



MEDIA RELEASE
13 April 2018

AUSSIE TAX OFFICE COMING FOR KIWI RETAILERS - TIME FOR NZ GOVT ACTION

New rules mean New Zealand online retailers need to register for Australian GST from 1 July if they sell to Aussie consumers, and Retail NZ has renewed its call for our Government to level the playing field by making foreign websites register for New Zealand GST.

"Online retailers from New Zealand do substantial business into Australia, to the point where the Australian Tax Office has been holding seminars in New Zealand this week to brief retailers on the new requirements," Retail NZ's General Manager for Public Affairs, Greg Harford, said today.

"Retail NZ accepts Australia's right to tax foreign firms on the same basis as Australian firms, but we are deeply concerned that the New Zealand Government has so far failed to follow suit. Retailers in New Zealand have long suffered a competitive disadvantage as a result of Government tax policy, but 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 our Government when selling into New Zealand. It's another example of action by Australia to disadvantage Kiwis that's not being reciprocated by the New Zealand Government.

"The best solution to this thorny issue is for the New Zealand Government to require all foreign firms doing business here to register for GST, just as the Australians are doing. 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 retail industry, who have to pay tax while their foreign competitors don't.

Action on this issue is urgent. The previous New Zealand Government studied this issue for a number of years but failed to act and the current Government is thinking about the issue, but retailers want to see progress. Retail NZ is continuing its call for the new New Zealand Government to announce a GST registration requirement for foreign online retailers in this year's budget."

For further information, please contact:

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