

HARMONIZED SALES TAX

British Columbians Clearly More Upset than Ontarians Over HST

Ontarians report higher fuel and electricity costs, while more than two-thirds of British Columbians have already altered their purchasing behaviour.

[TORONTO – Sept. 2, 2010] – The recent implementation of a harmonized sales tax (HST) is affecting residents of two Canadian provinces in different ways, a new Angus Reid Public Opinion poll has found.

The online survey of representative provincial samples of 804 Ontarian and 803 British Columbian adults also finds that respondents question whether the promise of lower consumer prices down the road will actually materialize.

Effect of the HST

Overall, two thirds of respondents in the two provinces (ON 67%, BC 68%) say the HST has severely or moderately affected the finances of their household. Three-in-ten British Columbians (31%) report being "severely affected" by the new tax, along with one-in-four Ontarians (24%).

Less than one-in-ten respondents in the two provinces (ON 7%, BC 9%) say the HST has not affected the finances of their household at all.

Personal Experience

Ontarians report being particularly impacted by two items that now include HST. Four-in-five respondents in Ontario say the total cost of gasoline (79%) and their electricity bill (80%) has increased

KEY FINDINGS

- **24% of Ontarians and 31% of British Columbians say the HST has severely affected the finances of their household**
- **Four-in-five Ontarians say the total cost of gasoline and their electricity bill has increased "significantly" or "moderately" since the HST came into effect**
- **42% of Ontarians and 28% of British Columbians say the HST has not impacted their purchasing behaviour**

Full topline results are at the end of this release.

From August 16 to August 17, 2010, Angus Reid Public Opinion conducted an online survey among 804 randomly selected Ontarian adults and 803 randomly selected British Columbian adults who are Angus Reid Forum panelists. The margin of error—which measures sampling variability—is +/- 3.5% in Ontario and British Columbia. The results have been statistically weighted according to the most current education, age, gender and region Census data to ensure a sample representative of the entire adult population of the two provinces. Discrepancies in or between totals are due to rounding.

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"significantly" or "moderately" since the HST came into effect. These two items were not affected by the introduction of the HST in British Columbia.

More than half of Ontarians also say that basic groceries (63%), dining out (57%) and their cell phones (54%) are now more expensive. Almost half (47%) also report that the cost of adult clothes has increased significantly or moderately due to the HST.

A large majority of British Columbians (89%) say dining out has become more expensive, along with basic groceries (76%), cell phone bills (63%) and adult clothing (61%).

Fewer people in the two provinces are reporting a higher cost for children's clothing (BC 29%, ON 17%) and dry cleaning (24% on both).

Purchasing Behaviour

One-in-five Ontarians (22%) and three-in-ten British Columbians (29%) say they are buying much less than they used to since the HST came into effect.

While two-in-five Ontarians (42%) claim that the HST has not impacted their purchasing behaviour so far, only 28 per cent of British Columbians feel the same way.

Lower Prices?

The two provincial governments have argued that the implementation of the HST will ultimately lead to lower consumer prices. A sizeable proportion of Ontarians (65%) and British Columbians (72%) believe that the total cost of most goods and services that now carry the HST will increase over the next two years.

The likelihood of lower consumer prices down the road rings true for about one-in-twenty respondents in the two provinces (ON 4%, BC 5%).

The Provincial Governments

The Government of Ontario does not get high marks on the way it explained its decision to implement the HST. Only 12 per cent of respondents think it did a good job, with four-in-five respondents (81%) saying it performed badly (36%) or very badly (45%) in this regard.

Still, the numbers are nowhere near the level of animosity that is palpable in British Columbia. Only three per cent of respondents think the BC Government did a good job in explaining its decision to implement the HST. About one-in-five (18%) say their efforts were handled badly, but three-in-four (75%) say the BC Government did a very bad job.

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Analysis

The survey shows that the implementation of the HST has affected the two provinces in dissimilar ways. For Ontarians, most of the pain is coming from the purchase of gasoline and electricity. However, two-in-five respondents report no impact on their purchasing behaviour, and just one-in-four claim to be severely affected by the HST.

In British Columbia, which does not have to deal with heftier gas or electricity bills, the negative reaction to the tax appears to be deeper. Three-in-ten British Columbians say the HST has severely affected the finances of their household, and three-in-five have already modified their purchasing behaviour. The public is almost universal in panning the way the tax was implemented and explained by the provincial administration.

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Harmonized Sales Tax

On July 1, the HST was implemented in [Ontario / British Columbia]. Now that a few weeks have passed with the new tax, which of the following statements comes closest to your own personal experience?

	ONTARIO 	BRITISH COLUMBIA 
The HST has severely affected the finances of my household	24%	31%
The HST has moderately affected the finances of my household	43%	37%
The HST has slightly affected the finances of my household	23%	23%
The HST has not affected the finances of my household at all	7%	9%



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Harmonized Sales Tax

Thinking now about specific purchases and expenditures, how has the HST impacted the cost of the following in your experience? – “The total cost has increased significantly” and “The total cost has increased moderately” responses listed.

	ONTARIO 	BRITISH COLUMBIA 
Gasoline	79%	n.a.
My electricity bill	80%	n.a.
Dining out	57%	89%
Dry cleaning	24%	24%
My cell phone bill	54%	63%
Adult clothing	47%	61%
Children’s clothing	17%	29%
Basic groceries	63%	76%



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Harmonized Sales Tax

Overall, would you say you have modified your overall purchasing behaviour since the HST came into effect?

	ONTARIO 	BRITISH COLUMBIA 
I am buying much less	22%	29%
I am buying somewhat less	36%	42%
I am buying somewhat more	0%	0%
I am buying much more	0%	0%
The HST has not impacted my purchasing behaviour	42%	28%



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Harmonized Sales Tax

The provincial government has argued that the implementation of the HST will ultimately lead to lower consumer prices. Do you expect the total cost of most goods and services that now carry the HST to increase, stay the same or decrease over the next two years?

	ONTARIO 	BRITISH COLUMBIA 
Increase	65%	72%
Stay the same	25%	18%
Decrease	4%	5%
Not sure	6%	5%



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All things considered, would you say the provincial government did a good job or a bad job in explaining its decision to implement the HST?

	ONTARIO 	BRITISH COLUMBIA 
Very good job	0%	0%
Good job	12%	3%
Bad job	36%	18%
Very bad job	45%	75%
Not sure	7%	4%

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Angus Reid Public Opinion is a practice of Vision Critical—a global research and technology company specializing in custom online panels, private communities, and innovative online methods. Vision Critical is a leader in the use of the Internet and rich media technology to collect high-quality, in-depth insights for a wide array of clients. Dr. Angus Reid and the Angus Reid Public Opinion team are pioneers in online research methodologies, and have been conducting online surveys since 1995

Vision Critical is now one of the largest market research enterprises in the world. In addition to its five offices in Canada—located in Vancouver, Calgary, Regina, Toronto, and Montreal—the firm also has offices in San Francisco, Chicago, New York, London, Paris and Sydney. Its team of specialists provides solutions across every type and sector of research, and currently serves over 200 international clients.

Angus Reid Public Opinion polls are conducted using the Angus Reid Forum (www.angusreidforum.com), Springboard America (www.springboardamerica.com) and Springboard UK (www.springboarduk.com) online panels, which are recruited via an industry-leading process that incorporates a high-quality, multi-streamed approach and an in-depth screening procedure.

The panels are highly engaged communities with industry leading response rates and are researched with state-of-the-art sampling techniques, combined with deep profiling on demographic, behavioural and attitudinal characteristics. These premier online survey platforms present respondents with highly visual, interactive, and engaging surveys, ensuring that panel members provide thoughtful and reliable responses. Each survey is actively sampled and weighted to model that characteristics of the universe required and employs the latest in quality control techniques to ensure data validity.

Since 2006, Angus Reid has covered eight provincial elections in Canada—more than any other pollster in the country—and the results have accurately predicted the outcome of each of these democratic processes.

Angus Reid, the only public opinion firm to exclusively use online methods to follow the views of the electorate during the 2008 federal campaign, offered the most accurate prediction of the results of Canada's 40th election. More information on our electoral record can be found at:

<http://www.visioncritical.com/record-of-accuracy>

More information on the way Angus Reid conducts public opinion research can be found at <http://www.visioncritical.com/what-we-do/practices/angus-reid-public-opinion/>

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**For more information, please contact
our spokesperson listed in the footnote.**

Copies of this poll are available on our website:

<http://www.visioncritical.com/category/global-opinions-and-trends>

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