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MEDIA RELEASE

International Coalition, Submissions Urge Government To Scrap Proposed Internet Tax Slug

The Australian Taxpayers' Alliance, a non partisan grassroots advocacy organisation representing Australia's taxpayers, today lodged a detailed report to the Senate Economics Committee urging the government to scrap its proposal to tax consumers buying goods over the internet from overseas and to turn online marketplaces into tax collectors for the government. A supplementary submission by Professor Sinclair Davidson and Dr Chris Berg from RMIT University made similar representations. These submissions were also supported by an international coalition of sixteen organisations representing policy experts and tens of millions of taxpayers from eight countries.

"This proposal is bad for business, bad for consumers, and bad for trade" said Tim Andrews, Executive Director of the Australian Taxpayers' Alliance. "If enacted, this great new tax on everything will slug already struggling families with an extra ten percent on books, on shoes, on clothes, on electronics – on anything brought into Australia online.

"To make matters worse, in trying to turn online marketplaces into tax collectors, they are asking for something that might be impossible – and might force some of them to scale back, driving Australian shoppers to black market websites which lack consumer protections. This is the exact opposite to the rest of the world where countries are trying to encourage and help consumer trade. If this tariff is enacted, they will be sure to retaliate, hurting Australian small businesses who rely on online marketplaces and potentially forcing many to shut their doors.

"Rather than trying to find new ways to slug already struggling taxpayers, the Australian Government instead needs to get serious about reducing waste and overspending. Australians simply can't afford another great new tax on everything.

Professor Davidson said that the government were hoping that Australians would be fooled into thinking this was simply extending the GST to low value goods. In fact, he said, "this is a whole new tax. It targets internet commerce, hoping to drive Australians off the web and into high priced Australian retailers. Populist economic policies almost never succeed, he said, rather this policy will likely see reputable online providers being replaced by less reliable firms and seeing more Australians being defrauded and scammed"

MEDIA CONTACT:

Tim Andrews
Executive Director
Australian Taxpayers' Alliance
(m) 0434064934
(e) tandrews@taxpayers.org.au
(w) www.taxpayers.org.au

Professor Sinclair Davidson
Professor of Institutional Economics
RMIT University
(m) 01430235681
(e)sinclair.davidson@rmit.edu.au