



CREATING JOBS THROUGH NEW INVESTMENTS IN POSTSECONDARY EDUCATION AND NORTHERN ONTARIO

March 25, 2010

Ontario's 2010 Speech from the Throne sets out a five-year plan to Open Ontario to new jobs and economic growth.

The plan focuses the government's resources on areas that will open Ontario to new ideas, investment and jobs. To move the Open Ontario plan forward, the 2010 Ontario Budget includes investments in postsecondary education and northern Ontario.

POSTSECONDARY EDUCATION

Education is the top priority for the McGuinty government. A well-educated workforce enhances the province's economic growth and competitiveness. Ontario's colleges and universities also open the province to the world, attracting students from every corner of the globe.

Ontario's colleges and universities play a critical role in equipping people for success and preparing them to generate the ideas, products and jobs that will ensure future prosperity. Ontario has one of the highest rates of postsecondary education attainment in the world at 62 per cent. However, as the economy changes, 70 per cent of all new jobs will require postsecondary education or training.

The Open Ontario Plan for Postsecondary Education

Through its Open Ontario plan, the McGuinty government's goal is to raise Ontario's postsecondary attainment rate to 70 per cent. There will be a place for every qualified Ontarian who wants to go to college or university. The government will also increase international student enrolment by 50 per cent, while guaranteeing spaces for qualified Ontario students.

As part of the Open Ontario plan, commitments to postsecondary education in the 2010 Budget include:

- Investing \$310 million to add 20,000 new spaces to colleges and universities this September. This is in addition to providing \$155 million in 2009-10 to fully support enrolment growth at colleges and universities, including \$65 million announced through the *Fall 2009 Ontario Economic Outlook and Fiscal Review*
- Aggressively promoting Ontario postsecondary schools abroad to encourage the world's best students to study here, settle here and help Ontario build a stronger economy
- Improving students' ability to navigate Ontario's postsecondary system by providing additional resources to support the implementation of a credit transfer system.

These measures will make Ontario one of the world's leading jurisdictions for postsecondary education.

JOBS AND GROWTH IN NORTHERN ONTARIO

In recent years, Ontario's resource-based industries have faced significant challenges, including the strong Canadian dollar and increased global competition. The mining and forest products industries – mainstays of northern Ontario's economy – have been particularly hard hit by weak demand and soft commodity prices during the recession.

A further challenge for northern Ontario is that many of its communities rely on a single, resource-based industry. Over the past three years, northern Ontario has experienced a longer and deeper employment decline than the overall Ontario economy. Employment in northern Ontario has fallen by more than twice the rate of the province as a whole.

The government recognizes the unique circumstances of northern communities. The Open Ontario plan will help strengthen the northern economy, while protecting the boreal forest region.

Open Ontario and the North

Through its Open Ontario plan, the McGuinty government will help open northern Ontario to new investment and jobs, while providing relief to northern industries and residents from the higher energy costs they face.

As part of the plan, the 2010 Ontario Budget proposes initiatives that will enhance job creation and economic growth in northern Ontario, including:

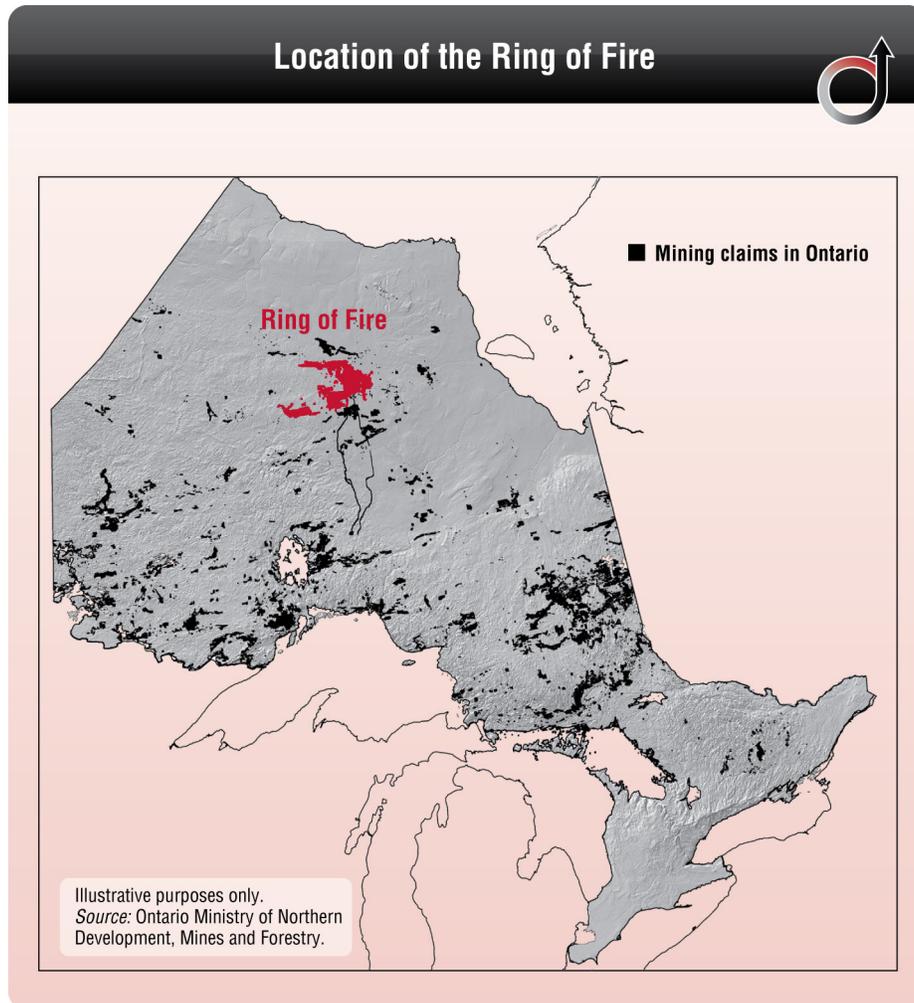
Northern Industrial Electricity Rate Program

Creating a three-year Northern Industrial Electricity Rate Program, averaging \$150 million annually that would provide electricity price rebates of two cents per kilowatt-hour. This would, on average, reduce industrial electricity prices by about 25 per cent for large facilities, based on 2009 levels. The rebate would be available to qualifying large northern industrial facilities that commit to an electricity efficiency and sustainability plan, and will help protect and create jobs in the North.

Enhancing Economic Development Opportunities (The Ring of Fire)

Providing \$45 million over the next three years for a new project-based skills training program to help Aboriginal Peoples and northern Ontarians participate in and benefit from emerging economic development opportunities. This includes the Ring of Fire – an area with potentially large deposits of minerals such as chromite, nickel, copper and platinum. The program will also help build capacity in the north to undertake base mapping, develop resource inventories and gather other information. This will support community land-use planning and environmentally sustainable development that benefit Aboriginal Peoples and northern Ontarians. It will help to implement the proposed Far North Act, 2010.

The government will also appoint a Ring of Fire Coordinator to work and consult with Aboriginal Peoples, northern Ontarians and the mining community to encourage responsible and sustainable economic development related to the Ring of Fire.



Northern Ontario Energy Credit

To help low- to middle-income families and individuals in the north with their energy costs, the government is proposing a new permanent Northern Ontario Energy Credit.

Northern residents who pay rent or property tax for their principal residence would be eligible for an annual credit of up to \$130 for a single person and up to \$200 for a family (including single parents). To target the assistance to those who need it most, the credit would be income-tested. The credit would be reduced for a single person with adjusted net income over \$35,000, and eliminated when income exceeds \$48,000. It would be reduced for families with adjusted family net income over \$45,000, and eliminated when income exceeds \$65,000, as shown in the following table.

Northern Ontario Energy Credit			
Single Person		Family (including Single Parents)	
Maximum Benefit	Benefit Reduction Range	Maximum Benefit	Benefit Reduction Range
\$130	\$35,000 – \$48,000	\$200	\$45,000 – \$65,000

To provide northern residents with timely assistance this year, the government is proposing an interim method of payment for 2010. Eligible northern residents would apply to the Ontario Ministry of Revenue to receive the credit, which would be delivered in two instalments – one in the fall of 2010 and another in early 2011.

The credit would be available to eligible residents of the districts of Algoma, Cochrane, Kenora, Manitoulin, Nipissing, Parry Sound, Rainy River, Sudbury, Thunder Bay and Timiskaming.

For 2010, about a quarter of a million families and single people, or over half of northerners, would benefit from about \$35 million in assistance.

In subsequent years, this permanent credit would be paid on a quarterly basis along with the proposed Ontario Energy and Property Tax Credit. (See Backgrounder [Ontario's Tax Plan for Jobs and Growth](#) for more details on the Ontario Energy and Property Tax Credit).

Other Initiatives to Support Jobs and Growth

Other initiatives to help encourage job creation and economic growth in northern Ontario include:

- Partnering with Sudbury and Thunder Bay to establish pilot economic development planning areas
- Helping unemployed older workers by implementing the Targeted Initiative for Older Workers.

Infrastructure Investments in the North

The government is making significant infrastructure investments of nearly \$1.2 billion to strengthen northern communities by improving highways, hospitals, water and wastewater systems, and other infrastructure. These investments are expected to support 10,000 jobs in 2010-11, and include the following projects:

- The Thunder Bay Consolidated Courthouse, which will improve access to justice and spur downtown revitalization
- The Ontario Provincial Police Modernization project, which will include the construction of new detachments, regional command centres and forensic-identification units in 16 communities, including nine northern locations
- Expanding the 100-kilometre corridor of Highways 11/17 between Thunder Bay and Nipigon to four lanes. Construction on two projects along this corridor will begin in 2010-11, with work on the remainder to follow
- Providing up to \$15 million to support Huron Central Railway's proposal for \$33 million of infrastructure investments on the Sault Ste. Marie to Sudbury rail line.

Recent Success in Strengthening Northern Ontario

Ontario has implemented a number of initiatives that support key recommendations of Dr. Robert Rosehart, the Northwestern Ontario Economic Facilitator, including:

- Establishing a new Northern Ontario Entrepreneur Program, under the Northern Ontario Heritage Fund Corporation (NOHFC). The NOHFC has provided grants to more than 940 projects in 2009-10, creating and retaining more than 2,300 jobs in the North
- Accelerating Business Education Tax (BET) rate cuts for northern businesses, which benefited from the full implementation of the reduction in 2010, with savings totalling more than \$70 million.

In addition, the Northern Ontario School of Medicine, which opened in 2005, celebrated the graduation of its first 55 students in the spring of 2009.

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