

COMMITTEE OF THE WHOLE - MARCH 5, 2007

ENDORSEMENT OF THE ONE CENT OF THE GST CAMPAIGN

Recommendation:

Councillor Tony Carella recommends that Council endorse the “I want one cent of the GST dedicated to funding my City” campaign

Economic Impact:

Nil

Purpose:

To promote the recently announced cross-Canada municipal lobbying effort, that one-cent of the GST be used to fund an estimated \$5 billion in annual expenditures by Canadian cities.

Communication Plan:

The endorsement of the campaign by the City of Vaughan will be announced by way of a media release, and communicated in writing to the Federation of Canadian Municipalities and the Association of Municipalities of Ontario.

Background - Analysis and Options:

The so-called fiscal imbalance in Canada is not simply a between the federal and provincial levels of government, nor just between the various provinces. Municipalities across Canada face the effects of the imbalance resulting from increasing demands for service from their citizens, the impositions of provincial downloading, and the limitations on revenue inherent in the property taxes and service fees available to them. The call for a share of the ‘gas tax’ was one effort to restore a semblance of balance in this array, but it will not be sufficient in the long term.

With this in mind, a campaign to see one cent of the GST dedicated to municipal purposes was recently launched at the Toronto Summit 2007. The speedy endorsement of the campaign by some GTA mayors (Brampton, Mississauga), as well as by the mayors of Halifax, Montreal, and Victoria would seem to indicate that (1) the need for additional financial resources is a ‘given’; (2) the request for one cent of the GST is reasonable; and (3) the greater the number of municipalities involved in the effort, the better the chances of its success.

Regional Implications:

The Regional Municipality of York will also benefit from the ultimate success of this effort.

Relationship to Vaughan Vision 2007:

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Conclusion:

The City of Vaughan, like all other Canadian municipalities, has become burdened with unsustainable responsibilities, necessitating a cross-national effort to secure increased support from the federal government, the principal beneficiary of the proceeds of the Canadian tax system.

Attachments:

None

Report prepared by:

Councillor Tony Carella

Respectfully submitted

Tony Carella
Councillor - Ward 2