

Social advocates eye higher taxes down the road ^[1]

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EXCERPTS

Anti-poverty and social advocates are wondering if taxes may - eventually - be poised to come back on the table in Ontario.

For now, Premier Kathleen Wynne has pledged to stick to what she has described as an activist plan while still eliminating the province's \$12.5 billion deficit within three years.

While the provincial budget will tackle transit gridlock and promises more money for Ontario's working poor, Wynne insists there will be no new money for salaries for teachers and other public sector workers. But as the Liberal party re-introduced its \$130.4 billion spending plan on Monday, some observers argue that higher taxes will have to be factored in at some point.

"If Wynne truly means to be an activist premier, she will have to address the elephant in the room. That's revenue generation," said Trish Hennessy, director of the Ontario office for the Canadian Centre for Policy Alternatives.

"You can't be an activist government and not have enough revenue to actually make change," Hennessy said.

Advocates are also hopeful that the Liberal government will provide ongoing financial commitments to its poverty reduction strategy in the coming year.

"There's all kinds of evidence in this budget that the government is serious about trying to create a province that will create opportunity for all," said Susan McLissac, president and chief executive officer of United Way Toronto.

"I'm really hopeful that over the coming months and years, these commitments will be longer-term and far reaching."

The proposed budget plan triggered the spring election campaign that sent Ontarians to the polls and, as a result, sent the Liberals back to Queen's Park, this time with a majority government.

Hennessy said that in the coming years, Wynne will need to address the legacy of the years of tax cuts implemented by former Conservative premier Mike Harris in the 1990s.

Economists at the Canadian Centre for Policy Alternatives estimate that by 2013, those tax cuts added up to a total of \$19 billion in lost revenue for the province, Hennessy said.

On a per capita basis, Ontario's total revenue and program spending were each just over \$8,000 - the lowest level in Canada - in 2012, according to the budget plan first unveiled on May 1.

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