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Tuesday 20 January 2015

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Mardi 20 janvier 2015

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

**Comité permanent des finances
et des affaires économiques**

Consultations prébudgétaires

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

COMITÉ PERMANENT DES FINANCES ET DES AFFAIRES ÉCONOMIQUES

Tuesday 20 January 2015

Mardi 20 janvier 2015

The committee met at 0901 in Hotel La Place Rendez-Vous, Fort Frances.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Soo Wong): I am going to call the meeting of the Standing Committee on Finance and Economic Affairs to order. Welcome, everybody, to Fort Frances for the pre-budget consultations 2015.

AINSWORTH ENGINEERED CANADA LP

The Chair (Ms. Soo Wong): The first witness is Ainsworth Engineered Canada LP.

I just want to give some instructions before we begin. Each witness will have a total of 15 minutes, 10 of which are for their presentation, followed by five minutes of questions from the committee members. Our party rotations start with the government.

For the purpose of Hansard, we need every witness to introduce themselves and their colleagues. Can you please begin, sir?

Mr. Terry Ouellet: Good morning. I'd like to welcome the Standing Committee on Finance and Economic Affairs to the Rainy River district and Fort Frances. It's good to see this committee in this part of the province.

My name is Terry Ouellet and I am the site manager for Ainsworth Engineered Canada. The company owns an oriented strand board manufacturing facility located in Barwick, Ontario, which is a community 45 kilometres west of Fort Frances within the municipality of Chapple township. I'd like to take a few minutes to provide you with a background to our company and facility, after which my woodlands manager, Rick Ksiezopolski, will address some specific concerns for your budget deliberations.

Ainsworth Engineered Canada, which I'll call Ainsworth, is a leading manufacturer of oriented strand board, also known by the acronym OSB. Ainsworth focuses on specialty value-added OSB products for markets in North America and Asia. We are a publicly traded company, with four OSB mills located in Alberta, British Columbia and Ontario.

The Barwick manufacturing facility was constructed as a greenfield mill approximately 20 years ago. We directly employ 170 full-time positions and support another 180 jobs through independent logging contractors. If you

apply the economic multipliers developed by the Minister's Council on Forest Sector Competitiveness, every direct job in a forest-resource-processing facility generates 2.33 indirect jobs throughout the region and an additional 1.73 induced jobs throughout northern and southern Ontario. Using these multipliers, the mill's 170 direct jobs produce 396 jobs within the region and 294 induced jobs throughout Ontario. This makes our manufacturing facility one of the largest employers within the Rainy River district.

Most of our annual expenditures stay within the local communities. Our employees and the independent logging contractors live throughout the Rainy River district and contribute to the tax base of many small municipalities located within the district. Approximately 50% of our employees are based in Fort Frances, with the remaining being scattered throughout the district from Atikokan to Rainy River and north to Nestor Falls.

We have an excellent workforce and are proud of our safety and environmental performance. I am pleased to announce that as of yesterday we have achieved the significant safety milestone of working for five years without a lost-time accident. This safety achievement was made possible by the extraordinary commitment and dedication of all team members at the mill.

Generally, OSB manufacturers focus on commodity products that primarily target new home construction and renovation markets. Since 2008, the commodity price has remained relatively low and continues to do so as a result of slow demand.

At Ainsworth, we have and continue to invest to diversify from commodity production. Some 70% of the production at the Barwick mill is specialty value-added products, such as custom dimensions for recreational vehicles, furniture manufacturing and premium flooring products. This focus on specialty value-added products resulted in the Barwick facility being one of nine mills in North America that ran continuously throughout the recession.

All production from our facility is sold into the North American market, primarily in the north-central and Mid-west corridor of the United States.

The specialty value-added focus also creates economic and employment opportunities for local communities. For example, through a business relationship with Manitou Forest Products, OSB is remanufactured into a finished product called rim board. The fabrication facility is co-

located in a specialty sawmill on Manitou First Nations. This operation employs 25 people within the community.

I would now like to turn over the presentation to Rick Ksiezopolski, the woodlands manager, who will discuss specific concerns for your budget deliberations. I thank you for your time this morning.

Mr. Rick Ksiezopolski: Thank you. Good morning. Rick Ksiezopolski is the name, as you probably heard.

I think it's important for the mill to continually improve its competitive position through ongoing capital investments in order to compete with newer, larger, low-cost facilities that operate in North American jurisdictions. These other facilities have a significantly lower cost structure. Any increase in taxes, fees, royalties, stumpage, utilities, and changes to government policies and the like impact the competitiveness of our mill and our continued investment and employment.

The largest input cost in the production of OSB is wood cost. The Barwick facility has one of the highest wood costs in North America for an OSB facility. All elements that make up our total wood costs are high. These include forest management fees, forest renewal fees, stumpage, roads, logging and trucking. Government policies directly impact these costs. The Ontario Forest Industries Association—the OFIA—of which we are a member, will be making a presentation that will address some of these impacts, and we support the OFIA's position on those matters.

Specific to our facility, we understand that the Treasury Board has asked the Ministry of Natural Resources and Forestry to increase the minimum stumpage paid for poplar and white birch from 59 cents a cubic metre to \$4.83 a cubic metre. This 820% increase is unconscionable and will jeopardize all our past efforts and investment and will challenge the viability of our mill.

Further, as part of the stumpage system, a residual value formula is applied that results in the highest residual value rates in Canada. We ask that the Ministry of Natural Resources and Forestry adjust the formula to make it competitive with other jurisdictions.

One of the largest elements of our logging costs are associated with fuel. While gas prices have been falling throughout the province, they remain stubbornly high within the local economy. Gas prices are 99.9 cents per litre while across the border in International Falls they are 60 cents a litre on an equivalent dollar basis. Pricing in Winnipeg is approximately 75 cents, which I understand is similar to southern Ontario. Diesel fuel prices remain high as well.

There are many complex and mysterious variables for market prices, and we ask the committee to be mindful of these differences and question market pricing if the opportunity arises.

On a positive note, the Ministry of Natural Resources and Forestry program for forest roads has assisted the industry, and we ask for continued support for this program.

Energy cost greatly affects the production cost of an OSB mill. Currently, Ontario recognizes the impact of

high electricity costs on the forest products sector and established the Northern Industrial Electricity Rate Program, or the NIER Program, to offset electricity costs. It is critical that the NIER Program become permanent to protect the economic viability and competitiveness of not only our mill but all forest product manufacturing facilities.

Also with respect to electricity, while the NIER Program addresses the immediate pricing, consideration needs to be given to long-term price increases, as we are becoming a jurisdiction with the highest electricity costs in North America. Fair, predictable and competitive utility rates are critical to job retention, business development and job growth for all sectors.

0910

Recently we met with a local municipality to discuss upcoming municipal taxes. They indicated that they will not be able to present a budget without a tax increase. Numerous factors such as the doubling of policing costs, continued program offloading, increased regulations and the need for plans, in order to make plans for items such as assets, water and landfill etc., came up as the root cause. While not familiar with the specifics, any policies that impact municipalities directly impact our facility, our employees and the independent logging contractors, and we ask the committee to consider the downstream impact of any changes.

Finally, throughout the day, you will hear about the move towards a more inclusive model of forest management for the local forests. Ainsworth is supportive of this move, as long as it provides a secure, long-term, cost-competitive fibre supply in support of our continuing investments.

I thank you for your time and thank the committee again for coming to northwestern Ontario.

The Chair (Ms. Soo Wong): Thank you very much. This round of questions is to Mr. Baker. You have six minutes.

Mr. Yvan Baker: Thanks very much for coming and for sharing with us your thoughts and input. I certainly can appreciate that one thing you highlighted was the importance of the forestry sector to our economy in Ontario, particularly to communities like Fort Frances. I can certainly appreciate that.

Can you talk a little about some of those macro-economic challenges and the challenges facing the industry? I would like you to talk a little bit more about the challenge you face in the OSB, in the area of strand board, and what future trends you see in the OSB North American market.

Mr. Terry Ouellet: On the newer mills, much larger, they can focus on being low-cost producers. Being a smaller mill with higher costs to do with some of the things that we mentioned, wood in particular, we've had to diversify. The mill originally was built as a commodity mill and we had the three or four products it made. We currently can make over 400 SKUs of products. In fact, we've diversified ourselves into value-added and non-commodity markets, and even building new products, we

may have used different types of wood for, or different lines of products—or convert them into OSB, creating our own markets.

We fully intended on doing that last year when we were at 65% value-added; this year, we're almost 70% value-added which we plan to attain, so getting to the value-added is key for us, and breaking into markets like that, into furniture, for instance, or these big markets.

Mr. Rick Ksiezopolski: A further comment on the macro level: Housing starts are a critical issue. If you look at the US housing starts, prior to the recession, if you want to call it depression, whatever it may be, they always ran about two million or 2.2 million in the US, and now they're barely struggling—they've been bouncing around the million. So, if you take a look, if you take a million houses out of the picture, that affects the price of the OSB products. The key indicator is housing starts in terms of the OSB sector.

Mr. Terry Ouellet: And year after year, the starts are forecasted to be here, and they've come up quite short, year after year, since the whole downturn started.

Mr. Yvan Baker: I appreciate that. One of the things that's happening, and I imagine you're aware, is that our government is undergoing a forestry tenure modernization process. We're moving into what's called enhanced Sustainable Forest Licences, known as eSFLs. What benefits do you see to that process?

Mr. Rick Ksiezopolski: As I said, we support the movement toward the eSFLs, as long as it provides for a cost-competitive wood supply and provides additional security. I think, from a company's perspective, it just allows you to be at the table when they're making decisions on the forest itself, and not to say that anything is wrong with what's going on now, but it's just a matter of you're at the table, you can have the same position and strength with the other parties that are there, and it allows for more involvement from the community as well.

Mr. Yvan Baker: Okay. I appreciate that.

The Chair (Ms. Soo Wong): Three more minutes. Ms. Hoggarth.

Ms. Ann Hoggarth: Actually, I just want to say something positive. I congratulate you on your great health and safety record. That makes everything better for the workplace and for everyone who works there and for the whole community. Thank you.

The Chair (Ms. Soo Wong): Ms. Naidoo-Harris.

Ms. Indira Naidoo-Harris: I just want to ask you a question about stumpage and the stumpage pricing. You touched on that a bit. I want to find out how we've benefited from that and if you feel that there are things that we could do to improve.

Mr. Rick Ksiezopolski: From the stumpage perspective, the government adjusted the stumpage lower, at \$108, *[inaudible]* when the economy was changing, and certainly that allowed us to stay in business. The price at that time was very low, and it continues to be so right now. Right now, we're almost at the bottom again. The OSB price is \$200 per thousand board feet. Back at the lowest point in the recession, it was about \$180, so we're

not far off from that. Therefore, all that any contemplation of an increase does is just reduce our bottom line, plus it jeopardizes the viability of the mill. It's a fixed constant. It's part of your business, where you can't fill it out with the marketing and get more money for it. It's like electricity. It's a commodity product, and the market tells you what the price is. When you compete globally, it's just another variable that goes into the cost structure that I can't sell or increase my price to get back.

The Chair (Ms. Soo Wong): Thank you for your presentation, sir.

COUCHICING FIRST NATION

The Chair (Ms. Soo Wong): The next witness is Couchicing First Nation: Chief Sara Mainville.

Good morning, Chief. As you heard earlier, you have 10 minutes for your presentation. This round of questions will be from the official opposition party. You can begin any time. Please identify yourself as well as your colleague who is sitting with you.

Chief Sara Mainville: Good morning. My name is Sara Mainville. I'm chief of Couchicing First Nation. Sitting with me is our councillor, Ron Archie. He is an advocate for economic development of Couchicing, so I wanted to bring him along.

I'm going to talk about three things. One is relationships, another is economic development, and the third is education. I'm bringing to you a First Nations perspective from northwestern Ontario as well as specific requests from Couchicing First Nation.

I want to say boozhoo. That's the traditional greeting of this land.

Welcome to Couchicing. Welcome to the land that was set aside for Treaty 3. This is an Agency 1 reserve. This place has been known as Couchicing forever. It was known as Couchicing before this fort was built—any fort, including Fort Frances.

My first slide is about the Ipperwash inquiry—because I think that it hasn't held a lot of promise and yielded the results to date. I think there have been unreasonable expectations on both sides: the government of Ontario's side and the First Nations side. As somebody who has practised law and has gone to several meetings on Ipperwash and some of the priorities, I understand that there needs to be a rethink on how to roll some of the promised results out. It really is needed to make a change in the relationship between the government of Ontario and First Nations across Ontario.

In 2007, I think several First Nations thought there was hope that our treaty would finally be recognized by Ontario. In the meantime, here in Treaty 3, we fought all the way to the Supreme Court of Canada with Ontario to talk about what your relationship is with the First Nations in Treaty 3. I think there are glimmers of hope in the Supreme Court of Canada judgment that there could be some reconciliation of your rights, your responsibilities, and indeed our rights and our responsibilities as Treaty 3 Anishnawbe.

I am very happy that there is a Ministry of Aboriginal Affairs. I'm very happy that Deborah Richardson is now the deputy minister of the Ministry of Aboriginal Affairs. In fact, we just talked yesterday. She has a good relationship with First Nations, and I hope that will colour the relationship across the ministries with First Nations.

I know that in 2007, we looked at resource revenue-sharing with hope, because we had a deal with the Ontario lottery money. That 1.7% is not enough, but it does indeed help our First Nations in Couchiching. It does help in economic development; it helps us make investments in things, especially things that languish, like education, health and community development.

0920

One of the things, as a lawyer, particularly a lawyer who has worked on land claims, is the Treaty Commission of Ontario. It has got to do more than educate the Ontario public on treaties. It has got to look at what, in fact, Ipperwash was about: a land dispute. The land that we are on now is disputed land. It was agency reserves set aside so that the First Nations in the area could come and receive their \$5 annuities and have that relationship with the crown governments. This land has been taken away from us.

I'm pretty pragmatic. I don't like spending thousands and thousands of dollars on lawyers to resolve this dispute, so we're sitting down with governments; we're sitting down with the town of Fort Frances, trying to resolve it. But we need a better Ontario policy about land claims. We need less of a focus on real estate values and more of a focus on the values of relationships, the values to honour that treaty in order to right wrongs that are centuries old.

Our resources are also a problem here in Treaty 3. Our resources, for the most part, are heading east, and that's nonsensical to all of the local communities here. The resources need to stay here. I like the dialogue that happened about the eSFLs. I know quite a bit about eSFLs. I've worked in the Kenora area. I've worked on relationship-building with the Ministry of Natural Resources. I think that there are some good things we can take from that model, and some better things from other models as well, to create a made-in-Ontario, especially a made-in-northwestern-Ontario, model that works for these local communities that are languishing in an economy that has been ignored by Toronto.

You guys are far away from us for the most part, but we are definitely contributing to the long-standing economic livelihood of this province. We're important contributors. Unfortunately, we have been left out in the cold for the past seven years.

I have a slide on First Nation education and some important gaps. Couchiching First Nation is a community of about 2,400 members. Unfortunately, only one third of the membership lives in Couchiching because we don't have much economic development opportunity. We have several role models—youth working in Minneapolis as graphic designers, and in Thunder Bay working for the government and for other First Nation organizations. We

can't bring them home because we don't have any opportunity or hope to grow their young families here in Couchiching.

We also can't compete with other local communities, like the town of Fort Frances, because of hydro. If you go feet away, from one residence to another you go from a \$550 hydro bill to a \$140 hydro bill because of the way that energy has been planned and developed here in Ontario.

We ask the province of Ontario to consider a strategy to lift up those high schools, like Fort Frances High School, which have a significant aboriginal population. We have 80 students from Couchiching going to the Fort Frances High School. Some of them are doing well and some of them don't do so well. I'm a lawyer; I have a master of law degree. I know the stress it is to go to Fort Frances High School as an aboriginal student. It is stressful, and I think that we need to do more to support aboriginal students to be successful. We have a good number of people who make the honour roll. It's because we have parents, in Couchiching especially, who really value education. We want to lift up all the aboriginal students—and there are much more than 80 in Fort Frances High School, to be clear, who could be helped by a special program to help those high schools which have significant aboriginal populations to join the new economy.

We have a new gold mine coming up. It's a practical reality that there will be a new gold mine near Rainy River. We do not have the resources to make sure that we can really capture that opportunity in our First Nations, and one of the reasons is because of the way that major curriculum like technical skills, science and math are not being delivered effectively in northern high schools.

We're one of the few high schools that actually have a sit-down classroom. Some of them do it electronically through websites, which I can't imagine, I can't fathom. I've been lucky enough to be sitting in classrooms all my life in different universities and Fort Frances High School. But I know when we send our kids to universities, to engineering programs, they're two steps behind because they don't have the curriculum in the Fort Frances High School to compete with southern Ontario students. I think it would be a very worthy investment to look at investing in northern high schools, especially those that service aboriginal communities like the Fort Frances High School does.

The next slide is on accommodating Treaty 3. I mentioned much of this, but I want to mention the Crossroute Forest. There is significant First Nation interest in the Crossroute Forest. It's something that should be prioritized as an immediate dialogue with the First Nations, about their preferred model on how to structure tenure in the Crossroute Forest. There are at least 14 First Nations that should be accommodated in the Crossroute Forest, Couchiching being one of them.

We have joined Fort Frances in saying that it has to be a priority to focus on industry here in Fort Frances. I am a partner with Fort Frances to want to see their economy grow and strengthen, and if the kraft mill is viable, let's

see what we can do to make it viable to a buyer or an industry. I think we missed a tremendous opportunity a few months ago, but I think there are other opportunities out there. I think the workforce here is tremendous and I think that we have a lot of value to give for investment here locally.

The Chair (Ms. Soo Wong): Chief, can you wrap up, because we have five minutes for the opposition to ask you and your councillor some questions?

Chief Sara Mainville: Sure. Let's move to the concluding remarks in my slide deck.

I thank you very much for coming here. I'm very happy and surprised that there is an Ontario government presence here listening to local concerns. I'm very happy about that. I think that there has to be more dialogue with First Nations in particular about resource development. The resource revenue sharing is going to—we're at a precipice where it needs to happen; it really needs to happen. For resource development to work in Ontario, resource revenue sharing has to happen. There are many of us who have put our minds around this and we have thought about this, and there are workable solutions there, but the dialogue has to be real and substantial.

Thank you.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Fedeli, do you want to lead off the questions? You have four minutes.

Mr. Victor Fedeli: Thank you, Chief, for being here. It's nice to see you today.

I have two areas here. I want to talk about the resource revenue sharing and something that the previous presenters had said. They said, "Throughout the day, you will hear about the move towards a more inclusive model of forest management" in the local forest, and they said they were supportive as long as it provides secure, long-term, cost-competitive fibre supply.

In addition to the resource sharing, is there anything you would like to add—because your time was short—on fibre supply? Do you have anything that you would like to share with the committee in that area?

Chief Sara Mainville: I think that one of the things that we have to focus on and I think your government has to focus on is a system that works for as many as deeply as possible. In my community, we've been bush workers. We've had bush workers in this forest since forestry started, and very successful people at it. I think that the system has to work for everyone, and I'm happy to hear Ainsworth talking about how it impacts them.

A kraft mill is something important because it creates good jobs: There are good jobs there, but I don't want to discount the people who are working in the bush—and the focus on the best system that works for everyone.

Mr. Victor Fedeli: In your concluding remarks—because you had to skip over to get to them—you have a paragraph here about energy costs. It says, "Energy costs steal any capacity we have to do economic development, the rates we pay to Hydro One cannot be justified" etc. Can you talk about that one, use a couple of minutes of this time to just talk about the energy rates?

0930

Chief Sara Mainville: Sure. We're serviced by Hydro One because, as a First Nation, we're not seen as organized. We talked to the Ontario Power Authority when they were there, and we are continuing to talk with the other agencies about finding a way to do some type of local delivery for our community. We've also talked to the town of Fort Frances. But in the meantime, the status quo is the Hydro One rates; and there are significant delivery costs to reach our community and the aging infrastructure. I think one of the things is that line loss and things like that means we're paying for hydro that never gets to our homes.

We have a beautiful arena, and I have to say that the Ontario government helped us build that arena. We pay money that we can't afford to manufacture ice in that arena.

Those types of things make it very difficult for us to have the recreational services so that we keep our youth home, we keep our young families home. We try to do that, but the hydro rates just make these things unsustainable.

Mr. Monte McNaughton: Just a quick question. There's a line in here that caught my attention. You are criticizing, I guess, the government regarding lobbyists. Can you talk a bit about that, explain why that's in here?

Chief Sara Mainville: Why it's in here is because Couchiching did try to do solar power; we did have a 10-megawatt project to do solar power. Another First Nation also had a solar power project. The only difference was that we didn't hire a lobbyist. I find that's often the case. When I do go to Toronto with a good idea that will help my community without a lobbyist, it's more difficult. As a lawyer, I've worked with communities that can afford lobbyists, and I see the help—like, you shouldn't have to be a friend of the present government to be heard. I think with this government in particular, I have to say—I have to make that criticism—you can't have a good idea and get the support of the government without a guide.

Mr. Monte McNaughton: So you're specifically saying with energy contracts—

Chief Sara Mainville: Yes.

Mr. Monte McNaughton: —you need, essentially, a lobbyist to get the approval?

Chief Sara Mainville: I'm hoping that the recent changes will change that, and in fact I have voiced those concerns with ministry folks, the Ministry of Energy, as well as, yesterday, with Deborah Richardson from the Ministry of Aboriginal Affairs, that it's a concern.

Mr. Monte McNaughton: Thanks for bringing—

The Chair (Ms. Soo Wong): All right. Thank you very much. Thank you, Chief, and thank you, Councillor, for being here.

ENGAGE

The Chair (Ms. Soo Wong): The next witness is ENGAGE, the Fort Frances young professionals network: Erin Wood, member. This round of questioning

will be from the NDP. Good morning. Could you identify yourself and your members for Hansard purposes, and you have 10 minutes for your presentation.

Ms. Erin Wood: Okay. I'm Erin Wood and this is Tannis Drysdale.

Good morning, everyone, and welcome to Fort Frances. My name is Erin Wood. I grew up in the Rainy River district and attended Fort Frances High School. I'm a local business owner. In addition to my professional responsibilities, I'm a proud mother of my two-year-old son, Liam.

I am a new member of the Fort Frances young professionals network. As a group, our focus is to explore the recreational and civic opportunities available in and around our community for professionals aged 20 to 35. It provides the young people of our district, whether they are new to the area or lifelong citizens, a network of other young, like-minded individuals seeking to engage in the community, as the name suggests.

In 2010, I opened my first business, and today we employ six people. We provide a full complement of salon and aesthetic services to our client base that lives in the Fort Frances and Rainy River district area. My business, like most businesses here in the district, is dependent on the forest industry. Most of my clients, their spouses or their children generate their income from or because of the forest industry; if not directly, then indirectly, as schoolteachers have jobs because their students are the children of loggers or mill workers, and so forth with nurses, electricians, store clerks—you get the point.

There has been a paper mill in Fort Frances for the last 100 years, and that mill has always been fed with the wood from the Crossroute Forest. Simply put, Fort Frances exists as a result of the fibre in the Crossroute Forest. We, the people of this community and this district, believe that the fibre should continue to be used to support the operation of a mill here in our community.

Attached, you'll find a map of the forests and a brief background for you to review that outlines the key points of this presentation.

When Resolute made the decision to close the mill, it came as no real surprise to our community. This is not to say that it wasn't devastating. Losing high-paying jobs with good benefits and pensions in a small, isolated community means that families separate, homes are sold and new lives have to be started.

My husband was previously employed at the local paper mill and was fortunate to find similar work close to home. Others haven't been so lucky. They've had to work far from home away from their families or move away entirely, but we all understand that newsprint was a declining commodity.

Resolute was failing to invest in new equipment or innovation, and the writing, so to speak, was on the wall. We were told at that time that the company intended to seek a buyer and was hoping to either work with a new producer of different products or create a new product to sell themselves. We don't know for sure if that ever happened, but what we do know is that several large forestry

companies attempted to make deals with Resolute that eventually failed.

One of these companies was Expera Specialty Solutions. Expera is a specialty paper company that produces a wide variety of products, ranging from 3M tape to Orville Reden—I can't say it—

Ms. Daiene Vernile: Redenbacher.

Ms. Erin Wood: —thank you—microwave bags. I think you may have had samples of some of the products that they wrap left in your room as gifts.

Interjection: And thank you.

Ms. Erin Wood: You're welcome.

We understand that Expera worked for months to purchase the mill's assets, sending in engineers and HR people, talking to other forestry companies like Kenora Forest Products, and engaging our First Nations. Suddenly, in late October, they pulled away from the deal. I know that later today our economic development officers and the CAO of Fort Frances will be here, so I'll leave it to them to expand further on those details.

Resolute Forest Products not only owns the mill; they have a licence to manage the forest. What I would like for you to understand from myself today, as a representative of young business and professionals, is that the forests of Ontario should belong to the people of Ontario. It is perfectly logical that we contract out the management of those forests, and obviously, in long-term ways, should be doing that collectively as First Nations, Métis people and municipalities, so that one corporation cannot hold the key asset to the future of our community.

Our forest is our future, and what needs to be done here is simple: We need you to encourage the Minister of Natural Resources and Forestry to enforce the licence.

Now that Resolute is not using the trees to support the mill that the licence was assigned to, make the forest a crown management unit. This has happened repeatedly across the province and actually is the status next door in the Sapawe Forest. Today, you are going to hear more about this issue and the opportunity that the province has right here to change the direction of the forest industry in Ontario.

We know that the kraft milling paper machines have a real chance to be marketable if the government of Ontario will work with the community to secure the forest fibres for a new owner. Companies like Expera that were willing to invest in our district will pay timber fees to the province, create jobs, and stabilize the economic position of communities like ours.

Thank you for taking the time to travel here today to our hometown. I hope you leave with an understanding of the urgency of our situation and the real opportunity here for the people of this district: the opportunity for you to make our future here a bright one. Thank you.

The Chair (Ms. Soo Wong): Thank you very much. In this round, the questioner is Ms. Fife. You have about seven minutes.

Ms. Catherine Fife: Thank you very much, Erin, for the presentation. I must tell you that all of the MPPs, I'm sure, appreciated hearing from our forest future, and thank you for the gifts.

0940

I do want to say at the onset that the member for this riding, Sarah Campbell, of course would have loved to have been here. I don't know if you've been following the work that she has been doing in the House on this issue. She is expecting a baby very soon, so that took priority today, but I know that she's passionate about this issue. She was fighting, actually, to ensure that the mill was at least heated throughout the winter, so that it could be viable and so that it could be sold at a later date. I know that the Conservatives, obviously, were very supportive of that, as well.

And I agree with you: I think that there are a lot of marketable items that could be developed at this mill, and you gave us some examples. What sort of response have you gotten thus far from the government, in your words, in your request to at least keep the wood here, so that those natural resources still remain in the hands of this town, so that a mill would be viable?

Ms. Tannis Drysdale: Just so it's in Hansard, I'm not actually under 35.

Ms. Catherine Fife: Okay.

Ms. Tannis Drysdale: Look, it's a complicated file, and we appreciate the work that the NDP and the Conservatives have done on it, but the government has helped as well. We have a long road to go on this one, and I can't tell you how it's going to end. How it's going to end is really up to the government.

We can have a community here with no access to our fibre, and have a pulp and paper mill that could have been sold come down. You can make that difference by going back, talking to the Minister of Finance and talking to the Premier. Keep asking those questions when the Legislature resumes.

Ms. Catherine Fife: So I guess my question, then, is this: You've had those conversations with the government and with the minister; they've been in the House, and they've been very direct. What is the major barrier to making these forests actually come under the licence of the crown? Can you identify that barrier?

Ms. Tannis Drysdale: I don't think we've determined that yet.

Ms. Catherine Fife: But Erin did mention that it has happened in other municipalities, and the Ministry of Natural Resources has complied with those requests. In order to solve an issue, you actually have to understand what the barriers are. This is your opportunity, in a public setting, to state very clearly what the barriers are.

Ms. Tannis Drysdale: We don't perceive that there are barriers to this. We think that this is well within your rights as a government to do and that you need to take action on it. We want to keep those loggers logging, and we want to open a sawmill in Atikokan, too; that helps us. We want everyone to have access to fibre—we know that there is fibre in the forest for everyone—and we need action. I guess that's the barrier, right?

The mill is being heated. The government was helpful with that. You—the NDP and the Progressive Conservative Party—were very helpful in bringing that issue to the

attention of the government. We appreciate that. We're only two yards down the road. We've got a long way to go on this, and we don't have very long to do it.

Ms. Catherine Fife: So what is the time frame? That would be helpful for us to hear.

Ms. Tannis Drysdale: I imagine that if we do not see serious changes in the next three or four months, we'll start to see a mill come down in Fort Frances.

Ms. Catherine Fife: One final question, if I may—how much time?

The Chair (Ms. Soo Wong): Three minutes.

Ms. Catherine Fife: If the licensing agreement is not changed and this wood does not come under crown control, where is the wood going to go? What will happen to this forest, this natural resource? Where is the wood going right now?

Ms. Tannis Drysdale: Later on this morning, we have Mike Willick coming to talk. He is our forestry expert, so I don't want to provide you with information that may not be entirely correct. We don't know for sure where that wood is going to go. Mike is going to give you some idea as to where it has gone in the past.

Look, who wants to have a conversation about what's going to happen to the fibre that created our community when it goes away, right? That's not something I want to hypothesize on.

Ms. Catherine Fife: No, we—

Ms. Tannis Drysdale: It's our fibre, and it needs to stay here, full stop.

Ms. Catherine Fife: You've been very helpful, because you've identified that there are no barriers whatsoever. This is a matter of political will to ensure that the fibre stays here, so that Fort Frances stays alive. Yes?

Ms. Tannis Drysdale: Yes.

Ms. Catherine Fife: Thank you very much.

The Chair (Ms. Soo Wong): Okay. Thank you very much, ladies.

ONTARIO FOREST INDUSTRIES ASSOCIATION

The Chair (Ms. Soo Wong): The next witness is the Ontario Forest Industries Association: Christine Leduc. Welcome. You have 10 minutes for your presentation. This round of questions will be from the government side.

Can you identify yourself for the purposes of Hansard, please?

Ms. Christine Leduc: Sure. Christine Leduc. I'm OFIA staff.

The Chair (Ms. Soo Wong): You can start.

Ms. Christine Leduc: Members of the standing committee, for 72 years the OFIA has represented forestry companies ranging from large multinational corporations to family-owned businesses that operate across the province.

Canadian provinces are maximizing the opportunities associated with the forest sector's recovery. FPAC's report states that Canada's industry will generate an addi-

tional \$20 billion in economic activity and hire 60,000 new recruits by 2020. Right now, forestry students have a 100% employment rate, higher than that of computer science, math and physical science specialists.

We appreciate that the government recognizes that it is the private sector that creates jobs. OFIA members are ensuring that Ontario benefits from this forest sector recovery opportunity. In 2012, our sector supported 55,600 direct jobs, up 2,100 from 2011. Each direct forestry sector job supports three indirect jobs across the province.

OFIA members have announced recent investments of over \$410 million in Ontario to rebuild facilities, increase capacity and build new facilities. Accordingly, harvesting levels have increased from a low of 10.5 million cubic metres in 2010 to over 14 million cubic metres in 2013. This is Ontario's forest sector putting wood to work.

Long before sustainability became a modern catchword, the forest sector understood that the responsible use of trees can support families and communities for generations. OFIA member companies are committed to the principles of sustainability. Through forest management planning, we are planning for generations by providing for healthy forests now and in the future, generating a range of benefits.

Regarding sustainability, an OFIA member said, "We have weathered recessions and depressions, World Wars and fires, but our passion and commitment to sustainable forestry has never abated. For me, it means that I have a responsibility to ensure that the forest is taken care of so that my kids can grow up to be the sixth generation to sustainably harvest timber from Ontario."

Ontario has a stringent regulatory framework that governs forestry operations, ensuring the long-term health of the forest. It is critical to note that all forestry companies in Ontario must operate under the Crown Forest Sustainability Act and that all products made in Ontario are sustainable.

We appreciate the Premier's commitment to protect the sector's sustainable industrial fibre basket, and today we are asking government to act on this commitment by providing the sector with certainty that companies will be able to utilize the full available harvest. It is critical that companies have dependable access to the 26 million cubic metres. New policy should not preclude the use of sustainable fibre that has been committed to the industry now and in the future. OFIA was concerned recently when MNRF released yet another caribou policy with no understanding of the mid- to long-term socioeconomic impacts to the forest sector.

OFIA asks government to work with stakeholders, as provincial policy is continuously impeding access to industrial fibre, and this creates significant business uncertainty for a sector that supports over 170,000 hard-working families in over 260 communities. Now is not the time to be impeding the use of Ontario's naturally renewable resource. The modern forest sector is adaptive, innovative and integrated. It's green. It's high-tech. It is the foundation of the provincial low-carbon green economy.

OFIA believes that by working with government to address key competitive challenges, secure long-term consistent access to affordable fibre, develop pragmatic public policy and promote the province's forest products, Ontario will be the number one jurisdiction in Canada for today's green and growing forest sector.

Let's seize this opportunity by taking action in seven key areas. The recommendations are detailed in our comprehensive document, but I'll go over them now.

(1) Wood: Trees grow. Whether you are an existing mill, new entrant, a big company or a small family-run company, in order to keep people working and put Ontario's wood to work, the sector needs consistent access to affordable fibre. We ask government to support the forest sector's recovery with pragmatic public policy and to conduct transparent socio-economic impact assessments of any new or revised legislation, regulation or policy that could impact the sector.

(2) Market development and protection: We recently witnessed how a well-financed organization embarked on a malicious campaign intended to damage the market for Ontario products sourced from Canada's boreal forest. As mentioned earlier, all forest products coming from Ontario are sustainable.

These reckless campaigns cost our member companies their reputation and customers, while destroying the social and economic fabric of northern and rural Ontario. The government must defend its own forest management practices, as other jurisdictions are doing.

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(3) Tenure certainty: Where wood is working, let it.

(4) Endangered Species Act: In 2013, members of the ESA panel provided the government with consensus-based recommendations. OFIA was pleased to see those recommendations reflected in the government's regulatory changes to the ESA.

While we fully supported these high-level regulatory changes, the sector remains concerned that flawed one-pillar ESA policy continues to be developed and ignores the negative socio-economic impact to communities—by continuing to shrink Ontario's renewable fibre supply dramatically, limiting green economic opportunities and creating uncertainty.

I had too many quotes to choose from, but here's one. One of our members recently said, "Jobs are being sacrificed and there is little or no benefit to the ... species. We say unequivocally that we would be" hiring "more people if not for the unnecessary legislation contained within the ESA."

(5) Competitive restoration measures: Over the past five years, the provincial government has implemented numerous competitive measures that have been instrumental in making Ontario a more cost-competitive jurisdiction for our sector. However, Ontario remains a high-cost jurisdiction.

On road funding: OFIA supports Premier Wynne's commitment to restore the roads program to a level of \$60 million for 2015-16 and 2016-17, which demonstrates the government's commitment and support for

building and maintaining public resource access roads in northern and rural Ontario.

On poplar and white birch stumpage: When our member companies reviewed Ontario's hardwood stumpage rates for the production of OSB against other jurisdictions in Canada, they identified that Ontario's hardwood dues were in the middle of the pack to the least competitive in Canada. This represents a significant competitive disadvantage. In this competitive global market, being average or uncompetitive is not good enough.

(6) Ministry of the Environment and Climate Change: OFIA has been working closely with MOECC for the past 24 months on the development of a technical standard for the pulp and paper sector and updating environmental guidelines for biomass combustion. We would like to acknowledge the work by the MOECC on these important regulatory and policy documents.

(7) Electricity: With the forest products sector growing as a result of market rebound, companies are looking to invest in expansion of production or make new investments in Ontario, and we need to address the elephant in the room: electricity rates. The government needs to acknowledge that electricity pricing is a potential economic development tool, and in the short term implement effective programming that allows manufacturers to reduce costs, make investments and maintain jobs.

In the long term, the government must develop and implement a plan that reduces the marginal cost of electricity in the province to be in line with jurisdictions with which Ontario manufacturers compete. Until Ontario has competitive electricity rates, the government should ensure that other costs for the sector are competitive.

In conclusion, the forest sector recovery is the greenest opportunity to present itself in a generation. It's time to be excited about the potential of our forest sector and what it can do for our province. By working together, we can responsibly use our natural resource—wood—to support the sector, hard-working families, communities, First Nations and the province, and grow Ontario's low-carbon green economy.

Thank you. I look forward to your questions.

The Chair (Ms. Soo Wong): Thank you very much. This round of questions is from the government. Ms. Albanese.

Mrs. Laura Albanese: How many minutes?

The Chair (Ms. Soo Wong): Five minutes.

Mrs. Laura Albanese: First of all, thank you for your presentation, and thank you for your passion and enthusiasm; it's really nice to see.

I have a few questions. The first one is on the forest access roads program. You mentioned the government's commitment to increase that to a level of \$60 million. I wanted to understand how important that is.

Ms. Christine Leduc: The roads program is really critical. In last year's budget we were anticipating the same level of funding. As you know, the budget came a little bit late in the year, and the companies were really

shocked and surprised to find out that roads funding had been reduced 24%, to \$38 million. Forestry companies operate all over the province, and they build roads. These are resource access roads for other sectors, like recreation, for northern Ontario. So this roads funding program is really critical to the sector, and we're looking forward to seeing the \$60 million in the 2015 budget.

Mrs. Laura Albanese: So it's critical and it does make a difference.

Ms. Christine Leduc: Yes, it's huge.

Mrs. Laura Albanese: I believe you also mentioned that last year, during the SCOFEA hearings in North Bay, OFIA recommended that the government amend the Ontario building code. We have made changes to the code, and I wanted to know what impact you predict, as OFIA, that that will have on the industry.

Ms. Christine Leduc: It's a positive impact. The building code amendments positively impact Toronto and also impact the sector. The GTA and Toronto is Ontario's largest housing market, and there's an opportunity there for us to grow our market. So that was a good move.

Mrs. Laura Albanese: The Canada-US softwood lumber agreement is set to expire in October 2015. What is the position of OFIA members? Would you like to see that renewed, or would you—

Ms. Christine Leduc: Yes.

Mrs. Laura Albanese:—like to see us let it expire?

Ms. Christine Leduc: No. Renewed.

Mrs. Laura Albanese: Can you elaborate a little on that?

Ms. Christine Leduc: Um—

Mrs. Laura Albanese: Renewed.

Ms. Christine Leduc: Yes, renewed.

Mrs. Laura Albanese: Okay.

The last question would be, if I have time—

The Chair (Ms. Soo Wong): I saw two more hands.

Mrs. Laura Albanese: Oh, you have two more hands. Okay, so I'll—

Ms. Christine Leduc: No questions on tenure? I'm ready. Let's talk tenure.

Interjections.

The Chair (Ms. Soo Wong): I've got three minutes for Ms. Vernile and Ms. Naidoo-Harris. Ms. Vernile, can I get you to start? You have three minutes between the two of you.

Ms. Daiene Vernile: Since we have limited time left, Christine, and you talked about tenure, let's go to your comment. What do you want to tell us about tenure?

Ms. Christine Leduc: Well, I was looking forward to questions. I think we've heard some other comments on tenure.

If you look at Ontario, we have a diverse range of tenure models across the province, everything from crown agencies to single-entity SFLs to shareholder co-ops. I think we've got over 40 forests in Ontario that we're managing, and there are different tenure models that have evolved over time to cater to the local and regional objectives and goals.

OFIA wants tenure certainty. On tenure, our position is, where wood is working, let it. There are areas of the province where wood isn't working and there's some local demand from the industry, from First Nations, from communities, to see a change in tenure. So we've identified priority areas. There was a ministerial direction in 2013 that identified six key areas where MNR should focus its limited resources on those areas and move forward on those discussions. We're looking forward to seeing how those discussions in those priority areas are taking place. We just need certainty and secure access to fibre. That's the most important thing.

The Chair (Ms. Soo Wong): One minute for Ms. Naidoo-Harris.

Ms. Indira Naidoo-Harris: Just really quickly: I have members of my family who work in the forest industry in other provinces. I know that globally there are market trends that can affect and impact what is happening within the country. Can you just tell me how OFIA and the forest industry here in Ontario are perhaps being affected by global market challenges?

Ms. Christine Leduc: The big thing for us is the US housing market. Our harvesting levels are increasing over time. I said in my presentation that Ontario has a sustainable amount of fibre at the 26 million cubic metres. That's what we can sustainably take every year. We're at 14 million. That has grown since the downturn, when we had a level of 10 million, and that's directly because of the US housing market. We're really reliant on what's happening in the US. But there are emerging markets in other countries, so we're hoping to tap into that.

The Chair (Ms. Soo Wong): Okay. Thank you very much for your presentation.

Ms. Christine Leduc: All right. Thanks.

ANISHNAWBE MUSHKIKI
GIZHEWAADIZIWIN HEALTH
ACCESS CENTRE

The Chair (Ms. Soo Wong): Our next witness: Anishnawbe Mushkiki group. Are they here?

Good morning. Welcome. Can you identify yourself and your colleague for Hansard purposes? You have 10 minutes for your presentation. This round of questions will be from the official opposition party. Welcome. Thank you.

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Ms. Shanna Weir: Thank you. My name is Shanna Weir. I'm the executive director for the Gizhewaadiziwin Health Access Centre here in Fort Frances.

Mr. Travis Boissoneau: My name is Travis Boissoneau. I'm the interim executive director for Anishnawbe Mushkiki, located in Thunder Bay, Ontario.

Ms. Shanna Weir: Thank you very much for the opportunity to address the committee and provide a presentation to you.

Just a little bit of history initially about the aboriginal health access centres in the province of Ontario: There

are 10 of us in total that are spread out across the province. We were established in the late 1990s following the development of the Aboriginal Health Policy. The purpose of the AHACs was to provide a place to address healing, health and well-being for aboriginal people in the province. We have continued to grow over several years now since the initial establishment of the centres, and we continue to provide clinical prevention and social services to aboriginal people.

AHACs are governed by the aboriginal communities that they serve, and they use a holistic approach to care. For aboriginal health access centres, culture is treatment, so it is at the core of the work that we do. We are similar to our sister community health centres, which you may be familiar with, and are serving equally or even more complex clients. However, we're not resourced at the same levels. The median budget for a CHC, a community health centre in the province, is approximately \$3.1 million, whereas the median budget for an AHAC in the province is only \$2.3 million.

I will turn it over to Travis.

Mr. Travis Boissoneau: Essentially, what that brings us to is the ask from the aboriginal health access centres in Ontario. What we're requesting is to be brought to parity with the CHCs, essentially so that we can serve our population to the same extent that they can.

Just to add to a couple of Shanna's points: What we're doing is designing culturally safe and culturally appropriate centres where First Nations and aboriginals can come to seek not only primary care but, again, the traditional component to health care, whether that be a variety of types of services, like sweat lodges or talking circles, or even just First Nations education about our history and who we are. In order to offer our services to the population to the best of our ability—actually, not even to the best of our ability; but the very minimum request that we have is to bring our funding to parity with the CHCs.

What we're asking for is an \$8-million increase to base budgets as well as a \$2.1-million increase for some of the IT challenges that we've been having with regard to data management, information management and how we can track performance measurements and such. A few of us are lacking in that area as we can't employ, we can't upgrade and we can't participate in some of the similar IT investments that the CHCs have. We certainly want to be at par with our sister organizations to provide a better service for our aboriginal populations.

The Chair (Ms. Soo Wong): Are you finished with the presentation?

Mr. Travis Boissoneau: I believe so.

The Chair (Ms. Soo Wong): All right. Mr. Fedeli, you've got lots of time.

Mr. Victor Fedeli: Wonderful.

The Chair (Ms. Soo Wong): You have until—
Interruption.

The Chair (Ms. Soo Wong): You have until 10:15 for your questions to our witnesses.

Mr. Victor Fedeli: I have a very sensitive microphone, so I'll be very careful.

First of all, thank you for the exceptional work that you do—all of your organizations, all 10 of them right across the province of Ontario. I believe it has made a real difference across Ontario, so thank you very kindly for that excellent work.

I want to talk about the parity issue first before we get into more specifics about data management and the others. Give us a little bit of a history. When did the issue first come to light and what has been done about it in the last X number of years? I'm guessing it has probably been four or five years since this first came. Can you just walk us through that?

Ms. Shanna Weir: There was a transition. At the onset, when aboriginal health access centres were established, we were established under the Aboriginal Healing and Wellness Strategy, and that's where our funding was initially flowed through. Over time, we have gradually increased. We have a variety of different programs. Most of us across the province have programs that are funded through different sections of the Ministry of Health and Long-Term Care or different ministries within the government itself, so we have separate funding agreements for all of those different programs that we offer.

We had a transition to the Ministry of Health and Long-Term Care probably about four or five years ago. Obviously, this is something that has come to your attention, I think at this table and at various different tables at the ministry level with the Ministry of Health and Long-Term Care. However, our core budget has continued to be for equity for the aboriginal health access centres. Over a period of time, there have been some minor adjustments, I guess, to an extent.

The Ministry of Health did agree to having an enveloped funding mechanism within our budgets for physician compensation. I believe all of the AHACs are at that same level of having two FTEs; it's a salaried model. Two FTEs for physicians are in enveloped funding for all of the AHACs.

As well, we did receive some additional enveloped funding for nurse practitioners out of the 9,000 nurses, which we really appreciate. Nurse practitioners are really key for us in this area.

The recruitment of physicians is incredibly difficult in the north. I think that's one of the challenges. We've continued to push that, and while we greatly appreciate those increases—and they certainly did assist many of our centres in being able to continue to employ and recruit additional health providers to our centres to provide the services that we do—there's still the operational piece as well that is difficult.

Because that is enveloped funding, it's very limited in how we are able to use that funding. One of the things, I think, to highlight as a northern challenge for us is recruitment and retention and just being competitive in the market of trying to recruit physicians to the area. Without having flexibility, I guess, in that enveloped funding, it can be very difficult because that's not funding we can retain if it's not used for that specific purpose.

Mr. Victor Fedeli: It was about four or so years ago that you transferred over to the ministry of long-term health?

Ms. Shanna Weir: Health and Long-Term Care, yes.

Mr. Victor Fedeli: Health and Long-Term Care, yes. Did they acknowledge the underfunding issue?

Ms. Shanna Weir: They have. Initially, when we were transferred, we were transferred to the negotiations branch. It has only been in this fiscal year that we were actually transferred to the primary care unit within the ministry. I think initially some of the challenges under the negotiations branch were that they may not have necessarily understood what it was that we did. I think there were a lot of challenges there for them to understand that. They did recognize it.

There were, I guess, some promises that they were going to look at the equity issue and really try to see if there were ways that we could move some things forward. There was actually supposed to be a complete look at everybody's global budgets and really a complete review of the AHAC budgets, but that hasn't happened yet.

Mr. Victor Fedeli: So it's about \$800,000 a year that you're looking for to make parity here?

Ms. Shanna Weir: Yes.

Mr. Travis Boissoneau: And that's in addition to the base budgets. On top of that, we're looking to invest in our information management and participate in some of the IMS initiatives that the CHC is a part of as well.

Mr. Victor Fedeli: What are you doing for doctor recruitment, specifically?

Ms. Shanna Weir: For my centre in particular—at this point, we have a huge doctor shortage in the area of Fort Frances, in our Rainy River district. That's across the board, not just the aboriginal health access centre—across the board for our other primary care centres across this district.

In terms of recruitment, we have advertisements out. We promote the organization wherever we can.

We are involved with the Northern Ontario School of Medicine; we have a partnership with them and take medical students for their first-year placement. We actually house them within one of our communities and provide them with that cultural experience that's required as part of that first year, in hopes that they will really grow to learn more about the area and hopefully want to come back. Because our one physician we do have who works for us at our centre is also employed through the Fort Frances clinic, he also has the opportunity to have third-year residency students. He will bring them out to our centre as well, so they do get that exposure.

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Other than that, we don't have additional dollars within our operating budgets. We can't afford to do a large recruitment campaign. We don't have anything to provide in terms of incentive opportunities. We aren't eligible for the northern physician recruitment and retention initiative, where it offers the opportunity for physicians to sign on and to receive additional payments.

Mr. Victor Fedeli: How come you're not eligible for that? I'm just curious on that.

Ms. Shanna Weir: We wouldn't be eligible for it unless we ensured that our physicians provided emergency rotation, which is through the hospital, and we really don't have, you know—

Mr. Victor Fedeli: The availability for that.

Ms. Shanna Weir: Exactly.

Mr. Victor Fedeli: In our community, we've lost a couple of doctors, one through the death of a classmate of mine, actually, over the holidays, and just before that was a retirement. We have 12,000 people in my riding who are without a doctor today. That's why I was looking for some tips from you.

Ms. Shanna Weir: Maybe if we had some additional funding. I know there's a lot of opportunity in terms of doing the recruitment, and I think that—I'm not sure how many of you are familiar with the area, but for those of us who live in northern Ontario, I think we all can say that this is a beautiful place to live and we really would encourage people to come and live here. There's so much to enjoy about it.

I think there are certainly the opportunities there. It's just that there are huge amounts of things that we have to compete with. As a smaller centre, we have to address issues of housing and where we house students if they're interested in coming. We really have to juggle things and really make some accommodations because there are just not the additional resources to support us to be able to do the travel, to do the recruitment tour, to go across the province—or across the country, for that matter—to the different events that are being held all the time for recruitment. We just don't have the funding to be able to send somebody or to hire somebody who has that expertise and capacity to do that.

Mr. Victor Fedeli: My time, Chair?

The Chair (Ms. Soo Wong): Three more minutes.

Mr. Victor Fedeli: Beautiful. I wanted to ask Travis to talk a little bit about the data support. You were talking about the challenges in terms of equipment. If you don't mind expanding on that, I'd like to go in that direction for a moment.

Mr. Travis Boissoneau: Sure.

Mr. Victor Fedeli: What do you need and what will it do?

Mr. Travis Boissoneau: Initially, we need someone to help us with our IT, and that's just one aspect. The other aspect is also a data management coordinator. These are people who can help us with our infrastructure and people who could help us data mine within the information that we have within our clinics.

When I first started at Mushkiki, the first question I had was, "What kind of numbers are we at, where have we been in the past couple of years and how are we growing?" That can't be answered because—

Mr. Victor Fedeli: Because you don't manage the data.

Mr. Travis Boissoneau: Yes.

Mr. Victor Fedeli: That's interesting.

Mr. Travis Boissoneau: So that's only one aspect of it. The other aspect is that we also pay membership fees to be a part of—what is that other—

Ms. Shanna Weir: Nightingale OnDemand.

Mr. Travis Boissoneau: Nightingale OnDemand. In addition to that, the CHCs are part of BIRT. Are you familiar with BIRT?

Mr. Victor Fedeli: Yes.

Mr. Travis Boissoneau: Essentially, the AHACs are not, and what we're looking for are the resources to participate in that as well. But overall, just in my experience directly, we're lacking infrastructure and the ability to data mine our information and to utilize our information.

On top of that, I want to be able to utilize our information to assist in other political strategies or health strategies from organizations that we're accountable to. The Nishnawbe Aski Nation, for instance, is an organization that we're accountable to. I've recently approached them to see how the work we do can assist their health strategies in regard to the urban aboriginal population. There will be obviously a lot of value to improving our systems and improving the way we manage our information.

Mr. Victor Fedeli: Is there an opportunity to give us an analysis of the overall health and welfare of your own individual people?

Ms. Shanna Weir: I think it would be very difficult to do that with what we have right now. I think that our systems that we've been using—most of the AHACs have now been on Nightingale for about a year, so we may be able to pull some data. But actually having that quality improvement or that measurable type of data that you're probably wondering about in terms of if we have made differences in terms of health status and that sort of thing—I think we can measure some of it within some of our particular programs, but a lot of it is really more just quantity-based in terms of how many clients we are seeing. In terms of actual measurable things, it's going to take us some time.

The Chair (Ms. Soo Wong): Okay. Thank you very much for both of your presentations.

Ms. Shanna Weir: Thank you.

ORCHESTRAS CANADA

The Chair (Ms. Soo Wong): Our next witness is Orchestras Canada: Shannon Whidden. Welcome. You have 10 minutes for your presentation. This round of questions will be from Ms. Fife and the NDP. Can you identify yourselves, both of you, for Hansard's purposes, please? Thank you.

Mr. Shannon Whidden: Certainly. My name is Shannon Whidden. I'm the executive director of the Thunder Bay Symphony Orchestra.

Ms. Liz Poulin: Liz Poulin. I'm the past president of the Thunder Bay Symphony Orchestra.

Mr. Shannon Whidden: Thank you for taking the time this morning to meet with us in what I know is a

busy schedule. We're pleased to have the opportunity to speak with you.

The Thunder Bay Symphony Orchestra is the only fully professional orchestra between Winnipeg and Toronto. As such, we serve an extremely large and geographically diverse area of Ontario. As part of a comprehensive season, we deliver artistically outstanding main-stage, educational and touring programs to residents and students in the community of Thunder Bay, as well as in smaller communities in northwestern Ontario, particularly along Highways 11 and 17.

Despite being in a remote geographic location, or perhaps because of it, the TBSO is known for producing outstanding concerts featuring world-renowned Ontarian, Canadian and international artists. In addition, we continue award-winning education programs, designed in consultation with our school boards to tie in to their required curriculum.

Not-for-profit arts organizations in general, and orchestras specifically, rely on provincial funding. Generally, an organization's revenue is made up of earned revenue derived from ticket sales—usually about 25% to 30%—and government funding from provincial, municipal and federal funding programs; that's usually about 33%, at least in the orchestra's case. The remainder is secured through fundraising revenue, which is usually comprised of individual donations, foundation grants and corporate sponsorship.

As the committee considers the budget for the upcoming year, we wanted to highlight the importance of Ontario public funding in the arts, particularly in light of the government's commitment to eliminating the deficit by 2017-18. With this financial goal in mind, we are not here to advocate for significant increases to public funding for the performing arts. Rather, we hope to make a strong case for growth commensurate with growth in the economy of the province of Ontario.

Ontario has invested significantly in cultural jobs, and has seen a substantial return on that investment. In 2010, there were more than 280,000 jobs in the culture sector, which is part of a \$22-billion contribution that cultural products as a whole make to the province's annual economy—roughly 37% of its GDP.

Arts organizations are, by and large, models of efficiency and effectiveness. Whether onstage or behind the scenes in an administrative capacity, the passion for the art that every member of an organization possesses ensures that these institutions do more with fewer dollars than is possible in many industries.

In turn, arts organizations, and orchestras in particular, are economic drivers in their community. By way of example, the Thunder Bay Symphony Orchestra provides employment for 30 musicians, as well as five full-time and four part-time staff members. These musicians and administrators make their homes in Thunder Bay and contribute to the local economy in a myriad of ways. In the case of the TBSO, we have an annual payroll of over \$1 million. This does not include fees to our guest artists,

but only income which remains in the Thunder Bay community, which in turn generates significant tax revenues.

In addition to the work that our musicians do onstage, they also make significant contributions to the community. Many of our musicians are on faculty at Lakehead University or provide private lessons within the community. Creating a vibrant cultural community which builds on the talents and skills of outstanding Canadian artists and focuses on ensuring that those skills are transferred to the next generation helps to establish a cultural identity and ensures that Ontario is firmly placed on both the national and international stage. This focus on skill-building and excellence establishes a dynamic and supportive business environment, helping to ensure a healthy and sustainable economic culture throughout Ontario.

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The funding that the TBSO receives from the province of Ontario enables us to continue to create artistically excellent performances throughout northern Ontario. Annual touring into small communities provides access to professional orchestral music and ensures that these communities have the same opportunity to participate in the performing arts that 73% of Ontarians over the age of 15 have.

When touring, the TBSO focuses on presenting a significant and robust education component. Small ensemble performances introduce primary students to classical music in an intimate setting, and master classes provide advanced students with intense skill-building experience.

We are here today to recommend sustained support of the performing arts and ultimately the laying of the foundation to ensure continued growth in tandem with the growth of Ontario's economy. With the support that the province of Ontario provides to the arts, we can sustain the momentum we have established in creating investment in business and in the skills and talents of Ontarians.

I'd like to ask Liz now to add her perspective, but before I do that, I'd also like to thank the committee for their time and their consideration in this.

Ms. Liz Poulin: Thank you very much. It is a pleasure that you have come to northern Ontario and to Fort Frances particularly. We have visited here as an orchestra, and we appreciate all the support that we get in this community and many of the other communities in northern Ontario.

I want to emphasize the fact that we are, in fact, a small business—a performing arts small business, but we are a small business. It is incumbent on us to run our organization in such a way that we may remain sustainable and that we are able to continue the work that we do in this extremely large geographical area.

We operate on a very skeleton staff administratively. We are short—and I can say this from a board position—by a minimum of two people that we are missing in our complement on the administrative side of things.

A great deal of our finances and our money goes right to the work of the orchestra—the 30 musicians that we have on stage, all highly professionally trained. They

operate in the community and across the north whenever we get the chance to do our touring.

Our educational programs, as Shannon has said, are vital to this organization and to this area of the province. We get tremendous support.

One of the ways that we have been able to maintain the sustainability of the orchestra is that we have a highly dedicated and committed volunteer group that takes on many of the functions that a larger organization with a better financed administrative side would be doing. In our case, volunteers pick up the pieces many of the times. We do considerable fundraising for the organization outside of what Shannon has mentioned, in terms of ticket sales and all of the functions that the administrative group does.

We have been in operation for over 50 years. We have met payroll almost every two weeks of that period during the season. We are very proud of that fact.

We have been sustainable, and it takes every effort that we can all put together to maintain that function. But we see ourselves very much as a small business, and we intend to continue.

Thank you for the support from the province that we have received in the past.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Ms. Fife, you have six minutes.

Ms. Catherine Fife: Thank you very much, Shannon and Liz. I think it's really interesting that you have come here today, in recognizing the fiscal situation of the province and putting forward a proposal that you would tie, I guess, for some sort of certainty or consistency in funding, your economic future, as a small business, to that of the balancing of the budget. Have you made similar presentations in the past? Because this is the first time that I've ever actually heard a not-for-profit arts group come and make that request.

Mr. Shannon Whidden: No, this is actually the first time we've made this presentation. There was a lot of thought that went into the best approach, particularly in terms of how we sync our own budgeting process to that of the province. That's why we decided to take this approach.

Ms. Catherine Fife: That's excellent. So this sort of process—did this go through your board of directors as well? Is that how you—

Ms. Liz Poulin: Yes, it did.

Mr. Shannon Whidden: Yes, absolutely.

Ms. Catherine Fife: So being a small business—I mean, obviously the economic viability and success of the northern region, northern Ontario, is tied to your success as well. Did you want to make any comments about the economy? Because it obviously affects ticket sales and involvement in the Thunder Bay orchestra.

Mr. Shannon Whidden: It absolutely does. We're very fortunate, within Thunder Bay in particular, to have an incredibly supportive community. Over the last three years we've seen significant increases in our attendance, and so we feel that from the earned revenue side of things we're making great progress. We've really spent a sig-

nificant amount of resource to identify what our community is looking for in terms of performances, how we can engage with them in ensuring that we have a very consistent relationship with our audiences. That, in turn, allows us to build a long-standing relationship with each of those individuals, which, in turn, allows us to see anywhere from 20% to 30% growth in our audiences over the last three years. We've been very proud of that fact.

In terms of maintaining the programming that we have, that tends to fall more on the shoulders of either the government funding that we receive or the specific corporate sponsorship or individual giving. That's generally where we are focusing our efforts at this point, to ensure that we're able to continue to deliver the same level of outstanding work that we have been in the last 50 years.

Ms. Catherine Fife: Okay. I guess you are aware, though, that on page 244 of last year's budget, every ministry except for five was targeted for 6% reductions. The government is looking to find efficiencies and savings in all of those ministries. Essentially, you're asking for stable funding, then, today.

Mr. Shannon Whidden: Correct.

Ms. Catherine Fife: You're asking not to be cut.

Mr. Shannon Whidden: Correct.

Ms. Catherine Fife: Thank you. I just wanted to get it on the record. Thank you very much for coming today.

The Chair (Ms. Soo Wong): Thank you very much, both of you.

TOWN OF FORT FRANCES

The Chair (Ms. Soo Wong): Our next witness is the town of Fort Frances. Good morning.

Mr. Mark McCaig: Good morning.

The Chair (Ms. Soo Wong): Welcome. Can you identify yourself for Hansard? You have 10 minutes for your presentation. This round of questions will be from the government side.

Mr. Mark McCaig: Okay. My name is Mark McCaig. I'm the CAO for the town of Fort Frances. Roy Avis was scheduled to be here but he was unable to; he's taking a well-deserved vacation. I've been with the town of Fort Frances for 39 years, in various capacities. I'm a lifelong resident.

Mayor Avis wanted me to make sure that I recognized and thanked the government on a few levels. He wanted me to make sure I thanked the Ministry of Finance for assisting us recently in a tax agreement with Resolute Forest Products. He also wanted me to thank Minister Michael Gravelle and the Ministry of Northern Development and Mines for the provision of heritage funding for our Rainy River "market square" product. And he wanted to recognize and thank the Ministry of Municipal Affairs for helping us during our emergency situation this past summer and committing to provide ODRAP funding.

I have a couple of issues that I'm going to address from a municipal perspective. I'm not asking for a specific dollar amount. Four of the issues I'm going to present

are concerns of municipalities across the province. But the main issue, and it would be no surprise to you that I'm going to speak about it, is a concern of many; I know that Chief Sara has already spoken to it to a certain degree today. It is regarding the management of the forests and it's regarding the closure of the Resolute paper mill.

I'd expect that most of the members of the committee are aware of the most significant issue that the town of Fort Frances and the surrounding area have faced over the past few years, and that's the closure of the Fort Frances pulp and paper mill.

During 2014, we were actively consulting with Resolute on a prospective purchase of the mill. We were excited to learn that Expera, a dynamic US-based company and a producer of numerous specialty paper products, was actively pursuing a purchase of the pulp mill. As a corporation, we availed ourselves to that process to support it in any way. The restart of this facility is crucial to our community, and we were devastated and deeply concerned to learn that those talks had broken down. The implication of this breakdown is that 1,000 jobs are gone—direct, indirect, induced. That has repercussions for our area, that has repercussions for the province, and a \$100-million investment in Ontario is gone. This needs to grab everybody's attention.

Members of this committee are also aware that the communities of the Rainy River district—the municipalities and the First Nations—were, and are, not prepared to let this happen. With the full support of all the area First Nations and municipalities, we formed an advocacy group called Our Forest, Our Future and began our campaign by chartering a jet at great expense and appearing at Queen's Park. Since that event, there has been a barrage of news stories that have documented our plight. There has been a tremendous amount of social media communications that the government has received. We fully intend on continuing this campaign.

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Now, the good news for everybody here is that there's a solution to this problem. We need intervention by the government, though. There are still parties who think that this is a good mill. They think it has value. They think they can make money here.

So, what needs to happen? We believe that the reason the talks broke down is because Expera was unable to acquire reasonably priced fibre from the Crossroute Forest, which is the forest right next to here. Resolute will say, and they have said, that there was an offer of fibre. That's true, but it wasn't enough to run the kraft mill. It was about three quarters of what the needs are. That being said, another question posed to Resolute at the time was, "Where is this fibre coming from, and is it the low-cost fibre from our adjacent forest?" That question was never answered for us.

When you send fibre to a sawmill—we have no problem whatsoever at Atikokan. This can be a win for everybody. There's more than enough wood in the Crossroute for everybody. Some 50% of that fibre goes to a pulp

mill. Was that offered in this scenario, with this potential purchase—we don't know—or was the intent to take it and bring it to Thunder Bay?

We've heard from the government that they're not going to get involved in a "business-to-business transaction." In this instance, with Resolute, you're talking about a corporation that makes their product from a crown resource, owned by the province. We need the Minister of Natural Resources to confirm that the historic wood commitments to the Fort Frances pulp mill will be made available through a supply agreement to a purchaser of the pulp mill.

We urge the government to inform Resolute that the wood supply from the Crossroute and Sapawe Forests is being reserved pending a decision on the Fort Frances pulp mill. The control and availability of an economically viable crown wood supply should not be an impediment to the sale of the mill. There has always been, and should continue to be, an allocation of wood for the mill in Fort Frances.

When the mill is not operating, our community feels the effects; they are social and economic. In some cases, families have to leave the community to find work, or mom and dad have to work out of town. Property values decrease. The loss of assessment puts pressure on the municipal corporation's ability to maintain current service levels. Reductions or loss of these services are an impediment to attracting business and can cause doctor shortages, like presenter Shanna Weir talked about. We have the same issues. In 2012, taxes from the paper mill constituted 20% of our tax revenue. Without a mill, we lose more tax revenue when additional vacancies occur in the commercial sector.

As a town, we want to carry our own. We want to be financially independent. We are continually working toward a redefinition of our community and investing in economic development. We want to remain economically self-sufficient and not become a social drain on the province.

Please take the important step of ensuring that a conditional wood supply agreement for any potential purchaser of the mill is put into place. We support an eSFL, but that doesn't solve the problem right now. We need the conditional wood supply put into place for any purchaser.

The second item I want to talk to you about is re-establishment of the Connecting Link Program. The termination of this Connecting Link Program was a significant blow to our town's ability to maintain the vital local link to the provincial highway network to an adequate and acceptable, safe standard. In Fort Frances, we're a gateway community to the United States, and our link to the provincial network is under constant stress due to the heavy traffic in and out of this port of entry.

A large part of the northern economy benefits from and requires passage through the Fort Frances link. Mining and forestry entities utilize our roads to transport their goods to market. Although we're on a smaller scale, we're kind of like Windsor: We're a major point of entry

to the United States from northwestern Ontario. Currently, Fort Frances is expected to carry the full financial burden of keeping this vital roadway to an acceptable and safe standard. Previously we used to get 90% funding for connecting-link maintenance.

I'll give you an example of the stress and the pressure. Wood harvested east of Fort Frances is transported through our town to the Ainsworth mill in Barwick and the sawmill on Rainy River First Nations. After this wood is processed, it's transported once again through our community and across the border. From the north, our roads are travelled by trucks hauling products from Dryden, granite mined in Vermillion Bay, and lumber produced in Ignace. In the near future, there will be traffic related to sawmills in Kenora and Atikokan. It doesn't seem reasonable that our community of 8,000 people is expected to carry the full burden when so many other communities are benefiting from travel through Fort Frances. The highway goes through a lot of small communities. There's roadwork that's done, and I don't believe those communities are paying for that when it goes through. We're asking for a reconsideration of that.

You may also be aware of the Power Dam Special Payment Program. When you presented the 2014 provincial budget, there was a proposed reduction for municipalities receiving revenue through the Power Dam Special Payment Program. Since that announcement, there has been a reprieve for 2015 while the government consults with affected municipalities to find a solution to make this more manageable.

One option that's up for consideration is the re-introduction of property taxation for power dams which previously existed. As a municipality with a power dam within its boundaries, we urge you to give this option serious consideration. We believe that reintroducing taxation for these generation assets, in concert with a reduction to the Power Dam Special Payment Program, could be a revenue-neutral scenario for the province.

It's important to remember that prior to the implementation of the special payment program, power dams were assessed and taxable. The program that replaced the municipality's ability to tax these properties never consistently kept pace with inflation or the property tax rates in the communities. A reduction in funding will only create an additional shift to the existing tax base. For Fort Frances, that means 90,000 bucks. That means a 1% residential tax increase.

Costs of recycling: The government had provincial policy that envisioned a sharing of costs between municipalities and the stewards, which are first brand producers or manufacturers of goods. It was envisioned that this would be a 50% sharing scenario. For Fort Frances and other municipalities, this has not been the experience. Every year, we're supposed to submit a data call for our recycling costs. It's scored, and through that scoring, we know how much funding we are going to get. In 2013, the total cost for our recycling program was \$199,936.02. The funding we received was \$72,879.32, which is only 36.45% of the cost. We are asking the provincial govern-

ment to ensure that Fort Frances and other northern municipalities are funded to the pre-stated goal of 50% for recycling.

The last item I want to talk to you about is the future of the Ontario Municipal Partnership Fund. Currently, we're being impacted by the graduated reduction over the 2012 to 2016 time period. You'll recall, maybe, that in 1998, local services realignment included the down-loading of responsibilities to municipalities. Some things were unloaded; some things were downloaded.

The funding program that was put in place at that time was called the Community Reinvestment Fund, or CRF, as it was more commonly known. The commitment from the government was that the local service realignment process would be a revenue-neutral scenario for municipalities. It has been well documented and even reported by provincial auditors that this has not been the case or the experience. Since the inception of local services realignment, municipalities have struggled to meet the increasing demands of infrastructure investment and program delivery.

We're here to tell you today that property tax and other user fees cannot continue to carry the full burden. Property tax does not wear a red cape; it cannot continue to do everything. We urge you to examine and appreciate our fiscal challenges and refrain from contemplating any further reductions to the OMPF program. In our community, we have an aging population that relies on the provision of affordable basic services. Please do not put additional burdens on our scarce resources by reducing a commitment, essentially a promise, made when services were realigned. Thanks.

The Chair (Ms. Soo Wong): You've got five minutes on this side. Who's going to start from the government side? Ms. Albanese.

Mrs. Laura Albanese: First of all, thank you for hosting us here in Fort Frances. We're delighted to be here and delighted to speak to the town of Fort Frances.

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I have met with you also at the AMO conference. We did speak about the mill reassessment issue at the time. I hope that the Minister of Finance was helpful in that regard.

Mr. Mark McCaig: The minister and staff were very engaged and helpful. They're working with a number of other municipalities that have a similar type of situation.

Mrs. Laura Albanese: I wanted you to also elaborate a little bit—and then I'm going to pass it on to my colleagues—on the OMPF, which you just mentioned and which we discussed also at the AMO conference in my capacity as parliamentary assistant to the Minister of Finance. My understanding is that for 2015 the level of support for the town of Fort Frances has been enhanced to 97.2% of its 2014 allocation, and that this funding includes a significant amount of transitional assistance to help Fort Frances and other northern municipalities. I guess my question is, are you satisfied with that? What is the issue? Uncertainty for the future?

Mr. Mark McCaig: Well, you know what? Specifically, you're correct. It does not have as great of an impact for Fort Frances this year as others. But globally, when I'm looking at where it's trending, I'm concerned about the future, and that's the ask here for today: Please don't contemplate any more. Because you know what? When things were downloaded back at that time, I remembered a great hue and cry from the municipalities: "Oh, oh, what are you doing to us? Why do we have to do this? Why did we do this?" You get used to that, then you go to the next step and years pass; people forget about that pain and then it's like, "Let's reduce some funding some more." In consideration of that, I'm just kind of going back in history and reminding about the commitment and the process. When it takes that tack and it continues along that way, it's like getting pecked to death by ducks. I'm just asking for an eye to the future, that you consider that property tax is asked to do a lot of things that it wasn't previously.

Mrs. Laura Albanese: And there is no question about that. I am going to pass it over to my colleague, but I wanted to make sure that it is understood that right now, what you're receiving for the OMPF is about eight times the provincial average.

Mr. Mark McCaig: I can't speak specifically to the stats right now, but I know that it isn't—

The Chair (Ms. Soo Wong): There are two more minutes for this round of questions. Ms. Vernile.

Ms. Daiene Vernile: Mark, thank you so much for coming in. I had a walk early this morning, when it was dark, with one of my colleagues. I made the comment that I want to come back when it's summertime and a little lighter. It's beautiful here.

I want to go back to some comments that you made at the very start of your presentation, where you talked about the heritage funding, the disaster relief funding that you received for this past summer from the municipality ministry; and also, you commented on the mill reassessment. My question to you is, did you find the Ministry of Finance helpful to your community in resolving the mill reassessment issue?

Mr. Mark McCaig: Yes. There were people—I'm thinking of the Allan Dohenys and certainly the Steven Del Ducas. They were very engaged and they were helpful. It took some time. I mean, it's a pretty delicate process. But in the end, we were satisfied with the agreement that was struck and we didn't have to go through the painful process of those ARB hearings, where there were some pretty not favourable results for municipalities. So yes, we were happy with the ministry.

What was your other question?

Ms. Daiene Vernile: I just wanted you to comment on some of the assistance that your community has received.

Mr. Mark McCaig: In regards to the Northern Ontario Heritage Fund, we've always considered Minister Michael Gravelle a friend. He's reached out to our community. When the permanent closure announcement was made by Resolute, we did hear from Minister Gravelle and asked about some issues that maybe we

could explore for some assistance for Fort Frances. That project was helpful. I mean, you're talking about a hotel that's situated in the middle of the town. It's in a degraded condition and it's a source of public concern. Some assistance was provided to enrich the property and do something good there.

Ms. Daiene Vernile: Thank you.

The Chair (Ms. Soo Wong): I heard there's a last question from Mr. Baker.

Mr. Yvan Baker: One of the issues you raised earlier was around the mill and access to wood supply—

Mr. Mark McCaig: Right.

Mr. Yvan Baker: —and that there had been parties interested in operating the mill, but they couldn't get access to wood supply, I think you had mentioned. Is the wood supply issue the only issue that's preventing the mill from operating?

Mr. Mark McCaig: We believe it's the primary issue, yes.

Mr. Yvan Baker: Are there other issues, though? Can you talk about what those are?

Mr. Mark McCaig: You know what? I don't really believe there are other issues. I have heard over the years, certainly from Resolute officials, that the mill was somewhat lacking in some regard. From some of the potential purchasers, I've heard quite the opposite, that even beyond the kraft mill, they were desirous of some of the other facilities.

The Chair (Ms. Soo Wong): Okay. Thank you very much for your presentation. We welcome all your comments and your written submission.

Mr. Mark McCaig: Thanks.

RAINY RIVER DISTRICT SOCIAL SERVICES ADMINISTRATION BOARD

The Chair (Ms. Soo Wong): Our next witness is the Rainy River District Social Services Administration Board: Dan McCormick and Sandra Weir. Welcome. Can you identify yourselves for Hansard? You have 10 minutes for your presentation, and five minutes for questions, this time from the official opposition party. You may begin at any time. Thank you.

Mr. Dan McCormick: My name is Dan McCormick, and I am the CEO of the Rainy River District Social Services Administration Board. I have with me Sandra Weir. She is our integrated services manager, and she is the lead on social housing. Today, although the DSSAB does deal with four major programs—Ontario Works, child care, land ambulance and social housing—we are focusing on social housing.

So what I want to tell you is, small communities and the district of Rainy River are struggling with its social housing program. The ministry took upon itself—they changed the legislation in 2011 and created the Housing Services Act. That was a very good move, to create the act and prepare for a review, basically, and a creation of 10-year housing and homelessness plans.

We did do the housing and homelessness plan, and we have got some very interesting results that we found that—

Interjections.

The Chair (Ms. Soo Wong): Excuse me. Ms. Albanese, and Chief, can you take your conversation outside, because we have witnesses here and we can't hear? Thank you.

Sorry.

Mr. Dan McCormick: No problem. Thank you very much.

So we did create a 10-year housing and homelessness plan, and it did support what we thought already existed.

Some of the major concerns we have are gaps in needs within our district. The main gap is our funding sources. Our funding, primarily on the housing side, comes from our municipalities. As you are aware, funding from the ministry, although it continues to flow for housing, was basically capped in 2002. This has put a tremendous burden on our local municipalities as they now have to pick up all the economic increases within the program to maintain our housing stock.

The other thing that we are really struggling with is our capital improvement. We have older housing stock. It was basically built as early as 1967, and the last unit was built in 1970. So we're hitting a point where we're looking at capital replacements, and there are no capital funds available. The DSSAB struggles with its annual budget every year to try to put a little bit of money away for capital, but we are doing a patch job. We are only fixing the emergent issues, and we are not looking at the long-term effects.

Within our key findings of our review, we do know our population is getting older, and we are higher than the provincial norm. We are looking at people under 60 declining very steadily, and our population is also decreasing.

We also know that there's a strong demand for assisted living. We have seen some movement on that, and we appreciate the ministry and the province's movement on assisted living in the district.

We also have a lot of low-income earners within our district. About 30.7% of our renters are paying a third of their monthly income on housing, which is very substantial. In comparison, across the province, you see about 9.2% of your income going on housing.

Our housing stock, again, doesn't match the needs of our residents. It was built in an age where there were different demands and different needs, and it's not matching anymore.

We also have relatively few rentals, apartments and rental units across the district, so again, it makes it very difficult for people to get rental accommodations within a fee that they can afford.

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Another huge area that we've noted is that our homeless youths are underserved. We have no facilities in our district to look at homelessness in the youth population. We're working to restructure and we're trying to

work on a housing first and rapid re-housing for our homeless people, but it's hard to do without the capital for the units.

We have identified seven strategic targets. The first is to increase our system access and prioritization. The second is to maximize existing housing stock. To close gaps through new development is third. To meet current and future needs of seniors and others with accessibility issues is fourth. Our fifth target is to do more advocacy and education. Our sixth target is to meet the needs of aboriginal people living off reserves, and our seventh target is to meet the needs of victims of domestic violence. I can just speak to each of these targets a little bit.

The first target, improving system access and prioritization: We are gathering a lot more data. We are sharing with partners. We've created a lot of partnerships within the district, and that's been partnerships across all continuums, so the provincial government agencies and our local service providers. There's a lot more coordination because everybody is trying to do more with their dollar.

We have done some changes in our existing housing stock. Again, with some funding that was provided, we did a major retrofit in an older building in Rainy River, and that retrofit actually took our vacancies down from about 25% to zero, and we now have a waiting list. That involved restructuring three apartments into two, making them more handicapped accessible, and we've also put in supported housing initiatives in that building.

The redevelopment: We don't have any emergency shelter options for youth—under target number 3—so we're trying to champion that program and see where we can get it. But, again, the hang-up is our capital funding.

As we move forward with seniors, there has been a lot of talk across the district on seniors and the increasing number of seniors and accessibility. One other major issue within our district is transportation. We've seen the loss of our bus services across the district. We have limited cab services in the district, so even getting to something as simple as medical appointments or child care needs are not being met, simply because of the travel distances—a very different perspective from what happens in, say, Toronto, where a lot of dollars are going into restructuring of their transportation needs.

The other thing we're trying to do is advocate for more public education and communication, and this is one forum that we're trying to work through. But we also do presentations across the district, wherever we can.

On the needs for aboriginal people, we're trying to build some more partnerships to ensure that aboriginal peoples have the same opportunities for housing as anybody else offers.

On domestic violence, again, we have a district problem here. Our domestic shelter is located in one community on the very edge of our district, which again makes it very difficult for people to access, because if they have jobs or family commitments, they can't move. Across our district it's about four and a half hours driving time, so it's a huge district. We're about 15,000 square kilometres with 20,000 people. Our population density

runs around 1.4; the average in the province is about 14.2. It makes all programs across the district very difficult to deliver.

As we move forward, we are looking to try to maintain our buildings, and the difficulty, of course, with our board is coming back to the municipal table, looking for that funding at 100% dollars from them, with no matching dollars from the province. Basically, that's where we're at. Our buildings are aging; they're not in the right location; we don't have the funding to maintain or to renovate them to something that would work, and we're seeking assistance in that manner.

The Chair (Ms. Soo Wong): Thank you very much. This round of questions goes to Mr. McNaughton. You have six minutes.

Mr. Monte McNaughton: Great. Thank you very much for presenting here today. I'm just curious. Do you have an actual specific ask as far as dollar amount?

Mr. Dan McCormick: Right now, we're supposed to be putting about \$460,000 into reserves to maintain our capital assets. That came out of our building condition audits, which were done on all our properties several years ago. Just to give you an indication, our board has managed annually to put less than \$20,000 to \$40,000 a year into that reserve, so we're basically just barely matching the dollars. You can see that bubble is moving just like our age bubble moves; that cost is moving and increasing. The other issue is just simply, again, the location and what's going on.

The other factor in our budget is also the economic increases. As you know, electricity and natural gas have all increased throughout the years, even the cost of travel to go between our buildings; none of those economic increases have been funded through the province.

Mr. Monte McNaughton: Right. Just a couple of questions on the population trend: You said the number of people under 60 has declined over the last 10 years. What are the youth numbers like?

Mr. Dan McCormick: I don't have that right now but I can provide that. It is in our detailed housing and homelessness plan, and we'd be happy to provide the committee with a copy of that as well.

Mr. Monte McNaughton: Do you know off the top of your head the youth unemployment rate?

Mr. Dan McCormick: No, I do not; sorry. It is in our demographics of our housing and homelessness plan, though.

Mr. Monte McNaughton: Okay.

Mr. Dan McCormick: We are seeing a huge increase. I think we're looking at 34% over 60 in the next 10 years.

Mr. Monte McNaughton: The reason why I ask is because the provincial average for youth unemployment is somewhere, I think, around 17% or 18%, and I was just curious where we are here.

Mr. Dan McCormick: Sorry, I can't answer.

Mr. Monte McNaughton: No, that's great.

The Chair (Ms. Soo Wong): Mr. Fedeli? You have three minutes.

Mr. Victor Fedeli: Sorry, there's something really sensitive in this microphone. I apologize again.

Full disclosure: As a former mayor of the city of North Bay, I sat on our DSSAB, so I can sympathize with—

Mr. Dan McCormick: Congratulations.

Mr. Victor Fedeli: Or sympathies, perhaps, might have been better. It was a wonderful board to sit on and we did some really spectacular things with respect to the AHP, the affordable housing program.

Can you tell me what the status of the affordable housing program is today and your role in it?

Mr. Dan McCormick: Can you speak to that?

Ms. Sandra Weir: Is that the IAH? That program has been refunded for the district. We just got notice in mid-December that the Rainy River district will be receiving roughly around \$1 million over the five-year course. That \$1 million is divided into yearly increments.

At this time, the DSSAB hasn't decided where that funding will exactly go. That will be brought forward to the board in February so they are able to address where they need to distribute and how that needs to be distributed.

Mr. Victor Fedeli: Will you build new housing with that or will you do things like renovations or modifications to the aging facilities? What's your plan off-hand? I know it hasn't gone to your board, but what's in your head?

Mr. Dan McCormick: Primarily that money has been used to keep people in their own homes, so we've done a lot of modifications. I think we did 14—

Ms. Sandra Weir: We've done Ontario Renovates previously, for the last four years. However, saying that, we would like to do something within our own buildings if we're able to access the money that way: pool the money together to be able to do something a little bit more creative with the stock that we have, following what the plan is, our 10-year housing plan.

When you're looking at buildings that are 50 years old and yet the population is aging, you're looking at people wanting to live in their homes longer, but when you have a 50-year-old building, the accessibility isn't there. The room isn't there to be able to do that. Like Dan had previously stated, we haven't been getting capital money to be able to make the necessary changes so people can live in their homes longer. We would like to take some of the plan and maybe look at being able to do something a little bit more creative with the dollars that have been allocated.

Mr. Victor Fedeli: One of the things you talked about here—it says, "The housing stock is ... made up of single detached units." For me, I would think that was a good thing. It seems in your presentation that the fact that two thirds of your housing stock is single detached units—it appeared that that wasn't a good thing for you, and I don't understand why.

1100

Mr. Dan McCormick: It is a good thing. The problem we have is that the housing units aren't located in the communities where we need the service.

Mr. Victor Fedeli: So when you list here the key findings—“single detached houses make up two thirds”—that’s not a bad thing in this case?

Mr. Dan McCormick: No, it’s not a bad thing. The trouble is that a lot of those single detached housing units are in a community that doesn’t have the need anymore. We’ve seen a lot of transference across the district of people in declining populations, more in some of the communities than others.

Mr. Victor Fedeli: I appreciate that, because I heard from DSSAB—I thought we were trying to take the two- and three-bedrooms and make them into one-bedrooms to make more one-bedrooms. I think that’s where the need is now.

Ms. Sandra Weir: A lot of the stock that we do have for family units was built 40, 50 years ago, so some of them are five-bedroom, four-bedroom. Those aren’t the sizes that we need. We don’t see families like that anymore.

The Chair (Ms. Soo Wong): Thank you for your presentation. If there’s any written submission or numbers that Mr. Fedeli and Mr. McNaughton asked for, please submit them to the Clerk by the end of next Friday. Thank you.

Mr. Dan McCormick: Thank you very much for the opportunity.

NORTHWEST COMMUNITY LEGAL CLINIC

The Chair (Ms. Soo Wong): Our next witness is from the Northwest Community Legal Clinic, Ms. Trudy McCormick. Welcome. Can you please identify yourself for Hansard? You have 10 minutes for your presentation. This round of questions will be from Ms. Fife from the NDP.

Ms. Trudy McCormick: Thank you. My name is Trudy McCormick, and I’m a lawyer and the executive director of the Northwest Community Legal Clinic. It’s a legal clinic that’s funded by Legal Aid Ontario. We actually serve both the Kenora and Rainy River districts, so we have quite a large catchment area for our services.

I also sit as the co-chair of the provincial legal clinics’ association. I understand you’ll be talking to some of my colleagues later in the week as well as the executive director of the association.

I have three topics that I’d like to touch on this morning: legal aid financial eligibility, SAMS, and affordable, sustainable housing, which will be no surprise to you after the last presentation.

As you are hopefully aware, there was an increase to legal aid financial eligibility quite recently that was for community legal clinics as well as for Legal Aid Ontario service providers and certificates. I want to pass on the message that the members of the clinics’ association and all our staff and board are very appreciative of the initial investment in the legal aid system and see it as a very badly needed change, to increase that financial eligibility.

The first increase took place in November. The next one is scheduled to take place on April 1, 2015, with a further increase on April 1, 2016. The plan was actually a multi-year plan that goes beyond that. The funding that was announced last year was for the initial three years of the multi-year initiative to raise the financial eligibility to the low-income measure.

We’re particularly interested and hopeful for a commitment at this stage for funding for the 2017-18 fiscal year and an indication of the direction for future fiscal years. We would also encourage government to ensure accountability in expenditure for funding, internship flexibility and the necessary funds dedicated to make sure you have access to justice.

In the two districts that our clinic serves, there are very different needs just between the communities. We’re hoping that we’ll be able to be a little bit flexible in how those funds are used so we can meet the different needs of different communities.

My second topic for this morning is SAMS, the Social Assistance Management System. Legal clinics deal with folks who are living on social assistance. That is probably our largest group of clients. I can tell you, from my personal experience with clients, from my experience supervising workers in our offices in Atikokan, Kenora and Fort Frances, as well as the interactions that I’ve had with my colleagues around the province, finding a way to support and resolve the issues that have come out of the SAMS implementation is crucial. It has resulted in challenges that have been life-altering for some recipients. There are recipients who did not receive any assistance in the changeover. There are recipients whose assistance was totally incorrectly calculated by the system.

We’re now at a stage where we’re finding that it’s not just the basic assistance that is affected, but all the add-ons, the additional pieces: overpayments, special diet or payments for things like heating. We’ve gotten past the initial lack of cheques; people are now getting those. Now we’re at the stage where people who are living in very difficult circumstances are getting automatically generated overpayment letters that have absolutely nothing to do with their actual social assistance history, and they are getting them repeatedly. It’s a very traumatic experience for them.

We’ve also had experiences with clients here—we had one client who could not get money for their heating. That started in October. It was supposed to come in November. SAMS was implemented in November. This person was living without any money for firewood, and we had minus-45-degree temperatures for more than two weeks. Their pipes froze. We still couldn’t get them any money to pay for their firewood. It was an add-on to the system; it’s not the basic cheque. It was trying to do something else within the system.

The other half of my plea for SAMS has to do with the people who are working with that system, because we deal with the DSSABs, the people who make the social assistance decisions there. We deal with the Kenora and the Rainy River DSSABs, and we deal with the ODSP

office, and I have to tell you that those people who are working to try to deliver the programs are absolutely traumatized right now. They've tried, for example, to get the money processed for this person's heating. They couldn't do it. Every time they would input things into the system, we were told that they had to wait to see what the system would do overnight. There were three people in the Kenora office all trying to get this person money so that they could have heat, and they couldn't find a way to do it. The most ludicrous one was when they input it into their system again. What did it do? They came back to the office the next morning and found that the system had generated a \$10,000 overpayment. So this client was now going to get a letter telling them that, even though they haven't got money for heat, they've got a \$10,000 overpayment.

For those people who are facing those circumstances day after day—I know we appeal their decisions, but we also work with them. Right now my understanding is that they're working with old systems. They're working manually. They're doing everything they can to get the funding out to people living on social assistance, but it is critical. It's for the clients, it's for the workers, and it's for folks in community legal clinics and other community agencies who are trying to help. It's very traumatizing not to be able to help people who are in very challenging circumstances when that's your job.

My third topic is affordable housing, and the need for support for affordable housing, especially here. The cost of heating our homes is an issue in every community that we serve, whether it's a city, a rural community or a First Nation. The tipping point for us happened about five years ago. Our legal staff began noting that housing was being lost, not because of rent arrears, but because of high heating costs.

At this point, most of the arrears applications that come up before our tenant duty council at the residential tenancy board are the indirect result of high utility costs. Tenants who previously juggled paying the rent and paying for food are now juggling between feeding their families, keeping the heat on and paying their rent. Locally, our housing stock is older and less energy-efficient, while our winters are longer and colder. Utility bills are higher than the rent in some cases, and programs like LEAP are limited and often run out of funds before the end of the funding cycle.

In Kenora, the primary community issue from the legal clinic perspective is access to affordable housing. The issue has also been prioritized by the economic development commission and the community itself in its 2014 community survey.

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Within the previous decade, there has been a loss of over 100 low-end units within the city due to fire and conversion. In a community the size of Kenora, that's a significant portion of the rental market. Many groups are struggling to expand the housing options, but the lack of capital funding opportunities continues to undermine those efforts.

As for Fort Frances and Atikokan, the people from the DSSAB, who spoke ahead of me, spoke eloquently to the issue. We need affordable, sustainable housing.

Thank you.

The Chair (Ms. Soo Wong): Okay. Ms. Fife, you have six minutes.

Ms. Catherine Fife: Thank you very much, Trudy, for raising these three important issues. Obviously, the increase in legal aid was needed. Do you foresee any issues going forward, though, that will have to be updated? You've mentioned a future date, actually, where you're hoping that the funding could be extended—

Ms. Trudy McCormick: Yes. The plan is a multi-year plan that I believe takes approximately 10 years to be fully implemented for both legal aid and legal clinics. We actually reached the levels at the low-income measure at different times. Right now, there is a funding commitment for the first three years of that 10-year stretch. We're hoping for a commitment beyond that.

Ms. Catherine Fife: On the SAMS issue, I think that, if there's any consolation to you, all MPPs are hearing these same concerns across the province. That shouldn't be a consolation because, as you mentioned—and I'm really happy, actually, that you raised the issues that front-line workers are experiencing, because they alerted this government that this program was not going to work, because they know the programs best. Right?

If the government does not—I mean, they've said already that they're not going to backtrack on the program, even though it didn't work in other jurisdictions. What do you think is the best solution? Municipalities and regional governments across the province are struggling to adapt to it. This is your chance to put on the record what you think actually should happen.

Ms. Trudy McCormick: Collaboration, to me, is the key, no matter what the issue is. I think that if the government works closely with those service providers and hears what the issues are, it is going to have to make some investment in creating a platform, whether it's repairing the current platform or creating another one. It has to happen in consultation with all those service providers, and it has to happen very quickly, because right now they're doing a lot of work that is done manually. There is going to come a tipping point. They're going to have to go back and redo all this work. So the sooner that happens, the better.

Ms. Catherine Fife: Okay. And then, on the housing, affordable, sustainable housing is an issue in every riding. I'm sure that's heightened in areas where a riding is as big as France, for instance. The community start-up fund, CSUMB, was cut drastically. Can you speak to the effects that that has, and particularly on issues of domestic violence, women trying to flee violent relationships?

Ms. Trudy McCormick: The cutting of the CSUMB has had an impact. It's had an impact provincially; it's had an impact here. The funds that were earmarked that you could apply to for things that would help you set up a household quickly, help you get out of that circumstance, are not there. The funds that were left remaining, the CHPI

funds, are not as easy to access; they're not as much funds. Actually, the impact for some of our clients can be very challenging, because they can't afford then to get out of a circumstance and set up in a new one. There were times that that funding was critical.

The other time it's critical funding is if you've got an experience such as bedbugs, and you're trying to be able to re-house yourself and start over, and that funding is not available to you.

Ms. Catherine Fife: We heard from the previous speaker that housing for youth, in particular, is almost non-existent in this riding, youth who are seeking shelter. Can you address that?

Ms. Trudy McCormick: That's correct: male youth in particular, because if you're over 16, you can access, as a female, the shelter in Atikokan, but again, you've got to get an hour and a half from here to there.

Homelessness of youth is a really big challenge, and putting people up for a night or two in a motel just isn't a good solution for their life circumstances.

Ms. Catherine Fife: Okay. Finally, I just wanted to thank you for bringing forward the feedback that you're hearing with regards to the SAMS program. I think it's important for all of us to hear the same message on that and, perhaps and hopefully, take back that message to the government.

Ms. Trudy McCormick: Thank you very much for the opportunity to speak.

Ms. Catherine Fife: Thank you, Trudy.

The Chair (Ms. Soo Wong): Thank you very much.

NORTHWESTERN ONTARIO MUNICIPAL ASSOCIATION

The Chair (Ms. Soo Wong): Our next witness is the Northwestern Ontario Municipal Association. I think Mayor Ron Nelson is here, right? Am I correct?

Mr. Ron Nelson: Yes, you are correct.

The Chair (Ms. Soo Wong): All right. Mr. Mayor, can you identify yourself? You have 10 minutes for your presentation. This round of questions will be from the government side. Thank you.

Mr. Ron Nelson: Thank you very much. My name is Ron Nelson. I'm the mayor of O'Connor township and past president of the Northwestern Ontario Municipal Association.

NOMA represents 36 municipalities from Kenora to Rainy River, and the Rainy River, and as far west as Hornepayne and White River in the east, which are in the Algoma district.

What we will be addressing today are a few topics. The first one is the infrastructure to support the mining sector.

NOMA believes that northwestern Ontario needs to be supported in its bid for the development of a strong and diverse economy through the province taking the leadership in planning, developing and owning the infrastructure necessary to support the Ring of Fire development. It is also important to extend regulatory and infrastructure

support to other mining ventures that are presently under way in the northwest.

Because of the numerous discoveries and the mining companies involved, the Ring of Fire is unique in the development of Ontario. As such, we have continued to argue that it requires a more planned public approach than what has occurred in the past.

Noront Resources is the lead company in the Ring of Fire, but the project is currently at risk. Ontario can intervene as a partner, with First Nations and industry, to remove or mitigate the barriers and move this development into the production stage. There are no significant projects as mature as Noront's Eagle's Nest in the Ring of Fire.

Financial support from Ontario is essential if a road is to be constructed to serve the Ring of Fire, specifically an east-west road that is required to access the Eagle's Nest deposit from the Pickle Lake Highway extension, North Road. Four First Nations would see immediate benefit, as they would have a new mine—as well as paving the way for the development of numerous deposits distributed throughout the Ring of Fire. Transmission infrastructure should also follow the same artery. This will take the four First Nations off diesel generation and eliminate the need for Noront Resources to establish their own diesel generation facility, which in turn could add to the potential contamination through transportation of fuel to the site.

We urge the Ontario government to commit to assist the Eagle's Nest development in implementing the east-west road and transmission corridor.

On the next page, page 2, you can see a map which illustrates the activity throughout northwestern Ontario. Currently, there are 22 mines outside of the Ring of Fire that are in the planning and development stage. The manufacturing industry in Ontario will see substantial growth as a result of the mining taking place in northwestern Ontario. This will be an economic driver for the province. It is the government of Ontario's job to make this happen, not the private sector's. The auto industry has historically received billions in government investment to support its growth and economic development. The mining industry now needs similar support through infrastructure investments that will drive the economy for decades to come.

The forest industry has been the backbone of the economy in northwestern Ontario for many years. Wood and paper industry jobs contribute greatly to our standard of living. There is no doubt that the industry has had its challenges over the last few years but is now poised for significant growth.

There are a number of hurdles to overcome, one of which is the cost of fibre. Ontario leads the pack for highest costs of fibre, making it problematic for companies to compete worldwide. Companies that are looking to invest in Ontario must have secure, affordable access to fibre supply. NOMA is requesting that the government support the forest industry by reducing the red tape that is a barrier for investment in this sector. This can be

achieved by ensuring that there is ample and affordable wood supply available to the mills that require it.

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Another issue that needs to be addressed is the cost of electricity. NOMA appreciates the implementation of programs such as the Northern Industrial Electricity Rate Program, but requests that it becomes permanent and that it is sufficiently funded. These tools provide an excellent opportunity for economic development and assist in making the industry viable. A permanent program will also encourage further investment in mining ventures as well across the region.

Heads and beds—nice and simple: It hasn't changed since 1987. When you look at universities, hospitals and correctional institutions, for example, they pay \$75. We need that increased to the current value of \$135.32. These individual establishments need to pay fairly.

Municipal infrastructure funding: Investments in roads and bridges, as well as other critical infrastructure such as water and waste water, storm water, transit, public housing and all of the other services that municipalities deliver to our citizens are investments in our quality of life that support continued economic growth and development.

As you are aware, it is a challenge for many communities in Ontario to maintain their infrastructure needs. Further complicating this issue is the requirement that municipalities must use reserve funding or take on debt in order to be eligible for provincial funding. It is crucial that the government recognize that property taxes in northwestern Ontario are typically higher than those in the counterparts in the south.

Under the Municipal Act, we are required to responsibly manage our finances. We are doing this, yet municipalities operating in a fiscally responsible manner are being penalized for not doing so, as they are ineligible for funding for major infrastructure projects.

We appreciate the \$100-million infrastructure fund to help small, rural and northern municipalities undertake infrastructure projects. While it is intended to provide consistent base funding, the government needs to recognize there are limitations that small northern communities face in terms of generating revenue to pay for their share of large infrastructure projects and capital purchases.

The future of Ontario is in the north. NOMA was disappointed that the recent release of the 2014 Ontario economic outlook and fiscal review did not mention the north. When you consider the expansion of the mining sector and the revitalization of the forest industry, there is a significant opportunity for growth as a result of the natural resources in the region. At the same time, the Northern Ontario Heritage Fund plays a significant role in the development of the region, and there was no mention of that either. We are calling on the government to recognize and credit the work being done in the north.

My final points: NOMA is concerned with the way in which MPAC is shifting taxes from industrial ratepayers to property taxpayers. This, compounded with the reduction in the Ontario Municipal Partnership Fund, has had a

very negative impact on our members. We have not seen the benefits of uploading and are struggling with the service delivery.

In this time of economic uncertainty, it is important to recognize that each region of the province has its own unique challenges and opportunities:

—The closure of a ServiceOntario office in downtown Toronto may require a citizen to travel a few blocks to find a new service they require, whereas the closure of a ServiceOntario office in Rainy River requires an extra hour or more of travel to obtain those services, often during hostile weather circumstances;

—The cost of doing business in rural and northern Ontario areas is different than those in an urban setting;

—An MPAC reassessment process that reduces industrial property taxes by millions of dollars can bankrupt small municipalities in the north;

—Infrastructure funding programs must be flexible to meet the needs of municipalities with limited staff and financial resources.

As you consider the proposed expenditures of the upcoming budget, please remember that our communities have unique needs. One size does not fit all.

PLT reform, which will be discussed at the OGRA conference coming up with the ministers—we encourage the government to move forward and take bold steps to bring fairness and be fair to all of the individuals.

Last, but not least, Minister Sousa, when he was in Thunder Bay running for the Liberal leadership, made a statement that decisions in the north, for the north, be made in the north, by the people of the north.

Thank you.

The Chair (Ms. Soo Wong): All right. We have five minutes for this round of questions from the government. Ms. Hoggarth, are you starting?

Ms. Ann Hoggarth: Yes, thank you, and welcome, Mr. Nelson.

Mr. Ron Nelson: Thank you.

Ms. Ann Hoggarth: I first of all want to say that I'm new at this. Today has been an excellent learning opportunity for me. When you live in the south, it is true, you do not necessarily know all the problems of the north, and vice versa.

However, I do know that I have heard constantly since I was elected on June 12 that the government will commit up to \$1 billion towards infrastructure development in developing the Ring of Fire. I think that is still on the table. Hopefully, we will be able to carry through on that commitment.

The question I wanted to ask—

Mr. Ron Nelson: Can I interrupt?

The Chair (Ms. Soo Wong): You will make a quick statement?

Mr. Ron Nelson: Yes.

The Chair (Ms. Soo Wong): Mr. Mayor?

Mr. Ron Nelson: Thank you. We appreciate the \$1 billion. When is it coming?

Ms. Ann Hoggarth: I understand that.

Mr. Ron Nelson: That's all I'm asking.

Ms. Ann Hoggarth: Okay.

The question I wanted to ask you is about something else. Do you see the changes in the Ontario building code that permit mid-rise wood construction as beneficial to the municipalities in the northwest?

Mr. Ron Nelson: We endorsed it and fought very hard for that. Myself, Mayor Canfield and Phil Vinet, the mayor of Red Lake, also sit on AMO. We were very diligent in the fact that that will allow a building opportunity that is more cost-effective. We appreciated the fact that it took us a while to get it.

Ms. Ann Hoggarth: Great. Thank you very much.

The Chair (Ms. Soo Wong): Ms. Naidoo-Harris.

Ms. Indira Naidoo-Harris: Thank you, Mayor. Thank you so much for coming in and making us aware of some of the challenges that you are facing in the region. I want you to know that I do have sensitivity to some of these issues because I did spend some time in northern Alberta in a small town. So this actually reminds me of going back—way back—but going home to some extent.

You touched on the Ring of Fire and that development project. I would like to just get a little more feedback from you about the importance of that project and the Ring of Fire to this region, to the economy, and also to the people who live here as an initiative and how you would like to see government place emphasis on that. If you don't mind just elaborating; you touched on it a bit. I got the sense it's important to this area, and if you can tell me more about—

Mr. Ron Nelson: To be very brief, we will send you two studies that were done. In fact, one of them was an independent study done by the university. The initial benefits to the federal and provincial governments were in the billions of dollars in taxes.

We also look at revenue sharing; we want to see that part and parcel of it. You've had that document for probably well over a year.

The northern growth plan has also been part of that document that we brought forward, so your government has it. You've had it for well over a year. If you're looking at the financial benefits, not only to the municipalities but to the province, and the work and our First Nations partners, it's all in that document. I would encourage you to read it. We will be bringing it up.

Please understand: There are 22 other mines that are at the cusp of opening the doors. We're focusing on that.

The Ring of Fire and Noront—Noront is at a very critical stage. You've got to make some decisions. It's the government's responsibility to put the infrastructure in, not the private. Partnerships have been talked about and they're willing to look at that, but you've got to get to the table. You have all of the information that you need.

The Chair (Ms. Soo Wong): One more minute. I see a hand from Ms. Vernile. You want to have the last question?

Ms. Daiene Vernile: Yes. Thank you very much for coming and sharing your concerns. You are a very strong advocate for your group, for NOMA.

We've been listening to municipalities across Ontario, and in particular at AMO last year we did hear about the great need for improved spending on infrastructure. A recent announcement that you heard, that we are going to be spending an additional \$100 million a year for small northern and rural municipalities such as yours to try to revitalize your infrastructure—how is that going to help you? Talk to us about that.

1130

Mr. Ron Nelson: First and foremost, the \$100 million that Minister Murray put into the budget—AMO put a subcommittee together, which I was part of and Mayor Canfield was. Our submission from AMO to your government was that that whole \$100 million be disbursed to municipalities. The lottery end of it is still under the infrastructure of the federal, provincial and municipal. We wanted that \$100 million completely distributed to the rural northern municipalities so we had a base that we knew was going to be consistent. Your government decided on a different approach: \$50 million went for the base; the other went for a lottery. I call it a lottery because once you submit, you are determined at that point in time by the government whether or not you're going to get any more. We fought for the whole \$100 million. We're happy that we at least got \$50 million, and it's going to be reviewed in a few years.

Ms. Daiene Vernile: Do you feel that our federal partners are stepping up and helping as well?

Mr. Ron Nelson: No.

The Chair (Ms. Soo Wong): Mr. Mayor, thank you very much for your presentation. We have to move on.

RESOLUTE FOREST PRODUCTS

The Chair (Ms. Soo Wong): Our next witness is Resolute Forest Products: Steve Watson and Terry Skiffington.

Welcome. You have 10 minutes for your presentation, sir, and the five minutes in this round of questions will be from the official opposition party. Can you please identify yourself for Hansard?

Mr. Steve Watson: Good morning. My name is Steve Watson. I'm the Ontario forestry manager for Resolute Forest Products. Terry Skiffington sends his regrets today.

I'd like to provide a little bit of background information on our company. Resolute is a Canadian forest products company, and it has a leading market presence in North America. We've got about 8,000 employees in facilities in Canada, the United States and Asia. In 2013, we generated total sales of about \$4.5 billion.

In terms of Ontario, despite the recent closures of the facilities here in Fort Frances and Iroquois Falls, we still have a leading market presence with facilities. In Thunder Bay, we've got a pulp and paper mill and a sawmill. In Thorold, we have a newsprint mill. Recently, we've made about \$90 million in investments in Ontario—one of the few forestry companies that has made significant investments in this province. This includes the construc-

tion of a new sawmill in Atikokan, Ontario. There was an existing facility that was torn down and replaced with a new state-of-the-art facility. We have a restart of our facility in Ignace, which involved significant upgrades. We've also made upgrades to our sawmill in Thunder Bay. That includes the addition of a pellet facility which will be used to generate green energy. This will result, over the coming year, in the creation of 175 new direct jobs in northwestern Ontario, and there will be a number of spinoff benefits associated with hauling, harvesting, moving chips, lumber etc. throughout the entire region.

As a result, Resolute will have a combined annual production capacity of about 600 million board feet of lumber, and we're adding another 50,000 tonnes of wood pellets for green energy production. Those pellets are going to the generating station in Atikokan right now.

I'd like to briefly discuss some of the initiatives of the government that we think are of paramount importance for moving forward to help support the current recovery that's happening within the forest industry.

When it comes to woodlands operations, there are a number of government programs and initiatives that have been put in place to promote the competitiveness of the forest sector and to stimulate economic investment in Ontario. Our message is that we've been very grateful for these programs, and we hope that the government continues to stay the course in this regard. The bottom line is that these initiatives are working, and I think the current recovery we're seeing right now is evidence of that.

Hardwood stumpage adjustments: In Ontario, we're currently facing a lack of markets for hardwood species such as poplar and birch. This has resulted in a significant under-harvest of these species. A lack of markets also creates additional impediments, particularly for accessing softwood species that are primarily what we use in our facilities. The main reason for that is that softwood species and hardwood species grow together, and we don't want to just go in there, take out the softwood species and leave the hardwood species behind, because it doesn't result in full utilization, which is something that the government is both promoting and requiring. Not having markets for hardwood species creates additional challenges for the remainder of the industry.

In order to deal with some of these issues related to the under-harvest of hardwood species, the crown has adjusted stumpage rates, has reduced them, associated with poplar and birch. We think these adjustments have had a significant material benefit for the hardwood sector, as well as integrated companies such as ourselves. We currently do produce hardwood pulp at our facility in Thunder Bay, and one of the primary drivers there is to keep the current utilization strategies; if we use hardwood, it gives us access to softwood. The current adjustments are critical, not only for promoting use and new markets, but also to maintain competitiveness for us for the hardwood pulp that we're producing. We're currently existing in a global marketplace, and we have stiff competition, particularly from South America right now. They are able to produce low-cost hardwood pulp from

eucalyptus species, so they've had significant market penetration into North America over the last 10 years. It's a highly competitive market to exist in right now.

I also want to talk about the Ministry of Natural Resources and Forestry roads program. It has come up a number of times today. We feel that it plays a vital role in the competitiveness of our sector, also providing vital infrastructure to our natural resources. The program has been in place since 2006. It was originally put in place to offset some of the costs associated with the construction and maintenance of forest access roads. I would say that this is one of the most effective programs that the government has ever put in place to help our sector. There is universal support for this initiative within the industry. It has helped us bring down our road costs and, ultimately, our wood costs as well.

I'd like to point out that the roads funding program helps offset the costs of developing public forest access roads. Yes, it is a benefit to our industry, but it's also a benefit to local First Nations and local communities, and it's beneficial to a number of other industries, such as forestry, mining and tourism. These programs don't just support our industry; they support access and vital infrastructure to the natural resources of Ontario.

The roads funding program only covers a portion of the fees associated with the construction and maintenance of roads. The forest industry ultimately has been picking up the remainder of the costs there. The funding program was originally set at \$75 million a year; there has been a fairly dramatic drop over the last few years. This year, the program was at \$38 million. I think it's a program that has been effective. It has been used to the full extent throughout the time that it has been in place. Our position is that it's really critical that this program remain in place to help assist with the current recovery in our sector.

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There was a commitment in last year's budget for this year of \$38 million and \$60 million for the next two years, which is pretty critical, and it's what a lot of companies have budgeted for and made assumptions around, moving forward. I think, ideally, we'd like to see the program restored to the original \$75 million because we are seeing a lot of mills reopening. We're seeing a recovery. We're seeing investments in new facilities, the construction of new facilities. Unfortunately, as a result of the economic downturn, we have seen areas where there are pretty significant shortfalls in road infrastructure, so—

The Chair (Ms. Soo Wong): Mr. Watson, can you wind down your presentation so that Mr. Fedeli can ask you some questions?

Mr. Steve Watson: Sure. I just want to make a few comments around electricity and energy. Since 2006, the government has initiated a number of effective programs to control the cost of electricity for the pulp and paper sector. These programs have resulted in a competitive all-in at the plug price for electricity. We are seeing some of these programs disappear, particularly the demand response programs, which end at the end of January for our company. We think it's critical, as the government moves

forward, that we see programs such as the NIER program—some type of process put in place to replace the demand response programs that have existed. We also hope that there are no changes to the mechanisms used for global adjustment.

The Chair (Ms. Soo Wong): Thank you, Mr. Watson. Mr. Fedeli, you have four minutes.

Mr. Victor Fedeli: Thank you very much. Welcome today. I've got a couple of areas that I wanted to discuss. Just a quick question: What do you have in Ignace?

Mr. Steve Watson: We have a sawmill facility.

Mr. Victor Fedeli: When you talk about the adjusted crown charges with white birch and poplar, are you referring to the 820% increase that's being announced or being discussed, to go from 59 cents to \$4.83? Is that what you're referring to in the concern about why you need to leave hardwood stumpage where it is? Do I understand that?

Mr. Steve Watson: The bottom line is that stumpage rates now have been reduced to, I believe, around \$1.08. We're hoping to see that they're maintained where they are right now on an ongoing basis. The last number of years, they've been reduced to try and assist with the utilization of hardwood and some of the associated issues.

Mr. Victor Fedeli: If you take one, you are compelled to take the other or let it sit.

Mr. Steve Watson: Exactly, yes.

Mr. Victor Fedeli: I wanted to talk about the roads program funding, from \$75 million down to \$38 million—30 seconds more on that, if you don't mind.

Mr. Steve Watson: Okay.

Mr. Victor Fedeli: What would you be doing right now with your share of that funding? They announce \$100-million infrastructure but take it away. "There's money for roads, but we've taken money away from roads": I saw that so many times in my terms as mayor.

Mr. Steve Watson: Yes. I think the bottom line is that last year, the \$38 million caught us by surprise. We budgeted and hoped for a higher level. The higher level is really critical for us being able to access natural resources, particularly fibre. There are a number of new facilities for us. We've got new facilities going in. It's going to increase the demand for fibre, and it's difficult to access fibre unless you've got road infrastructure in place.

Mr. Victor Fedeli: You had to skip over the section on fibre because of the time, so I just want to read this into the record—your comments. You say that you can't "stress the importance of ... a stable fibre supply for the forest industry." I presume you mean all of the forest industry.

Mr. Steve Watson: Yes. It's critical for our company, but it's critical for all the forest companies.

Mr. Victor Fedeli: It says here, "Access to a predictable, continuous, economical supply of fibre is a fundamental requirement for a healthy forest sector...."

Mr. Steve Watson: That's correct.

Mr. Victor Fedeli: There was an earlier comment by another presenter who said that throughout the day we

were going to hear about an inclusive model of forest management for the local forest. They're asking if people are supportive of a secure, long-term, cost-competitive fibre supply, in support of continued investment. Is that something that you believe in and support?

Mr. Steve Watson: Yes, it's absolutely critical. That's one of the key considerations for us.

There's a lot of discussion about tenure and tenure reform. We support the OFIA position that if things are working, if there are no issues and wood is flowing, then let's not mess with that right now. But there are issues, and maybe alternative mechanisms need to be looked at in terms of tenure. But that's a key component. If we're going to change the overall framework for how forests are managed, the end result needs to be a cost-effective, continuous flow of fibre to support the existing industries and new industries as well.

The Chair (Ms. Soo Wong): Mr. Watson, thank you very much for your presentation today.

Mr. Steve Watson: Thank you.

RAINY RIVER FUTURE DEVELOPMENT CORP.

The Chair (Ms. Soo Wong): Our last witness is the Rainy River Future Development Corp. I believe we have Geoff Gillon here. Thank you and welcome. Can you please identify yourself for the record for Hansard? You have 10 minutes for your presentation. This round of questions will be to the NDP and Ms. Fife.

Mr. Geoff Gillon: For the record, my name is Geoff Gillon. I'm a regional economic developer for the Rainy River district. Our corporation works for all the area municipalities. We provide business counselling, lending and economic development services.

I've been working in economic development since 1989. I have an Ec.D(F) from the University of Waterloo and I have been president of both the Northwestern Ontario Development Network and the Economic Developers Council of Ontario.

The conversations held through the presentations this morning regarding the reopening of the mill are not about the town of Fort Frances versus Resolute Forest Products, or making a choice between reopening a pulp mill, expanding a sawmill or closing a mill. Selling the mill in Fort Frances and restarting it, we believe, is a win-win for all parties.

We understand that Resolute Forest Products and the forest industry association are not happy with the endangered species legislation of Ontario. We understand that Resolute has difficulty meeting its stewardship council standards and that they and the government of Ontario may be at odds on many facts and files. But really, none of this has anything to do with the Fort Frances situation as we see it.

We agree with Minister Mauro that moving to a collaborative licence agreement will take some time, and we are willing to take that time to make it right, which is why, in the short term, we are proposing that the ministry

move to a crown management unit similar to the Sapawe Forest, with an allocation for a pulp mill in Fort Frances.

We are also in agreement with Resolute Forest Products. I'm attaching a release here from November 4, 2014, which states that Resolute is willing to sell the mill in Fort Frances at little or no cost, that they're willing to cover legacy costs associated with the facility, and that they're willing to allow a new company to have access to the fibre needed to run the facility and will move to an eSFL in time.

All that is in dispute here is who owns the Crossroute Forest. Is it Resolute Forest Products, or does it belong to the province of Ontario? All that is required is for Resolute to release control or for Ontario to take control of the fibre available in the Crossroute to establishment a crown management unit. That is why we are here today: to encourage the sale of the Resolute Forest Products facility in Fort Frances, to ensure a long-term, low-cost fibre supply for the buyer of the mill, should we find one, and to stabilize the economy of the Rainy River district. As you've heard from previous presentations, we have had some opportunities in the last few months to add high-quality paying jobs for the Rainy River district with the restart of that pulp mill.

I will now turn my presentation over to Mr. Mike Willick, who will elaborate on the fibre situation in northwestern Ontario and the Crossroute.

Mr. Mike Willick: Thanks, Geoff. Good morning, and thank you for the opportunity for me to speak to you for a few minutes today. My name is Mike Willick, and I've been providing forestry advice to the Rainy River Future Development Corp. regarding forestry issues in the district. I'm a registered professional forester, and I had a long career with the Ministry of Natural Resources, retiring in 2008 as an assistant deputy minister.

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One of my appointments during my public sector career was to the position of assistant deputy minister for the forest division. I was responsible for the forest program for the province. That makes me familiar with the policies, procedures, practices and history of the provincial forests, the forest licensing, the forest allocations and the forest management. In addition, early in my career, I managed a lumber company in northeastern Ontario. This experience provided me with an appreciation of the business side of things, so I understand a bit about the economics of running a forest company. Now I'm providing advice to companies, governments, First Nations and municipalities on a broad range of forestry matters.

Today, I want to make three points to you, three things that I'd like you to take away with you. First, there's enough wood in this area to support the Fort Frances pulp mill and the Atikokan sawmill. Secondly, this pulp mill provides benefits much more broadly than is commonly realized. The third point is that the forest is a provincial resource, to be used for the benefit of the people of Ontario.

First, let's talk about the wood supply. The pulp and paper mill has existed here for a hundred years, drawing

wood from the forests from around the pulp mill, largely the Crossroute Forest, for more than a hundred years. In addition, there has been a sawmill in Atikokan for 50-some years, drawing wood from a similar wood basket, overlapping. The pulp mill provided logs to the sawmill. The sawmill provided chips back to the pulp mill—perfect synergy.

Wood supply modelling that has been prepared by Resolute indicates that there is enough wood within an economic haul distance to satisfy both these mills, the Fort Frances mill and the Atikokan mill. If this pulp mill does not restart, the forest resource in this district will be underutilized. It will be high-graded for the better-quality saw logs, and we see this starting now. It's my view that reasonable people would be able to find a way to share this resource, share this wood supply, so that we could allow both mills to flourish. Trading sawmill chips for saw logs makes good business sense.

Secondly, let's talk a bit about the benefits of the pulp mill. You heard earlier today the obvious benefits of the pulp mill: the local economy creating jobs, businesses and so on. Everybody has talked about those, and they're commonly understood.

But there are a lot more benefits for this pulp mill that are less obvious. First of all, this pulp mill benefits the forest. If we don't have a market for the smaller trees that don't make good saw logs, there will be an underutilization, there will be wasteful practices and, finally, there will be long-term environmental degradation of the forest. That's what could happen if we can't use all the forest that is out there.

The synergies with other industry: I've talked about sawmills and the relationship between the Atikokan mill and the Fort Frances mill. But the sawmills need a market for their wood chips. The lack of market for sawmill chips is becoming a big problem for this province. As the pulp mills close across the province, there are fewer places to take the chips. We all benefit if we can maximize the volume from the forest, from the land base—sustainably; sustainably managed—and get the greatest value of the products that come off. That means put the big logs into sawmills, and take the smaller trees, the pulp wood and the sawmill chips, and put it into the pulp mill.

Restarting the Fort Frances pulp mill benefits the local sawmills. We've got a small sawmill in Manitou Forest Products, out on the reserve. We have Nickel Lake Lumber, just east of town. We have the proposed mill that's going into Atikokan. Those are all important. Kenora Forest Products is really dependent on this mill starting, because they need a place to put the chips.

Benefits to the province: Naturally, a mill like this will generate corporate taxes, personal taxes and so on, but the crown's stumpage revenue is often overlooked. The trees that go into this mill, the person who buys this mill—if the mill is lost and doesn't restart, they could lose revenue of about \$6 million a year. We could lose revenue from this—the province of Ontario—so it's important.

The final point I want to make, and you've heard it before, but I'm going to say it once more: The trees are a provincial resource. Crown timber is a natural resource that is owned by the people of Ontario. The Minister of Natural Resources and Forestry licenses to companies the right to harvest the timber. The companies do not own the trees. They don't own the forest.

Locally, the minister has licensed the wood from the Crossroute Forest to Resolute Forest Products for use in their facility in Fort Frances. But Resolute has closed this mill and has plans to use the fibre in their other, more distant, facilities.

The minister has the responsibility to decide how this crown resource will be used to benefit the people of Ontario. The minister should confirm that he will make available the historic wood supply of the Fort Frances pulp mill to any new owners of the pulp mill. The crown wood supply of the Crossroute Forest is not owned by a corporation; it is owned by the province of Ontario.

In summary, the three points: There's enough wood to support the local industry. That has been the case for decades.

We need both the pulp mill restarted and that new mill in Atikokan. That's what the district needs.

The commitment of the crown wood supply cannot be left to a negotiation between two companies. Committing crown wood is the responsibility of the Minister of Natural Resources and Forestry. This cannot be left to a corporation.

The Chair (Ms. Soo Wong): Thank you. Ms. Fife, you have five minutes.

Ms. Catherine Fife: Thank you very much, Geoff and Mike. I think that you summed up some of the issues very well with your presentation.

Geoff, you have said that you believe that a collaborative licensing model can be found, but it's a question of timing. Mike has said that in order to sell the Fort Frances mill, we need a sustainable fibre source, and that needs to be negotiated not by two companies, but the government needs to intervene in this. So where is the barrier? Earlier we heard that there is no barrier; just political will. So can you please clarify why this cannot be simplified? As Mike says, reasonable people should be able to figure out how to share in order to save this town's mill.

Mr. Geoff Gillon: I guess that's what would be our hope. That's our reason for our speaking here today, that we believe that reasonable people can come to an agreement and allocate wood fibre at a fair price for a potential owner of this mill to restart it.

As I said, Resolute has stated that they had a willingness to sell this mill, but it's the fibre cost. I guess it may come down to an honest broker to work with the companies rather than having a company such as Resolute, which is basically accountable to its shareholders.

Ms. Catherine Fife: So are you suggesting that the MNR then intervene in this to negotiate a very consistent tenure model, which is in flux, and that affects whether

or not a buyer will purchase the mill? And are you suggesting also that the government has a significant role to play in this and that—but you actually had mentioned as well, Geoff, that timing is an issue. It's a fixed window of opportunity here. Can you be clear about that?

Mr. Geoff Gillon: That is our issue as a community. With our efforts from the fall and with the help of the government and with Resolute finally coming to the table to heat the facility, we believe—and I think it was mentioned earlier—that we've got three or four months to have some kind of serious traction.

We know that a year from November, we'll be in exactly the same situation we were last November, with winter coming and who's going to heat the mill? If we have serious dialogue with the government and with the ministry and potential buyers, that may happen, but the window of opportunity is from now to November, and the sooner the better. So I think we need some help from the government there.

Ms. Catherine Fife: Okay. So one final question I guess for Mike is this: When you were the deputy minister at the MNR, were you advocating for these same points—that the provincial forest is a provincial gift, or owned by the people of this province, that there was enough wood, and that the benefits of keeping this mill open are sound?

Mr. Mike Willick: This mill was not in question.

Ms. Catherine Fife: This mill shouldn't be in question.

Mr. Mike Willick: This mill was the pride of the fleet when I was in my job. It's amazing how it could fall out of favour so fast. But certainly it's government policy, not just my policy, that the forest resource is owned by the province.

Ms. Catherine Fife: But not in the present state, right?

Mr. Mike Willick: Well, the question is, who controls it? Geoff and I are saying the same thing. My comments are that we need an immediate fix so that we can attract a buyer for this mill. What the buyer needs is to have a committed wood supply—committed by the minister, not by Resolute.

Ms. Catherine Fife: That's right, yes.

Mr. Mike Willick: We've heard today that they only fix the tenure where it's not working. It's my view that the current tenure model in this forest is not working. We need to fix it. That takes longer.

Right now, we need the wood supply so that a buyer can come to the table. Over the long run, I think there need to be discussions about a new model.

Ms. Catherine Fife: Thank you.

The Chair (Ms. Soo Wong): Okay. Gentlemen, we're going to wrap up. Thank you very much to all the witnesses. We're going to be adjourning this committee, and we're heading to Sudbury. Thank you.

The committee adjourned at 1200.

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