to 1.9 per cent of GST from retail sales. However, we project this will increase to 5.2 per cent by 2027. In the long-term, as the world becomes increasingly globalised, it's not sustainable to have a tax system that isn't equally enforced across all players in the market. If the Government is unwilling or unable to follow the Australian lead and deal with this issue, then the time has come for a fundamental review of GST.

"It's also important that the new Government seeks nationally-consistent regulation wherever this possible. Many retail businesses operate multiple stores in different council areas, which means not only that they need to understand and comply with up to 67 different sets of red tape, but they need to participate in up to 67 different - but nearly identical - processes every time regulations are enacted or reviewed. This creates huge compliance costs for everyone, including retail businesses, as well as councils and community interest groups. The reality though, is that we're a small country and we don't need so many different processes when most things are pretty similar between districts. For example, if a flag or sandwich board is safe for display on a street in Wellington, then chances are it will also be safe and suitable for display on a street in Gore."

Retail NZ's election statement can be found here: <http://www.retail.kiwi/election-2017>. The full list of Retail NZ requests is below:

#### *Income taxes and council rates*

- Lower personal income tax rates via threshold adjustments to allow Kiwis to spend more of their own money.
- Introduce greater control over local government rates hikes.

#### *GST*

- Require foreign firms selling physical goods to Kiwis to be registered for GST; **OR** establish a Commission to consider alternative taxes to replace GST.

#### *Retail payment systems*

- increase the transparency and oversight of merchant service fees.

#### *Retail crime*

- Establish a Retail Crime Taskforce within the Police and set specific targets for retail crime reduction.
- Launch a social change programme to educate New Zealanders that crime is not acceptable.
- Introduce an infringement style ticket for small scale theft.

#### *Local Government*

- Adopt a national approach on national issues such as trading hours, the sale of alcohol, waste minimisation.
- Encourage councils to adopt generic rules wherever possible.

#### *Sustainability*

- If the new Government wants to regulate the issuance of plastic bags, it needs to be at a national level and apply to all retailers.

*For further information, please contact:*

*Greg Harford*

*General Manager, Public Affairs*

*027 243 2842*

*[greg.harford@retail.kiwi](mailto:greg.harford@retail.kiwi)*