

Sharing the Wealth for a Strong and Prosperous Canada: *A Proposal to the Government of Canada for Sharing Revenues with Canada's Big Cities*

In June 2006, the Big City Mayors' Caucus (BCMC) released its report, *Our Cities, Our Future*, and clearly articulated its position concerning the engagement of the federal government in the cities' agenda. The BCMC presented three recommendations which would effectively assist Canada's cities in meeting their municipal obligations, while at the same time enable them to continue to contribute to the economic prosperity of their provinces/territories and the nation as a whole:

1. Encourage all orders of government to work together to re-align roles and responsibilities with appropriate resources;
2. Establish a national transit strategy, and
3. Provide Canadian cities with access to long-term, predictable sources of revenue that grow with the economy.

Since the release of its paper, the BCMC has been working to actualize these recommendations with concrete actions for engaging the federal government.

- Provincial and municipal investments are being made toward a re-alignment of roles and responsibilities with appropriate resources.
- In February 2007, the BCMC prepared and submitted a proposal to the federal government for the establishment of a national transit strategy.
- Now, the BCMC has developed a proposal for Canada's cities to gain a share of federal revenues that grow with the economy.

The BCMC's proposal, *Sharing the Wealth for a Strong and Prosperous Canada*, calls on the Government of Canada to share annually the equivalent of one cent of the Goods and Services Tax (GST) revenues with Canada's cities. This represents approximately \$5 billion for all municipalities and \$2 billion for BCMC member cities.

Such an investment in Canada's cities would greatly assist local governments in addressing many of the challenges they are currently facing, such as: rapid urbanization, ageing and insufficient infrastructure, growing responsibilities, increasing social and environmental pressures, and the lack of sufficient financial resources.

For cities to be sustainable, not only fiscally, but socially and environmentally, they require a more diverse combination of revenue tools to meet their growing needs. Combined with existing federal spending, the BCMC believes sharing the equivalent of one cent of the GST and the implementation of a National Transit Strategy will go along way in ensuring the sustainability of Canada's cities.

The BCMC looks forward to working with the Government of Canada and the provinces in securing the implementation of this proposal.