

OUR VIEW

Hiking HST for cities a bad idea, but what's better?

Meet Kathleen Wynne, tax fighter.

Even the Ontario premier's staunchest allies will agree that's not a description that is often applied to Wynne. And yet, you can thank her for saying an abrupt 'no' to a request from the Association of Municipalities of Ontario (AMO) which would have seen the harmonized sales tax (HST) go up by one per cent in order to fund municipal infrastructure improvements such as roads, sewers and arenas.

No doubt this is not what Wynne had in mind when she told municipalities to work together on developing new sources of revenue to make a dent in municipal infrastructure gaps. Increasing the HST from 13 to 14 per cent is not among the options she is prepared to consider. Not with an election around the corner and polls showing the Liberals are inching back into contention with the Progressive Conservatives.

A bad idea motivated by good reasons is still a bad idea. Increasing the HST is not something any of the major political parties are willing to consider. Especially not the Liberals who have been criticized for previous tax increases, and especially not with a hotly contested provincial election just around the corner.

But here's the thing: While this idea was doomed from the start, the problem it was intended to address is all too real and getting more serious. Municipal officials have been warning for years that towns and cities cannot afford the growing cost of infrastructure maintenance and development. With increasing concern about liability, insurance costs are becoming prohibitive, leading to public facilities in some communities being shuttered. Roads, sewers and bridges across the province are in need of serious upgrades and repairs. This hits smaller communities with small tax bases hard, and only adds to the larger, better-documented burden placed on cities like Toronto.

In most communities, the gap between need and available investment is growing incrementally every year. Provincially, it's pegged at \$4.9 billion. How will municipalities keep up? They don't have the myriad of revenue options the province has. But for most municipalities, the options are few: increasing user fees, reduce services or increase property taxes. None of those is a sustainable strategy. They leave property taxpayers not only in Toronto but across the province with an untenable burden.

There is no question. Municipalities need more options. Where are the solutions that are palatable to all involved?

Half of Canadians living 'paycheque to paycheque'...



Minimum wage increase comes at a cost

So far Liberal politicians are talking about how great it would be for Ontario workers to get an increase in minimum wage, some have even gone as far as predict that the boost will put the money back into the economy, or that it will only increase the price of groceries by a couple of cents.

But that can be far from the truth. I will give you a simple scenario: take for example the price of bread at a grocery store.

Let's say now it costs \$2, however, if the minimum wage increases from \$11.40 to \$14 by January 2018, well that loaf of

bread is going to increase substantially as all the people involved in the supply chain of making, transporting and selling that loaf of bread will receive an increase in wages.

And this is only a loaf of bread at the grocery store, but if you need to buy milk, eggs and butter you will end up paying much more.

If you are a minimum wage earner that increase you just received is not going to be enough.

As is always the case the consumer is the one that ends up paying the cost of wage increases.

This political move is so politicians can tell the people that they have worked hard to improve their standard of living, however, such an idea is not only irresponsible

but it is also not sustainable for our economy.

In the end inflation will skyrocket and the population will end up with no buying power.

Politicians talk about studies and analysis, but these studies are going to be biased and costly for taxpayers.

Common sense can tell you that when you increase the minimum wage, the increase gets passed on to the purchaser and a big and sudden increase of \$2.60 is going to be noticed on the prices of goods and services across the board.

Many small businesses are not going to be able to afford the increase and may have no other alternative but to shut their doors and this will translate into more unemployment.

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LETTERS & COMMENTARY

If they go ahead with this irresponsible idea, Ontario will soon become the bankrupt province.

Carlos Salazar

Letters to the Editor



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