

I am a manager of a outdoor retail shop in the CBD of Sydney, we are specialists in rock climbing, mountaineering and trekking equipment. We offer a high level of service and advice to our customers in their requirements for their adventurous activities in the wilder environments of the world. We also sponsor climbing competitions, some of elite climbers and up and coming local talents. We have been in business since the 1960's. The failure of the regulatory bodies to address the unfair playing field we find ourselves upon in the current retail environment in Australia threatens our long term existence as an enterprise.

Customers regularly ask us to match online overseas retail prices after being fitted for clothing, footwear or being assisted choosing a tent or similar equipment to meet their needs. The number of customers that use our advice and then purchase online is probably many times that.

As noted in your draft report most comparable countries have a much lower threshold for local GST style taxes for online international transactions. The United Kingdom for example charges VAT for example at \$28aud, 35 times less than the Australian Government. And they charge duty at 5 times less the level of Australia. Canada has a threshold 50 times lower than Australia for duties and taxes.

If Australian Customs is so inefficient that a level in some way remotely comparable to these could not be reached and be revenue neutral then surely the extra costs could then be passed on to the consumer as an import processing charge. Otherwise this is simply a legalised form of tax avoidance.

The focus of this report on reducing workers conditions (some of the lowest paid in the country) and deregulating other aspects of the local retail environment will come at some social costs no doubt. It would probably decrease the price of consumables to Australian consumers. However, if local retailers (enjoying the advantages of their foreign competitors) did not have to charge GST or pass on the cost of import duties to consumers this would also decrease the price of goods to local consumers. This taxation is surely necessary to the general support of society in general.

Your report needs to have more emphasis on the likely results on inaction and the basic economic unreality of letting retailers in our country be exposed to tax free competition from overseas. A shrunken retail sector in Australia will mean less jobs and therefore less tax revenue. This will come in the form of less PAYE tax as well as less GST on consumables.

Presumably the role of the Productivity Commission is to increase the efficiency of Australian business and the general prosperity of the country not promote the interests of foreign competitors

Yours Sincerely  
Boyd Robinson  
Manager of Mountain Equipment  
Sydney NSW 2000