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In Union Is Strength

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ONTARIO BUDGET A MISSED OPPORTUNITY, SAYS NFU

The Ontario provincial budget fell short of delivering necessary economic measures for farm families and rural communities across the province, says Grant Robertson, Ontario Coordinator of the National Farmers Union (NFU).

He said there are a number of unanswered questions regarding harmonization of the provincial sales tax with the GST to create a harmonized sales tax (HST). “Families, no matter where they live, will be hit by the harmonization of the two taxes,” he stated. “Farm families that are already struggling due to the meltdown in the farm economy that preceded the manufacturing job losses will have this additional burden placed on them. A small rebate of taxpayers’ own money will not make up for the bigger bite taken out at the cash register.”

Robertson explained that farmers currently receive an exemption from the Ontario PST for farm business purchases by showing their farm business registration (FBR) number listed on their NFU membership card, and signing the receipt. It is unclear at this point if the new tax regime will require farmers to pay the HST up front, then apply for the PST portion in the form of a rebate after filling out a series of forms. This is currently the requirement for farmers to obtain GST rebates for their businesses, a process which can take up to three months.

“If farmers must now pay the PST up front, that will take money directly out of their pockets at the point of sale, and add to the administrative costs using taxpayers’ dollars,” he said. “The massive deficit projected in this budget also means that there is little or no likelihood of investments in agricultural programs or rural infrastructure.” The budget calls on cash-strapped municipalities in rural areas to pay one-third of infrastructure costs, a stipulation that Robertson says means that many needed projects in rural Ontario will remain undone.

Robertson characterized the budget as a “missed opportunity”, saying the government does not seem to appreciate the critical situation facing rural Ontario. “It seems the government doesn’t understand how we got into the mess we are in, so they are doing the same things over again, expecting different results. Instead of giveaways to corporations, with not a single guarantee of retaining jobs, or a single string attached, the McGuinty government should have implemented a program to reward family farmers who provide environmental goods and services. These are investments that would have paid

immediate dividends in our economy by creating local jobs, spurring economic activity, helping to create a greener environment, and protecting our precious water resources.”

He concluded the one positive note in the budget is the promise that the Province will institute clearer ‘Ontario Food’ definitions. “This would be welcome news to the NFU, which has long advocated higher levels of Ontario product available in our grocery stores,” stated Robertson. “However, it will take a lot of work and commitment from this government to turn this phrase from empty rhetoric to meaningful change.”

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