

Results-based Plan Briefing Book 2008-09

**Ministry of Northern Development
and Mines**

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PART 1 - PUBLISHED RESULTS-BASED PLAN 2008/09

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MINISTRY OVERVIEW

The Ontario government is working hard to strengthen our province by strengthening the health, education, skills and prosperity of Ontarians.

Through its mandate, the Ministry of Northern Development and Mines works to make Northern Ontario strong, healthy and prosperous. By providing a northern perspective, the ministry supports provincial initiatives in the North and addresses unique northern circumstances. It provides northerners with access to government programs and services. Its 32 Northern Development Offices and 33 ServiceOntario locations provide pan-northern access to programs and services, and deliver numerous programs and services with, and on behalf of, partner ministries.

Across the province, the Ministry of Northern Development and Mines works to generate new wealth and benefits by supporting Ontario's exploration and mining sectors and by providing geoscience information and expertise relevant to many other policy priorities.

The ministry supports economic and community development, by promoting a business climate that encourages competitiveness and investment in Northern Ontario. It promotes a strong, safe and sustainable minerals industry by generating valuable geological information and by fair and consistent administration of Ontario's Mining Act.

Economic development professionals specializing in forest products, mining, business and industry, biotechnology, manufacturing, telecommunications, agriculture, tourism, and trade and investment marketing help municipalities, First Nations and businesses attract investment, pursue business opportunities, diversify local economies and build stronger northern communities.

The Northern Ontario Heritage Fund Corporation (NOHFC), which is chaired by the Minister of Northern Development and Mines, provides critical financial assistance to support business development, young entrepreneurs, capital and infrastructure investment, and job creation in Northern Ontario communities.

The ministry co-ordinates essential provincial investment in the North's transportation, telecommunications and public infrastructure through the Ontario Northland Transportation Commission (ONTC) and the Owen Sound Transportation Company (OSTC). It helps to sustain communities in Northern Ontario by strategic planning of and investments in infrastructure. Its Northern Transportation Program works with other ministries and First Nation communities to expand and maintain the northern highways system, roads in unincorporated areas, resource access roads and winter roads.

To enhance mineral sector competitiveness, the ministry manages Ontario's mining lands, attracts investment and supports mineral development. It administers the Ontario Mining Act to ensure fair access to Crown mineral rights and equitable management of mining lands.

The Ontario Geological Survey (OGS), which delivers a province-wide mandate through its Sudbury headquarters, provides geoscience information and services that foster a vibrant mineral sector and help Ontario maintain its standing as a world geoscience leader. Service delivery is supported through nine regional geoscience offices that provide access to information about Ontario's geoscience and mineral resource assets.

It also provides strategic geoscience baseline information required to identify Ontario's groundwater aquifers, potential for non-renewable energy and sources of quality construction mineral resources, and to support the government's groundwater protection priorities. This geoscience program also facilitates Aboriginal engagement and informed land-use planning decisions, which lead to sustainable community development.

The ministry's Mineral Development and Rehabilitation of Mining Lands Program works with partner ministries and federal departments to promote safe, sound and sustainable use of Ontario's mining lands.

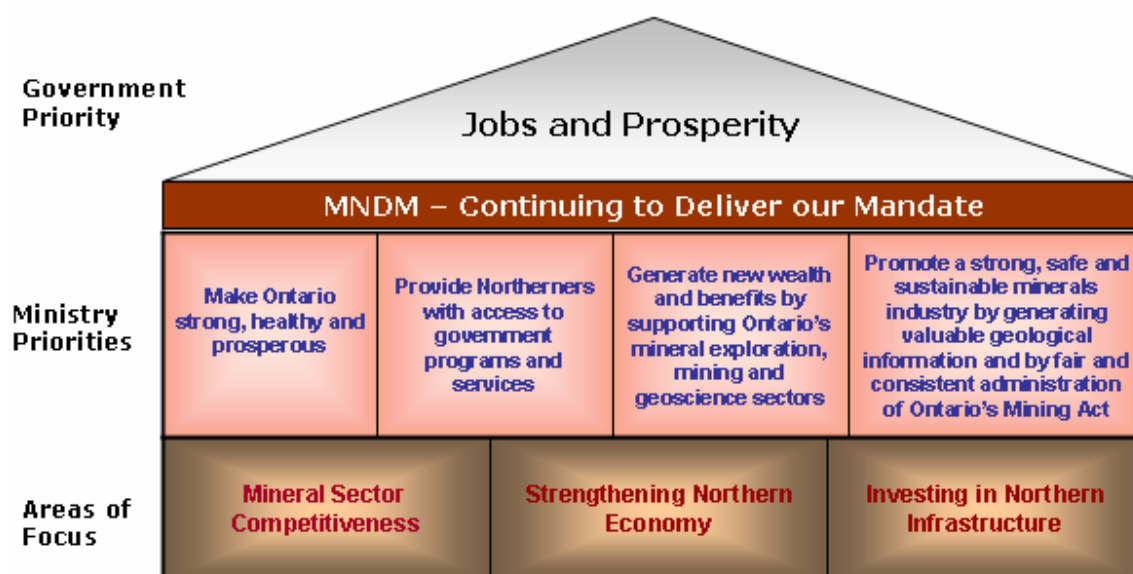
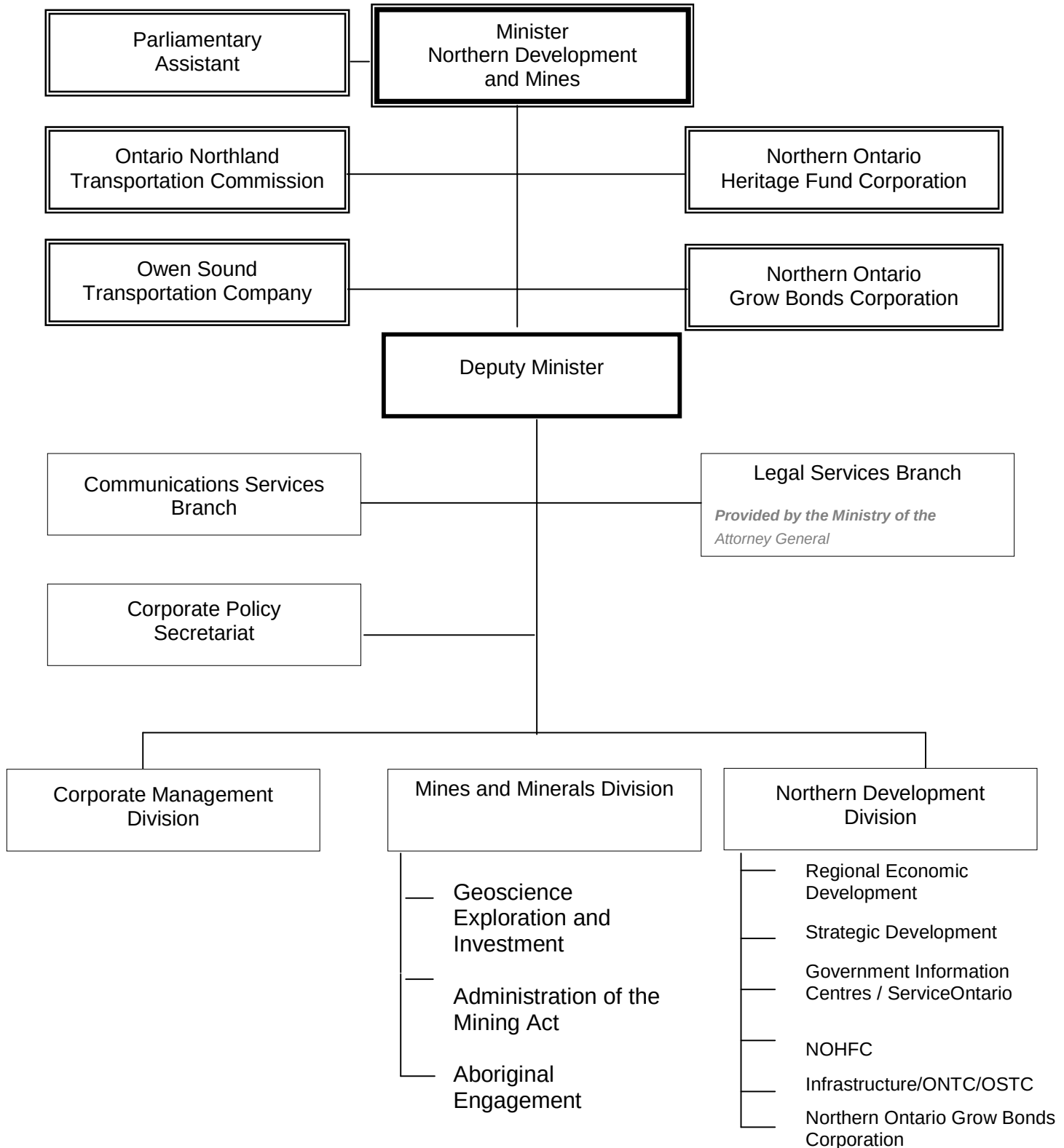


Figure 1: MNDM 2008/09 Strategic Priorities

ORGANIZATION CHART



PUBLISHED RESULTS-BASED PLAN 2008/09

The Ministry of Northern Development and Mines strives to make Northern Ontario and the provincial minerals sector strong, healthy, and prosperous. It carries out its mandate under two main activities or categories: Northern Economic Development and Ontario Mines and Minerals.

Activity: Northern Economic Development

The ministry leads and coordinates government programs aimed at growing the Northern Ontario economy, building strong northern communities and creating job opportunities in the North. Through a network of offices and strategic program and policy development, the ministry ensures northerners have access to government programs and services and a say in government decisions affecting the North. The ministry will also play a key role in fulfilling the government's commitments for strategic initiatives that could impact the North.

Under the banner of Northern Economic Development, the ministry delivers six sub-activities.

- Regional Economic Development
- Strategic Development
- ServiceOntario
- Northern Ontario Heritage Fund Corporation
- Ontario Northland Transportation Commission and Owen Sound Transportation Company
- Northern Ontario Grow Bonds Corporation

Regional Economic Development

A network of six integrated area teams (Sudbury, Thunder Bay, Sault Ste. Marie, Timmins, North Bay, and Kenora), with offices in 32 communities across the North, act as the focal point for the delivery of programs and services in the key economic sectors of the North. They work with communities throughout the North to help them identify and facilitate economic development opportunities and develop proposals. The integrated approach allows the ministry to effectively support economic development initiatives in the North by providing a wide range of products and services in a more focused approach to client service delivery.

Strategic Development

The ministry supports strategic development efforts in Northern Ontario, including supporting strategic investments in infrastructure through programs such as the Northern Highways Program, marketing Northern Ontario's strengths and opportunities to the world, and undertaking research and analysis. In addition, the ministry is

exploring potential growth opportunities in a number of emerging strategic sectors including bio-economy, back office/outsourcing, and value-added opportunities in forestry and mining. The ministry will also continue to work with partner ministries to increase public and private investment in the North's transportation, telecommunications, and community infrastructure, and secure partnerships with the federal government.

The ministry also supports a number of key initiatives including, the Growth Plan for Northern Ontario, the Northwestern Ontario Economic Facilitator, Northern Development Councils, and the Northern Ontario Grow Bonds Pilot Program.

Growth Plan for Northern Ontario

The Growth Plan for Northern Ontario will be a long-term strategy to support sustainable economic and population growth in Northern Ontario. The plan is being developed by the Ministry of Northern Development and Mines and the Ministry of Public Infrastructure Renewal together with northern communities and First Nations, Aboriginal organizations, economic development agencies, business associations, industry, educational and research organizations, and the public. A 17-member G-North Ministers' table will facilitate alignment of provincial government policies and investments to support a globally competitive region, through:

- leveraging northern strengths to grow existing and emerging industries,
- enhancing education and training opportunities to ensure a skilled labour force,
- helping to attract new people and investment to the North and
- making strategic investments in infrastructure to support regional growth priorities.

Northwestern Ontario Economic Facilitator

With a focus on inspiring a new generation of growth in the northwest and in response to the continuing challenges facing northwestern Ontario due to an unprecedented and extended downturn in the forestry sector, the government announced the appointment of Dr. Robert Rosehart as the Northwestern Ontario Economic Facilitator in the 2007 Budget. Consultations were carried out and Dr. Rosehart's report was released on March 20, 2008. The ministry is working with its partner ministries and other government organizations to respond to the recommendations presented.

Northern Development Councils (NDCs)

To listen to and serve northerners better, Northern Development Councils (NDCs) were created with representation from the North's urban, rural and remote communities as well as business and industry, labour, economic development, health, and education organizations. The NDCs enhance citizen engagement and help northerners have a direct say in provincial decisions that affect the North. The NDCs will continue to provide valuable input on government programs and priorities

for the North, and play an integral role in the development of the Growth Plan for Northern Ontario.

Northern Ontario Grow Bonds Pilot Program

Announced in 2005, the Northern Ontario Grow Bonds Pilot Program gave Northern Ontario residents an opportunity to invest in Northern Ontario Grow Bonds, a secure and safe savings instrument, while actively contributing to the economic future of the North. Proceeds from approximately \$13 million worth of bonds are being invested through the Northern Ontario Grow Bonds Corporation to provide loans to new and established small and medium-sized businesses to create and sustain jobs in the North.

ServiceOntario (Northern Ontario)

As part of its commitment to integrated delivery of government services, ServiceOntario combines a network of 33 in-person walk-in sites in Northern Ontario with an integrated telephone/call centre channel and an Internet channel for improving delivery of government services to northerners. These centres provide a wide range of general government information, perform routine transactions for government services at one location, and make it easier for the public to get government information and services.

Northern Ontario Heritage Fund

Through its six programs, the Northern Ontario Heritage Fund Corporation (NOHFC) is working with northern entrepreneurs, companies and business organizations to address northern priorities, while continuing to support vital infrastructure and community development projects that enhance quality of life and stimulate economic activity. Early in 2007, some programs were refined to enhance their effectiveness. Efforts will continue under the programs to make strategic investments that stimulate private sector job creation, assist business start-ups, provide development opportunities for northern youth, support energy conservation and power generation initiatives, and assist innovation and emerging technologies that will grow the northern economy.

Ontario Northland Transportation Commission and Owen Sound Transportation Company

The Ontario Northland Transportation Commission (ONTC) and Owen Sound Transportation Company (OSTC) are Operational Enterprise Agencies of the province reporting to the Ministry of Northern Development and Mines. Each receives annual operating subsidies that support the delivery of price-competitive transportation and telecommunications services that are safe, reliable and responsive to customers, residents and businesses in northeastern Ontario. The ministry will work with the ONTC as it continues to implement operating efficiencies to support its sustainability, and improve service delivery. The ONTC is also expected to increase its customer

satisfaction and ridership on all its passenger services and increase its operating margins in all its commercial activities for reinvestment.

Activity: Ontario Mines and Minerals

The ministry supports a strong, sustainable mineral industry by promoting investment and exploration, by providing information to global clients on Ontario's wealth of mineral resources, and through the fair, effective and efficient administration of Ontario's Mining Act. There are three sub-activities:

- Geoscience Mapping and Investment Marketing
- Administration of the Mining Act
- Aboriginal Engagement

Geoscience Mapping and Investment Marketing

This program helps build a strong, sustainable provincial minerals sector contributing to the prosperity of all of Ontario. Key elements are the collection and dissemination of geoscience information to attract and guide mineral sector investment, as well as inform a broad range of government policy priorities.

Geoscience Mapping

This program provides foundational geoscience information that forms the framework for assessing Ontario's mineral potential - a key element in guiding private sector investment decisions. Services include, province-wide geological mapping, online 24-7 access to geoscience information and expert geological advisory services across the province. This program's geoscience expertise also supports other government priorities, such as groundwater aquifer mapping as part of drinking water protection efforts, and identifying new industrial and energy development opportunities.

Investment Marketing

This sub-activity is focused on mineral sector marketing and investment attraction. Key elements include: domestic and international marketing of investment opportunities, and expert geological advisory services in field offices across the province that help to create networks and foster collaboration between the government, mineral industry stakeholders and Aboriginal communities and economic development sectors.

Specific emphasis has been placed on Ontario's emerging diamond sector in developing value-added opportunities and administering Ontario's diamond royalty to create a competitive advantage for Ontario.

Administration of the Mining Act

This program area administers the Ontario Mining Act to ensure sustainable and responsible development of Ontario's mineral resources. This involves ensuring equitable public access to Crown mineral rights, fair and efficient management of Ontario's mining lands, and ensuring safe, environmentally-sound mineral development and rehabilitation of mining lands.

Rehabilitation of Crown Sites

The Abandoned Mine Rehabilitation Program invests in the rehabilitation of abandoned mine sites on Crown-held lands to ensure public safety, improve the environment and make these lands available for productive use. Key priorities are to reduce the Crown's liability on these sites, enhance public safety and environmental protection.

Aboriginal Engagement

This program area focuses on establishing and maintaining key Aboriginal and community relationships, provision of advisory services to assist communities in accessing ministry staff, resources and programs for mineral development and northern economic development assistance. Program staff work with Aboriginal communities and the minerals sector to meet duty to consult obligations ensuring that activities occur in manner that is consistent with the Crown's obligation concerning Aboriginal and treaty rights.

Activity - Northern Economic Development		
Sub-activity	Performance Measure	Statement of Result
Northern Highway Rehabilitation	Percentage of Northern Highways in good condition.	The target number of northern highways in good condition is expected to be 51% in 2008-09 with long term target of 67%.
	Percentage of Northern Bridges in good condition.	The target number of northern bridges in good condition is expected to be 56% in 2008-09 with long term target of 85%.
Northern Ontario Heritage Fund Corporation (NOHFC)	Investment dollars leveraged from other partners	The target ratio of investment dollars leveraged from other partners is 1:2 from 2008-09 through until 2011-12.
	Number of full-time jobs that are being created or sustained	NOHFC is expecting to create 750 full time jobs each year from 2008-09 through 2011-12.
ServiceOntario	Percentage of Customers Satisfied	The percentage of customers satisfied is expected to remain at 90% from 2005-06 to 2011-12.
Activity – Ontario Mines and Minerals		
Sub-activity	Performance Measure	Statement of Result
Geoscience Exploration and Investment	New Investment in Ontario's Exploration and Mining Industries	Total new investment into mining and exploration is expected to climb to over \$1.25B in 2008, an increase of 14% over last year's level of \$1.1B.
	Investment influenced	The target percentage of stakeholders whose decision to invest in mineral exploration in Ontario in the past year was influenced by OGS geoscience products or services will be 82% in 2008-09.
	Ontario's ranking of World Exploration Spending	Ontario's is targeted to be one of the top ten jurisdictions for spending in the world on exploration activity from 2008-09 through 2010-11.

STATUTES ADMINISTERED

Mining Act

This Act provides for the regulation of mineral exploration and development activities in Ontario. The purpose of this Act is to encourage prospecting, staking and exploration for the development of mineral resources and to minimize adverse effects on the environment through rehabilitation of mining lands in Ontario.

Ministry of Northern Development and Mines Act

This Act establishes the Ministry of Northern Development and Mines. It recognizes the different conditions and special needs existing in Northern Ontario and the desire of northern residents to have a stronger voice in government. The Act defines the ministry's function to coordinate government activities and initiate policies and programs for the government in Northern Ontario and on behalf of the minerals industry.

Northern Ontario Heritage Fund Act

This Act establishes a corporation to promote economic development and diversification in Northern Ontario, through the use of funds provided for that purpose. The Northern Ontario Heritage Fund Corporation operates as an Operational Service Agency of the province.

Northern Services Boards Act

This Act, passed in 1999, replaces the former *Local Services Boards Act*. The Act provides choice and flexibility to northern residents in the establishment of service delivery mechanisms that recognize the unique circumstances of Northern Ontario and allow increased efficiency and accountability in area-wide service delivery.

The first part of the Act allows inhabitants of territories without municipal organization to establish legally-constituted local services boards to act on their behalf, and to raise funds for certain basic community services to improve the quality of life. The second part of the Act provides for the establishment of area service boards to consolidate delivery of six core services: child care, social assistance, public health, social housing, land ambulance service and homes for the aged as well as a variety of optional services. An area services board would have taxation authority in the board area to recover service costs.

Ontario Mineral Exploration Program Act

Originally enacted in 1980, this Act provides for incentive programs to encourage mineral exploration and development in Ontario.

Ontario Northland Transportation Commission Act

This Act established the Ontario Northland Transportation Commission (ONTC) for the purposes of providing transportation and telecommunications services to Northern Ontario. The Ontario Northland Transportation Commission operates as an Operational Enterprise Agency of the province.

Professional Geoscientists Act, 2000

This Act established the Association of Professional Geoscientists of Ontario as the governing body for geoscientists, and empowers the association to establish standards of professional practice for persons who wish to be recognized as professional geoscientists.

Northern Ontario Grow Bonds Corporation Act, 2004.

This Act establishes the Grow Bonds Corporation with the objectives of fostering business development in Northern Ontario, by issuing bonds to raise funds to be used to provide loans/debt financing to eligible businesses in Northern Ontario.

AGENCIES, BOARDS AND COMMISSIONS (ABCs)

Four agencies of the Ontario government report to the Ministry of Northern Development and Mines.

Northern Ontario Heritage Fund Corporation

The Northern Ontario Heritage Fund Corporation is an Operational Service Agency of the province. It was established in 1988 to advise and make recommendations on any matter relating to the growth and diversification of the economy of Northern Ontario, and to promote and stimulate economic initiatives.

Ontario Northland Transportation Commission

The Ontario Northland Transportation Commission is an Operational Enterprise Agency of the province providing transportation and telecommunication services in Northern Ontario. Its activities include rail freight and passenger services, telecommunications, bus operations, and marine operations.

The Owen Sound Transportation Company, Limited

The Owen Sound Transportation Company, Limited (OSTC) is an Operational Enterprise Agency of the province delivering marine (vehicle and passenger) services from Tobermory to South Baymouth aboard the M.S. Chi-Cheemaun. The OSTC also operates the Pelee Island ferry year-round by contract with Ministry of Transportation.

Northern Ontario Grow Bonds Corporation

The Northern Ontario Grow Bonds Corporation is an Operational Enterprise Agency of the province. The Corporation, in cooperation with the Ontario Financing Authority, issued provincially guaranteed bonds to northern residents. Proceeds from the sale of bonds will be used to provide loans to northern businesses that invest in capital projects, which result in the creation of new jobs in the North.

Transfer Payments to Agencies

2008-09 Estimates \$	Agency	2007-08 <u>Estimates</u> \$	2007-08 <u>Interim Actuals</u> \$	Accrual 2006-07 <u>Actual</u> \$
34,500,000 35,500,000	Northern Ontario Heritage Fund Corporation - Operating - Capital	34,500,000 25,500,000	34,500,000 25,500,000	34,500,000 25,500,000
21,200,000 14,222,600	Ontario Northland Transportation Commission - Operating - Capital	19,700,000 7,995,000	19,700,000 7,995,000	16,100,000 7,397,000
800,000 682,000	The Owen Sound Transportation Company, Limited - Operating - Capital	1,023,000 671,000	800,000 671,000	1,023,000 3,217,152

Note: There was a transfer payment to Northern Ontario Grow Bonds Corporation in the amount of \$500,000 towards their loan loss provision sinking fund for 2007/08.

MINISTRY FINANCIAL INFORMATION
Table 1: Ministry Planned Expenditures 2008/09

	Ministry Planned Expenditures (\$M) 2008/09
Operating	125.8
Capital	231.7

Table 2: Ministry Planned Expenditures by Program Name 2008/09

Program/Activity Name	Ministry Planned Expenditures (\$M)
Ministry Administration	10.1
Northern Development Program	300.8
Mines and Minerals Program	46.6

*Does not include Capital Assets (Northern Highway investments) of \$557M

