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Assessing Mandate Creep in Ontario Conservation Authorities: An Analysis of Revenue Stream
Dynamics

07/15/2024

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Western University

Assessing Mandate Creep in Ontario Conservation Authorities: An Analysis of Revenue Stream Dynamics

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MPA Major Research Report

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William Gardiner

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Abstract:

The purpose of this study is to analyze the revenue growth trends of Conservation Authorities (CAs) across Ontario from 2013 to 2023. There is a particular focus on investigating whether CAs have expanded their programs and services beyond the core functions outlined by the provincial government in light of legislative changes and statements aimed to curtail the independence of CAs. This paper aims to evaluate this by analyzing CAs' revenue model over time and examining changes in the temporal trends of authority-generated revenue. The underlying assumption is that a proportional growth in self-generated revenue indicates an expansion of operations into "non-core mandated" programs and services, which may signify a "mandate creep". The study will delve into the financial data of the CAs to assess the extent to which they have been generating revenue independently. This will shed light on whether there has been a notable shift towards offering programs and services exceeding their mandated core functions. Through investigation it is found that there is evidence of a mandate creep among CA's, but more thorough research into the specific programmatic causes of this is required.

Table of Contents

Abstract.....	2
List of Tables.....	4
List of Figures and Charts.....	11
1. Background.....	12
1.1 Understanding Special Purpose Bodies and Special Districts.....	12
1.2 Defining Mandate Creep.....	14
1.3 Background to Conservation Authorities.....	15
2. Framing the Problem.....	17
2.1 Legislative Amendments.....	17
2.2 Stakeholder Perspectives.....	20
3. Scope and Methodology.....	22
3.1 Terminology and Scope.....	22
3.2 Analytical Methodology.....	22
4. Analysis of Authority-Generated/Self-Generated Revenue.....	24
4.1 Data Collection.....	24
4.2 Revenue Trends.....	26
4.3 Data Evaluation.....	28
5. Analyzing Revenue Growth of Non-Mandate Programming.....	30
6. Conclusion.....	33
a. Summary of Key Findings	33
b. Limitations.....	34
7. References.....	35

List of Tables and Figures

Table 1

Average Annual Revenue (2013-2023)

Year	Authority Generated	Municipal Levies	Government Transfers
2013	5,769,133.82	5,508,887.34	1,339,609.30
2014	5,372,053.36	5,637,063.18	1,093,447.84
2015	4,854,501.61	6,302,411.68	1,164,788.85
2016	4,865,601.80	5,878,058.02	1,234,285.38
2017	4,960,074.20	6,351,226.04	1,257,929.30
2018	5,092,703.09	6,746,897.65	1,192,125.60
2019	5,180,979.42	6,980,392.11	1,144,447.73
2020	4,297,526.30	8,118,165.61	1,268,301.94
2021	4,780,303.05	7,876,438.01	1,093,059.64
2022	6,072,551.80	7,462,168.56	1,185,503.10
2023	3,896,249.43	3,395,793.09	780,479.23

Note. Data is gathered from the Audited Financial Statements for Each Ca.

Table 2

Median Annual Revenue (2013-2023)

Year	Authority Generated	Municipal Levies	Government Transfers
2013	1,826,933.69	1,827,626.79	715,233.28
2014	1,875,768.35	1,505,764.79	586,371.29
2015	1,932,185.02	2,067,617.48	433,047.20
2016	2,038,481.66	2,049,873.91	496,751.41
2017	2,101,915.40	2,126,863.96	498,920.74
2018	2,075,147	2,103,380	523,208.97
2019	2,293,298	2,290,936	380,681
2020	1,892,371.99	2,299,352.09	418,204.86
2021	2,223,479.65	2,342,093.71	383,380.64
2022	2,344,145.92	2,210,550.70	518,576.48
2023	2,609,059	2,249,510	418,973.50

Note. Data is gathered from the Audited Financial Statements for Each Ca.

Table 3

Average Annual Revenue Excluding TRCA (2013-2023)

Year	Authority Generated	Municipal Levies	Government Transfers
2013	3,717,792.89	3,424,017.84	1,036,081.93
2014	3,480,233.41	3,404,696.35	841,068.52
2015	3,523,911.48	3,657,465.10	975,859.67
2016	3,716,854.78	3,608,963.27	891,176.41
2017	3,719,320.69	3,736,197.25	903,370.10

2018	3,826,694.63	3,807,303.46	872,042.02
2019	3,975,609.09	3,839,590.76	791,666.75
2020	3,325,051.20	3,904,773.49	846,730.76
2021	3,750,918.18	3,883,338.00	796,825.70
2022	5,036,819.59	3,708,650.84	878,634.53
2023	3,896,249.43	3,395,793.09	780,479.23

Note. Data is gathered from the Audited Financial Statements for Each Ca.

Table 4

Median Authority Generated Revenue Per Year Excluding TRCA (2013-2023)

Year	Authority Generated	Municipal Levies	Government Transfers
2013	1,676,332.40	1,939,757.98	807,099.98
2014	1,720,261.98	1,498,832.70	644,314.02
2015	1,880,143.66	2,060,150.54	419,625.49
2016	1,951,653.23	1,998,175.45	446,966.69
2017	1,993,752.02	2,074,429.57	497,243.66
2018	1,841,967.78	2,066,614.30	519,182.17
2019	2,144,465.99	2,289,756.50	377,612.01
2020	1,889,647.85	2,298,168.54	388,740.54
2021	2,150,465.74	2,267,334.99	375,424.86
2022	2,087,419.91	2,143,205.04	508,519.28
2023	2,609,059	2,249,510	418,973.50

Note. Data is gathered from the Audited Financial Statements for Each Ca.

Table 5*Per cent of Revenue Generated from Each Stream, Average Over 2013-2023*

Conservation Authority	Government Transfers	Municipal Levies	Self-Generated
Catfish Creek Conservation Authority	12.40%	22.68%	65%
Central Lake Ontario Conservation Authority	8.07%	47.80%	44.13%
Conservation Halton	1.66%	30.58%	67.76%
Crowe Valley Conservation Authority	13.67%	57.17%	29.16%
Essex Region Conservation Authority	17.60%	47.97%	34.43%
Ganaraska Region Conservation Authority	5.47%	40.00%	54.53%
Grand River Conservation Authority	9.30%	37.21%	53.49%
Grey Sauble Conservation	5.66%	45.95%	48.39%
Hamilton Conservation Authority	3.76%	42.27%	53.97%
Kawartha Conservation	0.70%	60.37%	38.93%
Kettle Creek Conservation Authority	7.06%	37.56%	55.38%
Lake Simcoe Region Conservation Authority	13.95%	59.44%	26.62%
Lakehead Region Conservation Authority	25.02%	59.47%	15.51%
Long Point Region Conservation Authority	3.23%	38.97%	57.80%
Lower Thames Valley Conservation Authority	23.20%	42.73%	34.07%
Lower Trent Conservation	8.57%	41.82%	49.62%
Mattagami Region Conservation Authority	23.33%	50.54%	26.13%
Mississippi Valley Conservation	5.65%	72.59%	21.76%
Niagara Peninsula Conservation Authority	6.08%	67.28%	26.64%
Nickel District Conservation Authority	27.38%	46.13%	26.49%
North Bay-Mattawa Conservation Authority	14.91%	33.59%	51.50%
Nottawasaga Valley Conservation Authority	16.59%	47.85%	35.56%
Otonabee Region Conservation Authority	19.52%	43.66%	36.82%
Quinte Conservation	17.08%	37.14%	45.77%
Raisin Region Conservation Authority	19.15%	32.17%	48.68%
Rideau Valley Conservation Authority	3.36%	61.97%	34.67%
Saugeen Valley Conservation Authority	6.39%	39.77%	53.84%
Sault Ste. Marie Region Conservation Authority	33.81%	56.48%	9.72%
South Nation Conservation	4.90%	54.10%	41.00%
St. Clair Region Conservation Authority	27.24%	28.22%	44.54%
Toronto and Region Conservation Authority	6.88%	64.72%	28.40%
Upper Thames River Conservation Authority	20.40%	34.63%	44.98%
AVERAGE	12.88%	46.34%	40.79%
MEDIAN	10.85%	44.81%	42.56%

Note. Data is gathered from the Audited Financial Statements for Each Ca.

Table 6
Government Transfer Revenue (2013-2023)

Conservation Authority	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Catfish Creek Conservation Authority	201,426	217,386	260,821	173,821	190,670	194,127	70,260	25,428	118,141	266,469	249,075
Central Lake Ontario Conservation Authority	1,286,400.00		332,032	262,440	357,716	454,546	568,829	410,484	643,426	1,296,224	855,695
Conservation Halton	300,311	1,194,200	1,277,590	880,896	300,311	300,311	155,034	155,034	155,034	155,034	
Crowe Valley Conservation Authority	251,462	194,773	125,125	125,962	156,045	120,741	94,790	75,998	67,746	129,260	181,325
Essex Region Conservation Authority					1,092,550	1,536,139	1,084,235	1,726,367	1,855,266	3,150,761	1,870,014
Ganaraska Region Conservation Authority		258,812	339,175	291,924	244,000	124,169	69,409	68,974	128,916	188,245	248,100
Grand River Conservation Authority	4,174,453	3,388,808	4,054,673	3,173,250	3,808,904	3,808,904	3,051,582	2,347,171	2,390,224	2,139,594	1,827,402
Grey Sauble Conservation	85,232	96,714	262,184	325,841	129,905	186,533	183,135	149,976	90,957	134,337	191,774
Hamilton Conservation Authority	545,912	650,647	650,403	647,182	604,390	437,718	268,262	1,134,720	473,527	368,378	
Kawartha Conservation		73,802	90,925	88,509							
Kettle Creek Conservation Authority	148,964	119,652	119,652	161,670	237,021	178,064	148,156	267,875	186,016	271,567	81,176
Lake Simcoe Region Conservation Authority	2,967,337	2,664,492	3,166,622	2,685,574	1,950,370	1,717,760	1,658,965	1,130,283	1,509,406	1,770,219	
Lakehead Region Conservation Authority	1,256,300		1,036,845	868,465	665,505.00	686,227	392,671	311,449	330,020	405,986	416,235
Long Point Region Conservation Authority		68,240	107,655	68,240	105,721	190,711	530,960	222,984	50,219	128,356	22,447
Lower Thames Valley Conservation Authority	229,317	228,014	225,711	225,711	411,920	800,866	829,594	1,112,915	1,403,009	2,091,948	1,643,179
Lower Trent Conservation	133,329	790,597	133,329	133,329	153,635	154,842	87,038	98,311	86,231	97,919	78,791
Mattagami Region Conservation Authority	325,361	310,772	169,557	155,521	160,177	203,836	249,115	176,945	210,204	482,270	
Mississippi Valley Conservation	262,237	262,237	262,237	262,237	262,237	262,273	141,883	141,881	141,881	141,881	
Niagara Peninsula Conservation Authority	1,098,310	720,835	560,596	826,285	610,877	574,239	413,565	408,798	526,300	909,367	1,565,650
Nickel District Conservation Authority		516,272	386,137	442,230	901,572	407,178	331,217	702,928	624,375	966,341	
North Bay-Mattawa Conservation Authority				679,231	648,885	683,551	451,754	307,879	344,310	501,731	417,314
Nottawasaga Valley Conservation Authority	678,048	969,279	1,187,332	1,360,110	1,019,146	765,100	469,626	490,325	1,282,212	637,989	704,048
Otonabee Region Conservation Authority	632,314	253,000	295,158	431,373	599,403	2,375,809	537,296	362,533	280,488	923,998	420,633
Quinte Conservation	795,559	1,456,568	1,099,598	969,082	776,517	795,611	601,050	489,221	691,568	1,058,974	
Raisin Region Conservation Authority	560,342	469,844	436,671	407,526	512,166	556,796	377,464	540,978	441,443	602,354	501,838
Rideau Valley Conservation Authority		259,372	360,872	469,687	414,708	444,561	325,876	306,031	324,369	343,858	398,501
Saugeen Valley Conservation Authority		624,351	804,325	254,157	162,085	169,285	138,120	116,697	164,747	136,015	407,563
Sault Ste. Marie Region Conservation Authority	594,945	508,805	311,171	233,754	235,714	256,046	147,535	153,767	188,904	164,281	
South Nation Conservation	176,409	176,409	176,409	176,409	176,409	176,409	91,070	423,419	516,637	553,336	1,223,852
St. Clair Region Conservation Authority	1,153,597	1,048,201.35	1,794,134.72	874,278	1,740,470	1,164,861	157,336	2,472,727	3,302,813	3,322,269	2,170,578
Toronto and Region Conservation Authority	6,281,000	6,134,000	5,370,000	9,457,000	9,887,000	9,172,000	10,204,000	12,063,000	8,963,000	10,054,000	
Upper Thames River Conservation Authority			2,847,335	4,278,463	3,897,684	2,501,527	7,038,188	5,688,295	2,940,227	2,163,826	1,695,353

Note. Data is gathered from the Audited Financial Statements for each CA

Table 7:
Authority-Generated Revenue (2013-2023)

Conservation Authority	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Catfish Creek Conservation Authority	637947	882429	790312	747216	855438	843384	999714	905642	955917	1708079	971974
Central Lake Ontario Conservation Authority	2205257.4		2722664	2978731	3264797	3570252	3451960	2941814	4174788	4552952	5510539
Conservation Halton	14520891	16646102	15515984	16354484	19639947	22136264	24586420	19507024	20905150	29177614	
Crowe Valley Conservation Authority	181143	213517	238146	278646	250953	301971	326838	289258	371034	386010	411999
Essex Region Conservation Authority					3341447	3446857	3263182	2706015	3281420	4818839	3225667
Ganaraska Region Conservation Authority		1469551	1603811	1781345	1971381	1961342	2164544	2153998	2084871	2019612	2333904
Grand River Conservation Authority	13719523	15534700	15683948	16151539	15919583	15919583	16981132	15808148	15993850	33836410	20893903
Grey Sauble Conservation	1056724	1114282	1001008	1712685	1551868	1383754	1310977	1312154	1705361	1605342	1949293
Hamilton Conservation Authority	7358372	7211065	8754007	9243399	8455209	7738168	8652978	7726303	9132521	8711376	
Kawartha Conservation		735451	1060246	1157665	1249148	1512857	566193	1004732	1536427	1279234	3980330
Kettle Creek Conservation Authority	1195318	1287251	1301656	1203810	1377509	1565086	1253932	839939	1364270	1909243	1770416
Lake Simcoe Region Conservation Authority	2733703	2430808	2310316	2637443	2000252	3570114	3772050	2954373	4959745	13122956	
Lakehead Region Conservation Authority	125630		335449.95	336180	346062	265929	424878	272225	382817	578699	879521
Long Point Region Conservation Authority		1281794	2769466	2866096	2558542	2532942	3262197	1999885	2702167	2846817	3948752
Lower Thames Valley Conservation Authority	888935	938219	1076539	1529869	1837040	982748	1104903	952677	1307775	1418184	1477764
Lower Trent Conservation	1493719	1677601	592806	709475	844359	871427	1071278	791726	953671	1049240	1224509
Mattagami Region Conservation Authority	901096	263174	296722	228706	158749	187522	154968	139885	214636	191035	
Mississippi Valley Conservation	662829	577224	502686	382827	603319	777660	861454	781080	1625290	1464735	
Niagara Peninsula Conservation Authority	2426738	2413272	2618275	2635146	3025198	3209875	3403951	2616850	3704370	4535529	5421373
Nickel District Conservation Authority		432394	449959	368769	717156	659956	585795	420479	773277	698794	
North Bay-Mattawa Conservation Authority				1219612	1329893	1524511	1599959	1642819	2062456	1947897	2609059
Nottawasaga Valley Conservation Authority	1431292	1774028	1519683	1672334	1657227	1965478	1865822	1626638	1800185	2575874	2607003
Otonabee Region Conservation Authority	663701	817550	1019975	1280206	1232421	1179589	1170531	928422	1224502	1758518	2137364
Quinte Conservation	5535062	3156247	1957587	1113801	1435833	1506723	2311667	1638096	2229499	2516385	
Raisin Region Conservation Authority	976050	964119	969576	1115287	1160448	1107306	1251829	1079851	1225349	1807797	2084279
Rideau Valley Conservation Authority		3527678	3764995	4088458	3091498	3570614	4137291	3212466	3192222	3743874	5251419
Saugeen Valley Conservation Authority		1563483	1780392	1718077	3255462	2273867	2124808	2001965	2286857	4870628	3194734
Sault Ste. Marie Region Conservation Authority	67860	102904	68952	57675	76782	78417	79052	71151	125374	75048	
South Nation Conservation	2482079	2544334	2921095	3109622	3299171	2606712	3100311	1956545	2558720	3392219	4379455
St. Clair Region Conservation Authority	2814777.54	2944947	2523002	3108546	2224001	3526542	3566285	2465029	1931310	3376213	2921372
Toronto and Region Conservation Authority	39876000	43717000	35113000	32264000	36094000	37674000	37019000	29859000	32952000	36940000	
Upper Thames River Conservation Authority			6451676	9689592	7106962	8018174	7823128	6607738	7662598	9094145	10429108

Note. Data is gathered from the Audited Financial Statements for each CA

Table 8*Municipally Levied Revenue (2013-2023)*

Conservation Authority	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Catfish Creek Conservation Authority	258,451	249,222	258,168	263,793	315,545	319,083	353,947	382,538	391,252	399,022	406,290
Central Lake Ontario Conservation Authority	2,634,057		3,585,948	3,690,325	3,778,933	3,822,155	3,917,712	4,068,185	4,169,890	4,274,135	4,380,990
Conservation Halton	7,354,265	8,014,611	8,318,132	8,930,561	8,596,587	8,891,511	9,330,984	9,660,318	10,173,881	10,533,636	
Crowe Valley Conservation Authority	382,752	405,719	430,048	455,851	513,202	697,743	615,666	673,318	683,855	745,087	767,244
Essex Region Conservation Authority					5,050,359	6,527,561	3,335,849	4,475,512	3,909,378	6,326,276	3,932,060
Ganaraska Region Conservation Authority		1,193,825	1,212,035	1,342,031	1,194,527	1,420,925	1,473,306	1,553,773	1,562,958	1,674,814	1,706,524
Grand River Conservation Authority	11,087,583	11,989,837	11,759,496	11,900,179	12,207,936	12,473,587	12,710,436	12,638,532	12,966,514	13,166,565	13,774,230
Grey Sauble Conservation	1,160,648	1,195,421	1,207,375	1,242,389	1,276,555	1,335,481	1,388,556	1,431,597	1,474,436	1,557,630	1,640,625
Hamilton Conservation Authority	5,669,476	5,503,760	6,276,401	6,826,500	7,242,970	6,947,876	6,513,964	6,585,955	6,678,400	6,748,592	
Kawartha Conservation		2,087,226	2,145,142	2,161,461	2,096,714	2,101,658	2,299,353	2,048,796	2,172,700	2,203,901	2,518,808
Kettle Creek Conservation Authority	694,302	730,659	752,579	1,034,704	948,274	913,327	977,260	1,006,578	1,016,644	1,047,143	1,099,500
Lake Simcoe Region Conservation Authority	6,499,815	7,816,267	8,393,928	8,756,849	9,001,318	9,480,666	11,191,355	9,620,045	9,661,688	9,998,932	
Lakehead Region Conservation Authority	1,758,820		1,677,250	1,596,855	1,650,451	1,296,735	2,070,292	1,247,747	1,165,038	1,489,673	1,185,703
Long Point Region Conservation Authority		1,206,530	1,309,223	1,681,680	1,811,455	1,818,442	1,866,277	1,994,286	2,036,269	2,073,585	2,249,510
Lower Thames Valley Conservation Authority	1,069,899	1,121,801	1,540,512	1,540,512	1,577,352	1,611,734	1,638,781	1,667,457	1,682,082	1,711,624	1,786,955
Lower Trent Conservation	768,454	133,329	816,668	842,661	890,957	967,443	976,986	1,003,994	1,003,994	1,024,074	1,078,275
Mattagami Region Conservation Authority	421,150	487,150	448,000	448,000	518,000	568,139	575,000	600,000	609,000	618,000	
Mississippi Valley Conservation	2,063,980	2,534,247	2,453,555	2,622,605	2,709,152	2,798,554	2,556,806	3,046,450	3,330,540	3,375,806	
Niagara Peninsula Conservation Authority	7,645,713	7,825,610	8,802,943	8,802,943	8,890,972	8,499,137	7,051,085	7,546,188	8,641,027	8,197,706	9,034,880
Nickel District Conservation Authority		636,000	655,000	700,500	683,000	867,286	954,014	1,352,884	1,371,429	1,671,914	
North Bay-Mattawa Conservation Authority				1,030,568	1,017,902	990,013	1,244,631	873,983	1,059,694	1,115,216	1,757,513
Nottawasaga Valley Conservation Authority	1,944,326	2,124,248	2,185,207	2,391,380	2,401,806	2,484,207	2,682,562	2,681,315	2,762,971	2,888,844	3,029,331
Otonabee Region Conservation Authority	1,173,472	1,079,210	1,100,554	1,271,088	1,313,183	1,669,159	1,782,192	1,823,095	1,797,391	1,515,955	1,382,602
Quinte Conservation	1,431,835	1,588,939	1,965,871	1,780,793	1,858,855	1,907,385	1,819,315	1,992,234	2,170,549	2,471,363	
Raisin Region Conservation Authority	695,208	740,740	800,111	753,333	882,429	797,331	845,306	870,230	870,329	903,992	921,537
Rideau Valley Conservation Authority		6,009,248	5,907,847	5,638,797	6,116,734	6,473,518	7,394,941	7,132,330	7,484,869	7,586,266	7,436,484
Saugeen Valley Conservation Authority		1,633,989	1,665,179	1,699,761	1,724,287	1,755,964	1,843,950	1,797,128	1,871,378	1,967,096	2,559,766
Sault Ste. Marie Region Conservation Authority	317,390	325,095	331,023	480,349	486,747	540,124	567,589	509,589	544,781	566,933	
South Nation Conservation	3,337,627	3,299,481	3,400,088	3,505,668	3,692,051	3,545,251	4,151,155	3,922,069	4,140,457	4,269,426	5,418,065
St. Clair Region Conservation Authority	646,014.46	998,287	1,289,534	874,278	979,642	1,523,376	1,520,915.00	3,482,999	3,267,250	3,038,351	2,276,375
Toronto and Region Conservation Authority	40,250,000	51,024,000	67,092,000	60,668,000	72,662,000	83,162,000	90,787,000	120,265,000	118,244,700	119,799,000	
Upper Thames River Conservation Authority			5,043,631	4,555,459	4,844,627	5,239,487	7,911,159	7244823	7,444,454	6,071,984	7,759,974

Note. Data is gathered from Audited Financial Statements for each CA

Table 9*Compound Annual Growth Rate of Authority-Generated Revenue Per CA (2013-2023)*

CA	GACR (%)
Lakehead Region Conservation Authority	21.48293767
Kawartha Conservation	18.3958647
Lake Simcoe Region Conservation Authority	18.36630799
Long Point Region Conservation Authority	11.90878032
Otonabee Region Conservation Authority	11.21753734
North Bay-Mattawa Conservation Authority	9.972165356
Central Lake Ontario Conservation Authority	9.59064405
Mississippi Valley Conservation	8.251956857
Crowe Valley Conservation Authority	7.756417924
Niagara Peninsula Conservation Authority	7.580888578
Saugeen Valley Conservation Authority	7.407387694
Conservation Halton	7.227369228
Raisin Region Conservation Authority	7.14035266
Grey Sauble Conservation	5.724135127
Nottawasaga Valley Conservation Authority	5.602435689
Upper Thames River Conservation Authority	5.481174601
Nickel District Conservation Authority	5.478338152

South Nation Conservation	5.297627975
Ganaraska Region Conservation Authority	4.734516599
Lower Thames Valley Conservation Authority	4.72896827
Rideau Valley Conservation Authority	4.058790444
Catfish Creek Conservation Authority	3.902153719
Grand River Conservation Authority	3.898032584
Kettle Creek Conservation Authority	3.635453335
Hamilton Conservation Authority	1.702236148
Sault Ste. Marie Region Conservation Authority	1.011896894
St. Clair Region Conservation Authority	0.338481898
Essex Region Conservation Authority	-0.502507416
Toronto and Region Conservation Authority	-0.761879516
Lower Trent Conservation	-1.790405919
Quinte Conservation	-7.580107339
Mattagami Region Conservation Authority	-14.3683745
Average CAGR (%)	5.527799285

Note. Data is gathered from Audited Financial Statements for Each CA

Table 10

ORCA: per cent of revenue derived from non-mandated activities

ORCA	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Corporate Services	45,723	52,541	50,559	55,749	49,024	49,557	26,739	45,568	21,347	21,651	36,816
Special Projects	79,318	35,107		129,111			25,000	6,000			
Conservation Lands and Stewardship	357,309	425,701	435,774	530,603	671,374	541,646	515,750	662,532	536,869	806,025	1,119,121
total Authority Generated Revenue	663,701	817,550	1,019,975	1,280,206	1,232,421	1,179,589	1,170,531	928,422	1,224,502	1,758,518	2,137,364
% non-mandated (Categories 2 & 3)	72%	63%	48%	56%	58%	50%	48%	77%	43%	47%	54%

Note. Data is gathered from Audited Financial Statements of ORCA

Table 11

KC: per cent of revenue derived from non-mandated activities

Kawartha	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
grants and other	50,434	56,958	183,523	292,505	267,540	275,242	132,173	67,255			
corporate services	4,266	4,745	7,821	9,868	117,797	34,815	37,444	44,845	223,944	117,925	208,581
conservation lands and stewardship							316,612	141,079	27,384	258,147	112,603
amortization							28,324	33,432			
special projects:									242,694	224,070	395,843
capital contribution									37,274	5,528	22,953
gain on disposal of land											
total Authority Generated Revenue	735451	1060246	1157665	1249148	1512857	1,450,279	1004732	1536427	1279234	3980330	
% non-mandated (Categories 2 & 3)	8.39%	18.05%	26.12%	30.85%	20.49%	35.48%	28.53%	35.57%	47.35%	18.59%	

Note. Data is gathered from Audited Financial Statements of KC

Table 12

MRCA: Per cent of revenue derived from non-mandated activities

Mattagami Region Conservation Authority	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Non-mandated Revenue (Categories 2 & 3)	NA	125,027	13,514	18,516	8560	34,042	34,975	4,105	6,400	33,201	
Total Authority Generated Revenue	901096	263174	296722	228706	158749	187522	154968	139,356	214636	191035	
% Non-mandated (Categories 2 & 3)	NA	47.51%	4.55%	8.10%	5.39%	18.15%	22.57%	2.95%	2.98%	17.38%	

Note. Data is gathered from Audited Financial Statements of MRCA

List of Figures and Charts

Figure 1 Financial Statements of Toronto and Region Conservation Authority Year ended December 31, 2016. [Photograph].	23
Figure 2 Average Annual Revenue of CAs (2013-2023).	26
Figure 3 Median Annual Revenue of CAs (2013-2023).....	26
Figure 4 Average Annual Revenue Excluding TRCA (2013-2023).....	28
Figure 5 Median Annual Revenue Excluding TRCA (2013-2023)	28
Figure 6 Financial Statements of Toronto and Region Conservation Authority Year ended December 31, 2016. [Photograph].	31

1. Background

Understanding Special Purpose Bodies and Special Districts

The terms “special district” (SD), or “special purpose body” (SPB) can be applied to any local government entity which is not a city, county, township, or village (Scott, 1950, p. 223). Special purpose bodies and special districts are integral components of municipal government. Often tasked with specific functions that general-purpose governments either cannot effectively manage or choose to delegate to a smaller agency whose core function is a narrow mandate; these entities exist in the peripheries of municipal government. They often have names including agency, authority, board, commission and public corporation. In Ontario, these are typically created by provincial governments and include library boards, water utility commissions, police commissions, transit authorities, parks boards, and conservation authorities. HyungGun Park, a prominent scholar on municipal public administration, asserts that the devolution of federal-level responsibilities has forced a reinvention of service delivery resulting in the rise of special districts as the most salient feature of local government structure. “The increased presence of special districts across the nation [referring to the U.S] can be considered part of a shift in the institutional means of delivering public services in the past several decades” (HyungGun Park, 2021, p.12). However, the same holds true in Canada.

Scholarly research has distinguished between *special districts* and *dependent public bodies* according to the body's capacity for taxing and the board selection procedure. Robert J. Eger's *Casting Light on Shadow Government: A Typological Approach*, defines a special purpose body as a local organization with an elected board of directors, some degree of self-sufficiency, and a reliance on taxes for revenue (Eger, 2006, p. 129). These entities range broadly in size, and

funding is often based on the independent revenue generated by their activities and funding from member municipalities and provincial governments (Eger, 2006).

The primary reason behind the creation of special districts is that state/provincial governments have not given local general governments the necessary legislative and budgetary authority to keep up with the growing demands of urbanization and the burgeoning service requirements (Tees, 1971). Although the complexity of the municipal arena has increased substantially over the last fifty years, the basic organizational structure, and limitations, have remained the same: constant council turnover, limited staffing, and minimal provincial support (Lucas, 2014). Within this circumscribed environment, the opportunity for special purpose bodies to become longstanding, semi-independent structures for service guidance, all while at an arms-length distance, allows local governments to achieve two important outcomes: longevity and competence. Tees, Eger, and others have argued that promulgating special districts and special purpose bodies has primarily been “a way for local governments to expand their revenue sources” (Eger, 2006, p. 129). While the specialization of these entities allows for the potential to develop issue expertise, streamline decision-making, and reduce logrolling that can impact service efficiency, there is scholarly work suggesting that special districts are replacing the role of general-purpose governments such as municipalities and counties through the alternative revenue modes of user fees, “equating payers and beneficiaries of services” (Eger, 2006). In this sense, special districts may prefer to strive for higher spending levels on the relevant public service than the general-purpose local government can afford – or is willing to provide – using within-district resources to augment or develop new spending avenues.

Within this scope, the entity's limited objectives enable the qualities that characterize it to serve as the guiding rationale for its existence on the political and financial fronts. Special

purpose bodies become indispensable experts through this process and, ideally, are protected from political and economic uncertainties because of their guiding rationality and institutionalized service provision. In this way, special purpose bodies can be seen as a unique “articulation of a determined pursuit of local capacity” (Lucas, 2014, p.68).

Defining Mandate Creep

While most special purpose bodies enjoy varying degrees of independence from direct municipal jurisdiction – who provide most of their funds – they also fall under the control of the provincial government. “This makes it difficult for the public to know who is responsible and for what” (Plunkett, 2006). Within this ambiguity, direct control is often difficult, and the ambiguity of governance can lead to an overlap or appropriation of service functions with the member municipalities. Within this environment, SDS and SPBs may eventually undergo a phenomenon called *mandate creep* or *function creep*, in which their perceived duties start to “creep”—that is, exceed—their initial narrow parameters. In the context of special purpose bodies and special districts, this can mean taking on additional services, entering new operational areas, or extending activities into broader or unrelated fields. This expansion can be driven by various factors, including changing community needs, financial pressures, political dynamics, and the internal expansion ambitions of the organization. Special districts can also choose alternate production or service approaches and alter or expand their boundaries to achieve the scale for desired service production (Mullin, 2009).

While the delegation of responsibility to special purpose bodies and districts may be perceived by the province and member municipalities as a subordinate institution, “there is no guarantee that an independent special district will respond to the interests of the actors involved

in its establishment” (Mullin, 2009, p. 30). While turning a specific function over to a special district may be seen as liberating the function from political inputs and influence by putting it in the hands of technical expertise and theoretically neutral administration, “political decisions remain political decisions whether made by a unit of general government or a special district... when a policy decision involves the distribution of scarce resources, politics are inescapable” (Mullin, 2009, p. 31). This phenomenon raises questions about the governance, efficiency, and the balance between specialization and overreach of Ontario Conservation Authorities, and the potential emergence of an expanding function/mandate.

For this paper, the terms mandate creep and function creep will be used interchangeably. While there are other phrases that can be used to convey a similar sentiment such as 'mission creep' there is no true definition as it relates to government entities. Rather, most authors on the topic create their own definitions to suit the works ends, usually without reference to earlier definitions (Koops, 2021, p. 35). In the article, *The Concept of Function Creep*, Bert-Jaap Koops concludes that most collective definitions share the common characteristic “that something’s function is moving beyond its original purpose in a way that was apparently unforeseen by its developers, users, or the public” (Koops, 2021, p. 36). For the purposes of this paper, Koops’ articulation seems versatile and unproblematic for addressing special purpose bodies and will be how this paper articulates the concept hereafter.

Background to Conservation Authorities

This paper will deal with a single type of special purpose body unique to Ontario: Conservation Authorities. CAs were born out of the 1946 Conservation Authorities Act (CAA) to combat and alleviate severe erosion, drought concerns, and the degraded state of the

province's natural resources. Conservation Authorities are either charitable or nonprofit organizations. Today each CA has its own Board of Directors comprised of members appointed by local municipalities and most are elected municipal officials. CAs range in size from very large to small which influences the programs and services they can provide. In response to the massive economic and human losses only a decade after their ratification caused by Hurricane Hazel in 1956, amendments to the CAA "enabled conservation authorities to acquire lands for recreation and conservation purposes, and to regulate that land for the safety of the community" (Conservation Ontario, 2023a). This provided the legal basis for non-mandatory programming and services.

The "development, interference and alteration" laws for all Conservation Authorities were adopted by the Minister of Natural Resources in 2006. Consequently, development and activities "in or adjacent to river or stream valleys, Great Lakes and inland lakes shorelines, watercourses, hazardous lands and wetlands" were subject to the authority of Conservation Authorities (Conservation Ontario, 2023b). Since then, any development near these locations has needed to obtain the possible approval of the governing conservation authority to ensure that it won't negatively impact land conservation, erosion control, dynamic beaches, flooding, or pollution. Presently, 95% of the people in Ontario reside in a watershed that is managed by one of the 36 Conservation Authorities, which together control 500 Conservation Areas covering a total of 150,000 hectares making it one of the largest property owners in the province, and a critical player in the development process (Conservation Ontario, 2023c). Under the terms of the Conservation Authorities Act, which was created by the province at the request of municipalities, member municipalities and CAs must work together to develop business plans, watershed plans, plans for the management of natural resources, and other non-mandatory projects that fall under

their purview. "Watershed-based programs to protect people and property from flooding and other natural hazards, and to conserve natural resources for economic, social, and environmental benefits" is the current "core mandated" purpose of Conservation Authorities (Conservation Ontario, 2023b).

Framing the Problem

Legislative Amendments

Over the past two decades, various provincial governments have expressed uncertainty about the role of CAs and concerns about their expanding activities beyond their core functions, particularly regarding their impact on development. This concern has coincided with a steady decline in provincial funding and a reduction in CAs' independence. Originally, Conservation Authorities were funded equally by the provincial government and participating municipalities (50/50). Up until the early 1990s, provincial transfer payments for administration, conservation, and recreation activities constituted a significant source of funds. With provincial funds matched by municipal levies, these financial arrangements represented a highly reliable partnership.

However, in the mid-1990s, the Conservative provincial government (1995–2002) passed the Red Tape Reduction Act, leading to a major reduction in provincial funding for all CAs—from more than \$50 million to \$8 million annually—restricted solely to structural approaches to natural hazard management. The provincial government deemed all other CA programs, including recreation and education, to be local responsibilities, thus, to be funded by member municipalities and newly permitted authority-generated revenue streams (Mitchell et al., 2014, p. 464). As a result, municipal levies began to increase in the 2000s due to provincial funding cuts. To justify these levies, Conservation Authorities increasingly undertook new, non-core ventures

and formed partnerships to secure funding for programs that benefited the community (Mitchell et al., 2021, p. 140).

Since the early years of the current Conservative Provincial government (2018-present), Ontario has pursued several initiatives to refine the core mandate of Conservation Authorities. These efforts claim to “improve the governance, oversight, and accountability of Conservation Authorities, while respecting taxpayer dollars by giving municipalities more say over the Conservation Authority services they pay for” (Ministry of the Environment, Conservation and Parks, 2020).

In June 2019, the province introduced commitments under its Made in Ontario Environment Plan to ensure CAs focus on their core mandate. As part of this initiative, Bill 108, the More Homes, More Choices Act, 2019, amended the Conservation Authorities Act to clarify that CA board members must further the objectives of the Conservation Authority “i.e., the range of activities the Conservation Authority is allowed to undertake” (Updating the Conservation Authorities Act, 2020). Furthering this, in support of Bill 23, *More Homes Built Faster Act*, 2022, several changes were implemented to streamline Conservation Authority processes and help make the land suitable for housing available for development” (Ministry of Natural Resources and Forestry, 2022). This legislation cut down the list of mandatory programs provided by CAs to four areas that will be discussed in more detail shortly– flooding and natural hazards, watershed management on CA lands, drinking water source protection, and the Lake Simcoe Protection Plan. Any non-mandatory program offered must be negotiated on an individual basis with member municipalities.

Furthermore, the Ministry of the Environment, Conservation and Parks conducted a consultation from late 2019 to March 2020 with municipalities, Conservation Authorities,

development, agricultural, landowner, environmental and conservation organizations, Indigenous communities, and the general public to improve the governance, oversight, and accountability of CAs and to reiterate “what conservation authority programs and services are provincially mandated” and “how and for what conservation authorities can levy municipalities and charge fees, including non-mandatory programs and services” (Ministry of the Environment, Conservation and Parks, 2020). Through this consultation, the province reported that some municipalities expressed concern about the increasing municipal levies required to finance the growing activities of conservation authorities and the lack of direct control over their budgets (Ministry of the Environment, Conservation and Parks, 2020).

The Ministry saw this as an opportune moment to review CA programs and services, focusing on governance, funding mechanisms, and the roles and responsibilities of non-mandate programs and service deliveries. This backdrop led to further legislative amendments to the Conservation Authorities Act, such as Bill 229, *the Protect, Support and Recover from COVID-19 Act*, 2020. Like other budget bills, it includes changes to the Conservation Authorities Act under Schedule 6, aiming to “improve transparency and consistency in conservation authority operations, strengthen municipal and provincial oversight, and streamline conservation authority roles in permitting and land use planning” (Ministry of Environment, Conservation and Parks, 2020). Bill 229 also requires that at least 70 per cent of CA appointees be directly selected from among the members of the respective councils of the participating municipalities, with some exceptions, to ensure oversight. Another significant change through the Bill is to section 28 of the CAA, granting the Minister authority to determine permit applications, previously the domain of the CA.

These legislative amendments are part of a broader provincial message articulated by Government House Leader Paul Calandra: “For far too long, our conservation authorities have strayed from their mandate” (Syed, 2021). On April 1, 2024, O. Reg. 41/24: Prohibited Activities, Exemptions and Permits capped these changes by revoking several regulations that previously governed each conservation authority separately, replacing them with a single, unifying amendment under the Conservation Authorities Act. As part of this initiative, “Attachment A” of “Minister’s Direction for Conservation Authorities Regarding Fee Changes 2022”, outlines the limitation of “category 3” revenue-generating activities. Conservation authorities can generate revenue through three primary avenues: previously mentioned mandated programs and services: flooding and natural hazards, watershed management on CA lands, drinking water source protection, and the Lake Simcoe Protection Plan (Category 1), municipal programs or services (Category 2), and other Programs and Services that the CA members believe to be important and worthwhile to meet the overall direction of the Conservation Authorities Act (Category 3) (Ministry of Natural Resources and Forestry, 2022b). Broadly, category three services include, but are not limited to:

“Research, direct services to landowners, broader environmental monitoring, permissive activities under various legislation, and activities related to the CA-owned lands. Some of these activities would build on the mandatory requirements or those directed by municipalities. Other types of activities include recreation and education programs. These generate funds normally at market value to offset costs” (Association of Municipalities of Ontario, 2021).

Stakeholder Perspectives

Of course, many groups and actors have argued that these legislative changes to cut “delays and red tape” are not aimed at “improving accountability” of CAs but are merely a casualty in the province’s campaign to build 1.5 million houses over the next decade (Bilyea,

2022). In Conservation Ontario's November 9th, 2022, Standing Committee Written Submission to Bill 21, General Manager of Conservation Ontario Angela Coleman claimed Bill 23 attempts to separate the protection of wetlands and other natural features from "natural hazard planning", in effect creating an arbitrary division of preventative planning features that slow floodwaters and immediate hazard zone- regulations. These features, claims Coleman, are connected, and removing the ability of conservation authorities to regulate these areas through review of planning applications on these sites "elevates municipal risk and liability" (Coleman, 2022, p. 6). Many municipalities have reiterated this sentiment. Colin Best, president of the Association of Municipalities of Ontario (AMO), which represents nearly all the municipalities in the province, said that "eliminating environmental protections to build housing is a false economy" and "d[oes] not reflect consultation with Ontario's cities in any way" (Syed, 2023). Canadian Environmental Law Association furthermore stated that such legislation upends the legal protections that were bestowed on CAs to protect our environment and that changing the goalposts on the parameters of CA's activities is shortsighted and sets back Ontario's renowned conservation and watershed planning and protection system.

It is our opinion that the "watershed approach" and the "conservation authority model" that Ontario's Special Advisor on Flooding lauded and that are the envy of other jurisdictions both in Canada and with the international Great Lakes – St. Lawrence River region, will be stripped down and made unrecognizable. This model only works if conservation authorities retain the ability to actively participate in and intervene in land use planning decisions to ensure watershed resilience to climate change and flooding (CELA, 2020).

The question is, of course, whether Conservation Authorities have genuinely been expanding their non-core mandate programs and services and in turn forcing municipalities to pay more than they bargained for, or whether the circumscriptions are simply a component of a broader effort to reduce red tape and streamline development to meet provincial housing goals.

On one hand, provincial consultations have highlighted concerns from municipalities about the increasing scope and cost of CA activities, suggesting that some CAs may have expanded beyond their intended mandate to the injury of member municipalities. On the other, critics, many representing municipalities, argue that these legislative changes are less about curbing overreach and more about facilitating unfettered development.

2. Scope and Methodology

Terminology and scope

The terminology used in this analysis will align with provincial references to "programs and services" when discussing the potential expansion of CA functions. This analysis does not aim to evaluate whether CAs have become more politicized or more influential in municipal affairs or development applications; that is a subject for a separate discussion. To assess the potential "creep" of CA programs and services, this analysis will primarily focus on the expansion of some Category 2 and Category 3 revenue streams as a portion of authority-generated or self-generated revenue. This shift indicates a programmatic creep over time, represented by a higher proportion of revenue coming from non-mandated activities. The period under review will be from 2013 to 2023, as the year-end documents for 2024 have not been published at the time of writing, and going further back limits the available sample size significantly.

Analytical Methodology

By examining the trends in authority-generated revenue, the aim is to determine whether CAs have increased their non-core activities. To evaluate this, the assumption is that if proportional self-generated revenue of non-core mandate activities has increased over time, there

will be an expanded scope of operations in “non-core mandated” programs and services. After this, the analysis will consider the programs and services which are potentially responsible for the inflation, if at all, and analyze the potential tension with constituent municipalities.

TORONTO AND REGION CONSERVATION AUTHORITY			
Statement of Operations and Accumulated Surplus (In thousands of dollars)			
Year ended December 31, 2016, with comparative information for 2015			
	2016 Budget (note 15)	2016 Actual	2015 Actual
Revenue:			
Government funding (note 8)	\$ 77,242	\$ 70,125	\$ 72,620
Authority generated (note 9)	29,490	31,619	29,265
Investment income	600	714	612
Net loss on sale of tangible capital assets (note 6)	—	(69)	(292)
	107,332	102,389	102,205

Figure 1 Toronto and Region Conservation Authority. (2016). Financial Statements of Toronto and Region Conservation Authority Year ended December 31, 2016. [Photograph].

The data used to identify authority-generated revenue was sourced from the yearly audited financial statements of conservation authorities. Under the Act, CAs are required to provide an annual financial statement with an auditor’s report to the participating municipalities and the MNRF. These financial statements offer a comprehensive and reliable record of revenue streams, categorized primarily into three groups: Government Transfers (including federal and provincial grants/contracts), Municipal Levies (comprising general and special levies), and Authority-Generated revenue, which will be further broken down (see Figure 1 for example). While most conservation authorities adhered to this standard format, some showed minor variations, particularly in the use of an ‘other’ revenue category. This category was inconsistently used across different conservation authorities and sometimes varied for the same authority over different years. To streamline the analysis, ‘authority-generated’ revenue will be deemed any income that did not originate from upper-level government sources. This approach

aligns with most conservation authorities' reporting practices, despite the occasional presence of additional categories like 'other', or the exclusion or inclusion of certain programs and services.

Among the thirty-six Conservation Authorities studied, four were unable to contribute reliable data: Ausable Bayfield Conservation Authority, Cataraqui Region Conservation Authority, Credit Valley Conservation Authority, and Maitland Valley Conservation Authority. Spanning the years 2013 to 2023, the timeframe, although not as robust as it potentially could be, is the maximum for the current availability of financial information to create a reliable sample size. The study aimed to cover all possible data points for these authorities over the eleven years (including 2013 and 2023) totalling 1056 independent annual statements from the 32 CAs analyzed (352 per revenue stream: municipal levies, authority-generated revenue, and government transfers). Of these, 971 figures were able to be sourced for the analysis, representing an 87% accuracy relative to the total possible statements. Specifically, 326 of the possible 352 authority-generated revenue statements for all 33 CAs were analyzed, with a margin of error of approximately 8%. While imperfect, the error margin is minimal enough to ensure a thorough examination of financial data and trends across most of the conservation authorities, despite data limitations for the four CAs and sporadic missing statements elsewhere.

3. Analysis of Authority-Generated/Self-Generated Revenue

Data Collection

To get a representative value of the revenue streams for each CA over the eleven-year period (2013-2023), both the average, and median values of Government Transfers, Municipal Levies, and Authority-Generated revenue were calculated (See Tables 3-5). The use of both is for two reasons. Firstly, the median addresses the inherent skewness often found in financial data, where outliers or extreme values can disproportionately influence the average. Calculating

the median – a measure less sensitive to outliers – provides a clearer understanding of the typical revenue profile across most CAs. This approach ensures that the analysis reflects the central tendency of revenue streams without being unduly swayed by exceptional circumstances affecting a few entities. While the median provides insight into the middle value of the revenue distribution, the average helps identify instances where a few CAs may significantly impact the overall mean due to exceptionally high or low revenue figures. This comparative approach allows for a more nuanced understanding of the financial health and performance variations across different CAs.

The following graphs provide a visual representation of revenue trends for the analyzed CAs over the eleven years. These graphs depict the financial data for Government Transfers, Municipal Levies, and Authority-Generated revenue in dollar amounts (adjusted for inflation), highlighting the fluctuations and overall trajectories of these revenue streams. The data underlying these graphs were meticulously collected from the thirty-two CAs (See Tables 6-8). By presenting both average and median values, adjusted for inflation, the graphs offer a comprehensive view of the financial landscape, illustrating not only the typical revenue patterns but also the impact of extreme values on overall trends.

Revenue Trends

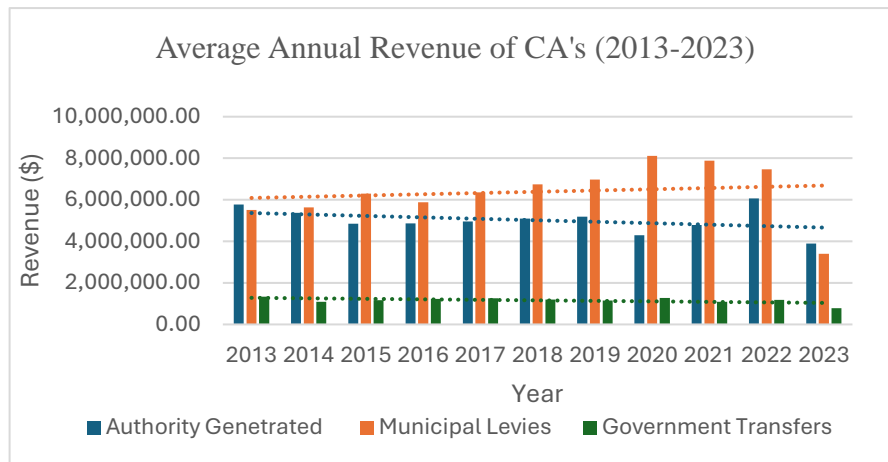


Figure 2 Average Annual Revenue of CAs (2013-2023). Formulas: Authority-Generated: $y = -70002x + 500000$

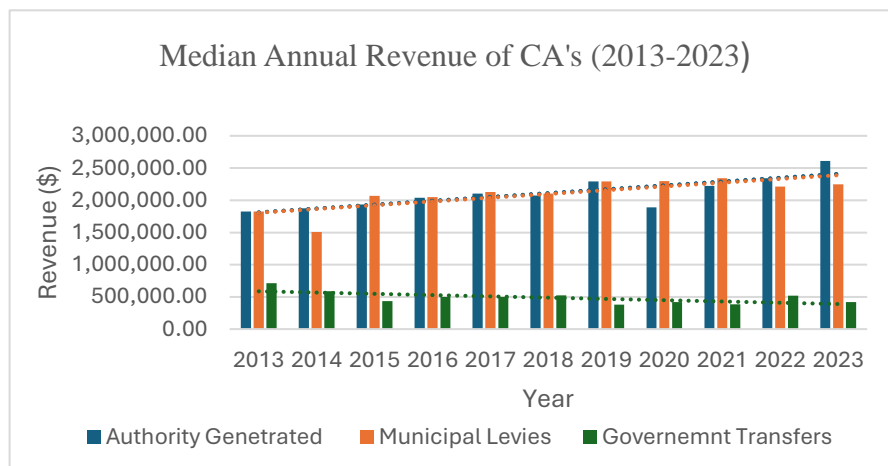


Figure 3 Median Annual Revenue of CAs (2013-2023). Formulas: Authority-Generated: $y = 59611x + 2000000$. Municipal Levies: $y = 58318x + 2000000$. Government Transfers: $y = -19789x + 607221$

The first thing to note is the vastly different values of the y-axis. The significant difference between the average and median values in the dollar amounts of annual revenue is primarily due to the presence of extreme values or outliers in the data set. In the context of financial contributions to conservation authorities, a few instances of exceptionally large contributions in certain years disproportionately inflate the average, resulting in a value that is much higher than the typical contribution. For example, the Grand River Conservation

Authority's sale of significant properties in 2022 resulted in a gain on sales of \$15,158,492, contributing to an inflated yearly self-generated revenue of \$33,836,410. In comparison, the total authority-generated revenue was \$15,993,850 in 2021 and \$20,893,903 in 2023. This anomaly creates an apparent spike in the average self-generated revenue for that year (GRCA, 2022).

Furthermore, a few conservation authorities with exceedingly high revenues disproportionately raise the average, more so than lower revenues bring it down. Most notably, three conservation authorities—Conservation Halton, Grand River Conservation Authority, and the Toronto and Region Conservation Authority (TRCA)—have annual authority-generated and/or municipal revenues exceeding \$10,000,000. Among these, the TRCA stands out as the greatest outlier. On average, the TRCA earns \$36,150,800 in annual authority-generated revenue and more than \$82 million in annual municipal levies, not only bringing up the average but heavily contributing to a skew. In contrast, only eight other conservation authorities have earned more than \$5 million annually in either municipal or authority-generated revenue, and on average, they combine to generate significantly less. This is why the overall annual revenue is consistently higher for the average – which is \$4,326,683 in authority-generated revenue – than for the median, which is merely \$1,803,991.

This stark difference underscores the impact of a few high-revenue authorities on the average, creating a distorted view that does not accurately represent the typical financial status of most conservation authorities. Additionally, the dip in average revenue for the year 2023 can be explained by the absence of financial data from several major conservation authorities. Notably, the Toronto and Region Conservation Authority (TRCA), Lake Simcoe Region Conservation Authority, Grand River Conservation Authority (GRCA), and Conservation Halton, have not at the time of writing published their financial statements for 2023. The lack of these significant

contributors has resulted in a lower overall average revenue for the year. Thus, the median graph(s) provide a more reliable measure of central tendency in this context.

To provide a clearer and more representative analysis of conservation authority revenues overall, the Toronto and Region Conservation Authority (TRCA) was removed from the following graph's inputs. This allows for a more balanced assessment of the central tendencies.

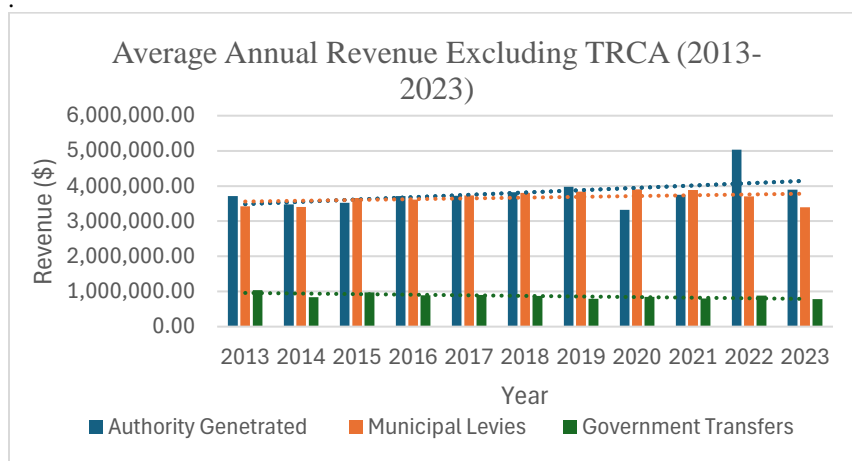


Figure 4 Average Annual Revenue Excluding TRCA (2013-2023), Formulas: Authority-Generated: $y = 66112x + 3000000$, Municipal Levies: $y = 22248x + 4000000$, Government Transfers: $y = -16959x + 975746$

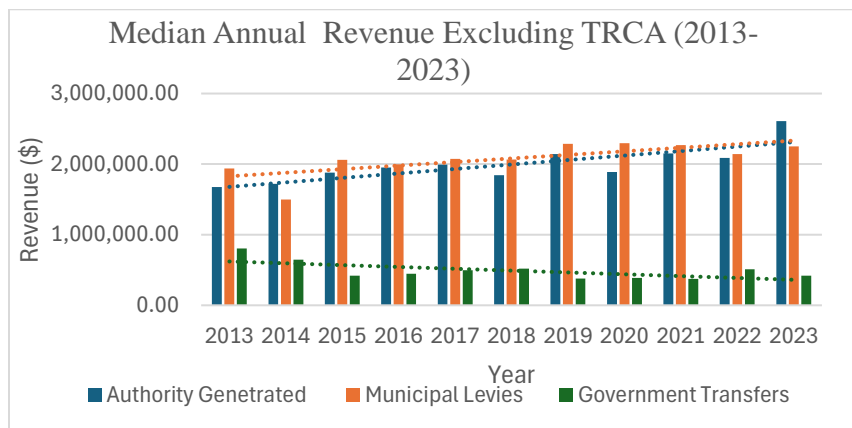


Figure 5 Median Annual Revenue Excluding TRCA (2013-2023), Formulas: Authority-Generated: $y = 63363x + 200000$, Municipal Levies: $y = 50574x + 2000000$, Government Transfers: $y = -25932x + 646836$

Data Evaluation

Removing the TRCA's data from the graphs significantly changed the revenue trends.

The Average Annual Revenue Excluding the TRCA trendline now closely matches the two

median trends. This suggests that typical authority-generated revenue has increased from 2012 to 2023 in all three graphs. Excluding the first graph, the trendlines for authority-generated revenue show clear linear equations ($y = mx + b$) indicating the rate of change over time. Annual revenue figures include \$63,363 for Annual Median Revenue (including TRCA), \$66,112 for Average Annual Revenue Excluding TRCA, and \$59,611 for Annual Median Revenue Excluding TRCA.

The average slope across these equations shows an annual rate of change in authority-generated revenue of \$63,028.67. This sharply contrasts with the average annual rate of change for municipal levies at \$43,713.33 and government transfers at -\$20,893.33, highlighting differing trends in revenue sources. Additionally, for the Annual Average Revenue (including the TRCA), the average rate of change is -\$70,002, demonstrating the significant impact of the TRCA. These findings indicate that self-generated revenue is growing at a faster rate than municipal levies, while government transfers are decreasing by a similar amount. This suggests a notable shift in the revenue landscape over the past decade.

According to Conservation Ontario, the typical breakdown of funding sources for CAs is as follows: Municipal levies – 53% Self-generated revenue – 35% Provincial/ Federal grants & Special Projects – 12% (Conservation Ontario, 2023a). However, as has been measured, authority-generated revenue is increasing proportionally to municipal levies and nearly offsetting the drop in government transfers. Calculating the percentage of funding for each CA from 2013-2023, we find that on average, authority-generated revenue comprises more than 40% of the total annual revenue (see Table 5). Now that we have established a precedent for there being a “creep” in at least the revenue generation of CAs, we must establish if the expansion of non-mandate programs and services is responsible.

4. Analyzing Revenue Growth of Non-Mandate Programming

The evaluation calculated the Compound Annual Growth Rate (CAGR) for each CA measuring the average annual growth rate over the eleven years. The formula used is $(V_f/V_i)^{(1/n)} - 1$ where V_f is the final value (authority-generated revenue in the last year), V_i is the initial value (authority-generated revenue in the first year), and n is the number of years (11 years in this case). This formula provides a standardized annual growth rate that smooths out fluctuations and indicates the consistent growth or decline in revenue from 2013 to 2023, accommodating missing data points in some years.

Across the 32 Conservation Authorities analyzed, the average CAGR for authority-generated revenue showed a positive increase of 5.27% (see Table 9). This indicates that across the board, CAs have recently been deriving a higher proportion of their revenues from independent sources. Notably, the following showed exceptionally high growth rates: Lakehead Region Conservation Authority (LRCA) at 21.48%, Kawartha Conservation (KC) at 18.39%, and Lake Simcoe Region CA (LSRCA) at 18.36%. Due to significant annual gaps in LRCA's data contributing to its unusually high CAGR, it has been excluded from the special analysis. Additionally, Long Point Region CA (LPRCA) and Otonabee Region CA (ORCA) reported CAGRs of 12% and 11%, respectively. The following analysis is to analyze whether this expanded authority-generated revenue correlates with an appropriation of non-mandatory programs or services. If indeed it does, it would suggest that over time this sample of conservation authorities have experienced a function creep. Consequently, the detailed analysis of potential non-mandate program expansion will focus on KC, LSRCA, LPRCA, and ORCA due to their relatively significant CAGRs.

To analyze the trends in revenue from Category 2 and category 3 (non-mandate) programs and services, we separated this revenue from the mandatory Category 1 services (Watershed, Water Risk Management, Planning and Development, and Hazard Risk Management). Again, non-mandate revenue includes Corporate Services, Special Projects, Conservation Lands and Stewardship, Education and Recreation, Science and Research, Ecological Management and Gain on Disposal of Land/Assets. To accurately identify the programs responsible for potential revenue expansion, a detailed analysis of each category per

CA would be ideal. However, as

this analysis requires a robust

breakdown of revenue sources (see

Figure 6), not each Conservation

Authority had an annual financial

statement with the relevant

information for a categorical

breakdown at the time of writing.

Instead, a broader approach was

utilized by weighing Category 1

against Category 2 and 3 values.

For the most part, this

categorization

was done manually by calculating the

statements in the “Notes” sections of the

year-end audited financial statements.

9. Revenue - authority generated:

	2016 Budget	2016 Actual	2015 Actual
Watershed Studies and Strategies:			
Watershed planning and reporting	\$ 167	\$ 3	\$ 28
Climate science	19	18	–
Water Risk Management:			
Erosion and flood management	290	292	430
Water resource science	32	21	113
Regional Biodiversity:			
Biodiversity monitoring	364	193	137
Ecosystem management	121	27	150
Restoration and regeneration	840	1,823	821
Greenspace Securement and Management:			
Rentals	2,495	2,454	2,310
Greenspace management	429	243	383
Greenspace securement	1,024	1,349	2,405
Tourism and Recreation:			
Camping and picnic permits	3,001	3,609	3,251
Site admissions and athletic fees	2,439	2,358	2,570
Wedding and corporate events	2,008	2,228	1,940
Events and festivals	807	863	865
Film and photography permits	245	431	163
Heritage Village	1,684	1,824	1,735
Trails	54	32	178
Planning and Development Review:			
Development planning	5,112	5,945	4,817
Environmental assessments	854	1,307	995
Education and Outreach:			
Educational programs	4,555	3,780	3,118
Sustainable Communities:			
Living City transition programs	2,417	1,764	1,949
Community engagement	369	424	449
Corporate Services	164	631	458
	\$ 29,490	\$ 31,619	\$ 29,265

Figure 6 Toronto and Region Conservation Authority. (2016). Financial Statements of Toronto and Region Conservation Authority Year ended December 31, 2016. [Photograph].

All conservation authorities showed growth in the percentage of non-mandated revenue generated over the studied term, except for ORCA. ORCA, which had the highest overall percentage of total authority-generated revenue from non-mandated programs and services, derived 56% of its total authority-generated revenue from non-mandated activities. However, throughout the period studied (2013-2023), it demonstrated a negative annual decrease of approximately 2.84%. In contrast, the other CAs demonstrated annual increases between 10% and 14% over the same period, exceeding the average growth rate (see Tables 10 & 11). For comparison, Mattagami Region CA, which had the lowest CAGR at -14.4%, also had a higher-than-expected proportion of its revenue derived from non-mandated activities (14.4% on average).

The high proportion is mainly due to a single anomaly that initially inflated the average, with the 2014-2022 average being 10.26%. Despite the relatively high proportion considering its low and decreasing overall authority-generated revenue, the average rate of change over the 10 years available indicates a -3.77% decline for Mattagami Region CA (refer to Table 12). This increase in non-mandated revenue underscores a notable trend among the studied conservation authorities, pointing to a potential strategic shift towards revenue source diversification. This move likely reflects efforts to improve financial sustainability and reduce reliance on traditional funding sources such as provincial revenues. The differing trends between ORCA and other CAs highlight the complexities of managing non-mandated programs and services. While ORCA's high percentage of non-mandated revenue indicates a strong emphasis on these activities, its negative growth rate suggests challenges in sustaining or expanding these initiatives. Conversely,

the consistent growth observed in other CAs, despite differing initial conditions, implies effective strategies in leveraging non-mandated activities for revenue generation.

5. Conclusion

Summary of key findings

The analysis of revenue growth among conservation authorities highlights significant trends in authority-generated revenue over the 2013-2023 period. Overall, the increase in authority-generated revenue is outpacing municipal levies, while government transfers are declining. This suggests that there is a transition in the weighting of revenue sources. Furthermore, while general authority-generated revenue derived from all sources has been broadly increasing over the last decade by around 5% annually, both CAs with statistically high and low authority-generated CAGRs – albeit a small sample size – are experiencing an outsized growth in non-mandate derived revenue. This suggests that CAs are experiencing what could be considered a mandate creep insofar as programmatic expansion/investment is resulting in increased revenue generation from these activities. However, further research is essential to deepen our understanding of the financial dynamics of conservation authorities and their changing relationship with municipalities. This research should focus on several key areas: first, a more comprehensive analysis of non-mandate programs and service revenue over time. Second, a detailed and ongoing investigation into the impact of reformed governance structures and decision-making processes of CAs in the post-amendment period beginning in 2019 can provide insights into how authority and control are negotiated between CAs and municipalities, and how these relationships are impacting mandatory vs. non-mandatory revenue practices over time. Third, a comparative study across different regions would reveal if circumstances and

environmental factors such as population density, urbanism, economic industry, and the number of member municipalities influence the “creep” of non-mandate programs and services. Lastly, exploring the perspectives of individual municipalities regarding their priorities and concerns about CA’s expanded role can offer valuable insight.

Limitations

The analysis of conservation authorities' revenue trends is subject to several limitations. Firstly, in many cases, data points were manually categorized when not explicitly stated in the financial statements, potentially introducing inconsistencies. Additionally, four CAs were unable to provide reliable data, and others had sporadic missing statements, resulting in an 87% accuracy relative to the total possible statements. Temporal limitations are also evident, as the analysis covers the period from 2013 to 2023, excluding what would be a much more comprehensive analysis that extended back to 1995 and the onset of the Red Tape Reduction Act to get an accurate picture of “untouched” CA revenue streams. Lastly, the lack of a detailed program analysis, which would ideally be conducted for each CA, per year limits the precision of understanding the specific programs driving non-mandate revenue expansion and leaves the small sample as a potential representation, rather than a substantive depiction.

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