

Thunder Bay Ventures
Northern Growth Plan
a
Community Futures Development Corporation - Response
December 19, 2008



Executive Summary: a direct response to ‘Starting the Discussion’

- 1 The focus of the Growth Plan needs to shift from the list suggested. We have many pertinent comments with respect to these themes, however, generally TBV will follow the themes as outlined, providing our comments contained herein.
- 2 The first theme *‘strengthening and advancing resource based industries’* implies a status-quo and as such needs to be refocused. Key themes need to be added; *‘Encouraging Stronger Relationships with Aboriginals’* and *‘Energy’*.
- 3 Prioritizing themes is very difficult as many of these areas overlap and should work as cohesive units; for example, it is difficult to grow an emerging sector if the education, retention and attraction of people is not considered. With that said, however, TBV has prioritized the top five themes:
 - a Encouraging stronger relationships with aboriginals;
 - b Energy;
 - c Fostering research, innovation and commercialization;
 - d Growing emerging sectors;
 - e Making strategic use of infrastructure; and
 - f Supporting business development and entrepreneurship
- 4 Scandinavia/Ireland: Significant Investment in Education in Natural Resource Rich Northern Counties.
- 5 Strategies or programs that are currently being used in the North that are considered successful and can be broadened include: Education, Research.
- 6 Ontario’s continued investment and support in Education, Research and infrastructure is a fundamental element.
- 7 Ontario needs policy coordination by all Ministries to support the priority themes that flow out of the legislation of the Growth Plan.



Introduction:

We envision Northwestern Ontario to be rich: rich in resources; people; infrastructure; and investment. It will be environmentally, socially and economically sustainable.

Currently, as a city, Thunder Bay ranked 25 out of 27 of Canada's cities on the Pembina sustainability scale (p.4), 24th on economic vitality, and 21 of 27 in smart growth ranking. The need for sustainable economic development is critical. A strong and diverse economy in the City of Thunder Bay is also an important contributing factor in the economic development of the region. It is also quite clear that, while the potential exists for long term sustainable cluster development in several sectors in the City, the potential has not yet been realized.

As you are aware, there is a need for change in Northwestern Ontario. Change encompasses several facilities: infrastructure; legislation; public and private investment; culture and attitude. This is apparent in many key documents. For example:

'In contrast, the lower range of the overall community sustainability index is dominated by northern communities (Sudbury, Sault St. Marie, Thunder Bay, North Bay) and southern communities outside of the Greater Golden Horseshoe region (Woodstock, St. Thomas, Belleville). All do poorly in the economic vitality rankings and some face significant challenges in the areas of livability and smart growth as well, although the latter rankings may reflect the more rural character of these communities'. (Pembina report, p4)

Thunder Bay Ventures (TBV) is a Community Futures Development Corporation (CFDC) as part of the Nation Wide Community Futures Program of Industry Canada. As an organization, TBV is very excited about some of the impending economic drivers, such as the Molecular Medicine Research Centre and the Bio-refining Research Institute, in Thunder Bay. However, TBV is concerned that the current infrastructure (physical and social) legislation and funding structures are not appropriate to achieve the success that is required to sustain all of Northwestern Ontario for the next fifty years.

Those themes that have been omitted from the list of 7 are of higher and more important priority than some of the 7 listed. The omissions include: Energy, First Nation Land Claim and other grievance settlement.

'It is a practical reality that Thunder Bay is viewed as the capital of the region of Northwestern Ontario due to the relative size of the population of the city and its immediate surroundings compared to the region's total population (approximately half of the population of the Northwest). It is also apparent that, with today's economic development trends, the City of Thunder Bay is the only municipality in Northwestern Ontario that has the critical size to sustain the type of infrastructure (academic, medical, services, government) necessary to attract the clustered economic opportunities that present themselves in Canada today. For that reason, in order to have a healthy and prosperous Northwestern Ontario, it is important that Thunder Bay's economy be both diversified and able to respond to new opportunities and initiatives'. (Rosehart, p.51)



1. Review of the 7 Proposed Themes

The 7 themes presented are a mix of items, some of which can lead economic development. Others are the result of policy/legislative enactment and most, as expressed, are quite vague. We will attempt to deal with each in turn as presented.

1 Strengthening and advancing resource-based industries: vague & low priority

The words of this theme '*strengthening and advancing resource based industries*' implies a status-quo. Unless Ontario is prepared to make LEGISLATIVE changes to the current Crown Forest Sustainability Act, 1994 – including the tenure/licensing system - there is no point in discussing this matter. Tinkering, as implied in this theme, is woefully inadequate to address the state of the now defunct Forest Industry in NWO. New forest-based businesses and opportunities will only flourish with access to a wood supply. Currently the entire wood supply is captured by existing tenure holders, many of whom are not operating and all of whom are involved in commodity production.

The Mining Industry has several initiatives currently underway and we await the outcomes of these reviews.

The Mining Industry: The Ontario Ministry of Northern Development and Mines currently has an initiative underway to renew the Mining Act. Concern is being expressed from many quarters that the timelines are much too short. To attempt to re-write an Act as important as the Mining Act, with four months of public discussion, is inviting major mistakes and/or running the risk of making changes that are only incremental and do not address key issues.

2 Growing Emerging Sectors;

3 Fostering research, innovation and commercialization;

4 Increasing education and training opportunities;

These three themes are viewed as positive, future looking and will lead in any transition to growth in the Economy of NWO. We believe they cannot exist on their own and are dependent and interdependent on one another.

One of the main roles of Government is to invest public funds for public and private good and we acknowledge the role Ontario has played in establishment of the Northern Ontario School of Medicine as valuable in changing, in a small way, the economic fortunes of the North. This is a clear example of Government's functional impact on an economy with public funds.



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One of the most effective levers of government to ‘ratchet’ up private investment and improve economic activity is to invest in the cluster of education, training and research – which will lead to a growth in innovation and commercialization of products and services in new sectors.

‘Most of us earn our living by producing intangible rather than physically tangible things. Accordingly knowledge—that is, ideas, know-how, creativity, and imagination—has become the most important resource for economic prosperity.’ From Toronto Growth Doc: **Toronto 7SmartGrowth_RegionalEconomies-v2.pdf p.6-7)**

5 *Retaining and attracting people and jobs:*

This theme is two-fold:

- (1) It is the resultant of investment and is not a leader of investment either by the private sector or the public sector. If industry exists, people will be attracted to these industries and jobs will be retained; and,
- (2) New industry, business or emerging sectors may be difficult to grow if a community is unable to retain and attract the required expertise or people. Key considerations include: (1) the Provincial Nominee Program needs to adapt to the needs of the communities that it is servicing, as well as increase the number of nominees allowed through the program; (2) maintenance of strong cultural presence in the northern communities through the development of funding programs to allow cultural activities to be developed and exist. In attracting people into these emerging sectors, such as the knowledge based economy or multi-media industries, a wide variety of cultural activities being available is often necessary.

6 *Supporting Business Development and Entrepreneurship:*

The Northern Development part of the Ministry of Northern Development & Mines needs to have a legislative framework enacted to provide a mandate for its existence. Since established decades ago, this section of this Ministry lacks a legislated mandate on which to focus its efforts. As currently constituted it is not sufficiently targeted and focused on regional needs to be considered either strategic or long-term.

If it is going to continue, the Ministry of Northern Development and Mines has to have a presence at key community planning tables and initiatives. If they are not the appropriate body then let the North have a regional presence of the Ministry of Economic Development or the Ministry of Small Business and Trade. As well, whichever part of the Ontario Government working on regional economic development in Northern Ontario needs more tools that are available at their discretion. These tools need to be used to support municipalities and business development.



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The un-elected non-accountable, Northern Ontario Heritage Fund and Board, needs to be re-assigned. This model requires a redirection of the program funds for use within ministries to provide Northerners with a clear understanding that they are dealing with the 'Ontario Government'; not some organization that is distant and remote from Government and Northerners and for practical purposes seems to 'act alone'. The current system using government employees as 'consultants' to develop projects that get adjudicated by the Heritage Board adds a level of bureaucracy that is un-necessary.

7 Making Strategic Use of Infrastructure:

This theme is also vague. NWO has existing physical infrastructure in roads, railroads, bridges, ports (air & water), transmission lines (electrical & petroleum, dark fibre, fibre optic), electrical generating capacity (coal, water) and various industry, city, town and hamlet related infrastructure. Ontario needs to pro-actively support the infrastructure that exists-including upgrading, invest in new infrastructure, and arrest the removal/destruction of existing infrastructure.

Ontario:

- needs to invest in the electrical transmission line upgrades to allow NWO to export the maximum current generating capacity out of the Region;
- needs to support the continuance of the operation of the two thermal electrical production facilities located in NWO as a far less costly alternative to the failed Nuclear First initiative of the Province in electrical generation. The potential to convert these plants wholly or partially to biomass should be seriously explored. Ontario should move quickly to develop technology to 'clean up the emissions' from coal rather than eliminating coal as an energy source. It is likely that cleaning up the carbon emissions from coal burning will be less expensive than another 50 year failure of investment in Nuclear Energy – with its inherent long term negative ecological impacts. Energy is an omission from the themes as presented and will be dealt with later in greater detail;
- should move with alacrity to arrest de-commissioning of the CN-Kinghorn Rail-line as an important part of the existing infrastructure that will be very costly to replace in the future when the need for this type of infrastructure arises. In the future, with energy costs increasing, the need for low cost/low impact transportation such as rail will increase in importance. The CN-Kinghorn Rail-line is important to the long-term development of industry in the region.



2 Themes to be Removed or Added

High Priority Themes to be Added:

8 Energy:

The development of large scale hydro electric power generation, or large scale electric generating farms using wind power are two of the potential renewable energy resources that can be developed and exported from the region. Solar power is a third potential contributor particularly as an energy substitution or for servicing remote, off grid locations. NWO represents 58 per cent of the land mass of the province of Ontario with a population density of less than half a person per square kilometre. That compares with more than 100 people per square kilometre in southern Ontario. (MNDM website Facts page). There is a lot of room for alternative energy development both in the region and for export, both small scale self-sufficiency and larger scale projects. Another interesting idea to pursue is that Northwestern Ontario can be a “Green Energy Island” by combining two ideas – our inability to send power out of the region and our ability to produce green power with water, wind, solar and wood. This could be a very interesting strategic position for the region.

World class hydro electric energy development in Northern Ontario and other large scale development projects are based on the need to settle First Nations land claims. As has been the case in Manitoba and Quebec, these large scale projects and their impacts on First Nations peoples, has lead to negotiations and the settling of outstanding claims.

Bio-fuels and bio-refining present an additional source of energy and feed stock and can be linked to sustainable forest development. The strategic development of research and innovation using the natural resource base of the region can be a source of economic development and long term growth. This opportunity in itself offers a measure of potential success, building on the infrastructure in place, and capitalizing on the under utilized capacity in the forest products sector. This over capacity has come as a result of the decimation of the forest based economy in the region. Job losses in this sector have led to out migration, and threatened the economic viability of almost all small, single industry, resource based communities.

9 Aboriginal Issues: Encourage Stronger Relationships with Aboriginals

Perhaps one of the most conspicuously absent themes is any reference to the significant, and increasingly important role of First Nations peoples. Aboriginal peoples make up more than 15 per cent of the population of NWO (MNDM website Facts page). While the regional population has declined, the Aboriginal population has increased, and more importantly for the future of the region is the fact that the Aboriginal population is a significantly younger population than the rest of the region. Foremost in the consideration of First Nations issues is the need to settle ALL outstanding grievances.



There are several world scale development projects including renewable hydro-electric energy projects in both border provinces with Ontario (Manitoba and Quebec) where the desire for these developments led their respective provincial governments to settle land claims and other outstanding grievances with First Nations. This has led directly to the developments and to additional development opportunities.

The challenge in Ontario is in developing a sustainable economy for the North which is inclusive of the First Nation Communities. The past has been characterised by a mind set dominated by 'one offs' negotiating/settling individual First Nation Claims after the economic development opportunity has been identified, or in some cases, even as the exploration of the potential is being attempted. The un-tenable provincial policy alternatives of Nuclear First Energy may have been achieved because of a seemingly easier path than settling these long-term grievances of First Nations. A concerted effort to settle outstanding First Nation land claims issues and other outstanding grievances, as inherently complicated and difficult as it will be, will be a pre-requisite for achieving any long-term sustained development in the North.

There is a glaring and well known need and opportunity to work on a number of fronts with First Nations People, including the following:

- Resource Revenue Sharing is a key one;
- Carrying out the province's Duty to Consult;
- Supporting First Nations economic development aspirations;
- Completing land use planning in the Far North in a way that fully engages First Nations, enabling First Nations to interact with developers;
- Impact and Benefit Agreements to ensure that First Nations have opportunities for engagement and benefit from economic developments on their traditional lands.

These responsibilities cannot be abdicated by government and left to the private sector. Private businesses need a government-established framework within which to work.

A proactive, determined, dedicated and consistent effort in the settlement of First Nation Claims will reduce the uncertainty in any exploration or development plans. Further, such a settlement sends a clear message that the risks relative to First Nation Claims and potential disruptions have been codified. Business, organizations, and First Nations, can then move forward and enter into economic development agreements from a common understanding.

3 Theme Priorities:

Many of these themes must be supported and developed concurrently in order to achieve success in any one area. For example, the education and training, and retaining and attracting people must be well-developed in certain areas to achieve success in growing



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an emerging sector or fostering research and innovation. TBV believes that these are the key priorities:

- a. Encouraging stronger relationships with aboriginals;
- b. Energy;
- c. Fostering research, innovation and commercialization;
- d. Growing emerging sectors;
- e. Making strategic use of infrastructure; and
- f. Supporting business development and entrepreneurship.

4 Other Regions:

Instructive lessons can be learned from northern jurisdictions in Canada and Europe that have advanced economies based on education, technology, services, manufacturing and resources. Examples suggested are Ireland and the Scandinavian Countries with their emphasis on education and their development of technologies.

5 Current Strategies:

The current strategy of Ontario investing in education and research has been a short term success and will be a long term boom to underpin the economy.

The growth of the service based economy has had an increasing impact in Thunder Bay, and has displaced the more traditional natural resource based economy of Northern Ontario. We believe this statement is equally applicable to the northern economy. A prime example is the education sector.

The education sector can be both a facilitator of change as well a significant contributor to economic development throughout the region. Technical and research expertise exists and can be focused to support the development of the alternative energy, natural resource, and medical services sectors. This is a very traditional role for education: a facilitator of economic development through training and education, creating the skills necessary for the industries of the region to develop and prosper.

The Colleges and Universities are also economic development engines in and of themselves. Education can be a comparative advantage both in terms of generating 'export' earnings and expertise. There are several reports available as to the contribution of the education sector to local economies. The development of education technologies and alternative models of education delivery have also created an environment where there is increased opportunity to compete both physically and digitally in non-traditional markets. Lakehead University's Orillia campus is one such example, as were the international development projects Confederation College conducted in Poland and Ukraine.



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Ontario has invested \$14.7-million into the development of a Molecular Medicine Research Centre that will generate more than 200 jobs and position Thunder Bay at the cutting edge of health sciences research (MNDM website Facts Page).

The medical services sector presents an opportunity for growth in the region with the recent completion of the Thunder Bay Regional Health Sciences Centre, the Northern Ontario Medical School, the Paleo DNA lab, Genesis Genomics, and the Thunder Bay Regional Research Institute (TBRI), Police force molecular laboratories, plus other private sector investments. There is also the recent pilot project and study in the development of distance education based medical treatment and diagnosis for psychiatric care in remote communities. This project also saw and evaluated the utilization of these web based distance education technologies to assist in the training and professional development of on-site care givers in these remote communities.

6 Fundamental Elements:

Ontario's continued investment and support in education, research and infrastructure is a fundamental element. The resource of well educated people encouraged by a culture of entrepreneurship with the appropriate infrastructure of research will use all to innovate and develop new technologies that will lead the region, country and world. The Ontario Government needs to lay this foundation through improved education as a fundamental element.

7 Specific Policies:

Ontario needs policy coordination by all Ministries to support the priority themes that flow out of the legislation of the Growth Plan. As a priority the need to have all Northern People coalesce around a common policy can only be achieved on a base of settlement of all Northern Issues with all peoples as already stated above.



A visual model of a re-vitalized Northern Ontario Economy.

