



Freight Logistics Industry Expresses Concern with GST Threshold Changes

The Australian Logistics Council, the peak industry body for the freight logistics industry, has voiced its concern that a lowering of the GST threshold for online purchases would have an adverse impact on supply chain efficiency.

“Any changes to the GST threshold for online purchases need to be thoroughly thought through and analysed before being implemented because of the likelihood of extra costs being imposed on the freight logistics industry and therefore consumers,” said Michael Kilgariff, ALC Managing Director.

“Any increase in the number of parcels requiring clearance and processing would increase the costs of processing and reduce productivity.

“While some potential costs could be ameliorated with the greater introduction of automation, ALC is concerned at the prospect of the costs associated with this reform outweighing the benefits for the Australian economy.

“The implementation of a low (or zero) GST threshold would have a significant impact on the operations of the freight logistics industry, particularly if industry members were required to take on added GST collection responsibilities.

“The Australian logistics industry represents 14.5 of GDP with significant flow-on effects in the Australian economy and in this case it should not be regarded as simply an extension of the Australian Tax Office.

“The business case which is being developed will need to adequately address these issues if it is to have support from the freight logistics sector.”

Mr Kilgariff said these potential changes come on top of new requirements that are to be imposed on the freight logistics industry to fund new capital equipment to meet the costs of enhanced air cargo security requirements.

“If extra screening obligations are going to be asked of the freight logistics industry to enhance air cargo security and tax collection arrangements, government assistance should be provided for capital upgrades,” he said.

“In the first instance, the Government should re-consider providing \$19.6 million that was originally earmarked by the former government but was subsequently reallocated without being spent.

“These funds were intended to assist industry purchase security equipment to meet new air cargo security arrangements.

“In light of these concerns, ALC would expect any proposed changes will be preceded by a rigorous regulatory impact statement to assess the costs associated with lowering the GST threshold for online purchases,” he said.

To view the ALC submission on the Low Value Parcel Processing Taskforce, [click here](#).

Further information:

Duncan Sheppard ALC, Director Communications and Policy, 0412 340 934