

POLICY & LOBBYING

FISCAL BALANCE

The issue of fiscal balance consumed a substantial amount of lobbying time and effort last year. It is an ongoing concern for municipalities nationwide and is currently the top concern of the AMM. What is fiscal balance? Essentially, fiscal balance occurs when each order of government is able to provide the services required within their jurisdiction and pay for those services with revenue generated by the appropriate order of government.

Municipal government has taken on additional responsibilities for the betterment of the local community. Currently municipalities have been required to take on a number of responsibilities stemming from The Water Protection Act and The Drinking Water Safety Act. Yet there are limits to how much municipalities can do with their current revenue streams. “Municipalities are now expected to do more—because of offloading from other orders of government, increased global competition for human capital, and rapid growth—with the same limited revenue tools they have been using since the 19th century” (FCM, 2006).

Strong communities are the foundation of a strong province and country. The AMM advocates for municipal governments to look at ways of improving how they do business to ensure strong, sustainable communities across Manitoba. We hear firsthand the challenges communities face and see the implications provincial actions have on municipalities. We believe it is time to take a closer look at the resources available to municipalities and take stock of the roles and responsibilities of municipal government in Manitoba.

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The AMM has brought forward the issue of fiscal balance at the 2006 AMM Convention through an informative plenary session with Enid Slack. Fiscal balance was also discussed at our annual Cabinet meeting, Lobby Days and Provincial Ministers meetings. A presentation on it was given to the Standing Senate Committee on National Finance and to the Provincial/Territorial Ministers responsible for

Local Government. The FCM has also assisted in coordinating a nationwide study on the roles, responsibilities and resources of municipal governments to assist in lobbying efforts. This project will assist the AMM in strengthening our

lobbying position with the Provincial and Federal Governments.

Fiscal balance is an ongoing concern for municipalities in Manitoba. The AMM believes that Manitobans and Canadians are paying enough tax to support municipal, provincial and national services. However, there needs to be an equitable sharing of the revenues and a rational distribution of responsibilities among all orders of governments.

Municipalities are not asking for a handout, but rather for a long-term partnership that serves the needs of all Canadians. Fiscal balance will remain a top priority for the 2007/08 year in order to ensure that municipalities in Manitoba are working toward a fair system of revenue distribution. The AMM will continue to work in coordination with the Federation of Canadian Municipalities and the Provincial and Federal Governments in search of fiscal balance for all municipalities.

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