

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY DEPUTY G.C.L. BAUDAINS OF ST. CLEMENT**

**ANSWER TO BE TABLED ON MONDAY 16th JULY 2007**

**Question**

Would the Minister advise, in relation to the proposed GST, his latest calculations regarding –

- (a) the cost of administration (in both manpower and monetary terms);
- (b) the sum needed to top up Low Income Support;
- (c) the total increase in the revenue and capital expenditure of the Island over the next five years as a result of introducing GST (inclusive of the costs outlined in (a))?

**Answer**

- (a) At this stage of the implementation process I am pleased to report that we are still working within the original estimate / projection which was provided by Crown Agents in its final report “Design of a Prototype GST” published in January 2005. The report estimated 10 additional staff would be required – five for Customs and Immigration and five for Income Tax. This will equate to an increase in recurrent expenditure, for staff and non-staff costs, in a full year of around £1 million. So far in 2007 five staff members have been recruited and are now in post – three for Income tax and two for Customs and Immigration. Further staff will be recruited as / when required in the lead up to the target GST start date of late April / early May 2008. The estimated additional staff numbers are mainly dependent on a simple GST system being adopted by the States and the deployment of modern ICT to support the administration by the agencies and compliance by the taxpayers. I am very conscious of a number of factors (including the *de minimis* value for imports) that could impact on manpower resources and we have requested Crown Agents to perform a review / manpower audit based on developments to date. The first stage of the review was completed in June and the report is due soon and will be made available to States Members.
- (b) Currently we have £1.75 million in place for the onset of GST. This figure will be revised when we know the increased rates of benefit that will apply from October 2007 and therefore Income Support from January 2008.
- (c) We anticipate that the ongoing revenue costs for 2008 – 2012 will be maintained at £1million per annum excluding any pay awards over the next five years. The capital expenditure estimated from 1st January 2007 to completion of the implementation of GST, including IT systems for both Customs and Income Tax is £1,569,500. These are one-off costs.