

## MEDIA RELEASE



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### **Cambridge Chamber of Commerce – 2014 Liberal Budget A Slam on Business**

**Cambridge, ON** – With the release of the Provincial Budget from Minister Sousa on May 1<sup>st</sup>, the Cambridge Chamber of Commerce now sees the Provincial Government moving two steps backwards in creating a globally competitive business environment. Since the Drummond Report in 2012, the Provincial deficit has continued to rise, sending the province's debt-to-GDP ratio to an alarming 40.3%, which, in of itself, is a scary thought for Ontarians.

Greg Durocher, President and CEO of the Cambridge Chamber, says, "I don't recall a Provincial Budget that has been so bad for business and hardworking Ontario residents. This budget, if supported by the NDP, will cause job loss through increased business costs and a lack of global and regional competitiveness".

This budget will create an Ontario Pension Plan to mirror the Canada Pension Plan and it will require that both the employee and employer equally contribute a mandatory 1.9% of their income into the fund. Along with this, in the fall of 2014, the Provincial Government will introduce mandatory Pooled Pension Plans for all businesses who currently do not provide pensions, adding further costs to operating businesses. On July 1<sup>st</sup>, the minimum wage will increase to \$11 per hour, as previously announced and there was nothing in the budget about the increasing costs of hydro.

"The Budget failed to address energy costs in Ontario, which are among the highest in North America, which will also be a key factor in driving business away from Ontario and will add to the lack of competitiveness that businesses in Ontario face today," said Durocher.

Also in the budget was a dramatic increase in taxes. The highest tax rate in the Province was allocated to those earning in excess of \$500,000 per year. This budget reduces that cap to \$220,000 and also adds 1% more in the tax rates for those who earn more than \$150,000. "This seems like a tax on the rich when, in fact, it is really a tax on those who create jobs, start businesses and invest their own money in creating opportunity for others. This will absolutely have a negative impact as those high income earners will take their opportunities elsewhere, to places where taxation isn't out of control," said Durocher.

Budget 2014 proposes an increase in the province's deficit from 11.3 billion to 12.5 billion, and claims that the balancing of the budget is still set for 2017. Durocher says, "It perplexes me how this government can suggest it will balance the budget in three years, when it has continuously increased the deficit since making that claim. Most experts on the subject say that this budget is a very clear signal that there is no interest by this government to deal with the deficit as it will be impossible to balance going in this direction." The Cambridge Chamber of Commerce is very concerned that this budget will have compounding negative impacts on employment levels and our export competitiveness and will have a very real impact on consumer spending, which will not advance our economy or create new job opportunities.

The Cambridge Chamber of Commerce is calling on the opposition parties to not support this budget, and to go to the polls for new and better options to fund the very necessary infrastructure needs through reduced spending and the strengthening and enhancing of business opportunities to grow and make Ontario an attractive place to have a business, which will generate jobs and create added tax revenue.

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