



A Voice for Rural and Northern Ontario

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PURPOSE

The purpose of this updated ROMA discussion paper – *A Voice for Rural and Northern Ontario*- is to serve as a reference point for future provincial policy development and implementation. The paper reflects the interests of rural and northern municipal governments in an effort to call attention to their communities' needs and requirements so they can thrive and succeed.

A Voice for Rural and Northern Ontario lays out key considerations for provincial elected officials and public servants when new or revised policy and programs that may affect rural and northern communities are in the conceptual or design phase. To that end, the Northern and Rural Lens is re-profiled in this paper for active application by the Province in any of their policy development work.

This updated version of the paper has been built on the foundations of *AMO's 2007 Rural-Northern Plan Discussion Paper*. It is part of ROMA's and AMO's advocacy and government relations strategic direction.

The Province of Ontario is comprised of 444 municipalities of which 335 (75 per cent) are either rural or partially rural. AMO and ROMA will continue to advocate on the necessity of having strong rural and northern communities.

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INTRODUCTION

“Rural areas provide the commodities that give us a positive balance of trade, they hold the sources of our water, the location of recreational and natural amenities to which we turn to be refreshed, they contain much of our biodiversity, they process most of the urban pollution and they contain a large part of our social and cultural heritage. Without the people to extract, process and transport those commodities, safeguard those amenities and sustain our heritage, we would all be worse off – rural and urban alike”.¹

- Bill Reimer, Immigration in the New Rural Economy.

Ontario is at a crossroads. The recession that shook domestic and international markets in 2008 made it clear that there is a need for a diverse, well-functioning economy across Ontario. Our citizens need help adapting to today’s changing economy and we need to be positioned to take full advantage of the opportunities that are presented. Rural and northern Ontarians are just as, if not more, susceptible to the fluctuations that have been occurring in the global marketplace. Historically, rural and northern communities were established close to the industries that Ontario was built upon: farming, mining, and forestry to name a few. Today, our communities are facing tough challenges of sustaining their rich heritage, tradition, and culture in a rapidly changing world. They helped build the economic development and prosperity of our province. Now, with the reshaping of the global environment and the fluctuations of the international market, rural and northern communities are in a position where they must adapt to a rapidly changing world. Without a doubt, our communities must revitalize in order to continue to contribute to the rich fabric of Ontario’s society.

The Rural Ontario Municipal Association (ROMA) has identified several significant focus areas facing rural and northern municipalities now and over the next 25 years. Strengthening rural and northern economies, supporting people and places and understanding government policies and their municipal impact are ongoing issues that are of concern to Ontario’s rural and northern municipalities. Municipal fiscal capacity is a key theme, both because it is the greatest indicator of how well municipalities can address challenges and also because it is interconnected with all of the areas identified by ROMA as critical issues facing rural and northern municipalities. In all areas of policy and program development, the foundation to address issues of implementation will be through AMO’s Northern and Rural Lens, developed specifically for the Province to understand the uniqueness of rural and northern municipal design and the ramifications for small communities if issues are not seen through this Lens.

¹ Bill Reimer. 2007. *Immigration in the New Rural Economy*. “Our Diverse Cities: Rural Communities”. 2007:3, 3 – 8.

ROMA is mandated to address key province-wide policy issues from a rural municipal government perspective. The association acts as the rural municipal voice in Ontario when considering and responding to proposed provincial legislation while working with the government on solutions. Leadership within ROMA is provided by the Chair, Executive, and Board of Directors. Several ROMA members are also represented on the Rural Caucus on AMO's Board of Directors. One member from the Rural Caucus is represented on AMO's Executive Committee which voices municipal input and reaction to provincial policies through a Memorandum of Understanding (MOU) with the Province.

We have continuously advocated that the provincial government take rural and northern concerns into consideration when developing policies and programs – not only for municipal policy, but for all policy development. In 2006, AMO released the Northern and Rural Lens (**Appendix A**) to help raise awareness of rural and northern issues across provincial government organizations by assessing the impacts and changes to new and existing policies, programs, and services for Ontarians living in rural and northern areas. It is meant to function as a flexible tool that all ministries can use to ensure that policies are adequately tested before implementing. We have advocated for many years that any policy or program that is developed should be run through the Lens so that the Province may use it to shape better outcomes for our rural and northern communities. When addressing all of the challenges and themes that are raised within this paper, it is important to view them through the Lens in order to ensure that any initiatives are fair and representative of the rural and northern municipal voice.

Moving forward, creative solutions must be employed for rural and northern municipalities to thrive well into the 21st century. A rebalancing of the relationships between rural, northern and urban communities should be recognized by municipal counterparts in the Province and in southern Ontario. More and more urban needs, such as reliable broadband infrastructure, will be required in rural and northern communities. This could attract and retain students, newcomers, and workers to rural and northern areas who will have access to reliable broadband that links them quickly into the day-to-day activities elsewhere in Ontario, Canada, and around the world. By introducing the same opportunities that their urban counterparts have, rural and northern municipalities can grow using creative solutions to address traditional issues.

This updated paper provides an overview of several current policy issues for rural and northern Ontario municipalities, the solutions and best practices to address these issues, and several considerations for municipalities to think about moving forward.

Understanding the current, ongoing issues in rural and northern areas can be addressed through the following themes using the Northern and Rural Lens as a foundation: Government Policies and the Municipal Impact, A Forward Thinking Rural and Northern Economy and Supporting Local Places and People. These themes encompass issues and realities that are of critical importance to rural and northern municipalities. Any policies and programs that are developed by the Province must fully address the many challenges that are faced by rural and northern municipalities in order to make sure that they can thrive and succeed.

GOVERNMENT POLICIES AND THE MUNICIPAL IMPACT

Understanding the Municipal Impact

Rural and northern Ontario has a long history of providing a desirable quality of life for its citizens. Today, there are many fiscal and political obstacles that threaten this ability to continue to provide a high quality of life. Rural and northern communities need the Province's support in order to have the capacity to deliver key services in an effective and efficient manner that is also flexible and responsive to local needs. Our municipalities in Ontario have consistently proven that they have an ability to self-govern, maintain a close connectedness to people as the local order of government, and an ability to respond to the requirements of citizens.

Rural and northern municipalities are facing challenges when providing required services and programs to their citizens. Access to healthcare, social programs, infrastructure demands and the environment, are all competing for municipal funding. Outmigration, a lower employment rate and a rapidly aging population mean that along with the high competition for municipal funding, there is also a lower revenue stream from which to draw for rural and northern communities.

When ROMA is given an opportunity to provide feedback into policy and program development, we consistently ensure that rural municipal concerns are heard. Despite this, there is still much the Province could do to help rural and northern municipalities in the policy development process. A frequent challenge faced by rural and northern municipalities is over-regulation. Often when new policies are released, there are a number of new requirements attached, from administration requirements to new responsibilities. While large urban municipalities also object to these additions, these municipalities are often in a position where they are able to comply (at a cost to the tax payer). Per capita costs in most rural and northern areas are higher than those in urban communities as a result of smaller populations. As a result, rural and northern municipalities do not have the capacity, or the tax base, to continue to absorb new costs.

One of the current provincial policies is the *Accessibility for Ontarians with Disabilities Act (AODA)*. The work that is being undertaken for this Act, to make communities more accessible, is an interest and commitment shared by ROMA. While we have consistently stated support for the *AODA*, we have also expressed concerns with the challenges of human resources and cost impacts of implementing the proposed standards. The fiscal capacity and administrative capabilities of smaller, rural municipalities make implementing *AODA* standards very difficult. The fiscal cost of implementing *AODA* requirements has not been analyzed by the Province and yet, the timeline for implementation means that municipalities must forge ahead with implementation strategies without the knowledge that the goals and timelines set out in the strategy will be of great value to their community requirements, or how much of a financial impact this will have on municipal budgets. With mounting fiscal pressures, municipalities cannot assume greater risk and liabilities on behalf of the provincial government. This is just one example of many provincial regulation issues and its implementation will have serious impacts upon Ontario's municipalities. To date, we have advocated and focussed on ensuring that *AODA* regulations achieve accessibility in a way that is affordable, efficient, and sustainable for municipalities.

Access to provincial programs is another area challenging rural and northern municipalities. The Province currently lists programs of interest to rural communities on the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) website. This is a good resource for municipalities. The obstacle is in ensuring that those communities who could truly benefit from the programs are able to apply. Reducing the "red tape" and the burden of eligibility and application procedures of current and future programs of interest for rural communities and municipalities could dramatically increase the functionality and uptake of these programs.² This is not to suggest that municipalities do not appreciate the accountability requirements that come with provincial or federal grants. Rather, it is challenging that for each individual grant program that the federal government and the Province offers, there is a different set of eligibility criteria and a different method of reporting. Each set requires that municipal staff spend less time providing other services and instead must generate applications for grants, outcomes reports, and perform other administrative tasks. The costs and resources associated with these requirements mean that many smaller municipalities find it difficult to apply for the programs designed specifically for their use.

Above all else, a distinction needs to be recognized between urban and rural. A one-size-fits-all approach to policy and program development and design simply does not work in rural and northern municipalities. Provincial policy makers must consider rural and northern implications in advance of the policy development process. Requiring rural and

² This was also one of the recommendations for the Provincial government in David J A Douglas' report *Towards More Effective Rural Economic Development in Ontario*. 2003.

northern municipalities to step forward during consultations to remind the Province of rural and northern fiscal capacity issues should be redundant and unnecessary. A single entity with accessibility to the various programs and the capacity to liaise with the responsible agencies on behalf of municipalities could go a long way to enhancing the effectiveness of the many available provincial initiatives. There could be opportunities for OMAFRA and the Ministry of Municipal Affairs and Housing to place resources toward the coordination and gathering of rural and northern community input. Reviews of provincial legislation need to be simplified and, where possible, consolidated under overarching legislation in order to avoid unnecessary duplication.

A FORWARD THINKING RURAL AND NORTHERN ECONOMY

Municipal Fiscal Health

Municipalities require a sustainable stream of revenue in order to provide services to citizens. Property taxes generate 45 per cent of municipal revenue and 21 per cent is produced through user fees.³ In total, 66 per cent of all municipal revenue is generated directly from citizens who live in municipalities.⁴ Municipalities must also deal within fiscal capacity realities that for every tax dollar, municipalities receive 9 cents while the province receives 44 cents and the federal government 47 cents. At the same time, municipalities deliver the public services that are used most often by Canadian citizens. For our rural and northern communities, there are further strains to municipal fiscal capacity. Many rural and northern municipalities have a very small tax base that restricts the ability to raise significant revenues. Due to the often large geographical distances of rural and northern municipalities, user fees can only cover a small portion of the real cost of programs and services. Municipalities do not have access to income or sales taxes to boost revenues. When a new provincial policy requires further municipal administration, or municipal input through consultation, it means that taxpayers are paying municipal staff to perform these tasks, instead of providing valuable programs and services. We have consistently asked the Province and the federal government to consider the municipal fiscal capacity issue. It is not a new issue, but in the current challenging economic climate, it is important now more than ever.

To address municipal fiscal capacities, the 2008 Provincial Municipal Fiscal Service Delivery Review (PMFSDR) was a landmark agreement that committed the Province to upload social assistance benefits and court security costs from the municipal tax base. The goal of the agreement is to ensure that the delivery of programs and services

³ Statistics Canada, CANSIM Table 385 – 0024.

⁴ *Ibid.* Provincial transfers make up 21%, Federal transfers 2.5%, investment income 4.7% and other revenue 4.8% of municipal revenue in Ontario, 2007.

remains affordable and sustainable for both the Province and municipalities. The review constituted a new, collaborative provincial-municipal approach to providing services and there have been significant milestones achieved to date. Implementation of the agreement is ongoing but rural and northern municipalities will be eagerly looking to the Province to meet, or exceed, the promised \$1.5 billion upload of social assistance benefits and court security costs by 2018. However, there are continuing challenges. Despite the upload of social services and court security costs there are still municipal fiscal challenges to related areas such as roads and bridges, transit, as well as water and wastewater services. Household waste, policing and fire costs, and municipal liability and insurance costs are also fiscal challenges that are being faced by Ontario's municipalities. Going forward, we are seeking continuing progress with the Province on these shared responsibilities to Ontarians.

Education

Our schools, as institutions dedicated to youth, are essential to the vibrancy and vitality of communities all across Ontario. Schools provide a focal space for community activities to take shape and linkages between community members and families to be made. These types of spaces are limited in rural and northern communities more so than in urban ones. Additionally, analysts across the globe are recognizing the important link between the provision of quality education and strong economic development. As such, schools provide strong foundations for the development of intangible resources like social capital.

In rural and northern communities, as in all of Ontario, there is a real need to provide and maintain access to quality education. Declining enrolment in rural and northern areas is one issue that effects access to quality education and needs to be addressed. Many communities have only a single school and in certain areas, school boards find it challenging to keep small schools open. Declining enrolment means declining provincial funding and the cost of maintaining local schools facing declining enrolment, given the current funding formula, is becoming prohibitive. When a rural or northern school is shut down, the entire way of life in a community is impacted. This includes spin off economic impacts. School closures go beyond impacting educational services in rural and northern areas making it very difficult to keep and attract new families to a community when a school is lost. It is fair to say that the viability of communities in rural and northern Ontario is directly related to local access to elementary and secondary education.

In many areas across Ontario, efforts are underway to address the issues related to declining enrolment and school closures. The provincial government along with relevant stakeholders, including AMO and municipalities, are examining new funding approaches. Locally, municipalities and school boards are finding new ways to work together to creatively address the viability of local schools – including growing schools into community hubs. Advocacy efforts, like those taken by the Community Schools Alliance, have been focusing on strengthening relationships between school boards and municipalities as well as with local citizens. This includes recommending engaging the community and local stakeholders in meaningful discussions on student accommodation and school closures. The use of information technology offers innovative ways of enhancing the viability of small schools as an alternative to closure. Over the last number of years the provincial government has introduced a number of important programs related to community use of schools. The Government of Ontario is offering up to \$20 million in funding through its Community Use of Schools program to school boards so they can make use of this public space at affordable rates for after hour use. Additionally, at 175 “priority schools” across Ontario, eligible not-for-profit community groups can have free access to this public space during after-school hours.

While these programs are important efforts in addressing a number of issues including healthy living and access to recreation for community groups and low income residents, addressing the viability and health of local schools requires more than these initiatives.

The provincial government must work with AMO, ROMA, rural municipalities and local leaders to find solutions and opportunities for the use of schools in our communities. Access to quality education and the role of schools in our communities are components to the overall health of Ontario’s economy.

Rural and Northern Infrastructure Needs

Roads and bridges represent a major tangible capital asset that falls under the ownership and maintenance of municipalities. Roads and bridges are the lifeline of rural and northern communities when transporting goods and services across Ontario. Right now, Ontario’s municipalities have an estimated \$60 billion gap over the next ten years between what they spend on infrastructure and what they need to spend every year to pay for infrastructure maintenance and to support growth. Approximately \$28 billion of this gap - nearly half of it - is accounted for by road and bridge assets. Additionally, rural and northern municipal areas can frequently experience extreme weather impacts such as flooding, which can have significant negative damaging impacts on the infrastructure within these communities.

Municipalities appreciate the programs and the support that the federal and provincial governments have made available in the past including: the Federal Gas Tax Fund, Building Canada Fund, stimulus, the *Investing in Ontario Act*, \$400 million Roads and Bridges funding, the Rural Infrastructure Investment Initiative and the Municipal Infrastructure Investment Initiative among others. Without a doubt, these programs have helped communities to manage rural and northern infrastructure needs.

While the circumstances of each municipality are different, on average rural and northern communities are particularly challenged by the infrastructure deficit as a result of their often smaller populations, which are often not growing, and the needs to maintain the infrastructure that holds these communities together. We are asking for dedicated funding from the Province to help close the gap and provide continuous funding for road and bridge infrastructure to rural and northern municipalities. A financial support program implemented by the Province will help municipalities who may have difficulty paying for road and bridge assets. Rural and northern municipalities are looking keenly to the results of the Roads and Bridges Review currently being conducted by the Ministry of Transportation and AMO to yield predictable, sustainable support and funding for road and bridges infrastructure in rural and northern Ontario.

The Digital Economy

Broadband access and high transfer speeds are services that most municipalities and businesses have readily available, but for many living in rural and northern areas reliable, high speed, online access is a daily issue. The low population density of rural communities means that there is a considerable individual user cost associated with developing and servicing broadband access in remote areas. Ontario may be recognized as a leader in digital media technologies, but the reality is that parts of the province are still without stable, basic broadband service. Today, we are living in a world that needs ready access to information and the potential to access a wide array of it is vast. Broadband can facilitate information access very quickly whether it is for a training course or developing new job skills. Opportunities for rural and northern communities to access the benefits of broadband are needed now more than ever.

Telecommunication networks are essential when participating and competing in an economy that is increasingly based upon knowledge, innovation, and instant communication. There are compelling economic reasons to make broadband accessible to Ontario's rural and northern communities. Local businesses need this infrastructure in order to compete at the global level as it enhances business development and creates opportunities for innovation. Communities that can provide their businesses with access to broadband can enhance economic returns as well as attract businesses and residents to their community. Broadband access can also help manage growth management pressures in Ontario by allowing people to access their places of work remotely. In order

to compete in today's rapidly changing economy, Ontario's rural and northern communities need access to broadband services.

Broadband access also has implications for the social and intellectual capital in rural and northern areas. It enhances academic opportunities, as youths can connect to resources, schooling, and educational training online. It may also help communities in retaining young students. The cost of living in the urban areas, where the major universities and colleges are located is high. Today's students are now being burdened by high debt loads once they leave universities; the debt being mainly from living expenses in cities as well as tuition fees. By providing reliable and accessible broadband, distance education programs for students entering into post-secondary education can be made available and youths can complete their college and university certifications off site from where they live. Providing access to broadband infrastructure may help in retaining our youths and their intellectual capital in our communities which may lead to overall benefits in community economic development. Considering the opportunity for broadband to support learning and businesses in our communities, leadership from the Province is needed to ensure that the economic and social benefits of broadband access are made available to rural and northern communities.

Some examples of how rural communities and the Province are already working to expand broadband provide useful ideas of how we can move forward on this goal. The Eastern Ontario Regional Network (EORN) Broadband Project is an initiative made challenging by the diverse topography and geography throughout the eastern region. While the Province has shown a willingness to participate in the project, municipal staff and resources drive the initiative. Given the importance of having economically successful rural communities to the overall economic health and competitiveness of Ontario, more resources and funding from the Province can help this initiative truly flourish into a success story and a best practice for rural and northern broadband accessibility.

The Rural Connections Broadband Program (RCBP) is a \$30 million program administered by OMAFRA and available to municipalities and businesses in southern rural Ontario. Municipalities and private companies can apply for funding to supply broadband to underserved rural areas. Municipalities are eligible for up to \$1 million dollars in project funding, not more than one third of the program's total approved eligible costs. As a result, municipalities must secure the remainder of the funding for local projects. The program also requires that municipalities "demonstrate that they are working in partnership with community stakeholders and other partners to develop and implement a plan designed to improve broadband accessibility in rural areas."⁵ These

⁵ Ontario Ministry of Agriculture, Food, and Rural Affairs, *Rural Connections Broadband Program* "Backgrounder", June 2008.

types of programs, while appreciated and utilized to full advantage by many municipalities, do not go far enough in assisting the smallest and poorest of municipalities in securing broadband access. Some rural municipalities do not have the ability to tap into third parties to fund broadband projects because the infrastructure for broadband does not exist.

The Province should be working on developing an enhanced project with appropriate funds for broadband projects through programs like the RCBP so that rural and northern communities may have full access to the benefits of reliable broadband. The Province could also work on developing a digital connectivity strategy that ensures affordable and reliable access to services throughout Ontario. If the strategy is integrated properly, revitalization to several service sectors such as local artisans around the cottage industry may occur. The strategy could contribute to managing growth pressures on land use in populous parts of the province; contribute to managing the demand for transportation networks; and ensuring the social, cultural, political, and economic participation in northern and rural areas. Additionally, a digital economy strategy with guidance from the Province can help communities leverage the need for broadband accessibility in Ontario's underserved rural and northern areas.

Local Foods

Ontario can capitalize on the increasing trend toward buying local foods that has resulted from the maturing global food movement. People across Ontario are starting to understand the environmental and health benefits that are associated with purchasing local foods. In many ways, local food resources are acting as economic and community development catalysts world-wide as local food, farmers markets, chefs, and artisans create an attraction for others. Ontario farming communities and communities with local artists are in a great position to take advantage of this trend and deliver high quality foods to the emerging local food movement. At the 2010 AMO Annual Conference, a great level of discussion was generated regarding local foods and how rural farming communities can ensure that produce is available in grocery stores across Ontario. Ontario's agricultural communities look to the Province to help us to continue this development.

Food is a critical industry for northern and rural communities as Ontario continues to produce excellent quality food that Ontario, Canada, and the rest of the world have come to depend upon. With the decline in several of Ontario's business and manufacturing sectors and the intense competition for those jobs, many rural and northern municipalities are seeking the food and agri-business sector to offer possibilities for long term economic development and as a source for innovative solutions that can sustain local employment. The Province has taken a step forward with its *Open for Business: Agriculture and Agri-Food Strategy* but more work needs to be done. By focusing on the

popularity of the local food movement, municipalities can also attract tourists to farms and teach the values and benefits of local foods. Continued investments will be needed from the Province to make inroads into the developing local food movement.

The local food industry has enormous potential for growth; in the United States the San Francisco Bay area generates an estimated \$1 billion in revenues.⁶ Today, people are looking for areas to open cafes and restaurants and promote the values of local food. As a result, there is an influx of educated people looking to set up food and service businesses that can work to stimulate local economies and make rural and northern communities more attractive. Farmers' markets are reclaiming the economic centres in communities across the province as Ontarians are becoming more aware and food savvy about what they eat and where it comes from. By increasing the consumer's accessibility to locally grown foods, there will be positive benefits to economic development in rural and northern areas. The Province has done a good job promoting Ontario's foods to Ontarians and the world. However, with an improved labelling of local food products for example, not only can local food initiatives create employment opportunities but they can also improve healthy living standards in communities across Ontario.

Natural Resources

The future of natural resources extraction industries (e.g. forestry, mining) continues to be an issue of concern for Ontario's rural and northern communities. These industries, which often represent the heart of many local rural and northern economies, face several challenges that directly impact the communities that are built around them. Over the past number of years, local economies have been threatened by lower commodity prices, domestic and international competition, higher energy prices and other sector related challenges. As a result, jobs in Ontario are lost and the municipal tax base in these communities contracts. For people employed in these sectors, it is becoming more and more difficult to earn a livelihood and maintain a sustainable standard of living.

The Ring of Fire has the potential to provide a number of jobs in the construction, service and mining industry. There will be an increased need for infrastructure and transportation corridors in order to provide entry and exit to the Ring of Fire area in northern Ontario. Currently, business arrangements are underway in the hotel, training, construction and staging areas. Relationships are being developed between First Nations, government, and private stakeholders. The Province now has the opportunity of integrating the Ring of Fire into broader province-wide economic strategies but they must ensure that the jobs that are created and the resources that are harvested remain in Ontario to benefit the region. Rural and northern communities are in the unique position to take full advantage

⁶ AMO Urban Symposium. *Beyond the Buildings: Creating Vibrant Mixed Use Communities*. Rob Spanier, Vice President, LiveWorkLearnPlay, Burlington, ON April 15, 2011.

of Ring of Fire investments since the only route into this area of Ontario is through these and aboriginal communities.

The future mining of significant minerals in the region can bring employment and prosperity to the area, although it will be critical that the provincial government take into consideration the requirements of remote single industry communities: additional policing, emergency service personnel and social workers will be required; affordable housing; and, health and safety inspectors will also be needed to make the Ring of Fire area an economically successful and viable area of the Province. The Province must also consider beforehand the proper environmental management of the Ring of Fire to ensure that the continuing health and safety of communities in the region are met. A virtuous cycle of sound economic and social development as well as appropriate environmental management to the Ring of Fire region must be encouraged by the Province to help the region thrive beyond the extraction of natural resources. The region must be looked at as an opportunity to diversify a sustainable economic base in Ontario's north. The Ring of Fire has the potential to be a significant Northern success story for Ontario and it could become an economic driver for the area supporting regional and community infrastructure and development, as well as value added manufacturing with benefits that spread beyond the extraction industries and are lasting.

SUPPORTING LOCAL PLACES AND PEOPLE

The Demographic Reality

It is critical to understand the demographic reality of rural and northern Ontario in order to understand why provincial policies that may work and excel in many parts of Ontario are often difficult to carry out in rural and northern communities.

It is an undeniable reality that population density of rural and northern communities is sparser than those in urban areas: "In striving for healthy communities and prosperous economies across their jurisdictions, policy makers may be troubled by differences between urban and rural economies. If particular policies prompt social and economic development in urban areas, why do they not have the same effect in rural areas?"⁷ Population density is generally accepted to be the most common characteristic when defining the extent of either "rural" or "northern" for any community, area of region.⁸ Population density is often the defining characteristic of "rural" and "northern" because the characteristic appears to have a dramatic effect on the economic and social

⁷ Eastern Ontario Warden's Caucus. *Rural Policy Literature Review* "Understanding that Urban and Rural Areas Are Different" 2007, 7.

⁸ Eastern Ontario Warden's Caucus. *Rural Policy Literature Review* "What is Rural?" 2007, 4.

circumstances of any particular area and the mechanisms by which a particular area might experience development success.

When considering how rural and northern communities develop and how provincial policies will affect those communities, it is important to remember that low population density makes it challenging for individuals to build the critical mass required for businesses to thrive and job opportunities to develop. It also increases the cost of providing appropriate infrastructure and public services such as transportation networks, waste, water systems, telecommunications, and broadband infrastructure.⁹

Aging Population and Municipal Resources

An Aging Population

The Ministry of Finance's *Ontario Population Projections Update* confirms a trend that has been developing for many years: Ontario's population is aging. According to the Ministry of Finance's projections, the number of seniors aged 65 and over is projected to more than double from 1.8 million, or 13.7 per cent of population, in 2009 to 4.2 million, or 23.4 per cent, by 2036, nearly one quarter of Ontario's population.¹⁰ The growth in the share and numbers of seniors will accelerate over the 2011 – 2031 period, as the "baby boomer" generation reaches ages of 65 and older. In rural and northern Ontario, seniors comprise more of the general population. This means that a greater portion of the population is entering into retirement, with less disposable income and facing greater health and accessibility requirements. An aging population can lead to an eventual decrease in property taxes as there will be a drop in housing along with downsizing and limited growth in housing prices.¹¹

These figures are alarming and should be sending a loud and clear message to Ontario's municipalities and the Province. More needs to be done to create a comprehensive aging strategy. As Ontario's aging population increases, there will be a significant need for services to sustain quality of living and extending the independence of seniors. Our people are living longer and as such there will be a real need to help and support more of our seniors with quality services that they can depend upon. An aging population will place added stress on municipal resources and services that are already extended. With rural and northern municipalities facing fiscal capacity constraints, leadership will be required to address the issue of an aging population. Ontario's municipalities cannot face the challenges of an aging population without Provincial help. A comprehensive

⁹ *Ibid.*

¹⁰ AMO Paper on Long Term Care and Senior Services. *Coming of Age: The Municipal Role in Caring for Ontario's Seniors*, June 2011, 4.

¹¹ Enid Slack. *Municipal Fiscal Imbalance*. Power Point Presentation to the Manitoba Association of Municipalities, November 30, 2006. <http://www.utoronto.ca/mcis/imfg/pdf/Municipal%20Fiscal%20Imbalance%20Nov%2006.ppt>

provincial aging strategy with a specific examination of aging in rural and northern communities could help address the impacts of aging populations now before future generations are left dealing with an already unsustainable issue.

Long Term Care

As in all of Ontario, rural and northern municipalities support residents and seniors who are in need of long term care. Under provincial regulations, municipalities are required to provide a long term care facility in their jurisdictions either directly or jointly with another municipality. These facilities provide nursing services and monitor those in need of long term care 24 hours a day with supervision in a secure setting. Cost sharing is provided by the Province on this service and, recently, responding to increased regulatory requirements, the Province increased funding for the service. This was a welcome and an important move, but we are not at a standstill; the aging population means growing demand for long term care beds will continue.

Many municipalities in Ontario do more to support seniors in their communities beyond providing the legislated long term care facility in their jurisdiction because it is the right thing to do. Not-for-profit and private facilities serve this sector in many communities. However, in rural and northern Ontario, the small population sizes mean that private facilities cannot offer quality and affordable services that are found elsewhere. Municipalities are required to step in to fill this gap. With the aging population of seniors in rural and northern Ontario increasing, there will be more demand for long term care facilities in these communities.

Currently in Ontario, there are about 620 long term care homes with approximately 76,400 beds, with approximately 6,600 beds in the northwest and northeast alone. As of August 2009, the average province-wide vacancy rate was approximately 0.4% (371 beds) down from the previous year's average of 0.7% (550 beds). Wait times for long term care beds are an average of 105 days, or more than three months for someone in hospital. The current wait list for a long term care bed in Ontario is 25,000, an increase of 5.1% over 2010. With the projected senior population of 4.2 million by 2036, it is estimated that an additional 100,000 beds will be needed. By 2050, 1.3 million Canadians will be over 85; this is the size of the northwest and east combined plus 500,000 people. The ratio of seniors to taxpayers will be 2:1 (today's ratio is 5:1). In 2000, Ontario's municipal governments spent \$846,388,193 on assistance to the aged. By 2008, this figure had increased to \$1,433,109,628. Accounting for inflation, municipal governments spent approximately 40% more for assistance to the aged over eight years.

The picture that is emerging is clear; the need for long term care services in our communities will grow significantly. What is also clear is that municipalities have been playing a very large role in addressing local pressures. The changing demographics and

resulting service needs, both human and hard services, are real, as are the cost impacts and the ability to raise revenue by municipal governments.

Many residents in municipal long term care homes require complex medical and nursing care and treatments. Over the years, there have been increasing expectations placed on municipal governments to fund, either directly or indirectly, health care – a provincial area of responsibility. This pressure to fund health services is putting additional pressure on municipal revenues – property taxes, user fees and grants. The absence of appropriate provincial funding for long term care homes means that many municipal governments are now making their own capital contributions and tax-supported operating subsidies to ensure that the new regulatory requirements under the *Long Term Care Homes Act* are met and that their residents can receive the quality of health and long term care they deserve. Funding the health care of our seniors who live in long term care homes should not be the growing unfunded mandate of municipal governments who are already struggling to pay for their own legislated responsibilities.

Municipal governments are in the best position to know what their respective communities are asking for and need. What municipal governments need is the flexibility to invest their tax dollars in the areas of senior services that would best suit their residents and this may or may not include long term care facilities.

AMO's recently released paper *Coming of Age: The Municipal Role in Long Term Care*, explored many of the issues discussed above as well as possible approaches on best utilizing scarce government resources. The timing is right to explore the opportunities on how to best move forward. It is time that the provincial government rethink its approach to not only health services for seniors, but community planning in general. It is critical that the provincial government articulate its role and strategies on how it will support the health needs of the seniors in our communities.

Accessible Health Care

Health care consistently rates as a major topical concern for Canadians. Ontarians are no different and nowhere is this concern more evident than in our rural and northern communities. Ready access to doctors, nurses, diagnostic equipment and quality health care is not afforded equally to everyone. Some families are separated by many miles during their time of need for medical attention or long-term care, due to the lack of facilities and/or providers in their area. The strain facing municipal long term care homes previously discussed is very similar to the pressures facing local general practitioners and health care facilities in rural and northern areas.

Communities with sparse or declining populations can no longer meet conditions to justify highly specialized health care facilities. The necessary technologies of many health

services require more equipment per health professional, which can only be justified in larger hospitals serving larger communities. The difference with purchasing expensive, specialized medical equipment is exacerbated by the competition for doctors and other trained medical professionals. Ontario, like the rest of Canada, faces a physician shortage, which puts added pressures on health care services in rural and northern municipalities. Solutions need to be found to address these challenges to our health care services.

Doctor shortages and limited fiscal capacity to purchase medical diagnostic and specialized equipment are ongoing health care issues in Ontario. As such, rural and northern communities with aging and decreasing populations will find that health care issues will become more prevalent than ever. The most inexpensive way to deal with health costs is to focus on health care prevention. By promoting healthier communities, medical services stretched thin in many areas will be able to use resources elsewhere and, as a result, reduced costs to health care will benefit Ontario's municipalities. The Province and Ministry of Health and Long-Term Care, the Ministry of Health Promotion and Sport and health units should develop rural-friendly approaches to disease prevention and health promotion. Nevertheless, promoting healthier communities may only go so far. The Province should be taking further steps to address the physician and health professional shortage in rural and northern Ontario. Innovative programs to make rural and northern communities attractive to doctors and others in the medical profession needs exploration. With the limited fiscal capacities of many rural and northern municipalities, innovative methods are needed in order to provide access to specialized medical equipment. Rural and northern municipalities will be looking to the Province to lead on initiatives that take into account the needs of these communities and their access to health care.

Outmigration and Post-Secondary Education

Outmigration has been an ongoing issue for rural and northern communities. A degree of outmigration of youths seeking post-secondary education is to be expected, even encouraged. Historically, educational attainment is comparatively low in the north. Lower family incomes, geographical barriers and narrow course offerings make post-secondary education challenging for many youths. The Province has an opportunity to address this issue by making post-secondary education attractive and accessible to northerners. Past data and experience has shown that northerners who train in the north tend to remain in those communities.

A number of recommendations on outmigration were made by the Northern Ontario Large Urban Mayors, the Northwestern Ontario Municipal Association and the Federation of Northern Ontario Municipalities in the 2005 report *Creating Our Future*. Recommendations included: providing incentives for students attending northern post-

secondary institutions; providing incentives such as scholarships and bursaries for students from the north to stay in the north; attracting new students to northern communities to pursue post-secondary studies at the college and university level; and, increasing access to post-secondary education through innovative delivery methods and partnerships (e.g. deliver expanded course offerings via the Internet, videoconference, temporary campuses, distance education, and during off-hours). The success of the Northern Medical School in Sudbury and Thunder Bay can be seen as a model for future opportunities to link post-secondary education and economic development which has resulted in improvements for the regional economies.

Distance education can help retain youths in rural and northern communities. This will enable students to continue living and working in those communities while enhancing education and improving future earnings potential. The Province could support these efforts through funding in the following: broadband suited to two-way/interactive learning; targeted support for program development; and, registration fee subsidies to keep education costs at the same level in other parts of the province where face-to-face programming is possible.¹²

Immigration to Rural and Northern Communities

According to population projections from the Ministry of Finance, migration is the most important determinant of future population growth in Ontario: “net migration gains, whether from international sources, other parts of Canada or other regions of Ontario, are projected to continue to be the major source of population growth for almost all census divisions”.¹³ The reality for many youths living in rural and northern communities is that a post-secondary education is often required in order to advance future career development and growth. Outmigration of youths seeking university or college training will continue. Municipalities, with support from the Province, will need to develop forward thinking retention policies to attract former and new citizens to those communities.

Rural and northern municipalities offer a quality of life and sense of community that is unique and often unknown to new immigrants. Many newcomers to Canada list “peace” and “low crime rates” as reasons for immigrating to Canada. Now is an ideal time for rural and northern municipalities to promote alternatives to city living, the destination of first choice for many newcomers to Canada.

Current immigration policy prescribes the levels of newcomers in a number of areas including professional skills and designations. Municipalities are recommending that a

12 Eastern Ontario Wardens Caucus. 2007. *Eastern Ontario Prosperity Plan*, 21.

13 Ontario Ministry of Finance. 2010. *Ontario Population Projections Update: 2009 – 2036 Ontario and Its 49 Census Divisions*. Spring 2010, 12, 97.

new approach be considered that is responsive to regional economic realities and the reality of fluctuating economies. This makes sense, as a national list cannot be reflective of regional need. Ongoing challenges with regulated professions that are listed and recognition of credentials further emphasizes the need to consider new approaches. One such approach could include recognizing work experience that may have multiple applications, for example, information and technology, construction or health care experience. Finding ways to recognize the importance of supporting a growing knowledge base economy will also need to be reflected in skills and experience recognition. Moving forward, municipalities will be looking to both the federal and provincial governments to commit to a new immigration agreement for Ontario that includes more nimble and responsive approaches to the economic realities and skills shortages that are being faced in the province.

Getting newcomers to our province and community is one thing, settlement and retention is another. All orders of government must work together to develop integrated strategies and programs that support newcomers in their transition to life in Canada and Ontario. This includes funding and agreements that support trilateral policy discussions and an integrated approach to policy development in the areas of housing, child care, employment services, and transportation.

Good policy and appropriate funding will help attract newcomers to the rich experience of living in Ontario's rural and northern communities. Municipalities, however, must also strive to make their communities welcoming and open to change and difference. Many examples exist where municipalities, such as North Bay, have put strategies in place to explore, support, and promote diversity and change.

Access to Childcare

With the weight of 1 in 6 children living in poverty in Ontario, the need for quality, accessible child care is universal. Parents in rural and northern Ontario have unique challenges and requirements for childcare that differ from urban communities. The limited access to quality childcare in rural and northern municipalities can be difficult for working parents. Childcare is often required for farming parents who work outside the nine-to-five workday. Childcare programs that respond to the seasonal cycles and hours of farming for example must be considered.

Quality child care builds a foundation for children to become lifelong learners and active contributors to the economic and social fabric of Ontario's society. Positive early childhood experiences help determine healthy outcomes throughout a child's development. Research shows that a child begins to learn at birth and early learning has a profound effect on life-long development and adult well-being. High quality child care supports families' work-life balance while providing developmentally appropriate learning

environments for children. Quality child care increases the overall well-being of our children now and into their adult lives. We are looking for continued opportunities to work with the Province in order to ensure that quality childcare is delivered to Ontario's families who need it.

The argument for quality, affordable childcare also results in an economic win for the Province and municipalities. Working parents with children in childcare pay more income taxes and have more disposable income.¹⁴ Additionally, a dependable childcare sector employs more workers and raises local economic competitiveness by attracting other businesses to the area.¹⁵ The benefits of quality childcare are tightly interconnected to two other issues that rural and northern municipalities are facing: the need for quality employment and a declining rural and northern population.

Over fifteen years ago, OMAFRA held a conference on rural childcare in Ontario and the situation at that time was grim, with uneven levels of childcare across municipalities and a lack of affordable and available quality childcare.¹⁶ In 2011, these challenges continue to exist. We understand that the childcare program is and has been underfunded for many years and that absence of federal funding is exacerbating the existing issues. The Province has taken some steps to address the pressures through the introduction of its Full Day Early Learning and Kindergarten Program. Municipalities can play an important role in ensuring a strong foundational policy and program approach is put in place. Critical to this is the government's commitment to continue to engage AMO and municipalities on issues of governance, implementation, and funding. Ultimately though, the issues of appropriate funding and access through affordability must be addressed.

It is important to acknowledge that the provincial government has taken many important steps towards creating a full day and early learning program that supports not only Ontario's children but also families and ultimately the economy. While many aspects of the program continue to develop and work themselves out, it is important for the government to take the time and have the flexibility to create this program in a way that will work for the children and family in Ontario's rural and northern communities. We believe workable solutions can be found.

14 OMSSA. 2009. *Hand in Hand: Creating an early learning and child care service system in Ontario*. March 2009, 7. <http://www.omssa.com/lib/db2file.asp?fileid=35790>

15 *Ibid.*

16 Doherty, Gillian. 1994. *Rural Child Care in Ontario*. Co-sponsored by OMAFRA. January 1994. 57 pp.

CONCLUSION

Rural and northern communities are an essential part of the fabric of Ontario. However, rural and northern communities still face ongoing and significant challenges that threaten their long term health, sustainability, and self-sufficiency. The downturn in the global economy has exacerbated these challenges. With the reshaping of domestic and international markets, more so than ever, rural and northern communities are in a position where they must quickly adapt to the economic and social changes in a rapidly changing world. Sustaining our lifestyle and communities will need to be balanced with these changes.

Above all else, rural and northern communities must not be neglected. By tackling the challenges head-on using the Northern and Rural Lens as a front line tool, the Province has an opportunity to implement effective and efficient policies and programs that consider the unique and diverse make up of Ontario's rural and northern municipalities. These are areas that are not just urban Ontario's playground. There is a very real need to develop local economies, recruit and retain newcomers and youth, provide effective social services such as accessible health care, education and training, and building infrastructure capacity all within the fiscal restraints and financial realities of these communities.

By using the Northern and Rural Lens as a tool with current planning proposals and creating innovative solutions that builds capacities and promotes the long term health and sustainability of these communities, rural and northern municipalities will thrive well into the future while continuing to be an integral part to the fabric of Ontario.

APPENDIX A: The Northern and Rural Lens

What

The Northern and Rural Lens was created in 2006 by the AMO Northern and Rural Working Group, after noting that many of the challenges facing rural and northern communities had one commonality—a lack of forethought about the consequences of applying a one-size-fits-all approach to a specific policy area. The Lens is meant to be employed by provincial ministries to assess the impacts of new policy initiatives or changes in existing programs before they are implemented. It is meant to function as a flexible tool that all ministries can use to ensure their policies are road-tested before implementing.

The Lens has a list of questions for the government to use as a way to measure the effectiveness of its programs. The questions and issues are for each phase of the development of policy and program initiatives: considerations; delivery options; communications; and measuring and reporting.

Why is this still important?

The Lens was developed in 2006 to raise awareness of rural and northern issues across provincial government organizations, by asking ministries to assess the effect of new policies, programs and services on Ontarians living in rural and northern areas. In today's economic and demographic climate, the need for comprehensive awareness of rural and northern issues across provincial government is even greater. Ontario needs rural and northern Ontario to remain a vibrant part of the Province and the country.

ROMA wants to ensure that new provincial initiatives support the social and economic well-being of rural and northern communities and strengthen the capacity of communities to meet local challenges.

Any policy or program that has an impact on rural and northern communities should answer the following questions:

Considerations

Questions for program/policy developers and decision makers:

1. How is this initiative relevant to rural and northern Ontario?
2. Is the impact specific to a selected remote environment or region?
3. Have the most likely positive and negative effects on rural and/or northern Ontarians been identified and, where relevant, addressed?
4. Is the initiative designed to respond to the priorities identified by rural and/or northern Ontarians?
5. Have rural and/or northern Ontarians been directly consulted during the development or modification of the initiative?
6. How is the benefit to rural and/or northern Ontarians maximized? (e.g. cooperation with other partners, development of local solutions for local challenges, flexibility for decision making, etc.).
7. Will this initiative properly tax and regulate the extraction of natural resources and other assets?
8. Has the initiative supported the uniqueness of predominantly Francophone and First Nations communities?

Delivery Options

Issues to consider for delivering initiatives:

1. Address concerns regarding roles and responsibilities of differing government levels.
2. A mechanism to offset the higher costs of providing program and services in rural and northern communities that factor in distance and scarcity.
3. Identify the factors that affect the delivery of the program, policy, or service (e.g. geographic distances, limited access to government offices, and to the internet).
4. Determine the appropriate delivery vehicles, which accommodate rural and/or northern considerations.
5. Partner with organizations (e.g. other ministries/agencies and/or other

orders of government, private sector, non-governmental organizations) to maximize benefits.

6. Consider using community-based organizations to deliver the program or service to meet unique local challenges.

Communications

Issues to consider for communicating initiatives:

1. Test communications products and messages with both rural and and/or northern Ontarians.
2. Identify the communication vehicles appropriate for rural and/or northern Ontario (e.g. community local newspapers, radio, posters at government offices, local TV).
3. Advertise new programs and services through the Ontario and Ministry sites, local and regional newspapers, radio and television.
4. Include key messages that address the concerns of Ontarians living in rural and/or northern communities.

Measuring and Reporting

1. Determine how the initiative will be assessed for rural and/or northern implications during its design, development, and implementation.
2. Determine how the initiative will improve the quality of life for rural and/or northern Ontarians (e.g. health, education, economic and community benefits).
3. Identify the phases (e.g. pilot, post-implementation evaluation) where rural and/or northern considerations will be reviewed to determine if changes are needed to accommodate rural and/or northern needs.
4. Include key messages that address the concerns of Ontarians living in rural and/or northern communities.
5. Modify new initiatives to accommodate rural and/or northern issues, where appropriate.