

# FONOM

The Federation of Northern Ontario Municipalities

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## **Opportunities for Crown Land**

Crown land which is land under the administration and control of the Ministry of Natural Resources and Forestry (MNR) represents approximately 85% of Ontario's land mass. The majority of the province's Crown land is in northern Ontario, where 95% is located within this jurisdictional region.

Crown lands in Ontario protect natural heritage, supply opportunities for renewable energy and resource based tourism as well as land for public recreational use. While we recognize that the MNR must maintain its obligations under policy and legislation which includes considerations of Aboriginal Treaty Rights, environmental concerns and future land uses, we also recognize that utilization of these lands can contribute to the local economy in a number of ways.

There is an abundance of Crown land that can be used to the benefit of northerners and promote a variety of industries that contribute to the regional and local economy. The agriculture industry in northern Ontario, in particular, has seen significant investments and areas of growth over the last decade. As the region continues to diversify its economy and temperatures rise as a result of climate change, the north is becoming increasingly attractive to invest and grow the agriculture sector.

The province can play a leadership role in ensuring that farmers have greater accessibility to acquiring land for agricultural purposes. It is estimated that there are millions of hectares of potential agricultural land in northern Ontario. Making Crown land available to farmers to bring land into agricultural production is an opportunity that your government expressed it was willing to explore.

The Ministry provides opportunities for municipalities and other interested parties to rent or obtain land use permits to utilize Crown lands. However, providing the opportunity to own the land would assist in providing sufficient security required to finance a particular development project that is otherwise not provided through renting or obtaining land use permits.

Obtaining the use of Crown land in northern Ontario would assist a number of initiatives that support the diversification of the current economy of many forestry and mining communities, generate local jobs and thus work towards eliminating the population decline.

Permitting the sale of parcels of Crown land would also benefit the Province in a number of ways. According to MNRF commitments, efforts are focused on working with northern communities and other parties to make Crown land available at market value to support local economic development. Assisting those willing to invest in northern Ontario would help fulfill the goal of enhancing local economic development. Making Crown lands available for economic development would also encourage the development of cottage lots that would generate significant tourism benefits to communities across the northeast.

Further to MNRF goals, the sale of Crown lands would also promote many of the initiatives outlined in the Growth Plan for northern Ontario, including agriculture which was outlined as an existing and emerging priority economic sector. Broadening particular strategies such as growing the beef farming industry in northern Ontario, would aim to assist the Premier's goal of generating 100,000 jobs within the agri-food sector and provide a sustainable local food source, reducing the dependence on external markets. The use of Crown lands within the agriculture sector would provide much needed support to the industry to develop and be sustainable over the long-term.

**FONOM asks that the government take necessary steps to allow for the sale of parcels of Crown land to be utilized for local economic development initiatives.**

## Forestry Industry

The forestry industry in the north continues to be a vital sector of our economy. However, as a representative of many communities that rely heavily on the sustainable management of boreal forest resources, FONOM is concerned about the current state of the industry in northern Ontario.

Currently, Bill 52, Protection of Public Participation Act, 2014, also known as anti-SLAPP suit (strategic lawsuit against public participation) legislation is being debated at second reading. It is evident that the government has recognized and heard the concerns of northern Ontarians in regards to this bill; however, we do not believe that our concerns have been appropriately addressed. FONOM supports the intent of the legislation; to protect discussions of public interest important to individuals or small community based organizations with limited resources that are advocating against a project of economic value to another stakeholder. However, we remain concerned that should the legislation move forward as it is currently written, it will give groups the ability to continue to target and threaten industries that our communities depend on.

Therefore, we ask that amendments to the legislation be included to address the varied interests that currently exist. It is imperative that a balanced approach to the public's interest be implemented to protect victims of unfair and untrue attacks that cause economic harm and also ensure that the real intent of the legislation – the protection of public participation – is addressed, by taking away the ability for someone to threaten a frivolous lawsuit to silence an opponent. FONOM recommends that the provincial government implement the following amendments:

- Changing the legislation so legal action resulting from public participation would need to be reviewed by a judicial officer or other provincially appointed expert, prior to being filed to ensure that no one is forced to defend themselves against a baseless charge that amounts to a SLAPP suit in the first place.
- If the legislation is to continue as currently designed, FONOM supports targeting the bill specifically to apply to volunteers and small community organizations with annual budgets of less than \$100,000.

**FONOM asks for your commitment to protect the future of the forestry industry by amending Bill 52, Protection of Public Participation Act, 2014 to include the recommendations to balance the public interest.**

## Provincial Highways

Provincial highways are the vital transportation links that connect communities together. Ensuring that drivers can get from one community to the next is a concern for all, especially during the winter months.

Particularly in the north, many communities lack the transportation network of municipal and county roads as alternate routes for travel and thus are often bounded and serviced by Provincial highways. These communities depend on the Ministry of Transportation; through private contractors to ensure Provincial highways are maintained and safe. These private contractors are penalized when their obligation for clearing provincial highways does not meet winter maintenance standards. Weather and road conditions in northern Ontario are more extreme than other parts of the province; therefore, minimum standards must be re-evaluated on a regular basis to ensure public safety.

On February 26, 2014, the Standing Committee on Public Accounts passed a motion that requested that the Auditor General to conduct a review of the winter road maintenance contracts negotiated on behalf of the government by the Ministry of Transportation. While the outcome of the report has not yet been made, what efforts is the government undertaking to ensure that road maintenance contracts are adhered to for the remaining of this winter season?

Lack of paved shoulders and passing lanes on northern provincial highways adds to the risk of travelling on these roads, particularly in the winter. Commercial trucks often hug the centre line, which forces vehicles to drive on unpaved shoulders, which are often snow packed and icy. Construction of paved shoulders at minimum would enhance driver safety during the winter months significantly.

FONOM appreciates the commitment by the province to work towards expanding major highways to four lanes from border to border to border. While we recognize that the federal government needs to be a partner, four-laning the TransCanada highway across the north should be a priority.

**FONOM requests that the Ministry of Transportation undertake an evaluation of all Provincial highways in an effort to ensure adequate road maintenance and develop a long-term plan to four-lane the TransCanada highway.**

## **Future of Northern Hospitals**

Northern Ontario faces ongoing challenges when it comes to providing quality healthcare to its residents, particularly in small and rural communities. Aside from the distances patients often have to travel to obtain critical or specialty care, access to a family physician for basic healthcare needs can be limited. As you are aware, a shortfall in physicians in a community leaves many residents without a family doctor and therefore dependent upon other methods of obtaining healthcare services such as utilizing emergency rooms for non-emergency matters.

The challenges noted above are exacerbated further with the underfunding of small and rural hospitals in comparison to larger, urban centered hospitals. It is vital that the Ministry assumes responsibility and commits to ensuring that all hospitals are funded in an equitable manner.

FONOM recognizes the Province's current fiscal situation and the continuous pressure to increase funding to healthcare from healthcare professionals and by the public at large. However, it is important that dedicated efforts are undertaken to ensure that basic quality patient care is available to all Ontarians. Northerners living in small and rural communities are in a constant state of fear of a hospital closure. Local hospitals, as part of a regional healthcare system, are a vital component to a community's social and economic well-being and often the only primary care provider within the community.

The Northern Ontario School of Medicine (NOSM), which welcomed its first MD students in 2005, has contributed to northern Ontario's quality of healthcare significantly. The school has developed a made in the north model of community-engaged medical education while addressing current and future healthcare needs for the north.

NOSM, which has two campuses in northern Ontario, hosted by the University of Laurentian in Sudbury and Lakehead University in Thunder Bay, currently has 64 MD graduates and 58 first year residency positions, leaving a ratio in the north of MD graduates to first year residency positions at 1:0.9. It is important to note the provincial average is 1:1.1. FONOM believes that support should be provided to ensure that the number of residency program positions in the north should be at the provincial average at minimum.

Through anecdotal and statistical evidence, it is apparent that many students that were enrolled in the residency program who had gone to smaller communities to teach or to train had returned there to practice. Most recent data, provided by NOSM, demonstrates that 69% of NOSM residency graduates are practicing in northern Ontario including 22% in remote and rural communities.

The economic benefits of NOSM's residency program are felt throughout the north, with an estimated contribution in 2007/2008 of \$67.1 million to the region. The majority of these economic benefits were seen within the university campus cities of Sudbury and Thunder Bay; however, \$10 million was believed to be spread outside of the two campus cities. To provide greater context to how these positions contribute to small and rural communities, the benefits equal \$7,300 to \$103,900 per pair of medical students per placement.

Ensuring that residency program positions are expanded to resemble the provincial average number of positions will provide significant benefits to northern Ontario beyond measurable economic contributions. This program is integral in assisting NOSM supply physicians to northern Ontario communities.

**FONOM requests the Ministry of Health and Long-Term care to recognize the funding inadequacies within small and rural hospitals and to increase the number of residency program positions.**

## **Energy Plans for Northeastern Ontario**

The energy sector in northeastern Ontario, as in the rest of the province, is composed of a number of interests, projects and needs that vary across regions and individual communities. To improve the efficiency and the profitability of the sector in the province will require a multi-faceted approach that addresses issues of transmission capacity, electricity rates, fuel price volatility and natural gas expansion.

Increasing transmission capacity will also improve northern Ontario's competitive position in the energy market. In order for the government to attain the goals stated within the Long-Term Energy Plan, it must develop increased transmission capacity between the north and south. Particularly, FONOM is concerned with the lack of attention towards expansion of 'North-South' transmission capacity. Accelerating the development of this expansion will support growth in Ontario and eliminate the bottle-neck currently being experienced within mining and forestry operations.

High electricity rates diminish the ability for industries across the province to compete, but particularly in northern Ontario where there are already other structured challenges to compete. Resource industries such as forestry and mining, which are predominant in the north, are heavily dependent upon electricity to operate. Research has shown that electricity rates in Ontario are among the highest of all provinces in Canada. Northern municipalities and businesses cannot afford any further increases in electricity costs. Any further increases would result in a threatened economy and potential loss of business activity and investments.

Fuel price volatility is a concern to residents across the Province, where prices can fluctuate dramatically and inconsistently. In northern Ontario, fuel prices are often substantially higher than fuel prices in southern Ontario. It is argued that the difference in price does not accurately represent the difference in transportation costs. It is important that fuel price volatility be addressed and subsequently managed as high and unpredictable fuel prices threaten the stability of an economy. Several other provinces in Canada have regulations in place that reduce volatility in fuel prices. Research into potential strategies such as monitoring and price setting should be undertaken to see if there is a model that can be adopted within Ontario.

FONOM wishes to express its concern on behalf of municipalities in northeastern Ontario that have limited options when it comes to heating homes and commercial businesses. It is important that all residents and commercial businesses have equal opportunity to access varied sources of heating. It has been noted that customers who have access to natural gas report significant savings over other heating alternatives. However, many northern municipalities are unable to access this utility service due to restraints in distribution expansion regulatory requirements.

Finally, FONOM would like to request the Minister of Energy to support TransCanada Pipelines Energy East project. We hope that your recommendation to the Premier is supportive and there is recognition that this project represents the safest method to transport oil across the province. It is important to note that the FONOM membership, which consists of 110 municipalities across the northeast, passed a resolution of support of the Energy East project. We encourage the government to ensure that TransCanada adheres to the highest safety standards.

**FONOM requests that the Province develop a long-term plan for the energy sector in northeastern Ontario that will address transmission capacity, electricity rates, fuel price volatility, and natural gas expansion. FONOM also requests the Ministry of Energy to support TransCanada Pipelines Energy East project in its recommendation to the Premier.**

## **Status Updates**

### **Long-term Social and Affordable Housing**

Ensuring access to long-term social and affordable housing is important in maintaining a superior quality of life for our most vulnerable residents. Although housing concerns such as homelessness or those at risk of homelessness may not be visibly prominent in the north, these issues are as much a concern in northern Ontario as they are in southern Ontario.

Northern Ontario provides its own unique set of challenges when providing social and affordable housing for residents where the need is high, yet the ability to provide is low. Across the north, residents have lower than average median household incomes and higher than average unemployment rates.

FONOM is pleased that the Investment in Affordable Housing Agreement between the provincial and federal governments has been renewed for a further five years. While we appreciate the governments working together to renew this important agreement, the time frame of five years is believed to be a short-term approach that makes it challenging for municipalities as many are developing and implementing long-term housing plans. We also recognize that funding needs will be greater than funding available. However, waitlists for affordable housing and capital reserve shortfalls on current social housing units are placing mounting pressures on municipalities to care for the most vulnerable members of their communities.

## **Ring of Fire**

The Ring of Fire demonstrates a significant opportunity for economic development that would benefit not only the northern region of Ontario but the province as a whole. As you are aware, the Ring of Fire currently represents a 5,120 square kilometer region within northern Ontario that is estimated to have significant deposits of nickel, copper, platinum, and chromite. Private sector investments have totaled billions of dollars and research has shown that the minerals that could be excavated could result in over \$50 billion in revenue and generate thousands of direct and indirect jobs.

To ensure that this project is developed responsibly and productively, we recognize the importance of all sectors being involved throughout the process including First Nations, public sector, and private sector. It is important that there is development of a transportation corridor that supports both material transfer and the transportation of people both to and from the Ring of Fire area. Transportation infrastructure could unlock additional mineral potential and benefit remote, fly-in First Nations communities and other northern municipalities.

While FONOM recognizes the \$1 billion commitment to the Ring of Fire as announced in the 2014 Budget, there appears to be a lack of a definitive plan in how this available funding would be invested. Development of the Ring of Fire has been ongoing for a significant length of time, and although this opportunity is complex, with a number of stakeholders to engage and consult with, it is important that concrete action is taken in the immediate future.

## **Provincial Land Tax Reform**

As you are aware, FONOM has been advocating that the Provincial Land Tax (PLT) be reviewed for several years. We are appreciative of your Ministry for undertaking the consultation process with northern municipalities and stakeholders and for acknowledging that reforms must be made to the current system.

The discussion paper that your Ministry released, *Provincial Land Tax Review: A Summary of Stakeholder Consultations* provides an excellent historical overview and discussion of the consultations that have taken place thus far, recognizing the fiscal pressure on municipalities, the variation among unorganized territories and common challenges that all northerners face.

The discussion paper also identifies a number of issues that FONOM has consistently raised concerns regarding PLT including: the tax inequities that exist between property tax payers within municipal boundaries and those within unorganized territory; low PLT rates that encourage development in unorganized territory, just beyond municipal boundaries; pressure placed on municipal infrastructure and services by those who are not a part of the municipal tax base; and the services paid by municipal property owners that are not paid by property owners in unorganized territory such as public health, social housing, policing , ect.

Municipalities, particularly in the north, are facing increasing fiscal pressures to provide services and maintain infrastructure in a region that is often subject to declining tax bases. With pressures outside of municipal control such as the continuous decline in the Ontario Municipal Partnership Fund (OMPF) and the new OPP billing model, it is imperative that those living in unorganized territory be responsible for sharing the cost of providing services that municipalities do. It is important to note that the Province only recovers a fraction of the cost of providing services in unorganized territories. Efforts should be undertaken to ensure that the Province operates on a cost recovery model within these areas. Municipalities are encouraged to operate on this model and it would therefore be appropriate for the Province to as well. A cost recovery model would also place the Province in a more positive fiscal position and reduce the inequality faced by municipalities.

FONOM looks forward to recommendations that the Ministry will develop as a result of consulting with northerners. Our organization also looks forward to future discussions on addressing tax fairness in the north.