

WATERLOO CHRONICLE

The challenges facing Canada's growing cities

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Last week our chamber was fortunate to host Gord Hume, one of Canada's foremost authorities on all matters related to municipal government, for an interesting discussion on cities at the Waterloo Inn.

Hume is a former broadcasting executive who worked in the Waterloo Region market early in his career.

He also served on London City Council for four terms, taught at Conestoga College, and was president of the London Chamber of Commerce.

His presentation noted that in 2007, for the first time in world history, more people were living in cities than in rural areas.

Across Canada, four of every five residents reside in urban centres.

By 2050, three quarters of the global population will be city dwellers, which leads to significant concerns over basic services such as water and food supplies.

In the Canadian context, the key issue within the current fiscal arrangements between federal, provincial and municipal levels of government is, as Hume described, the ability to build 21st century cities when we are burdened with a 17th century tax system and a 19th century governance structure.

He provided a quote from Calgary Mayor Naheed Nenshi that the current property tax system is regressive, feudal and medieval, and does not provide municipalities with the revenues to meet their basic level of service demands.

Furthermore, municipalities receive 8 per cent of Canada's tax dollars, while the remaining 92 per cent is shared by Ottawa and the provinces.

This model is not sustainable.

Hume also cited a series of new revenue generators that could, with the approval of the upper levels of government, provide assistance to municipalities.

They include the land transfer tax, which the province of Ontario recently decided should not be extended outside Toronto, road tolls, a local gas tax, more user pay programs, tax-free municipal bonds, and a local sales tax.

On the infrastructure portfolio, Hume provided interesting statistics showing the ownership of infrastructure between 1955 and 2011.

The significant development is municipalities nearly doubling ownership from 27 to 52 per cent, another indication of increasing responsibilities being placed on them without the financial resources for support.

Also, due to these rising fiscal pressures on cities, the traditional one-third, one-third, one-third model of cost sharing is not sustainable.

Hume left the audience with the challenge of formulating solutions to the problems ahead.

Not only is the cooperation of the federal government and provinces required, but so is full participation from business, educational institutions, and engaged residents interested in the future of their communities.

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Ian McLean is president and CEO of the Greater K-W Chamber of Commerce.