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**NATIONAL HEALTH ORGANISATIONS GALVANISED BY MP'S FAILED GST BILL**

The Public Health Association (PHA) and Agencies for Nutrition Action (ANA) are calling on the government to take concrete steps to reduce the cost of nutritious food – particularly the basics like bread, milk, fruit and vegetables.

Last night the Member's Bill of Māori Party MP Rahui Katene to remove the Goods and Services Tax from healthy food was defeated at its first reading.

"If the government won't look at removing GST from the basics, it must examine other ways of making it cheaper and easier for people to maintain their basic health. This will inevitably save money because healthy people aren't repeatedly admitted to hospital at taxpayers' expense," says PHA National Executive Officer Dr Gay Keating.

Ministry of Health research<sup>1</sup> shows that the members of about one in five households, particularly low income, Māori and Pacific households, live in a state of low food security -- in other words they regularly do not have enough nutritious food to eat. If this happens often enough they cannot sustain basic health, now or into the future.

Dr Keating said this is particularly so for children. "If children do not get enough nutrition it can put their entire development at risk."

ANA Executive Director Nicola Chilcott says food prices overall have risen more than a fifth in just a few years, while real incomes have risen only slightly..

"Strategies to reduce the cost of the basics help everyone, but particularly those on low incomes who spend a larger share of what they earn on food, and who also often suffer poorer health. If removing GST is deemed unworkable, other avenues should be explored."

She said one alternative worth examining is Otago University's research on an electronic Smartcard – a pre-paid card issued to low income families to spend on healthy food.

"When shoppers are struggling to pay the bills, they are understandably going to opt for a 2-litre bottle of soft drink at \$2 rather than milk at \$4. The same goes for choosing cheaper processed items over fruit and vegetables. We know from other research<sup>2</sup> that sugary drinks are often discounted where plain milk rarely is. This is the case for many processed food items that are cheaper to produce. Finding ways to make quality nutritious products affordable would simply level the playing field.

"The cost of making healthy basics cheaper will be nothing compared to what will have to be paid out to support people with associated diseases in years to come."

For more information contact: Dr Gay Keating, Public Health Association, 0273 414 708; Nicola Chilcott, Agencies for Nutrition Action, 027 442 2051

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<sup>1</sup> Children's Nutrition Survey 2002; 2005 analysis of food bank data (Wynd) put the number of such households at 100,000.

<sup>2</sup> [http://nutrition.otago.ac.nz/\\_\\_data/assets/file/0016/3832/SarahPollockSoF.pdf](http://nutrition.otago.ac.nz/__data/assets/file/0016/3832/SarahPollockSoF.pdf)