

To whom it may concern.

One of the main impediments to small retail businesses is the competition with overseas located Bulk supply distributors, who can supply and deliver stock direct to customers at a lower cost than the wholesale buying cost to our retailers, without having to pay GST for items under \$1000.

This situation is intolerable and a killer to some retailers such as the bicycle retailers where almost every item is under \$1000 and even expensive bikes can be purchased in three pieces, each under \$1000, and reassembled here.

Other countries, such as the UK (\$50) have much a lower threshold. Our previous Government said it was too expensive to change it, but we know it was all about votes.

Unfair competition has been discussed at various levels and forums, even at the Finance G20 meeting, but no body has researched this matter to the extent of identifying the cost to Government and the damage to small business. Some large entities can open their own overseas internet sites and take advantage of the GST threshold but not your average small business.

We talk about milk, bread and petrol being subject to unfair marketing but what about a whole range of goods such as bicycle spare parts, whole bikes, clothing, shoes and other consumer goods related to this field.

It would be interesting to see how many small bicycle shops in Australia have closed or are under duress due to this unfair competition.

In addition, there is a number of large bicycle retail organisations that are moving into some areas with the express purpose of putting existing small retailers out of business. They open up with a huge stock range and large advertising campaigns offering up to 50% discount. Small retailers have a markup of about 30-40% and cannot compete.

The Member for Small Business and the Treasurer have been made aware of this situation but, have not responded or even acknowledged receipt of the calls for discussion.

Yours faithfully,
Reginald G Whitehead.