

**Bill Shorten**  
**Assistant Treasurer**  
**Minister for Financial Services and Superannuation**

**Stephen Conroy**  
**Minister for Broadband, Communications and the Digital Economy**

**Brendan O'Connor**  
**Minister for Home Affairs and Justice**

**Nick Sherry**  
**Minister for Small Business**

**JOINT MEDIA STATEMENT**

**SATURDAY 18 DECEMBER 2010**

**The Future of Australian retail**

The Government has today announced an inquiry into the future of Australian retail by the Productivity Commission, the release of new research into online shopping in Australia and a compliance campaign to crack down on people or businesses rorting the \$1,000 low-value threshold.

The Assistant Treasurer, Bill Shorten, today released the Terms of Reference for the Productivity Commission inquiry, which will report to the Government and industry in 2011 on the implications of globalisation on the Australian retail sector.

The Commission will examine the current structure, performance and efficiency of the retail sector and the drivers of structural change in the industry, including globalisation, increasing household and business access to the digital economy, changing cost structures, employment issues and the exchange rate.

The Commission will also consider the broader issues posed by an increase in online purchasing by Australian consumers and the role online purchasing plays in providing consumers with greater choice, access and convenience. The sustainability and appropriateness of the current indirect tax arrangements in this environment will also be considered.

“With retail one of the largest employers in the country, and with ABS statistics showing retail turnover in Australia for the 12 months to October was \$242 billion, this Government recognises how important the sector is to Australia’s future and wants to ensure the sector continues to flourish for the next quarter of a century,” Mr Shorten said.

“This Government supports consumers to shop in whatever manner they choose, including online. The case for lowering the threshold has significant opposition, including the cost of collection and consumer objections. However, we are taking the concerns of retailers seriously, which is why I have asked the Productivity Commission to look into these issues,” Mr Shorten said.

The Minister for Home Affairs, Brendan O'Connor, also announced the Government will launch a compliance campaign to ensure GST and customs duty concession for imports with a value of \$1,000 or less are not being abused or exploited. The campaign will start from the beginning of 2011.

"It's important people follow the rules and not try to rort the system. Customs will work closely with the retail sector to identify particular areas of risk for non-compliance," Minister O'Connor said.

The Minister for Broadband, Communications and the Digital Economy released the Access Economics Report *Household E-Commerce Activity and Trends in Australia*. The report estimates that online retail sales by Australians in 2009 totalled between \$19 and \$24 billion, or around three per cent of sales. At least 50% and up to 80% of that amount was spent with Australian online retail outlets.

The report suggests that the National Broadband Network is likely to be a catalyst for the development of e-commerce in Australia stating:

"The rollout of the NBN will provide increased speed reliability and access, all of which are likely to facilitate the provision and use of a wider range of online goods and services, further enhancing the potential of e-commerce," Senator Conroy said.

The report acknowledges that local retailers could benefit by increasing their online presence. The report finds that, to date, some retailers have not gone online because they do not understand the benefits and are concerned about the cost of set up and maintenance of an online sales presence.

To help retailers better understand the opportunities that online selling may bring, the Government will hold an online retail forum in early 2011 to encourage and support Australian retailers to explore online options. Interested retailers, together with other parts of the supply chain, will hear about Australian online success stories and discuss the opportunities and challenges that exist in the digital economy.

"The Government is committed to giving Australian households and businesses every possible advantage and opportunity when it comes to shopping online. Among other things, this report shows that online retailing is only about three per cent of the Australian total, which we believe has great potential to grow into the future," Senator Conroy said.

The Minister for Small Business said the Gillard Government is committed to supporting Australia's small businesses take advantage of the opportunities and to meet the challenges of online trading.

"Online trading is a two-way street – consumers can benefit from using the global marketplace and Australian businesses can also benefit from being part of that same marketplace," Senator Sherry said.

"The Gillard Government has in place a comprehensive package to advise and assist with almost every facet of running a small business, including the Small Business Online program, which is helping owners go online, expand their e-business capabilities and engage in the digital economy."

"Online retailing is here to stay. It is something every Australian consumer and every retailer is going to have to come to grips with, and sooner rather than later. The

Productivity Commission inquiry and next year's forum will provide a valuable insight into the challenges faced by the Australian retail sector in a globalised shopping world, and lay the foundations for a vibrant Australian retail sector for the next 25 years," Mr Shorten said.

A copy of the report is available at:

[http://www.dbcde.gov.au/digital\\_economy/benefits\\_of\\_digital\\_economy\\_from\\_nbn](http://www.dbcde.gov.au/digital_economy/benefits_of_digital_economy_from_nbn)

To register your interest for the online retail forum, please register at [http://www.dbcde.gov.au/digital\\_economy/online\\_retail\\_forum](http://www.dbcde.gov.au/digital_economy/online_retail_forum) or email [onlinetail@dbcde.gov.au](mailto:onlinetail@dbcde.gov.au).

**ENDS**

**Media contact:**            **Shannon Walker - 0414 694 476 (Shorten)**  
                                     **Christine Tyrrell - 0427 508 477 (O'Connor)**  
                                     **Suzie Brady - 0408 258 457 (Conroy)**  
                                     **Joe Scavo - 0413 800 757 (Sherry)**