

Deputy R C Duhamel
 Chairman
 Shadow Scrutiny Panel
 Scrutiny Office
 Royal Court House
 Royal Square
 St Helier
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9 June 2005

Dear Deputy Duhamel

Shadow Scrutiny Panel: Goods and Services Tax Review

Thank you for your letter dated 20 May 2005 asking for comments on your terms of reference with particular reference to the following question:

- To question the data used in the reports used to support the introduction of the GST and to request further data

I e-mailed you on 25 May 2005 asking for some further guidance on exactly what you required from me on this question. As I have so far had no response I will interpret the question as a general one about my views on the data used in the reports to support GST.

My role as Economic Adviser to the States means that I was a member of the Fiscal Strategy team and that I have been given ample opportunity to question the data in all the reports relating to the Fiscal Strategy since I have been in post. This was the case for both the two critical supporting documents for GST: "*Which Tax is best suited to Jersey's objectives? An evaluation of alternative tax options*" produced by OXERA in February 2005 and "*Proposal for the Design of a Prototype Goods & Services Tax*" produced by Crown Agents in January 2005.

Having seen various drafts of both the reports conducted by Oxera and Crown Agents I believe that the work has been of the highest standard throughout. I am very happy with the quality of supporting data in both reports. There can be little doubt that the decision to introduce a GST in Jersey has been particularly well informed and taken with a wealth of high quality supporting data. This is the case despite the data constraints that usually prevail in a small island economy like Jersey.

You mention a request for further data but without more detail I am not sure what it is you require. The Fiscal Strategy work seems to have already covered all the relevant data and to the required level of detail.

If you would like any further comments from me, please let me know. I would very much like to be of assistance where I can.

Yours sincerely

A handwritten signature in black ink that reads "D Peedle". The signature is written in a cursive style with a horizontal line underneath the name.

Dougie Peedle
Economic Adviser