



**SPORT4ONTARIO Briefing to the Members on the
Economic Update and Fiscal Review**

On October 22, 2008, the Ontario Ministry of Finance, Dwight Duncan, released the Ontario Economic Outlook and Fiscal Review. In it he outlined a number of fiscal restraint measures to address the global economic slowdown including the delay of implementation of, or the slowing down of, some new spending and requiring ministries to focus on their highest-priority programs during the 2009-10 planning process.

On November 3, 2008 Federal Finance Minister Jim Flaherty announced that Ontario, for the first time, has become eligible to receive equalization payments and officially ranks as a “have-not” province.

Ontario’s economy has slowed significantly and while not yet officially in recession, it is evident that tough times are ahead. The slowdown can be attributed, at least in part, to the American sub-prime mortgage crisis resulting in the banking crisis, the fluctuating cost of oil, housing market sales decline, various large company bankruptcies, uncertainty in the auto sector resulting in “bailout” requests, and a steep and steady drop in the global stock markets. These issues are interconnected and result in, amongst other things, less revenue to the government than previously budgeted and a very unstable economy.

The implications of an economic slowdown and subsequent “belt tightening” may be signaling an end to recent economic growth and the need to monitor closely the actions and decisions of the Ministry of Finance and their impact, if any, on sport funding through the Ministry of Health Promotion (MHP).

Is the 2015 Pan American Games Bid Safe?

There has been no indication of cuts or delayed spending with respect to any sport program including the 2015 Pan American Games Bid, at this point. There has been no indication of a position change from the municipal, provincial or federal levels of government with respect to their support of the bid.

There is a cost to the bid process and, if successful, implementation of a Pan Am Games strategy. At the same time there is a strong argument for the stimulating effect on job creation and infrastructure projects that an event of this magnitude will bring to Ontario.

Can sport organizations expect any new funding?

Base and Program Funding for PSOs and MSOs is necessary, and the current levels are not yet where the sport sector believes they should be, however, given the messages of October 22, and November 3, now is not the time to look for an increase in funding in the short term. The sector must be sensitive to the storm around it and work in partnership with MHP to support the efforts of the Government and at the same time mobilize understanding, both inside and outside the Ministry, on the role of sport in the larger context of society and as

an agent of change for a healthier population. Now is the time to look at strategic partnerships and alliances to develop new and support current programs, and seek alternate, innovative funding sources.

Are there other considerations?

In an economic downturn there are consequences to consider other than government funding. Sponsors and members alike are reviewing their budgets and looking for cost-savings and ways to increase their return on investment. Sponsors, particularly banks, may be less inclined to support events or programs as they look to cut costs to offset their losses. Members may be less inclined to participate on travel teams or to travel great distances throughout the season for regular competitions and tournaments given the unpredictable cost of gas and other increases facing Ontario families.

Not seeing the forest through the trees

The economic slowdown can have far reaching consequences for many programs that rely on government funding. MHP funded sport programs will be subject to the same scrutiny as other programs. Programs that are aligned with the MHP's objectives will fare far better than those that are not. Priorities like Long Term Athlete Development/Canadian Sport for Life, Chronic Disease and Injury Prevention, Healthy Eating Active Living, Diversity, Inclusivity and Tobacco-Free Sport and Recreation are what provincial and multi sport organizations must move quickly to embrace and support.

Sport as an agent for personal and social change

Sport is not just about competition and handing out trophies. Sport organizations across the province must begin to recognize and promote the role they play in the bigger game of health promotion. Sport provides Ontarians with the opportunity to increase their physical literacy, lower their blood glucose level, increase their cardiovascular fitness, lower their LDL cholesterol, increase their metabolic rate and lower their body mass index. Sport can be a deterrent to negative social behaviours, including crime and drug use. Sport can reduce the likelihood of unwanted teenage pregnancy and the high school dropout rate. Sport can make those who have been marginalized in society feel like they are part of a team.

Sport4Ontario is able to assist you and your Board in repositioning your grant applications so that the argument you are making is aligned with the government's priorities.

Sport is for health. Sport is for everyone. Sport is for Ontario.

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Contributing Sources:

1. BMO Capital Markets A.M. NOTES, November 21, 2008, 7:27 am
2. Economic Update and Fiscal Review 2008, Ministry of Finance, Government of Ontario