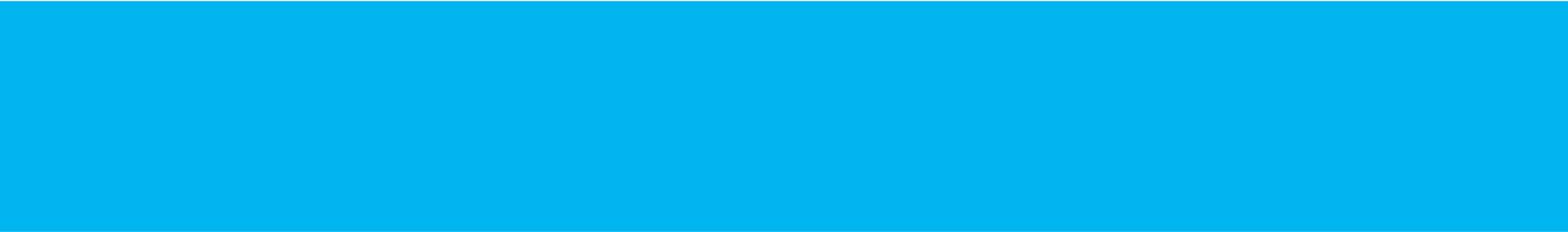


OCC SECTOR SPECIFIC POLICIES



2011 - 2012



OCC SECTOR SPECIFIC POLICIES

2011 - 2012

AGENDA

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OCC SECTOR SPECIFIC POLICIES: 2011-2012

INTRODUCTION

One of the strengths of Ontario's economy is its diversity. The province's economy is built on a variety of sectors ranging from financial services, auto-manufacturing, agriculture, forestry, minerals and other natural resources. Each sector makes an important contribution to our economy and faces a unique set of challenges. It is vital that the Government of Ontario work with the various sectors to help them manage their specific challenges so that the province's economy continues to grow and creates jobs for the benefit of all Ontarians.

Conserving our wildlife, green spaces and our forests is an important and laudable goal. However, responsible environmental stewardship and economic prosperity are not mutually exclusive objectives and both goals should be pursued concurrently. The Ontario government's conservation initiatives must be weighed against the lost economic opportunities and the jobs associated with them. It is critical that when developing conservation policy, the government consider the economic and social impact of these policies on the province as a whole and, in particular, on the local communities most directly affected by them.

SUPPORTING AGRICULTURE

Agriculture has been a longstanding mainstay of Ontario's economy. Local agriculture not only provides food and contributes to the province's economy but, as society becomes increasingly aware of the importance of reducing our collective carbon footprint it is also fast becoming an important element of protecting our environment.

Agriculture in Ontario is facing serious challenges. Aside from being a high-risk business where the majority of factors determining success are outside the farmer's control, farmers now face greater challenges due to the higher Canadian dollar, the global economic slowdown and the new trade barriers stifling Canadian agricultural exports. Although there are joint federal-provincial agriculture programs, such as AgriStability, to help farmers manage these challenges, many farmers believe these programs could be improved. The Government of Ontario should consider proposals by farmers, including reforms to the AgriStability program, that would make government assistance programs more effective in providing income support in challenging years (see *Support Ontario Agriculture*, Appendix).

CONSERVATION

The conservation and protection of wildlife and natural resources, such as forests, are important and laudable goals. However, Ontario's conservation plans should be developed after considering a variety of factors, including now the social and economic impact can be minimized in the pursuit of environmental objectives. Some communities, particularly in the north, believe that the Ontario government's conservation plans do not always adequately reflect these vital factors. For example, the Ministry of Natural Resource's Caribou Conservation Plan (CCP), developed under the Endangered Species Act (ESA), has the potential to negatively impact Ontario's forestry industry. By duplicating the habitat and animal/species-life consideration requirements already provided for under the Crown Forest Sustainability Act, the CCP unnecessarily limits access to sustainably and responsibly managed Crown fiber (see *Endangered Species Act*, Appendix).

When developing conservation plans in the future, the Government of Ontario should commit to conducting economic impact analyses, ensure the public has an opportunity to provide feedback on the analyses and give due consideration to social and economic factors before finalizing the plans (see *Forest Tenure Reform and Withdrawal of the Far North Act*, Appendix).

While Ontario has taken significant steps to protect wildlife and forests, one area that calls for urgent action from the provincial government is the protection of our fish stock. Currently the Asian Carp, a massive fish with a reputation of jumping into boats, injuring fisherman and endangering natural resources vital to the fishing, boating and tourism industries, lives only a few miles from Lake Michigan in the Illinois and Mississippi Rivers. If allowed to migrate into the Great Lakes, wildlife experts believe the hyper-aggressive Asian Carp would breed quickly, dominate food supplies, and push precious gaming fish into extinction. This potential migration would directly threaten the \$7 billion Great Lakes commercial fishing industry as well as the \$50 billion Great Lakes tourism industry. Ontario should work with all Great Lake states and the U.S. and Canadian federal governments to intensify efforts to stop the spread of Asian Carp into our lakes (see *Stop the Spread of Another Invasive Great Lake Species*, Appendix).

MAXIMIZING BENEFITS OF RESOURCE DEVELOPMENT

The Government of Ontario makes significant investments in resource development in the province. The “Ring of Fire” development in northern Ontario will likely be a very costly investment for taxpayers, but also has the potential to be a huge source of revenue for the province. However, there is concern that the transportation of resources outside of the province for processing will considerably reduce the economic and tax benefits to Ontario, severely reducing the return on investment to the taxpayer. The Ontario government should seek to maximize the economic impact of this mining development, including the related value-added activities like processing, which create new jobs for Ontarians. If taxpayers are to bear investment costs, benefits should also accrue to our communities, including First Nations (see *Maximizing Benefits of Resource Development for the Province of Ontario*, Appendix).

CONCLUSION

The Government of Ontario should work with various sectors to help them manage the challenges they are facing so that they can help grow Ontario’s economy and create jobs. Sometimes one of the challenges facing certain sectors is government policy itself. In developing policies and legislation on broad issues such as conservation, the Ontario government must consider how best to achieve its overall objectives within the context of the province and the local communities most directly impacted by these initiatives.

APPENDIX: POLICY RESOLUTIONS

Endangered Species Act

(approved May 7, 2011)

ISSUE

Species recovery strategies and conservation plans, created under the Endangered Species Act (ESA), are not subject to socio-economic impact analyses and, as a result, may have significant negative impacts on Ontario's forestry industry.

The Ministry of Natural Resource Caribou Conservation Plan (CCP), produced under the ESA, has the potential to negatively impact Ontario's forestry industry by limiting access to sustainably and responsibly managed Crown fiber and by duplicating the habitat and animal/species-life consideration requirements already provided for under the Crown Forest Sustainability Act. At present, there is no indication as to whether any analysis will be done on the socio-economic impacts of the CCP.

BACKGROUND

Ontario's Endangered Species Act, 2007 (ESA) prohibits damage or destruction of habitat for species (plants, birds, fish, or mammals) classified as 'endangered' or 'threatened' on the Species at Risk in Ontario list.

Once a species is listed as endangered or threatened, its habitat is automatically protected according to a broad definition contained within the legislation, until a legally regulated, species-specific habitat regulation is prepared. Once a species is listed, the development of a species recovery strategy (advice to government developed by MNR and external representatives) and the development of a government response statement (government's official outline of the recovery activities that will be implemented) begins.

At present, there are recovery strategies for 22 species in Ontario and 14 government response statements. However, despite the economic value that forests bring to the province, conservation plans, recovery strategies and corresponding government response strategies are not subject to socio-economic impact analyses.

The Caribou Example

Ontario's forest-dwelling boreal Woodland Caribou, an ecotype of a sub-species, is listed as threatened under the Endangered Species Act, 2007 (the caribou ecotype that lives to the north, in the tundra area of Northern Ontario, is not at risk). In fall 2009, the Ministry of Natural Resources initiated the development of a Caribou Conservation Plan under the ESA to help guide caribou conservation and recovery efforts in Ontario.

The Caribou Conservation Plan has nine guiding principles, including: the consideration of social, economic and environmental concerns in the context of long-term caribou survival (page 2). The plan also indicates that "the boreal forest provides many important social and economic benefits...our decisions... must balance the demand for northern resources, boreal forest health, and the needs of woodland caribou." Despite these statements within the CCP, the action plan schedule (page 19-20) does not indicate whether any socio-economic analysis will be completed.

Further, in January 2011, the Ministry of Natural Resources announced; "A proposed approach for habitat protection for Woodland Caribou (forest-dwelling boreal population) under the Endangered Species Act, 2007". In particular, it proposes the establishment of three types of protection zones, including a "conservation zone, consisting of areas of continuous caribou distribution within the AoU (Area of Undertaking) where specific development activities would be exempted by regulation provided they meet conditions aimed at the protection and recovery of caribou and its habitat. (For the forest industry, these conditions would mirror those being implemented through the Caribou Conservation Plan, which has been in place since 2009).

Creating an exemption through regulation is a positive step. However, using adherence to the CCP as criteria for exemption is a flawed approach. Fundamental science to support the plan is lacking. This is especially concerning because:

- Baseline data is lacking due to incomplete monitoring programs. Of the eight caribou ranges identified in Ontario, seven of them have the population condition listed as "unknown"
- In the current system, the forest manager is obligated to manage habitat, not populations of species within a habitat. There are many factors that affect populations (hunting, weather, factors influencing reproduction rates, predation levels) that are well beyond the control of the forest manager
- The "Insurance Policy" included in the CCP (page 11) requires that "the local Woodland Caribou population must be viable, based on an assessment, at the local population range level, of caribou presence, population size, and trends"; presumably assigning the responsibility of population management to forestry managers
- It is uncertain within the scientific community as to whether extirpated areas can be re-populated by caribou

It appears that little attention was paid by the Government of Ontario to the potential socio-economic impacts of the CCP, yet the plan could result in a number of negative implications, including: the immediate review, revision, and amendment of all forest management plans (current and in preparation); decommissioning and removal of some resource access roads; modified silvicultural practices and objectives; the addition of redundant and unnecessary caribou habitat provision objectives in forest management plans; amendments to Crown land use policies; and the implementation of a "Caribou Insurance Policy", which will result in further delays to forestry companies wishing to access deferrals (forest areas set aside from logging and usually not available for 20 years or more).

Under the Crown Forest Sustainability Act, forestry companies are already obligated to create a forest management plan that outlines management objectives relating to Crown forest diversity objectives, including animal life habitats. Indeed, this is acknowledged in "Discussion Paper: Keeping Caribou in Ontario" (August 2008):

...active caribou habitat management has been occurring through forest management planning, beginning in the early 1990's in Northwestern Ontario, and expanding more recently to northeastern Ontario. Guidelines for protecting and conserving caribou winter habitat, calving areas, summer habitat and migration routes, as well as refuge habitat, are incorporated into forest management plans (page 16).

A 2010 impact analysis by the Ontario Forestry Industries Association (OFIA) on the anticipated caribou habitat regulation, based on government data and assumptions, found that the forest industry could lose access to up to 33 percent of the provincial wood supply, severely hampering the overall industry and the communities reliant on it. This socio-economic impact analysis also found that there could be 600 to 3,200 direct jobs lost once the habitat regulation is implemented.

Although not fully implemented, management units/Sustainable Forest Licenses in Ontario are experiencing a reduction in fiber supply as a result of the CCP.

Sound economic policies are critical to ensure stability and prosperity of Ontario's industries, but within context of conservation plan development are only able to be considered 'after the fact'. It is our belief that a healthy environment can be maintained alongside conditions for socio-economic prosperity. As such, it is necessary that socio-economic impact analyses are conducted to ensure the decisions made benefit the environment, jobs, and the economy.

RECOMMENDATIONS

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Recognize that caribou habitat protection and management framework exists under the Crown Forest Sustainability Act, by establishing an exemption regulation based on adherence to forest management plans rather than the Caribou Conservation Plan
2. Conduct, publicize and consider the results of a socio-economic impact analysis on the proposed strategies outlined in the Caribou Conservation Plan, with impacts on the forestry industry, communities, jobs and government tax revenue clearly outlined
3. Commit to conducting economic impact analyses on all conservation plans developed under the Endangered Species Act (2007), subjecting results to public review and consider the results
4. Consider the social and economic impact analyses when developing future conservation plans

Forest Tenure Reform

(approved May 1, 2010)

ISSUE

There is a need to establish in law, through regulations, that there will be 26 million cubic meters of available fiber for industrial use on a sustainable basis for the creation of wealth in the Province of Ontario. (This is consistent with the statement made by Minister Gravelle on November 26, 2009 at the Provincial Wood Supply Competitive Process announcement in Thunder Bay).

BACKGROUND

The Forest Tenure issue has long range implications for the future of Northern Ontario. Most of the Ministry of Northern Development, Mines & Forestry August 2009 Strategic Discussion document concentrated on suggestions to improve current forest management, when the more important issue is where do we want the Forest Industry to be in Ontario. Much of the document concentrates on issues related to managing the forests, not better maximizing the value of the forest resources, which should include better paying, skilled jobs, investment and research and development.

Our core forestry enterprises may be undergoing "a major transformation", but they still need to be supported by having the Ontario government establish the ability to access long-term fiber sources and reasonably priced energy to allow for the development of expensive infrastructure. We welcome opportunities for new entrants, either as partners or new direct users. We need to "diversify the forest industry portfolio" and have set measurable goals. Wood pellets should be utilizing the "wood waste" stream, not replacing current usage for high quality fiber.

At one time, Ontario had a policy of highest and best use of the sustainable fiber. This was approached by ensuring that the 'best' wood first went to a sawmill, with the residue then transported to a pulp and paper processor. With the advent of biofuels, and the creation of pellets, this policy must continue to apply, but with a focus on highest and best employment creation possible. The main processor of fiber should continue to the sawmill, with that residual going to pulp and paper and the remainder, including slash, burned, and diseased fiber being allocated to the bioenergy field.

The Government of Ontario also needs to commit to socio-economic impact assessments associated with any legislation, regulation, or policy that impacts the forest sector. For example, the Wood Turtle Habitat Regulation received Cabinet level approval without any socio-economic assessment.

MNDM&F needs to provide clear measurables/objectives associated with the tenure and pricing review. At a Toronto public session sponsored by the Canadian Parks and Wilderness Society (CPAWS) and the Ivey Foundation, MNDM&F publicly stated that the overall objective of the tenure and pricing reform was "the health of the forest". This is unacceptable – government must provide clear and measurable objectives that include job retention and creation, overall/sector wide access to fiber, and competitive fiber costs (top quartile in Canada).

RECOMMENDATIONS

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Permanently protect a minimum of 26 million cubic meters/year of available fiber for utilization of existing mills and new entrants, even if it is not being used (provided the Provincial Wood Supply Competitive Process is pursued), and that the government ensure that the existing operational land base is not further eroded
2. Conduct and release publicly socio-economic impact assessments of all legislation, regulation, and policies that could reduce the provincial fiber supply and/or reduce access to the land base/natural resources

Maximizing Benefits of Resource Development for the Province of Ontario

(approved May 7, 2011)

ISSUE

The Province of Ontario makes significant investments in resource development in the province. The Ring of Fire development is likely to represent a very costly investment to taxpayers, but has the potential to be a huge source of revenue for the province. However, there is concern that the transportation of resources outside of the province for processing will considerably reduce the economic and tax benefits to Ontario, severely reducing the return on investment to the taxpayer.

BACKGROUND

Last year's provincial budget outlined the economic opportunities of the Ring of Fire. However, to achieve the benefits of this initiative and other resource development, the government will need to take a lead on ensuring that its investments and the business development opportunities that result are strategic to the province.

Chambers in Ontario understand that there is a significant difference between expenditures and investments.

There will be significant provincial support required to bring this project to fruition, especially around infrastructure. As a guiding principle, maximizing the economic impact of this mining development for our province, including value-added activities such as processing, should be encouraged wherever possible.

While it must be a business decision about where the processing and associated jobs will be located, it is critical that the Government of Ontario ensure it is mindful that it is investing our tax dollars wisely. The government must mandate that a proper accounting of all of the costs – borne by taxpayers – associated with the Ring of Fire be tracked, and that when private sector decisions are made, the full amount invested by the province is fully disclosed. This would become the starting point for the preparation of the assessments required to gauge government involvement.

At the same time, the revenue opportunities for the province must also be strategically pursued. The economic impact that would be returned to Ontario must be considered when assessing the province's various investment requests. The greater the economic benefits, the better the return to the taxpayers for their investment.

In particular, the Ring of Fire and Far North economic development requires that benefits accrue directly to First Nations communities. Opportunities that enhance the capacity of First Nations to develop their economy have a long term value and would be assessed against requests for support. For example, a focus on effective business supply chain development would yield significant, long-term benefits throughout the region and province. The more goods and services that can be accessed close to the various mining developments, the better the project will be for both the benefits to the province, and the progress of development.

RECOMMENDATIONS

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Immediately develop an overall comprehensive plan for mineral resource development such as the "Ring of Fire", which encompasses private sector, First Nations, municipalities and the Ministry of Northern Development, Mines and Forestry as lead government ministry; this will address concerns relative to extraction, transportation, and processing of resources and ensures that these resources are used to create the maximum number of jobs and economic benefits for all Ontarians
2. Undertake a comprehensive cost-benefit analysis and full accounting of proposed government investments associated with mineral resource development as a prerequisite to entering into agreements with all private sector stakeholders that maximize the return on taxpayers' investments

Stop the Spread of Another Invasive Great Lake Species

(approved May 1, 2010)

ISSUE

The economic future of the \$50 billion Great Lakes tourism industry is threatened by the spread of Asian Carp into Lake Michigan. Political differences must be overcome quickly to block the migration of the invasive Asian Carp into the Great Lakes.

BACKGROUND

Currently the Asian Carp, a massive fish with a reputation of jumping into boats, injuring fisherman and endangering natural resource vital to the fishing, boating and tourism industries, only live a few miles from Lake Michigan in the Illinois and Mississippi Rivers. If allowed to migrate into the Great Lakes, wildlife experts believe the hyper-aggressive Asian Carp would breed quickly, dominate food supplies and push precious gaming fish into extinction. That is not a chance the business community is willing to take given the significant economic impact Asian Carp would have on a \$7 billion commercial fishing industry in the Great Lakes region, not to mention the trickle-down on tourism, boating, and other related industries.

Ontario and Michigan are home to one of the world's largest freshwater coastlines in the world, giving our province a unique competitive advantage in attracting jobs and investment. Michigan Attorney General Mike Cox has filed a lawsuit against the state of Illinois and the U.S. Army Corps of Engineers with the U.S. Supreme Court to have the Chicago Canal locks closed. We are told that Ontario and neighbouring states, including Ohio, Wisconsin, Minnesota, support Michigan's efforts. The lawsuit also seeks permanent separation between the invaded waters and the Great Lakes.

The U.S. Army Corps of Engineers fears closing the canal locks and dams could lead to flooding and affect water quality. To prevent the invasive migration, officials poisoned more than five miles of the canal waters. However, a follow-up study showed at least one Asian Carp remained in the canal and experts believe more could be present. The Obama Administration has allocated \$13 million to block the migration, but the president has not supported closing the locks. In fact, the Obama Administration had filed a response to the lawsuit filed by Attorney General Cox. According to the filing, the Obama Administration believed the risk of Asian Carp entering into the Great Lakes is overblown.

Chambers of Commerce, legislators and wildlife advocates from several U.S. Great Lakes states say the President's plan does not go far enough. Asian Carp can grow up to seven feet and weigh 150 pounds. Officials from the U.S. Fish and Wildlife Service fear the Asian Carp, if allowed to enter the Great Lakes, would quickly become the dominant species with no proven way to stop it from destroying the natural habitat. "Stopping Asian Carp is an economic and environmental necessity for Michigan," Michigan Attorney General Mike Cox has said. The Ontario Ministry of Natural Resources and the Ontario Commercial Fishing Association are aware of this threat and have dedicated personnel to monitor and advocate for species control.

In the Sarnia Lambton area, a grass carp, a species of Asian carp, was recently caught by a commercial fishery. Action must take place now to stop the spread.

RECOMMENDATION

The Ontario Chamber of Commerce urges the Government of Ontario to:

Work with all Great Lake states and the U.S. and Canadian federal governments to intensify efforts to stop the spread of Asian Carp

Support Ontario Agriculture *(approved May 1, 2010)*

ISSUE

Agriculture in Canada is facing serious challenges. Agriculture is a high-risk business. Notwithstanding that good management is a prerequisite for success, a majority of the factors determining receipts and input costs are beyond a farmer's control. Variables, such as the higher Canadian dollar, the global economic slowdown and the new trade barriers stifling Canadian agricultural exports, pose challenges to Canadian farmers.

A priority must be to provide Canadian agriculture with the tools to create a stable and healthy agriculture environment. In order for farmers to continue investing and expanding their farming operations, they need financial stability and adequate tools to offset the risks tied to agriculture.

BACKGROUND

Agriculture and AgriFood Canada's total Ontario Farm Income forecast for 2009 was a \$143.5 million loss compared to \$1.25 billion profit for all Canadian farms. It is clearly evident that Ontario farms are facing some unique challenges. Ontario's livestock sector is contracting at a greater rate than in other provinces.

Government policies, while meeting some other policy objectives, have raised Ontario farm production costs. Unfortunately, for many food commodities, farm gate prices have not kept pace with cost increases.

The reality is that Ontario's local food supply is threatened. Farmers cannot stay in business with negative margins for long and many are idling their farms or leaving farming altogether. Farmers need a commitment from both the federal government and the Ontario government to secure local food production for Ontario's future. An investment in agriculture is good for the economy and the environment, and is a smart, least cost way of preserving jobs and local services in rural communities.

The overall outlook for future growth and development is at its lowest level and the average age of today's agricultural worker is the mid-fifties. Many of these individuals are seeking ways and means of either retiring or moving on into some other line of work. Both levels of government must be committed to strategic investment in agriculture, investment that reflects immediate need in the agricultural industry, as well as addressing long-term need to further the industry's ongoing goals and objectives.

If provided the right economic stimulus, the agriculture sector can contribute significantly to the financial health of the Ontario economy. History has shown us that government investment in agriculture provides positive dividends for both agriculture and the general population.

A healthy agricultural economy means an overall healthy economy for Ontario. In the Canadian Senate's interim report called 'Understanding Freefall: The Challenge of the Rural Poor', the rural poor have rarely been the subject of political attention. It is time for that situation to change since poverty in rural Ontario spills over into urban areas and weakens the overall economy of the province.

This reality is manifested in the fact that the migration of youth and business from rural Ontario to our urban centers creates expensive consequences, ones that most small rural communities are unable to deal with. This is illustrated by the news stories about the infrastructure, transportation and social problems in these communities. A 2006 report of the Organization for Economic Co-operation and Development (OECD) provides additional supporting evidence, such as the “vicious cycle of a poor agricultural economy leading to rural migration, which leads to low population density, lack of critical mass for infrastructure and services, low or declining rates of business creation and fewer jobs”.

These outcomes weaken the remaining farm operations and the cycle continues with little in the way of hope for improvement.

Ontario farmers have readily adopted technological advances – something that has put agriculture at the forefront of productivity compared to other industries. Increased investment in agricultural research must be encouraged because, in reality, the province has reduced public investment in agricultural research by 30 percent in the past 10 years. The Ontario government needs to return investment in agricultural research to an earlier level of \$90 million per year.

Ontario’s future prosperity depends largely on its ability to continue to adapt, innovate, and strengthen its competitive advantage. Primary agriculture is an essential integral component of provincial rural economics in particular and of provincial urban economies in general.

In October 2009, the Ontario Federation of Agriculture along with Ontario commodity organizations representing grains and oilseeds, edible horticulture, and livestock sectors came together to form the Ontario Agricultural Sustainability Coalition (OASC) because of a shared concern over the future sustainability of agriculture in the province.

OASC has concluded that the current Growing Forward suite of joint federal-provincial agriculture programs including AgriStability are flawed and are in many ways dysfunctional in helping farmers to cope with the prolonged deterioration in business margins that they have experienced. Farmers need a Business Risk Management Program that allows them to cover all or a portion of their cost of production.

OASC, with the technical assistance from Ontario Ministry of Agriculture, Food and Rural Affairs staff, has also developed a premium-based Business Risk Management Program proposal that would give farmers the ability to insure against market prices falling below production costs.

In Canada, agriculture has traditionally been treated as a joint federal-provincial policy area. The Growing Forward Policy Framework and its predecessor have been funded on a 60:40 federal-provincial basis.

OASC believes its proposals should be funded on the traditional formula basis. However, because of the urgent need in Ontario, the provincial government must commit its share of funding regardless of whether the federal government funds the program.

RECOMMENDATIONS

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Reform the AgriStability program to make it more responsive and effective in providing income support in challenging years
2. Build on the success of the three-year (2007-2009) pilot Risk Management Program for grains and oilseeds sector by making it a permanent plan under the Business Risk Management Program proposal developed by the Ontario Federation of Agriculture and other farm organizations; this new Risk Management program would retroactively encompass the 2009 calendar year
3. Create a Risk Management Program for other commodities under terms and timing that make sense for each commodity, ensuring that government support is provided; the new Risk Management program would retroactively encompass the 2009 calendar year for all commodities
4. Recognize that the Ontario Government is the best organization to distribute accordingly Federal and Provincial dollars in consultation with agricultural organizations such as the Ontario Federation of Agriculture and commodity organizations
5. Encourage increased investment in agricultural research

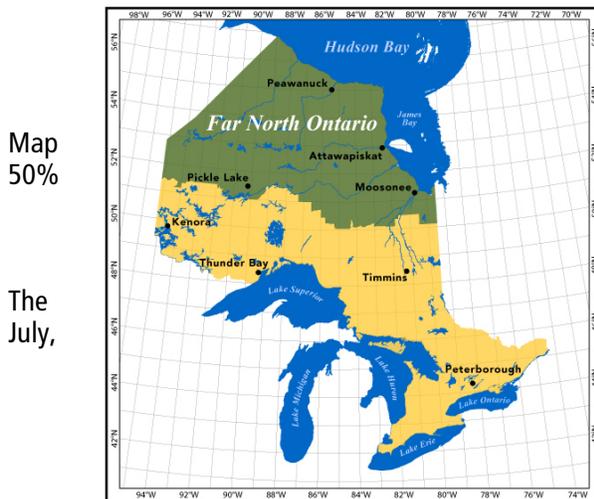
Withdrawal of the Far North Act

(approved May 1, 2010)

ISSUE

The Far North Act (the Act), initiated by the Government of Ontario to set aside “at least 225,000 square kilometers of the Far North in an interconnected network of protected areas” which represents 50 percent of the land under review, has been the subject of numerous requests to have the Act withdrawn before it moves to second reading, likely in the Spring of 2010, as it will detract and delay effective development of the region.

BACKGROUND



identifying the Area under consideration for preserving of the Far North, greater than 225,000 sq. km.

Source: MNR Website

Far North Act (Bill 191) was first presented in 2008.

The arbitrariness of setting aside 50 percent of the land north of the undertaking, without identifying which 50 percent, creates considerable uncertainty over all of the territory, and then embarking on a multi-decade planning process is also detrimental to strategic development of the region. Business investment and addressing new opportunities is hindered by uncertainty. As it is currently written, the Act has the potential to paralyze future developments in Ontario’s Far North. These investments are coming at a time when the provincial government should be welcoming opportunities for new revenue generation.

In a July 22, 2009 News Release, Nishnawbe Aski Nation Grand Chief Stan Beardy, announced that “Chiefs across Nishnawbe Aski are calling on the Government of Ontario to immediately withdraw Bill 191.” Grand Chief Stan Beardy continued, “This legislation will set aside 225,000 square kilometers as a protected area within our homelands without our consultation, accommodation or consent and will lock down the land to prevent First Nations, the poorest people of Canada, from achieving economic independence by preventing the development needed to build our communities and strengthen the Ontario economy”. A rally against the Act was held August 6, 2009.

The Act was imposed despite the results of consultations and recommendations coming from the North during the lengthy Northern Growth Plan consultations. Municipal leaders and the Northwestern Ontario Associated Chambers of Commerce requested that reference to the Far North Act be removed from the Proposed Growth Plan for Northern Ontario.

A recent Fraser Institute study shows that Ontario's position is falling in mining investment rankings. There is a great deal of competition for mining dollars throughout the world and unless there are clear rules that are well-founded and implemented, Ontario will not fully realize that investment.

In the March 8, 2010 Speech from the Throne, the government specifically referred to the "Ring of Fire" and noted that this region was "said to contain one of the largest chromite deposits in the world, a key ingredient in stainless steel. There is no substitute for chromite. There is no North American producer of chromite. It's the most promising mining opportunity in Canada in a century." It immediately followed up with "Together, we will create Ontario jobs and support northern families as we continue to protect 50 percent of the northern Boreal Forest." The provincial government's actions should be guided by these words.

RECOMMENDATIONS

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Withdraw the Far North Act immediately
2. Set up a process through the Ministry of Northern Development, Mines & Forestry to consider how to address the issues of enhanced planning and sustainability without the arbitrary removal of 50 percent of the land base



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