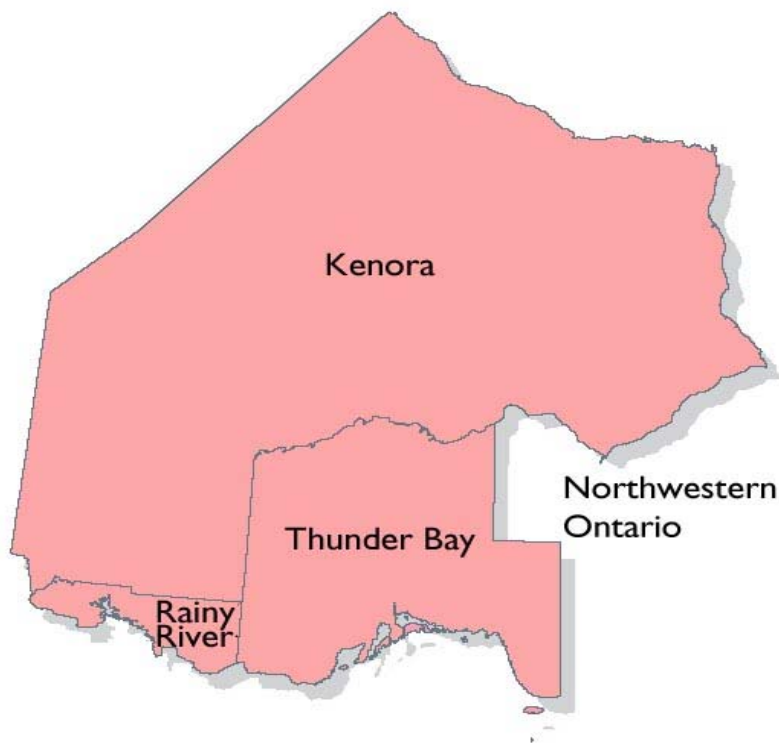


Forging the Future

...an economic vision for
Northwestern Ontario



“The peoples of Northwestern Ontario, in order to make common cause and ensure a better future for our children in this land we call home, have come together in partnership to speak and act with one voice.” Dr. Livio Di Matteo

January 16, 2007

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BACKGROUND

Northwestern Ontario's economy has been hard hit over the past two years. There have been significant layoffs in the forest industry and these job losses likely will be permanent. The population of the region is declining as is the tax assessment base for most of our municipalities. Transfer payments from the Ontario Government are still not sufficient to enable municipalities to fund the programs that citizens in this region need and deserve.

The Ontario Forestry Coalition, which is led by NOMA, has been working on behalf of all communities in the Northwest to get other orders of governments to respond in a way that will prevent further layoffs and assessment loss. While progress has been made, there appears to be no end in sight to the layoffs and slim likelihood that many of the closed mills or paper making machines will reopen or restart. We well understand that the forestry sector is undergoing a significant transformation and will be very different ten years from now as compared to today. We need to provide the transition component to ensure that we will still have the trained people here to enable this shift to be successful.

The challenges facing the Northwest include how to enhance the remaining economy and provide work opportunities, not only for an idle and aging workforce, but also for the young people who continue to seek prosperity elsewhere. The Northwest needs to recognize the shifting demographics within the region as more and more residents migrate from the smaller communities; both First Nation and towns; to the larger urban centres.

Governments continually says “one size does not fit all.” This is an opportunity to put this concept into action and use Northwestern Ontario as a proving/testing ground for new public policy and its implementation.

NOMA, at its AGM in April of 2006, unanimously agreed to strike a Regional Recovery Program Committee ¹ to take on the task of trying to figure out what can be done to repair the damage to our economy, and to determine what recommendations can be put forward to government to assist in the recovery of this region.

Over the past seven months a broad based committee from across the Northwest worked to develop over 109 pages of solutions, issue by issue. This 30 plus member panel came together in early December of 2006 to review the drafts, synthesize the issues and recommendations and plot a strategy for their implementation. On December 8 the Board of Directors of NOMA reviewed the draft and offered changes for incorporation into the document. The Draft was subsequently re-submitted to the

¹ Membership list attached as appendix A
Enhancing the Economy Of Northwestern Ontario
December 26, 2006

Regional Recovery Program Committee and the NOMA Board for further review and editing. It was then sent to a variety of leadership organizations across the Northwest for review, comment and ultimately adaptation and action.

SUMMARY

Northwestern Ontario is at a cross-road! It can continue to rely on the Provincial and Federal Governments to respond to legitimate requests from the region and hope that the answer is both timely and appropriate to the expressed needs. Or, it can chart its own course by taking on those challenges and developing its own solution.

Northwestern Ontario is also a region that is unique in the Province of Ontario. It is as distinct from the other parts of Northern Ontario as it is from Southern or Eastern Ontario. The Northwest of Ontario constitutes a distinct geographic, economic and social space within Canada. The challenges it faces are as different as are its strengths. The complex decisions affecting the Northwest are best understood and made by those who live here. The strongest voice for this vast and magnificent region comes through the strength of a consensual union of common interests.

Area Aboriginals, both as individuals and through their Treaty Organizations, are taking a much greater role in the economy of the region. Significant numbers of individuals and families are relocating to the urban centres of Kenora, Sioux Lookout and Thunder Bay as they seek further education and employment opportunities. Their participation is crucial to any forward thinking approach to the economy and health of the region.

With the above in mind, the RRP Committee developed a common approach to taking the economy of the region forward.

Key to this is the creation of a Northwestern Ontario Regional Development Authority (NWORDA) as outlined later in this document. The role of the NWORDA will be to ensure that, to the best of its ability, and through co-operation with all of its partners, the people of the Northwest become more advantaged than they are today. NWORDA's role will be to identify, promote and develop economic opportunities in and for Northwestern Ontario. NWORDA will have to enter into a dialogue with all residents and interest groups of the region to determine those projects that should be undertaken as a priority.

However, the RRP Committee identified a number of key areas where work is urgently needed to move the economy of the region forward. In some cases detailed action plans have been developed and will be referred to NOMA, NOACC or other Stakeholders to pursue in the immediate term, while in others the creation of a task force or committee with a specific mandate under NWORDA is recommended. The following are the proposed areas of focus:

- a new **Regional Enhancement Committee** to provide region wide leadership for community and labour adjustment. [*Preliminary work to be done by the Training and Adjustment Boards.*]
- a **Task Force on Energy** with the role of examining the viability of developing a regional energy authority. [*NOMA in conjunction with NOACC will take the initial lead utilizing an expanded NOMA Energy Committee as the vehicle for implementation of the recommendations.*]
- a **Regional Health and Education Task Force** that will move the Northwest forward into the knowledge economy.
- a **Northwestern Ontario Transportation Task Force** which will focus on access needed for a growing economy.
- a **Regional Tourism Council** which will develop and foster a Northwestern Ontario tourism strategy which will address key issues, including planning, policy, and product development. [*The Destination Marketing Organizations such as Sunset Country and North of Superior Tourism will be invited to take a lead role in the formation of the Council.*]
- a **Northwestern Ontario Research, Investment and Development Corporation** which would provide a coordinated entry point into the knowledge economy by marketing the region as a locus for partnerships and immigration.
- a **Northwestern Ontario Policy Research Institute** which would serve as an arm's length source of policy advice to regional leaders and a repository of knowledge and data on the region.

In addition to the broad based recommendations outlined above, the RRP Committee also is bringing forward a number of specific recommendations for a wide range of issues that affect the North. Some of the preliminary recommendations that do not form part of this report have been forwarded to NOMA and NOACC as they are timely issues that require immediate action.

Subject areas include a number of initiatives relevant to **Economic Development** as well as a number of initiatives under the heading of **Infrastructure and Resources**,

Finally, in order to move the recommendations of the RRP Committee forward, NOMA has agreed that the RRP be reconstituted as a Working Group to develop an implementation strategy for the creation of NWORDA should its creation be broadly supported by key stakeholders across the Northwest.

REGIONAL DECISION MAKING

Issue

Northwestern Ontario has experienced an unprecedented decline in its economy, its population and its sense of empowerment. Collectively, the Northwest believes that it is being ignored by both the Provincial and Federal Governments and that if it was in charge of its own destiny things would be better. The challenge for the Northwest is to determine how best to move the economy of the region forward. It is believed that there is the hope of a significant window of opportunity over the next year to bring about fundamental change to benefit the region – a Federal and Provincial election coming on the heels of the economic crisis in the Northwest.

At the same time, area First Nations, led by their Treaty Organizations have been working steadily over many, many years to find and implement economic development initiatives within and for their treaty areas. All future efforts by municipalities, businesses, industries and other stakeholders must be done in concert with the First Nations. It is to our joint economic and social benefit that we identify mutually beneficial goals and objectives and jointly work towards their implementation.

The leaders and residents of Northwestern Ontario must choose how best to move their region forward. One option is to continue to put pressure on the Provincial and Federal governments to adjust their policies to better reflect the needs of the Northwest. Another option is to assume much more control of policy development and implementation, particularly through devolution of powers from the Ontario Government (rather than a realignment of existing municipal responsibilities). A third option is the creation of a region wide organization that takes its own initiative in matters of critical policy and economic importance to Northwestern Ontario and the people who live here. Such an organization can help coordinate a population that is geographically dispersed and fragmented when it comes to taking steps to help itself.

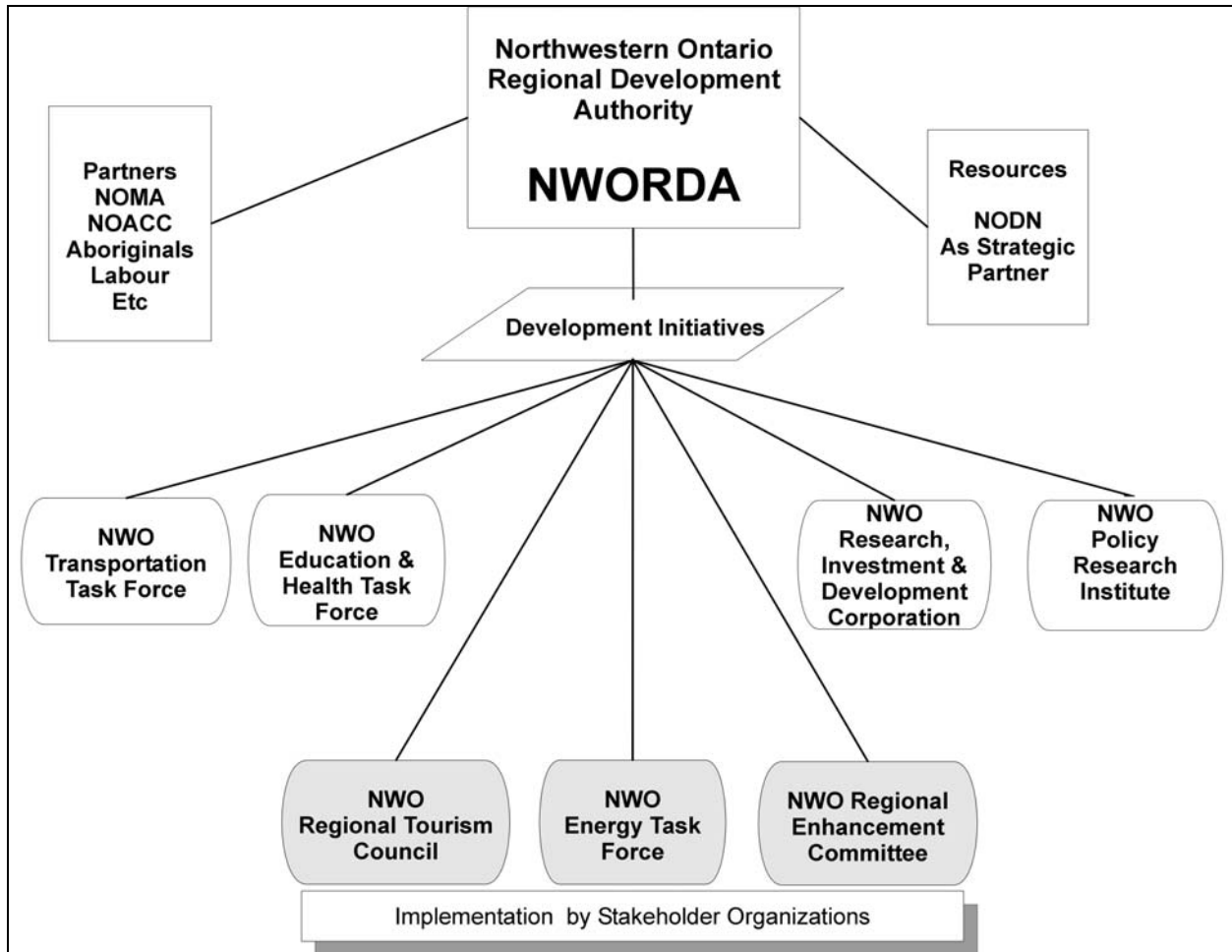
In the end, a combination of these options may be needed to address Northwestern Ontario economic issues.

Issue Solutions

The creation of a Northwestern Ontario Regional Development Authority (NWORDA) is essential to creating an economy of prosperity within the entire region. This new partnership will be built on the credibility of NOMA and NOACC in the way they have represented the unique needs of the Northwest over many years. As with NOMA and NOACC, this new organization must be focused, must work to ensure that the Northwest speaks with a united voice and must make as its priority the

economic health of the region. This is the key recommendation of the Regional Recovery Program Committee.

NWORDA would be comprised of representatives from key leadership organizations across the Northwest. This would include representation from the municipal, business, labour, Aboriginal, training, adjustment, health, development, multi-cultural and education sectors. NOMA will take the lead in the creation of NWORDA.



The role of NWORDA will be to ensure that, to the best of its ability and through co-operation with all of its partners, the people of the Northwest become better off than they are today. NWORDA's role will be to identify, promote, and develop economic opportunities in and for Northwestern Ontario. NWORDA will have to enter into a dialogue with the region to determine those projects that should be undertaken as a priority.

The activities of NWORDA will be based on solid independent research and well thought out concepts. It will be judicious in ensuring that it has the capacity to implement what it proposes to focus on. NWORDA, however, will not be another order of government nor will it be a delivery service agent of one of the orders of government.

It will be funded by its member partners but will also enter into partnership funding arrangements with other organizations who share the same goals as NWORDA. It is important to note that all of the existing organizations will continue to exist and pursue their mandates. NWORDA will be the conduit that each may use when the issues are broader than their own mandate provides for.

A key result of the creation of NWORDA is to create a more investment ready climate across the Northwest and build the capacity to meet future challenges. Over time, the initiatives of NWORDA will identify in more detail both the opportunities for investment and strategies to overcome barriers that currently make investment less than attractive in the region.

NOTE: The following sections are elements that are recommended for inclusion under the Northwestern Ontario Regional Development Authority mandate or as action steps by NOMA or NOACC.

Those that are eventually pursued will be those that a broad range of stakeholders in the Northwest have supported either by letter or resolution. Their inclusion in this draft does not presume that they are currently agreed to by the reader or the organization that the reader represents.

REGIONAL ENHANCEMENT COMMITTEE

Background

Communities can effect change. Transition is not a new phenomenon. Communities have the capacity to redefine themselves. A shared vision, strong collaboration, and the strategic application of resources to targeted objectives are what are needed. Northwestern Ontario needs innovative programs to boost employment and to bring economic opportunities to the region. There are fourteen unique communities in Northwestern Ontario that are in adjustment and there are fourteen adjustment strategies. There is a period of Adjustment funding and then nothing. Some of the plans go no further. Each community struggles in different yet similar ways to move forward.

Labour adjustment and community adjustment should be combined to develop an inclusive regional enhancement strategy.

Issue

There is a Provincial policy that each plan is to be unique and separate and that best practices are not shared. This policy may be appropriate where there is limited required adjustment, but for Northwestern Ontario, it creates an unreasonable situation. Adjustment committees are funded through Ministry of Training, Colleges and Universities (MTCU). As such, an umbrella regional adjustment initiative would be the most efficient link with MTCU and the Federal Government; support the adjusted communities more effectively; facilitate best practices; and support and assist with funding measures.

Issue Solutions

The Province in partnership with the Federal Government and Municipalities is urged to create a tripartite roundtable-working group to restart the Northwest Regional Adjustment Program / Regional Economic Adjustment Initiative.

This includes both Community and Labour Adjustment programs. Community Adjustment serves the needs of the community while Labour Adjustment serves the needs of workers. No changes are required for Labour Adjustment at this time.

Some suggestions for Community adjustment are that:

- The Community Adjustment Concept should move to a regional and hence a geographic (Northwestern Ontario) scope.

- An umbrella Regional Enhancement process would facilitate the creation of a regional plan, would assist in using the best practices that meet the regions needs and would also facilitate funding support through a single, unified request.
- The formulation of this “**Regional Enhancement Committee**” **consisting of Municipal, Provincial, and Federal government representatives should be developed in conjunction with NWORDA.**
- Participants in the development of the plan could also include the Community and Non-governmental Organizations as well as all orders of Government and they would be responsible for Planning and Strategic Initiatives.
- This committee would serve as the strategic resource to local Community Adjustment Committees so that all program information would be shared with local Community Adjustment Committees.

NWORDA should partner with FedNor to establish a Community Economic Adjustment Initiative (CEAI) based on previous experience in Northwestern Ontario such as FedNor’s Softwood Industry Community Economic Adjustment Initiative (SICEAI).

This Recommendation is referred to the two regional Training and Adjustment Boards for the development of an action plan that is to be submitted to NOMA and NOACC for inclusion in its ongoing dialogue with the Provincial and Federal Governments. Once NWORDA has been established they will take the lead on this recommendation.

ECONOMIC DEVELOPMENT

Energy

Background

Energy costs have been cited as one of the causes of industry closures as well as a downside for new industry to considering establishing in Northwestern Ontario. The economy of Northwestern Ontario in 2005 and 2006 has been described as a 'perfect storm.' Like its natural cousin, the Northwest's perfect storm is the result of the coming together of several simultaneous events (the most significant one being increased electricity prices) resulting in an unprecedented negative economic impact.

The Northwestern Region is an "Energy Island". It has an installed generating capacity of 1,500 MW. As a result of its transmission limitations and a load demand that is currently in decline, it also has a surplus capacity in excess of 500 MW that is currently unused and is not being marketed. On the transmission limitations, there is a 'bottleneck' near Wawa on its eastern side that limits the amount of power that can be transmitted to the southern grid at approximately 350 MW². Transmission is impeded to and from the Manitoba grid on the west at the same 350 MW while the connection to Minnesota in the south only has a capacity of 140MW. It is important to note that all transmission lines into and out of the Province are at full load capacity.

The Northwestern grid's generating cost is in the order of \$0.05/KW compared to the current Provincial rate of \$0.08/KW³. The price differential in generating capacity offers a unique opportunity for socio-economic development in Northwestern Ontario.

Using energy as an economic development tool for Northwestern Ontario, prosperity can return to a great deal of the region. Energy can become the economic driver for the area and having a robust, reliable, and varied mix of generation sources at reasonable prices can help Northwestern Ontario attract industry and high tech jobs to our area. Moreover, future development of additional hydroelectric generation capacity in Northwestern Ontario can also create an energy export industry for the region.

The Ontario Power Authority continues to push for the closure of coal fired energy plants located in Northwestern Ontario. This impacts Northwestern Ontario's energy production and its ability to attract new industry.

² Currently being upgraded to 500KW

³ These costs are estimates only and should be viewed as examples of magnitude not certainty
Enhancing the Economy of Northwestern Ontario
December 5, 2006

Issue

Northwestern Ontario is an energy island. The Provincial one price policy results in unnecessary and unfavorable energy prices in Northwestern Ontario. As well, this region has two Coal Fired Energy Plants that are considered for closure. This is the ideal place to test the concept of energy as an economic development tool. Get the economic development activity to locate here and let energy prices rise in a controlled fashion as success is determined. The differential between residential and industrial rates in the initial instance can be justified in that without jobs residential users have difficulty paying their energy bills.

Issue Solutions

Determine if an attractive economic climate for Northwestern Ontario will be enhanced by the creation of a Northwestern Ontario Energy Corporation owned and operated by Northwestern Ontario.

- A feasibility study leading to a business plan needs to be developed
- It must be determined if energy allowances and recognition of the unique separate energy zone in Northwestern Ontario can be used as an economic development tool in the forestry, mining, and biotechnological industries for example.

The retrofitting of the coal fired energy generating plants in Northwestern Ontario, combined with new emission reducing technology and alternate fuel sources must be examined.

It must also be determined if biomass, for example, will ensure competitively priced electricity for Northwestern Ontario industry and consumers.

This Recommendation is referred to the NOMA Energy Committee with a further recommendation that the Committee be expanded to include participation from NOACC. The role of the Energy Committee will be to research the issue and prepare a position paper for consideration by NOMA, NOACC and NWORDA once it has been created.

ECONOMIC DEVELOPMENT

The Knowledge Economy

Background

Northwestern Ontario's traditional economy, heavily dependent on our resource sector is clearly in transition. It must change in ways both innovative and creative. Success will depend on recognizing and building on our strengths and embracing the new knowledge economy. Leadership is about charting new directions, using the natural resources differently, and creating networks and partnerships that will result in strong communities, new business and sustainable employment.

Northwestern Ontario is a vast region of many diverse communities with a total population of 240,000 (app). Thunder Bay and its close suburban municipalities form the major urban "hub" with a population of 125,000 (app.). A remarkably strong Education Sector and a dynamic emerging Health Sector has been evident in the last ten years. There is a trend to new job growth in the knowledge economy. Unfortunately, that growth has not compensated for the job loss in the traditional resource based economy.⁴ Other urban and rural communities have developed niche knowledge economy opportunities and these need to be encouraged and fostered within the region.

Northwestern Ontario's Education and Health Sector is recognized both nationally and internationally. The "knowledge economy" will flourish as the region becomes known as a destination for education, health care, research, business partnering and mentoring, and "learning and playing." It can use informed stewardship of its traditional resources, trees, water, and minerals, for a sustainable future and "value added" that directly benefits the regions residents and communities. The region's "special niches" will focus on proven solutions for growth and stability of rural, remote and aboriginal communities. The measure of success is tied directly to achieving a full partnership with aboriginal people and their communities, regional and rural communities and Thunder Bay.

Issue Solutions

Few communities in North America can equal our education, health and research capacity and potential: strong public and separate school systems, Lakehead University, Confederation College, Negahneewin College, the Northern Ontario School of Medicine, the Regional Health Sciences Centre, the Cancer Care Centre, St. Joseph's Care Group, excellent regional school boards, hospitals and health centres, and the new Bio-Technology Research Centre.

⁴ Dr. Livio Di Matteo, *Strategies for Developing a Broadly Based Knowledge Economy in Northwestern Ontario*

Northwestern Ontario should:

Recognize the Health and Education Sector as a “key” driver for regional recovery:

- Articulate a vision for building and strengthening the knowledge economy in Northwestern Ontario in all communication with government.

Create and fund an integrated Education and Health Sector Secretariat to:

- Establish a common understanding of the needs of the region for health and education through broad and intensive needs assessment.
- Provide one voice to government to achieve our goals.
- Expand the sharing of resources, infrastructure, and expertise.
- Focus on common issues and strategic directions.

Establish an Opportunities Fund for sector partners to

- Create “spin offs” of our unique niches such as applying distributed learning models to new occupations.
- Expand delivery to regional communities with a priority for universal guaranteed broadband access and affordability for all residents.
- Establish transportable education solutions for “on-site” trades and skills training for individuals and companies.
- Commit to “guaranteed access “for re-tooling workers and qualifying residents of our rural, remote and aboriginal communities to ensure they can be active participants in new and value added expansions in our region.

Establish a Northwestern Ontario Innovation Fund for the education and health sector that will:

- Enable the consortium partners to increase their research capacity.
- Seek partners for specific research niches.

- Link nationally and internationally with business and industry interested in research.

This Recommendation will be assigned to NWORDA once it has been established.

ECONOMIC DEVELOPMENT

Investment Incentive Zone

Background

There has been an absolute decline in the population of Northwestern Ontario due largely to a loss of nearly one third of employment from the traditional base of natural resource sectors. At the same time, business and industrial sectors are shrinking, and along with it the assessment base of most municipalities.

Issue

The tax base and population in Northwestern Ontario is in decline at the same time that more pressure is placed on municipalities to assume fiscal responsibility for more services. New businesses must be encouraged to relocate in Northwestern Ontario. In order to attract new business to Northwestern Ontario, there must be an incentive significant enough for the business owner and his/her employees to seriously consider relocating or expanding.

Issue Solutions

The Province should designate Northwestern Ontario as a Special Economic Development Investment Zone.

- The rates for Provincial sales, personal income and corporate taxes for the Northwest should be set 20 percent lower⁵ than those for the Province as a whole to reflect the income differences between Northwestern Ontario and Southern Ontario and to enhance the attractiveness of the region for retention and investment. This target is based on the per capita income in Northwestern Ontario being below the Provincial average. This change will create a regional tax burden commensurate with regional resources.
- Income tax credit as an incentive to attract new business start-ups.

⁵ The average Individual Income in Ontario in 2000 was \$32865 while in Northern Ontario it was \$27502. Based on these numbers, average individual income was 16 percent lower in northern Ontario *Income Levels in Northern Ontario. 2001 Census Research Paper Series, Report #10, Training Boards of Northern Ontario. May 30, 2003* p. 10, Figure 4.3 AND Per capita GDP in Ontario was estimated at \$37,290 while per capita GDP for Northwestern Ontario was estimated at \$29,037. Based on these numbers, per capita GDP in Northwestern Ontario is 22 percent lower in Northwestern Ontario. *An Assessment of the Economic Impact of an Aging Workforce in Northwestern Ontario Using Survey-Based Data.*

- It is recommended that the Federal and Provincial governments partner to create a “Northern Resident’s Deduction” zone in Northwestern Ontario. While similar to the Federal Program north of 50⁰ this deduction zone would apply to all residents of the Districts of Kenora, Rainy River and Thunder Bay.
- The Special Economic Development Investment Zone should be proscribed for a period of a minimum of 10 years with a provision for either a five year extension (or series of 5 year extensions) to be followed by a gradual return to provincial or national rates. A key determinate will be the increasing levels of investment in the region.

A concentrated effort needs to be made by the Provincial government to encourage successful businesses to expand to Northwestern Ontario.

- the Provincial government needs to take a more active role in promoting Northwestern Ontario as a viable business destination so that provincial prosperity is shared with Northwestern Ontario

This Recommendation is assigned to NOMA and NOACC with a request that they jointly develop a strategy for lobbying the Provincial and Federal Governments.

ECONOMIC DEVELOPMENT

Population and Business Regeneration

Background

The population of Northwestern Ontario is in a steady decline. Significant job loss, increase in the rate of “snow birds”, lower birthrates, increasing outmigration of youth, and a low rate of immigration to the region all contribute to the steady decline in population. To add to the problem, we have a shortage of skilled workers in the Northwest.

Issue

The region needs to take a serious look at ways to attract newcomers to this area. Economic and business investment, family class and refugees, skilled workers and professionals and students are all sectors that can be encouraged to relocate to the Northwest. Attracting newcomers to rural and smaller communities provides economic opportunities for a higher quality of life as newcomers help bring needed skills to the area.

The economic growth of the Province as a whole is dependent upon immigration. In the Northwest the need is even greater. Northwestern Ontario’s economy depends on the continual arrival of skilled and professional newcomers and foreign investment. Incentives are needed to ensure the influx of new business opportunities and the stabilization and eventual expansion of the population.

Issue Solutions

The Government should work with NWORDA to create programs and incentives to have new business and new immigrants locate in Northern Ontario.

- Develop a strategy for encouraging immigration to Northwestern Ontario.
- Expand support services across the region to assist new immigrants in adjusting to life in Northwestern Ontario.
- Establish pilot projects in conjunction with all orders of government to encourage immigrants to settle in Northwestern Ontario - Destining programs and Provincial nominee programs are examples.

- “Fast track” new immigrants who are willing to takeover business operations to assist in attracting new population and new business to the region.
- Reduce the investment requirements for the Investment Class immigrants willing to settle in Northwestern Ontario.
- Expand support services that encourage immigrants to settle in Northwestern Ontario.

The three orders of government, with Ontario government leadership, need to cooperate to enhance regional economic development programs specifically focused on business opportunities in the Northwest and ensure processes are accelerated so the opportunities do not evaporate.

- Develop tripartite agreements that provide incentives and fast-track immigrants to meet skills shortages in Northwestern Ontario (e.g. professionals and entrepreneurs).
- These agreements would also support initiatives by resident ethnic communities.
- Immigration should become a major pillar in Northwestern Ontario Economic development.
- Ministries include immigration strategies in all economic development in the north.

There is a shortage of skilled workers in Canada and in Northwestern Ontario. (e.g. skilled truck drivers)

- Bill 124 (the Fair Access to Regulated Professions Act, 2006) to be extended to include other classifications of workers, both skilled trades and knowledge based.
- Unions, trade and professional associations need to assess their own rules to ensure there is openness to allow or encourage the addition of newcomers to their ranks.

This Recommendation will be assigned to NWORDA once it has been established. However, NOMA, NOACC and all other Stakeholders are asked to raise the issues with Governments on an ongoing basis.

ECONOMIC DEVELOPMENT

Immigrant Integration

Background

Northwestern Ontario has a declining population. Expanding immigration to the Northwest would be a solution to this problem. However, with an influx of immigrants, comes the need for support services to assist with integration.

Issue

Municipalities have to deal with the added demands that immigration incentive programs might create - needs include housing, ESL⁶, LINC⁷, interpretation services, and settlement assistance.

Issue Solutions

The Ontario Government should implement an immigration policy that enhances and encourages immigration in Northwestern Ontario and that becomes a funded economic development tool for this region. The appropriate ministries should include immigration strategies in all economic development for Northwestern Ontario. Some ways to accomplish this include:

- Partnering of service provision organizations that offer settlement programs with the *Ministry of Citizenship and Immigration Canada* to expand them.
- Working with municipalities, settlement agencies, business organizations and other stakeholder groups across the Province to develop incentives and supports to industries and municipal governments to enable the resettlement of immigrants throughout the Province, and particularly Northwestern Ontario.

Successful criteria for settlement must be considered and provided for new immigrants to the region. Some of these include the provision of acceptable, appropriate and affordable housing, medical and social services, education, employment, sponsorship programs and financial incentives. These can be accomplished by the following:

⁶ ESL - English as a Second Language

⁷ LINC - Language Instruction for New Canadians

- Communities need to help newcomers with a positive transition with the aid of public and community housing and temporary assistance through local hotels.
- Work with settlement agencies to provide support services; enhance established settlement services to cover all of Northwestern Ontario.
- Develop innovative service models to serve small centres – one hub with service available by partners in communities is an example.
- Develop nominee programs, private sponsorship of refugees program etc.
- Offer language classes for both adults and children where adult classes include transportation and childcare support, flexible hours, open intake for programs and prior learning evaluation for appropriate placement.
- Income support programs for newcomers should be examined to ensure that they are consistent with the goal of self-sufficiency.
- Cross cultural training for workers in the workplace to prevent racism.
- Provide creative opportunities for employers to offer employment as part of a qualification and selection process.

This Recommendation will be assigned to NWORDA once it has been established. However, NOMA, NOACC and all other Stakeholders are asked to raise the issues with Governments on an ongoing basis.

INFRASTRUCTURE AND RESOURCES

Communication Network

Background

Northwestern Ontario has suffered from a chronic lack of affordable communications technology. Moreover, as you travel through the region there are large areas where no cellular service is available. Few communities have access to high-speed internet. Some communities have no access to land line telephones and must use satellite or radio systems for communication.

Issue

These communication tools are required for business communication, for the safety of residents of Northwestern Ontario, and as a basic infrastructure requirement for the education sector. In Northwestern Ontario, communities lag behind.

Access to Communication Technology across Northwestern Ontario needs to include:

- high-speed internet
- land line telephone
- cell phone

Issue Solutions:

To provide service to this region, which other regions in Ontario have as an entitlement, it is recommended that:

- The Canada Strategic Infrastructure Fund allocates a percentage of its funding specifically for Northwestern Ontario.
- The Province of Ontario earmarks funding to develop broadband networks in Northwestern Ontario connecting all of the rural and remote communities.
- The Province of Ontario commits resources required to ensure all residents of Northwestern Ontario have access to telephone, internet, and mobility services that are provided at an affordable rate.

- The Province of Ontario establishes and funds a universal minimum communications service standard for the province that ensures that every part of the Northwest, particularly rural and remote, has the same access to modern telecommunication technology as the large urban centres.

This Recommendation will be assigned to NWORDA once it has been established. However, NOMA, NOACC and all other Stakeholders are asked to raise the issues with Governments on an ongoing basis.

INFRASTRUCTURE AND RESOURCES

Diversified Economy

Issue

The health of the region depends on a diversified economy. Sectors including health, forestry, mining, energy, and research are areas of interest.

Issue Solutions

The region would benefit from the following:

- The enhancement of the health sector infrastructure and capacity.
- The promotion of and assistance for the development of a leading edge health sector business.
- Support for the development of health education and research initiatives.
- Lobby governments for increased financial support for value added initiatives and related policies that we require being changed to reflect the reality of the Northwest.
- Promotion of Northwestern Ontario as the locus for new government/industry forest management and manufacturing research institution in order to assist in the retention and attraction of new investment to the Northwest.
- Support for mineral exploration throughout the Northwest.
- Consistent with the Communications Infrastructure enhancements and the Knowledge Economy thrust, position the Region to benefit from the Sudbury Mining Service Cluster as part of an Inter-regional Trade in Services Initiative. Give the Northwest first option to apply the results of the very successful Sudbury Initiative before it is exported beyond our borders.
- Strengthen the mining service and operations support model that have been used for the Pickle Lake and other locations, such as Marathon and Manitouwadge.
- Formalize the Red Lake/ Campbell Mines exercise, which resulted in a world class competition for a mining solution. This could be a fundamental outcome of enhancing the Communications and Knowledge Infrastructure.

This Recommendation will be assigned to NWORDA once it has been established. However, NOMA, NOACC and all other Stakeholders are asked to raise the issues with Governments on an ongoing basis.

INFRASTRUCTURE AND RESOURCES

Education and Training

Background

Key to participating in the knowledge economy is a high degree of literacy. The evidence suggests that Canadians are not being well prepared for participation in the new economy

Ontarians in general have a less than supportive attitude towards post-secondary education and training which is harming our competitiveness in the knowledge economy. According to the Institute for Competitiveness and Prosperity, Ontarians “invest less in post-secondary education, are less likely to have university degrees, particularly graduate degrees and are more likely to choose a college diploma program than a university program upon high school graduation”.⁸ This situation is aggravated in Northwestern Ontario where rates of university education tend to fall below the Provincial average.

Issues

The knowledge economy requires participants with a high degree of literacy, an ability to read, understand, and transmit complex ideas, and concepts. They must be able to relate quantitative concepts to qualitative ones and apply analysis to problem solving. Education can be garnered through high school, college, university, trade and life long learning.

An issue of specific concern in the Northwest is the geographic distance to educational facilities.

As well, there is a forecasted shortage of trades persons. This situation is accelerated by the fact that large employers are reluctant to hire apprentices and small firms lose tradesmen to larger firms.

Issue Solutions

To ensure that the people of the Northwest are positioned to participate in the economic future of the region, trades, secondary and post secondary education must become an integral part of life and it must be recognized that people take different career paths.

- Secondary Schools partnered with the community, unions and industry must take a more active role in defining educational outcomes.

⁸ *Strategies for Developing a Broadly Based Regional Economy* in NWO – Dr. Livio Di Matteo, Lakehead University
Enhancing the Economy Of Northwestern Ontario
December 26, 2006

- Trade school must be recognized as a viable educational option.
- Life long learning can include courses in entrepreneurship and portions of trade training (water plant operation, web design, business as examples).
- Creation of a broad-based knowledge economy requires partnerships and coordination between the post-secondary sector, school boards, health authorities, arts, cultural and sport groups, municipal and Provincial governments, social agencies, and private sector interests.
- A separate agency could be created to fill this role, or existing agencies such as the Local Training Boards that have already developed experience in community coordination and partnerships, could be tapped into this role.
- Local Training Boards could also fulfill some of the functions of a policy research institute by expanding their research mandate. Some governments are now devolving aspects of regional strategies to sub-regional bodies which are more grass-roots and better able to coordinate local partners such as health authorities.
- Distance Education and Regional Campuses will continue to help to solve the distance dilemma.
- A coordinated effort must be sponsored among all stakeholders to enhance the image of the skilled trades with our youth, parents and teachers.
- Redirect and target funds for technical education in Ontario's schools, including investing in pupil places, qualified teachers and modern equipment and technology, so that Ontario is positioned to provide world-class programs in technology education.
- Encourage business and industry to offer experiential learning opportunities for cooperative education students (high school and college/university) and provide new opportunities and incentives to business to participate in providing classroom infrastructure and technical support.

This Recommendation will be assigned to NWORDA once it has been established. However, NOMA, NOACC and all other Stakeholders are asked to raise the issues with Governments on an ongoing basis.

INFRASTRUCTURE AND RESOURCES

Social Housing

Background

Social housing stock has been transferred to municipalities. Municipalities are staggering under the cost of downloaded programs from the Federal and Provincial governments. As a result of industrial closures, job loss, outmigration and population decline, this is a particularly onerous situation for communities in the Northwest.

Issue

There is a lack of money for major maintenance and capital replacement of these properties. Multi-year funding is required.

Issue Solutions

The Government of Ontario must immediately either fully finance or take back the social housing stock in Northern Ontario. It is difficult to manage the existing aging portfolio with local tax dollars in good times and unrealistic with today's challenging economy and shrinking assessment and population base.

At the same time, the Federal Government must enhance its role in financing the operation of existing public housing and non profit programs. As well additional Federal funds are needed to provide supportive housing programs throughout the region and to enhance the quality and quantity of home care provided to those residing in their own homes.

This Recommendation will be assigned to NOMA for incorporation into its ongoing dialogue with the Provincial and Federal Governments. It will need to enlist the support of the DSSABS in the Northwest, FONOM in the Northeast and AMO in pursuit of this goal.

INFRASTRUCTURE AND RESOURCES

Networked Regional Economy

Background

The notion of clusters of development focused on firms, resources and government shared support and infrastructure in a region is giving way to a new concept of the “networked region”. Rather than locating all research and development activities in one region, firms are relocating separate operations such as research, development and production to different locations based on their cost advantages but linked via modern communications technology to function as a single entity. Therefore, regions that are sufficiently networked into global opportunities will have the ability to reap the benefits of employment and output activity.

Issue

Northwestern Ontario has a need to rejuvenate its economy by encouraging new industries to relocate to this region. In bio-technology, for example, local firms, local researchers and the local medical sector can develop partnerships with international pharmaceutical companies and international research agencies to locate product development and testing facilities in Northwestern Ontario.

Issue Solutions

Embark on strategies designed to create a “networked regional economy” through the following measures:

- Capitalizing on our locational strengths in research, labour force and lifestyle.
- Create new structures, organizations or institutions as well as augment existing ones. For example, an agency to inventory our assets and then search out and market local research expertise to external bodies could be an important catalyst. **Such a *Northwestern Ontario Research, Investment and Development Corporation* would provide a coordinated entry point into the knowledge economy by marketing the region as a node for partnerships and immigration.**
- **Create a *Northwestern Ontario Policy Research Institute* serving as an arm’s length source of policy advice to regional leaders and a repository of knowledge and data on the region. The institute would help draft “made in Northwestern Ontario” research and policy solutions.**

This Recommendation will be assigned to NWORDA once it has been established.

INFRASTRUCTURE AND RESOURCES

Youth

Background

Northwestern Ontario is suffering from a loss of their youth. Many barriers exist for youth who wish to remain in the Northwest and as a result they are forced to look for education and employment opportunities in other parts of Ontario and the rest of Canada.

Youth are not normally encouraged to participate in the civic life of their communities. More engagement in decision making and the development of strategies that involve youth may encourage youth to remain within their home communities.

Issues

There is an increase in youth outmigration in Northwestern Ontario. Some of the reasons include:

- Lack of career oriented employment opportunities.
- Limited ability to gain entry into well-paying permanent jobs.
- Inability of the region to attract large employers and thus fewer jobs exist.
- Difficulty in obtaining education, training or support for self-employment or entrepreneurial activities.

Youth working in entry level jobs or at two or three part-time jobs have a difficult time making ends meet and have no incentive to develop roots in the region.

The pull to live in urban areas is strong. It is emphasized in the media continually. It is therefore important for rural communities to undertake activities designed to increase the awareness of opportunities in the Northwest and the benefits of living in the region. Employers should adopt a more pro-active approach in terms of demonstrating to youth the types of jobs available in this region. As well, local industries need to become more aware of the services/employment that could be provided by youth and/or young entrepreneurs.

Often, young people cite the lack of recreational and social activities as part of the problem of living in Northwestern Ontario. This lack of “social infrastructure” has been particularly cited as a problem in living in more rural areas.

As well, the Northwest is home to a vibrant and growing urban centered Aboriginal youth population. Their needs and challenges to obtain an education and tap into opportunities must be addressed.

Issue Solutions

Some education and work solutions to outmigration include:

- Provide work experience for northern youth through internship and co-op placement programs.
- Invest in northern schools to keep schools open and to repair and improve schools.
- Have education and training institutions provide greater access to technical/trades training.
- Assist local employers to provide youth employment/entry into career positions.
- Have school districts/colleges/local economic development agencies build awareness of self-employment as a career alternative.
- Provide allowances or stipends to allow/support rural youth to attend training or networking sessions that they might otherwise be unable to attend.
- Encourage employers to make available summer employment opportunities to help retain ties with the community among those youth who have left to pursue post-secondary education.
- Provide additional post-secondary education options to rural youth from all areas of the Northwest.
- Promote awareness of the importance of technology to local teachers and to "community influencers".
- Make computers with high speed internet available to rural youth enrolled in distance education.
- Have school districts/colleges/local economic development agencies build an awareness of distance education options.

- Promote group enrolment in distance education courses to facilitate learning for youth.
- Provide grants or interest free loans to support youth in attending training sessions that teach skills needed in Northwestern Ontario.
- The Province needs to enhance the profile of post-secondary education to advance skill trades training, personal and professional growth.

Strategies to encourage youth participation in their local communities include:

- Assist local governments to adopt a pro-active approach to include youth in the decision-making process through several avenues.
- Support communities in their efforts to publicize youth issues, activities and strategies.
- Persuade local governments to identify youth initiatives as a priority in community plans and strategies.
- Encourage local governments/communities to work together to develop strategies to engage youth.

Methods to advantage the youth who remain in Northwestern Ontario need to be developed. Some of these include:

- Options for tax and fiscal policies to provide advantages to youth who decide to remain in Northwestern Ontario. The initiatives and incentives could include educational programs, housing and taxation.
- Provincial and Federal governments should review the opportunity to adjust student loan repayment requirements for youth who reside in the Northwest upon completion of their studies.
- Provincial governments should be encouraged to examine the feasibility of offering reduced property tax assessments for Northwestern Ontario youth (first time home-buyers).

Some potential strategies to demonstrate the advantages of working, living and playing in the Northwest are:

- Encourage employers in rural communities to establish "work experience" programs to encourage job seekers to acquire work experience/familiarization in rural communities.
- Work experience could also be partially funded through local community economic development offices and/or other agencies.
- Encourage local businesses to recognize the importance of youth business and establish minimum targets for youth business contracts.
- Have the school districts and local employers work closely together to provide work experience opportunities for youth in local industry.
- Promote the advantages of living in Northwestern Ontario both within and without the region.
- Ensure that Community Recreation Plans explicitly address the needs of local youth groups including the 15 to 19 year age group and single young adults aged 20 to 29 years.
- Encourage communities to explore the availability of government funding (e.g., Canadian Heritage, C.I.A.F etc.) to support cultural/social infrastructure or events in their local community.
- Develop programming in partnership with the private sector with funding dollars allocated to promote and encourage the development of industry specific skill sets for aboriginal youth.
- Make available Investment dollars to grow a youth centred culture in both aboriginal and non aboriginal communities.
- Services would include youth centred activities and opportunities such as supported wellness, recreational facilities, teen programming, fitness and leisure activities.

This Recommendation will be assigned to NWORDA once it has been established.

INFRASTRUCTURE AND RESOURCES

Regional Tourism

Background

Northwestern Ontario is a region that has an abundance of beautiful, lakes, rivers, and forests. It is teeming with a variety of wildlife that can be viewed with regularity in the National and Provincial parks in the region as well as along the roadside. It offers both accessible and remote sites for recreational and tourism purposes. It also has a number of human-made attractions that include museums, art galleries, historical parks and marinas as examples.

The Northwestern Ontario tourism community is represented by several organizations that work independently and quite often are working on issues of mutual interest. **A Northwestern Ontario Regional Tourism Council is needed to develop and foster a Northwestern Ontario tourism strategy. This council would address key issues, including, planning, policy, and product development."**

Issue

Some of the key policy issues and strategies that need to be addressed are:

- Land use policies that create tourism zones and enable high quality resource based tourism.
- Establishing ministerial responsibility and resources to provide quality assurance and licensing to resourced based tourism.
- The mechanisms for funding the marketing of tourism are not sufficiently stable and predictable, resulting in inconsistent medium and long term marketing efforts.
- Much of the tourism industry in Northwestern Ontario depends on access to Crown land and resources, yet tourism has no legal standing.
- Municipal: Waterfronts, museums, trails, airports, culture and heritage, arenas, Visitor Information Centre's are part of the municipal purview while area parks are under either the Provincial or Federal governments' auspices. Also, an abundance of tourist operations are in the private sector while lakes and forests accessed by these tourist operators are on Crown land. Therefore, control and responsibility is an issue.

Issue Solutions

Once established, NWORDA should undertake the creation of a Northwestern Ontario Regional Tourism Council (NWORTC), which will develop and foster a Northwestern Ontario tourism strategy.

- This council would address key issues, including planning, policy, and product development. Marketing would remain the responsibility of the various destination marketing organizations (DMO) such as Sunset Country and North of Superior Tourism, however, NWORTC would be able to identify synergies in marketing and work with the DMO's to develop a common approach.
- NWORTC should be created as a partnership with Federal, Provincial, Municipal governments and Aboriginal organizations along with representatives from key stakeholder groups.
- This would bring each sector with a vested interest in tourism together to create a unified strategy for the benefit of all. The funding of this council should be shared among the three orders of government.

Stable and predictable funding mechanisms are needed to allow Northwestern Ontario to provide necessary services and supports to the tourist industry.

- This funding could include a regional (White River to the Manitoba border) destination marketing fund that includes the tourism industry as well as the businesses that support that industry.
- Obtaining a percentage of the existing Tourism Sales Tax is an example of a funding mechanism that should be examined.

This Recommendation is to be referred to the existing Destination Marketing Organizations such as Sunset Country and North of Superior Tourism and they should be invited by NOMA and NOACC to take the lead in the development of the Council. Once NWORDA has been established, the Council and it should develop a protocol for the ongoing relationship between the two organizations.

INFRASTRUCTURE AND RESOURCES

Northwestern Ontario Transportation

Background

The Trans-Canada Highway is the only road that links Northwestern Ontario with the rest of Ontario and Western Canada and indeed the 11-17 portion between Nipigon and Thunder Bay is Canada's sole east-west road link.. Should the highway be closed at Shabaqua or at Nipigon, the region is effectively cut off and the country severed. In situations where vehicle accidents have occurred on this slim two-lane stretch of road, Trans-Canada traffic is paralyzed and unable to flow either east or west.

Rail lines continue to be abandoned in the Northwest and even one of the main lines is a potential candidate for closure or sale.

The Marine industry continues to be in transition with the Thunder Bay Port Authority seeking new opportunities to enhance the region.

Small airports are under constant siege as funding from other orders of governments dries up and municipalities find themselves subsidizing the operation or being the ones to close the runways down.

Issue

The Trans-Canada Highway in Northwestern Ontario is plagued with extreme safety problems. Some of them include the fact that it has only two lanes with infrequent passing lanes available; the majority of the shoulders of the highway are not paved; and in addition, the highway has poorly developed rest stops which mean that drivers are not afforded safe places to rest when they become tired. Many of these problems create accidents that end in fatalities or in extreme injury to drivers. These accidents give rise to frequent road closures. Given the increase in transport traffic, the closures cost business time and money. The condition of the road also means that there is lost commerce for the tourism, retail and industrial sectors in Northwestern Ontario. In the industrial sector, the mining industry, as an example, requires just-in-time delivery. Highway closures prevent the timely delivery of materials to this sector. Thus, Northwestern Ontario is disadvantaged because of poor transportation infrastructure and becomes isolated from markets across Canada and in the United States.

Highway 61 is being four laned from Duluth to the Canada - USA border. If Thunder Bay and Northwestern Ontario is to take advantage of American markets the highway system from the border northward must also be developed to the same level as it is to the south.

The Thunder Bay Port Authority is part of a Highway H20 campaign to introduce container traffic into the Seaway through the Great Lakes to Thunder Bay.

A September 2006 study conducted for the Airport Management Conference of Ontario by Sypher concluded that “Municipal Airports are important/significant and contribute to the ongoing viability of the community they serve” but are struggling with a number of serious issues, including funding. (www.amco.on.ca)

The Kinghorn Rail line which connects Thunder Bay to Longlac (and the CN main line) is currently under the abandonment process. The proposed conversion of the Thunder Bay Generating Station and the closure of the Atikokan Generating Station and the subsequent loss of rail shipments of coal led many to believe that the CN line from Thunder Bay, through Atikokan and on to Fort Frances would be next for sale or closure.

Issue Solutions

Road

Northwestern Ontario is in the center of Canada and North America.

- It would have opportunities for additional industrial growth if there was safe, modern highway access to the east, west and south.
- The region is one day's drive from the Great Lakes Marketplace (one of the largest in the world, with over 50,000,000 people) with access to Lake Superior along its north shore.

There are enormous economic and safety advantages to having a four lane divided highway system.

- Therefore it is recommended that Highway 17, from Manitoba Border to White River, become a four lane highway with secure rest stops and load check areas along the route.
- The initial priority is those sectors of the Trans-Canada Highway where Highways 11 & 17 share the same right-of-way. When these sections are closed due to accidents or criminal investigations there are no alternative Canadian highway routes and commerce suffers significantly.
- It is further recommended that Highway 61 be four laned once the US section to the border has been similarly upgraded.

It is recommended that there be created a Northwestern Ontario Highway Task Force to conduct the appropriate public policy research and apply strong pressure to Federal and Ontario governments to implement this plan.

NWORDA must immediately be directly involved in the planning for all highways funded presently or potentially by the Federal and/or Ontario governments. Coordination with northeastern Ontario will be required for a properly designed and executed northern Ontario highway system.

Rail

It is essential for the economic health of the region that both CN and CP continue to operate into and through the Northwest. The future of these lines is more than just what is good for the shareholder. The Northwest must work to ensure that all remaining lines are retained as operational railroads.

Marine

The Northwest must recognize that the Great Lakes – St Lawrence Seaway system is important to the long term health of the region. The Northwest needs to support the efforts of the Thunder Bay Port Authority and the proponents of the H2O Highway in their work to establish container shipping along the system.

Airport

Small airports are crucial to the economic and social well being of the many small communities across the region. They are essential for firefighting and for medical evacuations. These services go well beyond the responsibilities of the municipal order of Government. New provincial and federal funding programs are essential to maintain this network of airports across the Northwest.

The creation of a NWO Transportation Authority is referred to NWORDA once it is created. In the interim, NOMA and NOACC are requested to include these issues and their solutions in their ongoing dialogues with the other orders of Government.

Appendix A

Membership Listing:

Iain Angus (Chair)

Bill Bartley

Dennis Brown

Dave Canfield

Lila Cresswell

Bahram Dadgostar

Livio Di Matteo

Tannis Drysdale

Jerry Fisher

Tim Griffin

Gary Gamsby

Sharon Hacio

Bruce Hyer

Mark Jantunen

Reg Jones

Harry Kelly

Anne Krassilowsky

Vicki Kurz

Dave Laderoute (Exoficio)

Brian Larson

Anne LeSage

Mary Long - Irwin

Tim Lukinuk;

George Macey

Moffat Makuto

Bob Petrie

Michael Power

Marvin Pupeza;

Marg Scott

Mark Smith

Rob Stinchcombe (Exoficio)

Keith Svenson

Ken Taniwa

Joe Virdiramo

Cathy Woodbeck

Researcher/Editor: Dorothy Piccinin