



POSITIONS ON PROVINCIAL AND FEDERAL ISSUES

2008

This booklet contains the final approved version of all resolutions adopted by the voting members of the Northwestern Ontario Associated Chambers of Commerce, September 27, 28, 29, 2007 at the N.O.A.C.C 72nd Annual General Meeting in Fort Frances, Ontario.

The 2007 policies, approved at the 2006 Annual General Meeting in Atikokan are in effect for two years, and are also included.

The resolutions were drafted originally by individual Chambers and Corporate members throughout Northwestern Ontario. In accordance with the By-laws, a majority of the votes cast from member Chambers are necessary to approve each resolution.

The Northwestern Ontario Associated Chambers of Commerce is registered as a provincial lobby organization. (Registration #: OLOO26-19990921094644-0)

Questions pertaining to these policy positions should be directed to the Northwestern Ontario Associated Chambers of Commerce at:

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Establish Northwestern Ontario Regional Development Authority Regional Enhancement Committee (REC) – Common Voice: As a key component of the Northern Growth Plan

Background:

In December 2006, stakeholders from Northwestern Ontario met to discuss the challenges facing communities across Northwestern Ontario (NWO). Under the auspices of the Northern Ontario Municipal Association (NOMA), questionnaires were sent throughout NWO soliciting suggestions to further develop the economy of Northwestern Ontario. A report was produced and resulted in the development of “Forging the Future” – the plan to establish the Northwestern Ontario Regional Development Authority (NWORDA). NWORDA was presented at the NOMA Conference in Dryden, April 2007. The initiative was re-named “Common Voice” and endorsed by most communities throughout NWO. The Regional Enhancement Committee (REC) is one taskforce of this initiative.

Role and mandate of the REC is a division of the Common Voice that was given the task of organizing regional enhancement to support, but not duplicate the work currently being done by the Community Adjustment and Labour Adjustment Committees. The REC, while not becoming directly involved in lobbying government agencies, will be collecting information and identifying issues to be taken forward by the Common Voice.

Issue:

Key concepts of the REC:

- Active Community and Labour Adjustment Committees are distinct organizations that address adjustment issues in individual communities throughout NWO. Their work will remain separate from the REC. The work of the REC will enhance but not duplicate the work of these Committees.
- The REC will deal with macro issues that face both Labour and Community Adjustment Committees. These will include the impact that closures of major employers have on communities in NWO, as well as initiatives to enhance communities throughout NWO.

It is anticipated that funding for the REC will come from various government agencies in the form of grants for special projects. The Labour and Community Adjustment Committees will be asked to cover the financial costs of having one of their members represent them on the REC, within their budgets.

- Regional economic development is in transition and there are many barriers and obstacles for displaced workers to obtain new or updated training that will enable them to remain and work in NWO.
- The Community Adjustment and Labour Adjustment Committees will be asked to establish funding for their representatives to participate on the REC. The committee will apply to various agencies and organizations for funding of these special projects. The North Superior Training Board (NSTB), as an incorporated organization, can apply for and manage any project funds. It was suggested that they could apply for funding of an Intern in the future.
- Enhance partnerships with First Nations to capitalize on growing population.
- Increase support of small business development and innovations/inventions to get them into production.
- Create alternative delivery mechanisms in workforce training and education.
- Develop a “Best Practices” Adjustment Toolkit.2

RECOMMENDATION:

That the Provincial Government take the lead role, in cooperation with the federal government to work on the establishment of a Northwestern Ontario Regional Development Authority Regional Enhancement Committee (REC).

Establish a: NORTHWESTERN ONTARIO POLICY RESEARCH INSTITUTE (NWORPI)

Background:

Northwestern Ontario is experiencing a challenging time, which will bring significant change. A regional policy institute dedicated to economic and social advancement of the region will make important contributions to the process of socio-economic development of Northwestern Ontario. The policy institute will do this by presenting ideas that will encourage public debate on issues specific to the region. This will ultimately impact the grassroots attitude and foster changes in policy at the provincial and federal levels.

Issue:

A Northwestern Ontario Regional Policy Institute (NWORPI) can take a number of approaches, but it can be a semi-autonomous component of the proposed Northwestern Ontario Regional Development Authority (NWORDA) secretariat, with partnership links to regional organizations. The Institute would have its own research director, staff and advisory board. The Institute would also develop a process to recruit and maintain Research Associates in order to foster the expertise to assume specific research projects or requests from the membership. Its funding would consist of core funding from NWORDA, memberships and donations from regional partners and project driven funding from corporate and public sector sources. It can be expected to conduct research activities in three broad areas: (1) Economic and Business Policy – including economic evaluations, impact analysis, economic development issues, etc... (2) Health, Social and Demographic Policy Research and (3) Science, Natural Resource and Technology Policy – including commercialization and innovation, transportation, environmental policy. The NWORPI would maintain a comprehensive socio-economic and business database of area information. The information would enable the production of semi-annual and annual economic and demographic forecasts. It would also provide the information necessary for the NWORDA secretariat to put together development and project proposals, as well as supply the material needed to lobby the provincial and federal government on specific issues. The NWORPI would also engage in public outreach and communication activities by sponsoring speakers and conferences. The NWORPI also requires a process to collect proposals to embark on region specific projects and obtain the services and participation of Research Associates.

Northwestern Ontario requires a regional policy institute that can analyze business, technological, scientific, economic, natural resource and social issues, and generate policy advice that is specific and directly applicable to the region's economy. A *Northwestern Ontario Policy Research Institute*, as well as serving as an arms length source of policy advice to regional leaders, would also serve as a repository of knowledge and data on the region and in essence boost the knowledge economy. Such an institute could be affiliated with the region's post-secondary sector or could be freestanding. An example of such an institute is the Atlantic Institute for Market Studies (<http://www.aims.ca/>), which provides a unique regional voice on public policy for Atlantic Canada.

RECOMMENDATION:

That the Provincial Government take a lead role, in cooperation with the Federal Government in the establishment of a Northwestern Ontario Policy Research Institute.

Increase NOHFC Funding

Background:

Since October 2003, the Northern Ontario Heritage Fund Corporation (NOHFC) has partnered with hundreds of northern investors, entrepreneurs and communities on projects that have created thousands of jobs and strengthened communities across the north. More than \$207 million has been committed to some 960 northern projects, helping to create some 7,560 jobs in the north. This Funding has leveraged an additional \$665 Million in investments from other partners.

Projects supported by the NOHFC are helping advance private sector job creation and economic development in all sectors, from tourism to telecommunications, from research and education, to health care and manufacturing. There are many significant examples in the Northern Prosperity Plan Progress Report.

Issue:

NW Ontario is experiencing significant challenges. There are preparations being made for a Northern Growth Plan. The enhancement of the NOHFC Fund would greatly increase the effectiveness of the northern recovery strategy. Dr Bob Rosehart is gathering information to enhance the recovery of the region. The increased funding will greatly add to his recommendations.

RECOMMENDATION:

That the Provincial Government increase NOHFC from \$60 Million to \$100 Million per year.

Rebating Provincial Sales Tax to Municipalities

Background:

The responsibilities of municipalities have expanded over the years, albeit without additional fiscal powers. The Conference Board of Canada in a report *Mission Possible: Successful Canadian Cities* expressed the municipal dilemma succinctly: “The municipal governments of Canada’s major cities are caught in fiscal pincers: on the one hand, they bear the costs of services that have been off-loaded by federal and provincial governments over the past two decades (notably social services in Ontario); on the other hand, they are under-financed by available sources of revenue. Of total government revenues, the federal government receives 39 %; provincial and territorial governments receive just fewer than 50 %; and less than 12 % goes to municipal governments. What is more, the gap in revenues is growing: between 2000 and 2004, while federal and provincial/territorial revenues grew by 17.6 and 22.1 % respectively, revenues collected by municipal governments grew by only 14.2 %. Some municipalities have tried to close the fiscal gap by raising user fees and property taxes, but even these measures have been insufficient to meet their needs. (1)

In recognition of the growing challenges faced by Canada’s cities and communities, the federal government began in 2004 to provide municipalities across the country a 100% rebate of the Goods and Service Tax (GST) and the federal portion of the Harmonized Sales Tax (HST). This resulted in a cumulative funding increase of \$580 million per year for municipalities nationally. The province would be well advised to follow the example of the federal government and rebate the provincial sales tax to municipalities.

It is estimated that the provincial government generates approximately \$500 million in PST revenue from taxing purchases by municipalities, money that municipalities could use to fund public transit, affordable housing, and infrastructure renewal projects for the benefit of their communities. Continuing to have municipalities pay consumption taxes on inputs for the delivery of services, many of which are mandated by the province, is not good tax policy.

(1) *The Conference Board of Canada. Mission Possible: Successful Canadian Cities. Ottawa: Conference*

Issue:

In the course of delivering services, municipalities purchase taxable goods. As municipalities have limited revenue sources, the money to pay for these taxable goods comes from property taxes. In effect, provincial tax on municipal purchases is a transfer from municipal property owners to provincial revenues.

RECOMMENDATION:

That the Provincial Government rebate the provincial sales tax paid by Ontario municipalities (without increasing the compliance burden).

Reducing Sales Tax Red Tape for Ontario Businesses

Background:

The workload from the collection of taxes has been greatly increased over the past years and more hours of work are now in fact being spent in complying, collecting and remitting sales taxes. This is time lost that should have been spent to benefit the nature of the business that we are running.

For example: the PST has numerous value rates: 5% on accommodation, 8% on taxable products, 8% on commercial property insurance, 10% on alcoholic beverages, etc. In addition, you must also determine if products are taxable or not; i.e.; juice is taxable, but 100% natural juice is not. There are numerous situations similar to this that are very costly to the small business community, should the correct tax not be levied.

Small manufacturers who occasionally supply and install their manufactured products as part of real property, have to self assess tax on their manufactured cost of the item supplied and installed. In many situations, the companies do not have finely tuned cost accounting systems to track these costs and must derive their costs on a "one off" basis that is costly and inefficient. The compliance costs reduce the job profitability on what might otherwise have been a good contributor to the bottom line.

Interpretation of the tax rate to levy often ends with a tax audit. Many times the opportunity to correct and collect the "proper" rate according to an auditor is gone. Further, tax auditors from both the Federal and Provincial agencies add to the burden of small business with numerous requests for proof of compliance. Eliminating what seem to be duplicate audits would reduce the impact to small business if tax auditors were cross-trained to make one trip/audit suffice. It is anticipated that cross training would reduce the cost to audit business compliance for the government departments too, reducing the expense to government and burden to the taxpayer.

Issue:

Ontario businesses have an assortment of provincial sales tax rates to apply in the course of their business. Often, businesses face stiff restitution demands of tax auditors from the confusion and misinterpretation of the many rates.

RECOMMENDATIONS:

That the Provincial Government:

- 1) Complete a review of its retail sales tax statutes and simplify and clarify the tax rules and rates.**
- 2) Commence discussions with the Government of Canada to cross train sales tax auditors and eliminate the duplicate interruptions in the productivity of running small businesses.**

Improvements to Ontario's Co-operative Education Tax Credit

Background:

Since its inception at the University of Waterloo in 1957, co-operative education programs, which combine academic study with alternating terms of paid work experience related to academic studies, have benefited Ontario students, employers and post-secondary institutions. There are now 38 institutions offering 650 co-op programs for more than 40,000 co-op students in post secondary institutions in the Province.

Through co-operative education, students benefit from the opportunity to practice the latest theories and approaches in their particular discipline. Co-op work experience augments classroom experience. Work terms, in a variety of industries, give students a competitive edge when entering the workforce.

Students gain particular benefit from co-op work terms at small and medium sized businesses. There, they can more transparently see business strategy develop, participate more fully in several aspects of the business and develop a taste for entrepreneurship. Improvements to the current program will encourage more co-op participation by small and medium sized firms.

According to Education at Work Ontario Inc. (EWO - formerly Co-op Ontario), co-op students are half as likely to need student assistance (OSAP) as non-co-op students. By borrowing significantly less money, they have lower education debt loads. Co-op students are more successful in gaining permanent employment after graduation, earning higher salaries and wages and paying commensurately higher income taxes than non-co-op-students. They are also more likely to find permanent employment more closely related to their studies than regular students.

The Co-operative Education Tax Credit helps to create employment opportunities by providing corporations and unincorporated businesses with a refundable tax credit for hiring post-secondary education students. Employers hiring co-op students are able to fill temporary human resource needs during staff leaves or for short-term projects.

Because of the co-op students' up-to-date understanding of technology, often these projects explore business alternatives or de-risk technology choices for companies which then in turn enables companies to grow. Co-op placements lower future recruiting costs, provide opportunity to mentor bright and enthusiastic students, and train future employees/colleagues to help build their businesses. Employers are also able to build a link to post secondary institutions on which to form relationships with professors, laboratories, business schools and technology clusters.

Colleges and Universities also benefit through strong relationships with business, industry and professionals who provide valuable feedback about course curricula and content, enabling them to better meet the needs of the workplace.

EWO estimated (2002) that co-op students earn (before taxes) over \$378 million and that Ontario employers that hired them saved over \$30 million as a result of their work.

With double cohort in 2004, we are at the beginning of a 4-5 year bulge of students competing for study related work terms. Something must be done or we risk a higher unemployment rate for our university and college students with a likely higher drop out rate as a result. A vibrant co-op system is one of the surest ways to attract students to universities and colleges from early high school and to avoid the employment-malaise that is contributing to the K-12 crisis becoming prevalent in the US.

While the current provincial tax credit is an incentive, more could be done to encourage small and medium sized businesses to hire co-operative education students. Once administrative costs, training costs, etc. are considered, the current refundable tax credit to a maximum of \$1,000 per student does not amount to a significant incentive for existing and potential employers. In comparison, employers in Quebec have tax credits that amount to almost three times the Ontario maximum.

The cost of an increase to this already existing program will likely be largely offset by an increase in tax revenue collected from the creation of these higher paying jobs and more qualified applicants. According to Sandvine Incorporated, a Waterloo based network technology company, co-op students they hire at \$15,000 for a four-month work term and new engineering grads starting at a salary of \$60,000, respectively pay approximately \$2,500 and \$14,000 in income tax.

To further support small and medium sized businesses in the province and provide more highly skilled and experienced post-secondary graduates entering the workforce, enhancement of the existing Co-operative Education Tax Credit (CETC) would encourage more employers to hire more co-op students to help boost growth in their businesses and drive the Ontario economy.

The new model for Apprenticeship training combining a technician diploma as well as the three levels of Apprenticeship in-school training has a number of distinct advantages, higher skill levels, overall at lower training cost to the taxpayer, mature committed individuals and the potential to increase the number and quality of skilled tradespersons in Ontario.

Currently employers who train an apprentice in this program are not eligible to claim the Co-op tax credit. The employer is however, currently entitled to the Ontario Apprenticeship Training tax credit, which is designed more for the apprentice indentured to a particular company for the full length of their training. The greatest cost in training an apprentice is in the first year of their apprenticeship and this is potentially when the employers will have these students. The employer benefits more from the Ontario Apprenticeship Training tax credits in the later years of an apprentice's training when they have had significant experience.

By allowing the employer both tax incentives during the Co-op term it levels the risk the employer takes in not having the student/apprentice return upon completion of the program.

Issue:

Improvements to the existing Co-operative Education Tax Credit (CETC) would encourage more employers to hire more co-op students. This would make talented future employment prospects more accessible to small and medium sized businesses in the

Province, and would help develop more highly skilled and experienced post-secondary graduates entering the workforce.

RECOMMENDATIONS:

That the Provincial Government:

- 1) Increase the current \$1,000 Ontario Co-operative Education Tax Credit from \$1,000 to \$2,500 per work term for each co-op student and raise the rate of tax credit on eligible expenses from 10 per cent to 25 per cent.**
- 2) Allow employers who train apprentices as part of the three levels of Apprenticeship in-school training to claim the Co-op tax credit.**
- 3) Lobby the Federal Government to match the Co-operative Education Tax Credit for a total of \$5,000.**

Electricity Pricing, Supply and Market Development

Background:

A reliable and affordable electricity system is key to Northern Ontario's economic prosperity and the competitiveness of Northern and all Ontario businesses. Policies that enhance affordability and reliability can contribute to the province's economic strength and help to maintain and create jobs.

The right government policy choices can keep Ontario's electricity price affordable. At the same time, Ontario needs to ensure that electricity prices reflect the true cost. Ontario's electricity policy must support and encourage new investment, promote efficiency, ensure adequate capacity and foster conservation.

Businesses need a stable policy and regulatory environment to grow and prosper. This is especially true in the electricity sector in which investments often have a high capital cost and require long lead times.

Regulatory requirements and NIMBYism (Not In My Back Yard) can play a role in unnecessarily delaying needed projects. Government policy needs to ensure adequate regulatory review and oversight, but should also make certain there are no undue delays to necessary electricity system investments.

In ensuring adequate electricity supply to meet the needs of business, Ontario should adopt a diverse electricity supply mix. All energy options have strengths and weaknesses. A portfolio of energy supply choices provides the best insurance toward a reliable and affordable electricity system.

Sound environmental policy should be a key component of electricity policy, resulting in an environmentally sustainable system. All economic energy efficiency and conservation investments should be encouraged.

Ontario, like many jurisdictions, currently has a hybrid electricity system. There is significant and ongoing debate about how to achieve a reliable and affordable competitive market for electricity that will bring real benefits for consumers. The Chamber believes that the private sector should play a significant role in the electricity system and that over the long term, Ontario should explore options for creating competitive markets for electricity that will benefit consumers.

Issue:

Electricity pricing, supply and market development is key to maintaining the economic competitiveness of Ontario businesses.

RECOMMENDATION:

That the Provincial Government:

- 1) Work towards establishing a competitive market for electricity in the long term.**

- 2) Immediately start creating conditions for a competitive environment in the mid-term, including developing instruments to help facilitate market liquidity forward exchange, long-term contracting, and long-term price predictability.
- 3) Ensure that its policy choices result in affordable electricity to help keep Ontario business competitive;
- 4) Promote a diverse supply mix as a way of ensuring that Ontario's electricity prices remain affordable over the long-term.
- 5) Ensure an adequate supply of electricity in Ontario to meet the needs of Ontario businesses.
- 6) Ensure a reliable electricity supply for Ontario businesses.
- 7) Ensure that the price of electricity reflects the true costs.
- 8) Ensure a significant role for the private sector in Ontario's electricity system.
- 9) Promote stability in the electricity system, since business needs a stable policy and regulatory environment for investment, especially in the electricity sector where many investments have high capital costs and long lead times.
- 10) Promote environmental sustainability by ensuring that all economic energy efficiency and conservation investments are made.
- 11) Work with Ontario large energy users to ensure that areas with frequent brownouts and drops in supply are upgraded to protect against loss of productivity and equipment damage.

Security of Electricity Supply

Background:

Because of the 2003 blackout and the increasing incidence of brownouts, businesses have realized how fragile our energy supply is and with deregulation how costly it has become. Such problems are very disruptive to business and discourage investment and growth. A secure supply of reasonably priced electricity that is sufficient to accommodate growth forecasts is essential if Ontario is to continue to grow and prosper. At the same time, Ontarians are legitimately concerned about the environmental effects of some types of generation and about the location of new power generation facilities, transformer stations or high-voltage power lines in their municipalities.

Issue:

The cost, availability and security of electricity are matters of growing concern to businesses.

RECOMMENDATION:

That the Provincial Government:

- 1) Support distributed generation that involves locating generation capacity closer to electricity load centers.**
- 2) Reduce the politics and bureaucracy around electrical generation and transmission that delay decision-making and discourage innovation and streamline the approval process to ensure adequate electricity supply.**
- 3) Conduct open consultation and provide public education on the realities of electricity supply in Ontario.**
- 4) Examine the current and future challenges and propose alternative solutions for further deregulation supported by most advantageous cost –benefits ratios.**
- 5) Further promote aggressive conservation and consumer demand management programs.**
- 6) Encourage private investment and competition in the energy sector by stabilizing the energy market and providing appropriate incentives to investors.**
- 7) Take a strong leadership role and not allow "NIMBYism" to delay or stop projects of Ontario.**
- 9) Support development of cogeneration projects (i.e., the simultaneous generation of electric power and recovery waste heat) to displace purchased fuel wherever cogeneration generators can be located proximate to industrial/commercial thermal loads.**
- 10) Where it is economically beneficial to do so, retrofit the coal fired facilities with new emission reducing technology to ensure competitively priced electricity for Ontario industry and consumers, maximize electricity supply, and to meet cleaner air targets.**

Coal Fired Generating Stations

Background:

The province is moving towards eliminating the operation of coal-fired generating stations. This goes against the path that the rest of the world is on, which is investing in clean-coal technology. The province currently does not have adequate substitutes to remove this economical source of power.

Issue:

The closure of these plants will impact Northern Ontario, specifically Atikokan and Thunder Bay in loss of jobs and municipal tax base.

RECOMMENDATION:

That the Provincial Government implement clean coal technologies in all coal-fired generating stations in Northwestern Ontario.

Creating a Competitive Climate for the Mining Industry in Ontario

Background:

In April 2007, as part of the Ontario budget, the Ontario Government proposed to introduce a diamond royalty system under the Mining Act. The proposed diamond royalty, which works like income tax, would range from 5% to 13% depending on annual production values. Currently, the Mining Tax Act rate is fixed at 10% for mines south of the 50th parallel, and 5% for mines north of the 50th parallel. Within the 2007 Ontario Budget, the Government explained that "Diamonds are a new commodity in Ontario and many aspects of diamond mining differ from those of more traditional mining in the province. Unlike other commodities whose value is set by world trade markets, rough diamonds are not traded on the open market and require a unique and separate system for determining their value." (1) The Ministry of Finance based this recommendation on the comparison with the Nunavut project in the Northwest Territories. However, they failed to reflect that there are also complicated land claim issues in Nunavut, including some royalty sharing agreements whereby each Inuit community impacted receives 50% of the taxes up to \$2 million and 5% thereafter. The proposed tax in Ontario will only apply to diamonds and not all mining activities like in Nunavut.

At the time of the budget announcement, De Beers Canada had already invested approximately one billion dollars in the construction of the Victor Project, Ontario's first diamond mine that is scheduled to start production in 2008. The De Beers Board and shareholders approved the Victor Project budget based on the current government policies and tax regimes including the fixed 5% Mining Tax Act rate for developments in the far north.

Currently, approximately 600 people are employed by De Beers Canada for the construction of the Victor Project site near Attawapiskat in Northern Ontario. Once the production commences, it is expected that 400 employees will be hired for the daily operations. As an avid supporter of community development initiatives, De Beers Canada built an \$800,000 training centre in Attawapiskat to provide training to the people of this community to prepare them for the employment opportunities that will be offered. The First Nations people of this community are receiving education and training and are being given financial opportunities that would not be available to them without the investment of industries such as this.

Canada is one of the largest mining nations in the world, producing more than 70 minerals and metals. The mining industry provides some of the highest weekly earnings in the economy and exports of minerals and mineral-based products contribute close to 13% of Canada's total domestic exports. Mineral exploration and development is key to the prosperity of many Northern Ontario communities, and favorable tax regimes are needed to maintain and increase investment in the northern regions. Unpredictable tax regimes will be disincentive to investment firms, and potential investors in projects of this magnitude, if the tax structure can potentially change midstream, thereby negatively impacting potential profits on that investment. It is imperative that the Provincial Government not view the exploration and development of the diamond industry only as a source of revenue for the province as a whole, but take into consideration the long term

effects on the many communities, including our First Nations people, who are positioned to benefit from such mineral exploration and mine development.

(1) '2007 Ontario Budget: Budget Papers', Ministry of Finance Information Centre (2007) www.ontariobudget.ca, page 191.

Issue:

Investor confidence has been shaken by the Ontario Government's 2007 Budget announcement of a sudden change to the tax structure for diamond mines so close to the start of production for the De Beers Victor Project.

With a \$7 billion economic footprint by the De Beers Victor Project alone, the future of diamond exploration and mine development in Ontario is an important element in the prosperity of Northern Ontario communities, and in the provincial economy as a whole. The construction and development phase of this project has already had a positive economic impact on Northern Ontario with job training and other economic opportunities such as extra revenue for suppliers in the surrounding communities. A predictable and stable tax regime that is applied equally across the mining sector is required to sustain this and future economic growth in the north.

RECOMMENDATIONS:

That the Provincial Government:

- 1) Eliminate retroactive taxation from the proposed diamond royalty increase that was introduced in the recent Provincial budget.**
- 2) Return any future royalties or taxes collected from the mining industry to the north in specific revenue sharing agreements in order to develop the required infrastructure and to attract new technology and businesses that will provide sustainable development to Northern Ontario.**

Eliminating Barriers for Internationally-Trained Professional and Trades People

Background:

The Ontario Chambers of Commerce and its membership are actively engaged in foreign trained professional programs. In today's competitive marketplace, a company's performance is directly tied to the skills of its executives and skilled workers. Ontario's prosperity depends on building an economy based on superior skills and high standards. Over 50% of the immigrants that come to Canada choose Ontario as their home. The skills that these immigrant professionals and trades people bring to Ontario are a brain gain for the economy.

Ontario has several outstanding programs in place to help address the skilled trades shortage. The provincial and federal governments have invested in new programs to help internationally trained trades people and professionals continue their careers in Ontario and contribute to the province's economic growth. However, individuals are not often aware of the programs and incentives that currently exist in Ontario, nor are they aware of how to access information on such programs.

As noted in Taking Action on Skilled Trades: Establishing the Business Case for Investing in Apprenticeship, "Accessibility starts with awareness of the wealth of opportunities available in Ontario." In other words, there still remains a need to coordinate and promote those programs that currently exist in Ontario, and to create a comprehensive and user-friendly web-portal as a source of current information on apprenticeship and skilled trades. It is imperative that the province set up a "one-stop-shop" in order for immigrants to easily access information before and after they arrive in Canada. Far too many immigrants come to Canada with the expectation of working in their field of study only to find significant barriers in their way. If immigrants were made aware of the requirements needed to work in their field of study prior to coming to Ontario they would be able to better prepare themselves before leaving their home country and immigrating to Canada.

As a direct result of the Canada-Ontario Labour Market Development Agreement the federal government has transferred close to \$1 billion in training and employment programs, resources and staff to "Employment Ontario". It is imperative that Employment Ontario continue to expand and develop for the purpose of becoming a "one-stop-shop".

The antiquated federal immigration problem also poses several barriers for internationally trained professionals and skilled trades people. The current point system is outdated and needs to be reviewed and revamped to reflect current market Labour needs. Ontario also currently lacks a provincial immigration nominee program to accelerate the immigration process for skilled and professional workers. In fact, Ontario is the only province that does not have its own immigration program. Under these programs, employers are able to nominate a prospective worker, who upon provincial approval, can apply for permanent residence. This application bypasses the lengthy federal immigration selection process.

The Ontario economy requires a solid supply of skilled and experienced workers. Without skilled Labour, Ontario cannot compete in the global marketplace. As the province's population ages and as people retire in growing numbers, more and more of our Labour

Force will be internationally trained. It is vital that the Ontario government help immigrants continue their careers in Ontario and ensure that their programs are effectively put into place to help internationally trained workers receive certification and gain access to employment in their elected fields. It is also important the government work to improve awareness and access for immigrants to education, training and apprenticeship programs.

Issue:

Eliminating barriers for internationally trained professionals and trades people is essential to enhancing Ontario's workforce and to combat any future skills trades shortage in Ontario. It is important that the government continue to support programs that allow foreign trained professionals to be recertified in their specific field, and to find gainful employment within Ontario.

RECOMMENDATIONS:

That the Provincial Government:

- 1) Continue expanding Employment Ontario with the expectation that it will eventually become a one-stop-shop for individuals to easily access information in regards to skilled trades, apprenticeship training, employment, and certification requirements to work in Ontario.**
- 2) Provide financial support programs directly to internationally trained professionals and trades people to facilitate recertification in Ontario.**
- 3) Further encourage and support cooperative programs that help to integrate internationally trained professionals and trades people into Ontario's business sector and ensure that they are in compliance with, and familiar with, Ontario's standards.**
- 4) Work with the federal government and business partners to assist in making businesses across the province aware of the existence of World Education Service and other credentialing services and encourage their use.**
- 5) Encourage and work with the federal government to review and revamp the current immigration process to ensure that internationally trained professionals are fully informed of the registration requirements they face in Canada and are given an opportunity to complete the registration process before entering Canada.**
- 6) Set in place by December 31, 2007 a provincial nominee program in Ontario in relationship to the Labour demand.**

Changes Recommended at the three Western Ontario Ports of Entry (POE)

Background:

The “tourism gateway” to Northwestern Ontario is defined by the Manitoba border on the west to White River, Ontario on the east and the three US Ports of entry on the south.

- 88%+ of overnight tourism spending in Northwestern Ontario is from USA visitors. (EIS2001).
- The Fort Frances/Rainy River/Pigeon River area (major ports of entry into Northwestern Ontario) includes over 700 resource based tourism establishments and a significant number of hotels, motels & allied tourism businesses.
- 566,000 US visitors cross the Fort Frances/Rainy River/Pigeon River ports of entry every year. 58% are 2+ night, long stay visitors. This number has not changed in 36 years despite tourism industry expenditures exceeding \$11 million in 2001 (EIS2001).

On May 15 2007, Kenora District Camp Owners Association (KDCA) and Northwestern Ontario Tourism Association (NWOTA) conducted an on-line survey of its members to determine the losses to their businesses from 2002 - 2006. The five-year loss to Ontario was:

▪ Economic Activity	\$10,528,662
▪ Labour	\$ 5,812,524
▪ Full-Year Jobs	171
▪ Direct Taxes	\$ 3,763,001
▪ Total Taxes	\$ 5,581,367

Issue:

The economy of Northwestern Ontario is being severely impacted by the attitude and actions of the three western Ontario ports of entry (Fort Frances, Rainy River and Pigeon River). As a result, investment and spending by Americans is being negatively impacted.

- There are business owners that are not allowed to enter Canada, to run their business
- Property owners are not being allowed to enter Canada to use their property
- Tourists cannot or will not vacation in our area. This is clearly documented in a 2001 Fort Frances Sport Fishing Study. (www.nwota.com)

The issue is inconsistent enforcement and lack of professional standards at ports of entry across Canada.

- There is stricter enforcement of the minor criminal policy at the Fort Frances/Rainy River/Pigeon River border than at other POE's in Canada. There is currently no standard protocol for addressing individuals with minor criminal offenses.
- There are regular complaints from visitors and tourist outfitters regarding rude, disrespectful, and unprofessional behavior on the part of customs/immigration officials at these Ports, bordering on anti-American and anti-tourist.

RECOMMENDATIONS:

That there be a call for review of Canada Border Services Agency (CBSA) procedures and requirements for entering Canada:

- 1) That CBSA implement standardized practices for the enforcement of minor criminality laws across all Canadian ports of entry.
 - a. CBSA institute self-assessing practices (audio and video monitoring components and supervisory overview) to ensure adherence with standardized practices.**
 - b. CBSA implement a customer service/human relations training program at the ports of entry identified as problematic.**
 - c. CBSA immediately release all relevant statistics by POE for “turn backs” from the spring of 1999 to the present date.****
- 2) That CBSA clearly communicate, in writing, any and all relevant changes in enforcement policies and practices six (6) months prior to implementation.**
- 3) That CBSA and associated Federal Agencies investigate and implement a system of policies and practices that allow visitors with a minor criminal background to visit Canada.
 - a. Recognize if they have “done the time they have paid for their crime”****
- 4) That CBSA hire and train qualified agents for Fort Frances/Rainy River/Pigeon River POE’s to administer and process visitors with “special circumstances” on a 7-day a week/24 hour basis.**
- 5) That the Government of Canada implement a series of “short-term” solutions to address selected categories of “minor criminality” and thus facilitate border crossing (e.g., surrender driver’s license, surrender passport, utilize a bondsman, photograph and fingerprint, etc.) for those that have paid their debt to society.**