

**ONTARIO RURAL
RESEARCH AND SERVICES COMMITTEE
(ORRSC)**

**2005 ANNUAL REPORT
TO**

**ONTARIO AGRICULTURAL SERVICES
COORDINATING COMMITTEE
(OASCC)**

February 10, 2006

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1. Executive Summary

In late 2002, the Ontario Rural Research and Services Committee (ORRSC) set priorities for rural research and services for the 2003-07 period.

The priority areas were:

- Labour Force Development
- Environmental Sustainability
- Services
- Immigration/Migration
- Community Capacity
- Rural Innovation

In 2005, there was a review and confirmation of the priority areas and an updating of the current issues and information needs within those priority areas.

The priority areas, in order of importance for 2006 were:

- Community Capacity
- Environmental Sustainability
- Rural Innovation
- Immigration/Migration
- Services
- Labour Force Development

(See page 10 for full descriptions of each priority area)

The 2005 review process included a discussion on new and emerging issues as the members reflected on the current priorities. ORRSC confirmed the existing priorities for the 2006 projects and recommended exploring a range of issues including municipal capacity, alternative energy production, and rural security.

2. Introduction

ORRSC is one of nine committees under the umbrella of the Ontario Agricultural Services Coordinating Committee (OASSC). ORRSC undertook a comprehensive visioning exercise in June 2002. The four-year strategic directions report was presented to OASCC in January 2003.

3. Mandate

The mandate of the Ontario Rural Research and Services Committee is to identify and prioritize future research and service needs that affect the sustainability of the economic, social and environmental conditions of rural Ontario as determined by Ontario rural stakeholders.

Membership includes:

- rural stakeholder organizations and community development practitioners
- three levels of government (municipal, provincial and federal)
- researchers

The committee membership in 2005 is listed in Appendix A.

Goals are:

- to assess and establish priorities for rural economic development research and service programs
- to communicate and discuss on-going rural research with respect to objectives, procedures and results
- to recommend institutions which, or individuals who, could effectively be responsible for particular research and service needs
- for members to be responsible for gathering research and service needs of the organizations that they represent
- to liaise with the Agricultural Economics and Business Research and Services Committee for greater effectiveness and efficiency, and to report annually to OASCC summarizing the prioritized needs for rural research and recommendations on resource use and allocations.

4. Major Accomplishments in 2005

Management of the rural research priority setting functions and coordination of ORRSC activities is once again the responsibility of the Ministry of Agriculture, Food and Rural Affairs, with the mandate of rural affairs being transferred from Municipal Affairs and Housing in 2005. Staff in the Rural Development Policy Branch continues to work with the Research and Innovation Branch of OMAFRA and report to OASCC.

The Sustainable Rural Communities Research Program approved 4 new projects for 2005-2006 in the 2003-2007 research cycle (see appendix B).

The projects fit into the priorities as follows:

☐ Environmental Sustainability	1 project
☐ Immigration/ Migration	1 project
☐ Labour Force Development	1 project
☐ Community Capacity	1 project

A Rural Research Highlights event is being planned for March 2006.

5. Sector Scan

Rural Ontario encompasses diverse communities. Rural communities include rural municipalities, small towns, villages, First Nations communities, and remote locations in the North.

Rural communities have some characteristics that make them distinct from urban communities. These include:

- low population density resulting in low tax assessment base;
- higher incidence of dependency on resource-based industries for economic sustainability;
- inadequate telecommunications infrastructure and services in some areas; and
- in northern Ontario, geographic isolation (long distance from urban areas).

Rural communities face a wide range of challenges. These include: lack of capacity (financial, skills, knowledge and human resources); the economic impact of government regulation; the profitability of agriculture; business competitiveness (increasing energy costs, higher value of Canadian dollar, and access to skilled labour); retention and expansion of businesses in rural areas; access to health-care services, and; access to education and training opportunities.

DEMOGRAPHICS

Ontario's population is approximately 11.5 million and, of this number, 4.5 million people, or 39.3% of the population live in rural Ontario.¹ Most of Ontario's residents live in southern Ontario which includes the District of Muskoka and areas south. Population density is 42 inhabitants per km in rural southern Ontario, 941.6 per km for urban southern Ontario, 1 per km for rural northern Ontario and 71.7 per km for urban northern Ontario.

Population Change

The rural population in southern Ontario is growing but generally more slowly than the urban population. Rural communities experiencing growth are most often adjacent to or near urban centres.² Population in northern Ontario, however, declined from 1996 to 2001 by 4.8% with the exception of First Nations and Métis communities, which have experienced an increase in population, particularly in the youth population. Maintaining and attracting population growth is a major priority and challenge for many northern rural communities.

Figure 1. Population Change in Ontario

(Source: Statistics Canada Census of Population 1996 & 2001)

Description	Population 2001	Population 1996	% Change 2001-1996
Ontario	11,410,046	10,753,573	6.1
Rural Southern Ontario	3,998,060	3,792,719	5.4
Urban Southern Ontario	6,616,361	6,128,529	8.0
Total Southern Ontario	10,623,603	9,927,297	7.0
Rural Northern Ontario	490,440	520,325	-5.7
Urban Northern Ontario	264,235	278,998	-5.3
Total Northern Ontario	786,443	826,276	-4.8
Ontario Rural	4,488,500	4,313,044	4.0
Ontario Urban	6,880,596	6,407,527	7.4

Age Demographics

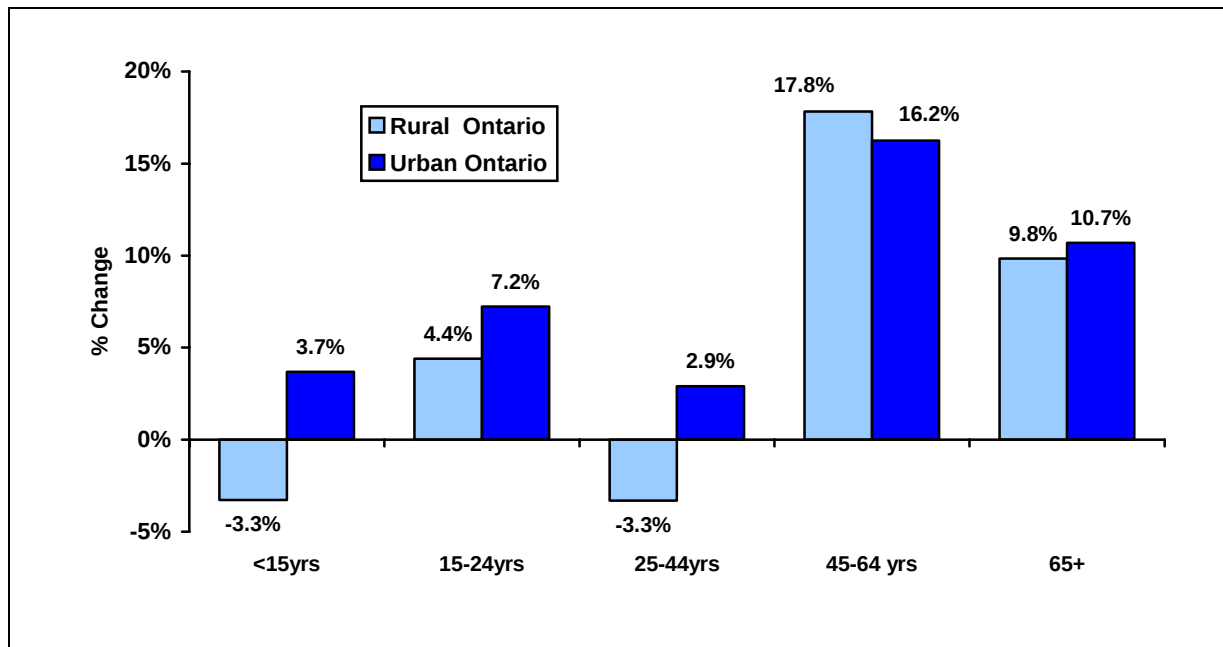
The youth population (< 15 years of age and 15-24 years of age) is increasing as a whole in both rural and urban Ontario. But if examined more closely, there is a definite difference between southern and northern Ontario. While the youth population is increasing in southern Ontario (1.9% for <15 years of age and 7.6% for 15-24 years of age), there are significant decreases in northern Ontario (-14.7% and -12.3% respectively).

Rural Ontario also has an aging population (aged 65 and older) greater than the provincial average (14% rural Ontario vs. 12.9% provincial average). Some areas of the province such as the Bruce Peninsula and areas of north-eastern Ontario have more than 20% of their population over 65 years of age (based on 2001 data).

¹ Rural Ontario is that area of the province which is outside of: the cities of Hamilton, Ottawa, London, Windsor, Thunder Bay, Greater Sudbury, the Regions of Niagara and Waterloo, and the GTA. Within the GTA and the 2 regions, municipalities with a population of less than 100,000 are also considered to be rural. (Rural Development Division, OMAFA, working definition)

² Statistics Canada Measure: Metropolitan Influence Zone (MIZ).

Figure 2. Demographic Changes by Major Age Groups from 1996 to 2001 in Rural and Urban Ontario (Source: Statistics Canada, Census of Population, 2001)



SOCIO-ECONOMIC OVERVIEW

Employment and Labour Force

Employment in rural Ontario is generally concentrated in the manufacturing, government/social services/public administration and service sectors. Many rural communities are currently developing economic diversification strategies to improve their local economies by attracting and retaining business and investment. This in turn will lead to an increase in employment opportunities and will help rural communities attract and retain youth, young families, immigrants and highly skilled professionals which will improve their local tax base.

Primary industries (e.g. agriculture, forestry, and mining) only make up 5.5% of rural southern Ontario's employment and only 4.5% of rural northern Ontario's employment.

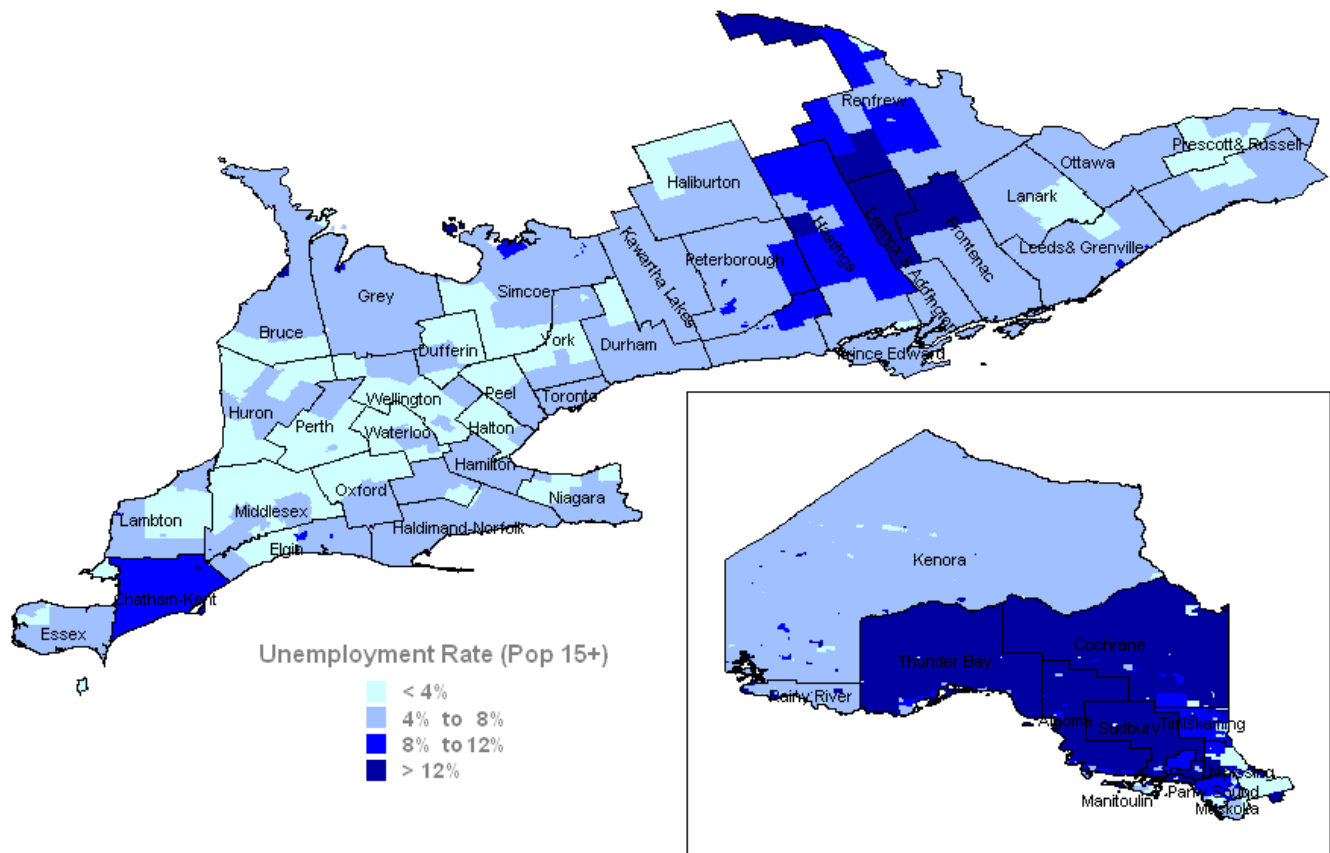
The largest portion of northern Ontario's population is employed in sales and service occupations (27.2%). In the period between 1996 and 2001, however, this sector saw a total decline of 7.1%.

Employment has grown more in rural southern Ontario (16%) than in urban southern Ontario (14%) between 1991 and 2001. Northern Ontario, however, has shown a decrease both in rural (5%) and urban (7%) employment rates in the same period. In 2001, rural Ontario communities had a lower unemployment rate (5.8%) than urban communities (6.3%). However, there are some rural areas that have disproportionately high rates of unemployment, like Manitoulin District (10.5%), and Sudbury District (12.5%); while others have rates lower than the provincial average, like Casselman (1.3%) and Lake of Bays (2.2 %).

An aging workforce, however, coupled with the decline in youth population, continues to contribute to current and emerging skill shortages in some key economic sectors located in rural regions. While immigration is expected to be the major source of labour force entrants in Ontario, only 5% of new immigrants in Ontario currently settle outside major urban centres.

Another major challenge to employment growth in rural communities is accessing the capital required to start, grow and retain rural businesses. Rural entrepreneurs often find it difficult to obtain financing for smaller projects or high-risk ventures.

Figure 2. Unemployment Rate for the Population 15 Years Old and Older in 2001
(Source: Statistics Canada, Census of Population, 2001)



Training for employed workers is more difficult to access in rural areas, and small businesses have difficulty in backfilling positions while employees are being trained. Employer training costs are also higher because of travel and accommodation.

Income Levels

Historically, rural Ontario has had a lower average family income (\$57,241 in 1996, \$69,118 in 2001) than urban Ontario (\$61,793 in 1996, \$77,323 in 2001) and this income has increased at a slower rate than in urban Ontario. However, the average value of a dwelling has also been lower in rural Ontario (\$145,137 in 1996, \$158,005 in 2001) compared to urban Ontario (\$205,039 in 1996, \$230,555 in 2001) and has increased at a slower rate.

Median family income has increased almost 28% in rural Ontario compared with almost 20% in urban Ontario from 1991 to 2001. Rural northern Ontario has seen a smaller increase in median family income over the same period.

Infrastructure

One of the greatest challenges currently facing Ontario's municipalities is an infrastructure deficit. According to the Municipal Finance Officers' Association of Ontario, the total municipal infrastructure deficit is estimated to be \$1 to \$4 billion per year over the next 5-10 years. Much of Ontario's physical infrastructure was built in the 1950s and 1960s and due to deferred maintenance over the past few decades, many of these infrastructure assets have declined significantly and now need replacement instead of repair. Because of the limited tax assessment bases, many rural and northern municipalities lack sufficient resources to undertake the necessary repair and replacement programs for their infrastructure.

Although the Ontario Small Town and Rural (OSTAR) Infrastructure Program and the Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF) will provide almost \$2 billion for infrastructure projects, this funding still does not fully address the investment needed. In addition, while senior levels of government have made funding available, some rural municipalities may not be able to take advantage of it because they lack their one-third share of funding needed to take advantage of these cost-shared programs.

Rural municipalities also tend to have fewer staff and management tools (asset management) dedicated to managing and planning for infrastructure activities. This affects their ability to access government funding and carry out good maintenance programs to help manage costs over the long term.

Telecommunications

High-speed (or broadband) telecommunication infrastructure improves rural communities' ability to access information, attract and retain businesses in order to develop their local economies and contributes to a higher quality of life for rural residents. This access is vital for ensuring that rural Ontario can prosper in the knowledge-based economy. Although the number of rural communities with low-speed Internet access has increased, there is a need to expand high-speed access to ensure rural residents are on a level-playing field with urban counterparts in the ability to access information quickly.

Market forces alone will not meet rural connectivity needs across the province. Rural communities often struggle to attract private sector investment for broadband infrastructure (both hard and wireless) because private investors do not see a business case for such investments. Small population bases and low population densities make it difficult to provide broadband at a reasonable cost. These have an impact on the range of services available to rural residents including health services such as telemedicine. As well, distance between regions and rough terrain present obstacles for putting hard infrastructure in place.

Accessible, quality telecommunication service is considered critical for competitive business purposes and residential personal use and for access to government and public sector services including health, education and social services. It enables people in rural communities to participate in a digital, diversified and innovative economy and strengthens the economic fabric of these areas by leveling the playing field for rural and urban communities. By helping to strengthen the local economy, the community becomes more sustainable.

Education

Rural schools represent 25% of all Ontario schools and serve approximately 15% of all Ontario students. About 10% of rural schools are operating at half their capacity. The situation of the remote, rural, single-school community is most acute in northern Ontario, where many schools are operating at less than 25% capacity and average distance from these schools to the nearest school of the board is approximately 50 km.

Rural schools are often considered to be an integral part of their communities and in some communities the school may be the only public institution. Many school boards are facing challenges, such as decisions to close schools with small student populations; inadequate funds to cover student transportation costs; increasing student time spent in transit; and reductions in selection of curriculum choices. Between 1998 and 2003, 362 schools were closed, 106 of which were rural schools.

Health Care

Access to health care services is a key issue across the province. Although initially the shortage of physicians was primarily a northern issue, the need for physicians has also grown in southern Ontario. As of May 2005, there were 143 communities (40 northern, 103 southern) designated eligible for the Underserved Areas Program by the Ontario Ministry of Health and Long-Term Care.

Although there are urban communities that are experiencing shortages, the vast majority of the communities designated as under-served are rural. Compared to urban areas, rural Ontario has fewer health care providers working in professional occupations (6.0 per 1000 persons in urban versus 3.6 per 1000 persons in rural). Strategies to recruit and retain physicians have now expanded to specialists, nurses, nurse practitioners, and others such as mental health, speech, language, and rehabilitation staff.

The recruitment and retention activities of rural communities have become increasingly competitive, with the type and cost of incentives steadily escalating. Even when combined with government assistance and incentives, communities have little success in recruiting health professionals, as the supply is so limited.

Although access to health care professionals is the concern that attracts the most public attention, other rural health issues include: emergency room services; home care; public health; hospital funding; and provision of specialized services including obstetrics.

6. Rural Research and Services Priorities:

Current 4-Year Priorities

In 2002, ORRSC set the following priorities for the 2003-2007 cycle of rural research and services:

- A. **Labour Force Development:** The need to address projected shortages in the quantity and quality of the rural labour force by understanding: factors affecting workers' decisions to locate; the relationship between demographic shifts and labour-force development needs; predictive models of future labour structures; and, the factors which attract industry investment and how these factors affect community development.
- B. **Environmental Sustainability:** The need to understand environmental impacts of rural economic development by: analyzing the extent of integration of environmental concerns in local municipal policy; determining the degree of environmental sensitivity in community development; and examining models of development where environmental concerns are part of the equation.
- C. **Services:** The need to understand, through regional research collaboration, existing delivery models for social, recreation, health/wellness, municipal and business services in rural communities by comparing and assessing according to the following indicators: rural specificity, sustainability, accessibility, and extended support.
- D. **Immigration/Migration:** The need to identify, understand and apply appropriate models of successful rural immigration with particular emphasis on marketing rural communities to attract immigrants.
- E. **Community Capacity:** The need to understand models or approaches directed toward engaging citizens in community building through: assessing leadership skills development resources; examining organizational capacity; exploring urban-rural linkages; and understanding the impact of volunteer and youth development programs.
- F. **Rural Innovation:** The need to identify barriers and enhancements of innovation through understanding: social and cultural attitudes; the affect of economic clustering; location factors; and institutional and community context in rural places.

The 2005 Review (for 2006):

- ❑ The committee members presented the new and emerging issues and information needs of their respective organization.
- ❑ The committee reflected on the current priorities.
- ❑ A number of additional themes within the existing research areas emerged throughout the discussions.
- ❑ The committee confirmed the priorities as follows:

- **Community Capacity**

The discussion on community capacity included question of how to address the perceived high levels of farm stress, the reduction of funding to advocacy and women's organizations, the leadership shortage, and community engagement.

- **Environmental Sustainability**

The discussion on environmental sustainability included issues around the connection between environment issues with urban issues, the balance between private property and stewardship, trends in food production (organic agriculture), and determining the carrying capacity of urban areas and the role rural communities can play in terms of provincial population growth.

- **Rural Innovation**

The discussion on rural innovation included the issues of urban-rural relationships and the need for more community based research on innovative service development.

- **Immigration/Migration**

The discussion around migration/immigration included questioning our models of integration, asset mapping for immigrants, provision of language and cultural services, and housing/isolation concerns.

- **Services**

The discussion on services included the accessibility issue for all social services, how to attract a wider skill set of professionals, and how to engage the private sector as partners in service delivery.

- **Labour Force Development**

The discussion on labour force development included questions around how to involve Aboriginal population in the labour force, the need for diversification in the skilled opportunities in rural places, and how to capitalize on underemployed people in urban areas by attracting them to rural (secondary immigration).

Additional Areas of Interest:

Municipal capacity in environmental sustainability and resource management:

- To what extent fiscal and human resource capacity and access to expertise and knowledge affect a rural municipality's ability to participate in the environmental sustainability initiatives of the provincial government?
- What are the implications of: Communities' ability to engage in community based renewable energy projects (including Standard Offer Contracting), land use issues (particularly around Wind Energy), private ownership vs. public good issues, and access to the required knowledge base, technical expertise, and community engagement and building partnerships?

Municipal Capacity in Rural Security:

- What is the capacity of rural municipalities in Ontario to address issues of rural security?
- What is needed in terms of fiscal and human resources, technological knowledge and expertise, and civic engagement to take action against property crime, bio-security threats, illegal drug manufacturing, and human safety.

Community Capacity for Change in Resource and Agriculture Sectors:

- What is the impact of the disappearance of the family farm on rural areas and communities?
- What is the impact on the agriculture commodity sectors of dismantling supply management systems as a result of World Trade Organization negotiations? What is the real impact of trade policies on the resource sectors (Northern communities...i.e. dismantling of other sectors such as softwood lumber)

Identifying Current Issues and Emerging Trends in Research Methods:

- New forms of research might be more effective in tapping into the wisdom/voice of the marginalized
- Challenge of a new kind of research, participatory action, collaboration, partnership would bolster the effect of research and expand buy-in on complex issues
- Inter-sectoral, multi-disciplinary, innovative research results in innovative outcomes
- Complex research addresses the complexity of our reality

As a result of the presentation by Dr. Tony Fuller, Sustainable Rural Communities Research Program Chair, the following gaps were identified:

- need to invest in the “big picture” rather than separate pieces
- need to include comparative research, look at other jurisdictions
- need for impact analysis and assessment

Appendix A: List of Members, Ontario Rural Research and Services Committee 2005

NAME/ORGANIZATION	EMAIL
Binet, Claire , Research Analyst, Agriculture and AgriFood Canada	binetc@agr.gc.ca
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Appendix B. List of Approved Projects for 2005-2006 in the 2003-2007 Sustainable Rural Communities Research Program

Short Title	Leader	Collaborating Faculty
New Projects		
Settlement Patterns and Adjustment of Immigrants	Safdar, S.	Playford, K.
		Bauder, H.
		Di Biase, S.
		Klopfer, S.
		Lusis, T.
		Palijan, S.
Building Inclusive Governance Structures in Rural Ontario	Reid, D.	Arai, S.
		Mair, H.
Alternate Policies to Support Farmland Preservation	Hilts, S.	Landman, K.
		Caldwell, W.
Diverse Workplaces, Homogeneous Towns?	Preibisch, K.	Sousa, J.P.
		Leach, B.
		Yates, C.
		Leadbetter, A.
Continuing Projects		
Immigrant Settlement in Smaller Places.	Bauder, H.	
Local Food Systems	Smithers, J.	McKinnon, S.
		Joseph, A.E.
		Connell, D.
A Framework for Innovative Communities	Fuller, T.	Robertson, Lacroix
Final Projects		
Integration of the Marginalized into Rural Society.	Reid, D.	Golden, L.
Rural Community - Partnerships	Preibisch, K.	
Ontario Farmland Conservation	Hilts, S.	Caldwell, W.
Conflict Resolution in Rural Ontario	Caldwell, W.	
Rural Automobile Parts Plants	Leach, B.	
Industry and Community Internships	Nentwig, K.	
Rural Supports and Work/family Integration	Hawkins, L.	
Environmental Management Systems	FitzGibbon, J.	