

Results-based Plan Briefing Book 2010-11

**Ministry of Northern Development,
Mines and Forestry**

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PUBLISHED RESULTS-BASED PLAN 2010-11

MINISTRY OVERVIEW

As the regional ministry for Northern Ontario and the ministry responsible for the provincial mineral and forestry sectors, the Ministry of Northern Development, Mines and Forestry (MNDMF) strives to make Northern Ontario and the provincial mineral and forestry sectors 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. The ministry is also co-leading the development and implementation of the government's Growth Plan for Northern Ontario, a long-term strategy to support sustainable economic and population growth in 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.

In 2010-11, MNDMF became the sectoral ministry for the provincial forestry sector. In this capacity, the ministry will provide leadership on revitalization and transformation initiatives and will act as an advocate for business and economic functions within the forest industry. This leadership includes responsibilities for industrial strategies, competitiveness measures and international trade affecting Ontario's forest products industry.

The ministry fosters a competitive business environment and supports economic and community development 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, Mines and Forestry, 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 provincial 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 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.

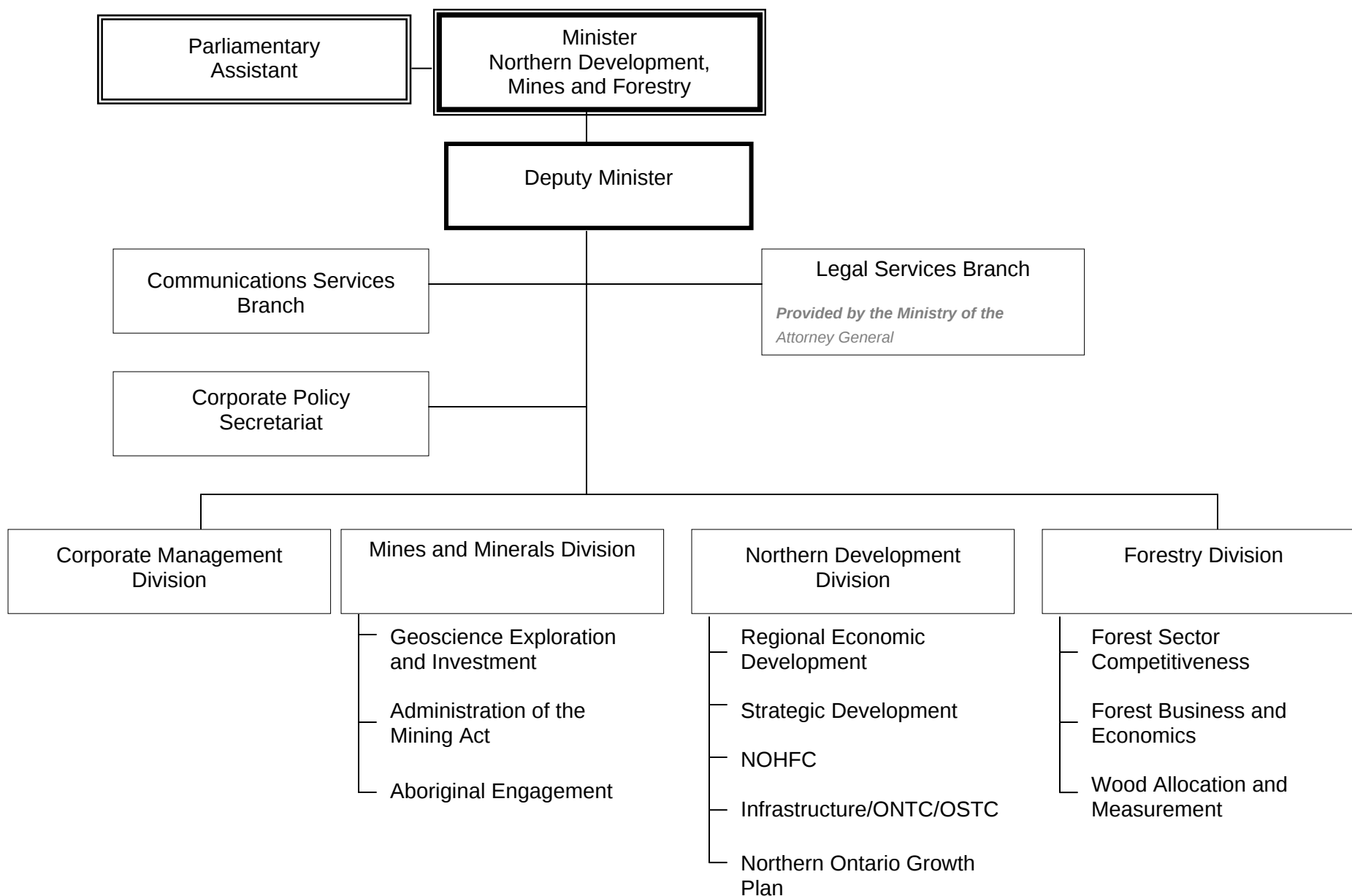
The ministry will continue to promote a long-term economically viable and environmentally sustainable Ontario forest industry. Efforts to respond to unprecedented challenges faced by the forest industry, associated social and economic impacts, and enhancing the competitiveness of Ontario's forest industry sector will continue to be prominent in 2010-11.

The ministry is developing three key items to support growth in the Ontario forest sector:

- The Wood Supply Competition is a short term strategy to make unused wood available to existing and new facilities. The new facilities are expected to include green energy solutions and value added products.
- A framework for implementation will be developed to improve the design of Ontario's Crown forest tenure and pricing system so as to promote effective use of crown resources and support communities in northern and rural Ontario. This is a long term solution supporting sustainable forest management entities.
- A Forest Sector Competitiveness Strategy will guide government in making short and long-term decisions that will promote and enhance the competitiveness of Ontario's forest sector.

MNDMF 2010-11 Strategic Priorities:

Government Priorities	Creating Jobs and Prosperity		Building Stronger Communities		Improving Quality of Life
	Ministry Priorities	Ministry Priorities	Ministry Priorities	Ministry Priorities	Ministry Priorities
	Make Northern Ontario strong, healthy and prosperous.	Provide Northerners with access to government programs and services.	Generate new wealth and benefits by supporting Ontario's mineral exploration, mining, geoscience and forestry sectors.	Promote a strong, safe and sustainable minerals industry by generating valuable geological information and by fair and consistent administration of Ontario's Mining Act.	Promote the forest industry through policy development to support effective industry competitiveness and investment in Ontario.
Areas of Focus	Strengthening the Northern Economy	Mineral Sector Competitiveness	Forest Sector Competitiveness	Investing in Northern Infrastructure	

ORGANIZATION CHART

PUBLISHED RESULTS-BASED PLAN 2010/11

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

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 the following sub-activities.

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

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 marketing Northern Ontario's strengths and opportunities to the world, undertaking research and analysis, and supporting strategic investments in infrastructure through programs such as the Northern Highways Program. 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 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, Mines and Forestry 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 3000 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 final plan is expected to be completed in the fall of 2010.

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 NOHFC's 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 agencies of the province reporting to the Ministry of Northern Development, Mines and Forestry. 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.

Activity: 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.

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 a manner that is consistent with the Crown's obligation concerning Aboriginal and treaty rights.

Activity: Forestry

The Ministry seeks to ensure a healthy, viable forest industry in Ontario, and fosters a competitive business environment by promoting jobs and investment in the forestry sector through activities such as the Wood Supply Competition, Tenure and Timber Pricing Reform and the development of a new Forest Sector Competitiveness Strategy. The Ministry is responding to several challenges currently facing the forest industry such as bankruptcies, changing global markets, increasing competition, the softwood lumber trade dispute, escalating costs and a high Canadian dollar. This area has three sub-activities:

- Forest Sector Competitiveness
- Forest Business and Economics
- Wood Allocation and Measurement.

Forest Sector Competitiveness

The Forest Sector Competitiveness Secretariat administers several capital assistance programs, including the Forest Sector Prosperity Fund, Loan Guarantee Program, and the Northern Pulp and Paper Electricity Transition Program to assist in making the forest industry more viable and sustainable. It also administers the Wood Promotions program to promote and enhance the value-added manufacturing business within the industry.

Forest Business and Economics

Through this program area, the Ministry provides leadership and expertise for: the development of pricing methodology for forest resources (trees) harvested from Crown lands; matters related to trade; analysis of business plans, proposals, and agreements; promotion of the forest industry, wood product research and value-added manufacturing of wood products; and socio-economic analysis support for forest management planning and forest policy development.

Wood Allocation and Measurement

This program area provides expertise and direction to forest industry clients and ministry staff related to harvest licensing, Crown revenue, wood supply allocation, mill licensing and wood measurement (timber scaling and scalers certification/training). It is also responsible for implementing the Road Construction and Maintenance Program which shares the costs with the forest industry for work on multi-use forest access roads on Crown lands.

Performance Measures for Ministry of Northern Development, Mines and Forestry

Activity - Northern Economic Development		
Sub-activity	Performance Measure	Statement of Result
Northern Ontario Heritage Fund Corporation (NOHFC)	Investment dollars leveraged from other partners	The target ratio of investment dollars leveraged from other partners is 1:3 leveraged dollars in 2010-11.
	Number of full-time jobs that are being created or sustained	NOHFC funding is expecting to help create or retain 3500 full time jobs in 2010-11.
Activity – Ontario Mines and Minerals		
Sub-activity	Performance Measure	Statement of Result
Geoscience Exploration and Investment	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 in mining and exploration in 2010.

STATUTES ADMINISTERED

Crown Forest Sustainability Act, 1994

This Act governs the stewardship and management of Ontario's Crown forests, as well as the allocation and pricing of Crown timber. The Ministry of Northern Development, Mines and Forestry is responsible for the powers, duties, functions and responsibilities under the Act that relate to the forest industry, including Crown timber allocation through licensing and agreements, the measurement of Crown timber and the pricing of Crown timber.

The Ministry of Natural Resources administers the Act as a whole, and is responsible for carrying forward amendments to the Act. The Ministry of Natural Resources is also responsible for those sections of the Act relating to sustainable forest management and stewardship of the forest.

Forestry Workers Lien for Wages Act

This Act provides a lien and an enforcement procedure for forestry workers to ensure payment of wages.

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, Mines and Forestry Act

This Act establishes the Ministry of Northern Development, Mines and Forestry. 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 and forestry industries.

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.

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.

AGENCIES, BOARDS AND COMMISSIONS

Crown Timber Board of Examiners

The Crown Timber Board of Examiners sets written and practical examinations in wood measurement and recommends to the minister candidates who are qualified to receive a scaler's licence.

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.

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.

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.

TRANSFER PAYMENTS TO AGENCIES

2010-11 Estimates \$	Agency	2009-10 <u>Estimates</u> \$	2009-10 <u>Interim Actuals</u> \$	2008-09 <u>Actuals</u> \$
34,500,000 55,500,000	Northern Ontario Heritage Fund Corporation - Operating - Capital	34,500,000 45,500,000	34,500,000 45,500,000	34,500,000 35,500,000
21,200,000 21,625,000	Ontario Northland Transportation Commission - Operating - Capital	21,200,000 26,100,000	21,200,000 26,100,000	21,300,000 23,572,600
800,000 1,280,000	The Owen Sound Transportation Company, Limited - Operating - Capital	800,000 1,097,000	800,000 1,097,000	800,000 679,616

MINISTRY FINANCIAL INFORMATION

Table 1: Ministry Planned Expenditures 2010-11

	Ministry Planned Expenditures (\$M) 2010/11
Operating	574.2
Capital	283.1

Table 2: Ministry Planned Expenditures by Program Name 2010-11

Program/Activity Name	Ministry Planned Expenditures (\$M)
Ministry Administration	11.3
Northern Development Program	501.0
Mines and Minerals Program	54.6
Forestry	169.4
Net Consolidations	121.0