

For immediate release

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GST hike good for banks but bad for their customers and staff

A proposal to increase GST to 15% to fund cuts to the personal and company tax rates would transfer wealth from customers and staff to the banks themselves says the bank workers union Finsec.

The government-appointed review panel have released this recommendation four months out from issuing a final report. The review panel has no representation from unions or any other advocate for low to medium earners.

“The Treasury Secretary said last week that he thinks the company tax rate is too high. Lowering it so companies like the Australian owned banks can make more profit while their customers and staff pay more for their groceries is morally questionable,” said Finsec Campaigns Director Andrew Campbell.

“Large corporates can and do actively minimise the tax they pay, sometimes involving huge amounts of money that significantly impact on our whole economy. For example the BNZ has recently been ordered to pay the IRD \$654 million, yet the Government’s working group wants them to pay even less tax and for ordinary people to pay more,” said Campbell.

“Workers are already bearing the brunt of the recession with reduced hours and wage freezes. Now a group of wealthy businessmen and academics are telling them they should pay more for their basic living costs too,” said Campbell.

“The government needs to reject this recommendation. Low and middle income earners, the majority of the banks’ staff and customers, would be disproportionately hurt by such a move. They should not have to wear the cost of big business and wealthy individuals getting yet another tax cut,” said Campbell.

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