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GST-off-food petition goes to select committee

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Press Release: Residents Action Movement

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A petition calling on the government to remove GST tax from all our food will be discussed by Parliament's Finance and Expenditure Select Committee today. It will be introduced by Maori Party MP and committee member Rahui Katene.

The high profile petition, initiated by RAM - Residents Action Movement last year, was presented to Maori Party MPs Rahui Katene and Hone Harawira at the culmination of the Peoples Procession to Parliament in October. It carried the signatures of over 25,000 people.

"News headlines were reporting 'pain at the checkout' as families struggled with rocketing grocery bills", said RAM chair Grant Brookes. "Opinion polls showed more than three quarters of people agreed with the petition. Yet the Maori Party was the only party in Parliament to support it.

"Petition gatherers spoke with tens of thousands of grassroots Kiwis. We got a strong sense of their views on the government.

"Ordinary people feel that they don't count in the eyes of the corporate politicians in Wellington. They don't see much difference between Labour and National. Both main parties only look out for the rich.

"The select committee has an opportunity to disprove this perception by endorsing the petition in its report back to Parliament", he commented.

In the nine months since the petition was presented, the need to remove GST from food has grown even more urgent.

Researchers from Otago University's Human Nutrition department do an annual survey of the cost of a weekly supermarket shop that meets nutritional requirements. Earlier this month, they reported that this year's cost increase was at least twice that of previous years and warned of "long term health impacts" for New Zealand's population.

Although the Budget deferred tax cuts planned for 2010 and 2011, Finance Minister Bill English has said there could be room for further tax cuts in the "medium term".

"Rather than reducing the top tax rate to 30 percent to benefit high income earners, as he has suggested", added Grant, "New Zealand should move away from GST, an unfair 'flat tax' which falls disproportionately on the poor who can least afford it, starting with GST on food."

The Finance and Expenditure Select Committee has requested RAM to supply answers to a number of questions, to provide additional background information. A copy of RAM's backgrounder is reproduced below.

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