



Media Release

FOR IMMEDIATE RELEASE – February 13, 2024

A More Prosperous Ontario Demands a Modern Provincial-Municipal Fiscal Partnership

Southwestern, Ontario — The Western Ontario Wardens Caucus (WOWC) joins the Association of Municipalities of Ontario (AMO) in calling on the province to commit to reviewing the provincial-municipal fiscal framework as part of the upcoming provincial budget.

In early January, AMO, a non-profit organization representing almost all of Ontario's 444 municipal governments, highlighted the need for a Social and Economic Prosperity Review as part of its Pre-Budget Submission to the Standing Committee on Finance and Economic Affairs.

Municipalities provide infrastructure and critical services that are central to Ontario's economic prosperity and quality of life, investing more than \$60 billion annually in communities. The fiscal framework that municipalities rely on to deliver infrastructure and services is broken – failing residents, small businesses, and major industries. Unlike the province, municipal revenues do not grow with the economy or inflation. New realities, including the pressures of growth, economic factors like inflation and interest rates, social challenges, and provincial policy decisions are pushing municipalities to the brink.

The WOWC joins AMO in calling on Premier Ford to do what taxpayers expect – work together with municipal governments to modernize this partnership and build a solid foundation for economic and social prosperity that is fair and affordable for taxpayers.

“We support and amplify the call by AMO for a review of the provincial-municipal fiscal framework. This review is critical to address the outdated financial arrangements burdening municipalities, ensure fairness for taxpayers, and enable crucial investments in infrastructure and social services, not just in Western Ontario but province-wide,” said Glen McNeil, WOWC Chair. “It's time for meaningful change, one that supports the well-being and prosperity of our municipalities and all Ontarians, requiring collaborative efforts between local governments and the province for its achievement.”

Last adjusted in 2008, a review of provincial-municipal financial arrangements is long overdue. Municipalities continue to subsidize the provincial treasury by almost \$4 billion each year by paying for provincial responsibilities such as social housing, long-term care, public health, childcare and social services. Ontario's property taxes are already the second highest in the country, while provincial spending per capita is the lowest in Canada. Property taxpayers, including small business owners and seniors on fixed incomes, can't afford to keep paying provincial costs.

As Ontario grows, major investment in essential municipal infrastructure is required to achieve the province's ambitious target of building 1.5 million new homes by 2031. However, Bill 23 created a \$1 billion annual hole in municipalities' ability to fund this foundational new infrastructure that will help our province grow.

"Ontarians expect governments to work together and respect tax dollars. Local governments need help to address affordability, invest in infrastructure and the economy, and tackle social challenges like increasing homelessness. Working together, AMO believes that the province and municipalities can build a better Ontario," said AMO President Colin Best.

Ontario's provincial and municipal governments have a strong history of collaboration. The WOWC and AMO believe the time is right for a province-wide conversation where municipalities and the province come together to promote the stability and sustainability of municipal finances province-wide.

About

The ***Western Ontario Wardens' Caucus (WOWC)*** is a not-for-profit organization representing 15 upper and single-tier municipalities in Southwestern Ontario, representing more than 1.5 million residents. The WOWC aims to enhance the prosperity and overall wellbeing of rural and small urban communities across the region. Caucus members work collectively to influence federal and provincial legislation and programs through advocacy, research, analysis, and education. For more information, visit www.wowc.ca.

Media Contact

Kate Burns Gallagher, Executive Director
kate@wowc.ca
519-495-6059