

[Received by email]

Dear Sirs/Madams,

I am your average member of the public struggling to make ends meet like most of us these days and I am intensely irritated by the select group of multi-millionaires/billionaires crying poor and wanting a level playing field. This same group of individuals have in the past forced many small businesses to shut their doors, so reducing the choice for the public to shop. Now they fear that the global economy is doing to them what they did to unto others, they suddenly want the government to change the rules to suit their agenda.

My reason for shopping online is not to save the 10% GST and imposing this on overseas online sales will not force me through the doors of Harvey Norman, Just Jeans etc. My main reasons are:

1. I can't get the products I want in Australia. I am a part-time luthier and have to source many of the specialized items from overseas – often paying a premium in terms of freight and shipping which can easily add 100% onto the cost of the product depending on the weight.
2. For the items I can purchase locally, these are often 2 to 3 times the price of the overseas sites. So even with postage and GST I am still ahead. So what happens when the imposition of GST still doesn't work out for these retailers? Are they going to push for online shopping to be banned?
3. I have greater choice online with both local online sites and overseas. I don't have to pay any exorbitant parking fees and I can find the best deal, decide what I'm prepared to pay and order it – all within minutes.
4. I get better customer service from online sites than I do from retail shops as this is how the online sites do business. It seems that the retail shops here prefer to have me forced to buy from them rather than have me **want to** buy from them.

The GST on online sales aspect is merely a convenient excuse for these large retailers to change the rules to suit their purposes.

Retailers should look at the following to improve their business model:

- Bring back good customer service
- Be competitive with their pricing, after all they do have the buying power so should be able to pass the significant discounts on to the consumers
- Provide us with more choice rather than say this is what we have – take it or leave it. Obviously I and most other people would leave it and go online.
- Make shopping a more pleasant personal experience and we will want more.

I would like to provide you an example of where I tried to do the right thing and support my local business. I was after a specific part for a guitar I was building and I contacted the manufacturer overseas who directed me to the Australian distributor. I contacted the local distributor who confirmed that they did have the part in stock and gave me the name of the nearest stockist who so happened to be 5 minutes away from my home. So bear this in mind. I live in Brighton East in Victoria, the local stockist

was 5 minutes away from me and the local Distributor was in South Melbourne. I went into the shop and ordered the part, providing the exact details of the item so the shop attendants didn't even have to do anything other than take the order. I paid for the part in full and was told to give them 5 to 7 **business** days so say up to 10 days including the weekend. Remember the distributor is in South Melbourne and he had the item in stock so why 5 to 7 business days?

Anyway after 7 business days and no call I went into the shop to find out if the item had been received. The staff then rang the distributor to find out where the order was and was told that it would be on its way so to give it another 3 days. After 3 days and no call I went back in and same story, they called the distributor and I was assured that it was definitely on its way. Again after another few days and no call I went back in on a Friday afternoon. This time when they picked up the phone to call the distributor I asked them to cancel the sale and refund me my money. The sale was for \$270 which to a small business should have been valuable enough to look after. I went straight home and got online and ordered the part from a site in America. The part cost me US\$195 and US\$25 in express shipping. I ordered it on a Friday afternoon and received it on Monday morning. What better service could I ask for!

The 10% GST is not the driver for online shopping. These retailers just do NOT get it.

If we are so concerned about lost GST and other indirect taxes, then should we not ALSO be looking at exports. I know for a fact that, where marine diesel fuel goes into a ship heading for international waters, the fuel is sold duty-free. There would be countless other examples, I'm sure. So if we're talking about equity then let's look at both sides of the equation, and also look at why there is such a large disparity between overseas and local prices.

I hope I have managed to give the commission a view from the consumers' side of the fence without sounding too emotional. I am normally one of the silent majority but felt compelled to voice my opinion in this matter.

Yours sincerely

Gerry Affat