



CONFERENCE OF ASIA PACIFIC EXPRESS CARRIERS

Productivity Commission Draft Report –
Economic Structure and Performance of the Australian Retail Industry
July 2011

The Conference of Asia Pacific Express Carriers (CAPEC) appreciates the opportunity to respond to the Productivity Commission (the Commission) on its Draft Report findings.

CAPEC acknowledges and endorses the Commission's findings that the current low value threshold (LVT) has been judged to be a "minor part" of the entire retail environment and that, under the current regime, the cost of collecting Duty and/or GST for shipments less than AUD1000.00* would far outweigh any additional revenue gained.

This supports CAPEC's premise articulated in its original submission to the inquiry that the current LVT is set at an appropriate level that strikes an effective balance between revenue collection, risk management and administrative efficiency.

CAPEC acknowledges the Report's findings in respect of the wider community impact (welfare cost) that any reduction to the LVT would create.

CAPEC also welcomes the establishment of a task force charged with investigating new approaches to the processing of low value imported parcels, and greatly appreciates the endorsement of having CAPEC involved in this process. A more efficient border clearance and revenue collection system would benefit all key stakeholders.

Yours sincerely,

Ben Somerville – Secretary
On behalf of the CAPEC Executive Committee

30 August 2011

** excluding alcohol and tobacco products*