

2018 Pre-Budget Consultation Presentation

RURAL ONTARIO INSTITUTE

Thank you for the opportunity to present today. I am Pat Shaw, Chair of the Government Relations Committee of the Rural Ontario Institute Board.

The economic contribution of rural regions to this province's economy is significant and it is crucial that the government invest in strategies that allow all regions of the province to prosper and to contribute what they can. Ontario cannot afford not to. One fifth of Ontarians live in small towns and rural regions of Ontario. There are 230,000 small and medium enterprises (SME's) in rural and northern Ontario and to thrive they need functioning and vital communities with quality infrastructure, high speed internet, good housing and accessible health services, so that an educated, mobile and well-trained labour force can innovate and be productive.

The Rural Ontario Institute develops leaders and connects rural and northern leaders around issues of common concern. We work in partnership with many types of rural stakeholders exchanging ideas for how to tackle common concerns – municipalities, their associations, public health and social service agencies, non-profit organizations and economic development organizations.

Our knowledge of rural challenges comes from the insight our partners share with us at forums and events we organize. Their insight as practitioners on the ground in their regions is vital to understanding the types of solutions that can lead to jobs and prosperous rural communities.

Our perspective is informed by statistical analysis we prepare and publish on rural demographics, socio-economic trends and conditions such as income and employment ([Focus on Rural Ontario Fact Sheets](#)). Over the years, we have prepared many studies with government support on issues as diverse as rural and northern homelessness and rural transportation solutions.

Not only do we utilize data to understand the dynamics of rural Ontario, the Institute also speaks to priorities that are informed by surveys we do of rural Ontarians from all walks of life. Our current Rural Priorities survey has over 500 rural respondents, with more than half of these respondents working with rural businesses. Finally, our perspective is also informed by expert insight through a series of [Foresight Papers](#) we recently commissioned. These Papers are being used by other organizations, such as the Rural Ontario

Municipal Association and Ontario Federation of Agriculture, who are drawing on this work to inform their members of why we need investment in broadband, infrastructure and a provincial policy framework that enables regional development.

In particular, the Institute encourages the government to:

- Commit to a process for preparing a comprehensive, integrated regional economic development policy framework – one that enables place-based development. Dr David Freshwater provides the economic rationale for this in his “[Growth Beyond Cities](#)” Foresight Paper. The current rural “road map” is not a plan or strategy but simply a list of current government programs.
- A recent survey of municipal CAOs which ROI conducted in conjunction with the Rural Ontario Municipal Association suggested that many smaller municipalities are going to be challenged to raise property taxes enough to pay for their infrastructure maintenance costs. Without reliable infrastructure, businesses are unlikely to invest. If the province is not going to accept the Association of Municipalities of Ontario’s proposal for a 1% share of the HST to go to municipal infrastructure what are smaller municipalities going to do? A prudent strategy would be to promote growth in small towns where there is under-utilized public infrastructure and thereby build the local tax base. Growth planning that is principally about managing urbanization in the immediate GTHA fringe with its attendant costly congestion overlooks this opportunity.
- Growing rural labour force skills shortages are limiting business growth and can be addressed by:
 - developing a new funding formula for schools that keeps education accessible – it is not acceptable that rural high school completion rates fall below urban areas;
 - supporting programs which support youth transitions from post-secondary to local job markets;
 - building up satellite community college programs to focus on regional training needs;
 - contributing to attainable housing programs; and,
 - targeting the provincial nominee program to more effectively integrate newcomers coming to small towns with needed skill sets and credentials.

- Scale up broadband investment. The Ontario government has committed to digital service delivery and recognizes that broadband is necessary for education, business and health innovation. In the absence of adequate federal leadership, rural Ontario needs the province to lead. The current piece meal funding approach is not sufficient and is leaving many places behind. Ontario must scale up investment and set its sights higher than 5 MBPs. If Ontario wants productivity and a prosperous future everywhere we need optical-fibre to reach all communities and to invest in last-mile solutions. (See [Foresight Paper](#) by Dr Catherine Middleton.)
- Rural health outcomes are largely poorer because of greater inequities in the broader social determinants of health (such as income/education/social isolation/inadequate housing). This is costly to the provincial system and will not be remedied by further centralizing specialty health services in urban centres for acute care efficiency reasons. Among other measures, the province could strengthen its approach to these long-term complex issues by:
 - Supporting community programs for an aging society, for example: caregiver support networks and housing renovations for aging in place;
 - Subsidizing rural municipal and community transportation services beyond the limited competitive community transportation grant program.

In our view, local prosperity and jobs are inseparable from local quality of life – it is a mutually reinforcing cycle where wealth generated from entrepreneurship and productive commerce is reinvested in places that people will want to live. Government services such as education, health care and infrastructure cannot be sub-standard in rural Ontario if we want these places to optimize their ability to generate wealth.