

# the view

The voice of London Business

London  
**Chamber**  
of COMMERCE



## Upcoming CHAMBER EVENTS

**MARCH 24** • Business Achievement Awards

**MARCH 25** • MEGA Business After Five

**APRIL 15** • Business After Five

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## DOUBLE DIPPING TAX COLLECTORS NOT PART OF HST EFFICIENCY STRATEGY

We have all heard copious comments from both sides of the political spectrum on the virtues or calamities associated with the soon-to-be law, HST. And while only time will tell if it actually succeeds in its mission to make Ontario more competitive, surely one of its principle aims was to have reduced the number and thus the cost of the overall collection process by both the feds and the province.

Ontarians are rightly outraged at the thought of 1,250+ public sector employees in Ontario who will transfer to the federal government's tax collection arm without missing a single day of work. Where is the efficiency

in that? Furthermore, they will pocket as much as \$45,000 in severance pay. But wait – they haven't been severed!

British Columbia to its credit have 300 civil servants who will be joining their federal brethren but in their case without the severance. But wait, they haven't been severed. Both provinces as we know are moving to harmonize their retail sales levies by July 1 of this year.

The two approaches are different because according to Ontario Finance Minister Dwight Duncan, the government is simply honouring the terms of the province's collective agreement with its public-sector workers.

That union states its employees are entitled to severance pay because, even though they will immediately land new jobs with the feds, they will no longer work for the public service in Ontario.

Duncan says that whether it's right or wrong they (the province of Ontario) want to respect the collective agreement that has been there for many years. So where is the respect for the Ontario tax payer in all of this? How does this fit in with the overall objectives of the HST. And why did BC's government have the foresight to not be trapped by language in a collective agreement?

According to B.C.'s Finance Minister Colin Hansen, their affected employees are not entitled to severance because their jobs are not being terminated. They are simply transferring from one level of government to another. So why should an employee who will receive the same job security at the same pay rates receive a severance package? Short and obvious answer...they shouldn't. And how is it that B.C. has figured out that moving 300 employees to the federal side of the ledger actually helps them to trim the size of their public sector? Can you say "efficiency"?

The Ontario government is also trimming the overall head

count of its public service by 3,400 jobs, or 5 per cent, as it struggles to reduce a record \$24.7-billion deficit. It would seem logical to the Chamber that the Ontario Government might want to save itself the estimated \$25 million that it will shell out in severance pay to the 1250 tax collectors – who haven't been severed.

Perhaps the Ontario Government should adopt the jargon of the anti drug campaigners in its efforts to respond to the demands of this flawed collective agreement ....just say NO!



## LONDON IN MY VIEW...

with David Belford, Dean  
- Faculty of Business Fanshawe College

David Belford came to London to attend UWO and has raised a family and worked in three different disciplines here. He started teaching at Fanshawe in 1995. As Dean, he is responsible for business, information technology and tourism and hospital-ity programs.

**Q:** When out of town (country) what's the one thing about London you brag most about to your associates/customers/friends?

**A:** London is an excellent place to earn a post-secondary education with a great community college, university and university colleges. These institutions provide opportunities for thousands of people to improve their lives and contribute greatly to the local economy.

**Q:** In the privacy of your own home, what's the one thing about London that you complain about the most?

**A:** I don't usually complain

about the city because it is a great place to live but I am concerned for its economic future, and its ability to provide enough opportunities to attract and retain young people.

**Q:** If you could bring one physical feature or element from another city to London it would be?

**A:** A mountain from B.C. or Austria. I think that mountains are inspiring; they can help us develop perspective and encourage us to think great thoughts.

**Q:** If you could jettison one thing out of London never to be seen again it would be?

**A:** Centennial Hall, but, only after a new performing arts facility is built to take its place.

**Q:** What works extraordinarily well in London?

**A:** House league and competitive sports, especially soc-

cer. There are many dedicated people, mostly volunteers, who work hard year after year to ensure that our young people, and also active adults, have the opportunity to keep fit and have fun.

**Q:** What's the one thing in London that simply doesn't work at all?

**A:** Railway level crossings on major roads in the heart of the city- they create traffic stoppages, noise and sometimes danger.

**Q:** For London to achieve "Leading Community" status in Canada, we must start to?

**A:** Become economically strong in some world-class, distinctive field(s) by attracting key new employers and enabling the growth of new businesses that will in turn attract people to move to London and keep young people here. We must

continue to enhance our global focus.

**Q:** For London to achieve "Leading Community" status in Canada, we must stop?

**A:** Beating ourselves up as a community- spend the time and the energy instead to select from and pursue the best ideas that have been proposed.

### Additional Comments

London is situated in an ideal geographical area, with an excellent knowledge and transportation infrastructure. We have great medical facilities. We also have the best agricultural land in Canada surrounding us, with world-class farming operations. We should be able to build a great future.

The opinions expressed in this interview are solely those of the person who has been interviewed and do not necessarily reflect those of the London Chamber of Commerce or its affiliates.

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## LETTERS AND LOBBIES

Letters and Lobbies is a new feature of the View. In it you will find timely submissions that have either been authored or co-authored by the London Chamber of Commerce in an effort to best represent the views and concerns of its membership. These are the issues that impact on the bottom lines of London's business community. In some cases these submissions will have been supported by either the national or provincial chambers of commerce. The London Chamber is an active member of both.

### ONTARIO'S DEFICIT MANAGEMENT STRATEGY

(excerpts from original policy resolution)

#### ISSUE:

Ontario's rising debt not only exposes the budget to the risk of higher interest rates, as was the case in the early 1990s, but it also creates an intergenerational shift of the tax burden. Without a realistic plan to reduce the current deficit and ultimately the current level of debt, we will then be leaving that cumulative debt for future generations to resolve. The Ontario Chamber of Commerce does not believe this is the prudent or responsible approach to managing Ontario's debt.

#### BACKGROUND:

The Ontario Government is projecting deficits of \$21.1 billion in 2010-2011 and \$19.4 billion in 2011-2012. These projections reflect a reduction in anticipated revenue due to the recent weakening of economic conditions and the simultaneous increase in spending to offset some of the (temporary) effects of weaker private consumption and investment. (Note: The deficit to GDP ratio for 2010-2011 is approximately \$21.1 billion/\$602.546 billion = 3.5%)

Ontario's total debt, which represents all borrowing with-

out offsetting financial assets, is projected to be \$213.2 billion as at March 31, 2010, compared to \$176.9 billion as at March 31, 2009. Ontario's net debt, the difference between total liabilities and total financial assets, is projected to be \$184.1 billion as at March 31, 2010, compared to \$153.3 billion as at March 31, 2009. (Note: The debt to GDP ratio for 2009-2010 is approximately \$213.2 billion/\$581.609 billion = 37%)

While London's business community, for instance, is deeply concerned about the size of the projected deficits and the level of debt, they are equally concerned at the lack of a clearly articulated plan to balance the budget within a reasonable period of time.

As a recent TD- Bank Financial Group report discusses, a reasonably optimistic growth rate of government revenues is on the order of 6 % per annum. Combining this with the current fiscal projection for 2011-12, to balance the budget by 2015-16 the Ontario government would have to hold expenditure growth to less than 1.7 % per year over 2012-2016.

In other words, Ontario needs a comprehensive and practical plan to eliminate the provincial deficit without jeopardizing a very fragile economic recovery.

#### RECOMMENDATIONS:

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Establish a plan to eliminate the deficit by 2015-16.
2. Provide an accurate accounting and recovery plan that will clearly communicate the government's intention to be in surplus by 2015-16, and will update this plan in all future budgets and economic statements.
3. Continue stimulus capital spending until March 31, 2011 the deadline previ-

ously announced during the recession of 2008-10.

4. Stay the course on previously announced tax reforms and investment decisions which serve to create an internationally competitive business environment.

5. Maintain and improve Ontario's Net Debt to GPP (gross provincial product) ratios at better than the provincial average of the five provinces with the lowest ratios.

6. Address the deficit through spending restraints but not reduce its deficit through cuts to existing municipal transfer payments, nor reducing investments in education and training and needed infrastructure which will promote our competitiveness and economic growth in the future. As well, enhance the efficiency of health care spending, including by ensuring that international best practices are adopted at the strategic and operational levels.

#### REFERENCES

- Mintz, Jack (2007). "2007 Tax Competitiveness Report", CD-Howe Institute Commentary 254, September 2007.
- Ontario Ministry of Finance (2009). 2009 Ontario Economic Outlook and Fiscal Review, [http://www.fin.gov.on.ca/en/budget/fallstatement/2009/paper\\_all.pdf](http://www.fin.gov.on.ca/en/budget/fallstatement/2009/paper_all.pdf)
- Ontario Ministry of Finance (2009). Ontario Population Projections: 2008-2036 Ontario and its 49 Census Divisions, Fall 2009. <http://www.fin.gov.on.ca/en/economy/demographics/projections/demog09.pdf>
- TD Bank Financial Group (2009). "The Coming Era of Fiscal Restraint", [http://www.td.com/economics/special/db1009\\_fiscal.pdf](http://www.td.com/economics/special/db1009_fiscal.pdf)

To View the entire Resolution as submitted to the Ontario Chamber of Commerce go to the Chamber's website at [www.londonchamber.com](http://www.londonchamber.com)

## CITY HALL FILE

### THINKING OF RUNNING IN THE 2010 MUNICIPAL ELECTION?

#### HERE ARE SOME IMPORTANT DATES YOU'LL WANT TO KNOW

- **JANUARY 4 TO SEPTEMBER 9, 2010** Nominations may be filed from 8:30 a.m. to 4:30 p.m., Monday to Friday, in the City Clerk's Office, Suite 308, City Hall.
- **SEPTEMBER 10, 2010** Nomination Day: Nominations may be filed from 9:00 a.m. to 2:00 p.m. in the Election Office, City Hall Lobby (last day for filing nominations).
- **SEPTEMBER 10, 2010** Last date for a candidate to withdraw a nomination (2:00 p.m. deadline).
- **SEPTEMBER 13, 2010** List of candidates declared elected by acclamation to be posted (after 4:00 p.m.).
- **SEPTEMBER 15, 2010** Additional Nominations: In the event that sufficient nominations have not been received to fill any particular office, additional nominations may be filed from 9:00 a.m. to 2:00 p.m. in the City



London City Hall

Clerk's Office.

- **SEPTEMBER 16, 2010** List of candidates declared elected by acclamation to be posted.
- **TO BE ANNOUNCED** Advance Polls
- **OCTOBER 25, 2010** Voting day: voting places are open from 10:00 a.m. to 8:00 p.m. except for specific locations, such as nursing homes, retirement homes etc, which have reduced voting hours. (Copy of by-law identifying locations and specific times will be available at a later date).
- **OCTOBER 26, 2010** Clerk to declare Official Results as soon as possible after Voting Day.
- **DECEMBER 31, 2010** End of campaign period.
- **JANUARY 3, 2011** Notify Clerk of a Deficit and Continuation of Campaign Period.
- **MARCH 25, 2011** Filing deadline for Financial Reports from all Nominated Candidates 2:00 p.m. deadline.

## Did you know?

Contributed by Debra Mountenay  
Elgin, Middlesex, Oxford Local Training Board

A recent nation-wide survey showed that Londoners are among Canada's most generous and participating volunteers. The Canadian Survey of Giving, Volunteering and Participating (CSGVP), carried out by Statistics Canada, collected volunteering and population information from different Volunteer Centres from across Canada.

The survey found that London's volunteer rate – that is the percent of the city's total population that participates in volunteerism- is at 60%, which is well above the Canadian average of 46%.

On average London volunteers contribute 153 hours to volunteering with a nonprofit or voluntary agency each year. The economic value of London volunteer contribution is an incredible 672 million dollars.

Another key factor that is helping London's nonprofit sector

become one of the most vibrant in Canada is the giving by donors.

The CSGVP survey found that London donor rates are at an amazing 92% compared to a Canadian average of 84% and an Ontario average of 86%. On average Londoners give roughly \$370 to volunteer and nonprofit programs across the city.

"Londoners are always willing to lend a helping hand to support the organizations that are focused on creating happier, healthier and safer communities," says Michelle Baldwin of Pillar nonprofit network.

Almost 12 million Canadians volunteer at non-profit organizations, contributing close to two billion hours each year. For more information on volunteering or for volunteer opportunities in London please visit [www.pillar-nonprofit.ca](http://www.pillar-nonprofit.ca) and help support London's nonprofit sector.