

"As Prime Minister..."



There are finite resources a government can work with in order to meet the needs of its citizens. Each leader must decide where the priorities lie and provide the necessary resources to manage those priorities. In the mean time, lobbyists, the media, and public opinion will be pulling the leader in different directions, all trying to get *their* priorities dealt with as well.

1. Review the division of power and responsibilities for the various levels of government in Canada.

<u>Federal</u>	<u>Provincial</u>	<u>Regional</u>	<u>Municipal</u>
-National Defence	-Property and Civil Rights	-Regional Planning	-Urban Planning
-Unemployment Insurance	-Administration of Justice	-Public Health	-Fire Protection
-Postal Service	-Education	-Long Term Care	-Economic Development
-Trade Regulation	-Health	-Waste Collection & Disposal	-Building Code
-External Relations	-Welfare	-Water Treatment	-Property Standards
-Money and Banking	-Natural Resources	-Trunk Sewage	-Water Distribution
-Citizenship	-Licensing	-Public Transit	-Sewage Collection
-Indian Affairs	-Charities	-Social Assistance	-Parks & Recreation
-Criminal Law	-Civil Laws	-Public Housing	-Libraries
-Transportation	-Municipalities	-Transportation	-Transportation
-Policing	-Transportation	-Policing	-Policing
-Laws	-Policing	-By-Laws	-By-Laws
	-Laws		

2. Prioritize the issues within each respective jurisdiction according to your own beliefs and divvy up the resources available (actual revenues of each level of government) among the priorities.

Federal Revenues (2004-2005) **\$198 billion** (Canada)
 Provincial Revenues (2004-2005) **\$77 billion** (Ontario)
 Regional Revenues (2004) **\$668 million** (Durham)
 Municipal Revenues (2005) **\$64 million** (Whitby)

3. Justify your spending patterns in brief explanations for each area of spending.

You must cover constitutionally stipulated responsibilities (e.g., defence and Indian affairs (federal), education and health (provincial)), but are otherwise free to create or eliminate additional responsibilities (e.g., environment, technology), adjust sources of revenues (e.g., taxes and tariffs), or other creative governance or budgetary actions.

To help you get an idea of some of the demands placed on the various government leaders, here is some general information about how much some things cost our governments. Please note that this is just a small number of examples of items that our governments provide for us!

Government of Canada Expenditure Examples

- many citizens of Canada over age 65 are entitled to a \$484 monthly allowance under the Old Age Security program (12.5% of Canada's population)
- many people who are temporarily unable to find work are entitled to a maximum of \$413 weekly allowance in employment insurance
- the Government of Canada helps supplement the provinces so they can pay for health and education costs (\$1000 per person)
- the Government of Canada helps supplement "have-not" provinces from the monies they've collected from the "have" provinces (\$320 per person)
- all matters related to Canada's Aboriginals are the responsibility of the federal government (2% of Canada's population) even if normally covered by another gov't
- Canada helps other countries in need through foreign aid expenditures
- each of Canada's 135 fighter jets cost \$37 million
- the Government of Canada has to pay interest on its \$630 billion debt each year

Government of Canada Revenue Examples

- employees pay \$2.25 per \$100 of earnings to the federal government
- individuals pay federal income tax at a rate according to their earnings:
 - 15% on the first \$36,378 of taxable income
 - 22% on the next \$36,378 of taxable income
 - 26% on the next \$45,529 of taxable income
 - 29% of taxable income over \$118,285
- Goods & Services Tax currently adds 7% to the cost of almost all goods and services
- corporations currently pay taxes on income just like individuals do
- tariffs are applied to goods imported from some countries

Government of Ontario Expenditure Examples

- it costs \$7000 a year to educate a student in the public school system each year (there are more than 2 million students in Ontario)
- doctors in Ontario bill \$170 000 a year on average in services performed (there are more than 21 000 doctors in Ontario)
- helping those who are vulnerable and in need - adults, children and youth, people with physical and developmental disabilities, and Aboriginal people
- university costs \$11 000 a year per student, average tuition fees are \$5000... the Government of Ontario currently covers 1/3 of the difference (400 000 students)
- the Government of Ontario has to pay interest on its \$132 billion debt each year

Government of Ontario Revenue Examples

- individuals pay provincial income tax at a rate according to their earnings:
 - 6.05% on the first \$34,758 of taxable income
 - 9.15% on the next \$34,759
 - 11.16% on the amount over \$69,517
- Provincial Sales Tax currently adds 8% to most goods

Regional Municipality of Durham Expenditure Examples

- the average Criminal Code incident response by police costs \$3000 (Durham Regional Police handles 39 000 Criminal Code incidents each year)
- the cost of paving a road per kilometre is \$9000
- the average ambulance trip costs \$240 (46 000 trips each year in Durham)
- public health unit programs (e.g., education, prevention)
- social services (e.g., child care subsidies, public housing, and counselling)
- the Region of Durham has to pay interest on its \$180 million debt each year

Regional Municipality of Durham Revenue Examples

- the Region currently collects 0.7% of the assessed value of every home and 1.0 % of the assessed value of every business in the Region
- the average person uses 9 cubic metres of water per month at \$1.60 per cubic metre
- transfers from the federal and provincial governments

Corporation of the Town of Whitby Expenditure Examples

- the cost of paving a road per kilometre is \$9000
- snow plowing of local streets
- operation of four libraries
- it costs the fire department \$350 per vehicle per hour to respond to a call

Corporation of the Town of Whitby Revenue Examples

- the Town currently collects 0.4% of the assessed value of every home and 0.6% of the assessed value of every business in the Town
- transfers from the federal and provincial governments
- program user fees are charged (e.g., interest classes, recreation)