



# Poll

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## Ontarians Oppose Tax Hikes to Eliminate Deficit

By James Wallace  
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Most Ontarians oppose using tax hikes to eliminate the province's \$5.6 billion deficit, an exclusive poll by Osprey Media/SES Research has found.

Just 24 percent of those polled, roughly one in four, thought Dalton McGuinty's new Liberal government should hike taxes to maintain public services in this province.

"The appetite for raising taxes is still weak," said SES president Nikita Nanos. "There's still a good deal of tax fatigue out there."

During the provincial election campaign, McGuinty promised to balance Ontario's books without running a deficit.

However, after moving into the premier's office following his Oct. 2 election victory, McGuinty hired former provincial auditor Erik Peters to conduct a review of Ontario's finances.

Peters concluded in an Oct. 29 report that a combination of lower-than-expected revenue, higher expenses and the failure of the former Conservative government to make good on planned asset sales had plunged the province into a \$5.6 billion hole.

His findings - contested by the Conservatives who continue to argue the deficit exists only on paper - prompted the new Liberal administration at Queen's Park to cancel, delay or modify a number of election spending promises.

That has helped brand the rookie premier as a promise breaker, an SES Research poll published in Osprey newspapers this week concluded.

However, McGuinty is in a bit of a jam.

He promised during the election, and after, that he won't hike personal taxes or make wholesale spending cuts to deal with the deficit.



# Poll

He will also likely have to deal with modest or even negative revenue growth over the next few years.

There's speculation the new government may raise cash in part by clawing back tax exemptions and raising user fees (by as much as \$550 per household according to a Fraser Institute report published this week).

But the province could easily face a deficit for several years without some combination of tax hikes and spending cuts.

In the Osprey Media/SES Research poll, voters were asked how they thought the McGuinty government should deal with the deficit.

The poll found just 27 per cent believes the government should maintain public services by running a deficit.

Almost one in three polled – 30 per cent – said the government should cut services to balance the province's books.

Another 24 per cent favoured raising taxes to maintain services while 19 per cent were unsure what direction government should take.

The fact that tax hikes were rejected by three out of every four people polled suggests tax hikes would be difficult to sell, Nanos said.

"It would be like waving a red flag in front of a bull," he said. "They have to be careful about initiatives that could be seen as tax grabs."

On the other hand, voters didn't express a clear preference for any single approach.

That means no matter which direction the Liberals choose, they'll likely take political heat, Nanos said.

Which may explain why the government has mused about plans to help deal with the deficit, ranging from selling public assets such as the LCBO to hiking fees for some public services.

"The mixed bag of options (voters favoured) kind of reflects the mixed bag of options the Liberals are kicking around," he said.

Nanos said the Liberals did leave "wiggle room" in their campaign platform to balance the budget within a specified number of years but the government has done a poor job of letting the public know its plans.

It will need to convince the public it will balance the budget within a firm timeframe, that running a temporary deficit is in the public's best interest and manage to keep its budget commitments, he said.



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Ontario's voting public has grown cynical about its provincial politicians and already views McGuinty as a promise breaker, SES Research poll results show.

"One of the hallmarks of the successful Progressive Conservative government was the simplicity of their messaging," Nanos said.

"The challenge for the Liberals will be to design an action plan and deliver."

The Ontario Survey of 500 voters was conducted between Jan. 18 through Jan. 21 and are accurate to within 4.5 percentage points 19 times out of 20.

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30