

New report calls for new approaches to paying for infrastructure

Current system is burdensome for small communities with limited resources

BY LORRAINE STEVENSON

Co-operator staff

A substantive overhaul in how infrastructure is funded would benefit all of Canada but particularly rural regions, according to a new report.

Infrastructure Impacts on Rural and Economic Development calls for a different more flexible approach so rural communities could match program funds to their unique needs, essentially linking spending to rural development.

The current model of conditional grants for capital projects neither meets needs nor responds to the challenges and diversity of rural communities, the document, prepared in part by the Brandon-based Rural Development Institute, says.

Ryan Gibson, a University of Guelph professor and member of the Canadian Rural Revitalization Foundation and Rural Policy Learning Commons wrote the report. He presented it to the Senate Committee on National Finance in early May.

Raised in rural Manitoba, and a graduate of Brandon University's RDI, Gibson knows rural infrastructure needs well. And how they're prioritized and paid for right now doesn't work well in the rural context, he said.

"Right now rural communities feel they have to somehow fit themselves into a program not written for them," he said.

The fundamental problem is dollars allocated on the basis that they generate the biggest return on investment and benefit the most people possible, he said.

That puts rural areas at several disadvantages, not only lacking the people to merit the investment.



The lack of infrastructure investment compromises the future of rural and northern communities, a new report says. PHOTO: LORRAINE STEVENSON

Often what they need is basic and essential services like clean water, he said.

"The disconnect for many rural communities is that the investment in infrastructure may not create new jobs, or create new opportunities, but create the conditions for quality of life," he said.

"But in the current articulation of the infrastructure program it's around economic productivity."

The report calls for changes that would see funding approaches also help reduce what it calls the "price of distance," or costs

related to infrastructure spread over wide geographic areas.

'Access' to services is a key policy issue for infrastructure, for example, air ambulance to the specialty hospital or telemedicine for a diagnosis at a distance by an expert," the report notes as an example.

The report doesn't specify how to create a new program, but says a more flexible approach related to budget timing, project types, funding types, and eligible recipients would be a better fit for rural areas.

"Flexible budgeting should allow for

"Right now rural communities feel they have to somehow fit themselves into a program not written for them."

RYAN GIBSON

author *Infrastructure Impacts on Rural and Economic Development*

funds to roll over multiple years, and allow money to be allocated based on construction schedules," it also says.

Much of Canadian infrastructure such as schools, hospitals and water systems were built in the 1950s through to the 1970s. That was followed by a period of low investment from the 1980s to 1990s, the report says, noting much of that infrastructure is now nearing the end of its service life.

In the early 2000s, the federal, provincial, and territorial governments began reinvesting through various governmental transfer programs but the reinvestment is not matching the needs and the infrastructure deficit or gap is continuing to widen, the report said.

"The pronounced infrastructure deficit and gap in rural communities affects the whole of Canada," it also says.

The report was jointly prepared between the Rural Development Institute, the Rural Policy Learning Commons, funded by the Social Sciences and Humanities Research Council of Canada and the Canadian Rural Revitalization Foundation.

lorraine@fbcpublishing.com