

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 23rd MARCH 2010**

Question

“Will the Minister condemn the approach taken by the Corporate Services Scrutiny Panel in requesting the CAG to produce figures for prospective GST rates required to eliminate budget deficits on the assumptions that:

- a) no action was to be taken to curb public spending to below 6% annual increases, and
- b) no attempt was to be made to raise further income from other taxes?

Does the Minister accept that to project a 12% GST rate by 2014 is unnecessary scaremongering, and will he confirm that he has no intention of following any such strategy?

Will he further confirm that he has no intention of raising the GST rate in the short term?”

Answer

It is unfortunate that the Deputy has not attended the briefings on the Comprehensive Spending Review. If he had done he would understand that whilst there is an unfunded structural deficit the challenge is manageable. I welcome the engagement of the Corporate Affairs Scrutiny Panel and the Public Accounts Committee in the process of decision making. New policies are required on both tax and spending during the course of this year. The extent to which tax changes are needed depends on the savings identified in the Comprehensive Spending Review.

It would be wholly inappropriate for a Treasury Minister to make any comment on the extent of any tax changes in advance of the Budget. There will, however, be consultation on tax changes in May.