

June 10, 2006

The GST Consultation Team
Income Tax Office
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Cyril Le Marquand House
The Parade
ST HELIER
JE4 8PF

Dear Sirs

School Fees and Goods and Services Tax

As a parent with a child at a fee-paying school, I am both disappointed and disturbed to see that there is no intimation in either the explanation and summary of the proposed Goods and Services Tax nor in the detail of the proposed GST Law itself that exempts school fees.

While I acknowledge that the intention is to make GST as simple a tax as possible and that by levying it on all but a small selection of exempted goods and services, the rate will also be kept low, there is surely an overwhelming case for exempting school fees since those parents who opt for private education do so at considerable cost to themselves but also at a substantial saving to the States' exchequer. If there were no private schools charging fees then the education bill to the States would not only be significantly higher but there would have to be a major capital investment in school buildings etc, to replace those currently being funded by private educational establishments.

The impact of a three percent GST, with the likelihood that GST itself on educational goods and associated services will increase school costs and thus fees anyway, will be that the parents who already subsidise the States' educational costs will be forced to do so even more.

A result could well be that many parents will be forced to withdraw their children from private education thus increasing the costs to the States as well as exerting

pressure on the existing number of places in the States' section.

I believe that although in overall terms the GST take from school fees will be relatively modest the impact on parents who perceive that they are already subsidising Jersey's educational process will be significant an unacceptable.

I would ask that serious consideration be given to exempting school fees for the reasons stated.

I look forward to your response in due course.

Yours faithfully

A handwritten signature in black ink, appearing to read 'M.A. Le Feuvre', written in a cursive style.

M.A. Le Feuvre