



Thursday, January 15, 2026

The Honourable Peter Bethlenfalvy  
Minister of Finance  
c/o Budget Secretariat  
Frost Building North, 3rd Floor  
95 Grosvenor Street  
Toronto, Ontario M7A 1Z1

**Re: WOWC Submission to Ontario 2026 Budget Consultations**

Dear Minister Bethlenfalvy,

On behalf of the Western Ontario Wardens' Caucus, thank you for the opportunity to provide input to the 2026 Ontario Budget consultations. We respectfully submit the following recommendations for consideration. The WOWC represents 15 upper- and single-tier municipalities and 1.6 million residents across rural Western Ontario — **the economic engine of Ontario**.

Our region contributes more than \$226 billion in exports and is home to over 250,000 businesses, spanning advanced manufacturing, agriculture, energy, and tourism. Recent investments in our region total over \$40 billion, while our population growth and housing starts recently outpaced Toronto, Hamilton, and the provincial average.

While this success is welcome, it brings growing pressure on our infrastructure, housing market, workforce, and social services. Tariffs and trade policy concerns from the U.S. also present real risks to our economy, reinforcing the need for Ontario to protect and grow its industry and workforce.

Our core priorities for the coming years are focused, practical, and aligned with the realities on the ground:

**1. Infrastructure Development and Funding**

*Rural communities need support to maintain and grow essential infrastructure.*

- Rural municipalities lack the per-capita tax base to maintain existing infrastructure or build what is required to enable new housing growth.
- Water, wastewater, and stormwater systems are among the largest costs and are nearing end-of-life.
- Many towns have land ready for development but cannot afford the servicing required to unlock it.



- Provincial and federal funding often emphasizes new growth, but rural communities also require sustainable infrastructure funding for existing systems.
- WOWC recommends:
  - Increased provincial support for both existing infrastructure renewal and growth-enabling projects.
  - Programs that are flexible and responsive to rural realities, including roads, water, broadband, and transit.

### **Rural Infrastructure and Energy**

Reliable infrastructure and energy are critical to support rural industrial growth.

- Electricity and energy reliability remain critical, including the need for predictable allocation of system capacity for rural industrial and manufacturing sites.
- Roads, bridges, and other critical municipal infrastructure require ongoing provincial support to maintain safe and functional networks.
- Provincial funding programs should reflect higher per-capita costs in rural communities to ensure small municipalities are not left behind.

### **Broadband and Cellular Connectivity**

Closing the final connectivity gaps is essential for economic growth and quality of life.

- Broadband gaps persist in Southwestern Ontario despite progress through AHSIP, ICON, and UBF programs (targeted completion by 2028).
- The Last Mile Challenge seeks market solutions for premises that remain unserved.
- WOWC requests:
  - Southwestern Ontario be removed from the Last Mile Challenge, and
  - Remaining Very Last Premises be assigned directly to SWIFT, leveraging the existing collaborative framework with the Ministry of Energy and Mines.
- SWIFT has demonstrated the ability to deliver broadband efficiently and effectively, and continued provincial collaboration is essential to closing remaining connectivity gaps.
- Cellular connectivity:
  - WOWC and SWIFT are conducting a regional cellular due diligence exercise (2023–2026) with carriers to identify coverage gaps, infrastructure needs, and delivery approaches.
  - Provincial funding is requested in 2026 to advance cellular improvements, including interim funding for an independent, ground-level assessment as part of ongoing due diligence.

## **2. Housing Affordability and Availability**

*Stabilizing housing supply is critical to support workers, seniors, and families in rural communities.*

- Our region's housing supply is not keeping pace with growth, creating pressure on workers, seniors, and young families.
- Provincial support should focus on stabilizing supply, innovative financing tools, and aligning funding with population growth, not only urban/rural definitions.
- WOWC recommends:
  - Targeted provincial support to increase rental and affordable housing supply in growing rural communities.
  - Financial and policy tools that enable private-sector investment in housing aligned with workforce needs.

## **3. Workforce Development and Preservation**

*A skilled, local workforce is essential to sustain economic growth.*

- This requires investment in:
  - Training and workforce development programs,
  - Connectivity and infrastructure, and
  - Attainable housing to attract and retain talent.
- WOWC recommends:
  - Funding, tax incentives, and policies that attract investment and support local businesses.
  - Collaborative programs with municipalities to align workforce skills with regional economic priorities.

*Delays in VSC processing are also impacting essential sectors like long-term care and early childhood education.*

- Operational solutions requested from the Province:
  - Reinstate local detachment processing where feasible.
  - Enable interim or conditional onboarding while final VSCs are completed.
  - Establish clear, consistent provincial guidance on VSC requirements by role.
  - Create expedited processing pathways for LTC- and ECE-related positions.
- Funding and resource solutions requested from the Province:
  - Fund the OPP appropriately to address VSC processing challenges.



- Provide resources to clear the existing backlog.
- Ensure sustainable resourcing to prevent recurrence of delays.

#### **4. Mental Health Services and Support**

Rural municipalities are frontline responders and need sustained provincial support.

- Municipalities are dedicating increasing resources without long-term funding or tools.
- Funding must address root causes of homelessness, rather than shifting the burden disproportionately to municipalities.
- WOWC recommends:
  - Targeted increases to the Homelessness Prevention Program (HPP) for rural communities.
  - Permanent, formula-based funding for Mobile Crisis Response Teams (MCRT) to support rural 911 response with trained mental health professionals and police.
  - Support for integrated, community-based mental health services, including outreach and mobile programs.

The WOWC thanks the Provincial government for its consideration of these recommendations. Rural Western Ontario is Ontario's economic engine, powering growth, exports, and innovation. Investments in infrastructure, housing, workforce, social services, and economic development are critical to sustaining prosperity and quality of life in our communities.

We urge the Province to design funding formulas and programs that reflect rural realities and ensure that the municipalities powering Ontario's economy have the infrastructure, people, and support they need.

We look forward to working with the Province to implement these recommendations and ensure rural Ontario continues to thrive as the economic engine of the province.

Respectfully submitted,

Warden Marcus Ryan  
Chair, Western Ontario Wardens' Caucus (WOWC)