

From Queen's Park by Sylvia Jones MPP ? Provincial Budget set to drive up airfare prices for everyone

Changes are coming because of the 2014 Ontario budget, passed in July by the Liberal majority government.

Tax hikes are on the way. Businesses and employees are beginning to learn some of the details about the new Ontario Retirement Pension Plan (ORPP), but that is not the only change people will see resulting in higher taxation. Residents who are making any vacation or business travel plans will soon notice the cost of aviation fuel has increased the cost of flying out of all Ontario airports. This is because the budget also announced an increase to the aviation fuel tax by 148 per cent.

On the economic front, this tax hike could have significant impact on job creation. In a recent study by Dr. Fred Lazar of the Schulich School of Business at York University, it was estimated that the move could potentially cause 2,000 job losses and lead to a decrease of travelers in Ontario by 400,000. This is not good for taxpayers or travelers. This tax hike will impact Ontarians who travel by air, and by driving up the cost, it will also impact Ontario's tourism industry.

This tax increase will have a heavy impact on airlines working across Ontario, but the truth is that it will translate into higher ticket prices for Ontarians. As Marc-Andre O'Rourke, the executive director of the National Airlines Council of Canada, has pointed out, the tax currently stands at 2.7 cents a litre and is already the highest when compared to neighbouring provinces and American states. As O'Rourke also pointed out, Canada as a whole is already one of the least competitive jurisdictions internationally when it comes to high fees and taxes on airlines. Already we hear about people who choose to drive across the Ontario border to fly out of jurisdictions that have little or no tax on aviation fuel.

Locally in Caledon, the Brampton Flying Club and the Brampton Flight Centre will be hurt by this tax increase because it will make it more costly for students who are training for jobs in the aviation industry to learn how to fly.

Given all the potential negative effects that come with this tax hike, it is unfortunate that the government did not consider these impacts before making this announcement in the budget

