

### **General Sales Tax**

- With reference to GST on nursery fees, adding 3% will cause the following problems:

- Many parents are already struggling to pay nursery fees. The 3% would have to be added to fees. This may cause parents to take children out of nursery and put them with illegal childminders ( **this is already happening**)
- Some private sector nurseries may be forced to close due to lack of children (**this is already happening**)
- Centrepoint comments: CPT has great concern for the charging of GST, we would need to put up our fees to compensate; we already subsidize as the School Age Discount caps at £3.50 and we need to charge £4.20 so CPT is already out of pocket 70p per hr per child, without an increase in fees. **The up shot of this will be children withdrawn from care and becoming latch door key kids.**
- People returning to work may find it too expensive and may choose to stay at home; single parents may choose to stay on welfare as there would be no point in working. This could affect the economy and the government policy of encouraging mothers into the workplace.
- Less income tax will be generated therefore defeating the object of GST in the first place.
- Nursery fees will also have to be raised to meet the costs of the effects of GST added on to purchases such as equipment and supplies.
- As far as we are aware there is no VAT on childcare in the UK.
- Schools will be exempt and are not obliged to provide education for children under 5 but choose to do so and do not charge for this service, thus GST will not be applied which contradicts the aim for equity between sectors.