



Results-based Plan Briefing Book 2009-10

**Ministry of Northern Development
and Mines**

ISSN # 1718-6935

Ce document est disponible en français.

PART 1 - PUBLISHED RESULTS-BASED PLAN 2009/10

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MINISTRY OVERVIEW

As the regional ministry for Northern Ontario and the ministry responsible for the provincial mineral sector, the Ministry of Northern Development and Mines strives to make Northern Ontario and the provincial mineral sector strong, healthy and prosperous. By providing a northern perspective, the ministry supports provincial initiatives in the North and addresses unique regional circumstances.

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 voice in government decisions affecting the North.

As the sectoral ministry for the provincial minerals sector, 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*. The Ministry also delivers geoscience information for all regions of the province, fosters collaboration and consultation with Aboriginal communities, administers Ontario's diamond royalty and ensures safe, environmentally sound mineral development and rehabilitation of mining lands.

The ministry supports economic and community development by promoting a business climate that encourages competitiveness and investment in Northern Ontario. Economic development professionals specializing in forest products, mining, business and industry, biotechnology, manufacturing, telecommunications, e-business, transportation, energy, 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, 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.

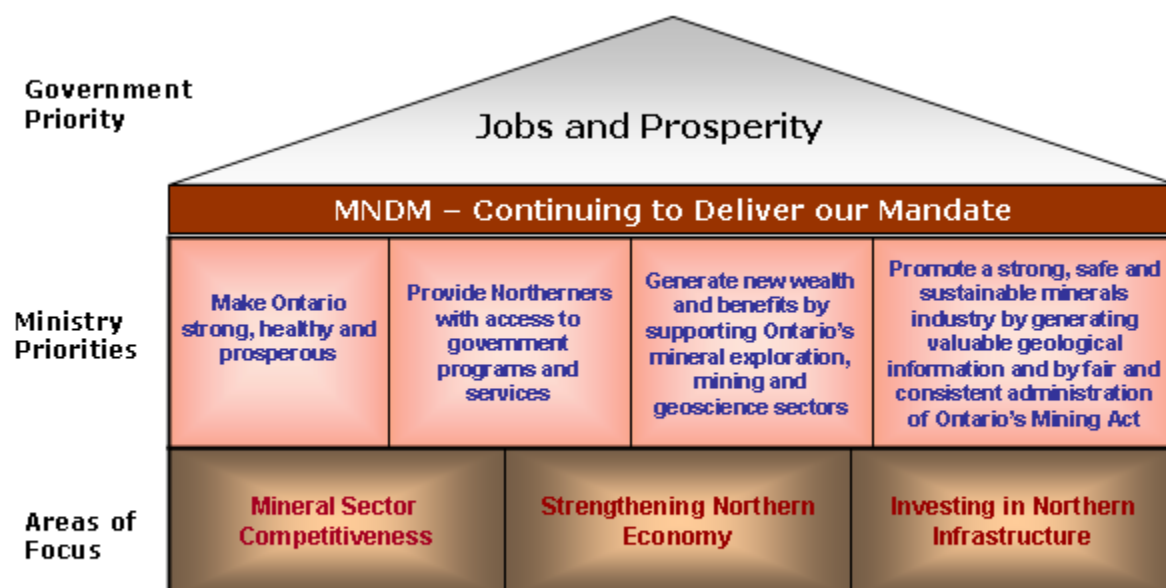
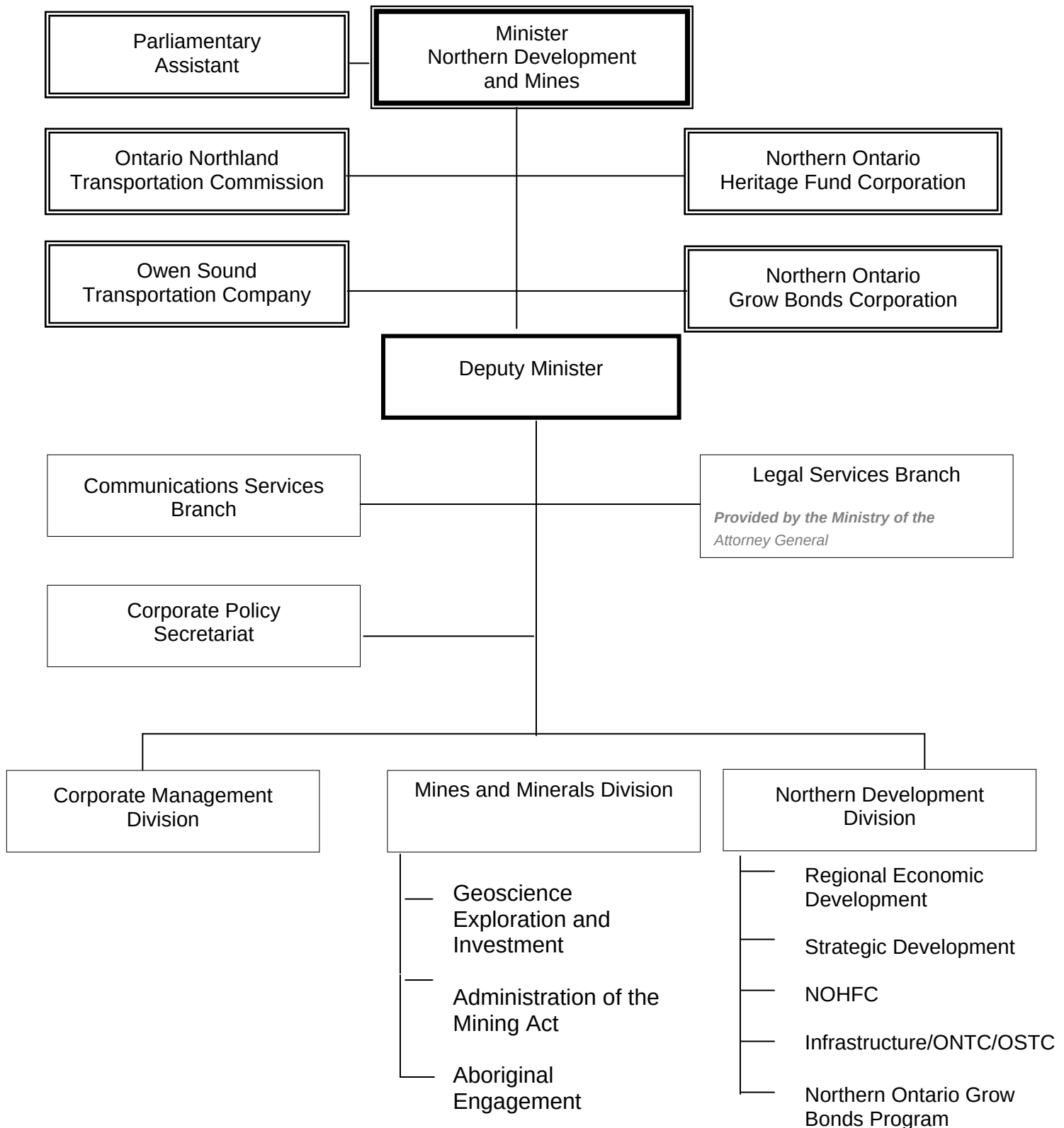


Figure 1: MNDM 2009/10 Strategic Priorities

ORGANIZATION CHART



PUBLISHED RESULTS-BASED PLAN 2009/10

The Ministry of Northern Development and Mines carries out its mandate under two main activities or categories: Northern Economic Development and Ontario Mines and Minerals.

Activity: Northern Economic Development

Through this activity, 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. The ministry also plays 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 five sub-activities.

- Regional Economic Development
- Strategic Development
- 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. Regional Economic Development staff also meet with Aboriginal communities and groups to promote programs and assist with the preparation of Business Plans for proposed projects.

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, e-business, 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 Strategic Development sub-activity also supports a number of key initiatives including the Growth Plan for Northern Ontario, the Northwestern Ontario Economic Facilitator Report and Northern Development Councils.

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 Energy and Infrastructure 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.

Meetings have been held, involving over 2,500 northerners, to provide an opportunity for input to the Growth Plan and a ThinkNorth forum invited speakers from around the globe to share their ideas. A draft plan is expected to be completed in the Summer of 2009 and finalized in the fall/winter of 2009-10.

Northwestern Ontario Economic Facilitator Report

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 Heritage Fund

Through its 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. 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 and capital 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.

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.

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 sub-activity 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

Geoscience Mapping 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. 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

Investment Marketing 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.

As part of this mandate, the Ministry has launched an initiative to modernize the *Mining Act* to ensure that mineral development in Ontario is undertaken in a manner that promotes balanced development that benefits all Ontarians, while modernizing the way mining companies stake and explore their claims to be more respectful of private

landowners and Aboriginal communities. The Ministry anticipates tabling legislation this spring with a view to new rules being in place for later this year.

Rehabilitation of Crown Sites

The Abandoned Mines 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

Aboriginal Engagement 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.

Performance Measures for Ministry of Northern Development and Mines

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 2009-10 with a long term target of 67%.
	Percentage of Northern Bridges in good condition	The target number of northern highway bridges considered to be in good condition is expected to remain at 56% for 2009-10, with a long term goal 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 expected to increase from 1:2 in 2008-09 to 1:3 in 2009-10 through until 2011-12.
	Number of full-time jobs that are being created or sustained	NOHFC funding is expected to help create or retain 3,000 full time jobs in 2009-10; this amount is to increase proportionally to additional funding provided to the agency (500 additional jobs to be created or retained per \$10M in additional funding).
Activity – Ontario Mines and Minerals		
Sub-activity	Performance Measure	Statement of Result
Geoscience Exploration and Investment	New geoscience products available to support land- and natural resource decisions	The Ontario Geological Survey will produce 145 new geoscience products per year from 2009-10 through 2012-13.
	Ontario's Ranking in Canada for New Investment in Exploration and Mining	Ontario is expected to maintain its standing as the leading jurisdiction in Canada for new investment into mining and exploration in 2008.

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 the 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 are 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

2009-10 Estimates \$	Agency	2008-09 <u>Estimates</u> \$	2008-09 <u>Interim Actuals</u> \$	2007-08 <u>Actuals</u> \$
34,500,000 45,500,000	Northern Ontario Heritage Fund Corporation - Operating - Capital	34,500,000 35,500,000	34,500,000 35,500,000	34,500,000 25,500,000
21,200,000 26,100,000	Ontario Northland Transportation Commission - Operating - Capital	21,200,000 14,222,600	21,300,000 25,222,600	37,066,721 7,995,000
800,000 1,097,000	The Owen Sound Transportation Company, Limited - Operating - Capital	800,000 682,000	1,025,000 682,000	830,000 668,093

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 2008/09.

MINISTRY FINANCIAL INFORMATION

Table 1: Ministry Planned Expenditures 2009/10

	Ministry Planned Expenditures (\$M) 2009/10
Operating	130.4
Capital	248.0

Table 2: Ministry Planned Expenditures by Program Name 2009/10

Program/Activity Name	Ministry Planned Expenditures (\$M)
Ministry Administration	10.4
Northern Development Program	316.6
Mines and Minerals Program	51.5

*Does not include Capital Assets (Northern Highway investments) of \$648M.