Fiscal Distress and the Local State:

Neoliberal Urbanism in Canada

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The 'urban question', as it came to be called in the 1970s, is now a central focus of academic study, state planning and political struggle alike (Castells 1977; Harvey 1973). It is impossible to disentangle these concerns with today's 'urbanized world', in all its myriad of social forms, from meta-cities to ex-urban sprawl, from the political economy of capitalist development. In *The Communist Manifesto*, Karl Marx and Friedrich Engels early on provocatively implicated urbanization with capitalism – "The bourgeoisie has subjected the country to the rule of the towns. It has created enormous cities…" (1848, 40). There is already here a sense that capitalism produces 'urban space' – concentrated and intensified built environments for the production, circulation and consumption of commodities; vast matrices of transportation and communication networks; enormous tracts of housing refracting class and social divisions; and complex organizational apparatuses for the production of infrastructure and social order. 'Capitalist city' seems an unavoidable term to capture some sense of the economic contradictions and political tensions that are caught up in the urbanization process. The urban theorist Henri Lefebvre insisted that: "There is nothing more contradictory than 'urbanness'. On the one hand, it makes it possible to some degree to deflect class struggles…. On the other hand, the city and its periphery tend to become the arena of kinds of actions that can no longer be confined to the traditional locations of factory or office floor. The city and the urban sphere are thus the setting of struggle; they are also, however, the stakes of that struggle" (1991, 386).

The political economy of urban development now receives an equal measure of global attention and anxiety. With half of the world's population now living in urban locales, the UN-Habitat's *World Cities Report 2016* offers a glimpse of the world-historical transformations. The raw figures are, at times, difficult to fathom: over 500 cities of one million; one in three of the world's population living in slums; the urban conglomeration centred on Tokyo estimated at some 35 million; and meta-cities of 10 million or more becoming something of a commonplace. If the most mesmerizing urbanization developments today are taking place in the 'global south' (with an astonishing variation in settlement patterns and urban forms), North America remains the most urban of the continents with Canada, by some measures, being more urbanized than the United States. The leading urban cores in Canada – Montreal, Toronto and Vancouver – continue to grow demographically, spatially and in density at generous clips. The Greater Toronto Area, Canada's meta-city, now has a population pushing toward some 7 million, growing steadily at over 100 thousand per year, with its urban armatures stretching hundreds of kilometers in all directions from the shores of Lake Ontario (Table 1).

[Table 1 Canada's Largest Cities Insert Here]

The territorial demarcation of the urban landscape is, in consequence, thoroughly blurred. The old division of rural-urban (which traditionally dominated both urban studies and Canadian political economy) has lost meaning from the *extension* of the urban across geographical space alongside the *intensification* of built space within urban centres. The thesis that capital accumulation produces urban space is, even if a general abstraction, foundational to any adequate understanding of cities. It is, however, still necessary to investigate the particularities of the spatial and temporal forms and patterns of urban political economy today. This initially can be captured in the transition, as David Harvey (1989a) first termed it, from a postwar Keynesian 'managerial urbanism' to the 'neoliberal city' of the last decades. This is, on the one hand, a particular historically-situated abstraction positing a socio-spatial shift from the 'national-local' to the 'global-national-local' as capital restructured its patterns of accumulation and reproduction. On the other, it is a set of specific contentions about the circulation of capital as it traverses and fixes urban space and the remaking of the modalities, apparatuses and capacities of local states. The terms 'neoliberal urbanism' and 'urban austerity' (the latter term focusing on the mutation of the 2008 financial crisis into new urban policy mandates) identify the production of particular built environments and urban planning practices. This does not mean – as neoliberal rhetoric suggests – a withdrawal of the state from the 'market' and the urban political economy. Rather, the terms signal the need to investigate the specific forms of neoliberal urbanism in Canada; and the individual ways the apparatuses of each local state has been subjected to the fiscal disciplines of austerity.

URBANISM AND CAPITAL ACCUMULATION

Capitalist development pits urbanization and growth of the world market in a direct and contradictory relationship. This can be seen in Marx's theory of capital accumulation. The opening section of C*apital* points to the tension. The commodity as a use-value is always particular, worked up from specific resources by the concrete labours of workers embedded in particular social relations and communities. But the commodity as an exchange-value is universal and capitalists seek out the entire world market for its sale. Marx thus directly links local production and world trade: "The production of commodities and their circulation in its developed form, namely trade, form the historic presuppositions under which capital arises" (1867, 247). The particular and the universal, the local and the global, are different dimensions of a capitalist world market.

The dynamics of capital accumulation directly shape the built and natural environments of the urban political economy. The accumulation of capital leads to an intensification and concentration of the forces of production. The mass of fixed capital put in motion by any individual worker increases in its organic mass, technical complexity and value. The growing organizational complexity of capital depends, in turn, upon a parallel process of 'statification'. As the fixed capital required for factories and offices becomes increasingly intricate, and the technical labour required to staff these facilities also grows, government support for infrastructure, research and development, technical training, financing and regulatory intervention becomes necessary. Government revenues and resources become progressively more mobilized in the interest of accumulating capital for the owners and senior executives of corporations. This is the idea that the accumulation of capital is the production of space as a built environment: capitalism is always urbanization. David Harvey (1989b: 54) has argued that "it is through urbanization that the surpluses are mobilized, produced, absorbed, and appropriated and that it is through urban decay and social degradation that the surpluses are devalued and destroyed." This ever-expansive capitalist logic is also a continual process of differentiation of labour processes, branches of production, working class skills, and state organization, Local capitalisms materialize from these particularities, not as isolated local economies and states, but as part of the value flows of the world market. The power condensed and legitimated in the national state may ultimately set the political parameters, policy fields and fiscal capacities of municipalities, but they cannot avoid operating within and through the local state (Gough 2014).

It is here, in the processes of accumulation, that neoliberal urbanism needs to be situated Brenner and Theodore 2002). Neoliberalism first appeared in the 1970s as a project to break working class resistance to the restructuring of capital and the state. Its economic policy regime can be summarized as 'market-expanding' in its regulatory focus on the market determination of distribution and allocation of output, the internationalization of capital, the monetization of the public sector, and self-regulation by market dependence for economic agents. As with any economic policy regime, neoliberalism forms within particular political strategies and is institutionally mediated within states. Neoliberal policy regulation is always, therefore, uneven and differentiated across political jurisdictions and governance scales, or 'variegated' in the terminology common to urban geography (Hackworth and Moriah 2006; Peck, Theodore and Brenner

2009b). Neoliberalism thus serves as prelude to the fiscal retrenchment of cities and the urban, in turn, the terrain in which neoliberal practices are continually being re-invented.

Neoliberal urbanism speaks to the processes by which local states internalize the transformations of the state economic policy regime in their own forms, functions and modes of administration and, in turn, produce the scales and spaces of neoliberalism. Local economic development strategies, for example, are re-ordered to cultivate locational competitive advantages for attracting investment, for forming financial niches, encouraging tourism, and for building export platforms in the 'new technology economy'. As priority is given to the development departments of the local state, fiscal austerity tends to dominate the redistributive branches and agencies of welfare, housing, transit, and others. In contrast, empowering the policing branches of the local state serves both policy practices: 'law and order' campaigns police the marginalized hit by the cuts in city budgets, while 'property and security' is provided for the investors and the 'creative classes' in the new economy. Neoliberal urbanism can never be reduced to a static policy manual for municipal administration; it is the social form of local rule, of urban governance, under the unrelenting pressure of fiscal constraints and austerity (Peck 2012).

NEOLIBERAL URBANISM IN CANADA

Neoliberal urbanism in Canada can, in some respects, be dated back to the 1970s with the end of the postwar 'Fordist' boom and the political struggles to reorder the matrix of state policies. That more market-oriented policy practices began to break surface on the terrain of the local state in Canada is, in retrospect, not entirely surprising, given the openness to international capital flows and urban development of almost any kind. The federal government abandoned any overseer role in urban development in the 1970s, and housing policy reoriented to increased support for private sector mortgage markets and developers. The provinces also began to push for municipal amalgamations to bring a measure of rationalization to providing services to the sprawling ‘Fordist’ suburbs result from the focus on the car and single-unit dwelling, and to bolster the attractiveness of cities for business investment (Filion and Kramer 2011, 203-07).

Through the 1980s state and industrial restructuring drastically increased the population dependent on welfare. Manufacturing deindustrialization both downsized workplaces and shifted many industrial plants to lower-tax, lower-unionized ‘greenfield’ sites and ex-urban regions. At the same time, financialization led to a huge expansion of the speculative activities and bureaucracies associated with the banking and insurance sectors. With the North American free trade agreements and the increasing inter-penetration of Canadian and U.S. capital, these economic developments intensified, while being steadily replicated across the world market. This led Toronto, Montreal and Vancouver to stake their claim, as argued by Roger Keil and Stefan Kipfer (2003, 335-36), as “world cities” more “transnationalized” than other Canadian cities, with unique “pathways to urbanization”.

In this context, neoliberalism consolidated as the policy framework through the 1990s. Under Prime Minister Brian Mulroney, the federal government began to limit fiscal transfers to the provinces in terms of equalization payments but also the funding of key social programmes. The downloading process accelerated under the Liberals in the mid-1990s with the new Canada Health and Social Transfer withdrawing the federal government from direct funding of many programs as well as reducing overall transfer levels. In turn, provincial governments, freed from federal fiscal constraints and facing increased costs and less revenues, offloaded more programs and funding responsibilities onto the municipalities (Table 2). This included their support to both cities and planning capacities of provincial municipal affairs departments.

[Table 2 Municipal Expenditure Responsibilities, Provinces and Territories Insert Here]

The reorganization of multi-level governance became a pre-occupation of the Canadian state to try re-assign fiscal capacities and policy functions with a neoliberal policy regime oriented to international competitiveness as NAFTA was implemented (Andrew 2003; Donald 2005). The downloading of service provisions and responsibilities from federal and provincial governments to municipalities has been a central neoliberal policy and administrative strategy. It was a means to challenge universal non-market provision of social services, with democratic pressures to advance to higher standards, toward market provided services that are both priced and delivered at lower standards for the average user. This translated into specific policy objectives: the lowering of taxes; the withdrawal of government from providing services and pricing the rest to users as feasible; the lowering of public sector employment; norming public sector wages to lag private sector settlements; and the creation of new profit opportunities for business through privatization contracting-out, and monetization of the local state. Such new policy measures, with their new modes of urban administration, did not merely respond to the new world market configuration. They also shaped a spatial polarization in Canadian cities between inner-city gentrification and professional employment, and outer suburbs of aging residential blocks segmented by race, immigration settlement and precarious service-sector employment (Kipfer and Keil 2002).

As a result of coping with one fiscal crisis after another across the scales of the Canadian state since the 1980s, a vast underfunding of infrastructure exists in Canada, particularly in housing and transit, but extending from urban forestry to social support facilities, In the leading cities, the shortfalls can be dramatic given the increasing demands from a booming population. With finance strapped from transfer cuts, and competitive pressures on the existing property tax base, municipal budgets increasingly depend upon development projects of all kinds to generate charges and to widen the tax base. Provincial states aided this process by deregulating municipal planning controls while leaving regional planning and governance ineffectual. This ‘competitive city’ politics is further promoted, as mapped out by Gene Desfor and his colleagues (2006), by new modes of neoliberal planning – marketization of the local state; discretionary implementation of urban design, zoning and density bylaws; business-dominated urban development corporations; subsidized knowledge industry clusters; and others. These market-expanding policies assist the developer-led boom in the inner-cities in the name of densification and ‘smart growth’, while also encouraging suburban subcentres to concentrate malls and offices and massive new housing tracts pushing against – and often breaching – ‘green belts’ meant to border in development. Smart growth planning across Canada often looks just like more development for the assessment charges are crucial to cover the fiscal distress of municipal budgets.

This fiscal bind has led to many calls for a new urban agenda for Canada. In the early 2000s, then Prime Minister Paul Martin proposed a 'new deal for cities'. It was hardly visionary. It included some minor sharing of gas tax revenue to support public transport, and recycling commitments to social housing and public infrastructure. The quick ouster of Martin from office let even these modest proposals fall to the side. The Conservatives under Prime Minister Stephen Harper did next to nothing about urban issues, seeing this in strict constitutionalist terms as a matter of provincial jurisdiction. The Conservatives preferred one-off bilateral deals between the federal government and individual cities to support a specific project, such as supports for spectacle architecture projects or world sporting events, or a public transit line here and an urban regeneration project there. None of this was remotely adequate to the build-up of problems from neoliberal urbanism (Boudreau, Keil, and Young 2009). As the case studies from Toronto, Montreal and Vancouver below show, the asymmetrical distribution of fiscal powers and services responsibilities assigned to municipalities in the Canadian state system has led to demands for concessions from city workers, the deterioration of Canada's municipal infrastructure, and cuts to social services notably to the erosion of affordable housing stock.

THE FISCAL CONSTRAINTS OF URBAN GOVERNANCE IN CANADA

The Constitution Act 1982, established both the exclusive and shared distribution of federal and provincial powers and responsibilities. Although judicial interpretation and economic developments would later weaken the strong federated model that confederation had envisaged, under Section 92(8) of the Act, "municipal institutions" fell under the exclusive power of provincial legislatures. In this way, municipalities were understood to be “creatures” of provincial governments, which had the legislative power to create, modify or eliminate a local government at will (Dewing et al. 2006). Each provincial government was – and remains – able to determine which powers a local government is entitled or responsible to execute, such as basic social services provisioning or forms of revenue generation. As well, legislation governing municipal employment falls under the purview of provincial private sector labour relations statues. Although specific responsibilities differ across the provinces, municipalities provide a range of services essential to the social, economic and cultural well-being of municipalities. This includes general government services, policing, fire and emergency medical services, road and street maintenance, public transit, preventative health care, social assistance, water purification and supply, sewage and waste collection and disposal, recreation and culture, as well as regional planning and development. In some cases, this also includes courts of law, social assistance agricultural services, and social housing.

However, compared with governance structures across the Organization for Economic Cooperation and Development (OECD), Canadian municipalities are amongst the most restricted in terms of local autonomy and decision-making powers. This is particularly true when one considers the absence of relative fiscal independence with that found in other jurisdictions (Table 3). Whereas property taxes account for 36 percent of municipal revenues across the OECD, in Canada they account for more than half. The Nordic countries, Germany and Switzerland, receive over 90 percent of their tax revenue from income taxes, while Hungary and the Netherlands collect between 50 and 75 percent of local revenue from various sales taxes. The same is true in France, Japan, Korea and the U.S. where sales taxes comprise about 20 percent of local revenue. Yet, income and sales taxes are largely prohibited across Canadian municipalities (FCM, 2012). The result is an asymmetric assignment of responsibility and power, with municipalities largely tasked with providing services in the absence of adequate fiscal capacities.

[Table 3: Municipal Tax Measures Across Canadian Provinces Insert Here]

Despite a range of forms of revenue generation, Canadian municipalities remain largely dependent on transfers and revenue generated from taxing property and development. As a percentage of own-source property tax revenues, this ranges from a low of 53 percent in Manitoba to a high of 76 percent in Quebec. But municipalities' near singular dependence on property taxes is problematic for a number of reasons (Tables 4 and 5). First, unlike income taxes which are withheld at the source and sales taxes that are paid in small amounts with each purchase, property taxes generally have to be paid directly in the form of periodic lump sum payments. Because the ability to make these payments requires advanced savings or increases in debt, the saliency of property taxes disproportionately impacts low-income households and seniors, many of which may be asset rich but income poor. Second, unlike income, corporate and sales taxes, property taxes do not increase in tandem with economic growth. This income inelasticity results in an improvised and politically-driven process whereby annual increases are usually necessary in order to maintain the property tax base. Fiscal supports to cities thus often fail to match new demands on city budgets. The property tax system, under pressures from business and the logic of neoliberalism, has also seen a decline on business levies on commercial property and an increase on residential property taxes. By adding to the regressivity of the overall tax system, neoliberals in Canada have encouraged a property tax revolt at the municipal level.[100]

[Table 4: Municipal Expenditures, Provinces and Territories, 2008 and 2013 Insert Here]

[100] In theory, development charges are fees that developers pay to municipalities in order to offset the costs of funding new capital costs and services resulting from growth such as water and sewer lines, new roads and maintenance. In practice, however, neither property taxes nor development charges support long-term operations, ongoing maintenance and replacement costs. Also, because most municipalities do not coordinate their development charges and land-use planning goals, this dynamic reinforces urban sprawl as a means of short-sighted revenue generation and individual city councilor attempts to trade-off cash contributions or amenities from developers in return for allowing them to exceed height and density restrictions. This is in contrast to new planning orientations that support more compact development, wide-ranging building types, a closer mix of employment and residential use, and transit-friendly growth. The net effect is to reinforce expensive, low-density automobile-dependent sprawl, with denser development in the urban core often subsidizing single-family households in ex-urban areas.

In the absence of broad-based consumption taxes such as income and sales, transfers as a whole represent more than 20 percent of local government revenues, and in some cases much higher. These transfers go towards covering the costs of programs administered locally, but a significant majority of provincial transfers are conditional, meaning they must go toward expenditures mandated by senior levels of government, although some are matching grants that require equal contribution from receiving governments. Despite a range of governance arrangements across the provinces and territories, municipal fiscal crises have been a chronic feature of Canadian urbanism for several decades as fiscal capacities could not keep up with increased demands for services, urbanization and pressures related to amalgamation (Young and Horak 2012; Bradford 2007). These pressures have been amplified in the context of provincial and federal devolution, which have shifted the costs of social and physical infrastructure onto lower tiers of government. Although the federal government has no constitutionally prescribed municipal responsibilities, almost all of its decisions affect municipalities in one way or another. However, except for some grants, bilateral agreements and emergency relief, the federal role in municipal affairs over the last thirty years have generally revolved around ad hoc agreements, selective activism and targeted expenditures. An example is the Building Canada Infrastructure Plan, which provided a one-time $40 billion fund for municipal infrastructure between 2007 and 2014, with much of this support then being allocated to individual projects. But one-time fiscal injections (as opposed to dedicated revenue streams) will do little to reverse long-term trends, such as Vancouver's affordable housing shortage or the crisis of infrastructure in Montreal. This reflects the absence in Canada of a national policy for cities (unique among advanced capitalist states) or for urban funding of crucial infrastructure, transportation, housing, immigration and anti-poverty initiatives.

[Table 5: Distribution of Municipal Expenditures and Revenues, Provinces and Territories 2013 Insert Here]

After declining across the 1990s, per capita total municipal expenditures in Canada modestly increased in the 2000s, particularly as municipal responsibilities were realigned from government downloading, policy budgets expanded and economic growth stagnated. In contrast, per capita municipal revenues stagnated as intergovernmental transfers declined, and municipalities had to rely on 'own-source' revenues, particularly property taxes but also 'new revenue tools' such as increased user fees and new taxes. As a consequence, for some two decades, expenditure pressures on Canadian cities has been outstripping revenue sources, with a low-tax regime locked-in across all scales of the Canadian state (FCM 2012, 2-14; Table 6). For the local state in Canada, this has precipitated continual bouts of labour conflict, an astonishing infrastructure deficit estimated at more than $1.1 trillion (Table 9), and a strain on local services, in some cases to a breaking point, as with all kinds of social housing. Urban austerity is the means by which these problems emerge, but the economic constraints that impose them cannot be resolved within the local political economy.

[Table 6: Intergovernmental Grants as a Percentage of Municipal Expenditures, 2008 and 2013 Insert Here]

A new phase of austerity urbanism has emerged since the 2008 recession (Davidson and Ward 2014; Peck 2014). This has included tax-shifting for competitiveness, reductions to social services provisioning, contracting-out and privatization of city assets, concessions from unionized and non-unionized municipal employees, new forms of marketization such as the use of public-private partnerships, and a shift away from commercial property taxes to consumption-based levies. New workplace arrangements have also proliferated, including the use of part-time and short-term contracts, as well as casual and seasonal forms of employment, as the case of Toronto illustrates. This has often incorporated new restrictions on workers' rights to unionize and bargain collectively. Reductions to employee compensation have been an aim of urban austerity.

However, while total employee wage compensation by the local government sector amounted to 5.8 percent of GDP in 1992, it has steadily declined since then, dropping to 4 percent of GDP in 2007. It increased as a share of GDP during the 2008 recession (4.69 percent of GDP) as the underlying economy itself shrank, but has since fluctuated, declining to 4.2 percent of GDP in 2012 and rising to 4.93 percent in 2014. Average weekly wages paid by municipal and regional governments rose from $622.67 in 1992 to $952.86 in 2012, a compound annual increase of 2 percent a year. This works out to annual pay of $49,549 in 2012. However, average pay for those paid by the hour at the local government level was considerably lower averaging roughly $40,000 in 2012. In comparison, overall average weekly earnings increased at an annual average rate of 2.3 percent since 1992, rising to $871 weekly in 2012 and $45,292 annually. Since 2000, local government wages have also increased at a slower annual rate than the overall average (2.5 percent versus 2.9 percent).[101] The efforts to reduce municipal workers' compensation stem not from overgenerous pay or out-of-control municipal finances, but reflect the neoliberal political project of harmonizing downwards the wages and working conditions of municipal workers while privatizing public services.

FLASHPOINTS OF URBAN AUSTERITY

Toronto: Toronto provides a vivid portrait of a local government seeking to extract wage and benefit concessions from workers, while reducing social services provisioning (Fanelli 2016). This was brought to a head during the 2009 round of collective bargaining between the city of Toronto and its civic workers represented by Canadian Union of Public Employees (CUPE) Locals 79 and 416.[102] A number of issues were central to this round of bargaining, including attempts to: weaken job security provisions and seniority

[101] Figures calculated from: Statistics Canada, CANSIM, 2013, 326-0020, 380-0063, 281-0027; 2016, 326-0022; 380-0074; 384-0038.

[102] Traditionally white- and pink-collar workers, Local 79 is the largest municipal local in Canada with a membership of 18,000, although various contingent, seasonal and part-time workers push estimates of membership upwards to 24,000. Local 416 is primarily made up of blue-collar workers and has approximately 6,200 members. Together, they work in areas of public health and education, child and elder care, parks, recreation, water treatment, Emergency Medical Services, as well as housing and court services, road maintenance, by-law and safety enforcement, building inspection, animal rescue, waste collection and social services administration.

rights; limit transfers and promotion; impose a freeze on cost-of-living; implement two-tier wages; increase the contracting-out of employment; and expand managerial control over the labour process. The City contended that due to the recession and lower than expected revenues, it was necessary to reduce municipal wages and benefits in order to meet its fiscal challenges (see Table 7). Workers countered that there was little evidence to support such a claim – as reports by KPMG would confirm – that the City's fiscal challenges were tied to overgenerous social services or excessive public sector compensation. After six months of bargaining without a contract, in June of 2009 both CUPE Locals went on strike.

The Locals were unprepared strategically and tactically, but also politically. There was a lack of experienced organizers leading the strike, workers had not been booked off ahead of time in order to inform the membership of the issues involved and prepare members for strike duties. Importantly, there was an absence of strike politicization and making the connection between the users and producers of public services. After 39 days on strike, the city and unions reached an agreement. Economically, both Locals managed to fight-off major concessionary demands to freeze wages, implement a multi-tiered wage system and limit seniority-based promotion; and the Locals gained an average annual two percent wage increase over three years. But part-timers did not see any extension of benefits. The strike was, moreover, a political failure when it came to mobilizing sustained action and education, garnering public support as well as linking the defense of unionized workplaces with fighting for workers in non-unionized jobs, the underemployed and unemployed.

[Table 7: Distribution of Municipal Expenditures and Revenues, Toronto 2008 and 2014 Insert Here]

Following on the heels of the strike, City Council implemented a 5 percent target for cuts across all departments, while moving forward with new tax and user-fee hikes. The next election saw the most fiscally conservative Councilor in the previous term, Rob Ford, elected as the new Mayor of Toronto. Ford used the 2009 strike to direct public anger and frustration toward so-called lavish union wages and wasteful city spending. While his term was turbulent to say the least, the 2012 round of bargaining did not see a repeat of the 2009 strike. It did, however, confirm that previous rounds had merely prepared the ground for even further austerity.

The new agreement included language that allowed the City to unilaterally make changes to shift schedules so long as employees are served notice. Job performance criteria could now be used to determine shifts and scheduling. The new contract removed a letter of agreement that provided protection to all permanent employees regarding contracting-out or technological displacement. Under the new agreement, the threshold of protection was reduced from covering all workers to only those with at least 15 years of seniority (a decrease of coverage from 100 to about 68 percent of employees). The City reduced the amount of coverage for health and dental benefits by some $20-35 million, and also eliminated post-retirement benefits of $54 million. Finally, in return for giving up a significant portion of their job security, workers received a one-time bonus of 1.5 percent, 0 percent in 2012, 0.5 percent in 2013, 1.75 percent in 2014 and 2.25 in 2015.

This was and remains, in many ways, a significant defeat for civic workers. In the absence of a cohesive strategy from municipal unions and sustained political mobilization from community groups, CUPE was unable to challenge the growing precarization of employment. If this is to be reversed a number of initiatives must be placed front and center. This includes struggles to contract-in services previously outsourced and a greater emphasis on improving the working conditions and employment security for the City's growing part-time labour force. Community-union campaigns against privatization that seek to enhance both the universality and quality of public services, from the transit system to parks to waste collection, will be essential to any feasible challenges to neoliberal urbanism as this cannot be done only within collective bargaining.

Montreal: Montreal best reflects, as few other cities in Canada do, the lack of fiscal independence and the severe crisis of infrastructure plaguing municipalities (Table 8). An increasing number of studies have drawn attention to Canada's infrastructure needs (Canadian Chamber of Commerce 2013; CCPA 2013; Canada West Foundation 2013). Canada's municipal infrastructure deficit rose fivefold between 1985 and 2003 from $12 billion to $60 billion, reaching $123 billion by 2007. It is expected to reach $400 billion by 2020, and as much as $2 trillion by 2065 if present trends continue.[103]

[103] Broadhead et al., (2014, n.p.) suggest the Federation of Canadian Municipalities' "methodology likely underestimates the size of the municipal infrastructure deficit, as it fails to incorporate other types of infrastructure that are pillars of modern cities and communities. For example, affordable housing and safe shelter, low-carbon energy systems, and reliable information and communication technologies help mold municipalities into livable, resilient and economically competitive places." This does not

This includes everything from waste and water systems, to transportation and transit, waste management, community, recreational and cultural infrastructure. As maintenance and new investments are delayed, the municipal infrastructure deficit grows as assets reach the end of their service life, and repair and replacement costs rise as infrastructure deterioration accelerates with age. Unlike other tiers of government, municipalities cannot run operating deficits. This puts pressure on municipal capital budgets, which do not face the same immediate demands for service provision as operating expenditures, making capital investments easier to delay. This is compounded by the fact that municipalities receive roughly eight cents of every dollar collected in total taxes across all levels of government. As such, it is not possible to finance municipal investments in infrastructure through property taxes alone.

[Table 8: Distribution of Municipal Expenditures and Revenues, Montreal, 2008 and 2014 Insert Here]

In 1961, the federal government controlled some 23.9 percent of the national capital stock, while provincial/territorial and municipal governments each had 45.3 percent and 30.9 percent. Between 1955 and 1977, new investment averaged 4.8 percent annually, roughly paralleling increases in population growth and the rate of urbanization. The two decades following this period, however, saw new investment grow on average just 0.1 percent per year. As a result, twenty-eight percent of municipal infrastructure is

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include infrastructure owned by other orders of government, nor does it include about $115 billion required for new municipal infrastructure needs.

now more than 80 years old, with one-third between 40-80 years.[104] By 2002, the federal share of new infrastructure investment had dropped more than 70 percent to just 6.8 percent, while the municipal share rose to 52.4 percent. As the most recent Canadian Infrastructure Report Card (Table 9) shows, municipal infrastructure across Canada, along with the institutional frameworks that finance these assets, is in dire need of repair.

[Table 9: Canada's Municipal Infrastructure Deficit Insert Here]

In Montreal, these concerns turned into tragedy with the De la Concorde overpass collapse in 2006 that killed five people and seriously injured many others. After the collapse, a commission headed by former Quebec premier Pierre-Marc Johnson found that nearly half of all bridges in the province were structurally deficient and needed replacement within five years. In March 2011, two engineering reports on Montreal's Champlain Bridge – one of Canada's longest and busiest bridges at 6 km in length and handling 160,000 daily crossings – said the structure was in a state of severe deterioration and that a partial or complete failure could not be ruled out. After the reports were released, the Archdiocese of Montreal erected a billboard at the entrance to the bridge

[104] Total public investment in infrastructure in Canada reached 3 percent of national GDP in 2008, marginally surpassing the 2.9 percent necessary to maintain current stock. World average expenditures on public infrastructure averaged 3.8 percent of GDP per year. It is estimated that Canada requires at least 5 percent annual investment in infrastructure to address the deficit (Brodhead et al., 2014).

advising motorists to “Faites votre prière”. In 2011, a 15 metre-long, 25-tonne chunk of concrete fell onto the Ville-Marie expressway where it collapsed on a vehicle, narrowly missing its occupants. Between 2010 and 2013, there had been at least seven incidents of falling concrete, including major sinkholes and highway flooding. In light of major cracks discovered in the Turcot Interchange in early 2011, Transport Quebec identified another 47 locations in need of immediate repair (Riga 2013).

Many red flags concerning Montreal’s deteriorating infrastructure had been raised prior to these events. A 2010 report by Montreal auditor-general, Jacques Bergeron, examined 555 pieces of infrastructure under local jurisdiction. He concluded that 12 were in critical condition, 44 were deficient, 38 were mediocre, and another 81 were rapidly deteriorating. Bergeron found that more than 30 percent of Montreal’s bridges, tunnels and overpasses needed work, with 65 percent of the city's tunnels, roadways, and sewer systems more than half a century old (BVG 2010). Roughly, 33 percent of Montreal’s water-distribution pipes have already reached the end of their service lives, with another 34 percent of the water-pipe stock estimated to reach the same state by 2020. This has contributed to the loss of about 40 percent of the clean water the city treats due to leaky conduits, and has been singled out as one of the likely causes of major sinkholes across the city. Bergeron also drew attention to the ethical conduct of city officials citing widespread corruption and collusion for municipal contracts awarded for the development, rehabilitation and replacement of facilities and infrastructure assets that were found to have squandered public monies amid a lack of oversight.

In his 2013 annual report, Bergeron argued that chronic underfunding of infrastructure was hastening the deterioration of these assets noting that road and sidewalk maintenance in Montreal was underfunded by $100 million in 2010 and 2011, and that the city must now spend $178 million annually just to keep up with maintenance. Bergeron wrote (2013, 12): "[I]f nothing is done to remedy the situation the city could find itself in a critical position, in which the ensuing backlog would be difficult and very costly to address…There is an undeniable link between the state of disrepair of the city's assets and level of quality and compliance of the materials used. Although this is not the only underlying cause of the precarious state of municipal infrastructure, it is reasonable to conclude that the lack of quality control with regard to the materials used could be one of the driving factors behind the poor condition of these assets. Furthermore, it is disturbing to realize that past infrastructure investments may have been made without a comprehensive quality control process in place to ensure the materials and installation adhered to strict standards." In November 2015, Montreal began diverting 8 billion liters of untreated sewage into the St. Lawrence River. This was to complete repairs on an aging interceptor tunnel that feeds sewage to a treatment facility as well as to relocate a snow chute (Banerjee 2015).

The deferral of much needed investments in infrastructure has exacerbated the deteriorating state of the built environment of Canada's cities. As capitalism develops, and existing infrastructure ages and new investments to support expanded accumulation are required, ever-increasing shares of urban budgets have to be devoted to for these purposes. The policy regime of urban neoliberalism in Canada runs completely counter to these forces and pushes one city after another into fiscal distress. The various forms of privatization and public-private partnerships have attempted to leverage increased funds for infrastructure, but only compound the underlying fiscal impasse. This can only be reversed by community-union led anti-privatization struggles seeking to restore and expand local planning capacities, and an extension of democratic inputs and control over the administration of public assets and common goods. But such an anti-austerity agenda cannot be limited to individual cities. Extra-local urban policies at the provincial and national levels to coordinate and finance a long-term public investment plan (taking advantage of historically low yields on bonds with long maturities) are also needed to break urban austerity and repair the dilapidated state of infrastructure.

Vancouver: Fractured municipal governance and federal and provincial government withdrawal from social services provisioning and intergovernmental transfers lies at the heart of Vancouver's affordable housing crisis. Lack of affordable housing often overlaps with many other social issues, including homelessness, addictions, lack of health and other social services, an absence of quality employment, and mounting local pressures (Table 10) A number of authors have documented the historical development and transformation of social housing policy (Rose 1983; Hulchanski 2007; Pomeroy and Falvo 2013). The year 1993 is noteworthy in this regard as it marks the beginning of the end of Canada's national housing program. The federal government announced that, with the exception of on-reserve indigenous housing, there would be no new commitments for social housing. Federal subsidies for existing units were set to end over the next 30 years as mortgages expired, with a steep drop-off expected around 2020 (Chisholm 2003). This was compounded over the decade by rent control liberalization, a near absence of private sector rental property development, and broad cuts to a range of welfare programs. As a consequence, while total population grew 6.9 percent between 1990 and 1995, poverty rates in metropolitan areas grew by 33.8 percent, with indigenous populations experiencing urban poverty rates at twice the national average. The federal government embrace of neoliberalism and cuts of the 1990s occurred alongside with provincial and municipal fiscal in British Columbia.

[Table 10: Distribution of Municipal Expenditures and Revenues, Vancouver, 2008 and 2014 Insert Here]

In 2001, the provincial Liberal Government of Gordon Campbell reduced the minimum wage by $2/hour, cut funding for women's centres and social assistance, sold-off public assets such as BC Railway, and opened-up collective agreements so as to allow for the privatization of health, education and social services. Non-profit organizations were urged to explore partnerships with the private sector in the absence of provincial funding for social housing (Isitt 2008). By 2004, there were more than 11,000 households on BC Housing's applicant registry. It is estimated that there are an additional 40,000 'hidden homeless' who sleep with family, in cars, or couch surf, and another 60,000 people at risk of becoming homeless because they spend more than 50 percent of their income on rent (Social Housing BC n.d.). As Vert (2005, 64) notes: "The case of BC Housing is one where a federal withdrawal in turn prompted a provincial withdrawal in order to cope, fiscally speaking. From here, the impact goes directly to the municipalities."

Rapidly escalating real estate prices as a result of land-use deregulation, an influx of foreign capital investing in the housing market and state divestment from social welfare have contributed to a chronic affordability crisis in Vancouver's housing market.

Between 2007 and 2012, average monthly rent rose nearly 17 percent from $898 to $1,047, while the average cost of a detached home rose from $700,000 to nearly $900,000. Rental vacancies dropped to 0.8 percent as of October 2015, down from 1.7 percent in 2013, and compared to the national average of 3.3 percent (CMHC 2015. As a result, rents have increased on average by 3.9 percent since 2014 and 9.3 percent since 2012, with average rents totaling $1,144 (CMHC 2015). By the end of 2015, the average detached house price in Vancouver was $1,567,500, resulting in 52 percent of all Vancouver houses costing greater than $1,000,000 (CMHC 2016). Meanwhile, the number of homes for less than $385,000 purchased by first-time buyers dropped from 12,000 to 8,563, with average first-time homebuyer house prices in Vancouver approaching $506,500 (BMO 2014). It should come as no surprise, then, that *The Economist* ranked Vancouver as the most expensive city in North America to live in, while *Demographia* ranked it the second-least affordable in the world (Huffington Post 2013; 2015). Wages in Vancouver grew by 36 percent between 2001 and 2014, whereas house values soared by 211 percent (VanCity 2015; CBC 2015; SCMP 2015).

The provisions of quality, affordable housing is, of course, a complex distributional issue of social policy and development planning not resolved at the local level. BC municipalities (as elsewhere in Canada) have generally preferred voluntary agreements and incentives for developers, rather than mandatory measures. But these neoliberal market measures to leverage private developers into low cost housing have clearly failed, and the limited fiscal capacities of cities have allowed the social housing stock to deteriorate and homeless programs and shelters to become a policy of crisis management. This does not mean, however, that municipalities are impotent. Anti-poverty and community struggles directed at the local state can yield any number of practical reforms: regulatory changes providing for the legalization of secondary units; density and development agreements mandating affordable and rental housing; dedicated provisioning of land for supportive housing; prohibition on the conversion of rental suites, and charge a dedicated development levy that goes into a fund for affordable housing; levies to discourage quick ‘flipping’ and housing market speculation; limitations on foreign and domestic ownership of ‘investment’ (non-primary residence) properties; and review of bylaws and building regulations to encourage new multi-unit dwellings (SPARC 2009). But ultimately these local struggles need to insist on a decommodification of housing, in general, in the forms of public, non-profit and cooperative housing to address affordability. Here, any number of transitional reforms are possible in new regional-local coordination in housing policy and the re-ordering of the financial policies of the national and provincial government housing programmes and banks.

URBAN FRACTURES AND LOCAL LEFTS

These points of contention within Canada’s three largest cities are illustrations of the fractures in the urban political economy of Canada. Neoliberal urbanism never takes a singular form, unfolding as a variegated social process, each city becoming its own terrain of experimentation in new modes of administration. A tally of these modes could easily be multiplied: the utter failure to sustain low cost public transit; the vulgar monetization and commodification of public spaces; the lack of any coherent strategy to address the degradation of work conditions and wages for precarious and immigrant workers; the undermining of public planning capacities to control urban sprawl or match densification with adequate infrastructure; and too many others. If capitalism produces urban space integral to its 'laws of development', neoliberal urbanism always internalizes the disjunctures and antagonisms between the global accumulation imperatives of capital and the historic 'life-places' of workers and their communities.

In Canada, the asymmetries in fiscal capacities across the scales of governance refract into the urban political economy as a constantly shifting constraint on the parameters of local policy-making. In a quite formal way, the essential extra-market functions that cities provide in the building of urban space are always in a position of financial constraint from the fiscal paternalism embedded in Canadian federalism and constitutionalism. There is, in a sense, a state of permanent fiscal crisis in municipal finances in Canada, leaving Canadian localities always to beg for 'new deals' – as the Federation of Canadian Municipalities continues to do, under one name or another.

The neoliberal fiscal practice of downloading administrative responsibilities without parallel fiscal capacities to subnational and local states has been a particularly powerful incubator of urban austerity. Indeed, the general adoption of a fiscal regime of austerity across the scales of governance, in response to the continued economic turbulence from the financial crisis of 2008-10, has led to further closure of fiscal space at the local level. Neoliberal urbanism can be expected – as in the areas of employee relations, infrastructure, and housing used as exemplars here – to undergo even more innovation, policing, privatization, monetization and defunding. The fiscal distress of local states in Canada, under the continual pressures of providing for the urbanization of capital accumulation, already is cause to all kinds of political contortions and grotesque social inequalities in an impossible effort to manage this contradiction of capitalist cities.

Canadian cities have been the stage for any number of campaigns of resistance to neoliberal urbanism – the 'sanctuary city' project to protect undocumented workers; the 'riders' campaigns for affordable public transit; the 'Fight for $15' living wage mobilization; the 'union-community' alliances to protect municipal services from cuts and privatization; the urban ecology movements insisting on cities address climate change by blocking pipeline expansion for transporting fossil fuels from the Tar Sands and the expansion of parks and green spaces; and many others. In municipalities across Canada, there have been a slew of petitions, disruptions of Council proceedings, occupations, demonstrations, community watches of police, neighborhood rallies – a part of the pattern of everyday urban life. But these have largely remained defensive reactions to the latest austerity initiative, and suffering battle fatigue from years of campaigning, with every gain under threat from new round of austerity, and every zone of failure open to right-wing populism (Kipfer and Saberi 2015).

In Vancouver and Montreal (and to a lesser extent Winnipeg), the Left has historically formed wider political groupings. But these have all been more city-wide electoral pacts than political and campaigning organizations of the Left to develop an alternate agenda for urban space and to contest the capitalist city. In Toronto, the NDP has a quite loose municipal caucus, and it has been years since a socialist presence on city council making the anti-capitalist case and demanding a more radical local democracy has been heard. The local Left has all but dissolved as an active force contesting local centres of power. The last two decades or so of everyday urban politics in Canada has individual councilors attempting to leverage minor social measures out of the latest development scheme and condo complex, negotiating the trimming of municipal services on the least unfavourable terms, and supporting local – preferably green – entrepreneurs and markets. There is nothing in any of this that one can possibly conjure as the means to break with urban austerity.

The Left tradition has historically been quite different. Following from the Paris Commune, workers' councils and 'water and sewer socialism', it has focused on the reorganization, democratization and decentralization of political and economic activity. The 'urban revolution' was central, Lefebvre (1991, 54) argued, to any transformative prospects: "A revolution that does not produce a new space has not realized its full potential; indeed it has failed in that it has not changed life itself, but has merely changed ideological superstructures, institutions or political apparatuses." But this was never seen as a project isolated to single urban centres – a localism 'in-itself' as the objective of political resistance. Instead, local bases of power and self-administration had to be integrated into revolutionary projects to transform national state power and to internationalize political struggles and alliances against the world capitalist market (Mayer 2009; Harvey 2012). Any alternate politics in Canada today will have to produce new urban spaces – a right to good work and living wages, of a new infrastructure of free transit and public spaces, of social housing for all. But also more: it will have to be project of 'rebel cities' connecting across the networks and scales of the Canadian state

The urban political economy of Canada raises crucial strategic and research questions. Canadian Political Economy has often had a pre-occupation with the national state, capital and trade flows, and the economic policies that formed Canada's place in the world market. This has focused much debate (and politics, too) on the degree of autonomy of the Canadian state to form policy alternatives independent of the American empire. The study of urban political economy has established that even as the accumulation of capital breaches scales of political governance to form a world market, this is also – and necessarily so – an urbanization process nested in other scales of political economy. Critical urban studies in Canada has, however, tended to juxtapose the urban to the global, eviscerating the regional and the national in abstract calls for a transnational urbanism of resistance. But even a cursory examination of urban austerity reveals that constituted state powers remain administrative obstacles and political forms that require strategic address not theoretical elision. If a radical politics of localism to challenge neoliberal urbanism is to emerge in Canada, it will do so from multiple cities in a national politics of transformation in its organizational capacities and internationalist in its commitments. New studies in the political economy of Canada, this essay concludes, will be crucial to bridging these divisions of political scale in research focus and activist ambitions in social struggles.

Table 4 Municipal Expenditures, Provinces and Territories, 2008 and 2013						
	Per Capita Municipal Expenditure (2007$)		**Municipal Expenditure as % of Provincial GDP**		**Municipal Expenditure as % of Total Provincial-Municipal Expenditures**	
Geography	**2008**	**2013**	**2008**	**2013**	**2008**	**2013**
Newfoundland	759.4	1011.8	1.4	1.9	6.4	7.7
Prince Edward Island	535.4	543.2	1.6	1.6	5.3	5.2
Nova Scotia	1320.9	1447.4	3.6	3.8	14.2	15.0
New Brunswick	868.2	970.1	2.3	2.6	8.9	9.6
Quebec	1441.9	1578.5	3.6	3.9	13.8	14.3
Ontario	2109.1	2202.2	4.5	4.7	27.0	26.1
Manitoba	939.5	1333.6	2.2	3.0	9.9	13.3
Saskatchewan	1352.5	1405.5	2.5	2.5	12.3	12.3
Alberta	1771.2	1986.8	2.4	2.6	17.0	20.5
British Columbia	1391.6	1485.6	3.0	3.2	16.9	18.2
Yukon	1478.4	1748.4	2.4	2.7	5.9	6.0
Northwest Territories	2456.3	2752.2	2.5	3.3	7.7	8.1
Nunavut	4853.9	4267.8	10.2	7.7	11.4	9.4
Canada	1682.6	1813.9	3.5	3.7	18.4	19.0

Sources: Statistics Canada, CANSIM, *Table 051-0005; Table 384-0038; Table 385-0037; Table 326-0022.*

Table 5 Distribution of Municipal Expenditures and Revenues, Provinces and Territories, 2013														
	NL	**PEI**	**NS**	**NB**	**QC**	**ON**	**MB**	**SK**	**AB**	**BC**	**YU**	**NWT**	**NU**	**CAN**
Per Capita Municipal Expenditures ($)	1012	543	1447	970	1578	2202	1334	1405	1987	1486	1748	2752	4268	1814
Municipal Expenditures Type														
General public services	33.8	35.6	9.5	14.2	23.7	40.5	26.2	21.8	46.4	17.3	27.1	42.1	21.6	33.4
Defence	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public order and safety	9.5	19.5	23.3	28.8	15.6	7.7	25.3	21.1	14.3	24.0	11.4	4.5	3.0	13.2
Economic affairs	20.0	12.6	14.6	17.5	24.3	12.2	19.8	20.0	16.5	13.4	18.6	14.3	18.6	15.9
Environmental protection	12.1	4.6	12.1	14.2	15.0	6.3	2.3	9.2	4.0	11.4	14.3	4.5	3.0	8.5
Housing and community amenities	12.9	19.5	7.6	13.4	5.5	5.9	20.5	11.6	7.9	13.8	7.1	18.8	32.3	7.7
Health	0.0	0.0	6.3	0.1	1.2	2.5	0.4	0.0	0.0	1.2	0.0	0.0	4.2	1.7
Recreation, culture and religion	11.7	10.3	11.5	11.8	11.4	5.4	5.1	15.8	9.2	17.9	21.4	15.0	16.2	9.0
Education	0.0	0.0	15.2	0.0	0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Social protection	0.0	0.0	0.0	0.0	3.1	19.5	0.2	0.5	1.7	0.9	0.0	0.8	1.2	10.1
Total Expenditure	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Per Capita Municipal Revenues ($)	1409	780	1717	1435	2088	2732	1789	2172	3206	2026	2173	4490	5862	2414
Municipal Revenue Source:														
Own Source														
Taxes on property	44.5	37.6	68.2	54.0	60.4	45.6	39.7	26.7	42.2	48.4	44.8	18.0	6.1	48.0
Taxes on goods and services	5.2	0.8	0.4	2.7	2.4	7.3	7.5	20.7	14.4	8.9	2.3	1.8	0.9	7.7
Other Taxes	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property income	1.0	0.0	0.3	0.3	1.4	1.9	1.8	2.2	2.6	4.3	1.1	0.9	2.2	2.1
Sales of goods and services	20.9	23.2	21.2	22.9	20.6	20.8	25.8	29.9	21.2	34.1	23.0	18.4	31.6	22.7
Fines, penalties and forfeits	0.2	0.8	0.7	0.2	2.1	0.9	0.8	0.9	1.4	0.0	1.1	0.9	0.0	1.1
Voluntary transfers (not grants)	0.0	0.0	0.0	0.4	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.1
Miscellaneous revenue	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Own-Source Revenue	72.6	62.4	90.8	80.5	87.0	76.7	75.7	80.4	81.8	95.8	72.4	40.1	41.2	81.8
Grants from general government units	27.4	37.6	9.2	19.5	13.0	23.3	24.3	19.6	18.2	4.2	27.6	59.9	58.8	18.2
Total Revenue	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Sources: Statistics Canada, CANSIM, *Table 385-0037; Table 326-0022*.

Table 6 Intergovernmental Grants as a Percentage of Municipal Expenditures, 2008 and 2013[1]		
Geography	**2008**	**2013**
Newfoundland	58.3	38.2
Prince Edward Island	25.0	54.0
Nova Scotia	13.0	10.9
New Brunswick	33.7	28.8
Quebec	17.5	17.2
Ontario	25.6	28.9
Manitoba	39.8	32.6
Saskatchewan	45.3	30.3
Alberta	38.2	29.4
British Columbia	11.5	5.8
Yukon	38.0	34.3
Northwest Territories	137.6	97.7
Nunavut	66.5	80.7
Canada	25.0	24.2

[1] Intergovernmental grants refer to any grants received by local governments from the federal or provincial governments.

Sources: Statistics Canada, CANSIM, *Table 385-0037; Table 326-0022*.

Table 7 Distribution of Municipal Expenditures and Revenues, Toronto 2008 and 2014				
	Toronto		**Toronto**	
	2008 (2007 $)	**2014 (2007 $)**	**2008 (%)**	**2014 (%)**
Municipal Expenditures				
General Government	650,889,648	710,042,705	8.3	7.6
Protection to Persons and Property	1,390,273,438	1,619,282,918	17.8	17.4
Transportation	1,763,558,594	2,508,599,644	22.6	27.0
Environmental Services	589,008,789	817,797,153	7.5	8.8
Health Services	360,129,883	382,109,431	4.6	4.1
Social and Family Services	1,752,232,422	1,704,430,605	22.4	18.3
Social Housing	545,795,898	647,433,274	7.0	7.0
Recreational and Cultural Services	667,658,203	810,879,004	8.5	8.7
Planning and Development	97,259,766	106,928,826	1.2	1.1
Total	7,816,806,641	9,307,503,559	100.0	100.0
Municipal Revenues				
Property Taxes	3,290,965,820	3,352,321,174	35.4	33.5
Municipal Land Transfer Tax	161,858,398	400,003,559	1.7	4.0
Taxation from Other Governments	78,818,359	99,286,477	0.8	1.0
User Charges	2,059,006,836	2,449,531,139	22.2	24.5
Government Transfers	2,170,526,367	2,448,498,221	23.4	24.5
Government Enterprise Earnings	228,561,523	65,196,619	2.5	0.7
Investment Income	161,811,523	240,750,000	1.7	2.4
Development Charges	N.A.	117,903,025	N.A.	1.2
Rent and Concessions	N.A.	379,830,071	N.A.	3.8
Other	1,138,202,148	455,235,765	12.3	4.5
Total	9,289,750,977	10,008,556,050	100.0	100.0
Annual Operating Surplus/Deficit	1,472,944,336	701,052,491		

Sources: City of Toronto, *Financial Report: 2014*; City of Toronto, *Financial Report: 2008;* Statistics Canada, CANSIM *Table 326-0022*.

Table 8 Distribution of Municipal Expenditures and Revenues, Montreal, 2008 and 2014				
	Montreal		**Montreal**	
	2008 (2007 $)	**2014 (2007 $)**	**2008 (%)**	**2014 (%)**
Municipal Expenditures			percentage of total	
General Administration	504,958,984	668,506,228	9.9	13.2
Public Safety	895,950,195	962,900,356	17.5	19.1
Transportation	1,844,259,766	1,614,847,865	36.1	32.0
Environmental Health	514,967,773	525,620,107	10.1	10.4
Health and Welfare	126,056,641	119,417,260	2.5	2.4
Urban Planning and Development	231,656,250	190,623,665	4.5	3.8
Recreation and Culture	548,153,320	551,555,160	10.7	10.9
Financing Expenses	445,302,734	415,161,032	8.7	8.2
Total	5,111,305,664	5,048,631,673	100.0	100.0
Municipal Revenues				
Taxes	2,613,351,563	2,709,651,246	54.6	48.5
Payments in Lieu of Taxes	220,730,469	223,271,352	4.6	4.0
Quota Shares	N.A.	356,380,783	N.A.	6.4
Transfers	612,804,688	827,903,915	12.8	14.8
Services Rendered	772,462,891	850,183,274	16.1	15.2
Fee Collection	125,594,727	166,566,726	2.6	3.0
Fines and Penalties	154,914,063	158,690,391	3.2	2.8
Interest	122,084,961	115,508,007	2.5	2.1
Other Revenues	167,222,656	179,896,797	3.5	3.2
Total	4,789,166,016	5,588,052,491	100.0	100.0
Annual Operating Surplus/Deficit	- 322,139,648	539,420,819		

Sources: Ville de Montréal, *Annual Financial Report*: *2014*; Ville de Montréal, *Annual Financial Report*: *2008;* Statistics Canada, CANSIM, *Table 326-0022*.

Table 9 Canada's Municipal Infrastructure Deficit[1]			
Infrastructure	Extrapolated Replacement Value of All Assets (billions $)	Assets in Very Poor and Poor Condition	Assets in Fair Physical Condition
		Replacement Value (billions $)	
Potable Water	207	25 (12%)	35 (17%)
Wastewater	234	26 (11%)	56 (24%)
Stormwater	134	10 (7%)	21 (16%)
Roads	330	48 (15%)	75 (23%)
Bridges	50	2 (4%)	11 (22%)
Buildings	70	12 (17%)	20 (28%)
Sport and Recreation Facilities	51	9 (18%)	14 (27%)
Transit	57	9 (16%)	15 (27%)
Total	1,133	141 (12%)	247 (22%)
Replacement Value per Household	80,000	10,000	18,000

[1] All infrastructure reported as in further declining condition based on anticipated reinvestment levels (except for transit as data is unavailable).

Source: *Informing the Future: Canadian Infrastructure Report Card (*2016), p.12.

Table 10 Distribution of Municipal Expenditures and Revenues, Vancouver, 2008 and 2014				
	Vancouver		**Vancouver**	
	2008 (2007 $)	**2014 (2007 $)**	**2008 (%)**	**2014 (%)**
Municipal Expenditures			percentage of total	
General Government	135,761,719	217,840,747	10.5	18.2
Utilities	220,608,398	154,565,836	17.0	12.9
Police Protection	207,083,008	234,463,523	16.0	19.6
Fire Protection	86,193,359	96,164,591	6.6	8.0
Engineering	193,489,258	163,040,925	14.9	13.6
Planning and Development	69,950,195	22,760,676	5.4	1.9
Parks and Recreation	209,839,844	160,361,210	16.2	13.4
Community and Cultural Services	175,379,883	93,699,288	13.5	7.8
Other	N.A.	55,670,819	N.A.	4.6
Total	1,298,305,664	1,198,567,616	100.0	100.0
Municipal Revenues				
Property Taxes, Penalties, and Interest	538,197,266	597,458,185	47.0	43.0
Utility Fees	153,134,766	197,157,473	13.4	14.2
Other Fees, Rates, and Cost Recoveries	344,963,867	N.A.	30.1	N.A.
Program Fees	N.A.	92,843,416	N.A.	6.7
Bylaw Fines	N.A.	14,085,409	N.A.	1.0
License and Development Fees	N.A.	57,909,253	N.A.	4.2
Parking	N.A.	68,969,751	N.A.	5.0
Revenue Sharing, Grants, and Contributions	24,380,859	248,616,548	2.1	17.9
Investment Income	35,965,820	24,814,947	3.1	1.8
Rental and Lease Income	46,782,227	62,738,434	4.1	4.5
Sale of Property	1,548,828	25,178,826	0.1	1.8
Total	1,144,973,633	1,389,772,242	100.0	100.0
Annual Operating Surplus/Deficit	- 153,332,031	191,204,626		

Sources: City of Vancouver, British Columbia, *Annual Financial Report: 2014*; City of Vancouver, British Columbia, *Annual Financial Report: 2008;* Statistics Canada, CANSIM, *Table 326-0022*.