

# DAILY COMMERCIAL NEWS

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Politics

## Provincial cabinet shuffle puts focus on HST

**Extra responsibilities for John Milloy**

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Premier Dalton McGuinty's recent cabinet shuffle indicates a strong focus on the future implementation of the harmonized sales tax (HST), says the Council of Ontario Construction Associations.

The shuffle has resulted in the split of the finance and revenue ministry with John Wilkinson being named revenue minister after holding the research and innovation portfolio. Dwight Duncan remains as finance minister.

"The formation of the revenue ministry at this time is a clear indicator of the importance of the harmonized sales tax which will come into effect in July 2010," says David Zurawel, vice president, policy and government relations at COCA.

"It shows a lot of confidence on Premier McGuinty's part in Wilkinson to take on a file like the HST."

Creation of the 13 per cent harmonized sales tax has received both support and disappointment from industry stakeholders. Some have argued the HST will help businesses because it carries a pass-through cost and not an actual cost. The HST could also create additional savings as current retail sales taxes have to be paid on every product purchased by a company with no ability to get that money back.

A counter argument to the HST is that a recession is no time to introduce it and that there should be a delay with levying it on new homes over \$500,000 until the economy recovers.

John Milloy, minister of training, colleges and universities (MTCU) has seen his responsibilities expand in the shuffle with the addition of the research and innovation portfolio under his auspices. Zurawel says this move speaks highly to Milloy's abilities in the eyes of the premier.

"With the expansion of his responsibilities to include a double ministry, it is clear that Milloy has the confidence of the premier as the province moves towards a knowledge-based economy," says Zurawel.

After being sworn-in the morning of the cabinet shuffle Milloy said there are "some exciting synergies" between the MTCU and research and innovation ministries.

"However, they are going to continue to be separate ministries, operate separately and independently and follow different paths, although complimentary ones," said Milloy in a press conference. "The synergies are very interesting. MTCU deals with the training side a lot, allowing or equipping people to make the transition into the workforce and with research and innovation, a big part of that is the flipside — creating the jobs to have the people enter."

Sandra Pupatello has the economic development portfolio once again, complementing her international trade portfolio. There were no cabinet demotions or promotions from the backbench to cabinet, notes COCA.

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