

# Why the north needs regional governance — and soon

**ANALYSIS:** Northern Ontario isn't just southern Ontario but colder. It also governs itself differently, writes John Michael McGrath, and the flaws in the current system are starting to show



*Steven Black, the mayor of Timmins, says the current system of social-services funding is broken. (Stephen Downes/flickr)*

Timmins Mayor Steven Black started off 2018 on a sour note, thanks to a government seated nearly 700 kilometres away: Ontario's. After more than a year of [negotiations between Timmins and other municipalities](#) that share the costs of the Cochrane District Social Services Administration Board (which administers services like Ontario Works), the northerners had finally hammered out an agreement that had cleared the necessary hurdles — [until the Ministry of Community and Social Services said no via a letter in December](#). Minister Helena Jaczek, heeding the call of mayors who preferred the current cost-sharing formula, put a stop to the changes and called on Timmins and its neighbours [to reach a mediated solution over the next year](#).

The mayor and Timmins council are seeking a legal opinion on whether the province has the legal power to bigfoot them like that, but in the meantime, Black tells TVO.org, it's a frustrating example of how the north is governed.

"There's definitely been some significant areas of concern. It's broken, and it's going to be very difficult to continue functioning going forward," Black says about the current system of social-services funding. "They're doing a review, and hopefully they can address some of our concerns."

Northern Ontario isn't just like the south, except colder and more remote. European settlers arrived in the north later, it has never had as many people, and while the south grew up around agriculture and manufacturing, its economy has relied more on mining, forestry, and other resource-extraction industries. As a result, even basic forms of local government are different in the north.

For starters, the vast majority of northern Ontario isn't organized into municipalities at all. According to the 2016 census, 82 per cent of the province's land is "unorganized" — that is, it's not governed by a formal local municipality. There's no unorganized land in the south, but 33,000 people in northern Ontario live in townships-without-municipal-organization (or, as the government acronym goes, TWOMOs).

In southern Ontario, land was divided up into counties, which either still exist or later evolved into regional municipalities; they handle many of the policies that cross municipal boundaries or involve expenses that smaller municipalities simply can't handle (like policing or major infrastructure planning). The north was never divided up

into counties, and the only regional divisions that exist — 10 districts — [vary wildly in size and have no formal governing role](#).

Instead, the province has relied on a variety of regional boards (like the CDSSAB, whose costs Black was trying to rebalance before the provincial veto) to deliver some services across municipal lines and into unorganized areas. But as Timmins's experience with social services indicates, there are problems with the province's approach to service boards. The province downloaded EMS services to regional municipalities and counties in southern Ontario, but in the north, the District Social Services Administration Boards got the burden. As EMS costs have grown (along with those of most of the other services municipalities deliver), smaller municipalities have faced a growing cost burden. But Black says no other province in Canada — and, more to the point, no part of southern Ontario — relies on the DSSAB model for this kind of service.

“Why is northern Ontario being treated differently from the rest of the province? Why does northern Ontario have DSSABs when no southern municipality does?” he asks.

Then there's all the unorganized land. Land outside of municipal boundaries isn't taxed by any municipality; instead, landowners pay a provincial land tax. Prior to 2015, the PLT hadn't been changed since the 1950s, creating a huge incentive for homeowners and businesses to locate outside of municipal boundaries in the north. In 2013, the government estimated the average provincial land tax bill was \$164 per year, compared to \$2,200 for the average northern municipal residential property tax bill.

Tony Antoniazzi, mayor of Kirkland Lake, says municipalities in the north aren't criticizing their neighbours who've chosen to move to the other side of the town line. It's the province that's created the problem over decades through choices by all three political parties.

“We're all human. We all get up in the morning to support our families ... if I had the chance to save hundreds of dollars a year, who wouldn't?” Antoniazzi says. “Our challenge isn't with our friends and neighbours. It's up to the province to put us on a more level playing field.”

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Since 2013, the province [has made efforts to address provincial land tax inequity](#); reforms were finalized in the 2017 fall economic statement. By the time the increases have been fully phased in, in 2021, the Liberals will have substantially increased the PLT (in the past five years, revenues have already risen from \$11 million to \$26 million). But Antoniazzi says that while the reforms are welcome, they won't make a substantial difference.

“They're getting the message, but it's becoming harder to focus on central parts of our work as elected representatives, like diversifying our property tax base — even big employers are looking at unorganized territory.”

And the disconnect between provincial and local budgets is profound: even after the increases brought in by the government, provincial revenue from the PLT is tiny: \$26 million in a 2017 budget of more than \$130 billion. The government, for its part, says that even after collecting the provincial land tax, it spends \$50 million more in unorganized areas than it collects.

Northern mayors and councils aren't entirely without regional options. A variety of regional bodies — including separate organizations for the northwest and northeast, and an umbrella Federation of Northern Ontario Municipalities, or FONOM — represent northern municipalities. But these are associations, not regional governments, and much of their time is spent asking the province for policy changes.

Some are advocating for the creation of real regional governments in the north, which would be modelled on regional municipalities in the south and those in other jurisdictions. In a 2016 paper published by the Northern Policy Institute, David MacKinnon [recommended creating regional governments in existing districts](#) wherever feasible. (The Kenora district poses a challenge, as its land area of more than 400,000 square kilometres is greater than that of Germany.)

Antoniuzzi said a regional government would make a lot of sense for his town of just under 8,000. Even relatively mundane staffing needs — professional planners, for example — can be prohibitively expensive, and they'd be easier to manage if the burden were shared.

But MacKinnon, speaking with TVO.org, said there's a more fundamental reason to improve governance in the north: ending its decades-long economic and demographic decline relative to the south.

"I've had northern Ontario on my mind for 60 years, and for me, the real problem is that we've got a region that's been in relative decline for a very long time. Business cycles aren't responsible, and I think governance is a big part of it," says MacKinnon.

MacKinnon says the province also needs to get serious about gathering solid statistics. [As is the case when it comes to the GTA's housing market](#), the province is hobbled by comparatively poor data about the north. He suggests that Ontario should strike a deal with Statistics Canada to treat northern Ontario as a separate province (only for data-gathering purposes!) to get a better handle on what is really happening there.

"The premier promised to solve that problem ... in 1987," MacKinnon says. "The underpinning of good governance, in the end, always needs to be good factual information."

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