

Foundations of Governance: Municipal Government in Canada's Provinces

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Common template

- Authors look at:
 - Structures
 - Functions
 - Finance
 - Provincial oversight
 - Demography
 - Political culture and elections
 - Municipal organizations
- Today I'm looking at finance only

Comparing provincial financial data

- Must rely on Statistics Canada Financial Management System (FMS)
- FMS data are not without problems and many choices must be made
- We decided to use data from 1995-2004 (last year for which data was final at time of publication)
- Municipalities shown as running deficits because capital costs included in year of expenditure
- I'll insert more recent data about federal grants

What does financial data tell us about the Canadian municipal system?

- Ontario is a distinct society!
- Ontario municipalities have more functions, spend more money, and receive more transfers than municipalities in any other province
- Financial data for Ontario and Rest of Canada (ROC) best analyzed separately because of heavy Ontario impact on aggregate Canadian numbers

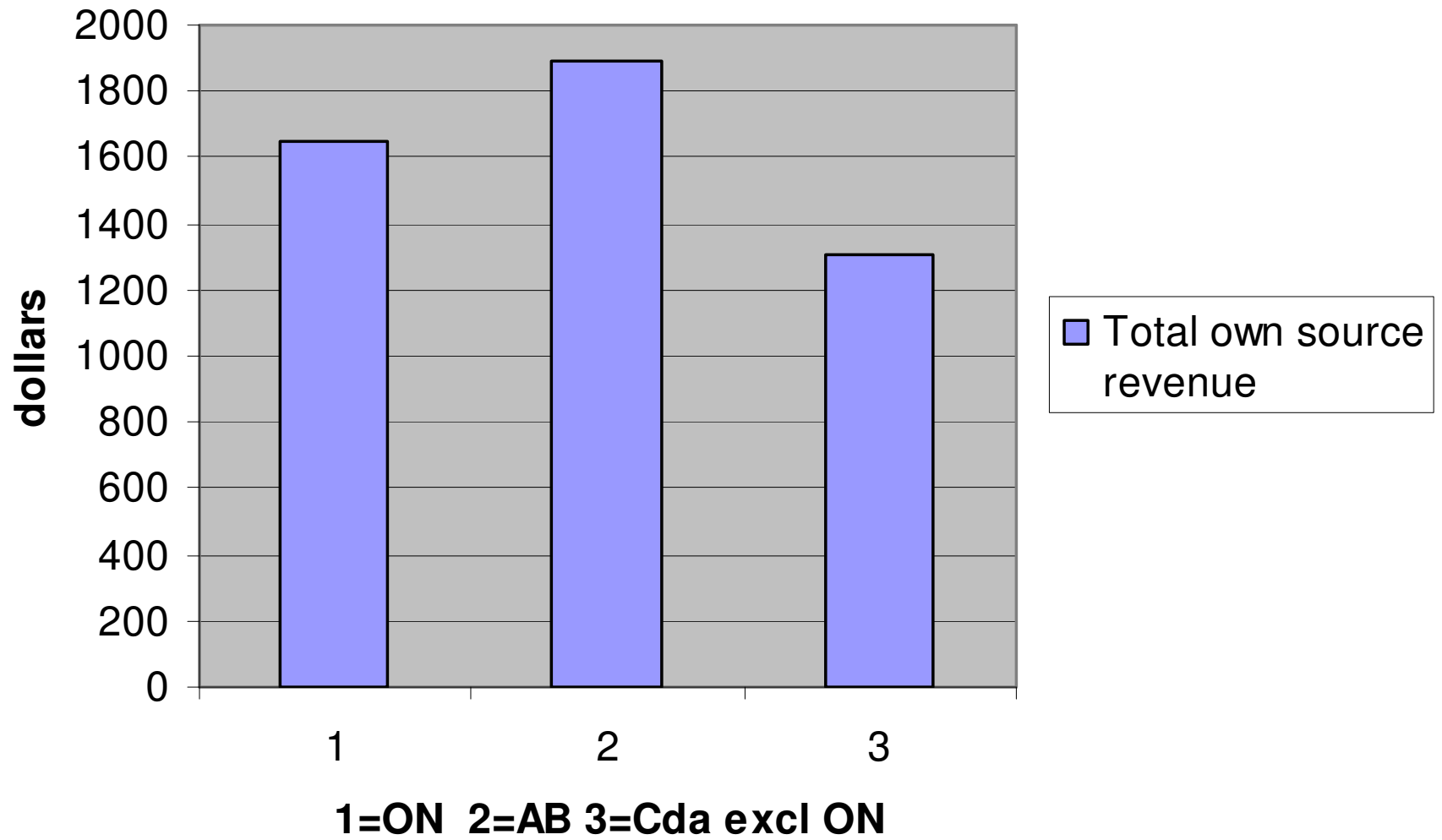
Why the following charts?

- Constructed from our comparative provincial data
- NOT comprehensive – designed to show types of revenue and expenditure which highlight Ontario's distinctiveness or otherwise depart from the norm
- The norm is that Ontario and Alberta raise more revenue and have higher expenditures across most reported categories

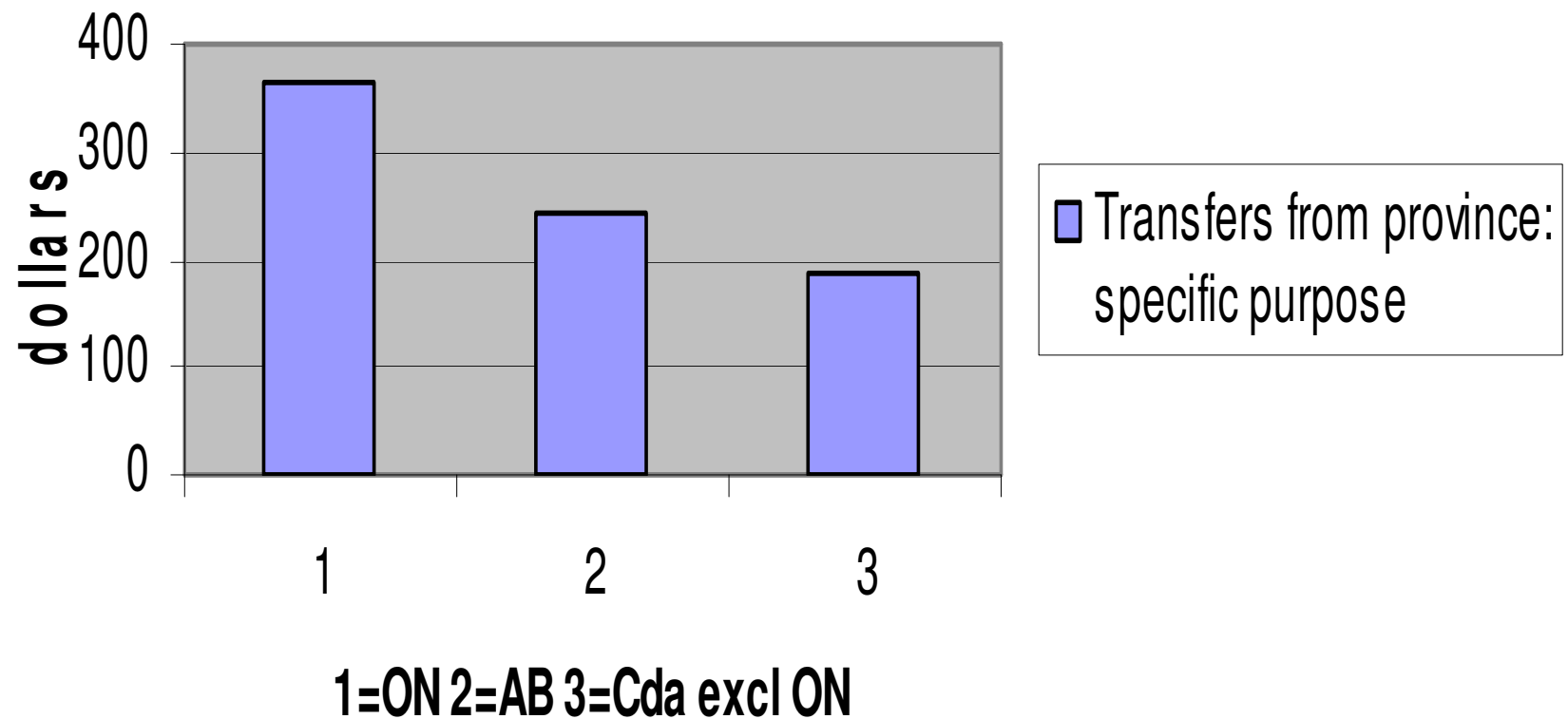
What's in the following charts?

- All numbers are dollars per capita in 2004 as reported for “local general governments” (i.e. municipal governments including associated commissions, but not school boards) and include both current and capital expenditures
- Column 1 is always Ontario (ON)
- Column 2 is the province with the highest dollar value, other than Ontario
- Column 3 is the Canadian aggregate, with Ontario excluded

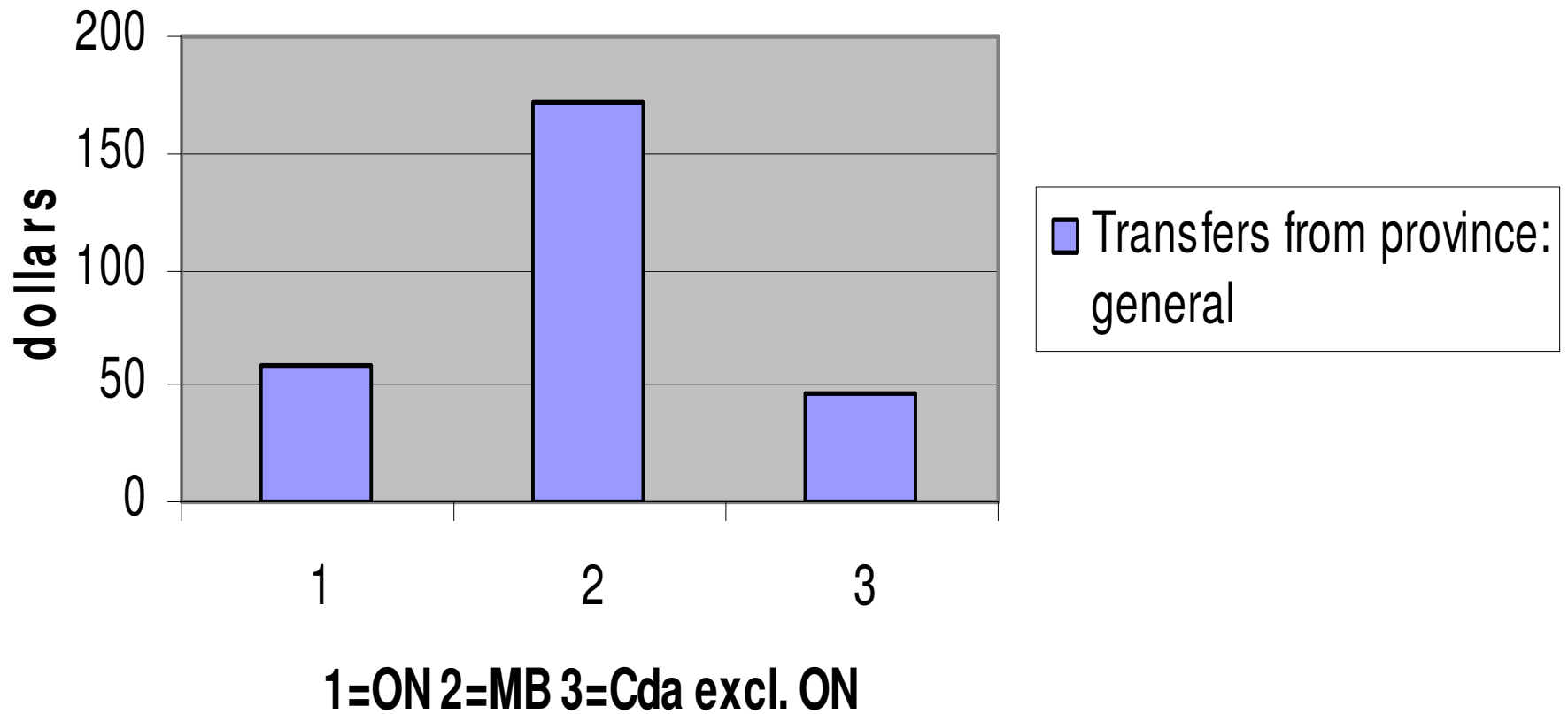
Total per capita own source revenue, 2004



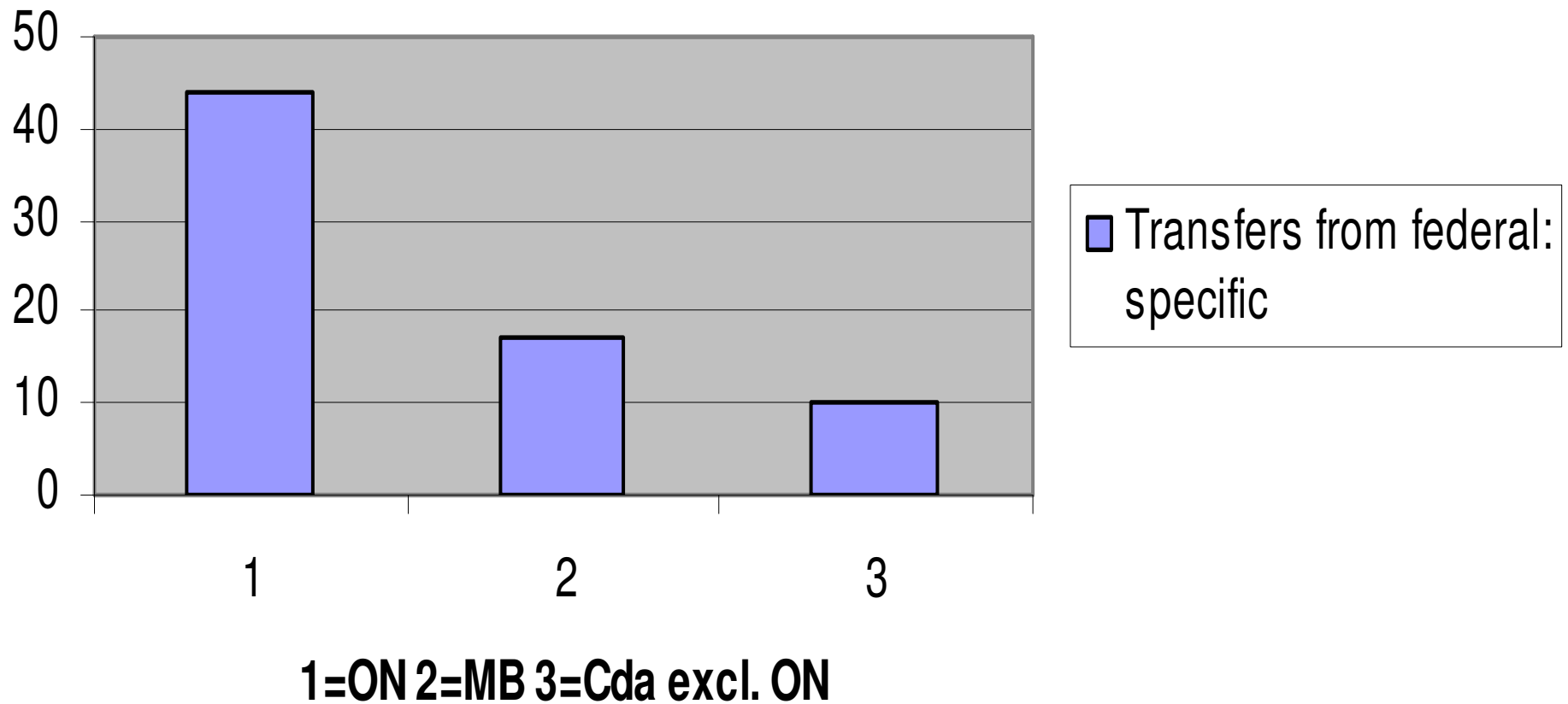
Transfers per capita from province: specific purpose, 2004



Transfers per capita from province: general , 2004



Transfers per capita from federal: specific, 2004

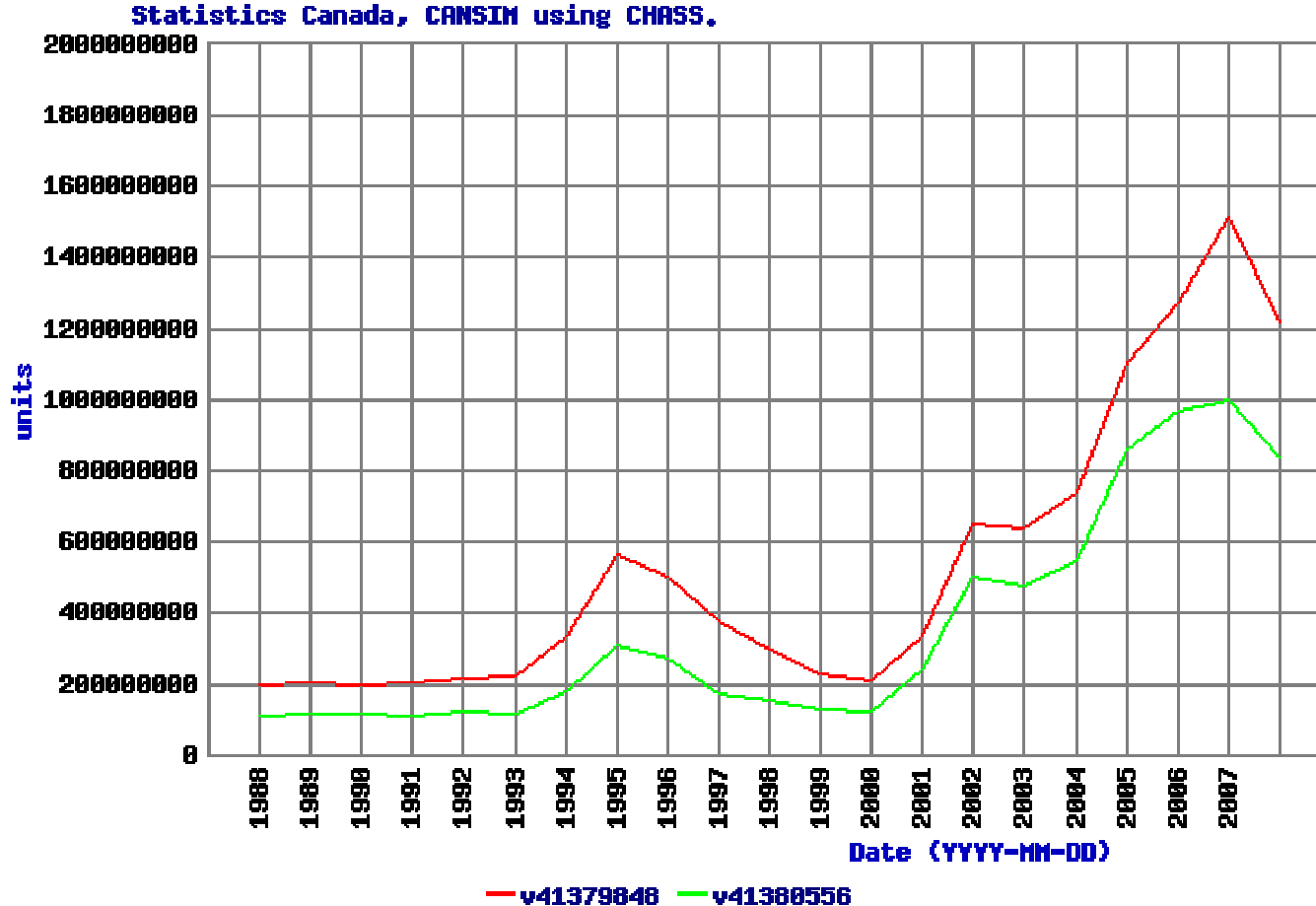


Federal transfers to Ontario

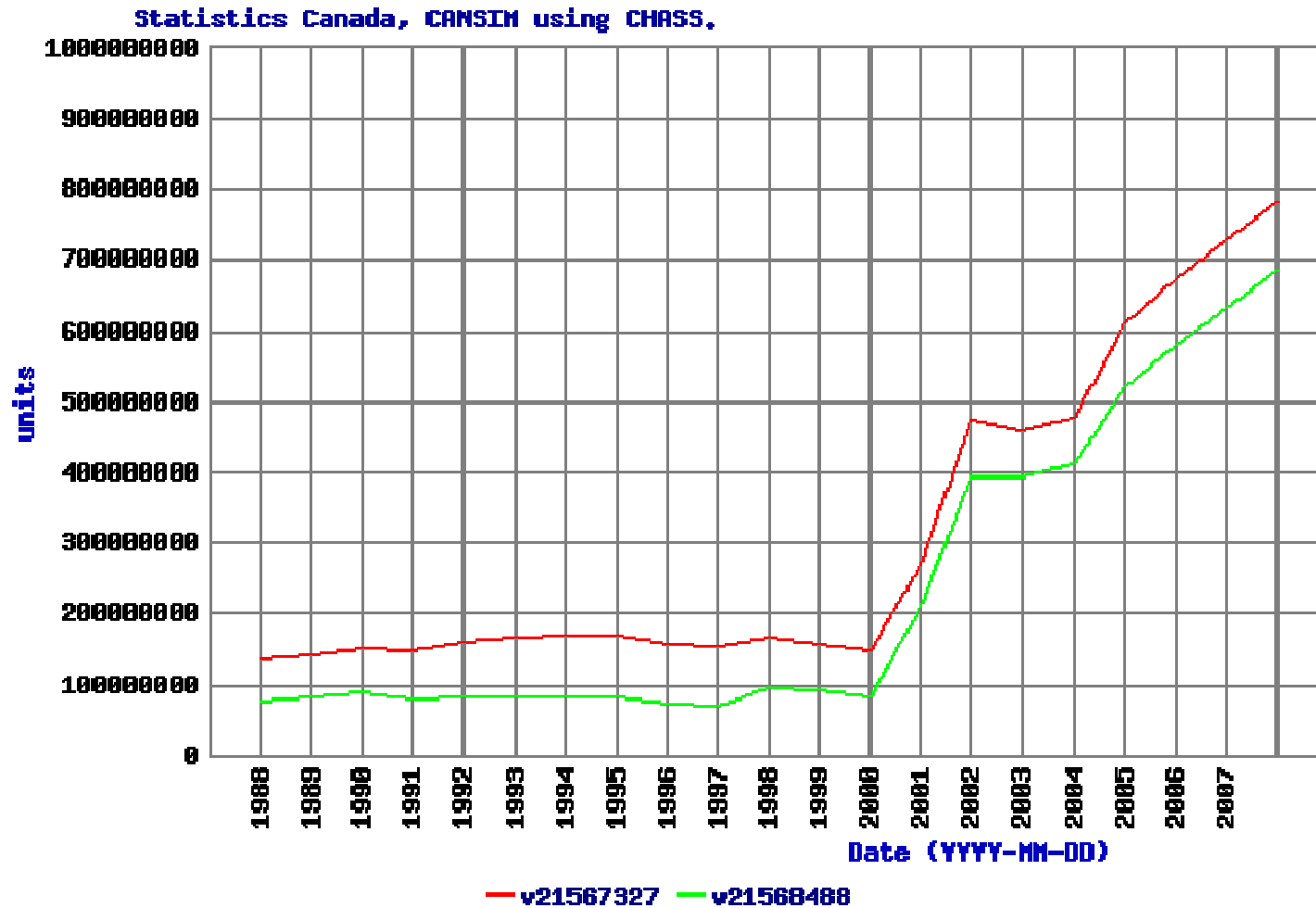
- Preceding slide so surprising I decided to do some updating with more recent data from same data set
- Data from last 3 years are subject to revision by Statistics Canada

Ontario (green) compared to whole of Canada (red)

- Municipal revenue from federal grants

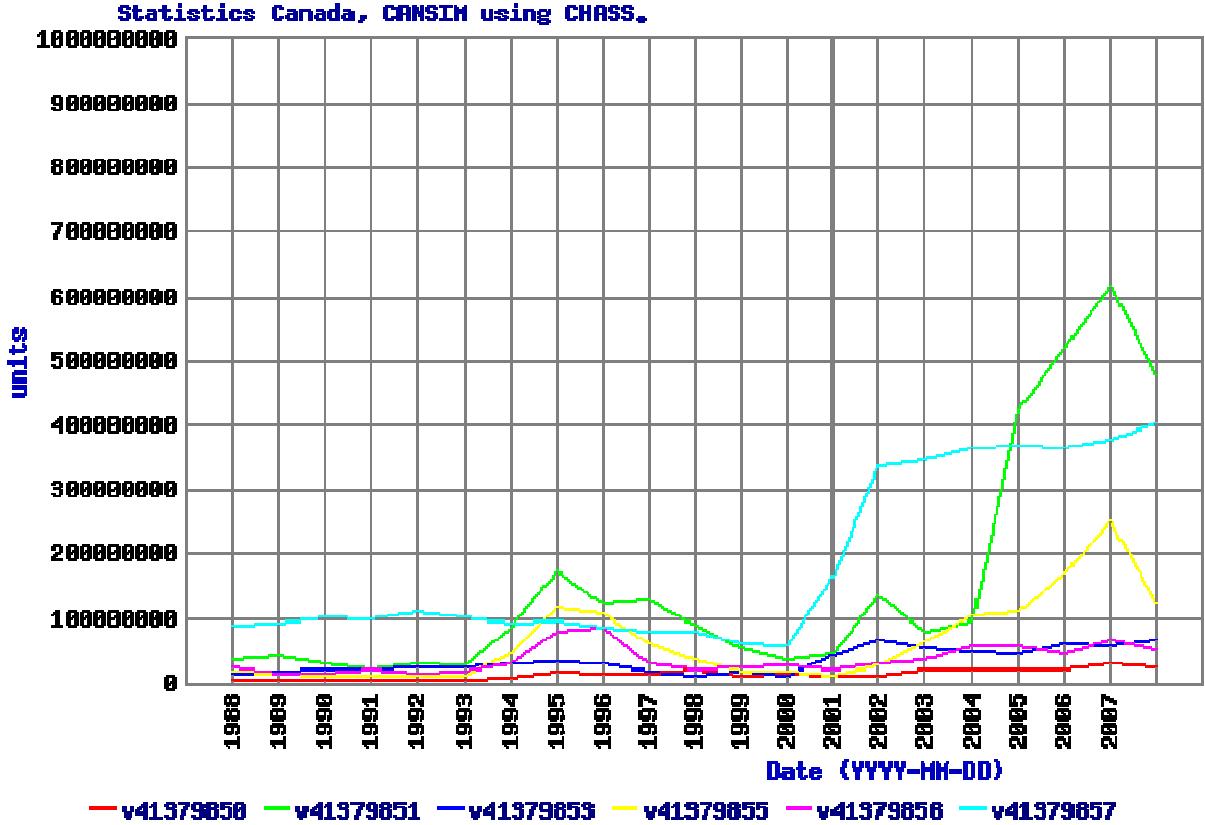


Same as before, but *operating* revenue only

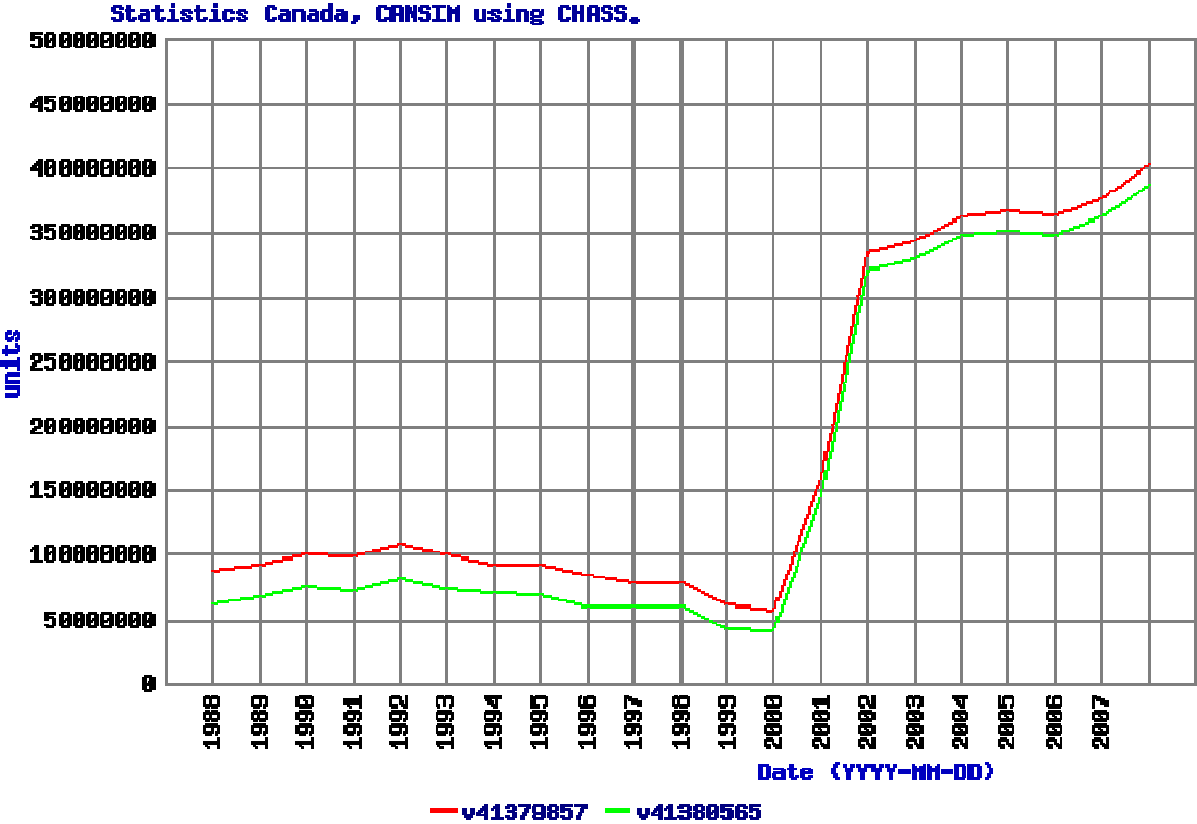


Purpose of federal grants to municipalities for whole of Canada

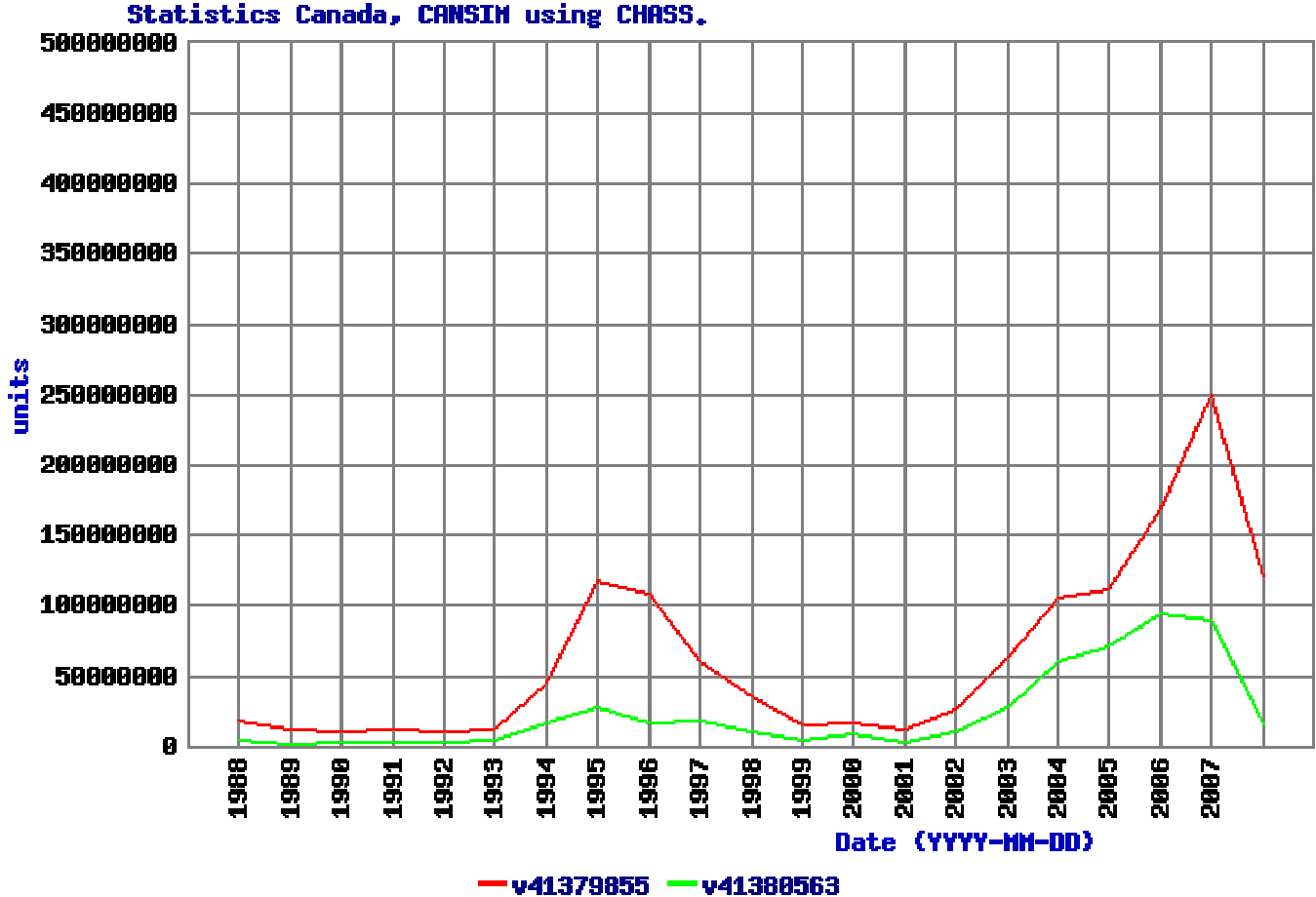
- Green = transportation & communication
- Aqua = Housing
- Yellow = Environment



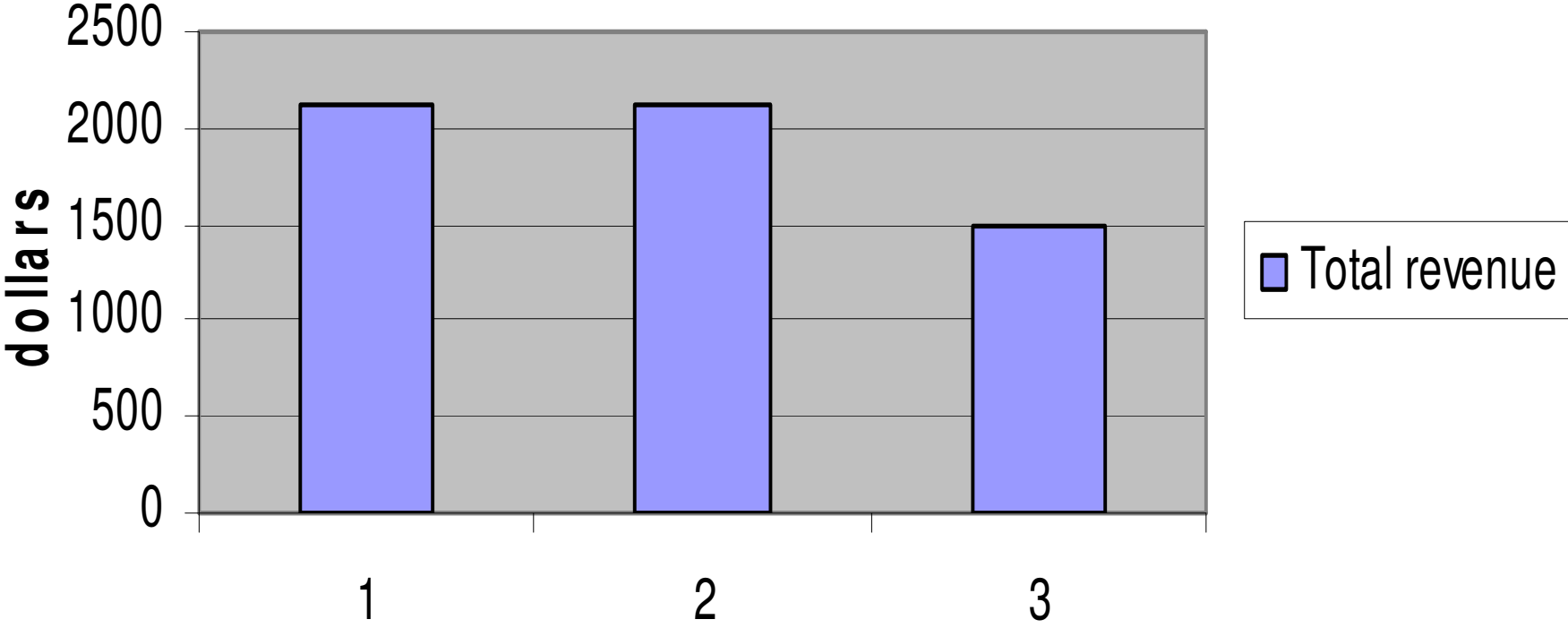
Federal grants to municipalities for housing, Ontario and whole of Canada



Federal grants to municipalities for environmental purposes, Ontario and Canada as a whole

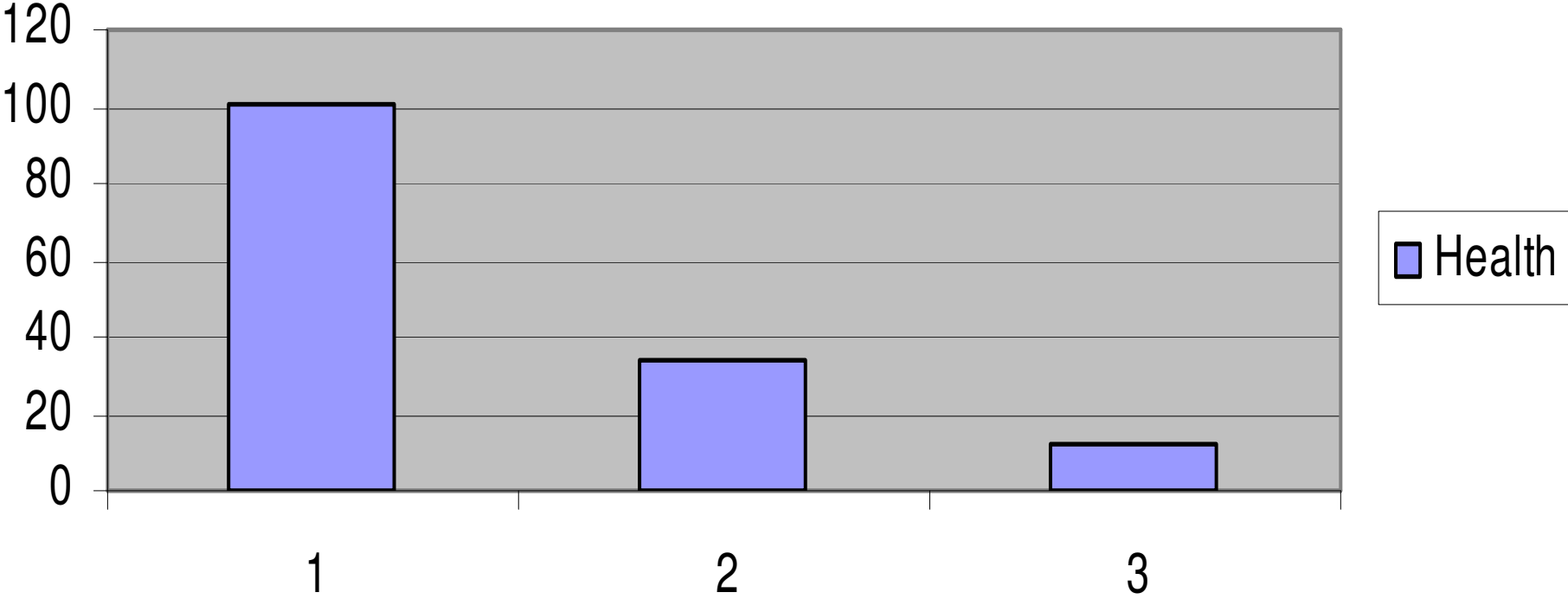


Total municipal revenue per capita, 2004



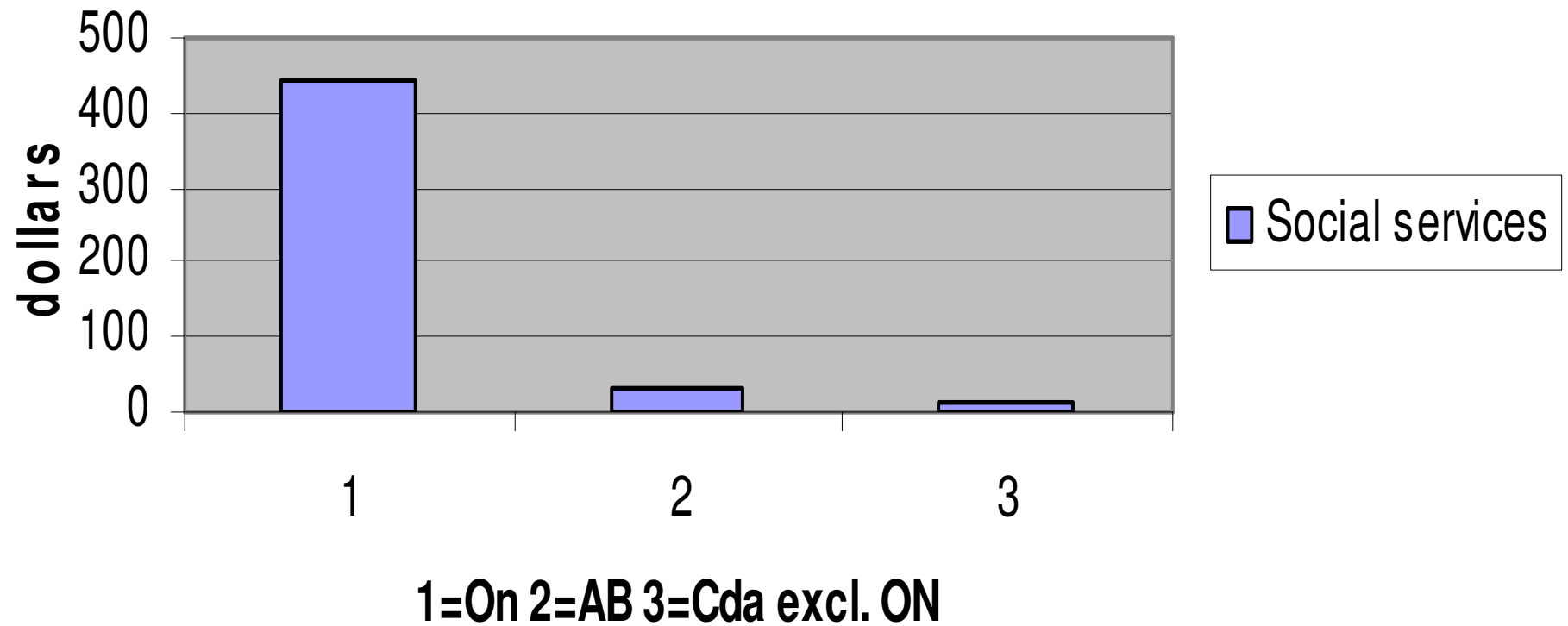
1=On 2=Ab 3= Cda excl. ON

Municipal health expenditures per capita, 2004

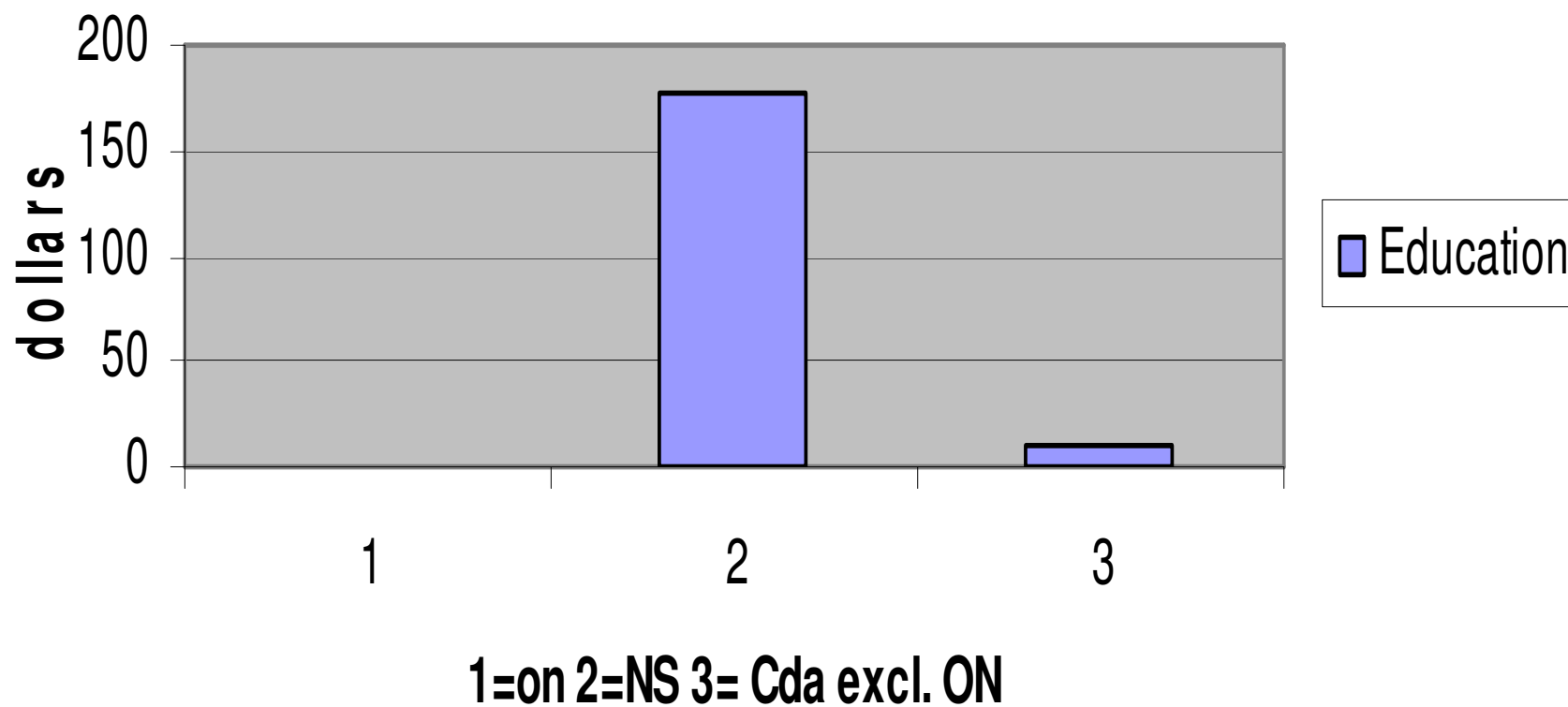


1+ON 2=AB 3=Cda excl. ON

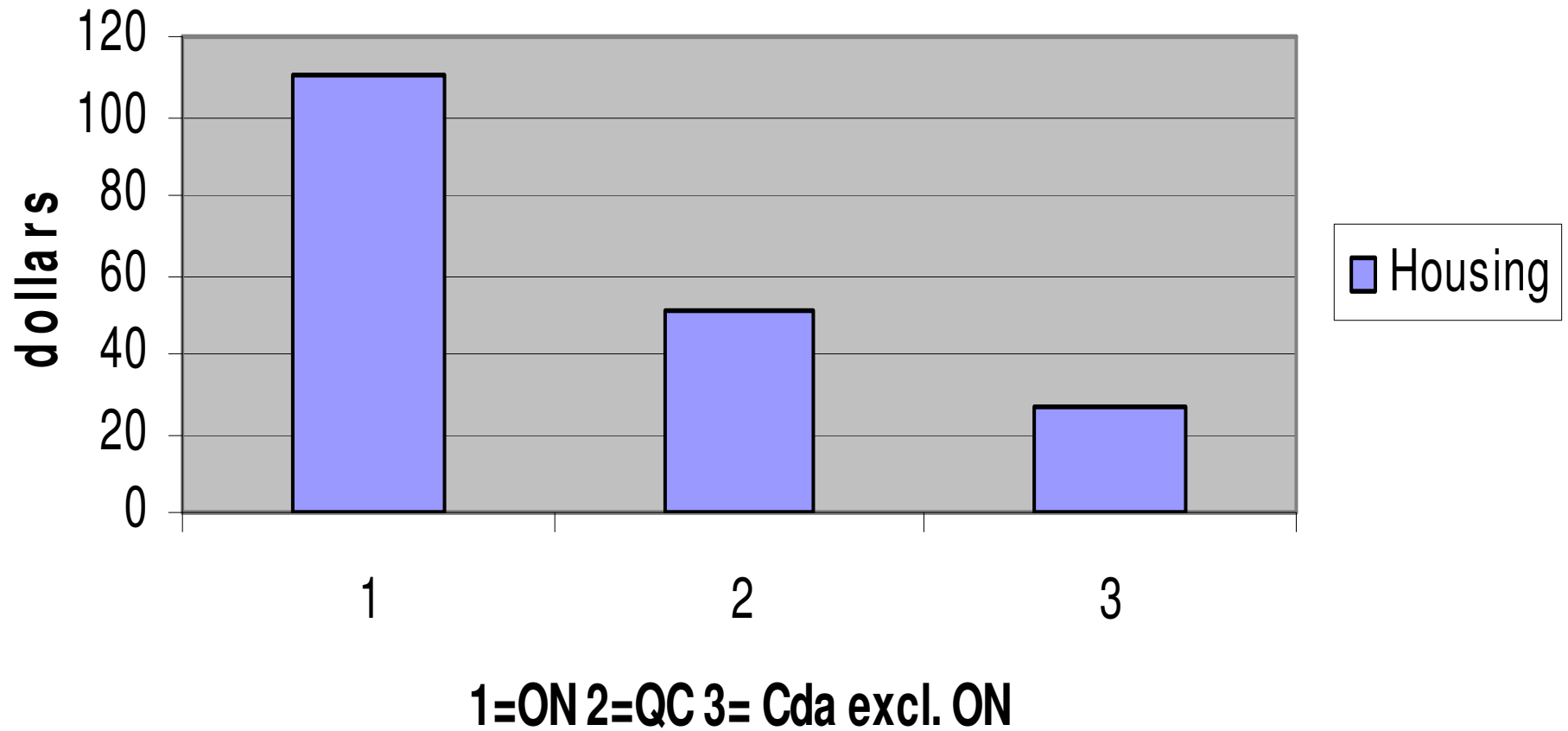
Municipal per capita social services expenditure, 2004



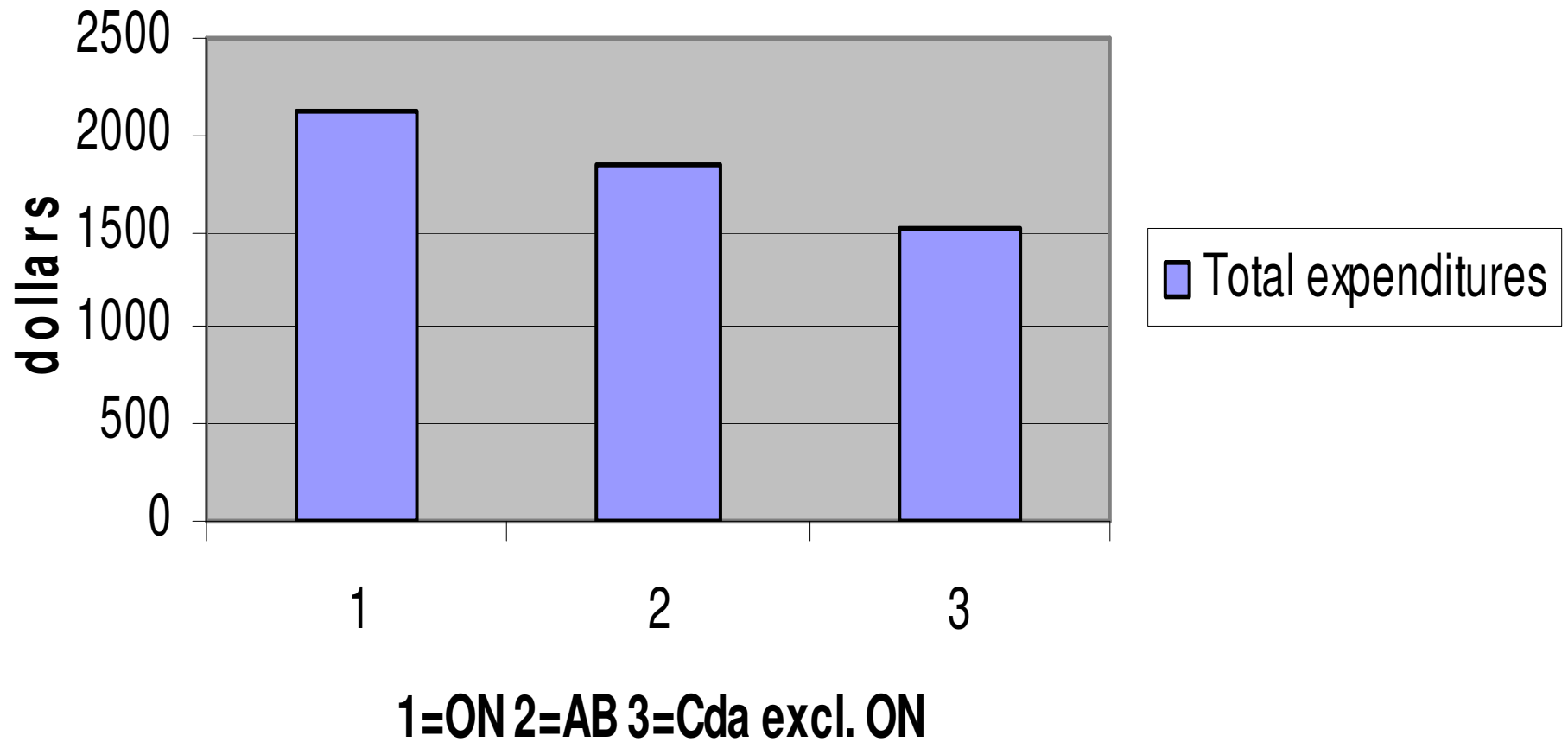
Municipal per capita expenditures on education, 2004



Municipal per capita expenditures on housing, 2004



Total per capita municipal expenditures, 2004



Other distinctive Ontario features

- Heavy hand of province in planning matters, especially the new “Places to Grow” policy for the “Greater Golden Horseshoe”
- All municipal planning decisions subject to appeal to a quasi-judicial tribunal (OMB) having extensive authority to over-rule municipal decisions (no “special status” for Toronto concerning the OMB)

Conclusions for Ontario

- Ontario municipalities are genuinely multi-functional, but heavily influenced by provincial policies, controls, and conditional funds
- Their multi-functionality attracts an otherwise disproportionate share of federal funds for municipalities

Conclusions for Rest of Canada

- ROC municipalities are specialists in the built environment and in providing security (police and fire) for people and property
- In making decisions for the built environment, they have considerably more autonomy than Ontario municipal governments