



MEDIA RELEASE

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## **RETAIL NZ ASKS NASH TO STAND BY GST COMMITMENT**

Retail NZ is asking Revenue Minister the Hon Stuart Nash to stand by his commitment to make sure that foreign websites are paying their share of GST, after reports that he "jumped the gun" in commenting on the issue.

"One of the biggest issues facing the New Zealand retail sector is that foreign websites have a minimum 15 per cent price advantage when selling to New Zealanders, purely because Kiwi firms have to pay GST, while foreign websites don't," Greg Harford, Retail NZ's General Manager for Public Affairs, said today. "The current position is simply unsustainable and is not realistic for the Government to continue with a regime that imposes costs on domestic businesses while rewarding offshore companies.

"This issue is becoming substantially more urgent with the move of Amazon into the Australian market, and the implementation of GST registration requirements for offshore companies by the Australian Government from 1 July 2018. This means that, from next year, Kiwi retail websites selling to a customer in Sydney will have to pay Australian GST, while Australian websites selling to New Zealand customers will not pay any tax to the New Zealand Government. It's not right that New Zealand businesses are disadvantaged by being domiciled here, and it's not right that the Government is missing out on \$5.8 billion in GST revenue over the next 10 years.

"Retail NZ is asking Minister Nash to stand by his commitment to 'absolutely' fix this problem, even though we understand that there is some detail to work through, and that a timeline needs to be established. We would be deeply disappointed if the Minister were now to say that the Government is not committed to resolving the problem."

**For further information, please contact:**

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