

# Northwestern Ontario: Lost Jobs=Lost Economy



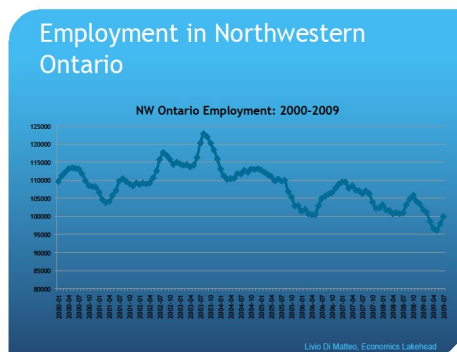
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The Northwestern Ontario Municipal Association represents 36 municipalities from the Manitoba border in the West to Wawa in the East. We greatly appreciate this opportunity to discuss our issues on behalf of our members.

The global recession has hit Ontario hard over the past 18 months...job losses and plant closures have resulted in high unemployment around the country and decreased tax revenues for the Provincial and Federal coffers.

Municipal governments across Northwestern Ontario are very familiar with these challenges. Many northern communities are single industry towns and we have been facing the effects of the recession for almost six years. Mills are closed and in some cases demolished, leading to a total lack of industrial assessment.

According to Dr. Livio DiMatteo, an Economics Professor at Lakehead University, in the past 6 years Northwestern Ontario has experienced negative employment growth of -18.6 percent. Those numbers can be further expanded to show that the City of Thunder Bay has experienced negative employment growth of -9.6 percent while the rest of the Northwest has experienced a massive -30.5 percent employment growth.



# Economic Situation In Northwestern Ontario



Employment Insurance is running out and some can barely afford to pay the mortgage and put food on the table. These citizens cannot afford increased municipal taxes to offset the lack of industrial assessment.

This makes it exceedingly difficult for the municipality to maintain the services that people need and want.

Services that are needed more than ever such as social services, assisted housing, and ice rinks and ball fields where kids can be kids at no cost to their financially-strapped guardians. In the Thunder Bay District Food bank usage has skyrocketed by 46 per cent in the past year.

The financial strain experienced by so many of our residents results in higher incidents of domestic violence, and increased crime that stretches our police forces to the limit.

We have also seen the dislocation that comes with one member of the family moving away to find work, thus disrupting the family unit.

The alternative is no better - moving the family to their new work community to try to start again. But how do you sell a house where most of the community is out of work?

# Social Impacts of Economic Downturn



As a result of the dire economic circumstances within our communities, our social service providers are experiencing record increases in service needs.

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## Ontario Works

### Increase in Demand

<u>District</u>	<u>2009 Caseload Increase</u>
Kenora	18 percent
Rainy River	5 percent
Thunder Bay	17 percent

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These numbers are expected to increase further in 2010 as savings, severance and employment insurance supports end.

We appreciate the increase that was provided in the 2009 Budget but we know that it is not enough to meet the basic needs of our citizens—we ask you to meet the level of need. Every dollar increase will be spent in our communities to buy goods and services from our businesses. Their ability to pay provincial and municipal taxes will increase and your government will get the increase back in short order.

# OMPF & Mitigation Funding



We appreciated the outcome of the Provincial-Municipal Fiscal and Service Delivery Review negotiations in 2008. We encourage the government to proceed with the 2008 reconciliation of Ontario Municipal Partnership Fund allocations followed by the 2009 reconciliation.

Each year the government estimates municipal social service costs for eligible municipalities when making annual OMPF allocations. Reconciliation adjusts for actual costs incurred, not estimates: this represents a significant difference! A positive announcement regarding the government's plans to reconcile actual costs for 2008 and 2009 is needed soon.

In the interim, it is vital that the current OMPF and the Mitigation Fund remain in place for Northern Municipalities....without it many simply cannot survive.

We again ask for an increase of \$75 per household to the Northern Communities Grant (currently \$235 per household) to help municipalities bear the burden of their lower assessment base.

# Energy = Opportunity



An important part of growing the North relates to energy. We appreciate that Minister Smitherman recognized the lack of planning for energy development in the region and asked Hydro One Networks to develop a plan for the upgrading and linking of transmission facilities in the Northwest. NOMA is generally supportive of the plan and has detailed our position in a resolution that is attached, as well as a map showing the options.

This project requires significant financing. As noted in the Northern Ontario Growth Plan draft: “The Province, working with the Ontario Power Authority and Hydro One, will invest substantially to upgrade the transmission network and increase capacity for the development of renewable energy projects across Northern Ontario. \$2.3 billion in province-wide investment is already committed over the next three years, nearly half of which will be spent on projects which are in Northern Ontario.”

It is essential that these upgrades be treated as a package not just a one-off for short term gain. It is also important to note that these upgrades, particularly those in the western portion of the region will facilitate transmission capacity sufficient to connect many remote First Nations communities to the grid and will facilitate economic development for the entire region.

# Energy = Opportunity



## *The Bottom Line:*

*For an Ontario pulp and paper  
operation that purchases  
900,000 mWh per year...*  
***\$37.6 million more than Manitoba  
\$27.5 million more than Quebec***

*For an Ontario mining operation  
that purchases  
1,300,000 mWh per year...*  
***\$54.3 million more than Manitoba  
\$39.7 million more than Quebec***

It is also important to understand that the price of electricity is a crucial factor for the long term operation and investment in forestry and mining operations. High energy costs are negatively impacting the economic growth of Northern Ontario as recently shown by the closure of the Timmins operation by Xstrata in order to relocate to Quebec, where energy pricing is significantly lower.

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**Manitoba price per kwh: 3.391¢/kWh**

**Quebec price per kwh: 4.509¢/kWh**

**Ontario price per kwh: 7.569¢/kWh**

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The proponents of the Chromium development in the Ring of Fire area north of Greenstone have made it clear that without a decrease in Ontario's electricity costs they will need establish a processing facility in either Manitoba or Quebec. It is vital that the Government establish an affordable, long-term industrial energy rate for the manufacturing sector (mining, forestry, smelting) to ensure that it is feasible for private investors to mine or harvest and process our abundant natural resources, thereby creating good, well-paying jobs in the North.

# Mining: Ontario's Economic Engine...Again



Northern Ontario is a vast storehouse of forest and mineral wealth and with the economies of China, India and Brazil eventually driving resource prices up, once again Northern Ontario will be the economic engine of Ontario. In the next decades Northwestern Ontario will drive the economy of the Province, generating the revenue to support Provincial programs and creating employment in the region.

Ontario was once positioned as the number one jurisdiction when it came to the support of mining but has now dropped to number four according to the most recent Conference Board of Canada report. Ontario must strive to become number one again through the effective use of public policies and taxation.

The Provincial Government must make it clear that it is willing to work with the private sector to enable opportunities to be realized. This includes hiring of additional environmental assessment officers to help reduce the time required to process applications and, having the Province assume geoscience mapping over the next five years, rather than through individual municipalities.

Private investors will not wait 5 to 15 years for government approvals to build a road or rail line - these investors will be lost without a commitment by the government and the public service to "make it happen".



# A Healthy Forest = A Healthy Economy



Northerners live and work within the Boreal Forest. We understand and respect the need for a sustainable forest industry that also respects the environment within which it operates. We know that a healthy forest means a healthy economy for Northern Ontario.

It is vital that the ongoing Forest Tenure review be focused on not only managing the forests, but also better maximizing the value of the forest resources through better paying and skilled jobs, investment, research and development. At one time, Ontario had a policy of highest and best use of the sustainable fibre. This was approached by ensuring that the ‘best’ wood went first to a sawmill, with the residue then transported to a pulp and paper processor. With the advent of bio-fuels and the creation of pellets, this “best use” policy must continue to apply but with a focus on highest and best employment creation possible. Bio-mass should be obtained, where possible, from burned, diseased and slash forest fibre and other agricultural products.

Further, the Government needs to establish, in law, that there will be 26 million cubic metres of available fibre on a sustainable basis for the creation of wealth in the Province of Ontario.



# Non-Urgent Patient Transportation



Non-urgent Patient Transportation concerns have become increasingly frustrating and expensive for municipalities. Municipalities in the Northwest, either directly or indirectly through their DSSABs, are currently directing and funding Emergency Medical Services (EMS) to provide emergency service that aligns with police and fire services.

Each time a non-urgent transfer request is filled there is a compromise in the ability of EMS to provide emergency service. In many of the smaller rural communities, there is only one ambulance at any given time. Currently a staffed ambulance is leaving the municipality for hours, even a day at a time to deliver non-urgent patients - leaving the municipality without mandated EMS vehicle and paramedic staff which multiplies risk, liability and cost to the municipality.

In many of these cases, an ambulance that is in transit with a non-urgent patient will be called back to the community to assist with an emergency, leading to significant delays for the emergency patient, and often leaving the non-urgent patient stranded.

The provision of non-urgent transportation by EMS is not only highly inefficient and ineffective, but also unreliable, causing frustration on all sides. In some of our

# Non-Urgent Patient Transportation



communities as much as 50% of their emergency service funds are being used to provide non-urgent transfers. This is unacceptable and unaffordable.

The solution to this problem is a separate program, similar to that in Southern Ontario, which would focus on non-emergency transportation. The current system where EMS funds intended for emergency services are being used to provide non-emergency transportation is not in the best interest of either the patient or the taxpayer.

We offer our knowledge and assistance to you to build a viable solution for the betterment and health of all concerned.

# Northern Decision Making



We thank the Province of Ontario for choosing the North for the second Growth Plan for Ontario. NOMA has submitted our response and looks forward to the release of the Final Plan.

In our comments regarding the Growth Plan for Northern Ontario, we outlined our belief that the Plan must be developed and implemented by Northerners. We are rightfully concerned that the Proposed Plan did not include any mention of Northern Decision Making. We are convinced that this is a serious omission and we ask that this be rectified in the final Plan.

Implementation of the Plan cannot succeed if it is administered from and by Queens Park and the Government of Ontario. We believe that the current Places to Grow Secretariat must be split into two separate Secretariats with one focusing on Northern Ontario, attached to the Ministry of Northern Development, Mines and Forestry and physically located in the North.

We also call for development of a panel of Northern Residents, nominated by key organizations based in the North, to guide the Northern Growth Secretariat in facilitating and monitoring the implementation of the Growth Plan for Northern Ontario.

# Northern Ontario Public Policy Institute



An essential component to plotting a road map for economic development in Northern Ontario is a historical knowledge of the issues and policies that impact the region. The Northwestern Economic Facilitator's Report "*Northwestern Ontario: Preparing for Change*" called for the "establishment of a Northwestern Ontario Policy Institute that would operate at arm's length from government and have a mission to analyze data on economic, business, technological, scientific and social issues, and generate policy advice that can be applied to the region's economic and social development."

NOMA is a firm believer in the need for a Northern Ontario Public Policy Institute that focuses on Pan-Northern public policy issues. The Public Policy Institute must have a physical presence in both the Northeast and the Northwest that includes a local office, with a co-executive director and administrative assistant to work with their area working group.

NOMA is a member of Common Voice Northwest which, through one of its Task Forces, is in the process of further developing the concept and the manner in which the institute should be created. We will work to ensure that municipalities across the North have an ongoing role to play in the development & operation of the Institute.

# Research & Innovation



As noted by Dr. Rosehart in the Northwestern Economic Facilitator's Report, *"In any industrial sector, research and innovation are important to maintain the long-term viability and competitiveness of an industry"*.

We appreciate that the Proposed Growth Plan for Northern Ontario addresses the importance of research and innovation; however, we believe that more must be done to ensure Northwestern Ontario reaches its full potential in this area.

We are calling on the Ontario Government to create a new MaRS Discovery District in Northern Ontario to maximize the potential to turn R&D ideas into business initiatives. We believe that the current cluster of health care research and development in Thunder Bay makes it the logical centre for MaRS North.

# Government Services in the Northwest



The Northwest does not currently have access to some Ontario Government departments through a local office. The absence of these services is a hindrance to our success. In particular, we have identified two Departments that are required to assist with local issues.

## Aboriginal Affairs

With a growing urban Aboriginal population in many communities across Northwestern Ontario, the Government of Ontario needs to not only recognize this phenomenon but also to outline specific actions that address the needs of the Urban Aboriginal communities. A good first step would be the establishment of an office of the Ministry of Aboriginal Affairs in the Northwest as recommended by Dr. Rosehart in the Northwestern Economic Facilitator's Report.

## Economic Development & Trade

A central theme of the Growth Plan for Northern Ontario must be one of attracting investment and growth to Northern Ontario, yet the Government does not currently provide services and programs of the Ministry of Economic Development and Trade to Northern Ontario. We believe that this is an oversight that must be rectified and are calling on the Government to establish an MEDT office in the Northwest.

## Conclusion



We appreciate the opportunity to share these concerns with you and look forward to discussing these items further.

We also invite you to attend our Annual General Meeting which will be held April 21 to 24 in Marathon, Ontario. The theme of the meeting is “Success in the Municipal Marathon”. We hope to see you there.