

Island Voices: Nothing to lose by studying amalgamation

If you are fed up with paying almost half your income in taxes, consider supporting the referendum to study the amalgamation of Victoria and Saanich.

The Canadian Consumer Tax Index 2018 found that last year, families spent on average an astounding 43 per cent of their income on taxes — more than housing, food and clothing costs combined, which made up just 35.6 per cent.

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We believe amalgamation offers some promise of helping to contain property-tax increases by rationalizing and sharing services. It's a very important decision for residents that could improve governance and ultimately provide more efficient, effective program delivery.

Property taxes are a significant portion of a substantial tax load approaching an average of \$40,000 for a family: The annual Vancouver-based Fraser Institute study — a right-of-centre and libertarian public-policy think tank — tracks the average total tax bill for Canadian households from 1961 to 2017. It looked at both visible and hidden taxes that families pay to federal, provincial and local governments, including income, payroll, sales, property, health, school, fuel and alcohol taxes and more.

But if you live in Victoria or elsewhere in B.C., it's also home to the egregious property-transfer tax and new wealth tax, the speculation tax, the employer health tax, the increased Victoria transit gas tax and the first of four carbon-tax increases — that's just this year. (Did we ask how much your income increased last year?)

So, the insatiable taxman is likely taking about 50 per cent of your income. How much is too much, 65 per cent? 75 per cent?

Unfortunately, the pressure to demand even more property taxes to pay for local services is just ramping up.

As our aging infrastructure in Victoria and Saanich is replaced or upgraded or maintained, more than usual property tax dollars are needed for bridges, roads, sewers, sidewalks, sewers and buildings.

Major transit improvements to solve our gridlock in the region are inevitable and will be expensive.

Union wages make up a large portion of municipal and provincial budgets, and many of those contracts come up for renegotiation over the next year.

As for utility costs, core communities can only hope the sewer-treatment project meets its \$765-million budget.

While our regional and national economies are humming along nicely — despite inflation inching up — it won't last forever. After 10 years, it's arguably the longest bull market in history, with equities increasing more than fourfold. When, not if, a bear market and a 20 per cent correction or more occurs, it won't be pretty for anyone.

So efforts by 17 fiefdoms — 13 municipalities, three electoral districts and one regional government — to cut costs by sharing services and working together during the good times is in our best interest.

The recent Capital Integrated Services and Governance Initiative provincial report detailed the duplication and potential for cutting costs and improving services in Dysfunction-by-the-sea. Astonishingly, CISGI was ordered by the B.C. Liberals and released by the current government a year after its completion, but was never tabled or discussed by the Capital Regional District board.

In our view, merging Victoria and Saanich — representing half the population in the south Island — offers the best hope to contain tax increases.

Remember, this is only a preliminary step, with both municipalities needing to approve the study of amalgamation. If it proceeds, a Citizens' Advisory Assembly might not recommend merging municipalities, and Saanich or Victoria council might not agree to proceed. If it then comes down to a final binding referendum, residents might still vote it down.

Understandably, even if amalgamation is phased in over several years, taxpayers are nervous about the disruption and worry about more taxes.

If the experience of other municipal amalgamations is any indication, administration costs can be trimmed, but overall, there might not be major cost savings. However, it might result in improved governance and better decisions.

It's vital, then, that any citizens' advisory committee detail the costs of amalgamating or not amalgamating, and highlight problems with duplication and redundancy. A zero-based budgeting process involving the two jurisdictions must be part of any subsequent merger.

On Oct. 20, Grumpy Taxpayer\$ will enthusiastically vote to study amalgamation to reveal dispassionate facts around the pros, cons and costs.

Somehow, an increasing tax load beyond inflation must be moderated to improve affordability in our community. That decision is in your hands and out of the hands of those who support continuing the status quo.

Stan Bartlett is the chair of Grumpy Taxpayer\$ of Greater Victoria, a non-partisan advocacy group dedicated to lower taxes, less waste and more accountable municipal government.

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