

OPOKU Naa

From: MAJOR Sarah
Sent: Tuesday, 2 November 2010 17:28
To: 'sue.piper@treasury.gov.au'
Cc: PITMAN Sue; MANN Neil; VIVIAN Raelene; LEONARD David; YANNOPOULOS Danielle; OPOKU Naa; CAFUN Michel; GIBBON John; KRISOHOS Graham; ASBRIDGE Catherine; PETTREY Julie
Subject: URGENT: Proposal to reduce the low value threshold [~~SEC=IN-CONFIDENCE~~]

Security Classification:
IN-CONFIDENCE

Sue

In response to your request (to advise the earliest possible date of implementation of a reduced low value goods threshold of \$500), I can advise the following:

The earliest date this change could be implemented would be **1 July 2011**. Implementation would be contingent on the application of a **processing charge** (to be applied to importers/industry) to offset implementation costs, estimated to be a minimum of \$38 million over the Forward Estimates period, with future resource requirements expected to increase over time, consistent with any increase to cargo volumes over time.

It is important to note that this approach would be based on the following:

- goods at or below \$500 would not attract duty or GST and reported via a SAC (as currently occurs for low value goods).
- Goods valued at \$501 - \$1000 would attract GST (but duty would not be collected, and a SAC like reporting arrangement would be introduced).
- Goods valued over \$1000 would continue to attract the payment of duty and GST, and require a full import declaration to be completed.

Sarah Major

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