



PATHS TO PROSPERITY

A CHAMPION FOR NORTHERN JOBS AND RESOURCES

An Ontario PC Caucus White Paper

September 2013



Northern Ontario is the next frontier. It is the expanding edge of Ontario's economy, an area whose rich forest and mineral resources can fuel a reviving North American economy. Its colleges and universities provide leading research and technology training. Its aboriginal peoples are the cornerstone of Ontario's history and a critical part of its economic and cultural future. The north is a place where people know how to work hard and make their own way.

And yet, northern Ontario is falling far short of its potential today. The Ring of Fire is the greatest mining discovery of a lifetime, but the project has gone nowhere. Our once-burgeoning forest industry has shrunk and mills have closed. The entrepreneurial spirit that built the north has been crushed under the weight of government regulations and environmental rules that seem designed to stop growth and keep industry away.

There is a better way, and it starts with a government approach that understands and respects the north. We need a Premier who will take up the cause of the north and speak for it in the rest of the province, across the country and around the world.

Northern Ontario is a unique part of our province, with greater distances, smaller communities, a harsher climate and a rugged land. Its people have a strong streak of independence, self-reliance and personal responsibility.

These Ontarians share a different kind of connection with the land, but increasingly their fate is being thrust upon them by a government that wants to impose a fantasy view of northern life. Politicians, bureaucrats and special-interest groups from the south have tried to turn this dynamic, natural area into a museum without jobs, hope or a future for the people who live there.

My plan is for Ontario to once again be the engine of Canada's economic growth. Northern Ontario, rich in natural resources and high-tech hubs in cities like North Bay, Sudbury and Thunder Bay, will provide the fuel for that growth. We need a Premier who will show the way, but also one who will listen, and act on what Northerners want.

As a former Minister of Northern Development and Mines, as well as Minister of Tourism, I love the north and had a unique opportunity to travel there extensively, talking to families and business owners. I experienced its vastness firsthand and have a vision for what it can and will be. I want to be the Premier who works with Northerners as they roll up their sleeves, build their communities, set their own destiny and prosper again.



Tim Hudak
Leader of the Official Opposition





NORM MILLER

MPP for Parry Sound–Muskoka

Northern Ontario is a land of tremendous opportunity and unrealized potential. But for too long, southern Ontario special interest groups that oppose any and all development have held far too much influence over the future of northern jobs.

Facing a significant jobs and debt crisis, Ontario can no longer afford government policies that treat the north as an antiquated curiosity rather than an engine for new businesses, investment and jobs.

It is no secret Ontario's north is rich in industrious people and natural resources. Just over a decade ago, mining in Ontario was ranked first in the world. This bedrock industry served as the foundation for the Toronto Stock Exchange and our global financial services businesses. Most recently, mineral discoveries in the James Bay lowlands, collectively called the Ring of Fire, only add to the exciting possibilities.

Great opportunities require action. Responsible development requires long-term planning. The Ontario PC Caucus has a comprehensive vision committed to generating new businesses, new revenue and new jobs for the province. This activity will diversify and support local economies, provide the funding necessary for top-quality public services and benefit most of all those living in northern and First Nations communities.

This is a vision to ensure that Ontario's traditional strengths in entrepreneurship, innovation, resource development, tourism and waterpower are able to grow well into the next century, not wither and disappear at the beginning of this one. As one example, we believe Ontario's beautiful, vast northern lands hold impressive potential for the tourism industry. With a real plan and proper implementation, more tourist dollars will keep investment flowing into the region and support local businesses and services year round.

This policy discussion paper – the fourteenth in a series – proposes bold ideas to leverage our northern advantage, bolster our economy and ensure northern communities have a chance to thrive. With it, we hope to generate feedback and discussion that will help us to refine our ideas to ensure Ontario's northern communities prosper.

Please let us know what you think by contacting me through email at **norm.miller@pc.ola.org** and by phone at **(416) 325-1012**, or Laurie Scott, Ontario PC Caucus Critic for Natural Resources, at **laurie.scott@pc.ola.org** and by phone at **(705) 324-6654**.

A handwritten signature in black ink that reads "Norm Miller". The signature is written in a cursive, flowing style.

Norm Miller
Ontario PC Caucus Critic for Northern Development and Mines



LAURIE SCOTT

MPP for Haliburton–Kawartha Lakes–Brock

Ontario has always enjoyed a global reputation for responsibly managing the balance between the need for new jobs and the duty to protect our land and water for future generations.

We all want to see outdoor recreation and resource development that is sustainable. But as is evident in recent years, some laws and regulations have upset this balance. Too often, government decisions are not based on sound science. Instead, politically motivated special interest groups have had too much influence. This has particularly affected job creation in agriculture, housing development, tourism and resource-based sectors like forestry.

It's time to restore balance in Ontario. Natural resources need to be managed in a fair, equitable and shared capacity. Instead of managing and promoting Ontario's natural heritage at home and abroad, the Ministry of Natural Resources has been transformed into a bureaucratic maze of unnecessarily complicated paperwork and long delays. The result has restricted people from pursuing the hunting, fishing and trapping that predates our province's founding. It has also created high barriers to new jobs and businesses across the province.

Recreational fishing and hunting is a highly important component of our economy across all of Ontario. For example, the annual economic value of recreational fishing and hunting in Ontario is \$4 billion. Recreational fishing and hunting generates wealth and jobs for the province. Government reaps a significant return on investment for these activities and the number of resident anglers is growing substantially.

There needs to be greater government commitment to both the protection of Ontario's fish and wildlife resources and the promotion of recreational hunting and fishing. This would result in the creation of thousands of jobs throughout the tourism and related sectors; it would generate significant new revenue through licensing and the ensuing taxation of new businesses and jobs. In short, a greater emphasis on fishing and hunting could be an economic stimulus for all of Ontario. We would ensure that the fees derived from licenses be reinvested directly into stocking and wildlife management programs to ensure their continuing sustainability.

The Ontario PC Caucus recognizes the importance of local partnerships to ensure that the core mandate of the Ministry of Natural Resources, namely the conservation, protection and management of Ontario's natural resources in a fair, balanced and equitable manner is being achieved – a policy which unfortunately has not always been followed under the current government. An illustration of the failure of the Ministry of Natural Resources is the crisis with the Lake Nipissing walleye fishery, which is under serious threat as a result of MNR's mismanagement.

To ensure growing revenues for public services and new opportunities for youth and the unemployed, the management of Ontario's natural resources must be conducted in accordance with a pro-jobs agenda. We envision a government that enables a growing economy by working with businesses, local communities and other interested parties to introduce all Ontarians to the beauty of our parks and vast wilderness.

A handwritten signature in black ink that reads "Laurie Scott".

Laurie Scott
Ontario PC Caucus Critic for Natural Resources

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THE OPPORTUNITY OF THE CENTURY

The Ring of Fire represents the largest single resource opportunity in Ontario.

This area in the James Bay lowlands has an estimated \$30-billion to \$50-billion worth of minerals, particularly chromite – one of the most important commodities on the planet. Essential in the making of stainless steel, the mining and processing of Ontario's chromite deposits could provide jobs and new tax revenues for a hundred years. The deposit is also rich in copper, nickel and zinc. What the oil sands are to Alberta, and potash is to Saskatchewan, the Ring of Fire could be to Ontario.

The main reason is because government hasn't done the work necessary to help companies tap into the rich resource potential of the Ring of Fire and the jobs it will create. The obstacles are well known. Before mining can begin, a road or rail line will have to be developed to link the isolated mining sites to the rest of Northern Ontario. This requires extensive government approvals. There has to be a reliable power supply, and that power has to be realistically priced. There has to be a streamlined regulatory framework to set up new mines, so

Ring of Fire project still experiencing delays

- CBC News headline, August 13, 2013



Developing the Ring of Fire is a once-in-a-century opportunity, and a chance to bring new direct and indirect jobs to our northern municipalities and aboriginal communities. And yet, this great project remains nothing more than talk, a dream.

that mining companies don't have to wait years to develop a resource that will benefit all of us. Finally, there have to be effective negotiations with the local First Nation communities, so they can share in the jobs and wealth the Ring of Fire will produce. Most importantly, the government must ensure there is a level playing field and clear and transparent rules that apply to every player.

Unfortunately, the current government has taken none of these actions, and nothing will happen until we get a government that does. Developing the Ring of Fire is a big challenge with a big payoff. By clearing the way for businesses to begin operations in Ontario, we can ensure that local economies damaged by the missed opportunities in Ontario's proud mining industry are revitalized. We can also open the doors for so many of the young, skilled individuals now entering the workforce who have not been able to find stable, well-paying jobs over the past decade.

Meeting that kind of challenge is how the north was developed. Ontario can meet that challenge. The Ontario PC Caucus is committed to restoring Ontario to its position as a world leader in mineral exploration and development.

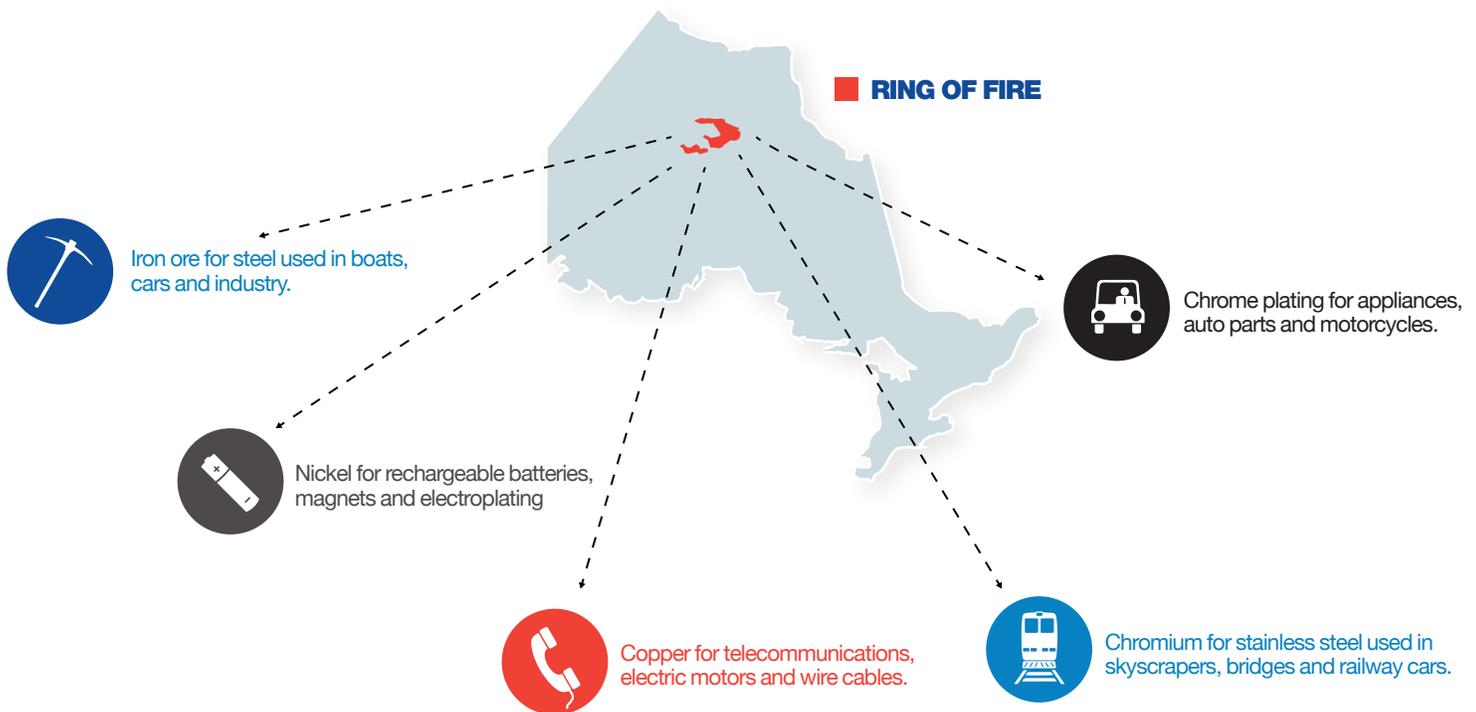
PATH 1: We need a Premier who believes that what the oil sands are to Alberta and potash is to Saskatchewan, the Ring of Fire can be for Ontario. Turning the Ring of Fire into new jobs and investment requires a comprehensive plan of action and strong political leadership – not the bureaucratic paper shuffling of the current government, which has resulted in no tangible progress.

PATH 2: As a first step, we need to work with business and aboriginal communities to expedite the construction of an all-season transportation link to the Ring of Fire deposits.

PATH 3: A single provincial minister must be in charge of ensuring the Ring of Fire is turned into new jobs and empowered to remove any obstacles standing in the way.

A Once-In-A-Century Opportunity

Ontario's Ring of Fire deposits and their economic benefits



RESTORING OUR STRENGTHS

While the Ring of Fire presents unprecedented opportunities for the future of Ontario's resource industries, mining already plays an integral role in the provincial economy. If Ontario is to be the engine of Canada's growth, then northern Ontario can again be the fuel.

Prospecting, exploration and mining operations, and the industries they support, create jobs and wealth in every corner of the province. To continue to make the most of our natural resources, Ontario's government needs to take immediate steps towards regaining our position as the world's number one mining jurisdiction.

In 2000, a study by the independent Fraser Institute ranked Ontario as the top mining jurisdiction in the world. However, over the past decade, Ontarians have watched as this prestigious honour slipped away. Sadly, under the policies of the current government, Ontario has now fallen to number 17 globally and ranks seventh among Canadian provinces.

Ontario PC Caucus members toured several northern communities and heard that businesses are not expanding or hiring because they have no idea what will come of this chaos. In fact, one large industry told us they cancelled their planned \$10-million expansion because they didn't know if they would have a viable way to ship their products next year.

The ONTC's freight rail service is a vital piece of public infrastructure, as important to the north as Highway 401 is to the south. We need to keep the freight rail line as a provincial asset. No one would sell the tracks out from under GO trains, and the same should apply to ONTC's freight rail service. Government does need to be smarter about how it spends money, but that does not include a fire sale of critical economic infrastructure.

In the fall of 2012, the current government introduced a number of amendments to the Mining Act that promised

Ontario's Global Mining Ranking



1st in the world in 2000



17th in the world in 2012

Source: Fraser Institute, Annual Survey of Mining Companies, 2012/2013

We can't rebuild this industry if we cut the vital transportation link that connects northern communities to the markets to the south. The Ontario Northland Transportation Commission is a foundation of northern job creation, and the current government is in a rush to sell it off, creating immense uncertainty about its future.

to "modernize" this key piece of legislation. These new regulations have made claim staking and early prospecting activities more difficult, as law now requires prospectors to submit detailed exploration plans for activities that could be as simple as kicking over stones on crown land.

Fluctuating world commodity prices and lack of capital have made times tough for Ontario's mining companies. Government doesn't need to make their work more difficult with higher taxes and burdensome regulations that seem like they are there to prevent mines from opening. Instead, we need to take a sensible approach to help prospectors do what they do best – covering ground and discovering new claims, not spending countless hours filing unnecessary paperwork.

While the Ring of Fire garners significant attention, there is tremendous potential throughout northern Ontario for new claims to be staked, new mines to be opened and new jobs to be created. We must ensure that prospectors and developers are given the tools they need to do business in Ontario so that they are able to provide the ignition that kick-starts the entire mining process.

There is currently a backlog of proposed mining projects

capital into their local communities, and their broader economic impacts are felt across the province. To get these projects going quickly and creating jobs, we need to be clear about revenue sharing from new mines. The Ontario PC Caucus believes change is long overdue. We would allow a portion of Mining Tax revenue from new mines to stay in local communities and First Nations.

The communities that build and support new mines will benefit even more from increased development. Aboriginal communities in particular will achieve real gains from mining activities that are located on their traditional territories. We would ensure that aboriginal youth, as well as those living in remote communities, benefit from the many employment and training opportunities that a thriving mining industry in northern Ontario will present.

Along with new jobs come new industries that spring



in Ontario that are ready to come into operation. Unfortunately, a large number of these projects still find themselves tied up in red tape and inefficient regulatory regimes. The Ontario PC Caucus has a plan to make it easier to get new projects off the ground by streamlining this regulatory burden.

Mines are regional job creators that inject much needed

up to support growing populations of skilled workers and their families. Not only does northern Ontario benefit tremendously from mining operations, but with 76 per cent of Ontario's mining supply and service companies located in southern Ontario, and combined with Toronto's financial services sector, mining is truly a province-wide economic engine.



PATH 4: Returning Ontario as the number one mining jurisdiction in Canada will require ending the uncertainty and indecision around prospecting, developing and mining. The Mining Act should be streamlined to ensure the mining potential of this province is unlocked.

PATH 5: The province should set aggressive targets for new mining operations, starting with a goal of permitting ten new mines over the next five years. Get the government focused on job creation and results, as opposed to process and paper pushing.

PATH 6: The communities that build and support new mines deserve to benefit from their development. A portion of the mining tax royalty should stay in local communities and First Nations.

PATH 7: Ontario Northland should be treated as economic infrastructure that opens up jobs and creates wealth. We should stop the current government's fire sale, perform a strategic review of all assets and guarantee the rail freight line be kept in public hands.

A VITAL RENEWABLE RESOURCE

We think Ontario should be the number one destination for forestry investment and job creation in North America. People are not going to stop using wood or paper. They should buy it from Ontario.

As with mining, our forestry industry once led the nation. Today, it ranks near the bottom. Since 2003, eight out of every ten pulp mills in Ontario have closed their doors. Tens of thousands of Ontarians have watched as their jobs disappeared.

The current government believes that the north should be protected from the very people who call it home. But we can't lose sight of the fact that this is a habitat for people, too. It's not a giant park or a nature preserve. The forest industry is being hurt by aggressive expansion of protection for a wide variety of species that does not reflect science or the realities on the ground. These changes will severely restrict the amount of forest available to be harvested and could cost thousands of jobs, according to one study by the Ontario Forest Industries Association. The next section of this discussion paper explores this issue in more detail.

The simple fact of the matter is that the current government has created a business climate of uncertainty and instability. Uncertainty undermines business confidence and has caused Ontario to lose out on investment in many areas, and forestry is no exception. To ensure that Ontario seizes the growing opportunities in this sector, we need to create

a competitive business environment – one that will stimulate investment, help maintain the 200,000 jobs that forestry provides in over 260 communities across the province and provide new jobs and opportunities in Ontario's north.

Despite recent challenges, we believe there is a strong case to be optimistic and that the industry is primed for recovery. Ontario is in a position to take advantage of improving markets both at home and abroad. Breakthroughs in innovative engineered wood products are leading to stronger and stronger construction materials. First used to make airplane propellers during the Second World War, this type of wood product can now be made into construction beams, giving contractors options in their materials. The opportunity the industry has been waiting for is almost here. We can't afford to miss it. Ontario should be open to allowing more wood options in the marketplace.

Canada was founded on this traditional natural resource, and we believe that forestry can once again be a healthy industry with significant positive effects on the entire economy of Ontario. We must ensure that our forest industry returns to world-class status and competitiveness, generating more good jobs in northern Ontario.

Ontario Forestry Sector Jobs

Almost 43% of forestry jobs were lost between 2004 and 2011



Source: Natural Resources Canada: Canadian Forest Service: Statistical Data



PATH 8: Ontario needs a transparent and fair forest tenure system that ensures companies have the certainty necessary to improve mills, increase forest yields and make Ontario the leader in forest operations we once were.

PATH 9: We believe that Ontario forests will support a harvest of 26 million cubic metres per year. The provincial government should guarantee that level of supply.

PATH 10: We will help our forestry industry become number one in Canada again. When the industry is profitable again and the province's books are balanced, we will direct a portion of stumpage fees to local communities and First Nations so they can share in the success. There will be no increases to fees to allow for this sharing of revenue.



A FRESH DOSE OF SCIENCE AND ACCOUNTABILITY

Ontario is the most heavily regulated province in Canada, which has a direct impact on the number of new jobs we can create. In addition to 630 provincial agencies, boards and commissions, there are 386,251 individual government regulations currently on the books. According to one prominent business association, the annual cost to comply with this regulatory burden is \$11 billion annually.

Perhaps nowhere is this burden felt more heavily than in Ontario natural resource development, aggregates extraction and home building, which are all governed by several government ministries, 36 conservation authorities and endless amounts of legislation. We have

property rights of Ontario taxpayers.

A revised Endangered Species Act was passed in 2007 and was intended to enshrine Ontario as a leader in species-at-risk protection and recovery. Instead, it has led to overlap, duplication and a series of arbitrary decisions. The results have been devastating for industries like forestry and undermined the credibility of the legislation itself.

Endangered species protection and wildlife conservation are important to all Ontarians. The Act's goal and motives are laudable. However, in consultations with a wide range of workers and businesses in agriculture, forestry,



Slow turnaround times for approving permits are creating significant delays for Ontario businesses... especially natural resource projects in Northern Ontario

- Ontario Jobs and Prosperity Council, final report, 2012

heard through our consultations that there are too many regulatory agencies with overlapping mandates.

One area of government oversight that is regularly cited for need of reform is Ontario's three dozen conservation authorities. By making them more accountable and transparent, and refocusing them on their core mandate, we could speed up projects, create more jobs and strengthen environmental protection.

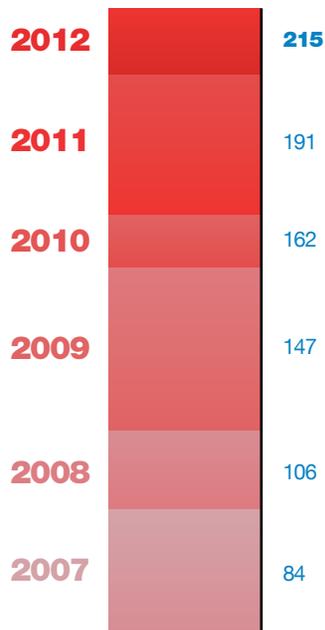
The Ontario PC Caucus is proposing a review to examine both the mandate and governance of the conservation authorities, with a focus on a balance between scientifically based conservation decisions and the legitimate private

aggregates, municipal government, housing and outdoor recreation, a common theme emerges: the Endangered Species Act is simply not working.

The Act is not protecting endangered species as it should because it has failed to engage people whose involvement is critical to making it work. It is not being administered in a fair and open way, causing unnecessary hardship for many individuals, organizations and businesses.

Endangered Species List Continues To Grow

Number of endangered species added by year



Source: Committee on the Status of Endangered Wildlife in Canada, Canadian Wildlife and Species At Risk, October 2012

The Act has been administered in a way that ignores the social and economic impacts of Ministry of Natural Resources decisions on those who are most profoundly affected by them.

Here's an example. Have you ever heard of the Pygmy Snaketail Dragonfly? It's unlikely, because not a single specimen of this species has ever been spotted in Ontario. And yet it is listed as endangered by the current government, and one of the reasons for its protection cites the potential threat from our forestry industry. The government's recovery strategy

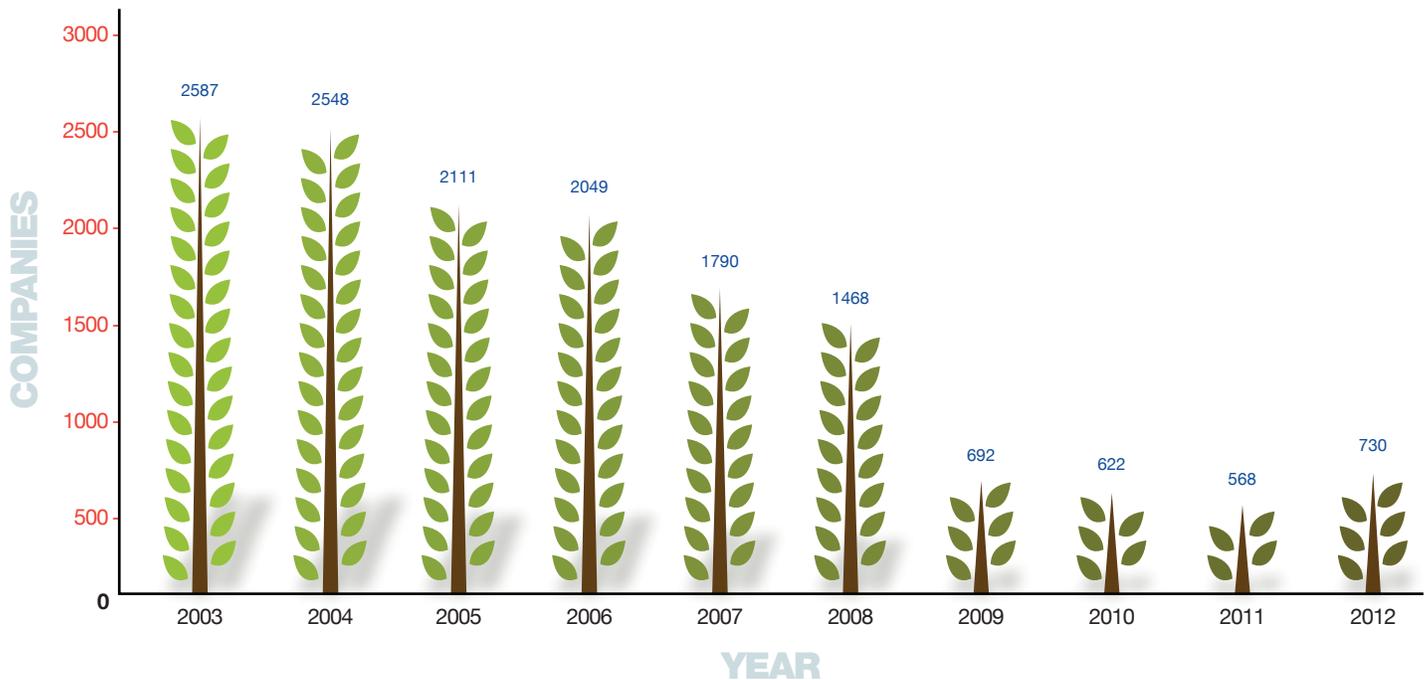
for the Pygmy Snaketail recommends 300 metres of forested habitat on either side of the Namakan River because one cast-off exoskeleton of a larva was reportedly found in 2007. The protection zone expands to a radius of 500 metres around a breeding site. These numbers might not sound like a lot, but it could lead to the loss of 500 hectares of land for foresters. This type of irrational policy setting has a direct consequence on the number of jobs created in Ontario. In addition to fewer jobs, it sends a strong signal that Ontario is not open for business.

To date, the [Endangered Species Act] has resulted in unnecessary costs and the unnecessary loss of economic development. Government policy should be based on sustainable development and consider the socio-economic impact on hardworking families and the communities they call home

- Northwestern Ontario Municipal Association (NOMA) response to EBR posting #011-7696, January 23, 2013

Ontario's Forestry And Logging Industry

Number of companies employing 300 or more workers



Source: Labour Statistics Division, Statistics Canada

This problem is not unique to northern Ontario. In Ottawa recently, a \$24-million construction project on the Jockvale Bridge was delayed by several months by the Ministry of Natural Resources, because of the remote possibility that barn swallows might return to an abandoned nest one day. This decision was contrary to the opinions of several experts who concluded that there were in fact no barn swallows in the area. Near Niagara Falls, a local entrepreneur faces years of litigation because a local conservation authority declared his land a “provincially significant wetland” after finding a single deceased turtle. Instead of opening his business and hiring people, he is now staring at mounting legal bills, a \$30,000 fine and the complete loss of the use of his property.

Currently, when the ministry considers the granting of a permit to allow operations in spite of endangered species restrictions, its decision must include a requirement that even by granting the permit, it will be to the “overall benefit” of the species. This highly subjective phrase is a problem because this benefit is virtually impossible to prove or disprove. As a result, the process becomes extremely slow, expensive and time-consuming. Only a small percentage of applications are ever granted a permit. Controversially, one of those exceptions involved recently moving a bald eagle’s nest to erect 56 industrial wind turbines the government was forcing on a community. Clearly the overall-benefit clause needs to be re-evaluated.

We need to balance the needs of threatened and endangered species with the needs of people who earn their living off of the land. We need environmental legislation that establishes that balance. Integral to this are public servants who help protect our wildlife. People like our province’s conservation officers who crack down on those who abuse the outdoors, especially its fish and wildlife, are central to restoring the pride and heritage of our outdoor activities. On the path the Ontario government is on, through attrition and diminished resources, conservation officers have become fewer and fewer. It’s time to turn that around. We would ensure that young people see becoming a conservation officer as a valid and worthwhile career choice.

Another resource area that needs to have decisions based on science is the aggregate industry. Ontario is fortunate enough to have a significant supply of aggregate close to its most heavily populated areas. Not only is it a source of good jobs at sites with spinoff benefits for the community, but it means we can build more critical infrastructure to fuel economic growth. This is a product that we need in order to build roads, schools, modern hospitals and subway projects and we need to ensure there is a fair process that upholds world class environmental standards so these important infrastructure projects do not get delayed.

PATH 11: Make decisions by Conservation Authorities transparent and based on the best scientific practices available. The reasons for their decisions should be made publicly available online. Decisions should include an economic impact analysis that takes into account the need for a growing economy and new jobs. To ensure accountability and transparency, decisions of Conservation Authorities should be appealable to the Ontario Municipal Board, which should be required to rule on them in a timely manner.

PATH 12: It should be mandatory to consider the socio-economic impacts of changes made under the Endangered Species Act. Also, the scientific analysis used to make decisions should be posted publicly to the Environmental Registry for people to comment. Unelected officials, such as those at the Committee on the Status of Species at Risk, have too much authority. This committee should not be a decision-making body, but rather an advisory board to the Minister, who would have the final say on all decisions related to species at risk.



SHARING THE PRIDE OF OUR LAND

The rugged, unspoiled beauty of our province is the birthright of every Ontarian. Each year, thousands of tourists travel to northern Ontario in particular. A healthy and dynamic Ontario provincial parks system provides outstanding, accessible and affordable opportunities for Canadians and international visitors to experience Ontario's natural heritage.

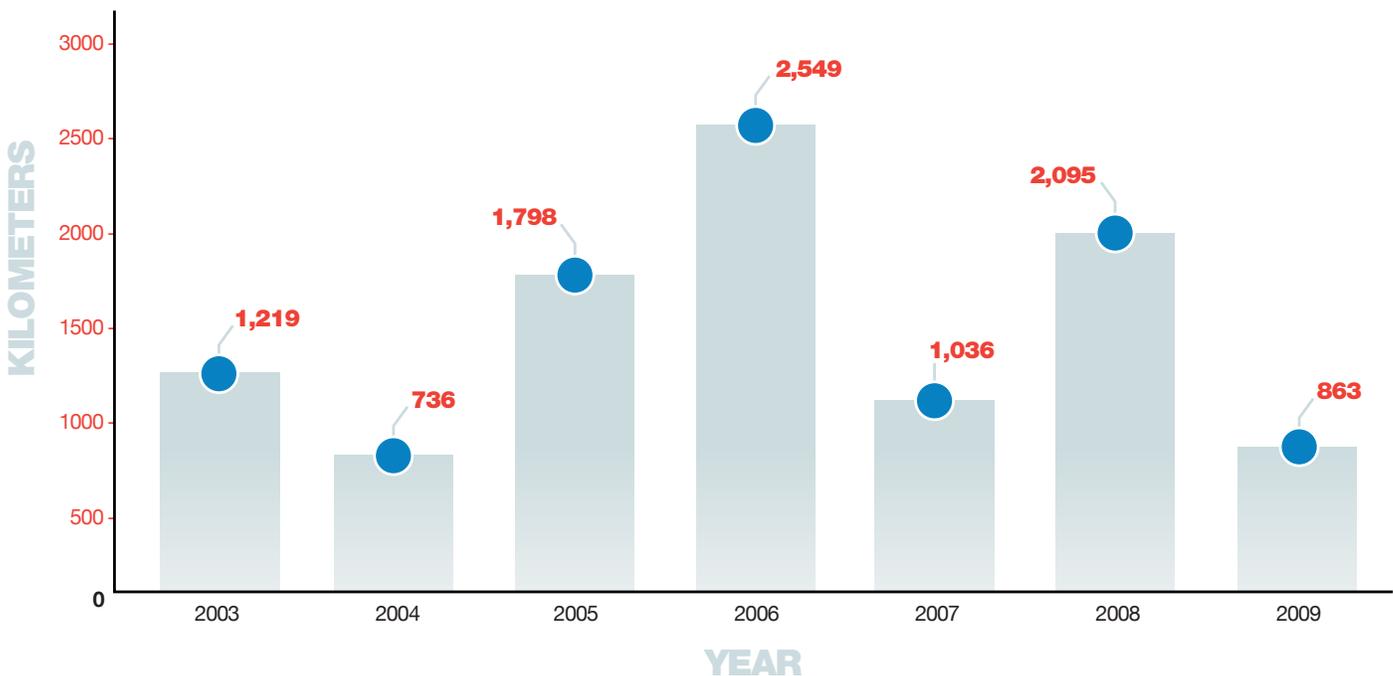
The arbitrary decision of the Ministry of Natural Resources to close ten provincial parks, nine of which were in northern Ontario, and none of which were in government-held ridings, was made with no local consultation and without adequate assessment of the economic and cultural impacts on northern communities. In fact, since the closures were first announced, three of the ten municipalities have come forward and offered to take on the financial responsibility if their park ran into a shortfall. If the government had simply consulted before deciding to close these parks,

other arrangements such as these could have been made to maintain service for Ontario tourists.

Throughout much of the past decade, the current government has made it harder and harder for people to enjoy Ontario's trails, all to appease a handful of special interest groups. Specifically, the government has continued the practice of restricting access to Crown land and forestry access roads for recreational purposes. Over two million people use Ontario trails each year. Motorized and non-motorized trails contribute over \$2.5 billion annually to the provincial economy, supporting healthy living, attracting tourism and creating tens of thousands of jobs throughout the province.

Loss Of Ontario Trails

Kilometres of access roads closed by year



Source: Matt DeMille, Land Use Specialist, Ontario Federation of Anglers and Hunters, August 2011



Trail systems, especially longer ones designed for motorized vehicles, provide safe places to ride and a solid economic development platform for rural and northern communities. It is in the interest of all Ontarians to have the people who own and ride motorized off-highway vehicles doing so in the safest possible manner and avoiding potentially dangerous situations on roads and highways.

Government policies shouldn't focus on what kind of ban can be implemented, but on how to best enable Ontarians to fully and safely enjoy what our province has to offer. There are also thousands of good jobs in Ontario tourism, camping, hunting and fishing. This

valuable sector of the economy, too, has faced its fair share of frustration in recent years. Recreational fishing alone contributes \$3.5 billion to Ontario's economy. Northern Ontario is geographically and commercially attractive not only to anglers and hunters who live across the province, but to those from abroad, particularly the United States.

Greater government commitment to and promotion of recreational hunting and fishing would generate significant new revenue through licensing and the resulting tax revenue created by new businesses and jobs. This provides an economic benefit for both northern and southern Ontario.

PATH 13: We will open up public trails and access roads for people to enjoy outdoor activities by implementing an Ontario: Yours to Discover Act that modernizes laws and regulations governing public trails and access roads. Trail systems provide safe places to ride and a solid economic development platform.

PATH 14: The Highway Traffic Act can be continually updated to accommodate recreational off-road vehicles like ATVs, Argos, two-ups and side-by-sides.

A NORTHERN LENS FOR NORTHERN GOVERNANCE

The north has too long been the victim of paternalistic government decisions made in Queen's Park backrooms, decisions that overlook the fact that people in northern Ontario have just as much right to a job as people in southern Ontario.

For example, the Far North Act bans economic development in 225,000 square kilometres of northern Ontario at a time when the region desperately needs new jobs and investment. To put this in perspective, that's the size of the entire United Kingdom, or double the size of Pennsylvania.

The current government has a fantasy view of northern life, one where the north has neither people nor jobs. The Ontario PC Caucus vision for northern Ontario doesn't involve turning it into a museum, stopping development and erasing potential jobs. We will open the north to new jobs through responsible resource management and safe mining practices. There is no need for additional regulation that would further deter development and investment in Ontario's north.

mills, factories and housing, not rules that are intended to address urban sprawl.

One example is the ironically named Strong Communities Act. Northern cities could previously build on wetlands and replace them with an equal-sized parcel of wetlands somewhere else, with Conservation Authorities and environmental groups agreeing to the plan. And let's be honest, much of northern Ontario can be classified as wetlands. The Strong Communities Act, however, prevents all communities in the province from building on wetlands at all, effectively closing down northern industrial parks, as they are primarily built on rock and wetland. This piece of legislation cost the City of North Bay their \$30-million industrial park, complete with paved roads, sewers and high-speed Internet.

Crown land accounts for 87 per cent of the land base in Ontario, and must be managed effectively for the benefit of the entire province. The reallocation of even a tiny fraction of Crown land could play a pivotal role in greater economic development and the growth of tourism in

The current economic environment in Northern Ontario is being influenced adversely by factors that fall, either in whole or in part, within the Province's mandate.

- The Northern Ontario Large Urban Municipalities, Linking Municipalities and the Growth Plan for Northern Ontario, August 16, 2013

Local communities must have more input into the laws that affect their way of life. For example, the northern point of view should be given significant weight when it comes to issues like wildlife management, land-use planning and crown land development. Members of Toronto-based special interest groups who deal with the occasional raccoon rummaging through their green bin really don't have the experience necessary to comment on a bear in the backyard.

The north doesn't need the land-use planning rules created for densely populated urban areas. The situation in the vast, open north is different than that of the Greater Toronto Area and needs to be recognized as such. The north needs to expand, and that means rules that encourage new

the north, whether used for cottage lots or recreational retreats. We will give northerners more control over how their land is used and developed. Real decision making in the north is the key to the region's future prosperity. That means more decisions in the north, for the north and by the north.

For 25 years, the Northern Ontario Heritage Fund has helped to strengthen job creation from Parry Sound to Rainy River. Businesses, municipalities and provincial agencies all rely on regional infrastructure investments made by this government agency. It is important and we would protect it. Given Ontario's severe debt crisis, we need to ensure its investments are focused on projects that lead to new jobs.

PATH 15: Give northerners more control over the use and management of their land and wildlife. Northern decisions that primarily affect the north are most appropriately made in the north. These concerns range from local land-use planning to wildlife management and species overpopulation. We would transfer more decision-making on these issues to a representative panel of northern municipal representatives, aboriginal leaders and people with an expertise in science.

PATH 16: Allow local governments to develop more Crown land for new cottage lots to create jobs and benefit Northerners. This can be done while fully respecting the interests of First Nations and Metis people as well as hunters and anglers. We also want to allow for the involvement of volunteer groups such as Stewardship Councils to help look after Crown land.

PATH 17: Repeal the Far North Act that has banned development in half of northern Ontario. Our focus will be on jobs and investment for the north, not closing it off.

THE NEXT ERA IN ENERGY RESOURCES

From the development of North America's first commercial oil well in Oil Springs to the hydroelectric stations of Niagara Falls, to CANDU nuclear technology, to our storage and delivery network for natural gas, Ontario has always been on the forefront of developing cutting-edge energy resources. Affordable, reliable and abundant energy resources helped pave the way for new jobs. It also made life more affordable for average families.

In recent years, however, the current government has taken us down an ideological path of expensive and unreliable energy experiments. Heavily subsidized wind and solar power has increased energy bills, driven away business investment and threatened our economic wellbeing.

Affordable energy is a cornerstone of economic growth, and considerable opportunities exist in northern Ontario to bring additional, clean hydroelectric power to homes and businesses across the province. Development of these resources will require balancing the needs of First Nations and environmental stewardship alongside key commercial considerations.

Preliminary analysis suggests that at least 1,000 megawatts of hydroelectric projects, with an estimated value of \$5 billion, have the potential to help meet this balance. Some estimates are as high as 2,000 megawatts of potential generation. For perspective, that's about the size of all power capacity at Niagara Falls. Taken together, these new northern waterpower opportunities can add as much as 33 per cent to Ontario's current base of renewable hydroelectricity, create thousands of high-quality jobs in northern and aboriginal communities and – perhaps most importantly – help make electricity affordable again.

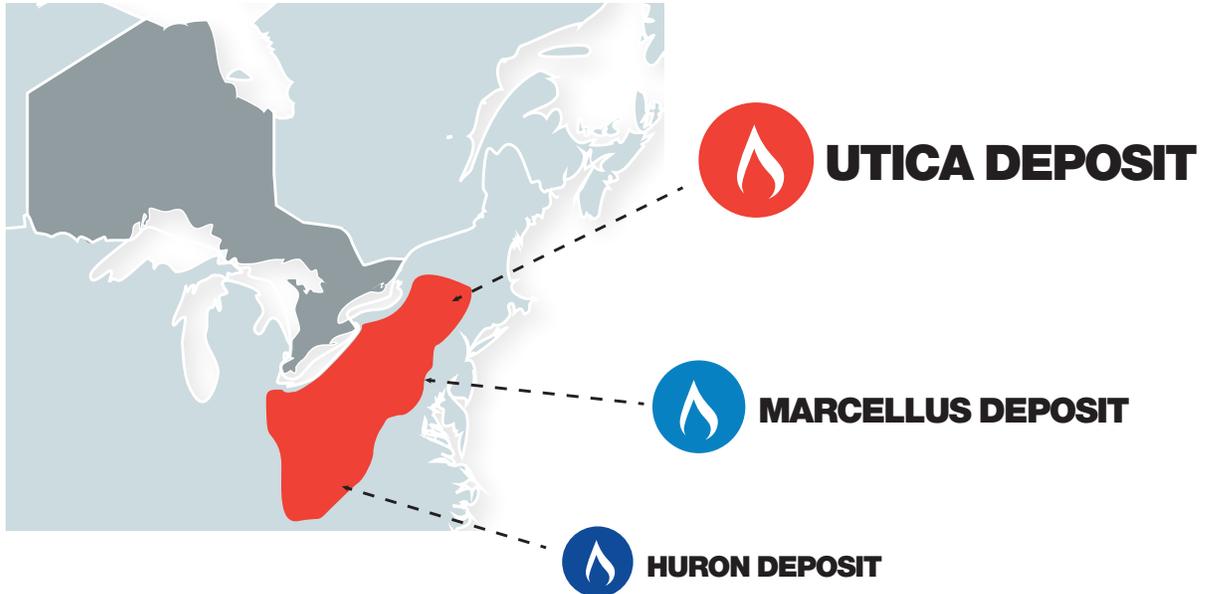
This opportunity to use existing resources and technology has been neglected in favour of higher-cost, less-reliable ideas, and the Ontario PC Caucus thinks that has to change.

It's time for a fresh approach to Ontario's energy sector. Ontario sits as a critical natural gas hub in the energy network across the continent. A robust delivery system and the extraordinary Dawn storage facilities in Southwestern Ontario have given us this advantage. Massive new finds of natural gas across Canada and the United States have made the position of Ontario even more important. Affordable natural gas is readily available in our market. This is nothing short of a game changer for Ontario industry, especially those that use large-quantities of gas as a feedstock, such as manufacturing, pulp and paper, metals and petrochemicals. Natural gas is also used for keeping our houses and office buildings warm in the winter, and to produce flexible electricity generation.

The Ontario PC Caucus believes our geographic and infrastructure advantages have been too long ignored, and should be built upon to make us an even more important energy hub. This will drive our own economic productivity and deliver more affordable energy to others. This does not require more handouts and subsidies. It will require a Premier and Energy Minister with vision and a plan to make it happen. To attract private-sector investment in industry across Ontario, we must clear away barriers to energy innovation in the use of natural gas wherever they might exist, from the regulator to the building code. The result will be a clear regulatory framework that offers more choices to consumers and streamlines approvals for the industry.

Ontario Is Uniquely Positioned To Take Advantage Of New Energy Opportunities

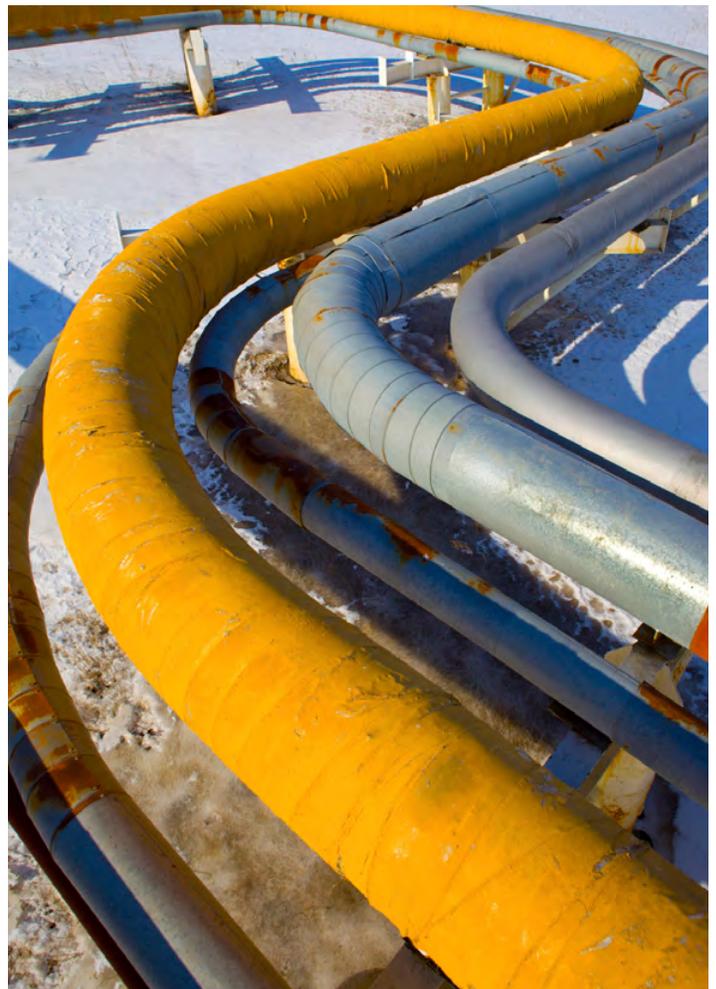
North American Shale Gas deposits



THE NATURAL GAS FROM SHALE REVOLUTION

For much of the 20th century, natural gas was becoming more and more expensive. But due to new technological breakthroughs, natural gas can now be extracted from shale deposits previously thought too difficult and costly to reach. As it turns out, some of the world's largest shale deposits have been discovered right next door to Ontario – in New York, Pennsylvania and Ohio.

Experts have referred to this as nothing short of a “game changer” and have predicted the shale deposits are large enough to supply over 100 years of consumption. While vast shale deposits aren't known to exist in Ontario, the province is home to the largest underground storage facility in Canada, known as the Dawn Hub. This extraordinary facility and robust delivery system have positioned Ontario as a critical piece to the energy network across the continent.



New opportunities also exist for choice in transportation fuels. Ontario is a vast province. We need to cover great distances to travel for work, for recreation and to deliver our goods and services to markets around the world. That means we need a transportation system that is cutting edge. To ensure a more competitive transportation system in the United States, private investors are working with government to create a network of dedicated natural gas fuelling stations, linking together important manufacturing regions and transportation corridors, and giving consumers an affordable, environmentally sound choice. We must open our borders to the same type of investment. If we don't do this, we risk being left behind. By being connected to this network, we'll help to ensure our

businesses can get their products to market at competitive prices.

Before we can use natural gas as a transportation fuel – either as liquefied natural gas or as compressed natural gas – we need a government that's actually willing to look at it as a viable option. The current government would rather talk about electric cars that most people can't even afford than look at ways to enable more businesses to use transport vehicles running on natural gas. Already, a number of fleet vehicles use this fuel source as they travel in the transport supply chain between Quebec City and Windsor, as well as in many neighbouring U.S. states every single day. We should build on this.

Ontario has a serious economic productivity problem brought about by high electricity and energy costs... and a political culture focused on process, bureaucracy and regulation rather than economic fundamentals and getting things done.

- Professor Livio Di Matteo, Lakehead University, January 8, 2013

PATH 18: Focus on proven energy technologies like hydroelectric power and nuclear generation in future long-term electricity planning. Unaffordable subsidies for wind and solar power have driven up prices in every corner of the province, but in energy-intensive northern industries and households, they have been especially burdensome.

PATH 19: Take advantage of new development opportunities presented by the game-changing new abundance of natural gas across the continent. Stop treating energy policy as solely electricity policy: it is much more, and requires broader thinking. Better integrate our electric and gas grids and ensure we build Ontario as a key energy hub for a stronger province with more jobs.

PATH 20: Think about transportation in new ways. Current weight restrictions in Ontario penalize companies that use liquefied natural gas for trucking by forcing them to haul lighter loads. This must change. Increase the weight allowance for vehicles running on liquefied natural gas. Governments in Alberta and British Columbia have already revised their regulations to accommodate the extra weight of these types of vehicles.

CONCLUSION

It has been a long time since Ontarians looked to the north as a place to start a good career or open a new business. It wasn't always this way. Through a strong commitment to job-creating industries like mining and forestry, our north was founded on traditional strengths that solidified Ontario as the economic engine of Canada.

We don't have to look far to see how much better things could be. Just to the east, Quebec has chosen to embrace and nurture its resource-rich northern lands. They developed a partnership between northern communities, local businesses and professionals in other parts of the province. Designed through vision, consultation and compromise, their plan, called Plan Nord, brings investment to the north to provide benefits to all parts of Quebec. Quebec's leaders chose to take real action to realize the immense potential of their province's northern people and natural resources. It's time Ontario did the same.

Northern Ontario's economy is much more than just forestry and mining, of course. It has become a high tech hub in places like North Bay, Sudbury and Thunder Bay. The north is home to numerous aerospace and aviation firms. Commuters in Toronto even ride on subway cars made in Thunder Bay. And northern

colleges and universities are a model of how local technology training supports local industries. As the economy of the north expands, so will their role.

Northerners value nature and our natural resources as much as any Ontarian, but it's a question of balance. Anyone who has ever been to the north knows how vast it is. It's already the greatest nature preserve in the country. But people in the north need jobs and opportunity, just like people in the rest of the province. There is no reason human and natural activity can't co-exist, as it has always done. What the people of the north need from government is a vision that matches theirs.

This great country was not built by people who opposed resource development or who were too afraid to take on big challenges. Imagine Canada without the TransCanada Highway or Canadian Pacific Railway. Imagine if Ontario had thrown up roadblocks to the pipelines of the 1950s that helped make Sarnia and Hamilton the industrial hubs they are today. The continued safe and responsible development of the oil sands is an enormous opportunity for Ontario's skilled tradespeople and manufacturers, and we should facilitate the responsible construction of new pipelines that



uphold world class environmental standards and carry its oil safely to the global marketplace. In addition to pipeline construction and refining, jobs are created across all of Ontario in steel, machinery, control instruments, piping and tubing. We need a provincial government that recognizes new jobs come from knocking down barriers to national projects, not putting up new ones.

The Ontario PC Caucus believes the actions proposed in this white paper are designed to deliver the freedoms Northerners need to build their economy and chart their own path to a prosperous future.

It's time for a government that respects and reflects the north.



CONTACT

LAURIE SCOTT:

Address: Room 434, Main Legislative Building, Queen's Park Toronto, Ontario M7A 1A8

Tel: 416-325-2771

Fax: 416-325-2904

Email: laurie.scott@pc.ola.org

NORM MILLER:

Address: Room 440, Main Legislative Building, Queen's Park Toronto, Ontario M7A 1A8

Tel: 416-325-1012

Fax: 416-325-1153

Email: norm.miller@pc.ola.org

PATHS TO PROSPERITY

A CHAMPION FOR NORTHERN JOBS AND RESOURCES

PATH 1: We need a Premier who believes that what the oil sands are to Alberta and potash is to Saskatchewan, the Ring of Fire can be for Ontario. Turning the Ring of Fire into new jobs and investment requires a comprehensive plan of action and strong political leadership – not the bureaucratic paper shuffling of the current government, which has resulted in no tangible progress.

PATH 2: As a first step, we need to work with business and aboriginal communities to expedite the construction of an all-season transportation link to the Ring of Fire deposits.

PATH 3: A single provincial minister must be in charge of ensuring the Ring of Fire is turned into new jobs and empowered to remove any obstacles standing in the way.

PATH 4: Returning Ontario as the number one mining jurisdiction in Canada will require ending the uncertainty and indecision around prospecting, developing and mining. The Mining Act should be streamlined to ensure the mining potential of this province is unlocked.

PATH 5: The province should set aggressive targets for new mining operations, starting with a goal of permitting ten new mines over the next five years. Get the government focused on job creation and results, as opposed to process and paper pushing.

PATH 6: The communities that build and support new mines deserve to benefit from their development. A portion of the mining tax royalty should stay in local communities and First Nations.

PATH 7: Ontario Northland should be treated as economic infrastructure that opens up jobs and creates wealth. We should stop the current government's fire sale, perform a strategic review of all assets and guarantee the rail freight line be kept in public hands.

PATH 8: Ontario needs a transparent and fair forest tenure system that ensures companies have the certainty necessary to improve mills, increase forest yields and make Ontario the leader in forest operations we once were.

PATH 9: We believe that Ontario forests will support a harvest of 26 million cubic metres per year. The provincial government should guarantee that level of supply.

PATH 10: We will help our forestry industry become number one in Canada again. When the industry is profitable again and the province's books are balanced, we will direct a portion of stumpage fees to local communities and First Nations so they can share in the success. There will be no increases to fees to allow for this sharing of revenue.

PATH 11: Make decisions by Conservation Authorities transparent and based on the best scientific practices available. The reasons for their decisions should be made publicly available online. Decisions should include an economic impact analysis that takes into account the need for a growing economy and new jobs. To ensure accountability and transparency, decisions of Conservation Authorities should be appealable to the Ontario Municipal Board, which should be required to rule on them in a timely manner.

PATH 12: It should be mandatory to consider the socio-economic impacts of changes made under the Endangered Species Act. Also, the scientific analysis used to make decisions should be posted publicly to the Environmental Registry for people to comment. Unelected officials, such as those at the Committee on the Status of Species at Risk, have too much authority. This committee should not be a decision-making body, but rather an advisory board to the Minister, who would have the final say on all decisions related to species at risk.

PATH 13: We will open up public trails and access roads for people to enjoy outdoor activities by implementing an Ontario: Yours to Discover Act that modernizes laws and regulations governing public trails and access roads. Trail systems provide safe places to ride and a solid economic development platform.

PATH 14: The Highway Traffic Act can be continually updated to accommodate recreational off-road vehicles like ATVs, Argos, two-ups and side-by-sides.

PATH 15: Give northerners more control over the use and management of their land and wildlife. Northern decisions that primarily affect the north are most appropriately made in the north. These concerns range from local land-use planning to wildlife management and species overpopulation. We would transfer more decision-making on these issues to a representative panel of northern municipal representatives, aboriginal leaders and people with an expertise in science.

PATH 16: Allow local governments to develop more Crown land for new cottage lots to create jobs and benefit Northerners. This can be done while fully respecting the interests of First Nations and Metis people as well as hunters and anglers. We also want to allow for the involvement of volunteer groups such as Stewardship Councils to help look after Crown land.

PATH 17: Repeal the Far North Act that has banned development in half of northern Ontario. Our focus will be on jobs and investment for the north, not closing it off.

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