

From the BC Legislature Question Period on April 14, 2010

Oral Questions

IMPACT OF HARMONIZED SALES TAX ON TENANTS AND CONDO OWNERS

C. James: Yesterday when questioned about the impact of the HST on renters, the Finance Minister dismissed those concerns. He said that the increases will be very slight, even though the B.C. Apartment Owners and Managers Association has said that the impact will be huge. We know that condo owners are facing the same pressures as renters. In quoting a strata expert, Deryk Norton of the Vancouver Island Strata Owners Association said that strata fees will go up as a result of the HST.

My question is to the minister. Will he finally admit that the HST will not only hurt renters, but it'll also hurt condo owners in the pocketbook?

Hon. C. Hansen: Currently condo fees and residential rents are exempt from the GST, and they will be exempt from the HST.
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What's interesting from the Leader of the Opposition is that on one hand, they're saying that small business operators in the province who are currently paying PST will not pass those savings on, and now she's arguing that landlords, in fact, do pass on some of these costs to eventual renters.

But I will be very clear to the Leader of the Opposition, and I will repeat what I said yesterday. Yes, there is going to be an impact on the cost to landlords, and those are very small in terms of the overall costs. It is estimated that the overall cost increase to a landlord would be in the neighbourhood of about 1 percentage point.

Interjections.

Mr. Speaker: Members.

The Leader of the Opposition has a supplemental.

C. James: The Finance Minister continues to brush aside the real concerns of renters and condo owners. The minister knows that the cost for everything will go up. Maintenance fees, landscaping, roofing, window washing, gardening, replacing light bulbs — all of those costs will go up. Marg Gordon of the B.C. Apartment Owners says: "It will be really bad. It's going to add an added cost that we've never had before."

My question, again, is to the minister. Why is he brushing aside these real concerns, and why won't he admit that the HST is going to lead to higher fees for condos?

Hon. C. Hansen: I think what the Leader of the Opposition just said is an example of the kind of misleading information that the NDP are putting out to British Columbians. Because, Mr. Speaker....

Interjections.

Mr. Speaker: Continue, Minister.

Hon. C. Hansen: When the Leader of the Opposition says that everything for landlords is going to go up in cost, it's absolutely false. The Leader of the Opposition is wrong. There are some things — for example, the cost of a painter for painting some walls once every couple of years — that might be slightly more. But I'll tell you something else. Once the embedded PST comes out of the cost of the paint, that paint will be less than it otherwise would be because of the adoption of the harmonized sales tax.

Mr. Speaker: The Leader of the Opposition has a further supplemental.

[\[1400\]](#) 

C. James: It's a bit rich for this Finance Minister to use the word "misleading" when we know how the government brought in the HST for the voters of British Columbia. Mr. Speaker, 600,000 British Columbians living in condos will be impacted by the HST — 600,000. And the minister....

Interjections.

Mr. Speaker: Just take your seat.

Members.

Continue, Member.

C. James: The only response those 600,000 owners get from the minister is that they're spreading misinformation. The HST is a bad tax that comes at a bad time and a tax that the B.C. Liberals forced on the people of British Columbia to cover up their budget deceit. The people of British Columbia are not buying this minister's or this government's line.

Again, my question is to the minister. Will he stand up now in this House and explain what he's doing to protect 600,000 people in our province?

Interjections.

Mr. Speaker: Members.

Hon. C. Hansen: I can tell the Leader of the Opposition what we're doing on this side of the House. We're delivering on exactly what we committed to voters in British Columbia 12 months ago — that we're going to keep B.C. strong, that we're going to make sure we create jobs in this province. And that's exactly what the harmonized sales tax will do.

Interjections.

Mr. Speaker: Continue, Minister.

Hon. C. Hansen: You know, what we saw a year ago was a Leader of the Opposition who, on the carbon tax, was taking her marching orders from Bill Tieleman. Now she's taking her marching orders from Bill Vander Zalm. She was wrong on the carbon tax. She's wrong on the harmonized sales tax.

Interjections.

Mr. Speaker: Members.

Continue, Minister.

Hon. C. Hansen: This is an opportunity for the Leader of the Opposition to stand up and actually demonstrate who is actually leading the New Democratic Party today. She can stand up and she can tell British Columbians, including the condo owners in British Columbia: are they in favour of it? Are they going to keep it? Are they

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going to get rid of it? Are they going to jack up a bunch of other taxes, like the Energy critic said? Or are they, in fact, just going to keep it, as the Finance critic says?

B. Ralston: Clearly, by his comments, the Finance Minister doesn't accept that literally millions of people in this province are opposed to the HST, from every political party across the province. It's clear that he's just not listening and he's not willing to listen to the people of British Columbia.

The executive director of the Condominium Home Owners Association of British Columbia, Tony Gioventu, said: "Cost pressures from the HST will cause condo fees to increase by 2 to 4 percent."

I appreciate that the minister didn't do any studies before he introduced this tax, and he's not willing to listen to people out there, but does he have anything to say to condo owners other than just: "Good luck"?

[1405] 

Hon. C. Hansen: I would say to the condo owners association representatives that that number that they're using is wrong. If they would like to contact my ministry, we would actually work with them and sit down so that they understand the very small impact that it may have on condo strata councils in the province.

Condo fees are exempt from GST, and they will be exempt from HST. Some of the costs are going to go up, and some of the costs are going to come down that they're faced with. We'd be pleased to work with them on that.

Interjections.

Mr. Speaker: Continue, Minister.

Hon. C. Hansen: It's interesting that they're asking that question: "Which ones?" It's obvious they haven't done their own homework. The vast majority of costs that are incurred by a landlord or by a condo strata council will not be incrementally affected by HST. Some things will actually come down in price, and the vast majority of them are going to stay the same.

Mr. Speaker: The member has a supplemental.

B. Ralston: Well, renters are wrong. Condo owners are wrong. The executive director of the condo owners association is wrong. I'll take the word of people who are in that business over the word of the Minister of Finance any day of the week.

It's clear that the HST will drive up condo fees for over 600,000 people here in British Columbia. Why is the minister still in denial of this fact?

Hon. C. Hansen: He should have continued the list. He should have talked about the forest industry that's looking forward to creating thousands of new jobs because of the harmonized sales tax. He should have talked about the motion picture industry sector in British Columbia, which is quite excited about the harmonized sales tax because it will create thousands of jobs.

He could look at sector after sector in British Columbia and the strong support that's out there for the harmonized sales tax by those industry leaders and those job creators because they know that this is good for the B.C. economy. It's good for job creation in British Columbia.

I challenge the Finance critic from the official opposition to stand up and tell us what the NDP policy is on the HST, because it is clear as mud.

S. Simpson: The increased costs for condominium owners are spread, due to the HST, across every aspect of building operations. For example, Mr. Tony Gioventu, of the Condominium Home Owners Association, stated: "When it comes to a new roof, when you paid only 5 percent GST on labour, it will cost you 12 percent HST as of July 1."

This is potentially thousands of dollars out of the pockets of these homeowners, depending on the size of the projects. Can the minister tell us why it's okay to add 600,000 condo owners to the millions of other people that he's hurting in this province with the HST?

Hon. C. Hansen: I challenge all of the NDP members to actually go into their own website and fix the lies that are in their website today.

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Interjections.

Mr. Speaker: Members.

Minister, I'll ask you to unconditionally withdraw that last comment.

Hon. C. Hansen: I will withdraw.

Mr. Speaker: Continue.

Hon. C. Hansen: Mr. Speaker, I challenge the NDP members to actually fix the blatant misinformation that is on their website today.

Interjections.

Mr. Speaker: Continue, Minister.

Hon. C. Hansen: Mr. Speaker, we know there is a lot of misinformation that is floating around on the Internet sites today. I think it's incumbent upon all members in this House, on both sides of it, to stick to the facts and to actually make sure that seniors and other British

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Columbians are not fed the kind of fearmongering misinformation that is floating around, including from the NDP's own website.

Mr. Speaker: The member has a supplemental.

S. Simpson: The tragedy for British Columbians is that they have no way to fix the way they got fooled by Liberal misinformation in the last election. Story after story, broken promise after broken promise in that election, and they can't fix it till 2013. But be assured they will, Mr. Speaker.