

13th May 2011

Chairman  
Productivity Commission  
GPO Box 1428  
Canberra ACT 2601

Dear Sir

**RE: Inquiry into the Economic Structure and Performance of the Australian Retail Industry**

I would like to make the following submission to the commission.

Beside the argument that stores on "high street" are suffering as a result of internet shopping, Internet trading is depriving the government of revenue.

There is anecdotal evidence that small traders are importing their goods without paying Customs duty or GST by exploiting the \$1000 loophole. This is not only unfair to legitimate traders, but could breach a number of Australian laws. This is a problem that needs to be stopped.

Debate put forward by others that internet trading must be left alone and that bricks and mortar must catch up is flawed. I acknowledge that the playing field has changed. Regulations need to move with the times. Exemptions on import charges were made for individual travelers who purchased goods for themselves whilst overseas. If a Business traveler brought a product into the country and the item was considered not to be personal, duty was charged. This was in place in a time when there was no internet. We now allow individuals and business to take advantage of old laws.

I would like to put forward a model that imports be charged the correct duty and the GST. These should be charged to ALL business and individuals.

Exemption to be made only for persons physically bringing goods into the country with them for personal use, after they have been out of this country. Only a volume that could be carried in "normal" travel luggage by an individual contained in a normal fashion should be able to get this exemption.

I have deliberately kept this brief. Many elaborate points have already been made.

Thank you.

Ben Colyer