

PHA says families must be compensated for any GST increase

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The Public Health Association (PHA) says a GST increase could have serious implications for New Zealand's poorest families and children. Prime Minister John Key has confirmed that the government is considering increasing GST to as high as 15 percent as part of planned changes to the tax system.

National Executive Officer Dr Gay Keating is urging Mr Key to stand by his commitment to compensate for any tax increase.

"An adequate income is essential for food, housing and warm clothing – which every New Zealander is entitled to. Without these basics, health soon starts to suffer.

"Families who are in most financial need are often those with children. Increasing GST, without increasing income in other ways to compensate, will damage these families the most."

Dr Keating says increasing Working for Families payments is only part of the answer.

"It's important to remember that unemployment is up, so many families have lost their entitlement to Working for Families payments. The government needs to make sure these families are supported by adjusting benefits accordingly.

"We welcome tax changes that make New Zealanders better off and reduce inequalities, but the Government must ensure they continue to provide for those families who need their help the most."

ENDS

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