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Submission – February 3, 2010

Re: Provincial Pre-Budget Submission

The North Bay & District Chamber of Commerce was unable to attend the Pre-budget consultations in our area recently as we had also scheduled a Business Leaders Forum on January 28, 2010. The Business Leaders Forum last week, hosted by the Chamber, was attended by 65 business leaders and regional politicians. Following input from the Board of Directors and, more importantly, the attendees of the forum, we are pleased to provide the following comments on the Provincial Budget 2010.

1. The increased deficit due to the economic downturn that Ontario, Canada and the world faced recently was needed to ensure that Ontario wasn't hit as hard as other parts of the country; however it is concerning that the deficit grew more than the government had anticipated. The Province will need a solid plan to reduce the deficit, yet allow businesses to remain competitive.
2. The implementation of the HST will be positive in the long run; however the government has provided little or no information for businesses to prepare until recently. It has left businesses, municipalities and communities in a bind to provide long-term planning in their own budgets. Education is key in this implementation and still requires more work from the province to ensure that businesses understand the benefit and how they can pass on the benefit to the consumer. Municipalities are concerned that the benefit will not be passed on quickly enough and are therefore budgeting HST as a loss for them, especially on capital projects.
3. Municipalities in our region specifically are still seeing a disparity in regards to Ontario Municipal Partnership Fund. Claw backs of provincial programming and equalization payments do not match and as such, municipalities are raising taxes in each area to cover the disparity. At a time, when we are recovering from a recession, and when our unemployment rate is 11%, the community will have an even more difficult time to pay these increases; especially those in low-income and seniors demographics.

4. There needs to be more on standardizing regulations. Any development that may occur, despite going through all the proper processes and due diligence, and despite getting approval from a few government departments, may have one ministry that has different regulations and thus the project is stopped or delayed. It does not make sense that, within the same government, departments and ministry offices, there can be so many differences in regulations that do not work together to ensure timely and appropriate approvals.
5. Energy costs in the north are substantial for our companies. Increases are not relative to usage, as we are seeing some industries have doubled and tripled their bills over the last year. The new programs that promote a new green generation or alternative energies make a great environmental statement, however those subsidies and costs are borne by the current users, making it incredibly difficult and adding substantial amounts to their energy costs. Unfortunately, not all businesses are able to utilize off-peak hours only.
6. The Northern Ontario Growth Plan will be coming forward at Queen's Park shortly for approval, and while well intentioned, there is no detail and financial commitments for the plan. The Provincial government will need to look closely at the detail and ensure that there is buy-in from the north before approving the plan. There is potential for growth in many areas in Northern Ontario; however the government tends to use southern Ontario regulations that aren't solutions that can be implemented in the north. A prime example of this is the Provincially Significant Wetlands regulations. Improved transportation in the north is also essential and Ontario Northland Transportation Commission has opportunities to expand with the changes in CN and CP; we cannot lose this vital transportation link across the north, it is imperative for our exporters in the resource industries to remain competitive.
7. Northern Ontario has excellent post secondary education opportunities, and the province needs to address the current funding formula for Northern Ontario post secondary institutions. We have quality education opportunities, yet equitable pay for the same jobs is not evident and, as such, we have difficulty keeping qualified individuals in the north.
8. Technology is extremely important to many sectors, and the larger centers are well prepared with technology and infrastructure developments. Due to our vast geographic area, the rural areas are somewhat challenged with the ability to utilize technology, and, as such, these areas with vast resources are challenged with this hurdle, that if overcome, could contribute to more added value in the resource sectors.
9. Health Care has seen some great strides with the addition of the Northern Ontario Medical Schools in Sudbury and Thunder Bay. The addition of nurse practitioners has also assisted with the shortage of doctors. However, the implementation of the LHIN to allow for a more coordinated effort for healthcare in Northern Ontario has not provided the results required. More money is being spent on administration rather than the intended use for the communities. In November 2009, it was very

disappointing that North Bay was not successful in obtaining a nurse practitioner clinic; as many of the health care teams locally have moved to current patients only, from what were once open clinics. Health Care teams in the past were provided funding to allow patients to be seen by a number of doctors if their own was not available, as well as having their medical records available digitally to all the doctors in the group. Years have passed and not all in the group have achieved registering their patient records online and have now become elite groups that will not see other patients and/or if their current patients do not sign an agreement, they can no longer be a patient of that doctor or the group. We are well aware of the numbers of people who do not have a family doctor, and now cannot even attend the clinics in town; as such, we can only expect that the already overtaxed emergency rooms at the hospitals will become even more overtaxed (noting that ER is much more costly to our health care, than the clinics and family practices). These health care issues need to be resolved prior to the plan of action – as the current realities go against the suggested plan of action.

10. Also regarding health care, long term care and social services, municipalities are finding it difficult to service these areas as the boundaries are all different. A prime example is a long term care facility that is approximately 20 minutes away from North Bay and is funded by 10 rural municipalities. Three of those municipalities are in the Nipissing region while the other seven are in the Parry Sound region; the funding allocations are different for each region. For affordable housing opportunities, the Parry Sound region municipalities do not qualify for the northern portion of affordable housing funding.
11. Forestry has seen a major shift from pulp and paper, and businesses are prepared to diversify and change from the traditional industry it once was. The government is taking steps to reform the policies for tenure, pricing and access to allow this sector to become more sustainable, innovative and competitive. The concern is that the forestry industry has been in a downturn for some time and requires a quick resolution, through reforming policies and providing the education for those entering this sector. This can be done quickly, if the government will allow it, and we would suggest this be a short-term in implementation. This is certainly an area for innovation, added-value, sustainability and investment. Also resource based, mining is also important to Northern Ontario and while it too is cyclical, better regulations and agreements with native communities can only increase their ability to contribute to the overall economy of Ontario.
12. Tourism is also very important to Northern Ontario due to the vast amount of outdoor recreation opportunities and the increase in education to visitors to ensure healthy active living. The concern is that the government has stated they are reexamining the tourism regions and are potentially going to restructure the tourism associations across the province, however many of these current associations are in limbo awaiting the restructuring and as such are clearly hurting financially in their roles for tourism promotion of the regions. While the new branding of Ontario Tourism and the marketing continues, the regions outside the GTA and Golden Horseshoe are at a disadvantage to attract tourists, especially Northern Ontario. Also, the Province is looking at the opportunity to implement a province wide type destination marketing fund; however, the numbers that are stated that would be returned to the regions to use as marketing dollars are not sufficient. While the tourism restructuring is taking a

large amount of time to be determined, the financial commitment is only short term. There needs to be a long-term plan in place for financial assistance to the regions, as well as an immediate decision on the restructuring of the regions to allow for planning and financial stability, if in fact the current association regions (or the new ones) are to move forward on projects for 2010. As we are all aware, 2009 was a difficult year for many sectors, and tourism was no different; however we cannot sit back and not plan, as we come out of the recession.

13. Municipalities and small rural communities that rely on small tourism operators are seeing a large shift in ownership of these small operations and there is the assumption that these new owners are not willing to put improvements into these tourist camps; however they are looking more at the property values on the lake and options to redefine the areas as residential. This issue goes against the communities' official plans for development as well as provincial policies in these areas.
14. With the lack of senior bureaucrats living in Northern Ontario to truly understand the realities of regulations made in the south, that do not meet the requirements for the north is a concern. A couple options to ensure better understanding and communications would be to relocate senior bureaucrats to the north to ensure policies for growth are true solutions for the north, or more Familiarization Tours for senior bureaucrats on a regular basis would also be of benefit.

We understand that many of these issues listed above were to be addressed in the Northern Ontario Growth Plan; however from a Provincial Government budgeting standpoint, these points need to be addressed for the Province to ensure financial stability and growth in the north, as the north contributes considerably to the overall provincial budget.