

The structure of Government

Canada



Country overview

Population 37 million¹
Population per sq km 3.7

Government expenditure
as % of GDP 42%²

Place in World League

people's trust in government	6	(80%) ³
people's satisfaction with life	9	
income per capita	13 ⁴	
GDP per capita	28 ⁵	
Legatum Prosperity Index	8 ⁶	
Freedom in the world	4 ⁷	

Note: all data are pre-2020 to exclude the effect of Covid-19

Governance overview

Canada is a federal parliamentary constitutional monarchy. The federal government is separated into three branches: legislature, executive and judiciary.

Canada has three levels of governance: federal, provinces and territories, and municipalities.

Electoral system

Members of the House of Commons are elected by a first-past-the-post system. Members of the Upper House (the Senate) are appointed by the governor general on the advice of the prime minister.

Direction of devolution

Top down: the Constitution act divides powers exclusively between the federal and the provincial governments. Provinces are considered to be sovereign within these designated areas. Territories' powers are delegated to them by Parliament.

Political style

Canada has a tradition of liberalism. Parliament has traditionally been dominated by two parties of the centre-left and centre-right. However, the new further left party came second in the 2011 elections and now form the official opposition.

Income Equalisation

Provinces receive equalisation payments, funded by the Federal government. Six of the nine provinces received equalisation payments in 2018-19. Payments are made a block grants.

Territories are not included in the equalization program. They receive federal funding provided through the Territorial Formula Financing (TFF) program.

Unusual features

The Upper Chamber is not elected but appointed by the Governor

Federal Government

Canada's federal parliament has two houses: the upper Senate and the lower House of Commons.

Parliament	Commons	Senate
Members	338	105
Population per member	111,000	356,000
Full or part time	full time	full time
Pay ratio to national average wage ^{8 9}	3.4	2.9
Weeks of sittings per year	25	27
Elections		
Electorate	national	appointed
Frequency	4 years	
Turnout last time	68%	

Legislation process

Bills may be introduced by any member of either house. However, most bills originate in the House of Commons. Bills are read three times, and are often pass to a standing committee after the second reading, who may propose amendments to be considered by the whole house in the report stage. At the third reading, amendments are not permitted in the House

of Commons, but are allowed in the upper house. If it passes the third reading, the bill is sent to the other house.

Amendments made by the second chamber require the assent of the original house in order to stand part of the final bill. If one house passes amendments that the other will not agree to, and the two houses cannot resolve their disagreements, the bill fails. Only the House of Commons may originate bills for the imposition of taxes or for the appropriation of Crown funds.

Whilst the theoretical power of both houses over bills is equal, in practice the House of Commons is dominant, with the Senate rarely exercising its powers in a way that opposes the will of the democratically elected house.

Responsibilities¹⁰

Banking, criminal law, defence, energy, environment, fisheries, foreign affairs, shipping, railways, telephones, interstate trade.

Shared with provinces: agriculture, immigration, marriage, pensions, taxation.

Of total government expenditure

spent at federal level 36%¹¹

Source of funds

Raised locally 100%

Who decides

Tax type: Federation and Provinces

Tax rates: Federation and Provinces with concurrent power.

Who collects tax

Federal Government

Provincial government

Governance

Provinces and Territories are the level of governance below Parliament. They derive their power from the crown – as such they are generally independent realms of legislative authority. The territories exercise powers delegated by the federal parliament.

Provinces & Territories

	Provinces	Territories
Number	10	3
Population, average	3.7 million	41 000

Provincial governments

	Average	High	Low
Members	59	125	10
Population per member	49,000	117,000	1,700
Full or part time	full-time		
Pay ratio to national average wage	1.9	2.4	1.4
Weeks of sittings per year	12	17	8

Elections

Electorate	state		
Frequency	4 years		
Turnout last time	62%	80%	44%

Legislation process

Provinces generally follow the same procedure as the federal parliament, in which a bill is read twice, then goes to a committee who report back before a third reading takes, after which the bill can finally receive royal assent. Sometimes a public consultation will take place if it is deemed necessary.

Responsibilities^{12 13}

Education, gas and electricity, local government, housing, hospitals, prisons, property and civil rights, social security.

Shared with federal government: agriculture, immigration, marriage, pensions, taxation.

Provinces' expenditure as a % of^{14 15}

total government expenditure	55%
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Major Taxes

Income tax (some provinces), sales tax (some provinces), excise taxes (cigarettes, gasoline, alcohol)

Source of funds^{16 17}

Block grants are for horizontal equalisation between Provinces and mandated grants for the Canada Health Transfer and the Canada Social Transfer,

Raised locally	81%
Block grants	5%
Mandated grants	14%

Who decides

Tax type: Federation and Provinces. Provincial tax is restricted by the Constitution to "Direct Taxation within the Province in order to the raising of a Revenue for Provincial Purposes."

Tax rates: Federation and Provinces with concurrent power.

Who collects tax

Federal Government

Municipal Government

Governance

The level of governance below Provinces & Territories (Provinces) is Municipal government. Province decide what powers to delegate, normally through a charter or act.

As a result the organisation of local government varies greatly. Some Provinces have several tiers of local government: regional, county and municipal. The most prominent form is Municipal, which include cities, towns and villages.

Municipalities

Number ¹⁸	3,700
Population average	10 000

Local governments

	Average	High	Low
Members ^{19 20}	14	65	3
Population per member ²¹	700	100,000	100
Full or part time	full-time and part-time		
Pay ratio to national average wage ^{22 23}	varied	2.1	0.4
Weeks of sittings per year	varied		

Elections

Electorate	local		
Frequency	2-4 years		
Turnout last time ²⁴	36%	61%	17%

Legislation process

Generally, the process for the adoption of bylaws follows a similar three readings process as in higher levels of Canadian government.^{25 26 27}

Responsibilities²⁸

Leisure and sports, parks, refuse collection and disposal, town planning, water and sanitation.

They also have shared responsibilities with the Federal and Provincial governments for fire, hospitals, libraries, museums, police, tourism, and transportation.

Local government expenditure as a % of²⁹

total government expenditure 20%

Major Taxes

Property tax

Source of funds³⁰

Raised locally 79%

Block grants 3%

Mandated grants 18%

Who decides

Tax type: Provinces

Tax rates: Municipality

Who collects tax

Municipal Government

Further reading

Councillors as Lawmakers

<https://www.ontario.ca/document/ontario-municipal-councillors-guide-2018/7-councillors-lawmakers>

Canada offers its people an array of local governments

http://www.citymayors.com/canada/canada_loggov.html

Turnout in Local Elections: Evidence from Canadian Cities, 2004–2014

<https://doi.org/10.1017/S000842391700018X>

References

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² <https://www.oecd.org/gov/gov-at-a-glance-2017-canada.pdf>

³ <http://dx.doi.org/10.1787/888933533606>

⁴ <https://data.oecd.org/hha/household-disposable-income.htm>

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https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=US&year_high_desc=true

⁶ <https://www.prosperity.com/globe/canada>

⁷ https://freedomhouse.org/sites/default/files/Feb2019_FH_FITW_2019_Report_ForWeb-compressed.pdf

⁸ https://lop.parl.ca/sites/ParlInfo/default/en_CA/People/Salaries

⁹ <https://www150.statcan.gc.ca/n1/daily-quotidien/190627/dq190627b-eng.htm>

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https://lop.parl.ca/about/parliament/education/ourcountryourparliament/html_booklet/division-powers-e.html

¹¹ <https://www.fin.gc.ca/frt-trf/2018/frt-trf-1806-eng.asp>

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¹³ http://www.clgf.org.uk/default/assets/File/Country_profiles/Canada.pdf

¹⁴ <https://www.fin.gc.ca/frt-trf/2018/frt-trf-1807-eng.asp#tbl40>

¹⁵ <https://www.fin.gc.ca/frt-trf/2018/frt-trf-1806-eng.asp#tbl34>

¹⁶ <https://www.fin.gc.ca/frt-trf/2018/frt-trf-1806-eng.asp#tbl39>

¹⁷ <https://www.fin.gc.ca/fedprov/mtp-eng.asp>

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https://web.archive.org/web/20080908080915/https://www.infrastructure.gov.au/local/publications/reports/2002_2003/C7.aspx

¹⁹ Meloche, Jean-Philippe, and Patrick Kilfoil. "A Sizeable Effect? Municipal Council Size and the Cost of Local Government in Canada." *Canadian Public Administration* 60.2 (2017): 241-67. Web.

²⁰ <https://www.alberta.ca/types-of-municipalities-in-alberta.aspx>

²¹ Breux, S., Couture, J. & Koop, R. 2017, "Turnout in Local Elections: Evidence from Canadian Cities, 2004–2014", *Canadian Journal of Political Science*, vol. 50, no. 3, pp. 699-722.

²² <https://www150.statcan.gc.ca/n1/daily-quotidien/190627/dq190627b-eng.htm>

²³ <https://www.cbc.ca/news/canada/toronto/some-councillors-from-smaller-gta-municipalities-making-big-bucks-1.4609427>

²⁴ Breux, S., Couture, J. & Koop, R. 2017, "Turnout in Local Elections: Evidence from Canadian Cities, 2004–2014", *Canadian Journal of Political Science*, vol. 50, no. 3, pp. 699-722.

²⁵ [http://municipalcapacity.ca/+pub/document/resource-materials/Bylaw%20Guide%202010\[1\].pdf](http://municipalcapacity.ca/+pub/document/resource-materials/Bylaw%20Guide%202010[1].pdf)

²⁶ <https://www2.gov.bc.ca/gov/content/governments/local-governments/governance-powers/bylaws>

²⁷ <https://www.publichealthontario.ca/-/media/documents/defining-municipal-resolutions.pdf?la=en>

²⁸ http://www.clgf.org.uk/default/assets/File/Country_profiles/Canada.pdf

²⁹ <https://www.fin.gc.ca/frt-trf/2018/frt-trf-1807-eng.asp#tbl43>

³⁰ http://www.clgf.org.uk/default/assets/File/Country_profiles/Canada.pdf