

STRENGTHENING ONTARIO'S ECONOMY BY INVESTING IN NORTHERN AND RURAL ONTARIO

March 25, 2008

Strong, vibrant northern and rural communities are important to Ontario's economic success and quality of life. These regions have great potential to contribute to Ontario's innovative new economy, but they also face unique challenges that require a focused and coordinated response.

BUILDING OPPORTUNITIES IN NORTHERN ONTARIO

In addition to investments in education and health care, this Budget provides \$508.7 million in strategic initiatives over four years to create opportunities in northern communities and help to secure the region's place in Ontario's changing economy. Northern Ontario will benefit from:

- \$302 million over the next four years for new investments in northern highways
- An acceleration of Business Education Tax (BET) rate cuts for northern businesses:
 - BET rates will be reduced more quickly in 85 northern municipalities, benefiting more than 30,000 businesses, resulting in total savings of more than \$70 million over the next three years
- Increasing funding from \$60 million in 2007-08 to \$100 million in 2011-12, for the Northern Ontario Heritage Fund Corporation
- \$25 million to support the creation of a centre in Thunder Bay for research and innovation in the bio-economy focused on forestry
- \$15 million to support the establishment of a centre for invasive species management in Sault Ste. Marie
- \$9.7 million to complete funding of Ontario's commitment of \$14.7 million to develop a Molecular Medicine Research Centre in Thunder Bay
- \$27 million over three years for a new Distance Grant to assist with travel costs for postsecondary students in rural and remote areas
- An additional \$13 million in 2008-09 for enhancements to the Northern Health Travel Grant to help northerners access health care services
- \$450 million in the Municipal Infrastructure Investment Initiative - \$150 million in 2008, building on \$300 million in 2007
- \$400 million in 2007-08 for municipal roads and bridges to help communities outside Toronto.

The McGuinty government is also working with Aboriginal peoples and northern stakeholders on a Growth Plan for Northern Ontario. The plan will focus on achieving and sustaining growth, and creating opportunities to live, work and raise families in the north.

OPPORTUNITIES FOR RURAL ONTARIO

The McGuinty government is working with rural communities and stakeholders to give them the opportunities they need to embark on a prosperous future. To further enhance opportunities for growth and support a high quality of life in Ontario's rural communities, this Budget announces:

- An additional \$400 million in 2007-08 for municipal roads and bridges outside Toronto
- \$30 million over four years to enhance broadband access in rural areas in southern Ontario, leveraging broadband infrastructure investment from private-sector businesses and public partners to grow and improve access to public services such as e-learning, e-health and e-government
- \$30 million increase over four years to the Rural Economic Development Program (RED)
- \$53 million over the next three years to add 50 more Family Health Teams by 2011-12, targeting rural and underserved communities
- Led by the Ministry of Economic Development and Trade, the government is also working with stakeholders to develop the Eastern Ontario Development Fund
- Proposing to expand the Land Transfer Tax exemption for transfers of the family farm to include transfers from family farm corporations to individual family members
- In addition, rural communities will benefit from initiatives to support key sectors such as manufacturing, agriculture and forestry, and from Ontario's commitment to develop the bio-economy.

ENVIRONMENT

- \$56 million over four years for the Pick Ontario Freshness strategy and the Ontario Farmers' Market initiative, which will help Ontarians to buy locally
- \$7.5 million to the University of Western Ontario to support interdisciplinary research into chemicals and fuels made from agricultural resources.

ACHIEVEMENTS

North

These announcements build on existing investments in health, education and infrastructure that specifically address the north's unique circumstances. They also enhance strategic support for key industries and research and commercialization that are helping to build on the north's strengths and better position the region to seize the opportunities of the new economy. Examples include:

- More than \$1 billion has been made available to assist the forest sector since 2005
- The first new medical school in Canada in over 30 years opened in 2005 - the Northern Ontario School of Medicine
- \$1.8 billion, five-year program to improve and expand northern highways as part of ReNew Ontario
- More than \$48 million invested in additional surgeries and exams in hospitals in the North East and North West Local Health Integration Networks since the launch of the Wait Time Strategy in 2003-04
- \$10 million to support a new Centre for Excellence in Mining Innovation in Sudbury.

Rural

In addition to the initiatives announced in this Budget, there are a number of investments made by this government to further support rural communities to keep them competitive and expand their opportunities:

- \$298 million under the Canada-Ontario Municipal Rural Infrastructure Fund to help fund 280 infrastructure projects, including an Asset Management Program to help rural and small communities improve and increase their capacity to manage their infrastructure assets
- Investments to help rural and small communities provide safe and reliable local infrastructure, including \$140 million under the Rural Infrastructure Investment Initiative for critical projects identified by communities
- Funding to 68 small and rural hospitals in 2006-07 to address service gaps and maintain core services that support emergency care in their communities as part of the October 2006 Emergency Department Action Plan
- \$17 million in new annual funding in the 2007-08 school year under the \$63 million Supported Schools Allocation for teachers and operating costs in schools with low enrolment that are too far apart to consolidate
- The RED program, which in 2007-08 approved \$18.4 million for 50 projects in three priority areas: improved access to health care services, revitalized communities and downtowns, and enhanced skills training
- The Rural Connections Program, which invested \$10 million in 2007-08 to assist 18 rural southern Ontario communities to implement broadband access
- The Rural Summer Jobs Service, which in 2007 helped more than 3,800 students, aged 14 to 24, gain valuable experience and work skills.

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