

2019

# TOWARDS A STRONGER SOUTHERN ONTARIO

ENABLING TOMORROW'S ECONOMY, TODAY



Federal Economic Development Agency for Southern Ontario

Innovation, Science and Economic Development Canada

Agence fédérale de développement économique pour le Sud de l'Ontario

Innovation, Sciences et Développement économique Canada

Canada

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# INTRODUCTION

**Canada's Innovation and Skills Plan**, announced as part of Budget 2017, is an ambitious effort to drive economic growth, make Canada a world-leading centre for innovation and create good, well-paying jobs. Building on this plan, the **Rural Economic Development Strategy**, announced in June 2019, outlines ways to maximize federal investments to improve the quality and resiliency of community infrastructure, create good jobs, support trade and investment, and strengthen skills in rural communities. A cornerstone of this strategy is achieving universal access to reliable and affordable high-speed internet and mobile connectivity.

The federal government has launched a number of ambitious initiatives to achieve these goals. The **Digital Charter** sets out a principled approach to Canada's digital transformation that will protect privacy, keep data safe, and ensure that Canadians can fully embrace the benefits of the digital economy. The **Innovation Superclusters Initiative** challenged Canadian businesses of all sizes to collaborate with other actors to develop job-creating superclusters of innovation after the model of Silicon Valley. To tackle coverage gaps, the government is investing \$500 million through the **Connect to Innovate** program in rural and remote communities across Canada, and has developed a **Connectivity Strategy** outlining ways to build partnerships with the private sector and other levels of government to build strong and resilient local communities.

## Tailoring federal strategies for southern Ontario

**Southern Ontario is a cornerstone of innovation and prosperity for the country, and the Government of Canada is committed to capitalizing on the opportunities in this region.** A Southern Ontario Growth Strategy will tailor the Innovation and Skills Plan to the unique challenges and opportunities in southern Ontario to support the creation and scale-up of innovative businesses, foster the commercialization and adoption of new technologies, bolster exports and create well-paying jobs.

The Government of Canada provided the [Federal Economic Development Agency for Southern Ontario](#) (FedDev Ontario) with \$1 billion in new funding and a permanent mandate to invest in economic development and innovation in southern Ontario. **As a permanent agency, FedDev Ontario will be a stable, long-term partner in driving innovation and economic growth in a vital and dynamic region of Canada.** FedDev Ontario has already taken steps to implement the Innovation and Skills Plan by making strategic investments in high-potential firms and strengthening the innovation ecosystem. To contribute to the Rural Economic Development Strategy, FedDev Ontario is dedicating \$100 million over the next three years for projects that drive innovation and growth in rural southern Ontario.

To gain further insight into the opportunities of the region and to inform a regional growth strategy for southern Ontario, **FedDev Ontario launched an engagement process in March 2019 to ask stakeholders what can be done collectively to drive greater growth and innovation and create jobs across the region.** The engagement gathered perspectives from hundreds of Ontarians through 20 roundtables in rural and urban communities, in addition to feedback received online and through social media channels. This input helped inform the development of the regional growth strategy and will guide FedDev Ontario's investments and feed into discussions with other departments for years to come.



Roundtable participants and online commenters generously shared their time and expertise. FedDev Ontario heard clearly that there is an appetite across the region to continue to strengthen engagement and partnerships with government. Many stakeholders wanted supports in place to account for the unique circumstances in individual communities and the chance to work with local partners to seize regional opportunities. They spoke about the many opportunities for growth in southern Ontario, building on the region's world-class research institutions, thriving culture of entrepreneurship, strong and growing innovation ecosystems and access to vital trade corridors.

Ontarians are working to adapt to the changing global economy, which will demand new technologies, new skills and greater competitiveness. To meet these challenges, **FedDev Ontario's regional growth strategy will help to foster the conditions for innovation to flourish and for high-potential businesses to grow and scale rapidly.**



# THE ENGAGEMENT PROCESS

The goal of our engagement was to help shape a comprehensive Southern Ontario Growth Strategy and to drive future government investments and actions tailored to the unique interests and priorities of communities across the region.

From March 11 to May 9, 2019, 20 roundtable events were held in rural and urban communities across southern Ontario, in addition to online engagements through FedDev Ontario's website and social media channels.



*FedDev Ontario stakeholder roundtable event in Toronto, Ontario.*

## **A broad range of stakeholders were consulted:**

- Small- and medium-sized enterprises and large employers from a variety of sectors;
- Post-secondary and research institutions;
- Representatives from Indigenous communities and businesses;
- Francophone organizations and other members of French-speaking communities;
- Economic development organizations, such as Community Futures Development Corporations (CFDCs) and municipalities;
- Accelerators and incubators; and
- Other regional not-for-profit organizations with an interest in the innovation ecosystem, such as chambers of commerce.

## MAP OF ROUNDTABLE LOCATIONS



Roundtables were held in the 19 following communities. Two roundtables were hosted in Toronto.

Bancroft  
Cobourg  
Ingersoll  
London  
Peterborough

Belleville  
Collingwood  
Kincardine  
Niagara  
Toronto

Brantford  
Hamilton  
Kingston  
Ottawa  
Windsor

Brockville  
Hawkesbury  
Kitchener-Waterloo  
Pembroke

FedDev Ontario  
asked  
**5**  
questions to  
help start the  
conversation

1. What are southern Ontario's key strengths and challenges? How can we use our strengths and overcome challenges to grow the economy?
2. How can governments and industry work together to further strengthen the region?
3. How can we continue to encourage the participation of women, Indigenous peoples, new Canadians, youth and other underrepresented groups in the southern Ontario economy?
4. Are there specific opportunities to leverage existing community assets to support growth and innovation in southern Ontario's rural areas?
5. How can FedDev Ontario help smaller communities and rural areas link to the region's innovation and knowledge economies to drive growth?

# OPPORTUNITIES AND DIVERSITY

## ACROSS THE REGION

**Ontario is an integral part of Canada's economic prosperity.** Ontario accounts for nearly 40 percent of Canada's population and new permanent residents, 40 percent of Canada's domestic exports and 50 percent of its manufacturing exports. The province has access to several major trade corridors. It is also the third-largest destination for foreign direct investment in North America and the largest in Canada. Seven of the world's 10 largest technology companies conduct research and development in Ontario.

**Southern Ontario is a diverse mix of large metropolitan areas, medium-sized cities, smaller cities and rural communities,** each with its own unique set of strengths, challenges and opportunities. As Canada's largest city, **Toronto is a hub for investment and innovation,** having grown faster than the rest of the province since 2014 due to an explosion of activity in the financial services and technology sectors. It is the second-largest financial hub in North America after New York,

and it has the fastest-growing technology sector in North America. The *Economist* rated Toronto as the seventh-most liveable city in the world in 2018, and an analysis by the Smart Prosperity Institute indicates that Toronto's population is growing around two percent per year, primarily due to international immigration.

**Medium-sized cities are diversifying from their traditional economic base towards emerging industries.** As cities shift from the industries that fueled growth for generations, they are nurturing clusters of entrepreneurship and innovation in emerging industries that will build the foundations of growth for decades to come. **Kitchener-Waterloo has diversified beyond its manufacturing roots** to develop a thriving start-up technology sector, based around local universities, innovation hubs like Velocity and Communitech, and anchor companies like BlackBerry and Sun Life Financial. Cities like **Windsor and Hamilton are transitioning from traditional manufacturing**



Waterfront, Kingston, Ontario.



**to embrace opportunities** in advanced manufacturing, biotechnology, healthcare and agriculture. **Kingston and London are building around the strong post-secondary institutions**, fostering strengths in food processing, healthcare and manufacturing.

**Southern Ontario's smaller cities and rural communities are pursuing new economic growth opportunities.** The town of Cobourg converted a disused building into the Venture13 accelerator, an incubator that nurtures local talent through pitch competitions, training programs and co-working space. Lanark County is building on its award-winning maple syrup industry to become a destination for culinary tourism. Economic diversification and transformation is key to rural regions, which account for around three million people<sup>1</sup> or almost a quarter of Ontario's population.

**Southern Ontario's population is increasingly diverse.** Around 4.3 million people in Ontario were born outside of Canada, representing approximately 30 percent of Ontario's population, a number that rises to over 50 percent for Toronto. Given the region's ability to attract skilled immigrants (40 percent of all new permanent residents in Canada choose Ontario) and the large and relatively young Indigenous population, the region is well-placed to address the demographic challenges associated with an aging population. Southern Ontario's population growth is concentrated in major metropolitan centres. Rural communities are growing more slowly, and their average age is increasing more rapidly than in the rest of the province, as their young people move to larger cities.



*Photo courtesy: BEAM facility, McMaster University, Hamilton, Ontario.*

**Ontario has made progress supporting women in the workforce**, however, more could be done to address the underrepresentation of women in leadership positions and in the science, technology, engineering and mathematics (STEM) fields, and the perpetuation of unequal opportunities in the workforce. Research by the Canadian Securities Administrators found that in 2017, 14 percent of board seats on companies listed on the Toronto Stock Exchange were occupied by women, up from 11 percent in 2015.<sup>2</sup> A survey of Canadian companies found that women make up 45 percent of all entry-level employees, but only 25 percent of vice-presidents and 15 percent of CEOs.<sup>3</sup>

**There are opportunities for growth across all diverse communities—realizing that opportunities will require different approaches.**

- 1 Rural communities defined as those within the catchment areas of Community Futures Development Corporations in southern Ontario.
- 2 Canadian Securities Administrators, "CSA Multilateral Staff Notice 58-309 Staff Review of Women on Boards and in Executive Officer Positions – Compliance with NI 58-101 Disclosure of Corporate Governance Practices", October 5, 2017. [Available online.](#)
- 3 McKinsey & Company. "The power of parity: Advancing women's equality in Canada," June 2017. [Available online.](#)

# WHAT WE HEARD

## FOSTERING GROWTH AND INNOVATION

Through the engagement, stakeholders spoke about the need to foster the conditions for growth to realize the region's potential.

Common and interrelated themes included: innovation and technology, access to skilled labour, access to capital, entrepreneurship, trade, diversity and inclusion, and infrastructure.





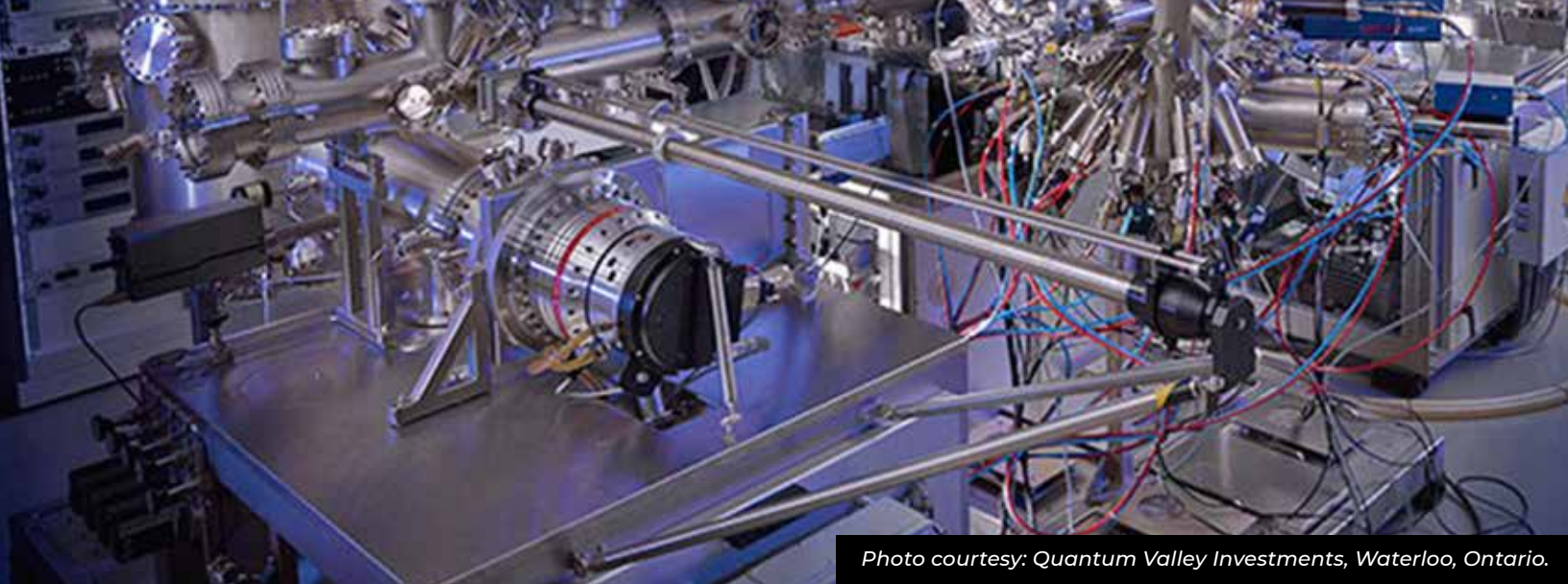


Photo courtesy: Quantum Valley Investments, Waterloo, Ontario.

## INNOVATION AND TECHNOLOGY

**Businesses recognize that encouraging firms to adopt and adapt leading-edge technologies and accelerate the commercialization of new products and services is critical to improve competitiveness and to build made-in-Ontario successes.**

Stakeholders recommended **doubling down on areas of established strength** to create **globally competitive clusters** that could attract and anchor intellectual property, capital and talent in the region. A critical part of cluster development is catalyzing the creation of **industry-led consortia** where there is already innovation advantage and supporting development by de-risking large-scale innovation investments, attracting anchor companies and connecting industry players to pathways for the first sale. It is also crucial to **link regional clusters to smaller communities**, allowing them to better connect to the innovation economy.

Another important aspect of supporting innovation is **commercializing the research happening in southern Ontario's post-secondary institutions**. Stakeholders commented on the need to transform ideas into profitable businesses that take root and grow in southern Ontario. The federal government can help this process by funding commercialization activities, such as product development and market research, and by fostering connections between researchers and industry players.

We were told that the federal government could help to **de-risk the adoption and adaptation of new technologies**, especially those made in Ontario. Stakeholders also emphasized that **acquiring and retaining talent** is crucial, as existing workers may be unfamiliar with leading-edge technologies.

### **HOW THE GOVERNMENT OF CANADA IS SUPPORTING TECHNOLOGY COMMERCIALIZATION, ADOPTION AND ADAPTATION**

[Sustainable Development Technology Canada](#) (SDTC) invests in Canadian companies that, through their innovative clean technologies, contribute positively to Canada by creating quality jobs, driving economic growth and protecting the environment.

The [Innovation Supercluster Initiative](#) funds industry-led collaborative projects to grow important sectors of the economy, including the [Next Generation Manufacturing Supercluster](#) in Ontario.

[Canada's Intellectual Property Strategy](#) helps Canadian entrepreneurs better understand and protect intellectual property and get better access to shared intellectual property.

The [Cleantech Challenge](#) is a competition for entrepreneurs to turn their innovative clean technology solutions into a business. Winners of the challenge may receive funding to develop their business, commercialize their innovation and get expert advice.



Photo courtesy: CCRM, Toronto, Ontario.

## ACCESS TO SKILLED LABOUR

**Employers across southern Ontario agree there is an opportunity to ensure the region has the skilled workforce needed to drive growth, and that the skills of the region's graduates match the on-the-ground needs of businesses.**

Both urban and rural communities identified a high, unmet demand for skilled workers. This topic surfaced at every roundtable and was brought up by many online participants. There is an enduring shortage of talented technology workers, concern for industry's ability to replace retirees and a need for more skilled tradespeople.

There is increasing demand for **technical expertise** in STEM fields, including **skilled trades**, and for the knowledge required to scale global technology companies, such as finance, marketing and business operations. Access to more technology talent will enable companies to adopt new technologies, improve productivity, scale up and position southern Ontario to embrace the economy of the future.

Participants also raised concerns over **increasing numbers of retiring baby boomers** who have held their jobs for a long time. Several participants stated that the difficulty in finding **qualified candidates for future leadership positions** has raised concerns about the long-term viability of their companies.

In rural communities, some stakeholders spoke of difficulties hiring workers in lower-skilled occupations, particularly in labour-intensive **seasonal industries like agriculture and tourism**. Young people are increasingly leaving to pursue opportunities in metropolitan centres that offer more access to attainable housing, high-speed internet, public transit and other amenities. Retaining young people and attracting immigrants and newcomers has been identified as a key priority.

### HOW THE GOVERNMENT OF CANADA IS SUPPORTING SKILLED WORKERS

Led by Immigration, Refugees and Citizenship Canada, the [Global Skills Strategy](#) makes it easier for Canadian businesses to attract the talent they need to succeed in the global marketplace.

The [Global Talent Stream](#) helps businesses access highly skilled talent to expand their workforce in Canada and to be competitive on a global scale.

The [Canada Job Grant](#) helps firms train new or existing employees for jobs that aren't being filled, enabling employees to excel and succeed in today's fast-paced labour market.

The [Provincial Nominee Program](#) provides a pathway to permanent residency for immigrants who can support the Canadian economy with their skills, education and work experience.

The [Rural and Northern Immigration Pilot](#) tests how economic opportunity and community-based settlement approaches can attract and retain newcomers to better distribute the benefits of immigration across Canada.

[CanCode](#) aims to equip Canadian youth, including traditionally underrepresented groups, with advanced digital and STEM skills.





Günther Huettlin, President, GH Manufacturing Inc., Belleville, Ontario.

## ACCESS TO CAPITAL

**Stakeholders want greater availability of investment capital and financing to drive more robust growth in southern Ontario's growing businesses.**

Roundtable participants and online commenters believe that **more risk capital could have a significant positive impact on growth**. Many businesses, particularly at urban roundtables, said they could benefit from more access to funding for investment and scale-up. The search for capital drives many entrepreneurs to the United States where they can more easily fund their technology ventures.

Stakeholders expressed that southern Ontario needs more **venture capital and private equity** investment to facilitate firm growth and technology commercialization, particularly for mid- to late-stage firms. Canadian companies would also benefit from better availability of **debt financing**, which enables investment in capital-intensive machinery and equipment without diluting ownership stakes. Medium-sized firms face a gap, being too large for start-up grants but too small for venture capital.

**Federal funding programs** can help firms obtain scale-up capital, but some stakeholders said that there are opportunities to further refine these offerings. Some participants noted that **faster timelines for decisions** would make it more attractive to apply for government funding. Rural participants also emphasized the need for continued **support to sole proprietorships and micro-firms** with fewer than 10 employees, which may lack the capacity to navigate application processes.

### HOW THE GOVERNMENT OF CANADA IS PROMOTING ACCESS TO CAPITAL

The [Strategic Innovation Fund](#) provides funding to firms of all sizes across all of Canada's industrial and technology sectors.

Canada's [Regional Development Agencies](#) (RDAs), including FedDev Ontario, deliver nationally coordinated programs tailored to fit regional needs and circumstances, providing financial assistance and acting as a convener to bring together key players in their respective ecosystems.

The [Industrial Research Assistance Program](#) provides advisory, funding and networking services to help accelerate business growth through innovation and technology.

The [Business Development Bank of Canada \(BDC\)](#) helps create and develop Canadian businesses through financing, advisory services and capital, with a focus on small- and medium-size firms.

The [Venture Capital Catalyst Initiative](#) is investing \$450 million to support a strong venture capital ecosystem that helps Canadian businesses start up, scale up and access new markets.

The [Canada Small Business Financing Program](#) makes it easier for small businesses to get loans from financial institutions by sharing the risk with lenders.



Photo courtesy: Communitech, Kitchener, Ontario.

## ENTREPRENEURSHIP

Communities are interested in opportunities and better access to information on creating, expanding and scaling up their businesses and fostering connections with innovation ecosystem players.

Southern Ontario has a deep pool of innovation resources, and participants noted that entrepreneurs would benefit from **improved connectivity between the various actors**, including founders, technology developers, investors, financiers, mentors and others. Some participants suggested building a supply chain of resources to guide entrepreneurs through all the stages of creating and growing a business.

Stakeholders expressed that more could be done to help entrepreneurs **navigate the wide variety of resources and programs available to assist them**. This includes streamlining referrals between programs and reducing frictions for organizations as they go through application processes. To ensure rural communities and smaller urban areas benefit from the innovation ecosystem, participants suggested **building connections** with major innovation hubs in urban centres.

### HOW THE GOVERNMENT OF CANADA IS SUPPORTING ENTREPRENEURS

[Innovation Canada](#) is a digital platform that brings together a number of federal programs and services designed to help businesses innovate, create jobs and grow Canada's economy.

The [Accelerated Growth Service](#) helps growth-oriented Canadian businesses expand by providing access to key government services such as financing, exporting, and business advice.

The [Scientific Research and Experimental Development](#) program is a tax incentive designed to encourage businesses of all sizes and in all sectors to conduct research and development in Canada.

The [Clean Growth Hub](#) is a whole-of-government focal point for clean technology focused on supporting companies and projects, coordinating programs and tracking results.

[Innovative Solutions Canada](#) supports the scale-up and growth of Canada's innovators and entrepreneurs by having the federal government act as a first customer.

The [Innovation for Defence Excellence and Security](#) program fosters innovation in defence procurement and supports the development of solutions from their conceptual stage, through prototype testing and capability development.

The [Canadian Agricultural Partnership](#) is a five-year commitment by Canada's federal, provincial and territorial governments that will support the agricultural and food processing sector.





## TRADE

**There is a shared belief among stakeholders that support to access Canadian and international markets would enable businesses to grow and achieve scale.**

Southern Ontario benefits from its proximity to major markets. As part of the **Great Lakes Region**, with over \$300 billion in trade crossing the border each year, it has access to tidewater through the St. Lawrence Seaway. Throughout the engagement, stakeholders asked for more support **accessing new markets** in other provinces and countries. Some businesses said they earn almost all of their sales from exports to the United States, and asked for more help accessing Canadian customers. **Improving transportation infrastructure** is an important way to enable trade.

Participants also expressed their desire to **improve the value of exports** by doing more value-added processing here in southern Ontario. For example, representatives from the forestry industry indicated that the bulk of their exports are in unprocessed logs, so establishing more wood manufacturing capacity in Ontario could bolster the industry. **Tourism** is another area of opportunity that many stakeholders addressed, particularly in rural communities. Their rural tourism industries would benefit from broadband access, more capacity for accommodations, affordable housing for workers and better marketing of their local advantages.

### HOW THE GOVERNMENT OF CANADA IS SUPPORTING TRADE

The Government of Canada has focused on driving free trade through deals such as the [Comprehensive Economic and Trade Agreement](#) (CETA) with the European Union and [Comprehensive and Progressive Agreement for Trans-Pacific Partnership](#) (CP-TPP).

The [Trade Commissioner Service](#) is a network of 161 offices around the world and across Canada that provide Canadian expert advice and problem-solving skills for firms wishing to export, partner or invest abroad, and to global firms looking to invest in Canada.

Led by Global Affairs Canada, [Canadian Technology Accelerators](#) help Canadian companies with an existing technology, product or service explore opportunities in foreign markets.

[CanExport](#) supports global export marketing activity for Canadian small- and medium-size businesses by reimbursing up to half of their expenses related to expanding into global export markets.

[Export Development Canada](#) provides insurance, financial services, and small business solutions to Canadian exporters, investors and their international buyers.

The [Canadian Commercial Corporation](#) offers commercial advocacy, collaborative project development and foreign contracting expertise to help Canadian exporters secure international contracts with government buyers around the world.



Photo courtesy: AbCelex Technologies Inc., Toronto, Ontario.

## DIVERSITY AND INCLUSION

**Communities agree that bolstering the participation of women, Indigenous peoples, francophones, youth and other underrepresented groups in the innovation economy will help southern Ontario realize untapped potential.**

Stakeholders spoke about the **opportunity to build a more diverse workforce and encourage entrepreneurship** by underrepresented groups. Given the need for more talented workers in STEM fields and skilled trades, recruiting women, Indigenous peoples, youth, francophone communities and other diverse populations is a high priority for many employers. Promoting entrepreneurship among these groups can help to build new businesses and drive innovation across the province.

**Encouraging entrepreneurship by women and gender-diverse people** is a goal for many of the roundtable participants, who welcomed the recent steps taken to address the gap. Women entrepreneurs would benefit from information on **mentorship and business support opportunities** and increased **access to child care services**.

The engagement process also highlighted ways to **attract and retain young people** in rural and smaller communities, such as growing the supply of attainable housing, providing more transportation options and improving access to high-speed internet.

**Southern Ontario's Indigenous population** is large and relatively young, and there is considerable opportunity to help meet the demand for workers and address the demographic challenges facing some communities by promoting the inclusion of Indigenous peoples. Ontario's **official language minority communities** also represent a considerable source of opportunity for economic development. There is an opportunity to leverage their experience and expertise to tap into **global innovation networks** and export opportunities, particularly in Europe and emerging markets.

### HOW THE GOVERNMENT OF CANADA IS SUPPORTING DIVERSITY AND INCLUSION

To promote increased participation of women in the economy, the Government is investing \$2 billion through the [Women Entrepreneurship Strategy](#) with the goal of doubling the number of women-owned businesses by 2025.

The [Apprenticeship Incentive Grant for Women](#) helps women pay for expenses while they train as an apprentice in trades where women are traditionally underrepresented.

The [Youth Employment and Skills Strategy](#) helps youth find jobs through a suite of supports tailored to their needs.

The [Student Work Placement Program](#) gives post-secondary students in STEM and business programs across Canada paid work experience related to their field of study.

The [Community Opportunity Readiness Program](#) helps First Nations and Inuit communities build business plans and provide funding to expand existing Indigenous-led businesses and launch new Indigenous-led start-ups.

The [Indigenous Skills and Employment Training Program](#) provides funding to Indigenous service delivery organizations that design and deliver job training services to First Nations, Inuit, Métis and urban/non-affiliated Indigenous peoples in their communities.





Burlington Canal Lift Bridge, Hamilton, Ontario.

## INFRASTRUCTURE

Roundtable participants highlighted four main areas of infrastructure as key to fostering economic growth in the region: broadband, transportation, attainable housing, and utilities and services.

### Broadband

**Broadband internet is important to help communities participate in the innovation economy and attract investors, immigrants and youth.**

**Reliable, affordable high-speed internet is important for any modern business** and is crucial for high-tech and communications-based industries. It will become even more important as communities seek to share the benefits of the future economy. Broadband was often mentioned as one of the **most important issues facing rural regions**.

Rural communities said that improving broadband connectivity would **increase their ability to attract new businesses**, since many industries need consistent access to high-speed internet. It could also help **mitigate skills shortages in rural areas** by enabling employees to **work from home** and allowing businesses to access skilled workers in urban centres through telework arrangements.

Access to broadband would also make it easier to **attract and retain skilled workers**, according to some participants. Since many professions rely on the internet, working with slower speeds can limit their productivity. In addition, access to reliable and high-speed internet access could encourage young people and newcomers to move from urban to rural regions.

### Transportation

**Improvements to roads, bridges and railways are needed to move goods and people and connect southern Ontario's communities to partners, workplaces, clients and markets.**

Transportation infrastructure is vital to the interconnected modern economy, particularly for communities near major urban centres or the United States border, as they experience high traffic despite low local population density. Some communities said they want to attract people who work in nearby cities, which would be made easier by better transportation links to facilitate commuting. Areas with significant manufacturing industries would also benefit from high-quality, consistent transportation options to get their goods to market.

**Stakeholders also commented on the importance of public transportation as a cost-effective and efficient way of moving people to where they need to be.** Roundtable participants in cities said they would benefit from better ways to commute from houses in the suburbs to workplaces downtown while cutting down on congestion and the demand for parking spaces. Participants in rural areas also expressed interest in public transit, but acknowledged they may need to examine different options as the lack of density makes many public transit methods impractical.

## Attainable housing

### Communities need more housing options to attract workers and young people.

Communities across Ontario spoke about a **shortage of attainable housing**. Improving attainable housing would ease pressures on young people, who have lower incomes and have not benefitted from the increase in house values. Although attainable housing is traditionally thought of as an urban question, the engagement process identified it as a particularly prominent issue in rural areas.

Rural communities said that investing in **high quality housing would help foster growth and attract new inhabitants**. Often, retirees are moving to rural communities and purchasing lower-priced real estate, which exacerbates the shortage of housing for workers. Beyond the supply of attainable housing, rural communities lack the amenities found in urban centres, with whom they compete for talent and newcomers.

## Utilities and services

### More investment in municipal utilities and serviced land will improve competitiveness and enable more industrial development.

Participants in midsize cities, rural regions and through online submissions said that **improving the affordability of utilities and the access to serviced land** (land with adequate connections to electrical, municipal water and sanitation utilities) would increase the competitiveness of rural businesses and make space for more industrial and commercial development. Addressing **high electricity prices** would make it easier to attract investment, particularly in border communities, which compete with neighbouring jurisdictions in the United States and Quebec.

A number of communities expressed interest in improving the supply of serviced land suitable for the construction of industrial or commercial complexes and new businesses.

Similarly, communities identified a **lack of commercial buildings** within some rural and smaller areas for new and growing businesses. Improved access to serviced land would improve communities' ability to attract new companies and foreign investment, and help to **attract the necessary investment and workers** to unlock their region's potential.

## HOW THE GOVERNMENT OF CANADA IS SUPPORTING INFRASTRUCTURE DEVELOPMENT

The [Connect to Innovate](#) program will invest \$500 million by 2021 to bring high-speed Internet to 300 rural and remote communities in Canada.

Through [Canada's Connectivity Strategy](#), the Government of Canada has set a national target for all homes and businesses to have access to internet speeds of at least 50/10 Mbps by 2030, no matter where they are located in the country.

The [Investing in Canada plan](#) will invest \$180 billion over 12 years in public transit, green infrastructure, social infrastructure, trade and transportation infrastructure and rural and northern communities.

The [First-Time Home Buyer Incentive](#) provides funding of five to 10 percent of the home purchase price, with no ongoing monthly payments required.

The [National Housing Co-Investment Fund](#) provides a mix of contributions and low-cost loans for the construction and repair of affordable housing projects.

The [Social Finance Fund](#) helps not-for-profit organizations access financing for projects that have a positive social impact, such as the construction of more affordable housing.

The [Clean Water and Wastewater Fund](#) provides short-term funding for projects across Canada to improve water treatment and distribution infrastructure.

The [Green Municipal Fund](#) invests in projects to increase energy efficiency in residential, commercial and multi-unit buildings.

# WHAT WE HEARD

## DOING THINGS DIFFERENTLY TO FOSTER GROWTH

The roundtables and online contributions provided valuable insights to inform a Southern Ontario Growth Strategy. Stakeholders spoke about possibilities to foster greater growth and innovation, and how governments and communities can leverage the region's strengths. The input received through this process will feed into FedDev Ontario's investments and discussions with other departments for years to come. It has already helped to formulate the first actions that FedDev Ontario will take as part of its regional growth strategy. As the strategy is developed and implemented, FedDev Ontario commits to being an engaged and receptive partner to all its stakeholders in southern Ontario.

### Greater flexibility and tailoring approaches to the local context

Stakeholders, particularly in rural areas, noted that large-scale programming does not always address their local issues and needs, and that regionally tailored approaches to seizing local opportunities would be most effective for communities. Delivering these policies requires **strong relationships with local stakeholders and on-the-ground intelligence about the unique circumstances in each community.**

### Experimenting and piloting new solutions

Many community members said they see the federal government as a valuable partner and that greater **openness to experimentation and co-developing new approaches to regional issues** would enhance the partnership.



Photo courtesy: Pond Technologies, Markham, Ontario.

### Quickly scaling successful approaches

Participants were very interested in considering successful pilots and initiatives from other jurisdictions and adapting them to advance similar efforts in their communities. **Once successful pilot projects have been completed, they should be scaled and implemented in communities across southern Ontario** and tailored to local conditions where necessary. In its role as advocate and convenor, FedDev Ontario will convey the results of successful projects to relevant government stakeholders and pioneer a more comprehensive approach.

### Critical need to leverage Ontario's diversity

Throughout the engagement process, stakeholders indicated that **improving the participation of under-represented groups**, including women, Indigenous peoples, youth and others is an important approach for finding skilled labour and addressing the challenges stemming from an aging population.

### Leveraging the federal government presence in southern Ontario for greater engagement with communities and other levels of government

Many participants valued the opportunity to meet with senior government officials and want to continue the dialogue. Participants expressed **an appetite for more interaction with the federal government and policy makers**, especially in rural regions, noting that **a holistic approach for working with all levels of government**, including provincial, municipal and Indigenous leaders, would best facilitate economic development throughout southern Ontario.

### Fostering greater collaboration and exchanges of best practices among communities, urban innovation ecosystems and businesses in rural and smaller jurisdictions

Participants noted that **encouraging partnerships between businesses in smaller communities and large industrial players can drive innovation** and the adoption of new technologies.

### Minimizing administrative and reporting requirements

Stakeholders suggested a number of ways to **make funding programs more accessible and responsive to the needs of businesses**. A number of participants requested that the applications process move at the "speed of business," as many industries have set procurement and sales cycles that do not match up with government timelines. **Faster decisions on applications**, particularly where the decision is to not proceed with funding, can encourage more businesses to engage. Governments can also work to **minimize and simplify reporting requirements** wherever possible, easing the compliance burden for successful project applicants.



# NEXT STEPS

FedDev Ontario would like to thank everyone who took the time to provide feedback during the engagement process. As the first steps towards a Southern Ontario Growth Strategy, FedDev Ontario will continue to:

1. **Make strategic investments** that accelerate the growth and competitiveness of high-potential firms in southern Ontario;
2. Invest in **regional innovation ecosystems to grow and strengthen key clusters** and areas of regional innovation advantage;
3. **Experiment and pilot new regionally-tailored approaches to enable growth in southern Ontario's communities**, scaling and implementing successful solutions across the region;
4. Leverage projects to **encourage partnerships and collaborations between rural communities and urban innovation networks** and communities;
5. **Promote inclusive growth through the projects the agency supports** to leverage southern Ontario's strong diversity;
6. **Advocate for southern Ontario** and share insights gathered from the engagement process across government with the goal of facilitating whole-of-government support for businesses and communities;
7. **Increase awareness of federal programming and services** across the region, especially in rural and smaller communities;
8. **Work closely with other levels of government** to find solutions to local issues, foster networks and create linkages in southern Ontario's innovation ecosystem;
9. Strive to continuously **improve FedDev Ontario's business processes** to reduce the administrative burden and save stakeholders time; and
10. **Commit to continuing the conversation and strengthening the Southern Ontario Growth Strategy** through ongoing dialogues with partners, communities and key stakeholders.



*Andrew White, CEO, Char Technologies project site, Cambridge, Ontario.*