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**Wednesday 3 September 2008**

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des débats  
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**Mercredi 3 septembre 2008**

**Standing Committee on  
Estimates**

Ministry of Northern  
Development and Mines

**Comité permanent des  
budgets des dépenses**

Ministère du Développement du  
Nord et des Mines

Chair: Tim Hudak  
Clerk: Sylwia Przezdziecki

Président : Tim Hudak  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Wednesday 3 September 2008

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mercredi 3 septembre 2008

*The committee met at 0903 in room 151.*MINISTRY OF NORTHERN  
DEVELOPMENT AND MINES

**The Chair (Mr. Tim Hudak):** Good morning, members of the committee, Minister, Deputy and support staff from the Ministry of Northern Development and Mines. Welcome back to the Standing Committee on Estimates for our specially scheduled meeting of Wednesday, September 3, 2008.

Before I begin our business with the Ministry of Northern Development and Mines, I wanted to make sure we have all-party support for an agreement with respect to the Ministry of Research and Innovation. We did have a request from the critics to end tomorrow's hearing for research and innovation at noon. That time would then be taken up when the Legislature resumes with its regularly scheduled meeting for Tuesday, September 23. I understand through Mr. Rinaldi that the minister—and this is a change in the minister's schedule, so we appreciate this—is unable to join us for the morning session, so we would not have the morning session on the 23rd; we would have the afternoon session to begin the Ministry of Research and Innovation estimates.

I want to make sure that we go through the agreement: that we would suspend tomorrow at noon for research and innovation and that we would resume the remaining hours on Tuesday, September 23, beginning in the afternoon, not the morning session, to accommodate the minister because we are changing the schedule for tomorrow.

**Mr. Gilles Bisson:** That will be fine. What's the last part?

**The Chair (Mr. Tim Hudak):** We're going to resume the Ministry of Research and Innovation on Tuesday, September 23. Because we had changed the schedule on the minister, we're going to do the afternoon session as opposed to the morning session on the 23rd, assuming the House does resume on the normal schedule. Obviously, if the House does not return on its normal schedule, then we don't have permission to meet in the intercession beyond today and tomorrow, so we would just be back on the first Tuesday that the House does resume sitting. I want to make sure that I have all members' agreement on this.

**Mr. Gilles Bisson:** That's fine.

**The Chair (Mr. Tim Hudak):** Terrific. The clerk will send out the appropriate notice to the minister, ministry and to the members of the committee.

We will proceed now with the Ministry of Northern Development and Mines. We're here for the consideration of the estimates of one of my favourite ministries, but frankly, some of the faces have changed. Some are the same; the minister is different. They're much more handsome than they used to be, I think.

**Hon. Michael Gravelle:** Thank you very much, Mr. Chair. It's great to be here. If I could ask you to give me about a two-minute warning when I'm near the end of my 30 minutes, I'd be grateful.

**The Chair (Mr. Tim Hudak):** You bet. I do have a brief preamble that I'll get through—just to finish my initial wisecracks. But I do have a serious preamble to get through.

It's a total of five hours, to make sure everybody is aware of that. The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised so that the ministry can respond accordingly. If you wish, you may at the end of your appearance verify the questions and issues being tracked by the research officer, the very capable Jerry Richmond, to my left.

Are there any questions on procedure before we start? We'll now call the vote on item 2201.

As members know the process, we would begin with a statement of not more than 30 minutes from the minister, followed by statements of up to 30 minutes by the official opposition, followed by the third party. Then the minister will have 30 minutes to reply and then we begin our rotation. Remaining time will be portioned equally among all three parties, beginning with the official opposition.

Minister, I will certainly give you a signal as you get close to the end of the 30 minutes, if you need it. Sir, the floor is yours.

**Hon. Michael Gravelle:** Thank you very much, Mr. Chair, members of the committee. It's great to be here. I'm certainly pleased to speak today to the 2008-09 estimates committee. I am joined to my left by Deputy Minister Kevin Costante; our CAO and ADM of the corporate management division, Don Ignacy, further to my left; also, assistant deputy ministers Cal McDonald,

who is with the northern development division, and Christine Kaszycki for the mines and minerals division; and other ministry staff.

**The Chair (Mr. Tim Hudak):** I was just noting that the assistant deputy minister has lost weight. He looks very good.

*Interjections.*

**Hon. Michael Gravelle:** He's right here beside me.

*Interjection.*

**The Chair (Mr. Tim Hudak):** Sorry; the ADM, Cal.

**Hon. Michael Gravelle:** Cal's in the back. They're all with me. Our goal is to try and be as helpful as possible to the committee members in terms of answering questions. So if I'm not able to, the ministry staff will be able to, and we'll try and be as helpful as possible.

As head of the ministry that presents the face of the Ontario government to the north, I have made it a point to take every opportunity to travel in the region since I was appointed minister. Since that appointment, I've talked with many residents, met with many community, aboriginal and business leaders across the north. In these conversations, northerners have been extremely clear about their hopes, their fears and their plans. They've been very clear about the ways in which the province and my ministry are coming through for their communities. They've been very clear as well about what further support they'd like to see from the province.

**0910**

My ministry understands that in this time of great change in the north's economy, northerners are looking for stability and growth. We understand that northerners cannot afford to ride the see-saw of economic highs and lows brought about by dependence totally on primary resource industries. We understand that all northern partners need to act together. We believe we need to combine the strengths of the north's resource base with the emerging opportunities of a knowledge-based economy.

We understand that at the heart of the issue is a heightened awareness of the need for balance. On the one hand, we need to protect the immense natural wealth and beauty of the north, which affords residents and visitors alike a unique and desirable way of life. On the other hand, we need to develop that natural wealth in ways that will keep making significant contributions to the province's economy, all the while providing northerners with stable growth and prosperity.

We are tackling this complex challenge from many directions. We are pursuing results over both the short and long term, in traditional as well as in emerging sectors. Yes, indeed, there are real issues of concern which we are committed to addressing, but there are also great stories to tell. It's my pleasure today, in the course of highlighting my ministry's accomplishments over the past few years, to both acknowledge the issues and to tell the north's stories.

I want to add that as a long-time northern MPP, I bring a strong personal commitment and a sense of urgency to the work of this, the government's only regional ministry.

As you know, the Ministry of Northern Development and Mines is charged with advocating for an entire, very large region, a region that covers more than 800,000 square kilometres or nearly 90% of the province's land area—a vast region, yet only about 6% of Ontario's residents live there. My ministry gives the region a very strong voice in government. We bring to Queen's Park a unique northern perspective on complex and wide-ranging issues. We also support and deliver the province's programs and policies in the north. We do so through two major activities. First of all, we strive to advance northern Ontario's economic development, and secondly we work to keep Ontario's mineral sector strong and sustainable.

On the northern economic development side, my ministry leads and coordinates government programs aimed at strengthening the northern economy, including the far north; building strong northern communities; and creating job opportunities in the north. Through a network of offices and strategic program and policy development, we ensure that northerners have access to government programs and services and a say in government decisions affecting the north. The ministry also plays a key role in fulfilling the government's commitments for strategic initiatives that could affect the north.

In the widest sense, we support northern economic and community development by promoting a business climate that encourages competitiveness and investment in northern Ontario. On the ground, this means we have 32 northern development offices and 33 Service Ontario locations, where northerners across the region can access programs and services. In addition to the programs and services of my ministry, we deliver numerous programs and services with and on behalf of partner ministries. Last year alone, these northern offices handled more than 125,000 transactions, an increase of over 50% from 2005. Service Ontario offers 100 services, including birth certificates, business registrations and fishing and hunting licences, to name a few.

In keeping with our commitment to improve access to government services for First Nations, my ministry helped establish 53 Service Ontario First Nation library and band office service sites, including 11 in southern Ontario. We are co-located with Service Canada in three northern communities, we provide outreach services for the federal government in six other locations, and we are looking to expand our services further.

In addition to our dedicated Service Ontario staff, we have economic development staff in our 32 northern development offices. They specialize in all aspects of the north's economy, including mining, forest products, business and industry, biotechnology, manufacturing, telecommunications, agriculture, tourism, and trade and investment marketing. They work with municipalities, First Nations and businesses to attract investment, they go after business opportunities, and they diversify local economies and in that way build stronger northern communities.

May I say in passing, too, Mr. Chair, that throughout my travels in the north, the one thing that's become very

clear—and you would know this as a former minister—is that the northern development officers and the staff who work with them are incredibly highly regarded in the communities where they work. There is not a community I go to or a meeting I have with northern delegations where they do not make a point, without being asked, of praising the work and the community activities of the northern development officers. So it's an enormous pleasure, and I think they really do represent the north in a very positive way.

Let me now move on to the Northern Ontario Heritage Fund Corp. Certainly, this is our main economic development initiative and something we're very, very proud of. I'm certainly proud to say that 2008 marks the 20th year that the NOHFC has been encouraging job creation and strengthening the northern economy. The heritage fund provides critical financial assistance for business development, youth career training and entrepreneurship, capital and infrastructure investment, and job creation in northern Ontario communities.

When the McGuinty government took office, we were very clear that we intended to refocus the northern Ontario heritage fund. We wanted it to support job creation, which was in the original mandate, and economic development in the north, and I am pleased to say that we have delivered on that commitment. Since October 2003, the NOHFC has invested more than \$373 million in more than 1,870 projects. These investments are helping to create or sustain more than 10,370 jobs in northern Ontario.

Let me just give you one example, one that I think we need to talk about more, in terms of improving the north's ability to compete with others. The expansion of telecommunications infrastructure across northern Ontario is an amazing story that the NOHFC is helping to write. Thanks to the renewed focus that we gave the NOHFC's emerging technology program, my ministry is encouraging investment in telecommunications infrastructure projects. Since the launch of the revised program in January 2007, the heritage fund has approved \$30.4 million in support of 18 projects to enhance telecommunications infrastructure across the north. This is in addition to our government's investment of \$7.8 million from October 2003 to December 2006 under the NOHFC's previous technology program.

The long and the short of it, is it's a total investment of \$38 million. When completed, the most recent telecommunications infrastructure projects will provide almost continuous cellular coverage along major highways, from Parry Sound, north to Timmins, and from the Quebec border to Manitoba, including Red Lake. There's no question about the value of that. In addition, these projects will almost complete broadband coverage within these areas as well. They will extend coverage to hard-to-service locations such as the James Bay coast and more than 20 remote, far north communities. With access to reliable telecommunications infrastructure, almost 400 northern communities will benefit from the modern technology that other parts of the province have taken for

granted for years. If we accept the adage that knowledge equals power, clearly the NOHFC is helping empower northerners, thanks to expanded telecommunications infrastructure.

Possibilities are opening up for northerners, especially our young people, when it comes to health care, culture, business or education because of these investments. Clearly, the NOHFC plays a critical role in the north. That's why in the 2008 budget, we announced plans to increase the heritage fund allocation by \$10 million a year for the next four years, which will bring the fund's annual allocation to \$100 million by 2011-12. We're very proud of that and very excited. Certainly, I'm proud to say that our government is the first to provide this unprecedented level of support to northern Ontario through the northern Ontario heritage fund.

My ministry also devotes a great deal of effort to programs and policies that advance the strategic development of northern Ontario's economy. I want to highlight some of these, beginning with the report by the northwestern Ontario economic facilitator, Dr. Robert Rosehart. As I think many of the members know, Dr. Rosehart undertook extensive discussions. He spoke with First Nations chiefs, community leaders, groups and individuals across the northwest. Quite frankly, he met with everyone who wanted to meet with him, and many more.

Dr. Rosehart considered both the short term, the next two to five years, and the region's long-term transition toward new economic opportunities in his report. That report and the recommendations, which I was pleased to accept in March, suggest ways to help stabilize the current economy and build capacity for the new economy. While his recommendations specifically address the northwest's economic situation, Dr. Rosehart makes the point that some of the report's recommendations could equally be applied to all of northern Ontario.

## 0920

The fact is that several items in the 2008 budget have begun to address some of the issues raised by Dr. Rosehart in his report. For example, the 2008 budget commits to accelerating rate cuts to the business education tax for northern businesses. This means that these tax rates will be reduced more quickly in 85 northern municipalities, benefiting more than 30,000 businesses and resulting in savings of more than \$70 million over the next three years.

Other highlights from our 2008-09 activities include:

- \$20 million in very important money for four years for geological mapping to help Ontario's mineral exploration sector pinpoint areas of economic interest;

- \$25 million to help start up a centre for research and innovation in Thunder Bay focused on the bio-economy; and

- \$546 million to the northern highways program this fiscal year, another record amount that represents a 17% increase over last year's record levels.

Extensive follow-up with the appropriate partner ministries is well under way to address the rest of Dr. Rose-

hart's recommendations. I look forward to reporting on that soon.

Also, Dr. Rosehart's report is being carefully considered as part of a major government initiative that will have a profound effect on northern Ontario's economy. I'm speaking, of course, of our work to develop a growth plan for northern Ontario under the Places to Grow legislation. The purpose of the northern Ontario growth plan is to strategically align provincial policies and investments to support sustainable economic and population growth. It is a plan that will identify short-, medium- and long-term policies and actions over a period of 25 to 30 years. I've been working with my colleague, the Minister of Energy and Infrastructure, and my cabinet, who sit on the G-North ministers' table, which I chair, to move forward on this initiative.

Over the next year, northern Ontario residents, youth, aboriginal peoples, community leaders, business and industry leaders and other experts will have a range of opportunities to help develop a draft growth plan for northern Ontario. We began this spring with regional sessions and have already held 13 of those across northern Ontario. About 400 participants from northern communities, First Nations, business, research networks and the education and health sectors took part. We are inviting their thoughts on priority issues for the plan.

In an effort to ensure broad participation and accessibility by northerners, the sessions have been held in the north's major cities as well as in many smaller communities such as Dryden, Marathon, Wawa and New Liskeard. We've also had good response to the growth plan discussion paper posted on the government's website. This paper gives northerners the opportunity to read about the potential key themes for the plan and to send in their comments and opinions online or by mail.

Other opportunities for northerners to participate will include a series of policy forums that will explore successful approaches to sustainable growth, and we will be looking at solutions from other jurisdictions in Canada and around the world.

Finally, we plan to release a draft growth plan early this winter for public comment.

At the first regional information session in Thunder Bay, which I was able to attend, I was extremely impressed not just by the manner in which participants articulated their ideas for tackling the region's economic problem, which they did very well, but by their optimism and, quite frankly, their determination. Certainly, I am eager to continue this work as the growth plan is developed.

When we talk about listening to, consulting with and serving northerners better, another government initiative aimed at supporting the strategic development of the north's economy immediately comes to mind. For the past three years, northerners have had a direct link to my ministry through the northern development councils, or the NDCs, as they are more commonly referred to. The councils have brought together northerners from our major cities, towns, First Nations and rural communities

to provide input on provincial policies and programs. The chairs of the councils report to me regularly about matters of concern in their regions. I am very proud of this committed group of northerners.

The NDCs have led two important dialogues with northerners. The first was about creating new opportunities for young people in the north. The second focused on strategies that will encourage the growth of business in northern Ontario. I am pleased to say that, again, hundreds of northerners took part in these sessions, either in person or by filling out an online or paper survey.

The northern development councils have been a great help to my ministry and other initiatives, including, as I mentioned, the growth plan for northern Ontario, Ontario's mineral development strategy, the Go North investor program and the northern Ontario grow bonds pilot program.

The last of these, the northern Ontario grow bonds pilot program, was introduced in early 2005. Based on a proposal submitted to the government by the Northwestern Ontario Associated Chambers of Commerce, the pilot program was designed to help new and expanding businesses in northern communities. The pilot program's first component was the sale of grow bonds to residents in northern Ontario. During the sales period in the spring of 2005, northerners supported the sale of grow bonds to the tune of approximately \$13 million.

The second component is the northern Ontario grow bonds business loan program. This loan program uses the funds raised through the sale of grow bonds to provide loans to small and medium-sized businesses in northern Ontario. To date, nine loans have been finalized and disbursed, for a grow bonds total investment of \$5.7 million. The board of directors is currently negotiating additional loans, and we will announce these once the agreements are finalized.

As for the pilot program's future, my ministry has done a preliminary review in consultation with the northwestern Ontario chambers of commerce, the northeastern Ontario chambers, the grow bonds board of directors, northern development councils, the NOHFC and the small business enterprise centres. A final review of the program is presently under way.

To deliver another key economic initiative, the GO North investor program, my ministry partners with the Ministry of Economic Development and Trade. GO North is promoting the competitive advantage of northern Ontario to investors all around the world. It is helping to attract new investments and create jobs. To date, approximately \$7 million has been invested in international outreach, including advertising and promotional materials, trade missions and public relations activities to increase awareness of northern Ontario.

One very important component of the GO North program is the northern communities investment readiness program. Through this initiative, our government has approved over 100 projects with a dollar value of close to \$1 million. This initiative helps communities identify investment opportunities and ensure that they are prepared

to respond to international investors. Since 2004 when the GO North investor program was announced, there have been 57 investments and expansions in northern Ontario totalling \$3.4 billion, and we think this is incredibly significant. The work that we are carrying out as part of GO North has certainly helped create the conditions to attract these investments and expansions.

My ministry also coordinates essential provincial investment in the north's transportation, telecommunications and public infrastructure. We do so through the Owen Sound Transportation Company and the Ontario Northland Transportation Commission, the ONTC. Last summer, the Owen Sound Transportation Company ensured Georgian Bay ferry service for another 25 years by carrying on a retrofit of the Chi-Cheemaun's engines. The three-year project was completed on time and on budget with the help of a \$9.7-million investment from our government. The great thing is that the refurbished engines will also cut emissions and fuel costs.

With regard to the ONTC, its mandate is to deliver transportation and communication services in the northeast region effectively and efficiently, with the objective of improved cost recovery and self-sustainability. The past four years have seen a number of success stories for the ONTC. Much has been achieved as a result of the efforts of the commission, its employees and the province. One key highlight was winning an \$81-million contract to refurbish 121 GO Transit commuter railcars.

Through the 2008-09 result-based planning process, my ministry has received approval allowing ONTC to proceed with the design and construction of a new ferry to service the communities of Moosonee and Moose Factory. This project is now under way, and we hope to have a new vessel in the water in 2010.

Certainly, along with the progress, there have been challenges. As a result of the downturn in its freight transportation business, certainly associated with the weakness in the forestry sector, the ONTC has recently had to make some difficult decisions to reduce some positions across its operation. Our government continues to support the ONTC in its drive to serve its clients in a cost-effective and financially responsible manner.

I think I'm going to move ahead because I—how much time's left, Chair?

**The Chair (Mr. Tim Hudak):** Eight minutes.

**Hon. Michael Gravelle:** I think I want to talk about the review of the Mining Act, if I may, and I'll return to some of these in my next opportunity.

Earlier this summer, Premier Dalton McGuinty launched the far north planning initiative, which included the commitment to protect more than 225,000 square kilometres and more than half of the northern boreal forest in an interconnected network of conservation lands. The area will be permanently protected through the far north planning process, and activity on these lands will be restricted to tourism and traditional aboriginal uses. Later this year, our government will engage with First Nation and Metis communities, northerners, the resource sector and scientists to create a broad frame-

work for the plan, which will be completed by the spring of 2009. At the same time, we will work with individual aboriginal communities to begin a local land-use planning process. To ensure proper planning and community input, new forestry and the opening of new mines in the far north will require community land-use plans supported by local aboriginal communities. We envision the entire process taking 10 to 15 years to complete.

**0930**

It is our hope that this planning process for the far north will enshrine a new respect and working relationship with First Nations. In addition to a much greater say on the future of their communities and traditional lands, the process also creates opportunities for economic development in these remote communities. Planning at the community level will truly be a partnership. Because any decision on development has the greatest effect on communities, local planning will only be done in agreement with First Nations. Our government will also create a new system of resource benefit sharing, and we will consult with aboriginal communities immediately on ways to provide greater economic benefit from resource development.

On August 11, shortly after the Premier's announcement, my ministry launched formal consultations to modernize Ontario's Mining Act. Our aim is to ensure that mining potential across the province is developed in a sustainable way that continues to benefit the province and respects communities. The fact is, our mineral sector is a powerhouse that employs tens of thousands of people and pumps millions and millions into the economy. Our government understands this and we're proud to stand shoulder to shoulder with the world's leading mining jurisdiction.

We also believe that mining holds tremendous potential, especially for the province's northern, rural and aboriginal communities. We want the industry to be competitive, vibrant and prosperous, but we also want to ensure that this prosperity is developed in a way that respects community. In short, our task is to find a balance. In announcing Ontario's far north planning initiative, the Premier spoke of finding the balance between conservation and development. He said we would modernize the way mining companies stake and explore their claims to be more respectful of private landowners and aboriginal communities and that exploration and mine development should only take place following early consultation and accommodation with aboriginal communities, and I think few would disagree with those goals. In fact, many exploration and mining companies have already adopted best practices in corporate social responsibility that are reflected in the many beneficial agreements with local communities that are in place today. By modernizing the Mining Act, we can build on those efforts.

My ministry is currently in the midst of province-wide consultations involving the public, the mining industry, municipalities, environmental groups and other stakeholders. We are also seeking input from each First Nation

and Metis community through community members, their leadership and political and territorial organizations. Our plan is to have all of the discussions completed and feedback gathered before the end of October so that we can introduce legislation in the upcoming session. If passed, we believe that new rules could be in place for next year.

It's an ambitious schedule but we are focusing our consultations on five critical policy areas: the mineral tenure system and the security of investment; aboriginal rights and interests related to mining development; regulatory processes for explorations on crown land; land-use planning in Ontario's far north; and finally, potential approaches to address mineral rights and surface rights issues. By focusing on these areas, I believe we can ensure Ontario's mining industry remains strong, that mining practices are up to date, that aboriginal rights and interests are given appropriate consideration and, ultimately, at the end of the day, we can ensure the balance that we are striving to achieve.

How much time do I have?

**The Chair (Mr. Tim Hudak):** Thank you, Minister. You actually have just over four minutes remaining.

**Hon. Michael Gravelle:** That's good. I'm going to go back to some other good things.

Just as our investments in other areas provide vital services for northerners and visitors alike, so do this government's investments in northern roads and highways. In northern Ontario, where vast distances separate communities and key market areas, highways, roads and railways are truly economic and social lifelines. I'd ask you to consider the north's highway system. At nearly 11,000 kilometres long, it makes up roughly 60% of the province's entire highway network. As part of ReNew Ontario, our government made the first-ever five-year commitment to northern highways through the \$1.8-billion northern Ontario highway strategy, released in 2005. As a result of record investments through my ministry's northern highways program, here's a summary of highway accomplishments from 2005 to 2007: 38 kilometres of new four- or two-lane highways opened, with 23 new bridges and interchanges; and almost 900 kilometres of highways rehabilitated, and 69 bridges rehabilitated or replaced.

In addition, our government's commitment to complete the four-laning of Highways 11 and 69 is well established, and the work is on schedule.

We're moving forward on route-planning studies in the northwest between Kakabeka Falls and Shabaqua and between Kenora and the Manitoba border as we move forward on potential four-laning in those areas.

I believe I mentioned earlier that our government will invest \$546 million in the 2008-09 northern highways program—a record amount, once again.

In the far north, seasonal roads connect 31 remote communities to the province's permanent highway and rail systems and are vital for communities that are accessible only by air or water. Our government has invested a total of \$18 million from 2004-05 to 2008-09 in

the winter roads program, which helps First Nations communities or winter road corporations build some 3,000 kilometres of winter roads over frozen grounds and waterways. In 2008-09, we will be increasing our investment from \$3.5 million to \$4 million.

Despite the significant progress achieved or under way, we firmly maintain that work on Ontario's northern highways and winter roads must include funding support from the federal government.

**Moving on to local roads boards:** This year, our ministry is investing almost \$12 million in the maintenance and upgrading of roads in unincorporated areas across the north. Our government has made a commitment to restore the funding for local roads boards that was reduced by the previous government, and we will honour that commitment during this mandate.

There are many other things I want to speak about, but I think I'll just close with my comments about my ministry's staff, if I may. From my point of view, I have 500 good reasons to be optimistic about my ministry's performance in achieving all the goals that I've just outlined; that's the number of ministry staff who are dedicated to and passionate about the province's mineral sector in northern Ontario.

I said at the beginning of my remarks that the Ministry of Northern Development and Mines is the face of the provincial government in the north. More accurately, as I said earlier, it is the staff members, the vast majority of whom live in the north, who so capably represent our government with their knowledge, experience and passion. Ministry staff apply the principles of quality service not only when working with the public, who in the north's small communities are their friends and neighbours, but within our organization as well.

For example, in 2006, our ministry ranked number one in the OPS-wide engagement survey. Last spring, the National Quality Institute certified the ministry, under the institute's progressive excellence program, as a level 3 organization. In October of last year, my ministry received the institute's silver Canada award for excellence. The ministry is working to achieve the next and the highest level.

I am proud that although we are small in size compared to other ministries, Northern Development and Mines touches the lives of northerners in some way all the time. It is clear to me that ministry staff members recognize this connection as a privilege and a responsibility. I assure them, as I do all northerners, that we will continue to strive to serve the north in a way that respects our natural and human wealth and enables the region and the province's mineral sectors to continue to prosper.

**The Chair (Mr. Tim Hudak):** Perfect. You're seven seconds over. We'll hold that against you. Very well done, Minister; nice conclusion as well.

Now we'll proceed to our opposition critics. I think that folks remember the process. Mr. Miller will have 30 minutes on behalf of the official opposition. Monsieur Bisson will also have 30 minutes on behalf of the third party before going back to the minister for a summation. Mr. Miller, the floor is yours.

**Mr. Norm Miller:** Just to use my 30 minutes, I'll go right into questions versus making any big, long statements. I believe that is the normal case.

**The Chair (Mr. Tim Hudak):** It's the critics' call. They tend to do questions, as you are, Mr. Miller.

**Mr. Norm Miller:** Minister, thank you for that initial statement.

I was in Thunder Bay last week. I think it's pretty common knowledge that northern Ontario is in a rough state. In Thunder Bay last week, they were talking about 3,600 jobs that have been lost in recent years. I was up there a couple of years ago and had the opportunity to tour active sawmills like the Buchanan—I toured a couple of the Buchanan sawmills. They're all closed now. In fact, the only mill that Buchanan is operating is in Mississippi. So that's really a shocking state of affairs, not only in Thunder Bay but all across northern Ontario.

**0940**

You're working on your northern Ontario growth plan. I would suggest that you've been in government for five years and it's a time for action, not necessarily a time for just more planning.

You have Dr. Robert Rosehart's report; he has 47 recommendations. I guess my first question would be: Has your ministry developed a response to Dr. Rosehart's report, and do you plan on adopting his recommendations?

**Hon. Michael Gravelle:** Thank you very much for the question. Certainly, there's no question that there are many challenges in northern Ontario, but as I said in my opening remarks, I also believe there are many opportunities. Being a resident of Thunder Bay, I'm also conscious of the challenges there, but there are some pretty good stories to tell as well.

In relation to the situation regarding the sawmills, I certainly speak to the companies on a regular basis, and their goal is to get back in operation, and they're going to do what they can to do that.

There are some pretty good stories to tell in terms of Buchanan Forest Products, particularly when one looks at the operation in Terrace Bay. This is a mill that was, under Neenah Paper, closed down. All hope, I think, was pretty close to being lost. With the help and support of the government, Buchanan Forest Products opened up a new facility there which is doing extremely well. We were very proud to support that in every way we could.

There are other operations where we're doing the same thing. Through the forest sector prosperity program, significant dollars have gone to a number of organizations, as well as through the energy rebate program.

Specifically dealing with Dr. Rosehart's report, I was very pleased to receive his report in March. He spent a lot of time and a lot of work meeting and talking with northerners. We are working very closely with other ministries that his recommendations impact on, and we're looking forward to getting responses from each of them.

I am very pleased that in the 2008 budget, the business education tax reduction was accelerated. That was a

recommendation of Dr. Rosehart's. He was also very strongly pushing us in terms of a research institute in northwestern Ontario. That was also responded to in the budget, with the \$25 million for the research institute in Thunder Bay.

There were many other recommendations that Dr. Rosehart was working on that we are also working on. I had an opportunity to have discussions with Dr. Rosehart fairly recently, and I am keen to continue to report back to northerners on the progress we're making. So our goal is to respond to the recommendations. Dr. Rosehart, of course, would be the first person to tell you that a number of his recommendations are very much long-term, and he thinks that we need to recognize that some of these changes need to take place.

We're grateful for everything that Dr. Rosehart brought forward, and, as I say, our goal—my goal, as minister—is to provide an update on the recommendations that we are able to move forward on now, as soon as possible, and quite frankly to also be honest about those recommendations that are more difficult to move on. The fact is, we've responded to his report with action that I think has had a positive impact on the northwest. We are looking also at the recommendations that can impact all across the north as well. Dr. Rosehart, I think, showed real sensitivity in trying to respond to those as well.

We've had some positive responses; there's more to come. We're working with our partner ministries—many, many ministries. Dr. Rosehart, may I say, before he released his report, also met with a number of ministers—I think seven or eight different ministers—to discuss his recommendations. I've been in touch with those ministers, and our ministry right now is working with those partner ministries to come up with an update of where we're at. As I say, I hope to have an update report very soon.

**Mr. Norm Miller:** Specifically, I'd like to go through some of his recommendations, if I might, starting with recommendation 5.4.1, location of new government jobs: "It is recommended that Management Board review current literature and devise a strategy, based on a blend of strategic and locational factors including economic cost to government and potential economic benefit for recipient communities, for the physical location of new civil service positions in the province."

That sounds to me like a logical thing to be considering, moving more government jobs to the north, where they would be closest to serving their communities. How do you feel about that recommendation?

**Hon. Michael Gravelle:** We are always keen to help create and move jobs to the north. We certainly are very proud of the northern Ontario heritage fund, in terms of the creation of jobs in the north. Over the last five years of our government, we have created or sustained over 10,000 jobs in northern Ontario as a result of the investments through the northern Ontario heritage fund. In terms of Dr. Rosehart's recommendations, we are obviously looking at each one of them seriously, and that

includes that particular recommendation. We can certainly go through them all if you like; I'd be happy to do that. Until we're in a position to make an announcement about it, it's difficult for me to go further than that.

**Mr. Norm Miller:** I think that that was actually fairly similar to a component of the PC Party's last election campaign, but I do believe that Dr. Rosehart has made some recommendations worth considering.

Going to number 9, the all-weather road study: It does seem to me that all-weather roads could be vital to developing the far north, for example. Last week, I visited a couple of remote First Nations north of Thunder Bay, including Webequie. I met with the chief and council there. They were kind of 50-50 on whether they wanted a permanent road into the community. I think they recognized that it could bring some spinoff economic benefits, but they're also concerned about the change that would go along with it. Are you considering all-weather roads for remote First Nations?

**Hon. Michael Gravelle:** There's no question that we are very strongly in support of the winter roads development that we help fund now. We believe, as I said in my remarks, that we think the federal government needs to come to the table more significantly, and we'd like to see them do so. We know that the discussion about the all-weather roads is one that Dr. Rosehart put into his long-term planning recommendations. Indeed, I think we agree that it will probably take some time to get there, but the discussions are important.

You may know this already, but I can tell you that a number of First Nations are getting together and talking about developing their own sort of transportation committee to further discuss the possibilities of all-weather roads. You're quite right: Some First Nations are more keen on moving forward on this than others, and that's fair game, because it's obviously got to be a decision that's reached by each community.

As I say, there are efforts to pull together. I think the heritage fund even funded a little study not that long ago in terms of how this could move forward.

In terms of Dr. Rosehart's recommendations, it's one, again, that we take very seriously, and we are going to be looking at that more in the long term. I believe the northern growth plan is the vehicle by which we should be further discussing this—and I think we already have. As you know, with the northern growth plan, we had 13 regional sessions, and out of that is going to be coming a discussion paper. I think it's fair to say that the discussion about winter roads may be part of that discussion. The northern growth plan, which is truly our opportunity to look at 25 or 30 years—an economic planning vision for the north, this being the second growth plan for the province. I then believe that will be something that we can look at more closely. We're going to be having policy sessions on the growth plan coming up in the fall. We're going to have a final draft report, we hope, by early in the winter. So I think that makes sense. Actually, I've had discussions with Dr. Rosehart quite specifically about this recommendation, and he agrees that in order to

move the discussion forward on how we get there, it should be part of the northern growth plan discussion.

**Mr. Norm Miller:** His recommendation number 11, four-laning of the Trans-Canada Highway: I know that in past years when I visited a number of different groups, again, in the Thunder Bay area, whether it was the chamber of commerce or the cancer centre, I thought there was a conspiracy going on because for everyone the first issue was four-laning of the highway, particularly from Nipigon to Shabaqua Corners, where they cited numbers like 100 closures in the year, safety factors and the fact that Highway 17 and 11 join for that stretch of highway and there's just no way around it. So it's obviously a top concern in that area, and it's also a recommendation made by Dr. Rosehart.

It seems to me that it's a bit of a no-brainer. I hear it's a huge project, but it seems to me that four-laning the Trans-Canada right across the whole province, including all of northern Ontario, makes sense. Is that something that your government, your ministry, is considering?

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**Hon. Michael Gravelle:** As I think you probably know, I'm the MPP for Thunder Bay—Superior North. I've been speaking about the need to improve our highway infrastructure in the northwest from the moment I got elected, including the need to move forward on four-laning. I think if you speak to people in northwestern Ontario, what is very clear is that the section between Nipigon and Shabaqua right through Thunder Bay in terms of four-laning is the one that makes the most sense. It's also the one that is the most important because there is no alternate route. That's the one real justification.

**Mr. Norm Miller:** Are there any plans to four-lane that section?

**Hon. Michael Gravelle:** I'm glad you're giving me the opportunity to talk about it. I'm pleased to do so. We have been moving forward on very extensive rehabilitation of that section between Thunder Bay and Nipigon, and the design is in place pretty much between Thunder Bay and Nipigon. But specifically, we've got a section right now between Hodder Avenue and Highway 527, where the Terry Fox lookout is, a six-kilometre stretch. We're at the final design stage, which is part of the four-laning. We're very close to being at the last stage to moving forward, particularly on that section. There's also a section between Mackenzie and Birch Beach—again, people in the northwest will understand the precise area that's in—that's also moving into the last stage before we are able to move forward with the four-laning. The design is in place.

We're also opening up route-planning studies for the final phase for the future four-laning between Kakabeka Falls and Shabaqua, which completes the route-planning studies needed for future four-laning between Nipigon and Shabaqua. As well, I was able to announce, when we made the northern highways announcement for this year in July, that we've also been doing route-planning studies between Kenora and the Manitoba border, another area,

for some time. So we are certainly moving forward in terms of our planning for the highways in northwestern Ontario.

The significant thing that needs to be said—and it's important for me to say it as minister, particularly being from northwestern Ontario—is that we are very proud of the fact that the expansion and the four-laning projects that are going on between Parry Sound, Sudbury and Highway 11 up to North Bay are moving forward on schedule. There is no argument there about the need for those to move forward.

I am confident that we will be continuing to move forward on the expansion plans for northwestern Ontario as well. It's something that I feel very strongly about. I'm pleased that we were able to announce these significant advances in terms of the route-planning studies and that various sections of the highway between Thunder Bay and Nipigon are in the final stages before we are able to move to four-laning.

**Mr. Norm Miller:** What about the section between North Bay and Sudbury, which, just from driving along, seems to have quite heavy traffic?

**Hon. Michael Gravelle:** I'm not sure that I can speak confidently about that. I'll ask Tom Marcolini.

**The Chair (Mr. Tim Hudak):** If Mr. Marcolini could identify himself for the sake of Hansard.

**Mr. Tom Marcolini:** Tom Marcolini, Ministry of Northern Development and Mines in Sault Ste. Marie, manager of programs and transportation.

**Hon. Michael Gravelle:** So, North Bay to Sudbury.

**Mr. Tom Marcolini:** North Bay to Sudbury: At this point in time, I think the Ministry of Transportation is keeping an eye on the traffic volumes, specifically the area immediately east of Sudbury, but there are no plans on our books right now to actually commit to any kind of four-laning there. I think they're just looking at traffic volumes and operational and safety issues.

**Mr. Norm Miller:** So you don't have an idea of the traffic volumes. It seems to me, just from driving it, that it is one of the higher-volume areas.

**Mr. Tom Marcolini:** Yes, I think those of us who drive that section of the highway realize that the traffic volumes are getting up there, as they are on other sections of the northern highways.

**Mr. Norm Miller:** Specifically, in terms of four-laning the whole province, it's a huge job. It's not one that I think the province can afford to fund itself. Are you talking to the federal government about involving them in four-laning right across the province? It seems to me that as a province, we're probably losing a lot of business to the northern states, which has a way better highway system than we do. So, long range, it seems logical to me that at least the Trans-Canada Highway should have a four-lane highway across the province.

**Hon. Michael Gravelle:** There's absolutely no question—I said it publicly long before I was minister, and I'll say it now that I am minister—that in terms of us being able to realistically move forward within a reasonable time frame to four-laning, particularly, as you say, in

terms of the Thunder Bay and Shabaqua one, we need significant support from the federal government. Of course, we had the Building Canada strategy announced back on July 24, and I was part of that announcement, when the federal government made it clear that one of their priorities was northwestern Ontario highways, although there were no specifics on that. We've had a number of partnership agreements where there has been shared funding. For example, the Shabaqua expressway extension in Thunder Bay, a \$35-million project, was shared between the federal government and the provincial government. But you, quite frankly, give me an opportunity that I embrace, which is to make it clear that we need to have that kind of support from the federal government.

Certainly, I've been told, and Tom can correct me, that essentially, in terms of the—I'm proud of the fact that we're moving forward ultimately in the direction for four-laning between Thunder Bay and Shabaqua, and we're committed to moving forward on that in the future. I think it's about a \$650-million project—somewhere in that range, overall, if you look at the cost, and of course, construction costs are going up 11% every year. I think it's difficult to imagine doing that without the help of the federal government.

But I also want to address—

**Mr. Norm Miller:** I'm sorry—have you been talking to the federal government?

**Hon. Michael Gravelle:** I talk to them all the time. Certainly, I talk to my colleague from Thunder Bay, and, of course, Minister Smitherman, as Minister of Energy and Infrastructure, has just signed the agreement for the Building Canada strategy and fund. Those discussions are ongoing in terms of those specifics. The Ministry of Transportation obviously has those discussions as well, so we will continue to have those discussions.

I think I want to actually, if I may, Mr. Miller, just make the point that in northwestern Ontario, I think you would get agreement from most people that four-laning all across the stretch of 17, let alone 11, is not something that they particularly think we need or want. More passing lanes are clearly desired, and we're moving in that direction. The improvements along 11-17 between Thunder Bay and Nipigon over the last four years—\$46 million, I think, we put into projects one year after the other. Aside from the occasional complaint you get from people about construction delays, the fact is that we've had a really improved highway system, and people appreciate that.

When you talk to people along the north shore between Nipigon up to Marathon, they're looking for more passing lanes, and we've been able to deliver on a number of those. They're looking for an improved design sometime, so I'm not so sure that the people of the northwest all believe that there should be four-laning all across the north. But there are clear sections—you are familiar with the northwest. We hear great concerns about the Vermilion Bay area, between Dryden and Kenora. There have been substantial improvements

made, but there are still concerns about that particular area. That's why we are very pleased about the special funds that are put in place for the safety initiatives on the highway.

This is something that is a real priority, certainly, for our ministry to continue working on, and we're proud of the investments that have been made. We look forward to making more, recognizing, again, that one of the challenges is—we had a 17% increase in our northern highways budget to \$546 million, which is great. But construction costs went up 11% last year, I believe, Mr. Marcolini. I'm glad that it went up 17%, but those costs are difficult to control or to manage. Our goal is to continue to move forward on investments in our northern highways. I certainly am proud of the fact that our government continues to put record amounts into that. We know that there's lots more that needs to be done, and we also know it's very expensive, but in terms of the four-laning, we're going to keep moving forward in the direction that we are.

**Mr. Norm Miller:** Moving on to Dr. Rosehart's recommendation 8.1.1: a forest industry secretariat. Certainly, the forest industry has been devastated across the province, and I hope your optimism for Buchanan's Neenah paper mill is warranted, because the word on the street was concern about even that operation when I was in Thunder Bay last week. His recommendation is for a forestry industry secretariat that I gather would look at some of the challenges facing the forestry sector and make it easier. Just yesterday, I spoke to someone in the industry in my own area who is working in the forest, and he was so obviously frustrated with the red tape and regulations that are smothering the operations in the bush in this province that I would say there's obviously a great need to make it easier for these people in small businesses operating across northern Ontario to earn a living. So this seems to me to be a reasonable recommendation of an advocate for the forestry industry. What are your feelings on this recommendation?

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**Hon. Michael Gravelle:** Again, we're speaking to the Ministry of Natural Resources about that and the minister specifically. May I say that I do think that Minister Cansfield is a remarkable advocate for the forestry sector and has been incredibly supportive of a number of measures. She certainly has developed a very close relationship with the industry in particular, meets with all of them on a regular basis, travels, probably spends more time in the north than anywhere else as a result of her responsibilities. Certainly, that is one of the recommendations that we are talking to the minister about. It is one that specifically impacts the Ministry of Natural Resources, so we need to work with them.

As I say, my commitment is that we will have an update on Dr. Rosehart's plan—we think that's very important; it means a great deal to all of us—as soon as we can. I can't tell you at this time whether or not that will be part of the update, but it's one that we're discussing with the ministry.

**Mr. Norm Miller:** Under the tourism section, recommendation 10.0.2, crown land for adventure tourism: Is that another one you're working on?

**Hon. Michael Gravelle:** Yes. Again, we're in discussions with all the ministries that are impacted by Dr. Rosehart's recommendations, and certainly that is one of the recommendations that we're also discussing. Again, I can't sit here and tell you that that will necessarily be one that we will be reporting on, but we're going to be providing an update that we think is significant in terms of the recommendations Dr. Rosehart has made.

**Mr. Norm Miller:** When is that update going to be happening?

**Hon. Michael Gravelle:** Soon. I want to make sure that I give all the ministries an opportunity to get back to us, and some have. We want to do this as one piece, if we can. Quite frankly, sometime in October is when I plan to do so, but I want to make sure that we have reports back from all the ministries and all the ministers, so I want to give them an opportunity to do that. I think Dr. Rosehart is happy with that time frame.

**Mr. Norm Miller:** His recommendation number 12.0.2 is that "every consideration be given to the establishment of an appropriately-sized abattoir in the Rainy River district." I know, even from meeting with farmers in Parry Sound–Muskoka who are concerned about losing the existing abattoirs in our area, how important that is to farming, to have an abattoir that's within a reasonable distance. This seems, again, to be a reasonable recommendation.

**Hon. Michael Gravelle:** I am pleased to tell you that we have made an announcement. I'll make sure I get a copy of the press release to you, if I may. We've provided \$500,000 for an abattoir in Rainy River. I made that announcement—I'm not exactly sure when it was—

**Mr. Kevin Costante:** We don't have a date here.

**Hon. Michael Gravelle:** Yes, we don't have the date. But we announced that we have provided \$500,000, through the heritage fund, for an abattoir in Rainy River. I think it was very well received. Again, we're grateful to Dr. Rosehart for his recommendation, and obviously I'm grateful to the heritage fund for supporting that. If we can get a copy of our release to Mr. Miller, that would be great.

There are a number of things that we do that tie into Dr. Rosehart's recommendations. My preference is to try to pull it all together in a report rather than in a piecemeal fashion, although this was one particular announcement that I was very pleased to make, and it was an issue that I was familiar with long before Dr. Rosehart spoke. So I certainly understand how important it is, and we are very pleased to provide that funding support.

**Mr. Norm Miller:** As I say, having just returned last week from touring Fort Severn and Webequie and meeting with the chiefs of those communities, his recommendation, First Nation economic development capacity, is certainly something that came up in the discussions with the—

**Hon. Michael Gravelle:** Sorry, what's that again?

**Mr. Norm Miller:** His recommendation number 13.0.1, First Nation economic development capacity, is certainly something that came up in those discussions. It seems to me, with the First Nation communities, you ask questions about who does what, and it always get lost between various jurisdictions, and what tends to happen is nothing at all. At Fort Severn, the primary school has been closed for five years now. I think it's shameful, really, that this school, which on the outside doesn't look too bad but has mould, has been closed five years. Kids in Fort Severn don't have a gym, don't have a playground. A sandy lot is basically all they have, period—unless they head out onto the water or the muskeg for entertainment—and one slightly broken-down-looking hockey rink, which relies on natural ice. So are you going to be looking at this recommendation?

**Hon. Michael Gravelle:** Certainly I am. I've done a fair amount of travel, as you would expect me to as minister in terms of far north communities as well. I did some significant travel in the wintertime, and went up to Pikangikum, Bearskin Lake First Nation and, I think, Muskrat Dam and a few other communities. This summer, I did another tour as well; I was in Webequie and Kasabonika Lake and some other communities as well. And I had an opportunity to meet with the Matawa tribal council, which was meeting up in Fort Hope, so I was pleased to meet with them.

The issue of capacity-building is one that we're very conscious of. We are pleased to be able to provide assistance to all communities, particularly First Nations communities, through the northern Ontario heritage fund—up to \$50,000, particularly for discussions they may be having with the mining sector. Certainly the issue of capacity-building is one that Dr. Rosehart identified. It's one that we recognize as well, and we're working on it all the time. There's no question that is a significant issue on which we will continue to work closely with our First Nation communities in partnership, and also obviously in response to Dr. Rosehart's recommendation.

**Mr. Norm Miller:** One that I may not have time to fully engage you on before my next slot is the buy-Ontario recommendation. In Thunder Bay last week, with the contract maybe being awarded to the TTC, one of the biggest contracts going for light rail rapid transit, this is a recommendation that I'm sure that they would appreciate:

"It is recommended that government procurement policies be pursued in the mass transit sector that support indigenous value-added content preferences and policies that are modelled after those of Ontario's major competitors."

It seems like most other jurisdictions have requirements to buy in their own jurisdiction. Certainly, if you tour Bombardier, as I did last week and have done in the past—I was there and saw that they're building streetcars or a similar type of device for Korea. There are 30 of them painted up in the colours and paint schemes for Korean rapid transit, so obviously they can compete anywhere in the world. But it seems to me that looking

favourably on our own province and spending taxpayers' dollars within our own province, we should be doing everything we can, and you as Minister of Northern Development and Mines should be doing everything you can to advocate for that contract being secured by Bombardier. What are you doing in that respect?

**The Chair (Mr. Tim Hudak):** You're down to the last question, Minister, so a brief answer, if you could.

**Hon. Michael Gravelle:** How much time do I have?

**Mr. Norm Miller:** I may come back to that one afterwards.

**Hon. Michael Gravelle:** Certainly we know that Bombardier is state-of-the-art. You're absolutely right: They're at the front of the line in terms of research and capabilities. We were very excited about the fact that they were able to get the \$700-million sole-source contract. I will look forward to discussing this in your second round.

We think it's very significant that the 25% content rule was put in place by the province of Ontario, and we think that was a significant help in the situation. Unfortunately, the situation with the TTC and Bombardier in terms of their actual contract was one that obviously was a bit of a surprise to all of us. But let's try and discuss it, if you're keen to, in the next round.

**The Chair (Mr. Tim Hudak):** Super. Thank you, Minister and Mr. Miller. That concludes the 30 minutes. Now we have 30 minutes to the third party. Mr. Bisson.

**Mr. Gilles Bisson:** Just a quick comment and then I'm going to get to a number of questions. I'd ask if we can have somebody from ONTC up here who can answer some specific questions around rail and bus service. You do have somebody here, right? That's the question I'm asking.

**Hon. Michael Gravelle:** Yes. We'll make sure we get the right person.

**Mr. Gilles Bisson:** The general comment I would just want to make starting out: Many people have looked at northern development and mines over the years as sort of the central ministry to northern Ontario when it comes to being our advocate not only at the cabinet table but when it comes to providing much-needed services, especially in smaller communities in northern Ontario. People may or may not appreciate that in many communities and places like Iroquois Falls and smaller towns across the north, the only game in town when it comes to getting simple things like a birth certificate or assistance with your health card or whatever government service you're trying to get is at one of the service centres offered by the Ministry of Northern Development and Mines. So for the people in the north, your ministry plays an important role, not just when it comes to economic development and the larger things you do but also the day-to-day stuff that's important to people.

#### 1010

My general comment is that it seems to many that the focus of the ministry has shifted over the years, that it's not as engaged as it used to be when it comes to being the vanguard, pushing forward with the agenda for northern

Ontario. I don't mean this personally, towards you; I just think, generally, that started some years ago and has continued through this particular government's administration. I look for a Ministry of Northern Development and Mines that is more in line with what it was set up to do: not just trying to deal with the day-to-day stuff, not just trying to move from crisis to crisis but putting in place the building blocks that are necessary to get us from being reactive to being proactive around our economy and others.

The government has announced some things, like grow bonds and a few other programs, that I'm sure you would like to speak about for 20 minutes in my response, so I'm going to pre-empt you and say that you don't need to go there; I understand those programs. But I think they're limited in success; for example, the grow bonds have not had the take-up that I think most people would have liked to have seen to be as effective as they could be in northern Ontario.

We look, for example, at the northern Ontario heritage fund. Everybody in the north understands how important and vital that is to economic development in northern Ontario. You won't say this as minister today, but there used to be a time when the northern Ontario heritage fund didn't have to offset the responsibilities of people like the Ministry of Health, the Ministry of Tourism—well, not necessarily Tourism, but line ministries. It's turned out that the heritage fund has started to fund things that used to be funded by other ministries, either through the Ministry of Health, through programs, or various other ministries when it comes to programs that would probably have been better funded through their own ministries, allowing the money at heritage fund to be more focused toward economic development.

There's a general sense—you know, the ministry is still there, and we've got some good staff in the field—this is not an attack on staff. But the tools that we used to have and focus that we used to have on really being the advocate for northern Ontario are probably not as strong as they need to be. I think that's something that many people would like to see.

For example, in economic development, I think that across Ontario and in northern Ontario specifically there are opportunities for good economic activities, even with this downturn we've had in the forestry sector. But what are we really doing from a proactive perspective to make that happen? Are we really investing in research and development? If we do invest in research and development, are we investing in helping companies to retool and utilize that new technology or process that's been invested, or starting it from scratch?

What are we doing vis-à-vis training? You know as well as I do that there's a crisis in apprenticeship training not only here in northern Ontario but across this province. You sit down with the same people I do. If you're sitting down with people in forestry, you're sitting down with people in mining, you're speaking to people in manufacturing—we're going to hit the wall very soon when it comes to skilled tradespeople. The people of my

generation—I'm an electrician by trade. I was in the last of the large groups of apprentices that were trained in the province of Ontario; I'm 51 years old. Within the next 10 years, and probably faster, because there's a lot of people older than me, we're going to be leaving trades, and we don't have the capacity to fill those spots. Why? Because we haven't been aggressive on training and finding innovative ways of supporting industry, our community colleges and workers in apprenticeship training.

There is a whole bunch of stuff that I believe we need to be doing from a proactive perspective and we're not doing as well as we should. I don't put that entirely at the foot of your ministry; I think it's also a question of overall government policies. The government has moved on some of these things—I know there's been some movement on the apprenticeship side—but certainly we're not seeing the results that we want to see. When I sit down with, for example, Tembec, they're telling me that they know that within the next five years they're going to be in a severe crunch when it comes to providing electricians and mechanics for their mills. Where are you going to get them? If the mining sector is doing as well then as it is doing now, everybody who was in forestry who lost their jobs who is in skills training probably ended up in mining. And if they're working in mining, they're probably making better money than they did in forestry, and then they're established in that company and then they've got seniority in that company; they're starting to pay into pension plans. It's going to be hard to attract them, to get them back. So we're not doing the stuff that we need to do now to make sure that we meet that crunch.

I look at, for example, the Victor Project for De Beers up at the Attawapiskat mine: Most of the skilled labour that built that mine and pretty well all the skilled labour that runs that mine came from outside of the local communities of Attawapiskat, Fort Albany, Kashechewan etc. What did we do during the planning of the construction of this mine, and what are we doing now that that mine is up and running, to say, "How do we train local citizens in Attawapiskat, Fort Albany, Moose Factory, Fort Severn, Winisk"—wherever they might come from—"from going from having no experience in the skilled trades to developing the skills that they need to get into apprenticeship training"? Because, as you know, you just can't take somebody off the street and throw him in an electrical apprenticeship of five years without having done some stuff before you get there. Mathematics, physics etc., have to be understood in order to pass your apprenticeship program.

We've not done the kinds of things that we need to do, and we're still not doing them, towards really trying to say, "How do we take advantage of the situation we have, like a De Beers, and use it as a catalyst for developing skilled trades for local people in those communities so that they can get the skills that they need to fill the jobs in our own backyard?"—and when De Beers expands or other mines open in that area, that you've got the catalyst and the role models and the things that

people can aim for when it comes to breaking that cycle of poverty that we see inside those communities.

Again, don't get me wrong: I've got great respect for you, Minister. This is not a personal attack on you; I want you to understand that. But I really worry that we, as a province, and this ministry are not doing the things that we need to do proactively in order to make sure that we do the things that need to be done to position us further down the road. So I'm going to get to some of the specifics of that as we go through your estimates.

I want to start first with—

**Hon. Michael Gravelle:** Can I respond a bit?

**Mr. Gilles Bisson:** No, that was just my general comment; I wasn't asking a question.

**Hon. Michael Gravelle:** Okay. I will respond at some point to it, if I may.

**Mr. Gilles Bisson:** That's fine, but I'm just saying—*Interjection*.

**Hon. Michael Gravelle:** Absolutely.

**Mr. Gilles Bisson:** Yes, I was making the comment and I was clear that I wasn't looking for a response to that comment, because I know what your response is going to be: You've already said it in your opening statement. I know the answer, but I'm just setting out where I think we need to be as province and what you need to be as a ministry.

**Hon. Michael Gravelle:** I appreciate it.

**Mr. Gilles Bisson:** Where do you go under your ministry—because there are so many things that your ministry does that are important to us: mining, economic development, key investments through the heritage fund, the services that the ministry provides on a daily basis in our communities and the wonderful work that the ONTC does. I'll just start there. I've been inundated over the last while by phone calls, people I've bumped into on the streets, either in Moosonee, Moose Factory, Cochrane or Timmins, as to the deplorable service, what's been happening with train services going up to Moosonee.

Just for people to understand, as a context, there is no road that connects Highway 11 to Moosonee, Moose Factory. The only land connection is the rail service that goes from Cochrane to Moosonee, which normally is about a five-hour train ride. You might correct me; it may be a little bit—certainly it's more than that these days because of construction, but it might have been a little bit quicker at one point and maybe could be quicker.

The problem that people are having is twofold, and I want to hear what you, Minister, and your staff have to say on this: One is, people are worried about prices increasing yet again. There's a sense that the more you charge, the more you make it prohibitive for people to take the train, the less people will take it, or will choose either not to travel—and in some cases of e-mails that I have here, they just get on the plane. They say, "For the trouble of sitting on the train that never gets to Cochrane on time, for the difference in price between jumping on Air Creebec or jumping on the ONTC train, I'll pay the extra couple of hundred bucks and I'll take the plane, because it'll get me to Timmins on time." So the first

thing is fare. The first question—I have another one, and you can answer them both after: What are your plans vis-à-vis fare increases for the train from Moosonee to Cochrane? I'll talk about the train south of Cochrane later. So that would be the first one, because there are fare increases in the works.

The other thing is the scheduling: People are hopping mad. Imagine you live in Moosonee and you're trying to get to Timmins for a medical appointment or you're trying to get somewhere south for family or business travel, whatever it might be. You used to be able to jump on the train in the morning and end up in Cochrane in the afternoon, and then connect with a bus or have somebody pick you up and go to where you have to go. Now you get on the train I think it's at 5 o'clock in the afternoon in Moosonee, and it's supposed to arrive five hours later in Cochrane, but because of delays, construction etc. and the trackage being in a bad state of repair in some areas, it never arrives on time. The comment I get from everybody is that you're supposed to arrive at a certain time at the train station—a person drives from Timmins or wherever it might be to pick up the person in Cochrane and the train arrives two or three hours later. So the first thing people are saying is, why not put the train back during the day, because there is no appetite for people to take the train and have to overnight in Cochrane as a way of getting to where they've got to go. And two, what are you doing to try to maintain a schedule that people can actually bank on, when it comes to knowing that a train will depart and arrives at its scheduled time?

#### 1020

So two questions: rate increases, and why don't you move back to a day train out of Moosonee?

**Hon. Michael Gravelle:** As you know, we're very strong supporters and advocates for the ONTC. Obviously, the services they provide are incredibly important in northeastern Ontario, and if they weren't provided, there would be no service whatsoever in a number of ways; that's true.

There is no question that there are real challenges in terms of the costs of operation now. That's no surprise to you or to anyone else. We've seen it in all modes of transport, where, because of fuel cost and other things related to travel, these costs are going up. I know you realize it. Certainly, as minister, I am not in a position, nor should I be, to determine what the fares and schedules are for the ONTC. I know you understand that, but it's important to say that. So, certainly in terms of any plans that I would have, it wouldn't be appropriate for me to get involved in that way. We work closely with the ONTC, recognizing the challenges they're facing. Whether it's passenger rail service or freight service, there have been real impacts in terms of their ability to operate.

I get my share of letters as well—I will ask Mr. Marcolini to respond, as well, if he's comfortable doing so—about service. I recognize that people get very frustrated. I think that whatever adjustments the ONTC makes, again, it's fair to say that their priority is to pro-

vide the best possible customer experiences they can. You can't always make that work. The decisions that they make related to schedule changes and fare adjustments, if any, are ones that I think they make reluctantly because of the increased costs that are out there. My relationship and our ministry's relationship with them is a close one, and we are providing them, obviously, with what we think is substantial continual support to continue to operate those services to the people of northeastern Ontario that need to be provided, and we'll continue to do so.

Tom, I don't know whether you're comfortable responding to any of Mr. Bisson's specific points on that.

**Mr. Tom Marcolini:** We know that the agency is dealing with some issues around reduced ridership across its passenger services and also rising fuel costs, so we know that they are looking at fares and other ways of responding to those issues.

As far as the issues with the day-to-day operations of the Polar Bear Express, I think there were some improvements made in terms of the splitting of the freight and the passenger train. I think that's been welcomed by the communities up there.

We understand that there have been some issues this summer as a result of construction on the track that ONTC, I believe, acknowledges have affected their on-time reliability. I think that's a function of some very major capital projects that are under way. The trestle across Moose River, for example, is a major—I believe it's close to a \$20-million project. That's going to be under way for the next few years. That and other work on the track that has to be done in the summer has had some impact on their on-time service. They've made us aware of that, and they're doing their best, we understand, to try to resolve those issues.

**Mr. Gilles Bisson:** I'll ask the question again: What specific fare increases are you looking at on the train services from Moosonee to Cochrane?

**Mr. Tom Marcolini:** We have to wait to hear from the commission on that.

**Mr. Gilles Bisson:** Is there anybody from the commission here?

**Mr. Tom Marcolini:** No.

**Mr. Gilles Bisson:** They're a part of your ministry. I would think that the commission would have somebody here, because we'd like to ask questions of some of those people.

**Hon. Michael Gravelle:** Can we get a response from—Deputy?

**Mr. Kevin Costante:** The commission is an independent—

**Hon. Michael Gravelle:** Right.

**Mr. Gilles Bisson:** No, but at the end of the day, you're the minister responsible for that commission. So I can ask you a question and I'd like to get an answer to it. What specific fare increases are you or the ONTC looking at when it comes to train services between Moosonee and Cochrane? I'll talk later about south of Cochrane, because that's a whole set of issues.

**The Chair (Mr. Tim Hudak):** So perhaps the deputy minister could respond to the clerk who can distribute to the members of the committee what's under consideration.

**Mr. Kevin Costante:** I think Mr. Marcolini responded. The board of ONTC will be looking at this and other actions, and until they give it consideration and let us know their decisions, we have nothing more to report.

**The Chair (Mr. Tim Hudak):** To be clear, Mr. Bisson has asked specifically what's under consideration at the ONTC. They're not here today. We'd like a response from them to the clerk on what fare changes are under consideration—

**Hon. Michael Gravelle:** We can ask them that question.

**Mr. Kevin Costante:** We can ask them.

**Hon. Michael Gravelle:** We will ask them that question.

**The Chair (Mr. Tim Hudak):** Thank you.

**Mr. Gilles Bisson:** And just a follow-up to that specific question: What is the subsidy currently provided by your ministry to ONTC for rail service? I have that in my papers; I just—

**Hon. Michael Gravelle:** Our total subsidy, I believe is—our normal subsidy is \$35 million. I think our subsidy was \$46 million this year.

**Mr. Tom Marcolini:** It was \$46 million capital and operating.

**Mr. Gilles Bisson:** How much on the operating side? That's the part I don't remember.

**Mr. Tom Marcolini:** I believe it's—

**Mr. Gilles Bisson:** About \$18 million or something like that?

**Mr. Tom Marcolini:** It's \$21 million, I believe—\$21.5 million.

**Mr. Gilles Bisson:** And how much of that is towards rail?

**Mr. Tom Marcolini:** It's all towards rail.

**Mr. Gilles Bisson:** I thought part of it was also your marine services.

**Mr. Tom Marcolini:** That's a very, very small amount.

**Mr. Gilles Bisson:** Because the bus is basically on the one side—

**Mr. Tom Marcolini:** Yes, the bus is on the commercial side.

**Hon. Michael Gravelle:** That's commercial.

**Mr. Tom Marcolini:** And there's a bit in the \$21.5 million for the Moosonee-Moose Factory ferry.

**Mr. Gilles Bisson:** Just from the perspective of the subsidy, part of—imagine you live somewhere on the GO service ridership, either the train or the bus. I'm not going to say for a second that TTC or GO never contemplate a rate increase, certainly that's happened in the past, but I think there's an understanding that the more that we charge on the ticket, the less people will take the service and decide to jump in their cars. For example, if you're living in Hamilton and have a choice of taking, let's say, the GO bus or going over to the next community and

taking the train, if it becomes prohibitive as a cost, you may just say, "The heck with it. I'm going to take my car," and drive on that big parking lot called the QEW that eventually gets you into Toronto sometimes in an hour or two hours' length.

The point is that it seems to me from a public strategy vis-à-vis how we get people out of their cars, it makes some sense for us to provide a subsidy so that we can provide better services, more frequent services, so that people have more choice about how they get from point A to point B in this case on GO or, in the other case, the other organization for us is the ONTC, and to keep the rates as reasonable as possible so it doesn't become a deterrent.

So I guess my question is, are you looking at the possibility of going to cabinet in order to look at the subsidy to the ONTC so we can have the dollars necessary to make those key investments that need to be made vis-à-vis an increase in services that increase ridership and keep the rates at a reasonable level? Are you looking at any increases?

**Hon. Michael Gravelle:** What I could tell you is that I believe the support the province provides through our ministry is substantial and it's strong. I'm very pleased with the support that we give to them and I think you would hear that if you spoke to the chair, as well. We've been very supportive. The fact is that it's certainly not just the ONTC. You mentioned GO; you mentioned others. Any organization that is in the travel business is dealing with the realities of increased costs. I know—at least, I think I can say safely that whatever decisions are made by the ONTC, they're done with the understanding of what you just said, that it can have an impact. There are examples of other services where increases have gone in place and depending on the type of service it has an impact, but certainly I do believe that the level of support that we are providing the ONTC—and certainly it is substantial and it's absolutely warranted and I'm proud to say that I'll continue to support that. But at this stage, I'm not planning to move forward with a further plea to our government for an increased funding level.

**1030**

Having said that, we're watching it closely. We recognize that it does have an impact. As you'd be the first to tell me, the ONTC also is a very important part of the economy in northeastern Ontario. We're talking about 1,100 jobs—am I right about—

**Interjection:** Well over 1,000 jobs.

**Hon. Michael Gravelle:** Well over 1,000 jobs, so we recognize that as well, and perhaps more significantly, the services that are provided are vital services that wouldn't be provided otherwise. I'm conscious of everything you say and I have no doubt that the ONTC is very conscious of that as well. Nobody treats lightly a decision to have an increase, but that will have to—

**Mr. Gilles Bisson:** But the problem that you have is that we know where the ONTC is going. I've spoken to some of the people who work at the ONTC and I've spoken to some of the members of the board. They're

facing higher fuel costs. We understand that, and it's not your fault, not mine; that's just what's happening worldwide, and it's affecting the bottom line. We understand that. The problem is that they're faced with the situation of what to do. They can either reduce services or they can increase fares; in this case, they're going to do both. The problem with reducing services and increasing fares is that it reduces ridership overall. It's a downward spiral; the more that you raise fares and the more that you reduce services, the less riders you have, and it's a downward spiral towards a less economically sustainable organization.

It seems to me that we need to turn that around, and one of the things that we need to do is to look at what we can do from the province to properly fund the ONTC by way of its subsidy so that they're able to look at—never mind trying to decrease the services that we've got now. How are we able to make services better for people who use the services, such as the people of Moosonee, Moose Factory and the James Bay, who don't want to take a train at night, who say, "I should have a day train. I should have a better schedule"; and for those people who take either the train or the bus services from Cochrane going south towards North Bay, Toronto, Sudbury and all those points in between?

Again, I'm going to ask the question specifically: Is there any plan on the part of yourself as minister and your ministry to develop a comprehensive strategy in order to work with the ONTC towards increasing its subsidy so that we're able to stop the slide of ridership that we're seeing now because of the reduction in services that have happened and continue to happen?

**Hon. Michael Gravelle:** Well, what I can tell you—I'm sure not going to argue, to talk to you about the way you lay out the facts, as you're quite right in terms of the challenges that are being faced. As you also know, with the downturn in the forestry sector, that's had an impact on the revenue base of the commission. I think that it's important to point out that the base subsidy is \$35 million, and in fact we provided \$46 million this past year to the ONTC. So indeed, we are working closely with the ONTC in terms of both their short- and long-term realities and plans. We provided an increased subsidy this year for specific capital improvements to the rail line that had to be done. That, I think, in some ways should be viewed as our understanding of the challenges that they were facing in getting those things done in light of the reduced revenues from other sources.

I'm sure we'll continue to work closely with them. I think that they're doing a pretty good job under very, very difficult circumstances trying to maintain the services, and I think, in many ways, hopefully, recommending the right decisions that they can to keep the services going. But again, I'm not going to argue with you about the realities that they're facing or the impact of increased fares and schedule changes and what they can do. Again, I trust that the right decisions will be made, taking all that into consideration.

**Mr. Gilles Bisson:** I hear you, and you're saying, "Leave it up to the ONTC," but that's not my question.

**Hon. Michael Gravelle:** No, I'm not exactly saying—

**Mr. Gilles Bisson:** My question to you is, are you planning, as minister, to work towards a plan that increases services along the ONTC routes in order to increase ridership? That's the question.

**Hon. Michael Gravelle:** Yes, and the answer, I guess, is, just to put in a tie on this one, that we will continue to work closely with the ONTC in terms of both their short- and long-term planning, recognizing that there are these challenges that are facing them. We will maintain that close relationship in terms of what their challenges and needs are.

**Mr. Gilles Bisson:** I just think it's sad, because the opportunity is there. If we start working now and look at a five to 10-year plan—we don't have to do this all in one year—and say, "We recognize that we have a loss of ridership. The ridership loss is caused by a number of issues, some of them in our control, some of them not. Here's what we're prepared to do over five or 10 years in order to increase ridership, both on our bus and on our rail services"—I think that would go a long way towards, in the future, putting the ONTC in a position of having a stronger revenue base to support that level of service and probably be less reliant on government when it comes to a subsidy.

We can't just keep on going the way we are now, where the ONTC says, "God, fuel prices are up. We're not going to get an increase in subsidy, so therefore, let's do a reduction in services and fare increases." We know where that's going to lead. It's going to lead to lower ridership, which, at the end of the day, is going to lead to worse services.

**Hon. Michael Gravelle:** Again, I appreciate what you're saying, and I do think these are discussions that the ONTC board is probably having itself about the future, but again, it's important to point out that indeed there was an increased subsidy this year—

**Mr. Gilles Bisson:** Just before I run out of time—I think I've got about three or four minutes.

**Hon. Michael Gravelle:** There was an increased subsidy this year for the capital works on the rail line.

**Mr. Gilles Bisson:** No, I understand there were capital investments—

**Hon. Michael Gravelle:** That's important—

**Mr. Gilles Bisson:** I give you credit for that. I'm not arguing for—

**Hon. Michael Gravelle:** But I think that's irreflective of some degree of our work with them, and—

**Mr. Gilles Bisson:** There have been some capital investments, and I recognize that and they're welcome. That's not the issue. There are some things you do that are right, and I'm prepared to agree that some of them are. My point is that if we adjust the problems that the ONTC now is having due to fuel costs by way of reduction of services, an increase in fares is just going to lead to fewer riders. That's my point.

Let me ask you this question: People in Moosonee, Moose Factory, the James Bay area are saying they don't want the night train; they want a day train. Are you pre-

pared as minister to talk to the ONTC in order to reverse the decision that's been made so that we can go back to a day train so that people can get into Cochrane in a timely fashion in order to get picked up and brought to wherever they need to go?

**Hon. Michael Gravelle:** Again, I think this is a decision that needs to be made by the ONTC. I don't think it's an appropriate role for me to play to be—

**Mr. Gilles Bisson:** It's absolutely appropriate. I was in your ministry and I did it when we were government, for God's sake. Don't tell me it's inappropriate. The current Chair did it when he was the minister.

**Hon. Michael Gravelle:** I'll be happy to convey that concern to the ONTC. I absolutely will do that.

**Mr. Gilles Bisson:** Because you're the minister in charge of the ONTC, and I understand it's an arm's length organization, to a degree, that manages itself, but they're answerable to your ministry under the act. The Chair knows that, because he was the former minister; I know that, because I was parliamentary assistant to that ministry for five years.

So I'm just asking you: Please go back to the ONTC and try to convey to them that people who utilize that service on the James Bay are not happy with the current service as far as schedule and rates and others—but specifically the schedule—and to return it to a day train. I've got e-mails and phone calls—and I'm sure you got a copy of most of them—and bumped into people. People aren't happy with the service. Nobody wants to get dropped off at midnight in Cochrane looking for a hotel room where there are none available and having to figure out how they're going to get to Timmins or wherever they may be going at 12 or 1 o'clock in the morning. It's just not the way to do things.

**Hon. Michael Gravelle:** I will convey that to the ONTC.

**The Chair (Mr. Tim Hudak):** You have two minutes left.

**Mr. Gilles Bisson:** I have two minutes left? Wow, how do I get into—

**Hon. Michael Gravelle:** How did that happen?

**Mr. Gilles Bisson:** Let me just end on this point rather than going to a question, because I'll get another chance. I want to talk about bus services and rail services south and freight services and the heritage fund and First Nations—there are so many things that I want to talk about.

**Hon. Michael Gravelle:** We've got lots of time.

**Mr. Gilles Bisson:** We've got lots of time.

I really want to stress this point: You cannot afford as a minister and your government cannot afford as a government to take the position with the ONTC that they're going to do their thing and they have to manage within the envelope that we've given them and they're doing the best that they possibly can and we trust that they're going to do a great job. I trust that there are some people who are trying to do a great job, but the government has a responsibility to provide somewhat of a strategy about

how they're going to grow their business so that they're in a position to increase ridership.

I just make the point again, we need to have a five- to 10-year plan with the ONTC that says, "Here's what we're prepared to do on the capital side for better equipment and a better rail bed etc., to provide services along the ONTC rail route and bus routes, and what we're going to do in order to try to attract additional passengers to the system." Because if we don't get the additional passengers—you've got the numbers; the passenger numbers have been going down for the last number of years, which is quite problematic from the ONTC's perspective. But imagine being the citizen living in Cochrane or Moosonee who relies on that service and it's being diminished. It's pretty hard to take.

So I think you need to go back and talk to your staff about what you can do as a government as a way of supporting the ONTC by properly supporting them financially so that they can develop, along with your ministry and northern citizens, a five- to 10-year plan of key investments that need to be done in order to increase ridership on our buses and on our trains so that we can make it much more economically viable in the longer term.

With that, I now look at the government for the wisdom of their questions that they are now going to ask you. You should sit down and hold onto your seat, because I know they're going to be tough—

**Hon. Michael Gravelle:** I think they're going to allow me to respond a bit, though, Mr. Bisson.

**The Chair (Mr. Tim Hudak):** Thank you. That does conclude your time, Mr. Bisson. Minister, you're absolutely right: You have 30 minutes to wrap up and address issues that have been spoken about or any concluding comments you may want to make.

**Hon. Michael Gravelle:** I will respond to a couple of things that were brought up by both Mr. Bisson and Mr. Miller, if I may. Just to carry on, even though—

**Mr. Gilles Bisson:** You can start with me, because I've got to leave soon.

**Hon. Michael Gravelle:** Do you have to leave? I appreciate your question, and we absolutely are in agreement about how important the ONTC's services are, particularly the passenger rail services and the other services. I certainly don't want to leave you with the impression that we're not involved in discussions related to those issues. They're very, very important, and we are working closely with them, but we also want to respect the right of the ONTC to independently manage their operation. I want to assure you that we will be having discussions and we will convey the concerns that you've expressed. I'm sure you've done that yourself in the past and will do it again, and I will make sure we do that as well.

**1040**

If I may, I want to respond a little bit, at least, to your opening comments. I appreciate the very positive things you said about our ministry staff. Again, as northerners, we all absolutely know this. It's certainly something that I was conscious of. I, of course, had the distinction of

being an employee of the Ministry of Northern Development and Mines 20 years ago when the northern development councils were first put in place by then-minister René Fontaine, who was a great minister. I think we'll all agree on that, party politics aside. I got a chance to be the first coordinator of the northern development councils, so that was really, really great. I recognize just how important our staff are and what a role they play in the community, so I appreciate that.

I also appreciate the comments that you made, not that I completely agree with you, in terms of the direction of the ministry. Certainly, I embrace the opportunity to be minister and, if anything, have been startled by the vast number of issues that our ministry deals with and the priorities and the initiatives we're taking. Again, I'm excited about the opportunity.

In terms of your comment, though—maybe you'll respond in your next turn—about us being reactive as opposed to proactive, that's where I think we part company to some degree. I do believe the fact that we are able to get the second growth plan in the province to be a growth plan for northern Ontario, when one particularly considers the circumstances of our reality in northern Ontario—obviously, we have very different challenges. The first growth plan, which was down in the Golden Horseshoe, was about how you manage growth. Our growth plan is very much a proactive discussion about how we build an economic vision that works for northern Ontario. I think that's the definition of a proactive move. Clearly, as I stated in my opening remarks and will do on many other occasions, it's a very important priority for our ministry to move forward on the growth plan. We look forward to engaging all northerners in this discussion. We've got a relatively ambitious time frame for that. It really is about determining what resources we need in the north, what our capabilities are and what we can do. It ties into a lot of the recommendations that Dr. Rosehart made. That growth plan, I think, is at odds with what you're saying about the direction our ministry has been going in. I'm very proud of the fact that we've been proactive in that regard. I'm certainly going to keep you posted on it; I'm going to keep the public posted on it. I think it's very, very important.

We have so many opportunities in northern Ontario. There are challenges. Certainly I, like everyone else who was a member of the Legislature, let alone a citizen of the north, saw what happened in the last five years in terms of the forestry sector. It's been a struggle. I am very proud of the fact that our government has provided absolutely unprecedented support in terms of the forestry sector.

**Mr. Gilles Bisson:** It's unprecedented, for sure.

**Hon. Michael Gravelle:** Well, it's true.

**Mr. Gilles Bisson:** How many jobs lost?

**Hon. Michael Gravelle:** Well, we've created thousands of jobs or sustained them through the northern Ontario heritage fund.

The long and the short is, it's been a challenging time and it continues to be. I think that we need to recognize that our government has responded to it.

You also made reference to apprenticeships and training. The fact is, as you know, we've made major investments, particularly with MTCU apprenticeships and new skills training centres in Timmins and in Thunder Bay. The colleges are moving forward. There are significant apprenticeship funds going out to First Nations as well, to First Nations communities and to colleges in the north. So the investments are being made in the skills training field that are relevant to the north, a lot of them in the mining field. Confederation College in Thunder Bay has a diamond drilling training course going on in Greenstone, in Geraldton specifically, and there were 42 placements for that, and about 30 of those placements are displaced forestry workers, people who lost their work within the forestry sector and now they're moving into the mining sector. Those are the opportunities that are there, and we're rather proud of that.

You're giving me an opportunity here. We have literally flowed over \$384 million in assistance to the industry. We have created or secured over 4,900 jobs. We've leveraged \$368 million in new private sector investments. Obviously the energy rebate program is another one that we're very, very proud of. Significant dollars have gone to major pulp and paper industrial leaders in the north—

**Mr. Gilles Bisson:** When does that end?

**Hon. Michael Gravelle:** It's a three-year program. I believe it was announced in 2006, so 2009. It's the \$140-million energy rebate program. We're proud of that. It's bringing electricity costs down by 15%, and it's been a significant help to many. We provided significant help; I guess it was Abitibi Consolidated, but it's now the AbitibiBowater operation in Fort Frances—tremendous support: \$22 million for their biomass converter, in terms of the operation there to bring down costs.

I know you would expect me to want to talk about these things because they are very positive things, but again, we are responding to the challenges in the north. We're going to continue to respond. The job of the northern development minister is to be on top of those things. I accept and I welcome that my job is to be an advocate in all areas of northern economic development. We're very proud of that, and as I pointed out, if I still have time, I may go through some more specifics about the heritage fund itself.

If I may also, I wanted to get back to Mr. Miller. I appreciated our discussion about the Rosehart report and some of the recommendations that we're bringing forward. When you were talking about capacity building, the deputy passed me a note—thank you very much for that, because it was something I did forget which is important—we do have the \$25-million capacity-building relationship fund, the Ministry of Aboriginal Affairs, in the 2008 budget. That, I think, speaks somewhat specifically to the need for capacity building. We are certainly still consulting with First Nations communities on the details of that, but I just think that does connect to your question about the Rosehart recommendations and a few other things.

I know you're all very upset because I didn't get to finish my speech. There are a couple of things in it that I really think are important for the members of the committee to hear, and I know the Chair would be very interested in this. I think it's an opportunity to talk about our mineral sector. I'm grateful to all those who helped me prepare my remarks, but they know how I tend to go offside, so I sometimes run out of time. Let me just try and talk a little bit—

**The Chair (Mr. Tim Hudak):** You've got 20 minutes, Minister, still.

**Hon. Michael Gravelle:** How much?

**The Chair (Mr. Tim Hudak):** About 20 minutes remaining.

**Hon. Michael Gravelle:** Great. We have lots of time. I'm going to give you a brief overview of the current status of mining and exploration in the province of Ontario. I think that's important and I look forward to the opportunity.

The province's mining and exploration industries are probably in their strongest position ever—I think that's well known—as metal prices have remained high, with a very, very positive outlook. The value of mineral production in 2007 was \$10.7 billion, a new record and an increase of \$9.5 billion from the previous year.

Currently, there are 42 operating mines in Ontario. That means we're right to think of Ontario as a mining powerhouse. All of the province's 27 metal mines, its one diamond mine—which we're very proud of; the first Victor mine near Attawapiskat is a tremendous story—and five of the 14 industrial mineral mines and quarries are located in the north.

However, Ontario is one of Canada's leading producers of industrial minerals such as salt, talc, phosphate, silica, clay products, cement, lime, sand and gravel and stone. Most of this production is from southern Ontario. I don't think we should let the opportunity go by to note the major role that Toronto plays in the global mining scene. It's an extraordinary story.

The Toronto Stock Exchange is the mine-financing capital of the world. In 2007, it raised more than \$15 billion in new equity capital. The Toronto Stock Exchange, combined with the TSX Venture Exchange, boasts a listing of more than 1,300 mining companies, making them home to more than half of the world's listed mining companies, with a market capitalization last year of \$371 billion.

#### 1050

Let's take an opportunity here to look at one of Ontario's newest mines, its first diamond mine, the De Beers Canada Victor mine in the James Bay lowlands—an exciting story. This \$1-billion project—and I'll repeat that, a \$1-billion project—generated more than 1,100 jobs during construction. More than 400 permanent jobs were created with the start of production in March, and it is estimated that the Victor mine will contribute \$6.7 billion to the Ontario economy over the project's 17-year life.

Earlier this summer, I was pleased to announce that the province and De Beers Canada have come to an agreement that 10% of the Victor mine production by value will be made available for activities such as cutting and polishing in Ontario. Also, I was able to be at the official opening of the mine—I think it was July 26—which was an extraordinary event and one that was very, very moving as well. It is a remarkable story, and the impact benefit agreements that have been signed with Attawapiskat and I think are being discussed right now with other First Nations involved are good news and positive news as well. I'll get to a little update later.

With respect to exploration activities: Last year, there were 308,000 active mining claim units, which was a record level for the fourth year in a row. This year, Ontario is forecast to lead the country in exploration expenditures, with a projected figure of approximately \$629 million. So that's really impressive. What that means, from the perspective on the ground—\$629 million is a lot of money, but I can tell you what it means from the point of view of the communities that I've visited as minister in northern Ontario, and, may I say, from the perspective of the communities that I represent in northern Ontario in Thunder Bay-Superior North. When you see the spending going on in communities such as Greenstone and Geraldton specifically—again, a community that's had struggles related to forestry. When you see the mining exploration activities going on, when you see the activity in Marino's Hardware in Geraldton, when they tell you that money is being spent, the hotels are being used, the restaurants are busier than ever, that's the good news that comes with that extraordinary excitement about exploration in the mining sector.

Of course, this means jobs as well. Approximately 100,000 people across the province are directly and/or indirectly employed in mineral exploration and production, and in the mining equipment and services sector. As for the wider effect on the everyday lives of all Ontarians, the products of mining are used in virtually every aspect of modern life. The fact is that we all depend on the minerals industry, and we depend on my ministry to regulate it efficiently without compromising either environmental and social responsibilities or global competitiveness. Our attitude is that we can always do better—we believe that strongly—and we are committed to doing just that. Our government, through my ministry, is constantly examining ongoing initiatives, weighing successes and probing challenges.

Our aim is to develop approaches that will secure Ontario's position of prominence in the world of sustainable mineral development. To enhance mineral sector competitiveness, my ministry manages Ontario's mining lands, attracts investment and supports mineral development. We provide scientific expertise relevant to many other policy priorities. We also, of course, administer the Ontario Mining Act to ensure fair access to crown mineral rights and equitable management of mining lands.

The Ontario geological survey, or the OGS, as it is more commonly known, has its headquarters in Sudbury

and has staff at nine regional geoscience offices. The OGS is an incredibly important part of our ministry. They provide geoscience information and services that help to foster a vibrant mineral sector, identify potential sources of quality mineral resources for the construction industry and infer potential sources of oil and gas.

Geoscience information from the OGS also helps identify Ontario's groundwater aquifers and areas for source water protection. This is vital information for many southern Ontario communities that depend on groundwater for their drinking water. The OGS also shares objective information with aboriginal communities about mineral sector activities, the use of geoscience and community-based business options.

My ministry's mineral development and lands branch works with partner ministries, federal departments and the mining industry to promote safe, sound and sustainable use of Ontario's mining lands. One thing that we're very proud of is the abandoned mines rehabilitation program, a very significant part of our ministry. It plays a very major role in this case. This program helps protect public safety at former mine sites on crown land. It sees that physical hazards are eliminated and that toxic emissions to the environment are eliminated or certainly greatly reduced. Since 2003, our government has committed almost \$90 million to the abandoned mines rehabilitation program, and looking at that figure in more detail, I'll make it as clear as I can. Between 2003 and 2006, we invested approximately \$30 million in mine rehabilitation. In the 2006 budget, our government committed to the first-ever long-term funding of this initiative with a further \$60-million investment over six years. So if you go back to the program's inception in 1999, \$118 million has been officially announced to rehabilitate abandoned mine sites on crown lands, obviously a very, very big job. Certainly I'm very proud that our government was the first to provide a stable, long-term commitment to this program.

This long-term commitment has been invaluable in rehabilitating the former copper/zinc mine Kam Kotia, near Timmins. I was up there with the Environmental Commissioner, and I'll make reference to that in a moment. I think it's fair to say that the worst conditions at an abandoned mine in Ontario were found here. The fact is that work began at Kam Kotia in 2001. Priority was given to containing and neutralizing some 500 hectares of acid-generating tailings. To date, \$52 million has been dedicated to the Kam Kotia site. If the last phase of the rehabilitation goes according to plan, we will be able to complete the work at Kam Kotia in two years, which is a remarkable story. Certainly, I need to stop here and thank and commend the Ontario Mining Association for the role that it has played at Kam Kotia. Through a joint agreement with the ministry, we are matching a mining industry contribution of up to \$1 million for abandoned mine site rehabilitation.

As I mentioned, I was with Ontario's Environmental Commissioner, Gord Miller, and OMA president Chris Hodgson when we were there to celebrate another major stage in the rehabilitation of the Kam Kotia site. I want to

quote what Commissioner Miller had to say: "The initiative to clean up the Kam Kotia environmental legacy represents a refreshing model of leadership in environmental stewardship for the mining industry. I look forward to a new era of partnerships between government and industry."

If I may, I will talk about some of the other ongoing initiatives to support the province's mineral industry.

*Interjection.*

**Hon. Michael Gravelle:** Ten minutes left? Thank you very much.

We have launched the province's first mineral development strategy. We introduced GeologyOntario, a one-window delivery system that supports investment decisions by potential offshore investors in Ontario's mineral sector. We invested \$15 million in the far north geological mapping program. We were very proud to invest \$10 million in the Centre for Excellence in Mining Innovation in Sudbury. We initiated public discussions on how to develop mining-related consultation guidelines as part of our commitment to meeting our duty to consult with aboriginal communities. We're very proud of the work we've done on that and I'm proud of all the staff who were involved and continue to be involved in this process. And, as mentioned earlier, to ensure that Ontario remains an attractive investment destination in a highly globalized and competitive marketplace, as well as responsive to the expectations of today's society, we are currently undertaking a review of the Mining Act, and those consultations are indeed under way.

There were some notes here. The announcement about the Rainy River abattoir, Mr. Miller, was on August 8, and we'll make sure we get it to you. I'm sorry; you probably should have—I'm not sure you should have had a copy of it, but the release went out on August 8. We're very happy about that.

I'll save the other one for when Mr. Bisson is back.

*Interjection.*

**Hon. Michael Gravelle:** That's an important point too. In terms of the NOHFC, I think maybe I will—yes, this is connected back to the all-weather roads question, to Mr. Miller. We did make a significant announcement at Lac Seul First Nation in terms of all-weather roads. We had some discussion, and the heritage fund funded the Lac Seul First Nation on August 7 with \$983,000 for an all-weather road. It will link Whitefish Bay and, it looks like, Kejick Bay. It's nine kilometres of roads, so that's very significant.

**1100**

**Mr. Norm Miller:** How many kilometres?

**Hon. Michael Gravelle:** Nine kilometres of roads. I believe that they are looking for or are expected to get some support from the federal government as well. I was pleased that they were eligible to apply for the heritage fund.

The fact is that we have provided over \$25 million to aboriginal communities through the northern Ontario heritage fund since October 2003, and obviously that's very significant, so we're pleased about that.

We're proud of all the work we do in the ministry, and we certainly have a lot of initiatives that we're undertaking, but I always like to have the opportunity to speak about the significance of the heritage fund and the impact it makes.

How much time do I have left?

**The Chair (Mr. Tim Hudak):** Eight minutes.

**Hon. Michael Gravelle:** Then we're in good shape.

As I said earlier, in terms of the Northern Ontario Heritage Fund Corp., this is a remarkably important fund that was begun 20 years ago, under the leadership of René Fontaine, the Minister of Northern Development and Mines at the time. One of the nice things that we've done this year at our northern Ontario heritage fund meetings is we've been going to various locations and inviting people to the reception. We like to meet with the community leadership and business leaders to let them know that we're in town and, obviously, to promote the heritage fund. We're inviting people who received heritage fund applications 20 years ago, some of the first people to receive them. They're wonderful because they're success stories. I'm not going to sit here and tell you that every one has been able to maintain their business, but I think most of them have. The fact is that when we were in Gore Bay and in Kenora, and I think when we were in Hearst as well, we had people who had applied 20 years ago. They were really touched by it. It really meant a great deal to them, and it made a huge difference in terms of them being able to either open their business, maintain their business or grow it and create jobs. So we're pretty excited about that. That's been one of the nice parts about our travels, through the heritage fund, this year.

As I pointed out earlier, and I'm going to repeat it, to date, the NOHFC has approved over \$373 million in projects, which totals up to more than 1,870 projects and leverages over \$1.2 billion. This is a staggering amount, but what's perhaps most important and significant about it is that it helps create or sustain over 10,370 jobs in northern Ontario.

We revamped the NOHFC's mandate back in 2005, because we wanted to give the private sector the opportunity to again apply for funding, one of the aspects of our program. We wanted to, obviously, focus on youth. We all are very conscious of the youth out-migration challenges. In fact, back in 1990-91 when I was a ministry staffer, one of the things I did was work on a youth out-migration study. Those challenges obviously continue to remain, but what we've done by bringing in our youth entrepreneur program in particular is find a very, very specific and clear way to financially help people stay in the north.

We've also, of course, recognized the need to support emerging technologies. I spoke to you about telecommunications. We have supported this with over \$38 million, in terms of cellular and broadband. We all know what a difference that makes in smaller northern communities. That's probably one of the aspects of the fund that I'm most proud of and will continue to talk about as

often as I can. The northern Ontario heritage fund, in essence, supports vital infrastructure and community development projects in a significant way almost every day.

We also, of course, announced a new northern energy program—in, I think, 2007—and enhancements to existing programs. This was very significant in terms of people being able to convert. Particularly we're seeing this in resort owners in remote areas in terms of getting them off diesel and getting them onto solar. We're supporting that. Again, this is a reflection of Mr. Bisson's point about us being proactive or reactive. I think that's a very proactive thing that we're doing, and the uptake on it also makes it very clear how important that is.

In terms of cellular and broadband, we are going to maintain our support for this need to really cover the north. Our goal is to have cellular and broadband coverage across the north in the next three years. I'll tell you, every time that we make an announcement regarding what the improved service will mean, we get a whole bunch of phone calls from people from all across the region asking when they will be able to get cellular, because, while many people in parts of the province take this for granted, we sure don't. Again, as a member who has a huge riding travelling from Thunder Bay all the way along Highway 17, past Marathon and up Highway 11 past Longlac up to Nakina, there certainly are spots where the cellphone isn't working. The improvements have already been very obvious, but we're going to continue to support this. Although, to be absolutely fair, we're not going to be able to get 100% coverage, I think we can get pretty close in terms of areas.

In terms of the program itself, since the start of the new mandate in January 2005, we have made significant investments. Over \$121 million has been invested in local community infrastructure development and enhancement projects through the NOHFC's infrastructure and community development program, one that we are very, very keen to continue with. That is making a huge difference.

I'm very excited about the fact that over \$20 million has been approved through the youth internship and co-op program of the NOHFC. This has helped create over 800 internships and co-op placements which span the entire north, including far north remote communities—clearly making a real difference in terms of helping people get in position to work in the public and the private sector. But in the public sector, in particular, I think this positions them very, very well to be able to show the skills that they have. In some cases, what this has meant is that they are offered jobs as a result. The internship program, in particular, is very significant.

We have invested \$4.3 million under the young entrepreneur program to over 160 businesses across the north. This is a great program. Each time we're in a position to make announcements, we, again, try to invite some of the recipients to the events. It's just inspiring, because you've got these young people—northerners—who tell you that unless they were able to receive this

support, there's a good chance they would have left the north. This proves the point to us—one of the reasons we did this—that this is what we need to do to support young people in the north. They've got some tremendous ideas, and they're very much ideas they've thought through very well in terms of a good business plan. So we've got some great operations in the north that have been there as a result, which means young people are staying in the north, opening up new businesses, hiring people themselves and employing more people as a result of the support that we're able to give them through the young entrepreneur program.

I've talked about the emerging technology program. We have invested over \$69 million in that. This is not just for cellular and broadband, although that's been one I've focused on. These investments have provided key support for the film, animation and biotechnology sectors.

As I did mention—and I appreciate the note—since 2003, the government has invested over \$25 million in aboriginal communities through NOHFC programs, including telehealth services expansion, waterfront development and cultural attractions.

We know, and I can tell you I know now, having been to the communities, what a difference these NOHFC investments make. With the increase in the heritage fund each year to 2011, we know we'll be able to increase our investments, and we believe that can only be good news for northerners.

**The Chair (Mr. Tim Hudak):** Minister, thank you very much for the summary. One thing I'd ask too: Earlier Mr. Miller had asked about the abattoir in Rainy River, and you had indicated you would get Mr. Miller a copy of the press release.

**1110**

**Hon. Michael Gravelle:** Yes.

**The Chair (Mr. Tim Hudak):** Just for the sake of process, could you get the copy to the clerk and she can distribute it to all members of the committee?

**Hon. Michael Gravelle:** Of course. Yes, we can get one fairly quickly.

**The Chair (Mr. Tim Hudak):** Thank you very much, Minister. We'll now go into our general rotation. We'll do 20-minute rotations until we hit noon. We then break for an hour for lunch and resume the rotations beginning at 1 p.m. until our time has expired. We'll begin with the official opposition, followed by the third party, and then the government members. Mr. Miller, you have 20 minutes.

**Mr. Norm Miller:** Thank you, Mr. Chair, and I'll return to finishing off with Dr. Rosehart's report, which is specifically for northwestern Ontario, but I think many of his recommendations are applicable to all of northern Ontario.

Going back to the point we were talking about when my half hour ended, that is his recommendation number 14.4.1, "Buy Ontario": "It is recommended that government procurement policies be pursued in the mass transit sector that support indigenous value-added content

preferences and policies that are modelled after those of Ontario's major competitors."

We have a situation, as I'm sure you are well aware, occurring right now where the TTC is looking at having the biggest contract ever filled—it's over \$1 billion—and certainly it's a contract that could be filled by Bombardier in Thunder Bay. I guess my question for you, in an area that's seen tremendous job losses—you know how important it is to the area of Thunder Bay—what are you, as Minister of Northern Development and Mines, doing to advocate to make sure that that contract goes to Bombardier in Thunder Bay?

**Hon. Michael Gravelle:** Certainly, as a local member, I have been very strongly advocating and supporting the Bombardier application. I'm very pleased that our government brought in a 25% Canadian content policy. I really believe that was a significant help in terms of the contract process that went forward. Again, we were so pleased about the \$700-million contract that Bombardier was able to get, and I think we're still optimistic that there is a real opportunity for Bombardier to get this contract that now, I think, has been delayed. The other companies have re-entered the discussions, although I still believe that Bombardier—again, I speak more from the perspective of a local member than I do as the minister on this, but I think, with the history they have with the TTC and with GO Transit, they are the ones that have the best qualifications to build these vehicles, and no one does it better. They also are at the forefront of research in terms of future developments.

Again, I think the 25% Canadian content requirement that was put in place was significant and important. Of course, as minister, we are always advocating for northern Ontario businesses, and that's something that we are going to continue to do. So I'm optimistic.

I think we were all taken aback by the announcement or whatever the term may be related to the RFP that went out to Bombardier, and I believe there was one other company that was in the mix when Bombardier was deemed by the TTC not to be fully technically qualified for the bid. We were all taken aback by that. It seemed unusual. But I'm obviously in no position to specifically comment on that because I'm not privy to the actual RFP. But regardless, I think Bombardier is the best and I'm confident that they will have a good opportunity and I'll continue to support them.

**Mr. Norm Miller:** Other jurisdictions have other means to encourage support of their local economies. In fact, I believe Quebec has a bonus system, where the higher the Quebec content, the increased bonuses go to the companies. Is that something that the Ontario government is considering?

**Hon. Michael Gravelle:** As I say, we took a position related to the 25% Canadian content. There was an important discussion with that. There was a lot of lobbying in relation to that. The government of Ontario supports a fair, open and transparent bidding process. We think that's important, and obviously that would provide taxpayers with the best value for money as well. Certainly

we've had other government officials speak about this. We would like to see some benefit for the dollars that we put out. I think if you look at the specifics of our \$17.5-billion Move Ontario 2020 plan, that is going to bring 156,000 jobs to Ontario. But you will also see, I think, \$14.5 billion of that \$17.5 billion, which is somewhere around 80% or 82%—that total dollar amount is going to be spent in Canada. That's where we will create the jobs. That will spent on engineering, design, construction, rolling stock. The support is there in terms of the dollars that we are going to be spending through that program in terms of Ontario jobs.

**Mr. Norm Miller:** Dr. Rosehart also recommends in his recommendation number 14.5.1, northern investment capital: "It is recommended that the Ministry of Finance, in consultation with their federal counterparts, explore the development of a pilot program that will provide tax-based incentives to those investing in projects in the region. Consideration should be given to models similar to the flow-through shares program...." That's in reference to the mining flow-through shares, which I think has been very successful.

This sounds very similar to the proposal that was actually brought into effect by the Ernie Eves government, the northern tax incentive zones, to have lower taxes in northern Ontario to attract business to northern Ontario. That sounds a lot like what this recommendation is talking about. My question to you is, why did your government do away with that proposal that was put in place by the Ernie Eves government?

**Hon. Michael Gravelle:** I don't think I can, in a straight-ahead way, speak to that. I can tell you that in terms of Dr. Rosehart's recommendations, that is another recommendation that we are discussing with other ministries, the Ministry of Finance in particular. As I've stated in our earlier discussions this morning, I am very keen to move forward with those discussions to get feedback from the ministries as to what we are able to announce. There have been significant announcements related to recommendations Dr. Rosehart has made. We're very proud of that. We're going to be getting our reports from the other ministries. We're going to be reporting. Again, I can't tell you at this time whether or not that will be part of my update when I give it in October.

**Mr. Norm Miller:** So it's safe to say that despite the fact that your government did away with Ernie Eves's tax incentive zone that was in place, you will consider this recommendation by Dr. Rosehart to look at possible tax incentives to attract business to the north.

**Hon. Michael Gravelle:** We're looking at Dr. Rosehart's recommendations very closely, Mr. Miller; I know you're aware of that. This was a report that came out as a result of then-Finance Minister Sorbara's 2007 budget. Dr. Rosehart went to work right away. He came up with a number of recommendations, some short-term, some long-term.

Another one of the recommendations of his that I should be highlighting, because he was very strongly—

again, this speaks to why I think I want to do an update on the work that we've been able to do since Dr. Rosehart came out with the report. The \$20 million over four years for geological mapping is crucial, vital and something very key to Dr. Rosehart, and we were able to announce that in our 2008 budget. That, of course, very much helps our mineral exploration sector identify areas of economic opportunity. That's really great.

Dr. Rosehart certainly asked us to do a number of things that we think we're on track with. I earlier noted his recommendation that we move forward on supporting an abattoir in the Rainy River area, and we are doing that as well. I'm not sure whether it's fair to say to you that—I'm being honest: We are not going to be able to move forward on all of the recommendations in the Dr. Rosehart report in the time frame. I don't think he would expect us to. But we've seen significant progress already in terms of Dr. Rosehart's recommendations, and I think I can say with some confidence that we're going to see more. That's why I think it's important for me, as the minister responsible for Dr. Rosehart's report, now that it's in my hands, to give an update, and that's my plan.

**Mr. Norm Miller:** Recommendation 14.1.2, cottage lot and crown land development: A number of years back when I did a week-long northern tour visiting people all around the north, that was an idea then. It was probably six years ago that I did that trip. It was very popular with the people I spoke with. In the Elliott Lake area they've been very successful with the development of cottage lots. I think probably most municipalities in the north view it as something that can increase their tax base by developing cottage lots and thereby fund municipal projects, infrastructure projects that are so important to the viability of communities. I see it is a recommendation put forward by Dr. Rosehart. How do you feel about that recommendation?

**1120**

**Hon. Michael Gravelle:** Twenty years ago, when I was the coordinator for the northern development councils, one of the issues that the members of the councils came up with was the need to move forward on cottage lot development. So you're right: It's been a discussion point and something that people have wanted to move forward on for a long time.

Without me speaking on behalf of any other minister, I think I can tell you that the Minister of Natural Resources has been working very closely with a number of communities regarding some cottage lot development, some within my own riding, so I'm more familiar with it. The fact is that Dr. Rosehart really did hit, so to speak, a hot spot in terms of economic development opportunities. I'm optimistic that a lot of these projects will be able to move forward, and certainly Dr. Rosehart's recommendation is an important one. Again, I don't want to quite frankly put myself in a position of saying what will be in the update that I provide when I'm able to, but this is one that certainly we're seeing some real progress on, in my opinion. Dr. Rosehart's recommendation certainly doesn't hurt in terms of that. But again, Minister

Cansfield would probably be happy to tell you about the support her ministry has offered to communities in particular that are moving forward on cottage lot development.

**Mr. Norm Miller:** A lot of these recommendations do involve other ministries, and I've spoken to some northern mayors who complain, much as Mr. Bisson was saying, that the Ministry of Northern Development and Mines—this particular mayor I was talking to said that now when they ask questions, he's pointed to those other ministries and he gets the feeling that Northern Development and Mines is not so much the advocate for all of northern Ontario anymore.

**Hon. Michael Gravelle:** Who's that mayor? I'm going to talk to him.

**Mr. Lou Rinaldi:** Name names.

**Mr. Norm Miller:** He shall remain nameless.

**Hon. Michael Gravelle:** Who was it? You can't name names? Come on. I'd like to talk to that mayor.

**Mr. Norm Miller:** It was a recent conversation at AMO, is all I can tell you.

**Hon. Michael Gravelle:** Well, I spoke to a lot of the mayors at AMO too, as you can imagine.

Listen, I understand that municipal leadership obviously wants to continue to move forward—and, boy, I do too—and I think we are, and I guess there can be some frustration. But to be fair, Dr. Rosehart presented his report to me—I think it was March 20 or 21—and we were able to see a number of Dr. Rosehart's key recommendations in the spring budget. I will repeat the one that's very significant: the acceleration of the business education tax rate cut. That's a major part of Dr. Rosehart's recommendations. We're going to see business education tax reductions in 85 northern communities, benefiting more than 30,000 businesses. This was specific to northern communities.

Having said that, I feel I have a very close relationship with the northern communities. I did meet with over 30 delegations at AMO, I've visited as many northern communities as I can, and I think I have a good relationship with the municipal leadership in the communities as a result of the fact that I am advocating on their behalf.

There are other ministries that are significantly involved in the recommendations that Dr. Rosehart made, and it would be wrong-headed of me to suggest that I can tell other ministers what to do, but I'm working with them, and they're working with us as well. As I pointed out earlier, before Dr. Rosehart made his report, we were able to arrange meetings with I think seven or eight different ministers for Dr. Rosehart to have the opportunity to say to the ministers, "Here's where I'm going with your ministry; what do you think?" So I think that was helpful, and as a result, we have those discussions going on with our partner ministries, and we're going to be getting—I don't think I can tell you which ones we're still in discussions with, but we're close to being at the point where we can make a significant update.

**Mr. Norm Miller:** So on an issue like the aboriginal school system, where he's recommending that the prov-

ince play a greater role—and I would agree with that—is your ministry, then, looking at his recommendations and deciding, “Yes, we like this one. We’re going to advocate for that and we’re going to speak to the Ministry of Education about how we can make it happen”?

**Hon. Michael Gravelle:** That’s one, may I say, that Dr. Rosehart also identified as being one of his longer-term objectives, and it was really drawing attention to a situation that was very significant. The fact is, that’s a recommendation that indeed needs to be brought to the Ministry of Education, and then there obviously are other—

**Mr. Norm Miller:** If your position is that you support that, are you going to go to the Ministry of Education—

**Hon. Michael Gravelle:** I’m working closely with the ministers to move forward on the recommendations that we can. I don’t want here in any public fashion to say that I’m trying to push ministers in one direction or the other. They all care a great deal about the north and they all have significant roles to play in the north. Myself and my northern colleagues I think would tell you this: that the ministers are very, very keen to move forward on positive initiatives for northern Ontario, and I think that that will be the case.

In terms of Dr. Rosehart’s recommendations, some will be moved on more quickly; some already have been moved on, some that we’ve got recommendations—we want to summarize all those. There are more to come. There are some significant recommendations that I’m in a better position to move forward on more quickly, and that’s what we’re going to do. I will continue to work with my partner ministries and the other ministers to see how they respond to them and whether we can make any further announcements. So I’m going to keep working on this, which is, I think, what the northerners would expect of me.

**Mr. Norm Miller:** On that aboriginal school system recommendation number 15.1.1.—I happen to believe that, for the aboriginal population, education is key if they’re going to improve their quality of life and if things are going to improve for them. Not only that; in your area, I believe, in Thunder Bay, by 2010 or shortly thereafter, it’s forecast that about 50% of the population will be First Nations. Am I correct on that? What’s the date—

**Hon. Michael Gravelle:** I don’t know that statistic.

**Mr. Norm Miller:** It’s the not-too-distant future, anyway.

**Hon. Michael Gravelle:** I would be surprised if it was that quick, but I don’t know. It’s a good thing for us to look into.

**Mr. Norm Miller:** And as Mr. Bisson pointed out—correctly so—we have this huge skill shortage happening across the province, particularly in northern Ontario, in mining and forestry, so it seems to me that part of the solution to improving the condition of our First Nations aboriginal people is certainly education. I just visited Fort Severn last week, and there sits the primary school—a nice-looking school on the outside, and it’s boarded up

and nobody’s in it. The kids are going to portables down the road where there’s a gravel parking lot that they can park in—

**Mr. Gilles Bisson:** Welcome to First Nations schools.

**Mr. Norm Miller:** So there are some pretty basic deficiencies happening in the province of Ontario, and when you go, the answer is, “It’s not the Ontario government’s responsibility; it’s the federal government,” or it’s somebody else. If you want to address, to really improve the position of First Nations, I sincerely believe that education is key, and the province is the expert in education; provinces are. So this recommendation seems to me to make a lot of sense if we want to, down the road—10, 15 years from now, as the aboriginal population increases—have them have a much better quality of life and provide great solutions for the province of Ontario in terms of economic development and the skills shortage that we’re definitely facing. I would hope that the Ministry of Northern Development and Mines would be advocating for—

**Hon. Michael Gravelle:** I appreciate your comments and I understand, also, just how serious and well-intentioned they are. These are issues of great importance not just to me, but to me as minister and to our ministry, and we’re working—when you have a report like Dr. Rosehart’s, where so much was put into it, so much energy, and there are so many different recommendations, I don’t think it’s unfair to ask us to take a little time, particularly with working with ministries that are specifically part of the recommendations, to bring forward a response. As I say, my goal is to bring forward a response sometime, hopefully, in October.

Ultimately, I think the initial response to Dr. Rosehart’s report was very positive from our government. We managed to implement a number of the key recommendations that were important to him. We are continuing to work on those. We have responses this summer; the Rainy River abattoir announcement is another example of that, and we are going to continue—

**Mr. Norm Miller:** You’ve managed to plug that one about six times now.

**Hon. Michael Gravelle:** Well, you asked about it. Aren’t you happy we announced it? I presume you are.

**Mr. Norm Miller:** Yes, I am.

**Hon. Michael Gravelle:** Good. It’s a good one.

**Mr. Norm Miller:** Do I have 30 seconds?

**Hon. Michael Gravelle:** It’s important—

**The Chair (Mr. Tim Hudak):** Time for a quick question.

**Hon. Michael Gravelle:** It’s certainly important to them, to the people in the community, as you know.

1130

**The Chair (Mr. Tim Hudak):** You have 30 seconds.

**Mr. Norm Miller:** Okay, 30 seconds. Well, I’ll start with a question I may have to follow up on in the next session. On the apprenticeship regional pilot, he’s recommending tax incentives and tax credits to employers and students to encourage apprenticeship. An issue we’ve raised as the opposition is that an impediment to having

more apprentices actually learning on the job is the ratio of journeymen to apprentices that we have in this province. I think for an electrician you need three journeymen for one apprentice, which seems to me to be ridiculous, and it's out of step with most other jurisdictions. If you went to one to one, it opens up many more spots where young people or whoever's apprenticing can apprentice and help our skills shortage and help them get a job. Is that something the government's going to consider?

**The Chair (Mr. Tim Hudak):** That does conclude the time, Mr. Miller. Do you want a quick answer, Minister, or do you want to come back to it? Why don't we come back to that later on in the interest of time?

**Mr. Norm Miller:** Sure.

**The Chair (Mr. Tim Hudak):** Mr. Bisson, you have 20 minutes for your rotation.

**Mr. Gilles Bisson:** Thank you very much, Chair. Just carrying on with the ONTC, I'm trying to do this in some sort of organized fashion because there are various arms of the ONTC, or divisions, and I want to make sure that I don't mix the two issues together—so if we can get the same gentleman back up.

We talked earlier about rail services from Moosonee to Cochrane; you've given me some answers on that and are going to work towards getting me some specific answers on a few things that I've asked for. I want to talk now about rail service south of Cochrane, which is the Northlander that runs from Cochrane to Toronto with stops in between. There used to be a time, Minister, when—I'll just wait a minute. You've got a note. That's okay.

**Hon. Michael Gravelle:** I'm sorry.

**Mr. Gilles Bisson:** No, I understand. We're all busy, and you've got 10,000 things coming at once, and staff come up to you with a note that might be something in the riding or ministry that's—

**Hon. Michael Gravelle:** No, they're trying to give me help to give responses to you. I apologize.

**Mr. Gilles Bisson:** No, that's fine. I understand. We're all busy.

**Hon. Michael Gravelle:** Okay. We'll start again.

**Mr. Gilles Bisson:** I was just trying to organize this in some way that we can have sort of a rational discussion about services at the ONTC. Earlier, we talked about services from Moosonee to Cochrane. I want to talk about rail services from Cochrane down to Toronto and I also want to talk about passenger bus services, as well as the issue around freight, because there are some freight issues as well, as you are well aware.

Let's just start with the rail service itself. It just picks up on where we left off before. There used to be a time that the ridership on the rail services from Cochrane to—at that time Timmins was connected. The largest municipality north of North Bay, and the train doesn't go there; it's kind of an anomaly, but that's a whole other discussion. But it used to have a larger ridership. What's happened over the years is that services have been reduced as far as scheduling. We've not kept up the investments we need to make to move the train faster. More

and more, we've been losing riders. Again, it's that downward spiral.

My first question to you is, do you have any plans, as the minister responsible for ONTC, to make some key investments on the rail side of the business for services from Cochrane to Toronto, either on rail bed in order to increase speeds—and what those are? If we can get some specific answers about where some of these investments are going and what you plan on doing in the future, let's start with that one. I'll go to the next one after.

**Hon. Michael Gravelle:** As you know, we have made specific investments on the rail side. We provide \$11 million in capital for some rehabilitation of the railway lines which was vital to be done, which had to be done. As I say, we are continually in discussions with the ONTC about their needs. Perhaps in these more challenging times in terms of their revenue base, those discussions become even more important. We will continue to have those discussions about what they may need to be able to do, and hopefully they can find a way to make those improvements. Again, this is to some degree a follow-up on our conversation earlier this morning, but we will continue to work with the ONTC board and with the commission on how we can continue to support them. I believe that our support has been strong and will continue to be strong. I would think that's what you would expect us to continue to do with them.

**Mr. Gilles Bisson:** Okay, I'll try the question another way. Can you give this committee a list of the investments this year that were made on the capital side of the rail services—as far as the investments? We know that there's \$46 million that was given this year; \$21 million of that is operational and the rest of it is capital. I'd like to have a list of where exactly those monies were invested. What part of the trackage was fixed? What part of the equipment was replaced or maintained? Do you have that now?

**Mr. Tom Marcolini:** No. We'll undertake to get that. Some of that information we have, the number of ties and that sort of thing—

**The Chair (Mr. Tim Hudak):** Are you talking about the past fiscal year, Mr. Bisson?

**Mr. Gilles Bisson:** For this current fiscal year.

**The Chair (Mr. Tim Hudak):** Their planned expenditure?

**Mr. Gilles Bisson:** There are two parts to this question. I want the list of where the money went for what was in this year's budget, and then what the plans are on the part of the ONTC or the ministry for other key investments in rail services for the upcoming years. I don't know what their plan is. They have a five-year capital plan, I believe.

**Mr. Tom Marcolini:** That's going to be developed as part of their 2009-10 business plan, which will of course be submitted to us for discussion with central—

**Mr. Gilles Bisson:** So if we can get a copy of the capital plan for rail services from Moosonee down to Toronto—well, we don't own the track south of North Bay; that's a whole other story. But there are trackage

repairs that need to be done, as well as the track that runs from, I guess, Cochrane up to Hearst. I look at that freight train going up that rail—has anybody seen that thing? You can run faster than that train. The trackage is so bad that I can literally stop my truck and, in my shape, race and beat that train.

**Mr. Norm Miller:** You can?

**Mr. Gilles Bisson:** The minister and I could do it together. We can be a tag team.

**Hon. Michael Gravelle:** You're in much better shape now, Gilles.

**Mr. Gilles Bisson:** I've lost a bit of weight. I'm just saying, it's in pretty bad shape. I understand that they're going slow because if they went any faster the train would jump off the rail, and that would be a problem. The freight services that come from Constance Lake, the Lecours mill, all the way down to Cochrane are fairly slow.

So, my specific question: What investments are being made, capital-wise, this year toward the ONTC rail services, rail bed and equipment? And what are their planned investments for the next number of years, total? What are they, specifically? That's what I'm looking for.

**Hon. Michael Gravelle:** We'll get you whatever we can.

**Mr. Gilles Bisson:** It just comes now to the point that I want to make, which is that it seems to many people—mayors, chiefs, business leaders, labour councils, everybody who's involved—that we need some key investments made on the rail side if we're going to make it viable so that we can get the ridership that we need.

Currently, for example, if you live in the city of Timmins and you want to take the train, well, the train doesn't come to Timmins. It's only a city of 50,000 people. Why would you have the train come there? We understand the history behind it. It was cancelled under the Peterson government and hasn't been put back since, so we can all take shared, collective responsibility for not having taken it back to Timmins. But my point is, if you want to take the train to Toronto, it's becoming more and more difficult for people to do so. If you live in Timmins, you've got to go down to Matheson to catch the train. If you live in many communities in between points such as Cochrane and Matheson and Kirkland Lake, you've got to travel a distance before you get the train. Then, if you get on it, the big question is, will it get to North Bay and Toronto on time? Because often there are breakdowns. Clearly, we've got a problem when it comes to equipment being able to run the train according to a proper schedule. If investments aren't made on the trackage in order to get the speeds up—it's becoming longer and longer to get there, so people are saying, "Well, I'll hitch a ride with my neighbour," or they'll pay, like I did yesterday, \$1,400 for a return ticket from Timmins to Toronto on Air Ontario; so much for competition, I guess. It's becoming more and more of a problem, because for somebody like me, the train doesn't work because it's way too long. But if we were to do key investments on the train to reduce the amount of time it

takes to get from point A to point B and provide better services on the trains as far as cellular coverage, computer hookups and stuff like that, people like me might take the train, and others who need to get to points in between may be more willing to take it.

My question to you is, what are you prepared to do as minister in order to work with the ONTC and cabinet in order to make those investments that are necessary to get ridership up?

**Hon. Michael Gravelle:** We are going to continue to work with them; I can promise you that. We made a real commitment. As you've pointed out, the previous government was quite prepared to let the ONTC go into private hands. We made a determination that we were going to support it, and we have. It's important to us. It's a great economic development tool in terms of the north. I think our commitment has been there. We have seen improvements in a number of the areas that are significant in terms of maintaining the ONTC's viability.

We know that you're going to be talking about the motorcoach system, the bus system, as well. I know they've added seven new coaches to the fleet. They are modernizing that system. We do recognize that as a result of the railway ties and the infrastructure improvements that are being made, there are some challenges in terms of the schedule. It's a bit like the chicken-and-egg thing. It's certainly a bit like highway construction as well: We want to get the highway fixed but then are irritated by the construction slowdowns on the highway. That's probably just human nature. So the infrastructure investment, the investment in terms of the capital improvements, has been made, but that in and of itself, I think—did you say, Tom, in terms of the capital program, in terms of the rail line improvements, that it will be three years before they are completed?

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**Mr. Tom Marcolini:** Well, some of the work on the major bridges on the Moosonee line will be, if not longer; five years, perhaps.

**Hon. Michael Gravelle:** The long and the short is, we've made clear our commitment to the ONTC. I think we've made significant investments in terms of the subsidy. We certainly will try to get you all the information you asked for, as well. We'll continue and certainly, as minister, I'll continue to work closely with the ONTC.

**Mr. Gilles Bisson:** But my question to you is, do you, as minister, and your ministry or political staff have any plans to put forward a vision of what needs to happen with the ONTC on the rail side in order to bring ridership up? Or are you just leaving that to the ONTC at this point?

**Hon. Michael Gravelle:** Tom, do you feel comfortable speaking to this?

**Mr. Tom Marcolini:** The ONTC prepares a business plan on an annual basis, and they'll be submitting that to us. We take that into consideration as part of our business planning process in central agencies—

**Mr. Gilles Bisson:** I understand that part. But the minister is also responsible for giving some vision and

some direction to the ONTC. My question is, as much as the ONTC have a plan, which is basically survival at this point because of all of the problems that they have vis-à-vis fuel costs and the rest of it, what are your plans, as minister, toward developing a transportation policy that increases the ONTC rail services?

**Hon. Michael Gravelle:** We want the services that are provided by the ONTC to be not just viable but also, obviously, to be as attractive as possible to people. So we are part of those discussions. The process does work. It is an independent commission. They do come to us with a business plan. We certainly have our discussions with them about how we'd like to see them moving forward as well, in terms of helping them improve their services. So I think that's the role that we do play, and it's an important role.

Obviously, we have a significant relationship with them as a result of the support we give on a financial basis, and we therefore have our opinions on how we think things should move forward. I will have discussions, certainly, with the chair of the commission on a variety of issues. The long and the short is that we'd like to see the operation be as viable as possible. Obviously, we'd like to see it be more attractive to customers. There are a lot of challenges and we're trying to deal with them.

**Mr. Gilles Bisson:** How often do you meet with the ONTC board, just out of curiosity?

**Hon. Michael Gravelle:** Actually, I haven't had an opportunity to meet with them yet. I've spoken to the chair and the CEO on more than—

**Mr. Gilles Bisson:** Is there some plan for a mechanism where there is regular contact with the board so that you can talk about what your vision is and they can talk about what's needed?

**Hon. Michael Gravelle:** Yes.

**Mr. Tom Marcolini:** We have ministry staff people who liaise with the ONTC on a regular basis, attend the commission meetings.

**Mr. Gilles Bisson:** But I was asking about the minister.

**Mr. Tom Marcolini:** Oh, I thought you meant the ministry.

**Mr. Gilles Bisson:** No; the minister.

**Hon. Michael Gravelle:** I keep in close touch with the chair. I'm sure there will be an opportunity to meet with the board and the commission. I am well briefed on what happens as a result of the staff involvement in the commission. I'm feeling well connected to the ONTC and certainly very, very committed to it.

**Mr. Gilles Bisson:** Before I get to the next issue—this is just a comment; you don't need to respond—people are looking for the ONTC to be given the go-ahead that they can start planning toward increasing services. That can't happen, quite frankly, without some leadership from the government as far as, we're prepared to do our part to make the key investment in the subsidy to make that happen. We're in the situation where we have lost so many riders, both on the train and on the bus—well, bus services less so. I'm going to talk about that later,

because bus services, I would argue, in some cases are probably doing better than they did before, from the calls that I've had from constituents. Specifically, on the train, we've been losing riders, and that is because of scheduling, because of the amount of time it takes, because the train doesn't run on time sometimes; it tends to break down on a regular basis. What community leaders are looking for is a signal from this government that you're prepared to make some long-term commitments, and that's something I would ask you to consider.

Let me just get to the last part of the real question I want to ask, and that's freight, because I've only got about five minutes. You've talked about it and Mr. Miller from the Conservative Party talked about it earlier, and so did I, and that's the state of the forest industry vis-à-vis what has happened just generally. I don't need to go into who is to blame for what; there's enough collective blame to go around as far as where the industry sits today. But what is clear, as I sit down with companies like Tembec, Lecours Lumber, Falconbridge and others—they're all sort of ringing the same bell: Because there's less freight on the rail services because there's less timber, it has made it less economical. The numbers are down, so they've got to make it up somewhere. So what does the ONTC do? Raise the rates. They raise the rates on an industry that's already hurting. You talk to the people at Tembec, talk to other people who use the ONTC rail services to move freight; it's getting to be pretty difficult as far as price. It's one of those things that is starting to be a cost pressure for a lot of these companies that are just borderline. I met with Terry Skiffington and the rest of his crew earlier this summer, in July, and that was one of the things that they rang loudly as a bell: "The ONTC is starting to become a problem when it comes to cost. The prices are going up and it's making it more and more difficult for us to stay afloat."

Again, are there any plans on your part, as minister, or your ministry to review freight services within the rail service so that we can look at a more competitive rate so that we can assist this industry that's, quite frankly, hurting a whole lot these days?

**Hon. Michael Gravelle:** I think it's probably fair to say that the ONTC people are, if not listening, conscious of this process going on today and they'll be listening to what you have to say and your concerns that are being expressed, and I think that's much appreciated by all of us. Again, I will make a point of making sure that I convey these concerns to the ONTC, certainly to the chair. The ONTC is an independent commission. They make what I think they would describe as the best decisions they can make in light of the challenges they face. I think that's an accurate way of describing the process, and it's how it should unfold.

Having said that, I appreciate that you've been quite fairly pressing me on this. Certainly, I want to convey to them the concerns that are being expressed by you. I know you're someone who is very conscious of the value of the ONTC. I'll make sure that I do convey that.

**Mr. Gilles Bisson:** I would only argue with you on this point: Yes, the ONTC has their own board and they make their own internal decisions, but we can't just leave it to them. They need to get some direction from the government that says, "We want you to move toward a plan. Give us a plan of what needs to be done in order to make this system more competitive and provide the services that people need."

I just want to end on this, because I think I've only got about two minutes left—

**The Chair (Mr. Tim Hudak):** Three.

**Mr. Gilles Bisson:** Three minutes left. I'm just going to end on this. It's been a perfect storm in the forestry sector. You know as well as I do. You represent a constituency, like I do, that has been severely affected. Entire communities have lost their only employers—Opasatika, Smooth Rock Falls; you've had some on your end.

**Hon. Michael Gravelle:** Yes.

**Mr. Gilles Bisson:** It's not easy to see when you go see your constituents who are no longer working or having to move in order to get work somewhere else. That perfect storm includes what has happened at the ONTC. All I'm saying is that for those that are still standing and operating—the Lecours of this world, the Kap mill, Abitibi and others—that use the ONTC, it's yet another nail in the coffin in an industry that is just barely hanging on. The Kap mill, as you know, is a little bit cash-positive these days, but not without a whole whack of things that they've had to do to get there. Freight rates going up just make it all that much more difficult, and it may not be the entire problem but it's certainly part of the problem. So I just want to impress on you that we need to use the tools that we have as government in order to assist industry to weather this storm and to strengthen itself to be the industry that it could be. You would know the story of Lecours because you partly responded to the issue that we had up at Constance Lake. Those tracks were a huge problem. There was a decision to be made that they were going to stop sending the train up to Constance Lake from Hearst, which is only about 25 or 30 miles. But to do so would shut down that mill. Your government understood, and I give you some credit, that it has tools it could use in order to help industry. So you made some investments on that Constance Lake line in order to assist Lecours.

Quickly, in the last minute you have: Where is that at as far as that investment? When are they looking at construction cycles to be over?

**Mr. Tom Marcolini:** That project was completed at \$2.5 million.

**Mr. Gilles Bisson:** Yes, but there was another part to it, I understood. They were going to do some other work. There was some talk about that.

**Mr. Tom Marcolini:** There may be some other upgrades to the balance of the line, but the Pagwa subdivision itself was reconstructed at a cost of \$2.5 million.

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**Mr. Gilles Bisson:** And I just end on this point: That's, to me, a good investment. That's where govern-

ment says, "We're going to use some of the taxpayers' dollars to invest in our infrastructure so that we can help industry to maintain some 100-plus jobs in Constance Lake." That's the kind of leadership that we need; unfortunately, it's in dribs and drabs. The Lecours thing took council, Constance Lake First Nation, Lecours Lumber, myself and a whole bunch of people ringing the bell, till finally the minister said, "Whoa, I've got a problem. I've got to fix this," and the minister responded. So we thank you for that, but we always say that there's a whole whack more that needs to be done at the ONTC.

**The Chair (Mr. Tim Hudak):** That will conclude the time, Mr. Bisson. Thank you very much. We now go to the government—

**Mr. Gilles Bisson:** Here I say a nice thing and he doesn't even let you respond.

**The Chair (Mr. Tim Hudak):** I didn't see it as a question.

**Mr. Gilles Bisson:** No, it wasn't a question; it was a statement. Just going after you, Chair.

**The Chair (Mr. Tim Hudak):** We'll now go to the government members. I think, in the interest of time, we'll do 10 minutes from the government members and then we'll resume after lunch the subsequent 10 minutes. Mr. Rinaldi.

**Mr. Lou Rinaldi:** Welcome, Minister. Finally, we get a chance to speak on this side of the room, and they're going to cut us short 10 minutes.

**Hon. Michael Gravelle:** Great to hear you, though, finally.

**Mr. Lou Rinaldi:** But anyway, we're going to continue after lunch.

**Hon. Michael Gravelle:** Yes.

**Mr. Lou Rinaldi:** I'm delighted to be here this morning, but I'm just hoping that as chair of the eastern Ontario caucus, some of my mayors are not watching this today, because they won't have parity with the north, so I have a lot of explaining to do. I know there are some challenges in the north, but we are working towards that.

We've had some successes, and certainly there are challenges across the province—and not just in Ontario but probably North America and the world, in some cases. But one of the successes that I think we've been innovative about is in the mining industry. It's one of those industries that's certainly pulled up its socks, so we're fortunate that that piece has grown in Ontario. I know that you were at the opening of the De Beers Victor diamond mine in July, and I wonder, for the committee, if you can relay what some of the opening remarks were or what some of the atmosphere was towards not just the De Beers piece but the whole mining industry in the north.

**Hon. Michael Gravelle:** I appreciate the question too, because it was great to be at the opening ceremonies. As I think I mentioned earlier, at least briefly, it was a very moving ceremony in terms of the community getting so involved in the opening ceremonies and the very genuine feelings that were led by the ownership group that was there as well. It was tremendous.

What's really positive about it too is that I think it's fair to say that, as a result of the success—it took a long time to get there and it cost a lot of money to make it happen—of the Victor mine, there is a renewed interest in diamond exploration in the province of Ontario. I think there are actually about 25 different exploration projects going on across the province, largely in the north, so you'll contain your envy in terms of our opportunities. And I do think that actually the Victor diamond mine project really helped stimulate that, plus, of course, the fact that the quality of the diamonds at the Victor mine are of a remarkably high quality.

Before I was at the opening, I managed to get up to the mine I think in late May for my first tour of the mine, and it's a remarkable process. You look at the beginning of the day, in essence—I don't want to simplify it too much, but it's the way that I remember this, actually—you begin basically with 80,000 tonnes of rock that goes through a processing system of bringing it down, and at the end of the day, that ends up being on a plate. Have you been up there, Mr. Miller, to the mine yet?

**Mr. Norm Miller:** I've been to Attawapiskat.

**Hon. Michael Gravelle:** But you haven't been to the mine?

**Mr. Norm Miller:** Not to the mine site.

**Hon. Michael Gravelle:** Anyway, at the end of the day, it's a plate of 2,000 carats of diamonds from this particular production. It's quite remarkable. So I think what the De Beers people believe is that they will get about 2,000 carats a day, 600,000 carats a year—really, really high quality.

And the good thing about the relationship that we've developed with De Beers too—I'm very impressed with the impact benefit agreements that were signed; I'm incredibly impressed with the fact that they continued to have a real high percentage of First Nation members who were working with them in key positions; also, the fact that we have been able to sign an agreement to get 10% of the stones that are mined from there—10% in terms of value—to be kept for cutting and polishing in the province of Ontario. I was in London, England, actually, to help open up the competition for that, and that's very exciting. There are some real opportunities. This is the opportunity—because we don't have a cutting and polishing industry—for a new industry in the province of Ontario. So the whole De Beers Victor mine experience has been great.

It has also, I think, been a pretty good example of best practices in the mining sector for how you can—I've spoken to De Beers people about this and I've spoken to the First Nations communities—there was no moving forward until there was an impact benefit agreement with the First Nations. That becomes like a model for how things can be done. Nothing's perfect—I think there are still discussions around it—but the fact is that this is the key to the success. It was a wonderful experience being there and it's something that we'll continue to see some results from for years to come. There may be some other opportunities that are near the present mine site that

could extend the life of the mine as well—we'll see how that works out.

**Mr. Lou Rinaldi:** Minister, I know that, on the same tune with the mining industry, we do have an Ontario mineral development strategy in place. Can you outline how some of those investments are contributing—the investment through your ministry?

**Hon. Michael Gravelle:** It's something that we're really proud to speak about and perhaps don't get an opportunity often enough, so having the opportunity at estimates committee is great. What we believe in terms of the Ontario mineral development strategy is that it will enhance the province's position as one of the world's best mining jurisdictions—I think it does—and it will support sustainable mineral development and stewardship that we think will benefit all Ontarians. There are four key objectives: We want to promote the long-term sustainability and competitiveness of Ontario's mineral sector; it's important to support safe, modern and environmentally sound mining—we know how important that is; and we want to clarify and modernize Ontario's mineral resource stewardship and promote community development and co-operation with people.

It was the industry that identified the need for our Ontario-specific mining strategy, and I think that through the strategy we're responding to the changing needs of the industry itself. Some of the key initiatives that came out of this include, I think, \$15 million over three years for geological mapping in the far north, which is very vital. We developed one-stop Internet access points to provincial geoscience and mineral exploration data—again, very vital in the mining world. We developed information on the regulatory process for mineral development projects, so this was really important.

Of course, in our 2006 budget, even though we'd already spent significant dollars on abandoned mines rehabilitation, we committed to our first-ever long-term funding of abandoned mines with a \$60-million investment over six years. Going back to 1999, we've announced \$118 million in funding for abandoned mines rehabilitation. These are all good things.

There's the Centre for Excellence in Mining Innovation at Laurentian University—we're excited about that—\$10 million. We had great support from the industry on that as well. We'd sure like to see federal government support for that project—that's been, perhaps, the one disappointment in the launch of CEMI, as we call it. Our support is there, and the support of the mining sector—particularly Vale Inco and Xstrata, and many others—has been incredibly strong—significant dollars for that, but we would like to see the federal government. We think that they should play a major role.

There's more to talk about, but I appreciate the opportunity.

**Mr. Lou Rinaldi:** Chair, we're very close to 12, and I won't engage in other questions.

**The Chair (Mr. Tim Hudak):** Okay. Then we will break at this point in time. Members of the committee, the room will be locked, with the exception of the

catering service coming in to refresh the coffee and such. You're welcome to leave documents behind. We'll resume after lunch at 1 p.m., with remaining time to the government members.

*The committee recessed from 1158 to 1309.*

**The Clerk of the Committee (Ms. Sylwia Przezdziecki):** Members, it is my duty to call upon you to elect an Acting Chair. Are there any nominations?

**Mr. Norm Miller:** I nominate Kim Craitor.

**The Clerk of the Committee (Ms. Sylwia Przezdziecki):** Does the member accept the nomination?

**The Acting Chair (Mr. Kim Craitor):** Thank you very much.

We'll resume the committee hearings with the government side continuing on with their questions. You have 10 minutes and one second left.

**Mr. Lou Rinaldi:** And you'll ring the bell and let me know when I've got one second left? Thank you, Mr. Chair. We will continue.

Minister, I want to continue with your responsibilities in the mining sector, because I do think that it's a really new industry that, as you mentioned, not only will benefit the north, but with some of the other related activities—and when you have Toronto as being sort of the heart of that particular industry from a financial perspective, it really does impact the whole province, although those resources are from the north.

To carry on with that, Minister, can you elaborate on the \$15-million far north geological mapping initiative? What results have you seen and what investments are there now since we created that? What do you foresee in the future as well?

**Hon. Michael Gravelle:** Thank you very much for the question; I appreciate it. There's no question that when one looks at Ontario's far north, there is tremendous untapped economic potential in the form of undeveloped mineral and non-renewable energy resources. I think part of the challenge for that is to find the resources to do the mapping, which is why we were so pleased—I think it was in the 2005 budget—that we announced \$15 million over three years for geological mapping in the far north to attract mineral investment and build relationships with First Nations communities, particularly remote First Nations communities, to help them see some of the opportunities that are there. Geological mapping, in essence, helps to identify areas of higher mineral potential. Obviously, when we're talking about the far north, we're talking about a huge land mass, but certainly by doing the geological mapping, you can have the economic opportunity to enhance northern prosperity by encouraging mineral sector investment, by identifying those possibilities. That investment is going to open up the possibility for First Nations to have future jobs, for spinoff business opportunities, for partnerships in private sector economic activities. So we think this is pretty important.

It also is very significant in terms of land-use planning decisions and other decisions that will be of great benefit once you know the geology of the land and the mineral energy possibilities. This will now have real significance.

We were pleased with the Premier three years ago, but we've moved forward on it and done the best we can with it. It will help us as we move forward with the protection of the 225,000 square kilometres that Premier McGuinty announced with the far north land use planning initiative. I think he announced it on July 14, and I was there with him. We certainly recognize that there's going to be a lot of work to be done to identify the potential areas for the highest mineral development.

In terms of the actual geological mapping process in the far north, our ministry engaged and consulted with a number of First Nations—there were four particular aboriginal communities: Webequie, Slate Falls, North Spirit Lake, and Pikangikum—whose traditional areas lie within that particular geographical study area. It helps us understand better and be more aware of the role and the responsibilities of our ministry in terms of that—the mineral industry itself, the mineral exploration activities, business and employment options in the mineral sector. So this is helpful to us, and we think it's of benefit to the First Nations, and we're very pleased that we've developed these very special relationships with these communities as well as many others.

The long and the short, if I may, because I don't want to take too much time with this to give you more opportunities for questions, is that this is going to begin to address the geological gap that's in the far north, and we're very excited about that.

**Mr. Lou Rinaldi:** Once again, staying with that tone, part of our 2008 budget was \$20 million for geoscience mapping over the next four years. Can you give us some idea of the importance of that?

**Hon. Michael Gravelle:** It certainly does follow on your question, and I appreciate that. This is, may I say, one thing that was also strongly recommended by Dr. Rosehart in his report. He recognized that the public information, the geoscience data and the knowledge, is something that will, quite frankly, directly attract mineral investment in Ontario because you'll basically promote the mineral resource endowment and the mineral investment opportunities. One of the exciting things about every time we spend money: Each \$1-million government investment in geological survey mapping triggers about \$5 million of private-sector mineral exploration investment. That's obviously a pretty good investment. Again, I made reference to it in the previous question you asked me, but this is very valuable in terms of the land-use planning process, source water production, the impacts of climate change, which is certainly one of the key reasons why Premier McGuinty made the announcement he made regarding far north land-use planning. Certainly, we can look at the prediction of some non-renewable energy potential as well. I can tell you that the Thunder Bay Chamber of Commerce is on board with this as well. They recently identified geoscience mapping as a top priority, certainly in northeastern Ontario. We've identified the northeast with the mining sector for a long time now, I think for pretty obvious reasons to everyone.

What's happening in northwestern Ontario is that that potential is now being seen there. Quite frankly, as a result of the challenges facing the forestry sector, there's tremendous excitement about these opportunities for mining in northwestern Ontario as we're seeing mines that have been closed down for some time reopen. Most significantly, we're seeing, with this geological mapping and the dollars being put into it, more opportunities developing as well. This is something that we're excited and very pleased about, and clearly it was a very positive part of the 2008 budget, which I think, again—regardless of party politics, everyone in the north, as a northern member, let alone everyone in the province, would support this. So it's a very important announcement that was made, and I'm really excited about it.

**Mr. Lou Rinaldi:** Thank you. Chair, do I have any more time?

**The Chair (Mr. Tim Hudak):** You have about five minutes left.

**Mr. Lou Rinaldi:** Thank you, Chair. Minister, I'm going to change the discussion a little bit. I know in your opening remarks you talked about the rehabilitation of abandoned mines. I know that even in some places in southern Ontario we have some issues, and the challenges faced with those issues. Can you give us some insight on where we are with the whole process and maybe a little bit more detail than your opening remarks?

**Hon. Michael Gravelle:** It's a very important subject and, again, I'm grateful that you've brought it up. Certainly I've had an opportunity to make reference to it, but it's very important. Ultimately, the goal of my ministry in terms of the abandoned mines rehabilitation program is to ensure that there is public safety. Public safety needs to be protected. Toxic emissions to the environment need to be eliminated, if not greatly reduced. That's the goal of this, which is why I am so proud of our government's commitment.

As I think I mentioned, but I'll mention again, if I may, our government committed almost \$90 million to the abandoned mines rehabilitation program since 2003. Between 2003 and 2006, we invested \$30 million, but in our 2006 budget we made a long-term commitment of a \$60-million investment over six years, so there's a commitment every year to funding for this. This is certainly a first by government but I think again something that transcends politics in the sense that I think everyone does agree with it. We are pleased that that commitment will remain in place. The fact is, it's a big job. There are a lot of abandoned mines. I think we can—

**Mr. Gilles Bisson:** At Kam Kotia, you've been doing a great job.

**Hon. Michael Gravelle:** Thank you very much. We have support from Mr. Bisson here for the job that we're doing. He'll be also one of the first to agree that years ago, I think the mining sector perhaps did not always operate on the best of procedures. Our governments of the day have since put in mine closure requirements which are absolutely vital and I think are very positive, but up to a certain point I think there were a number of

mine operations that were left without being cleaned up properly. Quite frankly, I think most people will be even surprised by the number. There are approximately 5,700 abandoned mine sites located within the province of Ontario. Of those 5,700 mine sites, there are about 16,400 mine features. I guess that probably means different shafts and everything else in mines. Mine features range from simple, open-exploration trenches or pits to deep, unprotected shafts—and, of course, the reality of tailing.

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We acknowledge our responsibility as well, which is why we're so committed to this, because about 30% to 40% of Ontario's abandoned mine sites are located on crown land. The remainder are located on private land or municipal land, but we recognize that there's a need to do it also. What my ministry has done—and my ministry does a remarkable job, and that's why we're so grateful for the financial resources—is undertaken a priority ranking of sites contained in the abandoned mines information system, in accordance with recommendations that were provided by the Provincial Auditor. The ranking system considers public health and safety and the environment—this is used in identifying projects on a priority basis for rehabilitation.

We want to move forward on this. We've got all kinds of examples. The Kam Kotia site, which I mentioned earlier, is probably the one that needed and needs the most work and perhaps one of the strongest examples of a mine site that needed rehabilitation, but one we're also most proud of. I think I mentioned earlier that I was there with the Environmental Commissioner and the president of the Ontario Mining Association, Chris Hodgson, when we were able to announce the continued cleanup of that. So it's good news and it's support that we're very grateful to receive. It's obviously very important, and if I had more time—I suspect I don't—I could go down all the sites, which I'm sure you'd like to see. It really is a pretty long list, but an important one.

Maybe I'll finish, if I may, by just repeating the remarks of Gordon Miller, the Environmental Commissioner—it won't take long.

**The Chair (Mr. Tim Hudak):** Well, you know what? There's 10 seconds left.

**Hon. Michael Gravelle:** "The initiative to clean up the Kam Kotia environmental legacy represents a refreshing model of leadership in environmental stewardship for the mining industry. I look forward to a new era of partnerships between government and industry." Fine praise from the Environmental Commissioner.

**The Chair (Mr. Tim Hudak):** Thank you very much, Minister and Mr. Rinaldi.

Members of the committee, my apologies for any lost track of time. Thanks, Mr. Craitor, for restarting committee. I'm sorry that I've knocked us back a bit.

We now will go into another 20-minute rotation. Just so members can prepare their questions, we're going to do a full 20-minute rotation of all three parties, followed by a 16-minute rotation for all three parties. That will divide up our remaining time equally among the three.

That will see us ending at approximately 3:20 or so with the clock this afternoon, if we continue to go smoothly.

So Mr. Miller, you have your 20-minute segment, and then you'll have a 16 the next time around.

**Mr. Norm Miller:** I'd like to begin where I last left off, and that was where I was asking about Dr. Rosehart's recommendations to do with the apprenticeship regional pilot program, but specifically about the official opposition's questions that we've been asking in the Legislature to do with ratios of apprentices to journeymen that they have to work under.

As has been pointed out, it's different with different trades, but I believe that with an electrician, for example, you require three journeymen for one apprentice, whereas in most other jurisdictions for most trades, it's one to one. Obviously a one-to-one ratio means there are more apprentices available to be learning their skill and more places available for them to learn, so that would seem to be an easy way to get more people actively working as apprentices and hoping to fill our skilled labour shortage. I'm wondering if the government is planning to change those ratio requirements.

**Hon. Michael Gravelle:** We announced, I think, last spring that we were reviewing whether to expand compulsory certification for skilled trades where certification was currently voluntary. We asked Tim Armstrong, who is a public policy adviser and legal counsel, to lead the compulsory certification review. He brings a great deal of public policy experience in apprenticeship trades and labour relations. He did submit his report to the provincial advisory and industrial committees, which are also an important part of this discussion, as I'm sure you'd agree.

The committees are comprised of employees and employers. They regularly review the ratio issue, which is established for each of their trades. The advisory committees themselves are providing advice to the government about various aspects of their trade, including the ratios. Our government, I think, has been in touch with the provincial advisory committees asking them to review those trade ratios. Certainly Dr. Rosehart's recommendation ties very much into that and we're looking at it. Our commitment is to continue to work with the industry advisory committees and to seek their advice and get their advice on it, in tandem with what Dr. Rosehart has recommended as well.

I'm sure you're familiar with the announcement, as well, that the Premier made at Confederation College. I was just given the release over lunchtime. It was a \$9.5-million announcement, investing in colleges and expanded programs for new careers as welders, miners and construction workers. Certainly this was a substantial announcement to bring more apprentices into position. We're doing that as well. So we're working on this in a multifaceted way, if I may say so, and Dr. Rosehart's recommendations are much appreciated and will be part of what we move forward on.

**Mr. Norm Miller:** It's great that you are investing in Confederation College and its programs but they still

need somebody to work under and I would suggest perhaps the committees have a bias in this whole arrangement. Maybe that's why we have ratios that are out of step with many other jurisdictions. Perhaps there's too much union bias or company bias, I'm not sure, but I suspect that might be part of the problem as to why we haven't easily moved to what would seem to be a more logical position.

**Hon. Michael Gravelle:** I hope we're moving in that direction.

**Mr. Norm Miller:** I leave that for you to think about.

**Hon. Michael Gravelle:** Okay.

**Mr. Norm Miller:** I have a question following up on Mr. Bisson's question to do with the ONTC and some of the services they provide. I've just received a letter dated September 2 about recently announced ONTC bus service cuts. In the letter it's pointed out that "presently Timmins to Thunder Bay is under 11 hours and costs \$150; after October 1"—after these cuts go into place—"it will be over 23 hours via Sudbury and Sault Ste. Marie and cost \$236."

Can you tell me why you're making cuts to ONTC bus service?

**Hon. Michael Gravelle:** I have just received a copy of this letter as well. I haven't actually had an opportunity to see it. I think it just came in yesterday. We did have a good discussion this morning about the challenges that are facing the ONTC in terms of extra costs, in terms of fuel costs and other challenges related to maintaining their level of services. I will be responding to this letter from—who signed it?—from Mr. Wentzell at some point. Again, we are going to be conveying your interest and our interest in maintaining the best service possible and I know they're going to make the best decisions they can.

**Mr. Norm Miller:** In this same letter from Tony Wentzell, another point he makes is that for some of the smaller places there are no longer ticket services available, that in fact the passengers would have no way of knowing they can actually get off at those places. A couple are actually mentioned that are in my riding of Parry Sound-Muskoka, being Byng Inlet Road and Pickerel River Road, both First Nation communities. You cannot buy a ticket to there, although passengers still travel to these communities and they drop off and pick up at these locations.

Would it not be logical to let the public who are going to use these services know they can actually get off at these spots? Obviously it's important to the people in Byng Inlet—

*Interjection.*

**Mr. Norm Miller:** Pardon?

**Mr. Gilles Bisson:** What a novel idea.

**Mr. Norm Miller:** It's obviously important to Mr. Bisson, who just interjected that people in Byng Inlet and Pickerel River would want to know that they can actually get off at those locations.

**Hon. Michael Gravelle:** Again, I've barely had an opportunity to look at the letter and I do appreciate and

will certainly take it seriously. We will be speaking to the ONTC about this. When there are specific concerns about very specific decisions made about service, we are not necessarily going to be involved in those decisions. However, I recognize that the goal is to maintain if not enhance service and I think that clearly is the goal of the ONTC as well. With the challenges they are facing, it's making that a little more difficult perhaps to attain. But the long and short is that I will certainly take your comments as well—we'll have an opportunity, perhaps later, when Mr. Bisson asks me some questions. I've got some more information we want to pass on based on this morning's questions.

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**Mr. Norm Miller:** Mr. Bisson was talking about basically spiralling downward in terms of service. He spoke specifically about the rail service south of Cochrane that I believe goes right into Toronto and goes right through my riding. I would certainly agree that there's got to be at least a basic minimum level of passenger service for it to actually have a hope of working. Certainly, in the case of Toronto to Muskoka, that's a relatively short distance and there's, I would argue, quite a population of people who would use that service if there was any regularity to it at all and if the schedule made any sense at all. It is very limited right now. I think there's one trip a day and it doesn't run on one particular day and the timing doesn't necessarily work for people. So you have to be very determined to use the rail to actually be able to use it. In a perfect world, if there weren't other considerations, I would argue that if you had four trips a day from Muskoka to Toronto and they ran on time—because that's another complaint I hear a lot about. You go to use the service and then it ends up being an hour and a half late, or they send a bus because there's some problem with the rail, or the freight is using the rails, or something happens. But in a perfect world, if you had four trains a day going to Muskoka and they were on time, I bet they'd be full and they'd probably be reasonably profitable. So it's kind of like what Mr. Bisson is saying, that if you take service away and it's less reliable, less people want to use the service.

**Hon. Michael Gravelle:** I will certainly share those thoughts with the ONTC board, and I would encourage you to do the same thing if you haven't already. I'm sure that would be very much appreciated by them.

**Mr. Norm Miller:** Let's go to a question to do with the northern Ontario heritage fund. Did the government not make an announcement that you were increasing the budget of the northern Ontario heritage fund to \$100 million a year?

**Hon. Michael Gravelle:** We are very, very pleased with the commitment to reach \$100 million by 2010-11. The commitment begins with our \$10-million increase in this year's budget. So we now are at \$70 million for the heritage fund and we're very pleased about that—

**Mr. Norm Miller:** So it's \$70 million. I guess I'm on the wrong page. So, for 2008-09—correct me if I'm wrong—you've got \$34 million. I assume that's operating?

**Mr. Kevin Costante:** Yes.

**Mr. Norm Miller:** And \$35.5 million is capital, then? Is that correct?

**Hon. Michael Gravelle:** Yes.

**Mr. Norm Miller:** And that's the \$70 million that you're talking about, then?

**Hon. Michael Gravelle:** Yes.

**Mr. Norm Miller:** And that's an increase of \$10 million. I had just seen the \$100 million in a press release I got. I thought that was immediate, but it's not till 2011-12?

**Hon. Michael Gravelle:** That is correct. The commitment is to increase the funding by \$10 million per year. So it would be at \$70 million this year, and then \$80 million, \$90 million, \$100 million. By 2010-11, we get to \$100 million. So, where are we at? We're at 2008-09, so we'll be moving to \$80 million.

**Mr. Norm Miller:** How do you measure whether the money that's being spent is actually accomplishing what it should be accomplishing? Because I did have, in informal discussions with the municipal people at AMO, some of them telling me after—they had various perceptions. They thought it was just a slush fund. Those were their words, not mine. Investing in projects isn't necessarily successful, and they listed off a few of them to me that are now challenges for communities. I heard you say that 10,000 jobs were created. How do you measure those 10,000 jobs, or how do you know if—

**Hon. Michael Gravelle:** We have various programs, of course. We basically redefined the fund in 2004-05 after we formed the government. We wanted to bring it back so that private sector job creation would also be one of the programs that we could fund. We have our Enterprises North job creation program, we have our emerging technology program, we have our youth entrepreneur program and our interns and co-op program. We're very pleased. We're looking, may I say, at other options for how we can use the fund based on some of the recommendations we're hearing from the board and from others, Dr. Rosehart included. The fact is that applications come in from municipalities, from other corporations, from businesses, from individuals as well, and they're assessed. In terms of the way that we calculate the value of the program, due diligence takes place for each application. Each application is certainly treated equally and seriously. They come in from all across the north. Once we have the application approved and funded, we then also have our ministry people go in and monitor it to see whether it's meeting the job creation goals or targets that are put in place in terms of the application. So we're able to ascertain the actual jobs that are sustained and/or created by monitoring the applications that are successful.

I've just been passed a useful note here in terms of the investment dollars leveraged from other partners. The target ratio investment dollars leveraged from other partners is—basically, \$1 from NOHFC leverages \$2 of other investment, and that's obviously very significant. My note says, and we'll confirm this for you, that we're

actually above that, that indeed we're now at \$1 leveraging \$3, so a \$373-million investment has leveraged about \$1.2 billion.

There's a very clear professional process that's put in place in terms of monitoring. I probably can let my officials—perhaps I should do that, Deputy—speak about this, who are more expert at how the process is unfolding. I can hardly call myself an expert, but I understand that it's on that basis that we are able to evaluate it that way.

**Mr. Norm Miller:** Well, if we have time, we'll come back to that.

I'm interested in the private sector part of it, because my perspective as a Progressive Conservative—I look at real jobs, jobs that create wealth. The government lives off the private sector jobs, and I know you've got a program, or there is at least one program available for the private sector.

The most recent company that I know from my own riding, which is a pretty good-news story right now, is Lofthouse brass, which I was asking questions about in the Legislature and had a tour of a few weeks ago. They're doing pretty well right now. When I asked questions back in May, they were in bankruptcy protection, mainly because of their southern Ontario operations, actually, but they've now been bought out by their main competitor from Italy—Brawo, I believe it is. But they're doing very well. The day I was there, they were bringing \$3 million or \$4 million worth of new equipment in to do these brass fittings. When you tour the company, it's pretty impressive. They're doing some of the products cheaper than you can do them in Asia, and they're out-engineering the Germans on both plumbing and automotive products, so when you actually see it first-hand it's pretty impressive.

But one of the challenges they're facing is that the power supply is not very consistent, and when the power supply goes down, the whole plant shuts down. Obviously, that's a big concern. So they were applying to the NOHFC to get funds for a backup generator that they were going to run on biofuel, so it would have a green aspect to it, so they could keep the plant open. Obviously, these are real jobs we're talking about. They were ineligible, is what I understand, so they were turned down for that. So I am interested in the private sector aspect of what you're doing to help the private sector in northern Ontario.

**Hon. Michael Gravelle:** Cal, do you want to try and respond? Certainly, before I do ask Cal McDonald, our assistant deputy minister—

**Mr. Norm Miller:** I'm well aware of Mr. McDonald. He's slimmed up a lot. I did a northern tour with him once, and he must not be doing that northern tour anymore because he's looking much healthier.

**Hon. Michael Gravelle:** They're tiring me out. Cal's working pretty hard, as everybody is in my ministry.

We refocused the heritage fund. We thought there was a significant value to opening up the opportunity for private sector funding for specific projects. There are

many good examples of very successful ones. Not everybody can be successful.

I don't have access, obviously, to the individual applications. In fact, we're very careful about what role I play in terms of that, for the obvious and right reasons that a minister shouldn't be involved in that process, which is really why I'll have Cal talk about the process we got to in terms of making the decision to—I guess there was a review done of the program, and that was the determination.

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**Mr. Cal McDonald:** Yes, the due diligence process for the private sector projects is coordinated by Deloitte and Touche, so it's done by an external provider. They make recommendations to the board and they're presented to the vice-chair, and those decisions are made. They also monitor the projects and provide feedback to the board on a regular basis in terms of the success of the project: if in fact they're meeting their performance metrics; where they are in the stages of their development, be it infrastructure, number of jobs created, competition; the factors that may be in the community—are they in direct competition with another company or organization etc.; who the other contributors or creditors are that are providing funding.

**Mr. Norm Miller:** Okay. Can you give me an idea of what companies can apply for and what they might be able to apply for, for some of this private money from the northern Ontario heritage fund for private sector development?

**Mr. Cal McDonald:** Infrastructure, capital equipment, new technology—it's quite broad. Also, internships; there's a co-op program; there are some youth programs.

**Mr. Norm Miller:** Is the tourism sector excluded or are they allowed to apply?

**Mr. Cal McDonald:** At one time there was a program specifically to the sectors, but now it's more or less generic, so tourism would really be eligible across the slate for a variety of projects. In fact, tourism has done fairly well across northern Ontario in terms of the number of projects they've been eligible for. So if there was a particular opportunity—for instance energy; if they're switching from dirty diesel to solar or wind, they're eligible; if they're building infrastructure etc. But again, it's all based on the business plan, that it's obviously sustainable, solvent, that it's going to create some energy savings or sustain jobs etc.

**Mr. Norm Miller:** Would that include tourism accommodations? Are they eligible to apply? I would argue that in northern Ontario in general there's great room for upgrading of the accommodation sector, of tourist rooms.

**Mr. Cal McDonald:** Part of the issue long-standing in the tourism industry is really the equity—the tourism operators themselves bringing their 50 cents to the table or being able to find the security or find others that are going to support the venture. You certainly know very well, Mr. Miller, in the context of the dependence on the

weather, 9/11, SARS, the traffic etc., it's very hard for them to deal with the banks and elsewhere. It isn't so much their eligibility to NOHFC; it's really been a matter of them being able to secure financing from multiple sources.

**The Chair (Mr. Tim Hudak):** That does concludes the time.

**Mr. Norm Miller:** It does?

**The Chair (Mr. Tim Hudak):** Yes; 20 minutes go fast. Thank you, Mr. Miller.

Mr. Bisson, 20 minutes.

**Mr. Gilles Bisson:** Thank you very much. Earlier today we had a chance to look at the ONTC. It's unfortunate that these estimates aren't longer because there's far more under your ministry than meets the eye. A lot of people sometimes forget that the Ministry of Northern Development and Mines is not just a ministry but it's a ministry that is responsible for the ONTC, NOHFC and a whole bunch of things that are very important to the people of northern Ontario and, I would argue, to the province of Ontario, because they help to create the wealth that's needed to create some of the dollars we need to make those key investments.

The last part of the ONTC puzzle: We talked earlier in regard to train service from Moosonee to Cochrane, we talked about rail service south of Cochrane, we talked about freight service, and now we're going to come to bus service. You alluded earlier to the questioning by my colleague the member for Parry Sound–Muskoka. Did I get it right? I would never run for the job as Speaker because I never can get those ridings right after 20 years. You know Tony Wentzell. We dealt with him earlier last year when there was the—I don't know if it was a strike or a lockout. I think it was actually a lockout, where—

**Interjection:** It was a strike.

**Mr. Gilles Bisson:** Was it a strike? I'm trying to remember. I deal with so many mediations on these things.

**Hon. Michael Gravelle:** It was indeed a strike.

**Mr. Gilles Bisson:** Anyway, you would have dealt with them because at the time we were trying to encourage a settlement, and I know that you had your hand in that. Eventually we got a settlement with the bus drivers, so that was good. I appreciate your listening to some good advice from a member of the opposition. That's always accepted and I give you some credit for having dealt with that.

**Hon. Michael Gravelle:** We're very pleased it was settled.

**Mr. Gilles Bisson:** It was settled, which is a good thing for everybody, I think—

**Hon. Michael Gravelle:** Absolutely.

**Mr. Gilles Bisson:** For the workers, for the ONTC and the riders, I think it was a good thing.

You would have got this letter from Tony Wentzell from the Teamsters, and it's in regard to the internal memo that was sent out to all the bus drivers and now has been made public by the ONTC and by myself and my colleague Charlie Angus, the federal member of Parlia-

ment for Timmins–James Bay. There is now, because of fuel prices—again, we understand. I'm not going to argue for a second and pretend that fuel prices aren't increasing. We understand it's a real challenge for you and I to drive our cars or vehicles; it's a challenge for anybody who has to use vehicles as a way of moving goods or services, so let's accept that it's a problem. However, the ONTC, with the situation that it's in, is saying, "Well, how are we going to offset these costs?" They're saying that the way to do that is to reduce some services.

In this letter from Tony Wentzell, he lists some of the decisions that will be made by the ONTC as of October 1. There are going to be reduced bus services from Hearst to Timmins. We know that some of the buses will bypass Kirkland Lake. People are going to have to go out to the highway to pick up the bus, which is another reason not to take the bus. We know that the bus services will be reduced between Sudbury and Toronto from three to two.

My point, and I made this earlier, is that the more you reduce services, the less people are going to ride, and the less people ride, the more difficult it becomes to keep it afloat.

So, as I was asking earlier in my other questions, are you prepared, as the minister, to intervene by talking to the ONTC about whether there is something else that can be done? And I would be the first to support you in the Legislature if it means an increase in the subsidy of the ONTC.

Let's be clear: The ONTC is the GO Transit of northern Ontario, and quite frankly, we don't have the QEW, in some cases, or the 401 that is the alternate service if you don't want to take GO Transit.

**Mr. Bob Delaney:** Are you complaining or bragging?

**Mr. Gilles Bisson:** I don't want to get caught in that QEW parking lot; don't get me wrong.

My point is, in many communities, there's no other choice. The ONTC is the only way you can move. If you're living in Moosonee, you can't take the car, because there's no road. If you're living in many small towns between Moosonee and Toronto, you know as well as I do that there is no other alternative. It's either the ONTC or a car, and many people don't own cars.

We understand that the ONTC has problems. They're now poised to make a decision as of October 1 that they're going to reduce services. Are you prepared, with my support—and I give you that full support—to go to cabinet to ask for the support that you need, as minister, to avert these decisions?

**Hon. Michael Gravelle:** Perhaps you might find this to be a bit of a repetition, but we are very supportive in terms of the subsidy that we provide to the ONTC. We are very supportive and we continue to be. Actually, I might ask Don Ignacy, who's got the information more specifically, just in terms of what the changes have been in the subsidy over the last three or four years. I think this would be of interest to you. It ties into this—

**Mr. Gilles Bisson:** I'm now on bus service, so I'd appreciate that part in writing. We've only got 20 minutes and 18 minutes, and I've got questions.

**Hon. Michael Gravelle:** The point would be that there's been an increase in our subsidy over the last four years. Perhaps, Don, you could just quickly tell us what the increases are?

**Mr. Gilles Bisson:** Yes, you can take a very quick time to do that.

**Hon. Michael Gravelle:** Yes, that would be great. I really think it would be useful for you to hear this.

**Mr. Don Ignacy:** There isn't a summary table in any of your material, so we did pull the information. It's duly recorded in public accounts and in the estimates of this year. Over a three-year period from 2006-07, the subsidy has nearly doubled, starting at \$23.5 million for both capital and operating in 2006-07 and ending this year in 2008-09 at \$46.2 million.

**Mr. Gilles Bisson:** And most of that now being a capital increase?

**Mr. Don Ignacy:** And operating. Operating went up from \$16 million to \$21 million over a three-year period.

**Mr. Gilles Bisson:** With the lion's share being on the capital side, which is good; don't get me wrong.

**Hon. Michael Gravelle:** But it's still a \$5-million increase on the operating side.

**Mr. Gilles Bisson:** I hear you. The point is, I want to help you go further.

**Hon. Michael Gravelle:** I understand that and I appreciate that very much, but it is important for me to at least make the point that we are conscious of the challenge. We have been able to get an increase in the subsidy, perhaps most significantly this year, so we're just—

**Mr. Gilles Bisson:** And imagine how much further you can go with the support of the opposition and the Teamsters and the riders of the bus services from Hearst all the way to Toronto.

As you well know, Minister, this is an important service for the people who live on that line. If we lose service, in some cases there ain't going to be no service and in other cases it's going to become very difficult for people to make those choices that need to be made, because there is no other choice.

So I come back to my question. I recognize there's been some progress made. I'm not saying for a second that this government has not made any progress. I acknowledge the things that were done, but I'm saying, we need to take the next step. The ONTC is poised to make a decision on October 1. What I'm asking is, are you prepared to say to the ONTC, "Hang on a second. Let us go back and look at this again. With the work of the people who are affected"—the citizens; the mayors; the opposition; you, as the minister; and the workers themselves, through the ONTC—"we want to look at different options"? Are you prepared to work with me toward that end?

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**Hon. Michael Gravelle:** I certainly will continue to work closely with the ONTC; there's no question about that. That's an important commitment on our part, and we believe strongly in the support that we've given and we will continue to give. I certainly will have an opportunity,

I hope, to respond to Mr. Wentzell's letter. I haven't had a real good opportunity to look at it. I just did see it today, and I haven't actually even done a good quick read of the letter in terms of the details.

**Mr. Gilles Bisson:** No, it's quite a lengthy letter; I understand.

**Hon. Michael Gravelle:** I am committed to working closely with the ONTC in terms of supporting the programs. I am very conscious of how important the ONTC is to the northeast in terms of the vital transportation system. I will acknowledge to you, and you'll understand this as a colleague from northeastern Ontario, that I've learned a lot about the ONTC. I certainly was aware of it, previous to being minister; now I'm very, very conscious. May I say, it's certainly not just yourself and others in opposition; my northern Ontario colleagues, members, are also very supportive of the ONTC, as you can imagine. We will continue to work closely with them.

**Mr. Gilles Bisson:** Two questions; I asked you the first one. Are you prepared to go to the ONTC and say, "Hold off on the October 1 implementation. Give us some time to look at this"? Are you prepared to do that?

**Hon. Michael Gravelle:** I am prepared to say that I will continue to work closely with the ONTC. I—

**Mr. Gilles Bisson:** That's a couched response.

**Hon. Michael Gravelle:** Well, it's a—

**Mr. Gilles Bisson:** I understand your position.

**Hon. Michael Gravelle:** It's an important response, so I want to make it clear that the ONTC is obviously a very important organization. I understand, and my ministry does, the impact it has on northerners. We're supporting it in a substantial, strong way, and I will continue to work closely with them. That's the best I can say right now.

**Mr. Gilles Bisson:** Let me come at this from another angle: How much money are we going to save by the reduction of these services? Does anybody have the numbers? We know that the bus is going to bypass Kirkland Lake, I think it's three times a week. Do we know how much they're going to save by way of these reductions in services?

**Mr. Tom Marcolini:** Kirkland Lake is still going to have daily service.

**Mr. Gilles Bisson:** But part of it is that some of the service that they now have come into Kirkland Lake they'll have to catch at the highway.

**Mr. Tom Marcolini:** They'll have the option of going to Kenogami, yes—

**Mr. Gilles Bisson:** Hearst is affected; Sudbury is affected. How much money are those reductions going to save the ONTC?

**Mr. Tom Marcolini:** Mr. Bisson, we don't have those numbers at our disposal right now. We've been told that the planned moves will reduce the impact of the higher fuel cost and reduced ridership.

**Mr. Gilles Bisson:** Try to guess, just roughly.

**Hon. Michael Gravelle:** Is there any information we can get, Tom?

**Mr. Tom Marcolini:** We can try and obtain that information.

**Mr. Gilles Bisson:** I ask it as a formal question through this committee: How much money are those reductions in services going to save? If you can have that sooner rather than later.

**Mr. Tom Marcolini:** Okay.

**Mr. Gilles Bisson:** My point is, I would imagine, in the overall, it's not worth a heck of beans. We're not talking millions of dollars that we're going to save, which brings me to the point: This is a very small investment to make on behalf of northerners in regard to providing services. If the choice is saving X amount of dollars, and I'm just going to use a number, I don't know what it is, but let's say it's half a million dollars—it might be that, might be more, might be less, but let's say it is—what is that compared to an investment of half a million dollars to provide services to the people of northeastern Ontario? It seems to me that that investment would go far further towards providing services to the northeast than a reduction in services, because then your problem becomes, if you start reducing the services, people will take the bus less. That's why I would like to have that number, because one of the things—

**Hon. Michael Gravelle:** No, I mean—

**Mr. Gilles Bisson:** Go ahead.

**Hon. Michael Gravelle:** I'm not obviously giving you the answer you would like to hear from me. We sure aren't arguing about this in the sense that I think we all share the value and the importance of the ONTC and the service they provide, whether it's the bus service or the train service or the other enterprises they're involved with. I just want you to know as strongly as I can your advocacy is appreciated, and I'll make sure that this message gets through.

**Mr. Gilles Bisson:** I just want to put clearly on the record as the New Democratic Party, and I can't speak for the Conservatives—I'll let Mr. Miller speak for himself—we're prepared to support you in that endeavour. If that means that you have to increase the subsidy by a small amount of money in order to offset, we support that, because we see that as a key investment to assisting the northeast. If you want me to talk to people, you want to have people out on the front lawn, I can set that up for you too—not a problem; anything I can do to help.

**Hon. Michael Gravelle:** As I say, I'm grateful that our government has been very supportive of the ONTC and continue to be—

**Mr. Gilles Bisson:** Listen, I—

**Hon. Michael Gravelle:** —and increase the subsidy. This is good news.

**Mr. Gilles Bisson:** I'm not coming into this committee saying that your government's doing everything wrong; that ain't my point. I'm saying, on this one here you have a chance to do something right, and let's get it right.

**Hon. Michael Gravelle:** Thank you.

**Mr. Gilles Bisson:** As we did last fall with the strike of the ONTC bus, we managed to get a resolution there. That was working together, and that was good.

I wonder at the wisdom of the ONTC in making this reduction, because if you read Mr. Wentzell's letter—this is only anecdotal. I don't know, you don't know, and I'm sure your officials don't know, but he's saying on the second page, third bullet point, "The ONTC has advised that the reason for service reductions is that ridership is down 8% in the south"—"south" being south of Sudbury and North Bay, I would imagine—"and 5% in the north," the ridership numbers for that part of the service. He says, "The drivers simply do not see this; we constantly leave passengers behind because we are full and have no room for them...."

I've heard that from constituents on the bus service, where they've tried to take the bus down out of Toronto and the bus is full and they can't get on that day. So anecdotally, I'm hearing—and the Teamsters are sending in this letter and the drivers are saying the same—that in some cases, the buses aren't big enough to hold the passengers. So if we reduce services even more, how much more frustrated will the rider become and how much more does that lead to less revenue for the ONTC and its sustainability?

**Hon. Michael Gravelle:** I appreciate the point, and I also, as I say, appreciate the letter from Mr. Wentzell. I certainly will be responding to him. As you point out, it is anecdotal, which is not to say that we question what Mr. Wentzell is saying, but it is anecdotal, so we have to probably be a little bit careful. But your point is understood.

**Mr. Gilles Bisson:** He further goes on to say on the third page of the letter—again, it happens to be the second bullet, or the third paragraph: "Passengers are getting upset that they often have to stand as there are no seats, or get left behind...." He then goes on to say, "Labour Day weekend thus far I have only heard of one trip that had two full buses and left about 16 passengers behind in Yorkdale and Barrie...."

Again, anecdotally, we know that there are people who want to ride the bus, and we know, anecdotally—and it's not only Tony Wentzell saying it; I'm hearing that from constituents up in my part of the province—that people are not always able to get on the bus because they're full. So clearly, there's a demand; reducing it, I think, will make it that much worse.

He goes on to make what I thought was a really interesting—what's the old saying about numbers? Let's see now, the fifth bullet point on the second page: "Sudbury is slated to have services reduced by 33% as the ONTC says ridership is down 8%." I thought that was kind of an interesting point, because for an 8% ridership reduction below Sudbury, Sudbury's going to lose 33% of its service because they're losing one third. I thought that was an interesting point.

I don't know how much time I've got, Chair, before I—

**The Chair (Mr. Tim Hudak):** You have five minutes, sir.

**Mr. Gilles Bisson:** Okay. I just implore you that we need to find a way to fix this, because in the end, re-

duction of services is not going to lead us to having a better bus service; it's going to lead us towards having less passengers, and the fewer the passengers, the worse it is. Again, I make the call: Whatever we can do to assist you towards that would be appreciated, if you would succumb to our request.

**Hon. Michael Gravelle:** I certainly will be having discussions with the chair and with the board, seeing the chair as I do on a fairly regular basis. But the fact remains, we are very proud of the fact that we have been supportive of the ONTC in terms of the subsidy. I'm very pleased to report that, indeed, the subsidy has increased as a result of some of these challenges.

The ONTC is an independent commission, which is making decisions as an independent commission, based on their best judgment, I would like to think, and obviously not everybody agrees with that. Clearly, Mr. Wentzell makes a very strong point, so hopefully that will be responded to by the commission as well. There is no question that the ONTC will be hearing from us and hearing what you were saying today.

**Mr. Gilles Bisson:** The last point from Mr. Wentzell's letter: He says to put the decision off at least until January to give us a chance to go back and look at this. October 1 is the implementation date of the decision by the ONTC for service cuts. He's suggesting that we move this back to January 1 in order to give people time to take a good look at this, beyond just what the ONTC can do by reduction of services. Are you prepared to recommend to the ONTC that in fact we can push back the decision at least until January 1 of next year in order to give us a chance to look at what can be done? We're only talking about a four-month extension. It's not the end of the world.

**Hon. Michael Gravelle:** Again, I have not even had a real chance to look at the letter from Mr. Wentzell. I will indeed do so and I will respond to it. It wouldn't be fair for me to make a commitment that I can't live up to, I say to you as a colleague and as a friend. Certainly I don't think I'm in a position to make that commitment, but we will be speaking to the ONTC and I'll continue to speak to them. But I wouldn't want to make that commitment to you at this time.

**Mr. Gilles Bisson:** I would strongly recommend that we take his suggestion because I think it gives us a chance to look at what can be done. I know that northern mayors, band leaders, industry and others that use the service probably figure that there's something else that can be done than a reduction of services.

1400

**Hon. Michael Gravelle:** I appreciate the very strong points you've made.

**Mr. Gilles Bisson:** Very quickly, let me ask you this question: Do we provide French-language services to applicants of NOHFC?

**Hon. Michael Gravelle:** Yes.

**Mr. Gilles Bisson:** I figured you were going to say that, but I wanted to confirm it with my good friend. So if

a person applies in French and says, "I have an application to NOHFC," does that get responded to in French?

**Mr. Cal McDonald:** Yes. They have FLS-designated positions across the north, so they can answer—

**Mr. Gilles Bisson:** That's what I thought, but I've got a couple of cases, in fact, where that has not happened and they're asking questions in regard to that.

The second part that you alluded to earlier to Mr. Miller is that a lot of the vetting of the applications is done by Deloitte and Touche.

**Hon. Michael Gravelle:** Private sector.

**Mr. Gilles Bisson:** That's right—which is outside of northern Ontario. Apparently the applications are coming to Toronto.

**Mr. Cal McDonald:** Yes, but they do have resources in the north. But you're right; the firm is located in Toronto.

**Mr. Gilles Bisson:** NOHFC is a northern Ontario organization that was always administered in the north. Why in heck are we farming that out to southern Ontario? Not that I have anything against Toronto; I think Toronto's a great city. But why are we not farming that work to northern Ontario?

**Mr. Cal McDonald:** There was a tendering process, and that was the particular firm that had the qualifications that could provide the due diligence. That doesn't mean that that can't change in the future.

**Mr. Gilles Bisson:** Or we could have put some sort of condition in there that we are looking at trying to get a firm from the north, out of Timmins, Sudbury, Sault Ste. Marie, wherever it might be?

**Mr. Cal McDonald:** Yes, if in fact there was a firm that had the capacity to manage the number of applications and the complexity—

**Mr. Gilles Bisson:** They manage some pretty big files in places like Sudbury and Timmins. Some of the largest employers in Ontario are out of those places, and some of these firms are based up there. It just sits badly with a lot of people that we can't do that internally.

**Mr. Cal McDonald:** Understood.

**Mr. Gilles Bisson:** I'll come back later, because I'm out of time.

**The Chair (Mr. Tim Hudak):** We'll now go to the government members for their last 20-minute segment, and then we'll have one full rotation again, to remind members, of 16 minutes each, and then we will have concluded the estimates for northern development and mines. Mr. Rinaldi, you have 20 minutes.

**Mr. Lou Rinaldi:** Minister, staying with the mining industry but looking at a different angle, I know that we've embarked on the review of the Mining Act. As you mentioned in your opening remarks and during the discussions here today, a lot of the activity around the mining industry entails working within the native territories and so forth. I know you've had some consultation already and you're in the midst of your consultation, I believe. Can you give us some sense of the extent that's going toward aboriginal engagement?

**Hon. Michael Gravelle:** It is a very important question. Certainly, our ministry has been working very hard over the last several years to continuously improve relationships and the engagement processes with our First Nations partners and friends and people in the province.

In February 2007, we released a discussion paper, the purpose of which was to guide our efforts. It was translated into Cree, Oji-Cree and Ojibwa. It was distributed broadly to First Nations communities all across the province and also to industry stakeholders. It was also, at the time, posted on the environmental registry and on the ministry's website. It was an important document that we were very proud to get out into the public. That discussion paper is part of the multi-pronged engagement process that includes working groups, pilot projects and information-sharing sessions. Based on that discussion paper, my ministry has received significant detailed feedback, a lot of it very positive, and advice from many aboriginal communities and from representatives of the mineral sector.

We're certainly encouraged by the amount of work that's already been done by the mineral sector itself, not just in Ontario but worldwide, to promote sustainable development guidelines while engaging First Nations through such measures as the Prospectors and Developers Association of Canada. There was an agreement signed between the Assembly of First Nations and the Prospectors and Developers Association of Canada, or PDAC, which has a major mining conference every year with about 20,000 participants. The memorandum of co-operation I believe was signed between the Assembly of First Nations and PDAC at that time in terms of future opportunities to work together.

But also, may I say, great work is being done by our Ontario Minerals Industry Cluster Council, which we are very proud of in our ministry in terms of the great work that they've been doing bringing in people from all sectors to give us significant advice.

In terms of our ministry itself, we've taken a very active role in facilitating discussions between First Nations and the mineral sector. In some cases it's more necessary than others, I guess is a way of putting it, but we continue to provide that service on an ongoing basis.

I made reference to it this morning, I think, but it's worth mentioning again: the northern Ontario heritage fund. Through that program, we've been able to contribute \$50,000 to a number of First Nations to explore the benefits that can be gained from impact benefit agreements. This is about capacity building. I may also have made reference to the \$25 million that the Ministry of Aboriginal Affairs received in part of the budget announcement in terms of capacity building as well, again something that Dr. Rosehart recommended. We contribute \$50,000 through our program, and we actively promote the availability of this particular fund too, because there have been opportunities—fairly recently, I was meeting with the chiefs of the Nishnawbe Aski Nation up in Thunder Bay. There were over 40 First Nation leaders at the event, and we had our executive

director of the heritage fund there to make a presentation to them on the opportunity that could be accessed through the heritage fund.

We contributed \$50,000 recently to Fort Albany and to Kashechewan to explore the benefits that obviously can be gained from their relationship with De Beers Canada. There's no question that that has been very, very positive. We also provided \$50,000 to the Sagamok Anishnawbek First Nation in March to help the community develop impact benefit agreements with two mining companies that are interested in developing mines. I think it's fair to say that in an overall sense, we are very encouraged by the progress made thus far, and it's extremely important, certainly to me as a minister, to our ministry in particular. We've just set up an aboriginal relations unit, which perhaps I'll get an opportunity to talk about in more detail later, which we are very proud of as well, and it's a very positive thing. We're going to keep working at it.

We've put in place measures to improve our consultation through four key practices that respond to some of the concerns we've heard in our aboriginal engagement process. It's very important that we do this, and we've done this. I recall when I was first appointed minister and I met with Matawa tribal council up in Thunder Bay actually, 13 First Nations, and we were able to tell them about a number of things that were moving.

First of all, we strongly encourage the mineral sector to consult with the aboriginal communities as early as possible regarding their exploration plans. Another thing that we're doing as part of these transitional measures is that we're providing claim holders with web links to industry's best practices in terms of aboriginal engagement. We are providing claim holders with contact information for aboriginal communities located in the vicinity of their new mining claim. We are also, on a quarterly basis, providing the aboriginal communities with maps which show the mining claims in the general vicinity of their communities and with information on who the claim holders are. That is part of our transitional approach, and we think it's very important.

As I say, when we met with Matawa, that was a particularly positive experience for me, as it is with all the experiences I have. My ministry staff are constantly available to meet with the communities and with the claim holders to hear concerns and to help facilitate reconciliation. If significant issues have arisen, we can help with that process, we think. Basically, we want to reach out as much as we can. To date, my ministry staff have met with representatives from over 50 of Ontario's First Nations, six of Ontario's tribal councils and numerous other aboriginal organizations. We are very excited about that. Certainly, the MOU that was signed between the Assembly of First Nations, which was a memorandum of understanding, and PDAC, the Prospectors and Developers Association of Canada, will further enhance relationships between First Nations and Canada's major mining companies. So there's some very positive news and I think it is based to some degree on the fact that we

take so seriously our duty to consult, and also our relationship building. I can tell you that certainly the staff that I travel with when I'm visiting First Nations—this was said earlier about our relationship with northern communities and our northern development officers and I think it actually goes very much for the staff who work for us in terms of our engagement with aboriginal communities. They have a very close relationship with them, and it's nice to see. In fact, the deputy was—when we were travelling up this summer, it was a terrific experience, wasn't it? It was wonderful for all of us.

**1410**

There are common aspects to some of the impact benefit agreements that are signed. They are generally—I mean, they are confidential impact benefit agreements, as they should be, but a lot of them have been signed. Certainly we know the one with De Beers and the Victor Diamond Mine. We are very familiar with the one at Musselwhite, the gold mine near Red Lake. There's Liberty Shaw Dome properties near Timmins, which my colleague from Timmins—James Bay would know about. Generally I think it's fair to say, that usually involves a training and an employment component in terms of the actual project itself. There's revenue sharing, environmental provisions, reclamation procedures and some dispute resolutions.

We have marked 42 additional agreements that have been signed at the early exploration stages and I think it's really important for us to recognize how significant that is and how positive that is and why it gives us some reason for hope as we go through the process of modernizing the Mining Act.

**Mr. Lou Rinaldi:** Thanks, Minister. One of the short comments you made just previously kind of intrigued me. I know you intend to implement an aboriginal relations unit within your ministry. Can you give us a bit more insight into what that entails and what the purpose is and how soon that will be rolling out or what you intend to accomplish?

**Hon. Michael Gravelle:** Sure. Thank you very much. How much time do I have, Chair?

**The Chair (Mr. Tim Hudak):** Just over nine minutes.

**Hon. Michael Gravelle:** Nine minutes? Excellent. I'm so pleased.

**The Chair (Mr. Tim Hudak):** Nine minutes, 36 seconds.

**Hon. Michael Gravelle:** The aboriginal relations unit is a very important unit and we've very pleased we've been able to get it set up. I've very clearly identified the need for an aboriginal relations unit to assist our efforts to meet our duty to consult, which is something that we take very seriously, and to support the ongoing efforts of engagement and facilitation between the MNDM staff, our ministry staff, and First Nations, and the mineral sector itself. So certainly the intent and the goal of this unit is to strengthen our existing relationships. We have very strong relationships, and that's very important for me to state. Despite some of the challenges that we face, I think we have very positive relationships between our ministry and First Nations all across the province.

But we also want to build new relationships, and that's something that we believe the aboriginal relations unit will help us do. It will allow for increased information sharing, it will allow for understanding to basically help us with future policy discussions and decisions which will indeed include the consultations that we're doing related to the Mining Act. We are going to be doing very specific consultations on the Mining Act with First Nations in large measure coming up this month in terms of sometime in September, so I'm looking forward to being a part of that.

The aboriginal relations unit essentially will have the responsibility of fostering collaboration between the communities, the government, the mineral industry itself and the economic development sectors in the communities in order to support the overall economic development of their communities as well as northern Ontario, and those opportunities are many.

We feel very strongly that through this increased knowledge and understanding a very open and a very transparent dialogue can and will take place. We think that it will make it—I shouldn't probably say "easier," but it will enable us to manage issues, I think, perhaps better than we have in the past, and I hope that's the case. Certainly it will help us meet our duty to consult. We want to be able to continue to meet our duty to consult. We recognize that the duty to consult is an ongoing process and we have to continue to work on it. We take it very seriously.

In terms of our aboriginal relations unit and the Ministry of Aboriginal Affairs, the relationship between the Ministry of Aboriginal Affairs and the Ministry of Northern Development and Mines is viewed as very much a complementary one. Our aboriginal relations unit will deliver our line ministry requirements, while we are continually in discussion—our people will always be in discussion with the Ministry of Aboriginal Affairs, which supports the broader policy needs and the cross-ministry coordination.

There's lots of good news attached to this, I think. It's a very positive development in our ministry, and one that we're very proud of, but the fact is, the unit is now fully staffed. We're excited about that. We have a liaison officer stationed in Sudbury, Timmins and Thunder Bay, and we look at these regional positions as assisting the ministry and engaging with aboriginal communities and industry on projects that are occurring in close proximity to the aboriginal community. We're very excited about this and very pleased that it's up and running, and we're looking forward to working more closely with our aboriginal communities with this unit in place.

**The Chair (Mr. Tim Hudak):** You still have five minutes left.

**Mr. Lou Rinaldi:** Good. Thanks. Just a couple of weeks ago, one of my staff—one of her kids goes to university in Sudbury, and in her travels, she was quite impressed with the amount of construction on highways in northern Ontario. I know you touched a little bit on that this morning—our investments in the northern On-

tario highway program. I wonder if you could maybe give us some sense, more in depth, of what we've accomplished and where we intend to go, and overall, I guess, our financial commitment to transportation or the highways, specifically in northern Ontario.

**Hon. Michael Gravelle:** It's a great story. Thank you very much for the opportunity to talk about that. In some ways, I probably shouldn't need to even flip to my binder because I do know it so well.

We are very proud of the fact that—I think I can say this accurately, and I know my officials and deputy will correct me if I'm wrong and perhaps others who have been here longer than both of us—there has been an increase in the northern Ontario highway funding every year for the last four years. Now I'm getting us in trouble, because I probably should have—the long and the short is, we've got a record level of spending this year: \$546 million. We had a record last year: \$468 million. I know I'm right about this. What I can't do is go back as quickly the year before; I think it was actually \$379 million. Someone is back there right now checking it out for me. My point is that we have a very strong commitment to northern Ontario's highways and we have a strategy. The fact is that in 2005, we made a five-year commitment to northern highways, with a \$1.8-billion northern Ontario highway strategy. As a result of that, we are seeing real progress on a number of highways all across the north.

It's been said before, but it's worth saying again: We're virtually 90% of the land mass of Ontario, we're only about 6% or 7% of the population, and we've got about 60% of the highways. Was I close?

*Interjection.*

**Hon. Michael Gravelle:** Okay. I was very close. What did I say—\$360 million, \$370 million?

*Interjection:* It's \$367 million.

**Hon. Michael Gravelle:** It's \$367 million.

**Mr. Gilles Bisson:** You were overstating by \$2 million.

**Hon. Michael Gravelle:** I'm not bad, eh? The important thing is that as a result of that commitment, we've been able to do a significant number of things, despite the fact that we have such a huge land mass, despite the fact that we have what I think is 11,000 kilometres of roads, so we're very proud of that. We're very proud of the commitment that we've made and we've been able to maintain in terms of—and this is where Tom Marcolini will want to correct me if I'm wrong—the expansion between Parry Sound and Sudbury, the four-laning up there. I think the completion date is 2012?

1420

*Interjection:* It's 2017.

**Hon. Michael Gravelle:** It's 2017; 2012 is Highway 11 to North Bay. Yes, 2012 is very ambitious, but we're very committed to meeting those goals and I think we will be able to do it.

I'm also very pleased about the fact that we're seeing significant dollars being put into the rehabilitation of our highways in northwestern Ontario and serious study

being done looking forward to the potential four-laning of the section between Nipigon and Shabaqua. For those who don't know, Nipigon to Thunder Bay is about 115 kilometres, and then sort of going around the horn again, you get to Shabaqua. It's a significant number more kilometres. The long and the short is, we're now looking at a route-planning study to get us from Kakabeka Falls to Shabaqua. So I'm very pleased about that.

The challenge will always be that, as I think I stated when I was being questioned by Mr. Miller, the construction costs will continue to go up. That isn't meant in any way to be used as an excuse, because so far we've been able to have our funding increase by more than that percentage every year. But clearly, it's a significant factor when you're trying to get new expansion of other highways being done when those costs go up to that degree.

Again, the important thing is that we now have \$546 million this year. It's a total commitment to complete the four-laning of Highways 11 and 69, and this is very important to us. There have been a number of significant projects in the northwest, and if I may, I will focus a little bit on those just for a second, too.

**The Chair (Mr. Tim Hudak):** You have 25 seconds.

**Hon. Michael Gravelle:** Maybe I'll wrap up.

We are going to continue to be committed to our northern Ontario highway strategy. We're going to be trying our very best to continue to do work on all sides of this with the number of kilometres that there are in northern Ontario, with the number of major projects. We're committed to the 11 and 69 projects and committed to working on Highways 11 and 17 in northwestern Ontario. I'm very proud of our government's very strong commitment to the northern highways.

**The Chair (Mr. Tim Hudak):** Thank you, Minister. That concludes the 20-minute rotation. We now will have a final 16-minute rotation from all three parties, beginning with the official opposition. Mr. Miller, you have 16 minutes.

**Mr. Norm Miller:** I have more than 16 minutes' worth of questions, but I will try to get as many as I can in, starting off with the boreal forest initiative that was announced by your government in July, I believe it was. From an opposition perspective, and please don't think I'm cynical about this, it looks like an announcement was made for good PR on the environmental front, but one that's not necessarily thought out too carefully and that could create all kinds of uncertainty for the mining sector in particular. Now we've created uncertainty in 43% of the province. So I guess my first question is, who did you consult with when you brought this initiative in? Did you consult with municipalities or First Nations, or was it simply with environmental groups?

**Hon. Michael Gravelle:** I was very proud to be present with the Premier when the Premier made the announcement on July 14. Minister Cansfield, the Minister of Natural Resources, was there as well, as was Minister Bryant, Minister of Aboriginal Affairs. I think this is a very exciting announcement that I think could be of great benefit to all, and without denying us the opportunity for economic development in the far north as well.

This is a very strong commitment. I'm sorry you feel cynical about it, but I think you shouldn't. I would think that, as someone who represents your areas and works as hard as you do, you can see the value in a project such as this. It does give us the commitment to protect 50% of the far north boreal forest, and at the same time it allows us to maintain future developments in the mining sector, with the one condition that we all accept that no new developments in mining or forestry will move forward without the agreement of our First Nations partners in this. I think it's a positive announcement and I think it's one we can work very well on and I've had an opportunity to speak to a number of First Nations about it as well.

**Mr. Norm Miller:** Before it was made, did you consult with First Nations or municipalities?

**Hon. Michael Gravelle:** I did not make the announcement. As you know, the Premier made the announcement. I'm certainly in no position to speak on the Premier's behalf in terms of who he spoke to or whoever he consulted. As I said, I was proud to be there, pleased to be invited and glad that I was able to be there for the announcement.

**Mr. Norm Miller:** It strikes me that it's a decision that would be very popular in the south with people who would never visit the boreal forest but wouldn't necessarily be popular with those people most affected and who rely on the activities that occur in the boreal forest. It creates a lot of uncertainty going forward, certainly for mining, where you're affecting 43% of the province.

**Hon. Michael Gravelle:** Obviously, in terms of protecting 50% of the land mass, this is a positive climate change initiative. I think that's an important factor as well and should be considered—and I think most have.

One of the reasons that we have publicly stated, and I'll state it again, that we're moving forward in terms of our modernization of the Mining Act and the consultation on the Mining Act in a period of time which will allow us to bring forward legislation, we hope, we plan, by Christmas is that we want to make sure we can maintain certainty, particularly in the mining sector itself. I think if we can do our work relatively quickly with all the consultation and discussion we've had in the past, we can maintain the certainty.

As you would expect, I'm very close, as minister, with the mining sector. I've had lots of discussions with them and will continue to have them. In fact, one of our public consultation sessions is coming up this Monday in Toronto. We thought it was very important that we have one of our public consultation sessions in Toronto. That's coming up next week, and I'm sure we'll hear from significant players, Toronto being the significant community that it is in terms of the mining sector.

We want to provide that certainty. That's why we wanted the Mining Act consultations to be pretty clear in terms of the scope of the review. I think so far we're very pleased with the developments and how they're moving forward.

**Mr. Norm Miller:** The Mining Act review is something I'd like to spend more time on, but I do have a number of issues that I want to cover off. Are First Nations being consulted as part of the Mining Act review? The impression I got in speaking with chiefs from the remote northwestern Ontario First Nations—the chief of Webequie, Grand Chief Stan Beardy, the chief of Fort Severn—is that they didn't feel like they were being consulted. They felt they shouldn't just be part of the regular consultation process, that there should be some—

**Hon. Michael Gravelle:** I think I've got to stand closer to you when you're talking to those people because these conversations don't sound like the conversations I have with them.

We've had consultations already in Timmins, Thunder Bay and Sudbury. I was scheduled to be at the Timmins session and had to come home for a family emergency, so I wasn't able to be there, but I was in Thunder Bay. We invited all the First Nations in the northwest as best we could. We had a very, very good turnout. In fact, I think Chief Scott Jacob from Webequie was at the Thunder Bay consultations.

I know that Grand Chief Beardy indicated that there was going to be a separate section; he said that publicly when he was asked about that. We are working to set up individual consultations with our First Nations. We haven't got the day absolutely pinned down, but I'm going to be at one of the sessions for Treaty 3.

The fact is that we are having very specific and quite detailed consultation sessions with First Nations across the north.

**Mr. Norm Miller:** The thing they clearly told me was, they didn't want to be considered a stakeholder; they didn't want to be considered like a mining company.

**Hon. Michael Gravelle:** I haven't described them that way, and the fact is, we're having specific consultations with First Nations and are very sensitive to the fact that that's an expectation. We're just working out the details now. Deputy, do you want to speak some more on that?

**Mr. Norm Miller:** I have too many questions to ask, so I'm sorry, but I don't have time for that response.

I did want to say that I think with the Mining Act review, one size does not fit all. Certainly, the problems related to southeastern Ontario, where you have surface and mineral rights, are probably unique to southern Ontario, not the same as most of northern Ontario. So perhaps you might want to consider that one size does not fit all and the solutions in southern Ontario are different than northern Ontario. It's a general complaint in northern Ontario that you hear, and it can be applied to the boreal forest decision as well: that decisions are made in southern Ontario without enough reference to northern Ontario.

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**Hon. Michael Gravelle:** I appreciate you making that comment. Obviously the whole issue of service rights and mining rights is part of the scope of the review of the act, and your comments are certainly comments I have heard. I think that's the value of our consultation process,

so that we can hear from people in terms of where we land in terms of the legislation that we bring forward. But we know that has been an issue for some time. The minister's Mining Act advisory committee has done a significant amount of work on that specific issue and brought recommendations. This was also brought forward to the Environmental Bill of Rights website registry and there were many comments made on that. So we're conscious of how we want to get that right.

I have certainly stated that we are determined to find a solution to that particular problem. In essence—

**Mr. Norm Miller:** Sorry to interrupt, Minister, but I have three other questions I'd like to ask.

**Hon. Michael Gravelle:** Oh, I'm sorry. I thought you wanted to hear from me right to the end.

**Mr. Norm Miller:** Three others: The first one is the grow bonds. You had \$13 million in communities contributing money. From what I understand, it wasn't fully borrowed out by businesses. I guess my question is, why were the retail, hospitality and construction sectors excluded from it and why was there such a short time frame for the applications to the grow bonds—

**Hon. Michael Gravelle:** I'm not sure I—

**Mr. Norm Miller:** You had a February-to-April-2005 application time frame.

**Hon. Michael Gravelle:** I'm not sure I'm the best one to answer—Cal McDonald is here—because, to be fair, I wasn't the minister then. Cal, did you hear the question? The time frame for the actual purchase of the bonds.

**Mr. Cal McDonald:** Yes. Both the time frame for the bonds and the actual time to apply for the program, both on the bond side and on the program side, were extremely short. Through our preliminary review, as a pilot project, yes, that was seen as something that would certainly have to be resolved if we were to do something in the future. So as a pilot, yes, that was definitely one of the issues that was raised by the client groups.

**Mr. Norm Miller:** Because you didn't raise as much as you potentially could have. It was \$20 million to \$25 million, and it isn't fully subscribed as well, on the loaning-out side of it.

**Mr. Cal McDonald:** Yes. On the bond side, part of the issue was, other bonds were going out at the time and working with OFA, the financing authority, within their time schedule. That was one of the complexities that we had.

**Mr. Norm Miller:** There's another question I would like to ask, which was raised at AMO when I was talking to municipal representatives: the GO North program. One municipal representative just said, "Where'd the money go? Because we sure haven't seen any effect from this money that was spent." Was it \$20 million? Is that what the GO North marketing plan program was? That's what was expressed to me: They just didn't see any benefit; wondered where the money went. That's what was asked of me.

**Hon. Michael Gravelle:** Obviously, I don't know to whom you were speaking; I speak to all of the mayors as well, and members of council. We know that the GO

North program itself is a very successful program. It's promoting the competitive advantage of northern Ontario to investors around the world. We've got targeted marketing and investment-attractive activities. We're trying to attract new investments to the north. I think we can actually say that it's been significantly helpful in terms of attracting jobs to various communities. More than \$7 million has been invested in international outreach and there have been all kinds of promotional materials and some of the trade missions that have gone on as well, public relations activities.

*Interjection.*

**Hon. Michael Gravelle:** If I may, just quickly, there's the northern community investment readiness program. We've had over 100 projects or applications for support under that, which is part of the GO North program. It makes a real difference. They're not large amounts of money but they really are helping the communities, smaller communities, and that makes them able to respond to international investors. Listen, nothing is perfect and we think we can do some more work on this, but the fact is—of course, it's also important to note, as I know you know, that this is in partnership with the Ministry of Economic Development and Trade. We're pleased with the programs that we've been able to administer and we think there have been some real successes as a result of the GO North program.

**Mr. Norm Miller:** For my last couple of questions, we've received e-mails to do with the 1% pension increase promised to the Ontario Northland Transportation Commission pensioners. Do you know the status of that 1% increase?

**Hon. Michael Gravelle:** That actually isn't my area of expertise; I apologize.

**Mr. Kevin Costante:** We would have to get back to them on that.

**Hon. Michael Gravelle:** Yes, and we will—

**Mr. Norm Miller:** So you can respond. After the fact is fine on that one.

**Hon. Michael Gravelle:** Okay, thank you. I wish I could give you more of a response right now, but—

**Mr. Norm Miller:** Okay. The mayors' action plan: A lot of the mayors met in October and November 2007—from what I hear, a very good conference—and made lots of recommendations. What's the ministry's response to that mayors' action plan?

**Hon. Michael Gravelle:** When you say "mayors' action plan," are you talking about—

**Mr. Norm Miller:** They had a big conference in November 2007, right after the provincial election. From what I understand, it was quite successful. They made recommendations, and I'm wondering what the ministry's response is to that.

**Hon. Michael Gravelle:** Yes, I believe FONOM did that. I actually think I remember the dates, because it was just literally after the election. It was October 16 to 18. It's peculiar that I even remember the dates, but I do because I couldn't go as a member, and I was a member then. It was difficult. It seemed to me that it was more

put on by FONOM, it was more of a northeastern Ontario gathering than it was—it included the northwest as well. But the long and the short of it is, a lot has happened since then. I've met with FONOM since that point, and the growth plan was very much a large part of that discussion.

We did a couple of things. Obviously, I'm very excited about the growth plan for northern Ontario. I think it's going to provide us with some real vision, some real clarity and a real blueprint for how we move forward from an economic development point of view. Not only are we moving forward in terms of a regional sense, but we have FONOM and NOMA, the northeast and northwest municipal associations, working closely together. They're going to be fully informed. It's my goal also to give an update report of where things are at early this fall so that I can get out there.

One thing: I was at AMO, as you were, and met with the representatives in terms of the growth plan, and I think it's fair to say that, yes, there is a lot of positive enthusiasm and excitement about the growth plan. There is a desire for us to perhaps communicate more often with the mayors and reeves, which I intend to do, because I think it's important. Out of that session that you were describing in October came some discussions, and I'm pleased.

I think that one of the key responsibilities of the Ministry of Northern Development and Mines is to develop a relationship with the municipal leaders, and it's something that I take very seriously. I certainly always did, and do, as a member and now as a minister. I see it as being really key to making sure that there aren't any—I think they're honest with me about what they think. So that's why I'm actually a little surprised by some of your comments.

**Mr. Norm Miller:** And for my last question—

**The Chair (Mr. Tim Hudak):** Okay, you can place a question for them to get back later if you want, but it's your last question.

**Mr. Norm Miller:** Yes, sure. On provincial land tax reform: Can you provide an update on what's happening with that and if there's a tax rate that's going to be applied? I was in unorganized territories last week and I was being asked, "What taxes am I going to be paying or what's it going to mean?" I said, "Well, I think you can count on your taxes going up. But I don't know what the tax rate is."

**Hon. Michael Gravelle:** It's the Ministry of Finance, as you know, that's responsible for that. I would be willing to respond if I had time, but it is the Ministry of Finance that is responsible for provincial land tax reform, not our ministry. I know you understand that, right? So we can get a response from the Ministry of Finance. But if we had more time—I went to the consultation sessions held a couple of weeks ago in Thunder Bay. I know there were a lot across the north—

**Mr. Gilles Bisson:** It wasn't as big as Timmins.

**Hon. Michael Gravelle:** I heard it was massive—

**The Chair (Mr. Tim Hudak):** Anything else, Mr. Miller?

**Hon. Michael Gravelle:** Mr. Bisson will talk about it later.

**Mr. Norm Miller:** I think that's probably good. Thank you, Chair.

**The Chair (Mr. Tim Hudak):** Thanks very much. So there are two follow-ups: one with respect to the pension issue that Mr. Miller had asked about, and if you could get an answer from the Ministry of Finance, Minister, with respect to the land tax.

**Hon. Michael Gravelle:** Yes, I've never gone through this before. Is it appropriate for a question to be on another ministry even though we're not that—

**The Chair (Mr. Tim Hudak):** In certain circumstances, given your advocacy role for northern development, I do find this to be in order, and whatever information you get us from finance—

**Hon. Michael Gravelle:** We'll get a response, then. Absolutely.

**The Chair (Mr. Tim Hudak):** Terrific. Thank you very much.

Mr. Bisson, you have 16 minutes for your final round.

**Mr. Gilles Bisson:** The provincial land tax I'll leave to—I'll come to that later at another ministry. But it's huge and people are hopping mad, as you well know. You were at your meetings in your constituency; I was at mine. Literally, the Ramada Inn was full. They turned away 300 people—one of the biggest meetings I've been to in a long time. It's a little bit like the Boston Tea Party, you know? People are saying, "What, taxes without representation?" Anyway, let's not go there. That's for later.

To pick up on the point I finished with earlier, your ministry has moved from the initial sort of looking at internal applications to NOHFC to farming it out to Deloitte and Touche. I'm wondering: Could you provide this committee with a copy of the tendering documents? They would be public now. If you could provide that to us it would be helpful.

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**Hon. Michael Gravelle:** Absolutely.

**Mr. Gilles Bisson:** To the point that I made earlier, and I ran out of time, I've got two constituents who contacted me with applications that they made to NOHFC in French. They eventually got responses—it took some time—but they were in English, and one is taking issue with it. So I'm just warning you that that's a bit of an issue, that you should be looking internally at what's going on, because when people are applying for funding at NOHFC in French, they should be responded to in French.

**Hon. Michael Gravelle:** They certainly should have received a response in French, as I think Mr. McDonald said as well, and my deputy's confirmed that. So we'll look into that.

**Mr. Gilles Bisson:** Okay. I want to go on to the issue of mining, First Nations, the Mining Act, all of that, in the last 16 or 18 minutes I've got. I guess the simple

question I want to ask you up front is that, being the minister who's responsible for bringing that legislation to the House, should there not be buy-in by the First Nations or the industry or communities, are you still going to go forward? If, let's say, the First Nations say, "Hang on a second; we're not ready," or industry says, "Whoa, you haven't got this right," are you still going to go forward, or is there going to be a revisiting of timelines?

**Hon. Michael Gravelle:** I think probably the most appropriate and the best response I can give you is that I'm optimistic that—we are having consultations; we are having discussions. I don't want to presuppose the entire discussion process, but I can tell you—and I'm not sure if you were at the Timmins event or not because I couldn't be there—that there were a significant number of mining sector people at the sessions and a significant number of First Nation leaders, and certainly one would not be left with the impression of what you just said happening, based on that, based on the discussions that happened there. There was a very open discussion at the tables—

**Mr. Gilles Bisson:** I didn't say anything about that yet.

**Hon. Michael Gravelle:** —and there's no indication that there's not going to be a movement in terms of a—

**Mr. Gilles Bisson:** I just—

**Hon. Michael Gravelle:** So I'm just saying that I'm not able to answer that question based on the fact that I don't think we'll have to—

**Mr. Gilles Bisson:** I just want to—and you would have an appreciation for this as a fellow northern member and somebody who's dealt with First Nations for a while. You know as well as I do that how First Nations view consultation and European governments view consultation are two different things. There's a much different process traditionally, as far as their own traditions, but also that imposed by the Indian Act. The Indian Act has set the chief in council as effectively the authority in communities about decision-making. So you might be dealing with, let's say, regional organizations like NAN or Muskegowuk or Matawa or whoever it might be, but at the end, it's the local communities that have to make these decisions.

So when you say that we've had consultation and we invited people to Timmins and Thunder Bay, you know as well as I do that, first of all, 90% of them probably don't even know this is going on, because most of them live in pretty isolated communities, and if they do know it's going on, there's a bit of a different ramp-up towards understanding what "amendments to the Mining Act" means. First of all, what is the Mining Act? What does it mean? How does it impact me as a First Nation? And what do I have to say about that? There's a whole different process, and I get a little bit nervous when I hear governments of any stripe—mine, yours or anybody else's—talking about, "Well, we're having consultation. We want to get legislation back by sometime in December." They may not be ready, and I think the mistake would be to go forward without making sure that we have buy-in.

There are changes in the Mining Act that I think are necessary; I can support you on some of them. But to say that the Mining Act is the be-all and end-all to resolving the issue with First Nations vis-à-vis access for prospectors onto traditional lands for exploration I think is a little bit over the pale, and I think we need to take seriously comments made by others.

I just want to follow up on something my colleague Mr. Miller—

**Hon. Michael Gravelle:** Can I just quickly respond a little bit?

**Mr. Gilles Bisson:** You will, because it's all part of the same.

Mr. Miller made a point and you responded to it. He said, "I've been talking to Chief Stan Beardy and others, and people are not as comfortable"—I forget; I'm paraphrasing—"about the changes to the Mining Act that some would lead us to believe." And you said, "I wish you were standing beside me when I'm talking to them, because that's certainly not the sense that I'm getting from the chiefs." Listen, I'm hearing the same thing, and I'm not even standing with Norm Miller when we're talking to First Nations. There is not, and be very clear about this, complete buy-in by First Nations on the reforms to the Mining Act, and for us to assume at this Legislative Assembly that there is I think is a grave disorder.

I again ask you the question: If First Nations are saying—or industry, because there's not even buy-in by industry; I talked to a number of people who have gone to the consultations in the north around changes to the Mining Act and there was no unanimity on the part even of the mining industry. So I'm going to ask you this question again: If, in the end, and I don't want to presuppose what's going to happen at the end, either industry or the First Nations are saying, "Hang on. Good idea; however, it's not quite right. You need go back and look at some other things," are you prepared, as the minister, to put it off till next spring or next fall in order to make sure that we get it right and we don't end up with imposed decisions from Queen's Park that First Nations and mining industries up north may not agree with?

**Hon. Michael Gravelle:** We are committed to moving forward and bringing legislation before Christmas, but we also are very keen at the same time to have a very successful consultation process.

I might ask Christine Kaszycki, our ADM for the mining side, just quickly.

One of the things I wanted to say was that in the discussions we're having on the Mining Act modernization, there's been so much that's been done beforehand.

**Mr. Gilles Bisson:** I'm well aware.

**Hon. Michael Gravelle:** This has been a very civil process; thank you very much for that. But your own leader said he didn't think we needed consultation. He was quoted in Thunder Bay as saying, "We don't need any consultation. Just do the Mining Act." I thought it was a bit odd when he said that.

**Mr. Gilles Bisson:** No, you need to understand that if there's anybody who understands First Nations issues, it's Howard Hampton. The point he was trying to make is that having revisions to the Mining Act be the be-all and end-all to resolving issues when it comes to people staking claims on traditional territories so we don't end up with another KI situation like Platinex is a bit beyond the pale, because a lot of the issues have nothing to do with the Mining Act. In fact, you currently have the authority under the Mining Act to do much of what needs to be done that you're consulting about in the first place. So let's be clear here.

**Hon. Michael Gravelle:** I don't want to get into an argument with you, because this has been a really good, civil process. But what I heard him saying was, "We know what you've got to do. Just do it. You don't need consultation," and I thought, "What an odd thing to be hearing from somebody who should understand better."

**Mr. Gilles Bisson:** We've had this conversation, and the comments he was making were related to the powers that you currently have, as minister, to deal with some of these issues.

**Hon. Michael Gravelle:** Christine, if you don't mind, could you just—

**The Chair (Mr. Tim Hudak):** Could I just get her to introduce herself for the sake of Hansard?

**Ms. Christine Kaszycki:** I'm Christine Kaszycki, assistant deputy minister, mines and minerals division.

So—

**Hon. Michael Gravelle:** Aboriginal engagement.

**Ms. Christine Kaszycki:** Yes, thank you. As the minister indicated, we've been out talking to First Nations communities and organizations for the better part of a year now. I think the minister did a very good job of summarizing the level of activity and some of the initial steps we've taken as part of the process we're engaged in now with respect to modernizing the Mining Act.

When we launched the process on August 11, shortly thereafter we had distributed copies of the discussion paper to all First Nations communities across the province. An executive summary that was translated into three First Nations languages accompanied that, and the discussion paper itself is currently being translated as well and will be made available as soon as that's completed. That's just the first step. In addition to that, we'd indicated to chiefs and councils that we would be coming back out and requesting their input through a variety of different mechanisms. So obviously they were encouraged to respond individually, if they so chose, with respect to any ideas or comments they may have.

We're working with political organizations to build capacity from a technical perspective, to review the Mining Act and provide feedback, and we'll be hosting community-based workshops across the province where we will be ensuring that two representatives from each community are invited to participate and provide direct input.

**Mr. Gilles Bisson:** And all of this leading up to the passage of a bill by December of this year?

**Hon. Michael Gravelle:** Not passage; introduction.

**Mr. Gilles Bisson:** Well, even introduction. The point I'm making is this—and you would know because you've been working in this field for a long time. I use the community of Attawapiskat as an example. When they set out to negotiate an impact benefit agreement with De Beers, the biggest obstacle to getting an agreement was getting the community to understand what a diamond mine is—very basic questions—what it is worth, what impacts it is going to have on our community, how it relates to our traditional values, and a whole bunch of ancillary questions that came out of that, because nobody's had to deal with a diamond mine before in Attawapiskat, let alone a gold mine.

That's why I'm just trying to caution you—and I'm not doing this in a partisan sense. The relationship between not just your government but the province and First Nations and the federal government is changing, because First Nations are now starting to become much more aware of what's going on and are becoming much more involved and are becoming much more demanding, rightfully so, of what should or shouldn't be happening on traditional lands. If we're seen as the province coming down with the Big Brother attitude, "We know what's best for you. We've talked to a few chiefs here and there and we've talked to the PTOs. We've got this all worked out, and we've sent out documents in three official First Nations languages," that may not be where the youth is at in a community. That may not be where a majority of the community's at—even with the band council in any community. I'm just saying, we need to get this right.

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I've been championing many of these issues in this Legislature for a long time. In fact, I'm the one who came up with the idea of revenue-sharing, land-use planning and all of this stuff. I've been pushing this stuff from the time the Tories were in power, when I first ended up with Timmins–James Bay as a riding. I don't want to hold you up, but I want to make sure we get it right. That's why I'm saying to you, if at the end they're not ready, either industry or First Nations, I strongly suggest that we don't try to ram this down anybody's throat, that we do it right so that there's buy-in on the part of First Nations and on the part of industry, to say, "Yes, this is the right thing to do." Because you know what? You were right in your earlier comment: Some of them are already there. There's been a memorandum of understanding signed between First Nations and the Ontario Mining Association. NAN is certainly there, Mushkegowuk council, Matawa. They're certainly a long ways toward getting there but they're not quite there yet, and the worst thing we can do, the biggest disservice, is to shove this thing down. I really have to say that in the strongest of terms, with all due respect.

Do you want to make a comment? Then I'm going to—

**Hon. Michael Gravelle:** Again, I remain optimistic that the consultation process will bring us forward and put us in a position to bring forth the legislation. I don't

think there's much value for me to be saying, "What would happen if it doesn't work out?" We have had a very significant engagement with our aboriginal partners, as well as the mining sector itself, and we're going to continue that on. So our goal remains, and will remain, to bring forward legislation, certainly in the fall session, and then—if it's passed, it would pass sometime next year—and regulations as well. So that's our goal and that's going to remain my goal.

**Mr. Gilles Bisson:** The other part of it, and you raised it at the end, is the regulation part. Currently within the Mining Act most of the powers that you have as a minister are under the regulations, and most of the regulations give you the ability to do what it is that you have to do in the first place, I would argue. Read the Mining Act. I've gone back and read it a couple of times.

My request is this: In developing the regulations, because that's where the meat and the substance of this thing is going to be, are you prepared to commit to a process—should we have the initial buy-in by First Nations and industry, to say, "Yes, we want to go forward with reforms to the Mining Act," is there any commitment on behalf of yourself as the minister, representative of the government, to say, "We will ensure that industry and First Nations are an integral part of developing the regulations around this"? The regulations are going to make or break this.

**Hon. Michael Gravelle:** We're working through a process of consultation now, where the involvement of not just First Nations, not just the mining sector, but obviously communities, is very important. We want to put together the best possible legislation that people can recognize as finding that balance. This is all about balance. I think you'd be the first to agree with me on that. How do we find that balance between maintaining a positive investment climate, particularly at this time, when there are other challenges in other sectors, and fully respecting the rights and the consultation and accommodation requirements of First Nations? That's going to be our balance. We're committed to find that balance, to get the legislation right, and then to move forward and try to make sure the process is completed in a fashion that is embraced ultimately by all. I'm not sure we're going to be able to do that, but that's the goal. Certainly we're trying to be as open as we can with all those partners in the discussion.

**Mr. Gilles Bisson:** I'm running out of time, so I'm going to ask you the last question. This is something I'd want reported back to the committee. Can you provide the committee with the cost to the Ministry of Northern Development and Mines associated with the KI First Nation dispute with Platinex; how much did it cost you? If we can get that reported back to the committee.

**The Chair (Mr. Tim Hudak):** Sorry, I couldn't hear what the request was.

**Mr. Gilles Bisson:** The amount of money that the Ministry of Northern Development and Mines had to spend in order to deal with the Platinex situation in KI.

It's in keeping with the question we had asked aboriginal affairs.

**The Chair (Mr. Tim Hudak):** Yes.

**Mr. Gilles Bisson:** On that, thank you, Minister, for being here. Again, I really want to caution you on the Mining Act reform. I think there's a lot of buy-in in order to do Mining Act reform. I support some of what's being done in there. I would argue that some of it could be done now with your regulatory authority, but we'll have that discussion later. Please, don't rush this to the extent of trying to say, "Well, here we've got some legislation. What a great thing," because we'll end up with more than KIs out there. Just mark my words: The youth in First Nations communities, as you well understand, are looking at this stuff a lot differently than my generation and the generation before. They're a lot less patient and probably much more militant than we'd like, and rightfully so. So I ask you: Please get this right. This is our one chance at trying to fix what has been a pretty bad record for the last 100 years.

**The Chair (Mr. Tim Hudak):** That does conclude our time. I'll take that as a statement. Mr. Bisson, if you get a chance either now or at the end of committee to meet with Mr. Richmond, just to get clarification on your two questions around Deloitte and Touche and the KI costs—

*Interjections.*

**Hon. Michael Gravelle:** We actually have it. Can I just provide that, Chair?

**The Chair (Mr. Tim Hudak):** With respect to—I'm sorry.

**Hon. Michael Gravelle:** The KI costs; how much our ministry spent in terms of—

**Mr. Gilles Bisson:** Can I see it? I'll just let you know if it's the answer we're—

**Hon. Michael Gravelle:** Well, no. Eighty-one thousand dollars was spent by the ministry to help resolve the dispute. I think we should probably include this part here: Cam Clark, as you know, the former deputy minister, was brought into the negotiations, and his costs were \$31,000.

**Mr. Gilles Bisson:** So that was the total amount expended by your ministry?

**Hon. Michael Gravelle:** Eighty-one thousand dollars, including the \$31,000.

**Mr. Gilles Bisson:** Thank you.

**The Chair (Mr. Tim Hudak):** Thank you, Minister, for the snappy response to Monsieur Bisson's question.

We'll now proceed with the government, which is the last 16-minute segment, and conclude our estimates for northern development and mines. Mr. Rinaldi.

**Mr. Lou Rinaldi:** All good things come to an end.

I really don't have any questions, Minister, but I want to take the opportunity to thank you and your staff for being prepared for estimates today. I think it went really well. I know that I certainly learned a lot, and I'm sure members from the opposition did the same, so I want to thank you for that.

Having said that, I just want to allow you to use our time or part of our time to highlight a little bit more the growth plan for northern Ontario, because I know how important that is to them. I was involved in the greater Golden Horseshoe with the ministry of infrastructure when we first formed government, and I know what kind of role that played in southern and central Ontario.

Also, I know we spent a lot of time revising the Mining Act, so maybe you could just wrap up with some comments about that.

**Hon. Michael Gravelle:** I appreciate your kind comments. I also want to thank my deputy, Kevin Costante, and all my ADMs and all those involved in the process in the ministry. It is a serious venture for a ministry to be going before estimates and we take it very, very seriously. I hope it has been valuable and useful. I appreciate the participation of all our members.

I certainly won't use the 16 minutes to wrap up. Is that okay?

**Mr. Gilles Bisson:** I'm heartbroken.

*Interjections.*

**Hon. Michael Gravelle:** Certainly, I was very proud to be asked by the Premier to be the Minister of Northern Development and Mines. It's an exciting time to be in this position and it's a challenging time. I think there are some extremely positive aspects in terms of northern economic development and they do relate to the opportunities we get through the Northern Ontario Heritage Fund Corp. May I say, even with the challenges we're facing with the Mining Act, at the end of the day with the Mining Act review, I think the time has come for us to move forward on that, and we're going to do our best to move forward in a positive way. As I mentioned when I was just speaking with Mr. Bisson, the challenge will be to find the balance in the legislation that we bring forward related to maintaining the very positive investment climate and, at the same time, respecting the community's right to make decisions regarding what economic development happens on their lands, particularly their traditional lands. That's something that we think is very important.

We are very excited about the growth plan. This is another aspect of our ministry that I'm pleased to be working with the Minister of Energy and Infrastructure on. We do believe in northern Ontario that there are reasons for hope and reasons for optimism, and the growth plan is one of the vehicles by which we're going to find them. We're going to make some decisions as northerners. The exciting thing about the growth plan is that this is our plan; it is northerners' plan. It will be coming out of the north, and at the end of the day, the report that comes forward will be a plan created by northerners for northerners. That means a lot to us in the north.

I appreciate all the comments that I've received from the members of the opposition, Mr. Miller and Mr. Bisson, and their suggestions and thoughts on everything related to my ministry. It is a busy ministry. We're going through some pretty interesting times, but by nature I am an optimist, and I am going to continue to move forward positively and hopefully continue to make some good decisions for our ministry.

I'm grateful, again, to everyone who has helped me get through this process today.

With that, I'll thank all the members, wrap up and say thank you, Mr. Chair, for your kindness as well.

**The Chair (Mr. Tim Hudak):** So there are no further questions from the government members? All right, we will proceed now to the votes, but to the minister, his deputy minister and staff, thank you very much for your participation and your prompt response to questions today. And to all members of the committee: a very civil discussion, a very informative debate. So to the critics and members of the committee as well, thank you for that very enjoyable tone. That does conclude the time for our question-and-answer portion of estimates and statements.

We'll now proceed to the votes. We have three specific votes.

For the Ministry of Northern Development and Mines, shall vote 2201 carry? Carried.

Shall vote 2202 carry? Carried.

Shall vote 2203 carry? Carried.

Shall the estimates of the Ministry of Northern Development and Mines carry? Carried.

Shall I report the estimates of the Ministry of Northern Development and Mines to the House? That's a yes; will do.

That concludes our time for northern development and mines. I didn't have to use the gavel once today, as a matter of fact, which may be—I don't know—a record.

**Hon. Michael Gravelle:** No, you didn't.

**Mr. Gilles Bisson:** What is this Chair coming to?

*Interjection.*

**The Chair (Mr. Tim Hudak):** I will use it for the end, yes.

We will be meeting tomorrow morning, same room, at 9 a.m. for the Ministry of Research and Innovation, until noon.

**Mr. Gilles Bisson:** On a point of order, Mr. Chair. Just for the record, we're expecting our first grandchild probably tomorrow, so if I ain't here, don't pull any quick tricks: I'll be doing other things.

**The Chair (Mr. Tim Hudak):** The best to your daughter and family with that exciting news.

Folks, for today we are now adjourned.

*The committee adjourned at 1501.*



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