



Department of Natural Resources Strategic Plan

April 1, 2008 to March 31, 2011

Table of Contents

Message from the Minister	i
Mines and Energy	
Introduction	1
Plan at a Glance	3
Overview	6
Lines of Business	8
Mandate	9
Core Values and Guiding Principles	9
Primary Clients	10
Vision	10
Mission Statement	11
Strategic Issues	13
Issue 1: Identification and Promotion of Resource Development Opportunities	13
Issue 2: Improved Efficiency and Effectiveness of Regulatory Systems	16
Issue 3: Sustainable Economic Benefits	18
Issue 4: Sustainable Resource Development	20
Appendix I: Strategic Directions	22
Natural Resource Development and Diversification	22
Sustainable Resource Development	23
A Stable and Competitively Priced Supply of Electricity	24
Appendix II: Legislation	25
Forestry and Agrifoods Agency	
Introduction	29
Plan at a Glance	31
Overview	33
Lines of Business	35
Mandate	37
Core Values and Guiding Principles	38
Primary Clients	38
Vision	38
Mission Statement	39
Strategic Issues	41
Issue 1: Growth and Diversification of the Agriculture and Agrifoods Industry	41
Issue 2: Competitiveness in the Forestry Sector	43
Issue 3: Sustainable Resource Management	45
Appendix I: Strategic Directions	47
Sustainable Forestry, Agriculture and Agrifoods Resource Development	47
Forestry, Agriculture and Agrifoods Development and Diversification	48
Appendix II: Legislation	49
Appendix III: Inactive Public Bodies	51

Message from the Minister



Speaker of the House of Assembly

Dear Mr. Speaker:

In accordance with my responsibilities under the *Transparency and Accountability Act*, I present a Strategic Plan for the Department of Natural Resources covering the period April 1, 2008 to March 31, 2011.

The Department of Natural Resources is a category one public body and this Strategic Plan was prepared in accordance with the applicable guidelines. The Plan has separate sections for the Mines and Energy Branches and the Forestry and Agrifoods Agency. Each section outlines how the Department will address the Strategic Directions of Government applicable to each area in accordance with my mandate as the responsible Minister.

I look forward to working with departmental employees, as well as other partners in natural resource development in the province, to implement this Strategic Plan. My signature below attests to my accountability for the preparation of this Plan and the achievement of the specific goals and objectives in the strategic issues sections.

Sincerely,

A handwritten signature in dark ink, reading "Kathy Dunderdale". The signature is fluid and cursive, with the first name "Kathy" and last name "Dunderdale" clearly legible.

KATHY DUNDERDALE
Minister
Natural Resources



**Department of Natural Resources
Mines and Energy Branches
Strategic Plan**

April 1, 2008 to March 31, 2011

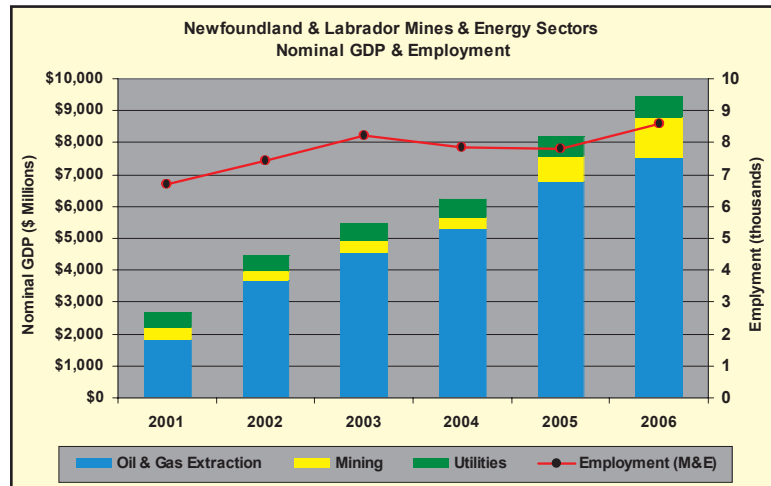
Introduction

The Mines and Energy Branches have legislative, regulatory and policy functions related to the mining, oil and gas and electrical utility sectors.

The mines and energy sectors are important contributors to GDP and employment. The sectors experienced substantive and continual growth from 2001 to 2006 (2007 data not available), as measured by nominal GDP. Employment has generally increased over this period.

In 2006, the mines and energy sectors accounted for \$9.4 billion of the province's GDP. The oil and gas sector is responsible for the largest share of GDP, followed by the mining and electrical utility sectors.

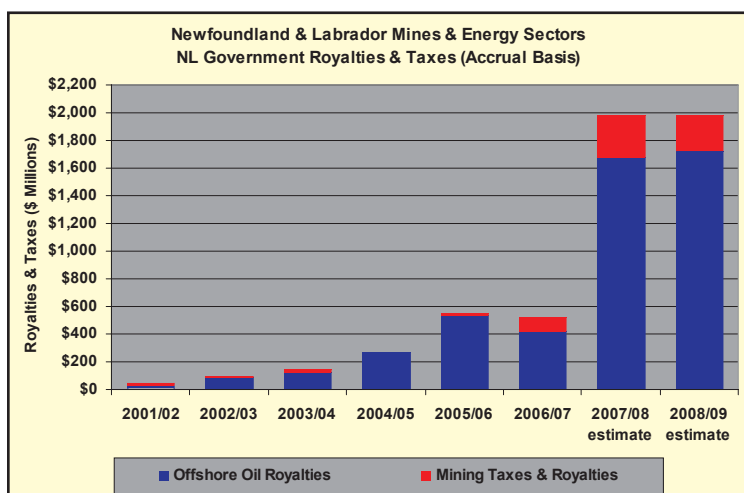
Resource-based industries are significant sources of revenue for the provincial treasury. In 2008/09, royalties from offshore oil production are estimated to reach \$1.7 billion. Significant revenue is generated by our mineral resources as well, with revenue from mining taxes and royalties estimated to total \$259 million for the same period. Combined, the mines and energy sectors are now the largest source of revenue for the province.



NOTE: Employment information in the chart above does not distinguish employment attributed to direct and indirect sources and there may be additional related indirect employment that has not been captured in this information.

SOURCES:

- 1) GDP - Statistics Canada & NL Department of Finance
- 2) Employment - Statistics Canada, NL Department of Finance, NL Department of Natural Resources (Industrial Benefits) & Canada-Newfoundland and Labrador Offshore Petroleum Board



NOTE: The 2007/08 and 2008/09 NL government royalties and taxes information in the chart above are estimates and subject to revision.

SOURCE: NL Department of Finance

Over the next several years, the mines and energy sectors are expected to grow and diversify. There are a number of major developments on the horizon including the Lower Churchill Project in Labrador and associated transmission, expansion of offshore oil and gas fields, development of the Hebron project, a second refinery and a Liquefied Natural Gas Transshipment facility in Placentia Bay and the development of wind and other renewable energy

projects throughout the province. Two new mines (Pine Cove and Beaver Brook) are scheduled to open in 2008 and a number of other deposits are in advanced stages of exploration. The iron ore industry in Labrador West is also undergoing major expansion and the Voisey's Bay nickel processing plant will start construction in the near future. Fuelled by high prices, mineral and oil exploration is also expected to continue at a rapid pace.

To contribute toward maximizing benefits from the development of the province's energy resources, in September 2007 the Provincial Government released the first comprehensive, long-term Energy Plan for Newfoundland and Labrador. *Focusing our Energy* will guide the development of our energy resources for decades to come.

During this upcoming three year planning period, the Mines and Energy Branches will continue to focus on enhancing programs and services to align with Government's desired result of optimizing the benefits the province receives from natural resource developments and ensuring the sustainability of our natural resource sectors. This focus is consistent with the Strategic Directions of the Minister of Natural Resources as indicated in Appendix I. This will be accomplished through advances in a number of key focus areas within the mandate of the Mines and Energy Branches:

- Enhancing the identification and promotion of resource development opportunities through investments in geo-science data.
- Negotiating agreements and implementing policies that ensure benefits for the people of the province and monitoring benefits capture on resource developments.
- Enhancing the Department's legislative, regulatory and policy requirements so they are competitive, efficient and conducive to attracting investment.
- Working with our stakeholders to identify and realize opportunities to reap long term economic and employment benefits associated with the exploration and development of mining and energy resources.
- Developing wind and other renewable energy resources and implementing and promoting energy efficiency and conservation initiatives to ensure a secure, reliable and competitively-priced supply of energy for our current and future needs and to provide us with the opportunity to make a contribution against global climate change.
- Increasing the number of mine development sites being remediated to protect and improve our environment.

The following Strategic Plan outlines the direction for the Mines and Energy areas on the preceding issues for the April 1, 2008 to March 31, 2011 period.

Plan at a Glance

Vision

The vision of the Department of Natural Resources is a province that realizes the full benefit from the sustainable development of its natural resources.

Mission

By March 31, 2011, the Mines and Energy Branches will have enhanced departmental programs and services to optimize the benefits received from mines and energy resource developments and promoted the sustainability of these sectors.

Issues, Goals and Objectives

Identification and Promotion of Resource Development Opportunities

Goal

By March 31, 2011, the Mines and Energy Branches will have enhanced our knowledge base of geo-science data to identify opportunities for resource development and will have improved promotion of these opportunities.

Objective

By March 31, 2009, the Mines and Energy Branches will have enhanced programs to expand the information capacity for geo-science data including onshore and offshore seismic data and developed plans to strategically promote this information to potential investors.

Objective

By March 31, 2010, the Mines and Energy Branches will have continued the expanded collection of geo-science data and implemented promotional plans.

Objective

By March 31, 2011, the Mines and Energy Branches will have improved access to enhanced information on resource development opportunities.

Issues, Goals and Objectives, Continued

Improved Efficiency and Effectiveness of Regulatory Systems

Goal

By March 31, 2011, the Mines and Energy Branches will have improved regulatory systems to enhance the competitiveness of the mines and energy sectors.

Objective

By March 31, 2009, the Mines and Energy Branches will have commenced review and development of new and revised regulatory systems.

Objective

By March 31, 2010, the Mines and Energy Branches will have improved regulatory systems in priority areas.

Objective

By March 31, 2011, the Mines and Energy Branches will have enhanced the competitiveness of the mines and energy sectors and continued to identify opportunities for further enhancements to regulatory systems.

Sustainable Economic Benefits

Goal

By March 31, 2011, the Mines and Energy Branches will have supported an increase in the province's capacity to ensure long-term economic sustainability of the mines and energy sectors.

Objective

By March 31, 2009, the Mines and Energy Branches, working with their partners, will have completed preliminary assessments to identify opportunities for future growth and development of the mines and energy sectors.

Objective

By March 31, 2010, the Mines and Energy Branches will have implemented priority initiatives in response to opportunities identified through preliminary studies.

Objective

By March 31, 2011, the Mines and Energy Branches will have implemented additional initiatives designed to increase the capacity of the province to ensure long-term economic sustainability of the sectors.

Issues, Goals and Objectives, Continued

Sustainable Resource Development

Goal

By March 31, 2011, the Mines and Energy Branches will have made significant advances in support of the sustainable development of natural resources in the province.

Objective

By March 31, 2009, the Mines and Energy Branches will have coordinated and/or completed key planning and development activities to improve sustainable resource development in the province.

Objective

By March 31, 2010, the Mines and Energy Branches will have commenced implementing enhanced programs or policies to improve sustainable resource development.

Objective

By March 31, 2011, the Mines and Energy Branches will have implemented initiatives that align with the priority sustainability measures identified through planning activities and continued to identify further opportunities to support sustainable development.

Overview

The Department of Natural Resources was established under the *Executive Council Act* and is a category one government entity under the *Transparency and Accountability Act*.

The Department of Natural Resources is responsible for achieving outcomes with respect to natural resource development in the mining and energy sectors through two branches:

The **Mines Branch** is responsible for assessing, promoting, developing and managing the province's mineral resources to maximize the contribution of this sector to the economic well-being of the province.

The **Energy Branch** is responsible for promoting and facilitating the effective and efficient management of the province's wind, hydro, electricity and petroleum resources from assessment through to development and production. Negotiation and monitoring of benefits to the local economy is central to the Branch's role. Branch activities also include ministerial accountability for the Energy Corporation of Newfoundland and Labrador (including Newfoundland and Labrador Hydro Group of Companies) and the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB).

Number of Employees

As of March 31, 2008, the Mines and Energy Branches had 117¹ staff on payroll.

Branch	Female	Male	Total
Mines	19	55	74
Energy	18	25	43
Total	37	80	117
¹ Does not include 5 employees in communications and ministerial support and 49 employees with corporate services.			

Physical Location

The main offices of the Mines and Energy Branches are in one location:

Natural Resources Building
50 Elizabeth Avenue
P.O. Box 8700
St. John's, NL A1B 4J6

Website

The Department of Natural Resources website, including the Mines and Energy Branch components, is located at <http://www.gov.nl.ca/nr>.

Legislation

The Mines and Energy Branches are responsible for 13 pieces of legislation along with related regulations. See Appendix II for further details.

Budget

The Department's budget for the Mines and Energy Branches in fiscal year 2008-09 is \$362.1 million, including a \$319.5 million budget for capital expenditures for energy related initiatives through the Energy Corporation. The budget also includes the province's contribution to the Canada-Newfoundland and Labrador Offshore Petroleum Board, Energy Plan implementation funding, funding for the Bull Arm Site Corporation and funding for rehabilitation of the Baie Verte and Rambler Mines. The core operating budget for the Mines and Energy Branches is approximately \$16.9 million. These figures do not include \$6.5 million for executive and support services which are shared with other areas of the Department of Natural Resources.

Other Entities

The Mines and Energy Branches have legislative oversight for the following public bodies: Energy Corporation of Newfoundland and Labrador, and its subsidiaries, including Newfoundland and Labrador Hydro; Bull Arm Site Corporation; and the Mineral Rights Adjudication Board.

The Energy Branch also shares jurisdiction over offshore petroleum resources with the federal government and participates in its management through the Canada-Newfoundland and Labrador Offshore Petroleum Board.

Lines of Business

Resource Policy

Working closely with key stakeholders, the Mines and Energy Branches develop resource policy, and coordinate and facilitate sustainable development and management. Based on these frameworks, the Mines and Energy Branches directly and indirectly develop, monitor and/or initiate supporting regulatory and benefits optimization activities.

Resource Management

In the onshore area of the province, the Mines and Energy Branches are solely responsible for ensuring industries follow appropriate resource management practices and comply with relevant regulations. The Branches facilitate well-planned, responsible resource management activities and are responsible for monitoring almost all aspects of these activities. Mineral and petroleum resource management activities also include title allocation, administration and ensuring compliance with site development and rehabilitation requirements.

In the offshore area, the Energy Branch discharges its operational management and administration functions for offshore petroleum activity under a federal-provincial joint regime administered by the Canada-Newfoundland and Labrador Offshore Petroleum Board.

In the electricity resource area, involvement in resource management is indirect and implemented through the Public Utilities Board and Newfoundland and Labrador Hydro.

Through the Energy Branch, the Department is also responsible for royalty development and administration for onshore and offshore petroleum royalties.

Resource Exploration and Assessment

This includes all those activities that precede resource development, including the gathering, interpretation and dissemination of geoscience data and the provision of exploration incentives. The activities of the Mines and Energy Branches in this area are designed to support and encourage exploration, investment decisions, permitting and development opportunities.

Promotion and Facilitation of Resource Development

Resource development builds on exploration and resource assessment. Resource development projects generally tend to be long term and capital intensive and as such generate significant economic and employment benefits. These projects can be important economic catalysts, particularly for rural area growth as well as industrial infrastructure and supply and service capabilities. A number of activities are specifically directed to promoting and facilitating well-planned, responsible mineral and energy development and their associated business and employment opportunities.

Mandate

The mandate of the Mines and Energy Branches includes supervision, control and direction of all matters relating to promotion, exploration and development of mineral and energy resources and related industry developments including:

- mines, minerals, quarries, and quarry materials;
- onshore petroleum resources, and in conjunction with the federal government, offshore petroleum resources;
- electrical generation and transmission;
- overall responsibility for provincial energy supply and demand;
- development, monitoring, supervision, assistance or other government intervention into any of the industries as described above;
- petroleum royalties and associated matters, within or outside the province; and
- identifying, assessing and monitoring industrial benefits commitments from major resource development projects.

Core Values and Guiding Principles

The Mines and Energy Branches value an environment that facilitates a high degree of personal responsibility and initiative. Employee excellence is the key to achieve all goals as individuals and as team members. During the 2008/11 planning period, employees will be guided in their work by the following core values or guiding principles:

Integrity - Each individual will be honest, dependable, fair, credible and trustworthy. They will openly acknowledge mistakes, take corrective action and learn from these mistakes.

Respect - Each individual will provide opportunities for others to express their opinions and will consider these views in making decisions. Each individual will treat the public and other employees with courtesy and acceptance.

Professionalism - Each individual will demonstrate high professional standards and positive attitudes and deliver quality service in an objective, timely and responsive manner.

Collaboration - Each individual is open to sharing their knowledge with others and actively seeking the opinions and ideas of others to achieve the desired results.

Innovation - Each individual will demonstrate initiative, creativity and flexibility in responding to challenges and change.

Safety - Each individual views the personal safety of themselves and co-workers in the highest regard and will promote workplace safety at all times.

Primary Clients

The Mines and Energy Branches are ultimately accountable to the residents of the province. Other primary clients include:

- Exploration and development companies
- Electrical generation and supply distribution companies
- Industrial and residential electricity customers
- Supply and service companies in the resource and electricity sector
- Other provincial government departments, crown corporations and agencies

Vision

The vision of the Department of Natural Resources is a province that realizes the full benefit from the sustainable development of its natural resources.

Mission Statement

The mission statement identifies the priority focus area of the Minister over the next planning cycle. It represents the key longer term result that the Minister and the Mines and Energy Branches will be working towards to achieve the Strategic Directions of Government. The statement also identifies the measures and indicators that will assist both the Mines and Energy Branches and the public in monitoring and evaluating success.

During this planning period, the Mines and Energy Branches will continue to aggressively pursue the negotiation of new and existing energy resource development projects and monitor and evaluate benefits capture on existing resource development agreements. In addition, within its mandate and approved financial resources, the Mines and Energy Branches will focus on enhancing programs and services to align with Government's Strategic Directions of optimizing the benefits the province receives from natural resource developments and ensuring the sustainability of our natural resource sectors. These enhanced programs and services will:

- Support an increase in exploration of resources
- Increase the efficiency and effectiveness of regulatory systems to enhance the province's competitiveness
- Support an increased capacity in the province to ensure the employment generated from our resource projects is more long term and sustainable
- Increase the province's share of renewable energy to ensure a secure, reliable and competitively priced supply of electricity for current and future needs and to become a tool for economic development
- Improve protection and sustainability of the environment through the development of renewable energy, implementation of energy and conservation initiatives and remediation of an increased number of mine sites

Mission - By March 31, 2011, the Mines and Energy Branches will have enhanced departmental programs and services to optimize the benefits received from mines and energy resource developments and promoted the sustainability of these sectors.

Measure 1 Enhanced departmental programs and services to optimize benefits

Indicators

- Increased geo-science data on the onshore and offshore areas to identify resource development opportunities
- Improved access and promotion of geo-science data to potential investors
- Increased collaboration with industry, industry associations, other provincial departments and other governments to enhance policy and regulatory initiatives
- Decreased processing time for permits, licenses, leases and project approvals to improve efficiency and effectiveness of the resource development process
- Established new offshore oil royalty regime and offshore natural gas royalty regulations
- Increased efficiency of regulatory systems
- Progressed toward full implementation of a comprehensive *Energy Plan*

- Enhanced collaboration with the Energy Corporation to ensure it is positioned to fully participate in resource development
- Supported industry stakeholders to identify and take advantage of opportunities and reap economic and employment benefits associated with the exploration and development of mining and energy resources
- Supported the long-term planning of large-scale resource projects

Measure 2 Enhanced departmental programs and services to promote the sustainability of these sectors

Indicators

- Implemented or supported initiatives to increase the renewable share of energy supply consistent with the principles of the Energy Innovation Roadmap
- Implemented and promoted energy efficiency and energy conservation initiatives
- Increased number of mining development sites remediated

Strategic Issues

As indicated in the introduction to the Mission, the following issues support the Strategic Directions of Government as communicated by the Minister of Natural Resources and found in Appendix 1.

Issue 1: Identification and Promotion of Resource Development Opportunities

The province has an established oil industry, with three successful offshore developments producing around 350,000 barrels of crude oil per day, with 2 billion barrels of oil and 10 trillion cubic feet of natural gas as yet undeveloped. Another 6 billion barrels of oil and 60 trillion cubic feet of natural gas remain in undiscovered potential in numerous basins surrounding the Island. The province also has considerable, untapped potential on the west coast of the Island.

Similarly, the province has a well-established and growing mining industry. Four metal mines are currently in production, with another two (Pine Cove and Beaver Brook) due to open in 2008, as well as nine industrial mineral and dimension stone operations currently in production. The iron ore industry of Labrador West, notably the Iron Ore Company of Canada operation, is undergoing major expansion. There are also several deposits in the advanced exploration stage that represent potential future mines. Mineral processing is also a growing field, with gold ore being imported to Newfoundland for processing and the Long Harbour nickel processing facility due to start construction in 2009.

There are two keys to unlocking this resource development potential. First, it is important to increase the knowledge base of geoscience data to identify opportunities for resource development. Then it is important to market these opportunities to the world, to ensure that the province's resources are developed to benefit the people of the province.

The existing data for offshore and onshore areas have been acquired over a fifty year period using a variety of technologies. This data is of varying age and quality, and may be incomplete and lacking fresh detail. To ensure that companies have the best, most up-to-date geoscience information when exploring for petroleum, it is important to fill in these gaps. There is a significant investment in the Energy Corporation to acquire new and existing seismic data, including an initial investment of \$20 million over the next three years to purchase existing proprietary seismic data and acquire new data. For the onshore, \$5 million over the next two years will be invested in the Petroleum Exploration Enhancement Program to boost petroleum exploration in western Newfoundland. This investment will be made in the Energy Corporation, and will be used to acquire and assess geoscience data.

Data acquisition is necessary, but equally important is an efficient and effective data management system for this information. Through the *Energy Plan*, the province is committed to development of a data management information repository for onshore and offshore resources that will provide stakeholders with the capacity to quickly and efficiently retrieve well data, including seismic data, to assist in identifying exploration opportunities.

Concurrent with recent increases in metal prices, there has been a major increase in mineral exploration activity. The Mines Branch will continue to improve its existing services for the on-line delivery and analysis of geoscience data. The Branch will also continue its program of digitizing mineral assessment records so that they are available on-line.

Consistent with increasing emphasis on on-line delivery of information, there will be enhancements to the Mines and Energy Branch components of the Department of Natural Resources web site in order to make it more user-friendly for clients, potential investors and the general public.

The Mines Branch also provides considerable assistance through support programs such as the Mineral Incentive Program and the Prospectors Training Program, which are aimed at increasing exploration. The Branch also provides key assistance by publishing studies through the Geological Survey of Newfoundland and Labrador. To increase the level of exploration in the province, and indeed the development of its resources, the Mines and Energy Branches will enhance efforts to market the province's mineral and petroleum potential to the world. The Mines Branch sponsors a number of conferences, such as the Annual Mineral Resources Review and participates in international and national mining tradeshow. The Energy Branch participates in conferences such as the Offshore Technology Conference, Offshore Europe and the Newfoundland Ocean Industries Association Conference. In this planning period, we will develop and implement a comprehensive petroleum resource marketing plan as well as a minerals promotion plan.

Issue 1

Identification and Promotion of Resource Development Opportunities

Goal

By March 31, 2011, the Mines and Energy Branches will have enhanced our knowledge base of geo-science data to identify opportunities for resource development and will have improved promotion of these opportunities.

Measure 1	Enhanced our knowledge base of geo-science data
Indicator	Acquisition of quality geo-science data for both the onshore and offshore areas
Measure 2	Improved promotion of these opportunities
Indicators	Improved promotion of resource development opportunities through participation in strategically selected industry trade shows and conferences
	Implemented other areas of promotional plans to support increased exploration and investment in the minerals and energy sectors

Objective

By March 31, 2009, the Mines and Energy Branches will have enhanced programs to expand the information capacity for geo-science data including onshore and offshore seismic data and developed plans to strategically promote this information to potential investors.

Measure 1	Enhanced programs
Indicators	Acquired new geo-science data through the new Petroleum Exploration Enhancement Program
	Acquired new mineral related onshore geo-science data through expanded field programs
	Participated in an initiative with the Canada Newfoundland and Labrador Offshore Petroleum Board (CNLOPB) to complete a gap analysis on seismic data in the Newfoundland and Labrador offshore region
	Supported the development of an offshore data management repository within the CNLOPB
	Supported the expansion of the Core Storage and Research Centre in order to increase capacity for the physical storage and curatorship of all geophysical records and geological and hydrocarbon samples related to the offshore area
	Completed scanning and on-line posting of mineral assessment file records and on-shore seismic sections to improve access to information
	Initiated discussions with the Inco Innovation Centre at Memorial University to investigate cooperative programs on minerals-related research
Measure 2	Developed plans
Indicators	Developed a comprehensive petroleum resource marketing plan
	Developed a minerals promotion plan

Objective

By March 31, 2010, the Mines and Energy Branches will have continued the expanded collection of geo-science data and implemented promotional plans.

Objective

By March 31, 2011, the Mines and Energy Branches will have improved access to enhanced information on resource development opportunities.

Issue 2: Improved Efficiency and Effectiveness of Regulatory Systems

Exploration is key to attracting industry to look for, and develop, our mines and energy resources. Beyond exploration, however, we need to ensure that we have the right environment to encourage the development of these resources. Over the next three years, the Mines and Energy Branches will undertake a number of initiatives to improve the efficiency and effectiveness of our regulatory structures. This will encourage responsible, timely and effective resource development and help make us competitive with national and international jurisdictions, while also ensuring that our fiscal regimes reflect the increasing value of our natural resources.

One of the barriers to the development of our natural gas resources was the lack of a fiscal regime for natural gas. The *Energy Plan* provided the new fiscal framework for natural gas, and stated that this framework in structure and principle would also be applied to new offshore oil projects. These regimes will ensure that these resources are developed in the best interests of Newfoundlanders and Labradorians, while at the same time providing investors with a fair return on their investments. Over the next three years, the Energy Branch will complete the development of these regimes, including the associated regulations.

It is recognized that a more streamlined regulatory structure with less jurisdictional overlap can also promote development. The provincial and federal governments jointly manage offshore petroleum resource development through the Canada-Newfoundland and Labrador Offshore Petroleum Board. Through the *Energy Plan*, Government indicated that, after 10 years of production and over 20 years since the signing of the Atlantic Accord, it was time to conduct a joint comprehensive review and update the offshore regime. The Energy Branch has undertaken a review of performance-based regulations for the offshore with the federal government and will complete this review and implement initiatives as required over the next three years.

The Government of Newfoundland and Labrador is regulator for onshore petroleum resources. Over the next three years, the Energy Branch will review the onshore regulatory structure to ensure that it is efficient, effective and competitive.

The further development of our renewable potential, including the Lower Churchill, also requires the right regulatory structure, particularly as we look to expand the markets for our resources into other parts of Canada and the United States. The Energy Branch will undertake a review of our electricity regulatory structure to ensure that our export potential is fully maximized and to identify which standard practices in the North American electricity industry are necessary for us to adopt and how best to implement them.

With some exceptions, electricity rates in the province are set through a regulatory process governed by the Public Utilities Board. While some improvements have been made, this regulatory process has become increasingly complex and time-consuming, resulting in considerable financial costs that were passed on to consumers. The Energy Branch recognizes the necessity of a more streamlined, timely and less costly process that can also incorporate broader considerations including conservation and environmental protection.

The regulatory system for the mineral industry is being continuously amended for efficiency and effectiveness. The Mines Branch has already made great strides to ensure that information on a

number of regulatory processes is available online. Over the next three years, we will continue to improve these services. The Branch will also add a new service, the Mineral Exploration and Management System, which will ensure a timely approval process for exploration applications. This system, which will be developed with support from the Office of the Chief Information Officer, will help to keep the province competitive with other jurisdictions.

Issue 2

Improved Efficiency and Effectiveness of Regulatory Systems

Goal

By March 31, 2011, the Mines and Energy Branches will have improved regulatory systems to enhance the competitiveness of the mines and energy sectors.

Measure	Improved regulatory systems
Indicators	Improved regulations which provide a more responsive regulatory environment for the onshore and offshore industry and to expand potential markets for electricity
	Established a new offshore oil royalty regime and new offshore natural gas royalty regulations, which will, among other things, provide greater clarity to potential investors on the structure of regulatory and fiscal regimes

Objective

By March 31, 2009, the Mines and Energy Branches will have commenced review and development of new and revised regulatory systems.

Measure	Commenced review and development
Indicators	Commenced review of standard practices for the electricity industry
	Commenced development of <i>Offshore Natural Gas Royalty Regulations</i>
	Commenced development of <i>Offshore Oil Royalty Regime</i>
	Drafted revised regulations for offshore drilling and production in which goals are outcome based
	Completed a review of the applicability of performance based petroleum regulations in our offshore area
	Commenced a review of the applicability of performance based petroleum regulations for the onshore area
	Completed design stage and initiated development of the Mineral Exploration and Management System to facilitate the timely processing of mineral exploration projects
	Continued to work with the federal government and other stakeholders to improve the efficiency and effectiveness of our current regulatory systems

Objective

By March 31, 2010, the Mines and Energy Branches will have improved regulatory systems in priority areas.

Objective

By March 31, 2011, the Mines and Energy Branches will have enhanced the competitiveness of the mines and energy sectors and continued to identify opportunities for further enhancements to regulatory systems.

Issue 3: Sustainable Economic Benefits

The mines and energy sectors are a major financial contributor to the provincial treasury. Royalties from our three producing petroleum projects are estimated to generate revenues of \$1.7 billion in 2008-09 and taxes from mining development will generate \$259 million in the same period.

Through developing the *Energy Plan*, it became apparent that the existing offshore oil fiscal regime did not adequately share the value of the province's resources between project developers and the Provincial Government and that it was time to adjust the current fiscal regimes to reflect the new petroleum economic environment and the lessons learned from over a decade of production. The *Energy Plan* announced that Government would establish a policy to obtain a 10 per cent equity position in all future oil and gas projects requiring a Development Plan approval, where it fits Government's strategic long-term objectives. This equity ownership will provide an additional source of revenue to our existing fiscal regimes.

The benefits from resource development are not limited to direct revenues. Increased activity in our mines and energy sectors also means increased employment, both directly on the projects and indirectly through the supply and services required by these sectors. Work is continuing to ensure that project negotiations include a significant amount of local benefits, including employment and the provision of supplies and services. As projects move into the development stage, the Mines and Energy Branches monitor the benefits reported by the companies compared to those negotiated in project agreements.

It is important to make the employment generated from our resource projects more long term and sustainable by strategically capturing local benefits through business development, technology transfer, job creation and increasing the level of processing, refining and other value-added activities in the province. Working with stakeholders to identify opportunities and reap economic and employment benefits associated with the exploration and development of mining and energy resources is important.

It is also critical to be strategic in the development and marketing of our fabrication infrastructure. Fabrication facilities, including those located at Bull Arm and Marystown, have gained considerable experience during the development of our offshore projects and contribute to our provincial fabrication capacity. With a number of significant energy projects on the horizon, the Energy Branch will work with the Energy Corporation, other departments and industry to have a full understanding of the scheduling, timing and employment infrastructure requirements for these large-scale projects with a view to increasing capacity and facilitating the successful completion of these projects in the province. This will include identifying and facilitating programs to increase the participation of women in professional and skilled trades in the energy sector. In this planning period, we will also develop and implement a comprehensive capability marketing plan to be used in conjunction with our supply and industrial fabrication industry companies to sell our expertise inside and outside the province.

Issue 3 Sustainable Economic Benefits

Goal

By March 31, 2011, the Mines and Energy Branches will have supported an increase in the province's capacity to ensure long-term economic sustainability of the mines and energy sectors.

Measure	Supported an increased capacity for long-term economic sustainability
---------	---

Indicators	Supported industry stakeholders to identify and take advantage of opportunities and reap economic and employment benefits associated with the exploration and development of mining and energy resources
	Supported the long-term planning of large-scale resource projects
	Monitored and evaluated benefits capture on existing resource development agreements
	Aggressively pursued the negotiation of new and existing energy resource development projects

Objective

By March 31, 2009, the Mines and Energy Branches, working with their partners, will have completed preliminary assessments to identify opportunities for future growth and development of the mines and energy sectors.

Measure	Completed preliminary assessments and identified opportunities
---------	--

Indicators	Initiated studies to identify energy-related opportunities, including opportunities for the supply and service industries and pursuing refining, petrochemical and other value-added secondary processing opportunities
	Developed a comprehensive information system for the province's supply and service capability
	Developed a promotional plan for the supply and service sector
	Supported the completion of a major projects capacity study to assess scheduling, timing, employment and infrastructure requirements for upcoming potential large-scale projects in the province

Objective

By March 31, 2010, the Mines and Energy Branches will have implemented priority initiatives in response to opportunities identified through preliminary studies.

Objective

By March 31, 2011, the Mines and Energy Branches will have implemented additional initiatives designed to increase the capacity of the province to ensure long-term economic sustainability of the sectors.

Issue 4: Sustainable Resource Development

Newfoundland and Labrador has a natural environment that would be the envy of many people in the world. Through developing the province's natural resources, it is important to ensure that the environment is protected, and, where possible, improved. The *Energy Plan* provides the path forward for the development of the province's natural resources over the long-term, with emphasis on this province's ability to supply clean, green energy, which will ensure a secure, reliable and competitively priced supply of energy for current and future needs and will also be used as a tool to promote economic development in the province. Developing renewable resources will also have a positive impact on the environment, reducing our need for thermal generation and providing us with opportunities to reduce air pollution in the province. A key element of this plan will focus on using the revenues of our non-renewable resources to build the infrastructure necessary to develop our renewable energy sources for use locally and for export for the long-term benefit of the people of the province and future generations. In the next three years, the Energy Branch will take steps to increase our renewable energy supply.

Reducing energy use is the most direct way that energy consumers can reduce their impact on the environment. The advantages of energy efficiency and conservation are clear - they help protect our environment by minimizing pollution and harmful emissions. They also decrease energy costs for consumers and make our existing resources go farther so that we can reduce the demand for new energy projects.

To encourage reductions in energy consumption through conservation and increased efficiency, the Energy Branch will lead a government-wide initiative over the next three years to establish targeted programs for transportation, industrial, commercial, institutional and residential users. As a first step, the Branch will establish an Energy Conservation and Efficiency Partnership, which will lead efforts to promote all related initiatives including the development of an energy efficiency and conservation plan.

Improvements in other areas, including remediation of mines sites will also have a positive impact on our environment. Prior to legislative amendments that made developers responsible for site remediation, a number of mine sites were abandoned, often leaving behind mineral tailings, large structures and equipment. Efforts will continue to remediate these abandoned sites during the strategic planning period. The Mines Branch will also continue its efforts to identify the contamination and safety hazards associated with the remaining sites and will plan for any required remediation. The Mines Branch will also work to strengthen departmental capacity for inspection and monitoring of exploration development.

Issue 4 Sustainable Resource Development

Goal

By March 31, 2011, the Mines and Energy Branches will have made significant advances in support of the sustainable development of natural resources in the province.

Measure	Made significant advances in support of the sustainable development of natural resources in the province
Indicators	Supported increased renewable share of energy supply
	Implemented and promoted energy efficiency and energy conservation initiatives
	Increased number of mine development sites being remediated

Objective

By March 31, 2009, the Mines and Energy Branches will have coordinated and/or completed key planning and development activities to improve sustainable resource development in the province.

Measure	Coordinated and/or completed key planning and development activities
Indicators	Supported research and development into alternative energy for isolated communities
	Developed an Energy Innovation Roadmap for the province
	Developed an Energy Conservation and Efficiency Plan with initial steps toward implementation
	Increased monitoring of mineral exploration activities to ensure compliance with approved development plans
	Updated and assessed an inventory of contaminated mine sites and assessed the need for further remediation

Objective

By March 31, 2010, the Mines and Energy Branches will have commenced implementing enhanced programs or policies to improve sustainable resource development.

Objective

By March 31, 2011, the Mines and Energy Branches will have implemented initiatives that align with the priority sustainability measures identified through planning activities and continued to identify further opportunities to support sustainable development.

Appendix I: Strategic Directions

A Strategic Direction is the articulation of a desired physical, social, or economic outcome that would normally require action by, or involvement of, more than one government entity. They are normally communicated through White Papers, or other major platform documents.

Title: Natural Resource Development and Diversification

The province has a wide range of natural resource development projects in the planning stages which represent future benefits and opportunities for industry development and diversification.

OUTCOME: Increased natural resource development and diversification

This outcome supports the policy direction of government and requires focus in the following areas:

Strategic Direction	Focus Areas of the Strategic Direction	This Direction is:			
		addressed in the Department's strategic plan	addressed by entities reporting to the Department	addressed in Department's operational plan	addressed in work plans within the Department
Increased natural resource development and diversification	Oil, gas and mineral benefits maximization	*			
	Hydroelectric development	*			
	Alternative energy development	*			
	Efficient and effective management	*			
	Research and development	*			

Title: Sustainable Resource Development

Many of the province's energy and mineral resources are non-renewable and will be depleted without conservation initiatives.

OUTCOME: Sustainable resource development and usage for the long term benefit of residents of the province

This outcome supports the policy direction of government and requires focus in the following areas:

Strategic Direction	Focus Areas of the Strategic Direction	This Direction is:			
		addressed in the Department's strategic plan	addressed by entities reporting to the Department	addressed in Department's operational plan	addressed in work plans within the Department
Sustainable resource development and usage for the long term benefit of residents of the province	Sustainable environment practices in support of natural resource development	*			
	Efficient and effective policies and regulations	*			
	Alternative energy development	*			
	Long term supply through exploration	*			
	Remediation of development sites	*			

Title: A Stable and Competitively Priced Supply of Electricity

The province has both opportunities and challenges to provide a sufficient and stable supply of electricity.

OUTCOME: Improved stability and competitiveness of the supply of electricity

This outcome supports the policy direction of government and requires focus in the following areas:

Strategic Direction	Focus Areas of the Strategic Direction	This Direction is:			
		addressed in the Department's strategic plan	addressed by entities reporting to the Department	addressed in Department's operational plan	addressed in work plans within the Department
Improved stability and competitiveness of the supply of electricity	Energy efficiency and conservation	*			
	Electricity industry structure	*			
	Alternative energy research and development	*			
	Advancing renewable energy projects and related infrastructure	*			

Appendix II: Legislation

1. **Petroleum and Natural Gas Act** Defines how the rights to explore for and develop oil and gas properties on land may be obtained and maintained; how areas may be assigned for exploration; the scope with which government may regulate activity and the various royalties that may be due.
2. **Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act** Sets out the mechanism for joint federal-provincial management of the Newfoundland offshore area through the Canada-Newfoundland and Labrador Offshore Petroleum board; defines the methods of obtaining exploration and production rights; the requirements for safety, resource conservation and environmental protection and the activities that may be regulated. The Act is mirrored in federal statutes.
3. **Hydro Corporation Act** Continues the existence of, and sets out the mandate, powers and management structure of the Newfoundland and Labrador Hydro-Electric Corporation as a Crown agency.
4. **Electrical Power Control Act** Sets policy with regard to electric power rates and establishes provisions for the determination of such power rates by the Public Utilities Board.
5. **Lower Churchill Development Act** Authorizes the Minister of Mines and Energy to enter into an option agreement with the corporation guaranteeing the Lower Churchill Development Corporation (LCDC) executive water rights, rights to flood land and a sole option to purchase the Gull Island hydro assets.
6. **Newfoundland and Labrador Power Commission (Water Power) Act** Extinguishes certain water power rights held at the time by BRINCO and provides for their assignment to Newfoundland and Labrador Hydro (Power Commission) to facilitate financing of the Bay d'Espoir hydro-electric project.
7. **Miscellaneous Financial Provisions Act, 1975** Removes any restrictions elsewhere in provincial legislation on government assigning to Newfoundland and Labrador Hydro Electric Corporation a right, title or interest in royalties and rentals in clauses 1 and 8 of Part II of the lease between government and CF(L) Co.
8. **Mineral Act** Defines the rights of explorers and developers of mineral properties; the methodology to be used in obtaining such rights and the areas where government may regulate activity.

The Mineral Regulations provide specific details on the methods by which mineral rights may be acquired and the fee payments and reporting schedules required to keep these rights in good standing.

9. **Mineral Holdings Impost Tax Act** Designed, by imposition of a tax, to encourage holders of mineral properties that do not come under the terms of the Mineral Act to either explore their lands or to surrender them so that they become subject to the Mineral Act.

The Mineral Holdings Impost Regulations set out the level of tax (impost) to be paid and the requirements for offsetting the tax through exploration expenditures.

10. **Quarry Materials Act, 1998** Defines the rights of explorers and developers of quarry materials; the methods by which such rights may be required, royalties payable; and areas where government may regulate activity.

The Quarry Materials Regulations set out the details for obtaining such rights and keeping them in good standing.

11. **Undeveloped Minerals Areas Act** Enables government to arrange for the exploration of private mineral properties (generally ones which are not covered by the Mineral Act) that in its opinion have not been adequately explored. Properties affected by the Act have been identified by various orders.

12. **Mining Act** Regulates the development, operation and closure of mines in the province; outlines requirements for development, operational and rehabilitation and closure plans as well as milling licenses and financial assurance. This Act does not deal with Occupational Health and Safety matters.

13. **Energy Corporation Act** Establishes the existence of, and sets out the mandate, powers and management structure of the Energy Corporation of Newfoundland and Labrador as a Crown agency.



**Department of Natural Resources
Forestry and Agrifoods Agency
Strategic Plan**

April 1, 2008 to March 31, 2011

Introduction

In May 2007, the Provincial Government formally established the Forestry and Agrifoods Agency, placing a renewed focus on ensuring the continued development, expansion and diversification of sustainable forestry and agriculture industries in rural Newfoundland and Labrador. The Agency has a broad mandate for the development and oversight of the province's forestry and agriculture/agrifoods sectors. Through a wide range of support programs and services, the Agency has a major influence on economic growth and development in these sectors.

The province's forestry sector is valued at \$844 million and directly and indirectly employs 7,200 people involved in pulp and paper production, sawmilling, woods contracting and value added enterprises. The sector has experienced mixed results over the past number of years. The demand for newsprint has been declining in the United States at a rate of approximately 10 per cent per year. Concurrently, the housing market in the United States is at historic lows resulting in reduced demand for lumber. The cost of production per tonne of paper and lumber continues to increase due to rising energy prices, a strong Canadian dollar, and increased competition from other countries. An innovative approach to forest industry development is required to ensure that the current benefits of a competitive and sustainable industry are maintained and the industry is positioned for the challenges of the future.

The agriculture/agrifoods sector provides direct and indirect employment for 4,000 persons on farms and in the food and beverage manufacturing sectors. On farm production has grown in 23 of the last 27 years with sales of \$102 million in 2007, while secondary processing of agricultural products reached \$467 million. The dairy industry has led this growth with expansion on farms and in dairy processing of value-added milk products such as cheese and novelty ice creams. Higher energy costs are also having an effect on agriculture operations, with significant impacts on livestock production. These impacts are direct, such as equipment operations, and indirect, such as higher feed costs due to the demand on corn for ethanol. The Agency will continue to assist producers in finding ways to address these challenges.

Both the forestry and agriculture/agrifoods sectors will be faced with challenges and opportunities over the next three years and the Agency has been established to facilitate appropriate public policy responses. The province has a healthy and well managed forest resource, but external factors such as the value of the Canadian dollar and the decrease in demand for newsprint, have resulted in negative impacts on the pulp and paper industry, the largest component of our overall forest industry. The closure of the Stephenville mill and the rationalization of other operations in the province at Grand Falls and Corner Brook in recent years clearly reflect these difficulties.

To appropriately respond to these challenges and to take advantage of opportunities, the Agency will focus on research and development, Labrador wood products development, bio-fuels, promotion of the industry and Agency programs and services and protection of the forest resource, among other issues. Diversification will be a key focus, along with building on the strengths of the sawmilling industry. Strategic aspects of the regulatory and policy environment will also be assessed, in a continuing effort to improve management and maintain relationships with stakeholders.

The agriculture/agrifoods sector is entering a new era of potential for sustained growth and diversification. During the planning period, the province will complete a long term strategy for the sector and work with the federal government to provide additional funding and programs to assist in development for the next four to five years. Like the forest sector, emphasis will be on research and development, including crop research and the use of new technologies for both new crops and crops for the northern climate. This approach will also contribute to growth and diversification of the sector.

Local products currently account for only about 3 percent of local consumption. Increased emphasis will be placed on promotion and market development during the planning period to increase consumption of locally produced agricultural products. This effort will also include promotion of the programs and services available to local producers.

For both the forestry and agriculture/agrifoods components of the Agency's mandate, sustainable management has become a significant policy issue, particularly in light of the challenges represented by changes in climate. The forest resource and agricultural products, including animals, face increased challenges with respect to forest fires, insects, disease and extreme weather events. The Agency will introduce measures during the planning period to respond to these challenges.

The strategic plan which follows was prepared to comply with the provisions of the *Transparency and Accountability Act*. Over the April 1, 2008 to March 31, 2011 strategic planning period the Agency will pursue a range of initiatives aimed at supporting improvements in the overall performance of the province's forestry, agriculture and agrifoods sectors.

Plan at a Glance

Vision

The vision of the Department of Natural Resources is a province that realizes the full benefit from the sustainable development of its natural resources.

Mission

By March 31, 2011, the Forestry and Agrifoods Agency will have implemented programs necessary to sustain the province's forest ecosystems, identified and facilitated further opportunities for sustainable forestry, agriculture and agrifoods resource development and optimized the benefits received from these resources.

Issues, Goals and Objectives

Growth and Diversification of the Agriculture and Agrifoods Industry

Goal

By March 31, 2011, the Forestry and Agrifoods Agency will have enhanced programs to support the growth and diversification of the agriculture and agrifoods industry.

Objective

By March 31, 2009, the Forestry and Agrifoods Agency will have developed an agriculture and agrifoods strategy and commenced a survey regarding public knowledge of, and attitudes toward, the agriculture and agrifoods industry in Newfoundland and Labrador.

Objective

By March 31, 2010, the Forestry and Agrifoods Agency will have identified priority programming to support growth and diversification of the agriculture and agrifoods industry.

Objective

By March 31, 2011, the Forestry and Agrifoods Agency will have implemented initiatives to support research and development, increased industry capacity, diversification and promotion of the province's agriculture and agrifoods industry.

Issues, Goals and Objectives, Continued

Competitiveness in the Forestry Industry

Goal

By March 31, 2011, the Forestry and Agrifoods Agency will have identified innovative opportunities for value-added production and contributed to the optimization of the benefits received from the forestry resources of the province.

Objective

By March 31, 2009, the Forestry and Agrifoods Agency will have completed a diagnostic study of the integrated sawmill sector and begun work on a survey of public knowledge of and attitudes toward the forestry industry, with initial steps toward implementation.

Objective

By March 31, 2010, the Forestry and Agrifoods Agency will have identified additional market opportunities for value-added production in the forestry industry.

Objective

By March 31, 2011, the Forestry and Agrifoods Agency will have undertaken measures to improve the competitiveness of the forestry industry.

Sustainable Resource Management

Goal

By March 31, 2011, the Forestry and Agrifoods Agency will have enhanced sustainable resource management measures for the province's forestry, agriculture and agrifoods sectors.

Objective

By March 31, 2009, the Forestry and Agrifoods Agency will have enhanced its sustainable resource management planning and development for the forestry, agriculture and agrifoods sectors.

Objective

By March 31, 2010, the Forestry and Agrifoods Agency will have commenced implementation of priority measures to enhance resource sustainability.

Objective

By March 31, 2011, the Forestry and Agrifoods Agency will have enhanced sustainable management measures for the forestry, agriculture and agrifoods sectors.

Overview

The Forestry and Agrifoods Agency was established under the *Executive Council Act*. It is a category one public body under the *Transparency and Accountability Act*. The Agency is responsible for supporting and achieving outcomes with respect to natural resource development in the forestry, agriculture and agrifoods sectors through two Branches:

The **Forest Services Branch** is responsible for managing and regulating the forest resources of the province.

The **Agrifoods Development Branch** is responsible for promoting the continued development, expansion and diversification of competitive and sustainable primary and value-added agriculture and agrifoods businesses.

Number of Employees

On March 31, 2008 the Agency had 395¹ staff on payroll.

Branch	Female	Male	Total
Agrifoods	52	61	113
Forestry	61	221	282
Total	113	282	395
¹ This figure does not include: 250 seasonal employees employed in the Forestry Service (vast majority male); 49 employees with corporate services shared with the Mines and Energy Branches; and 5 employees in communications and ministerial support.			

Physical Location

In addition to 24 district and satellite offices throughout the province, the main offices of the Agency are located at the Fortis Building in Corner Brook.

Fortis Building
P.O. Box 2006
Corner Brook, NL
A2H 6J8

Budget

The budget for the Forestry and Agrifoods Agency for fiscal year 2008/09 totalled \$82.1 million. This figure does not include \$6.5 million for executive and support services which are shared with other areas of the Department of Natural Resources.

Other Entities

The Forestry and Agrifoods Agency has legislative oversight for the following public bodies:

- Wooddale Agricultural Development Authority
- St. John's Land Development Advisory Authority Appeal Board
- Farm Industry Review Board
- Land Consolidation Review Committee
- St. John's Land Development Advisory Authority
- Livestock Owners Compensation Board
- Newfoundland and Labrador Chicken Marketing Board
- Newfoundland and Labrador Crop Insurance Agency
- Forest Land Tax Appeals Board
- Newfoundland and Labrador Farm Products Corporation
- Timber Scalers Board

Lines of Business

Working closely with key stakeholders, the Forestry and Agrifoods Agency develops policy and programs, and provides support functions to the forestry, agriculture and agrifoods industries. Programs and services are specifically directed to promoting and facilitating well-planned, sustainable growth and development and associated economic and employment opportunities.

The Agency has 8 main program and service areas:

Sustainable Forest Management

Through the Agency's headquarters in Corner Brook, and offices in St. John's, the Agency is responsible for policy, legislation, programs and forest management planning that enable the residents of the province to benefit from the services that ecosystems provide while ensuring their sustainability and health.

These programs include silviculture, resource roads construction, forest inventory, forest fire suppression, forest insect control, forest management planning, enforcement/compliance and industry development.

Regional Services

The policy and programs associated with sustainable forest management, health and services are implemented through a regional/district structure. Regional Services is responsible for the delivery of the silviculture, resource roads, forest fire suppression, and enforcement/compliance programs. In addition, Regional Services is responsible for dealing with wildlife issues related to public safety (road kills, injured animals, etc.) public awareness programs (presentations to schools, service clubs, etc.) addressing public concerns on other forest resource management issues and the development of district sustainable forest management plans.

Enforcement and Compliance of Legislated Requirements

The Agency's responsibility for enforcement of the province's Forestry and Wildlife Acts is delivered through the Regional Services structure. In addition, the Agency collaborates with other government departments and agencies in enforcement of the federal *Fisheries Act (Inland Fish)*, *All-Terrain Vehicle (ATV) Regulations* and the *Migratory Birds Convention Act*. The Agency is responsible for monitoring timber harvesting operations as well as patrolling hunting areas for compliance with the regulations under the various Acts noted above.

Licensing and Permitting

The Agency's regional and district offices issue licenses and permits for: commercial or domestic timber cutting, commercial or domestic sawmilling, brush burning, harvesting equipment operation during the fire season, timber export, timber scaling, the purchase of timber, protection of livestock from coyotes, bear protection, replacement of a big game license, destruction of problem animals, running dogs, distribution of big game meat, transportation of big game in a closed season, hunting caribou in Labrador, removal of endangered species, entry and exit from Salmonier Nature Park, outdoor identification, management of at risk species, possession for taxidermy, and the export of big game and animal parts.

Production and Market Development

The Agency offers a wide range of programs and services aimed at maximizing production and market development at the primary and secondary levels. These programs and services include: professional and technical support, pest control training, research and development, market development, market intelligence, on-farm food safety, off-farm food safety, and marketing and promotion.

Business Development Services

The Agency delivers a wide range of business development services, including: Production Insurance, Provincial Agrifoods Assistance Program, Fruit and Vegetable Storage Assistance Program, and the Agriculture and Agrifoods Development Fund; Grants and Subsidies for the Newfoundland and Labrador Federation of Agriculture, 4-H Program, and the Provincial Training Program; and Professional Advisory Services through 9 agricultural representatives and 3 farm management specialists.

Land Management

The Agency's land management program includes: the Land Use Program involving the Real Property Tax Exemption Program, Land Consolidation Program, and Environmental Farm Planning Program; Agricultural Limestone Program; Soil Survey Program; geographic information system development; field mapping/database development; Agricultural Drainage Program; Agricultural Access Roads and Electrical Service Program; and the Soil Fertility and Laboratory Services Program.

Animal Health

Animal health services generally involve any aspect of animal health that is justifiably in the public interest and within those budgetary limits set by the provincial government, including: farm animal veterinary services (livestock and poultry); laboratory analyses (veterinary diagnostic and food safety); control of food quality (milk and meat); monitoring and control of animal diseases of economic or public health interest; professional witnesses in cruelty to animals complaints; assistance to police & wildlife officials; and control of Heritage Animals.

Mandate

The mandate of the Forestry and Agrifoods Agency includes the supervision, control and direction of all matters relating to:

- forest resources and utilization, constructing and maintaining forest access roads, forest protection from fire and insects, silviculture, inventory, conservation, management, preparation of management plans, surveying, mapping and development of forest resources;
- enforcement and compliance responsibility in the areas of forestry and wildlife and assisting in enforcement in the areas of inland fisheries, motorized snow vehicle and all-terrain vehicle usage;
- agriculture, including, without limitation of the word "agriculture," agrifoods, agronomy, horticulture, animal husbandry, aviculture, the development of forage production and the growing of hay and the products of agriculture, including, without limitation of the word "products," animals, meats, fur, eggs, poultry, wool, dairy products, berries, grains, seeds, fruit, including wild fruit, fruit products, vegetables and vegetable products;
- animal health;
- food technology and marketing; and
- agricultural land and the sustainable utilization, protection, conservation, management, surveying, mapping and development of agricultural land.

Core Values and Guiding Principles

The Forestry and Agrifoods Agency values an environment that facilitates a high degree of personal responsibility and initiative. Employee excellence is the key to achievement of all activities as individuals and as team members. During the 2008-11 planning period, the Agency's employees will be guided in their work by the following core values or guiding principles:

Integrity - Each individual will be honest, dependable, fair, credible and trustworthy. They will openly acknowledge mistakes, seek to correct them and learn from them.

Respect and Professionalism - Each individual will apply legislation and policies equitably and will serve the Agency's client groups to the fullest extent possible.

Collaboration - Each individual will seek the opinions and ideas of others in the application of legislation and policies.

Innovation - Each individual will demonstrate initiative and flexibility in responding to challenges and change.

Safety - Each individual views the personal safety of themselves and co-workers in the highest regard and will promote workplace safety at all times.

Productive - Each individual will maximize their productivity and efficiency in carrying out their duties.

Timely - Each individual will conduct their duties in a timely manner and meet all established deadlines.

Primary Clients

The clients of the Forestry and Agrifoods Agency include: pulp and paper and sawmill industries, secondary processing value added industries, commercial cutting permit holders on crown land, aboriginal groups, agribusinesses, agriculture organizations, municipal councils, environmental groups, other provincial government departments and the residents of the province.

Vision

The vision of the Department of Natural Resources is a province that realizes the full benefit from the sustainable development of its natural resources.

Mission Statement

The mission statement identifies the priority focus area of the Minister over the next planning cycle. It represents the key longer term result that the Minister and the Forestry and Agrifoods Agency will be working towards to achieve the Strategic Directions of Government. The statement also identifies the measures and indicators that will assist both the Agency and the public in monitoring and evaluating success.

During this planning period, the Agency will focus on identifying opportunities to improve the sustainability of the forestry sector and initiatives to improve growth and diversification of the agriculture and agrifoods sectors. Through these focus areas, and in the context of its mandate and financial resources, the Agency will pursue programs and initiatives consistent with and in support of the Strategic Directions of Government. These programs and services will:

- Support growth and diversification in the agriculture and agrifoods sectors
- Assist the forestry sector to diversify and respond effectively to current challenges in the marketplace
- Enhance sustainable management of the forestry, agriculture and agrifoods sectors
- Contribute to an improvement in public knowledge of forestry, agriculture and agrifoods new and enhanced programs and opportunities

Mission - By March 31, 2011, the Forestry and Agrifoods Agency will have implemented programs necessary to sustain the province's forest ecosystems, identified and facilitated further opportunities for sustainable agriculture and agrifoods resource development and optimized the benefits received from these resources.

Measure 1 Implemented programs necessary to sustain the province's forest ecosystems

Indicators

- Actual harvest levels do not exceed sustainable harvest levels for each of the province's forest management districts in the context of five year targets
- Area planted matches planting levels defined to maintain established sustainable harvest levels in the context of five year targets
- Area thinned matches thinning levels defined to maintain established sustainable harvest levels in the context of five year targets
- Promoted the development of and increased awareness of value-added wood manufacturing facilities in the province
- All forest management districts have current management plans in place
- Supported initiatives to increase protection of forests from insects
- Supported increased research and development concerning management of forest resources
- Supported initiatives to decrease the amount of forest area burnt

Measure 2 Identified and facilitated further opportunities for sustainable agriculture and agrifoods resource development and optimized the benefits received from these resources.

Indicators:

- Supported increased assurance of the safety of food products produced in this province
- Supported increased expertise and programming in the prevention and/or control of animal diseases of significance to the industry and general public
- Supported sustained collaboration with industry, industry associations and other stakeholders
- Supported increased promotion of the agriculture and agrifoods industry
- Supported increased availability of agricultural land
- Supported increased agrifoods industry investment
- Supported increased value-added from primary production

Strategic Issues

As indicated in the introduction to the Mission, the following issues support the Strategic Directions of Government as communicated by the Minister Responsible for the Forestry and Agrifoods Agency and found in Appendix 1.

Issue 1: Growth and Diversification of the Agriculture and Agrifoods Industry

The agriculture/agrifoods sector includes both primary agriculture production and value-added food and beverage operations. The primary sector covers all aspects of the production process for both supply-managed sectors (dairy, eggs, poultry) and non-supply-managed sectors (livestock and horticulture). The value-added sector includes secondary processing and manufacturing of raw material into a wide variety of food and beverage products, nutraceuticals and functional foods. Examples of industry products include beef, sheep, pork, fur, vegetables, herbs, dairy products, berries, wine, sods, floriculture, seasonal products including Christmas trees and wreaths, jams, jellies, frozen packaged vegetables and berries, bakery goods and nutraceuticals.

As noted elsewhere in this Plan, the agriculture/agrifoods sector has generally been characterized by significant growth and diversification over the last quarter century. Recent noteworthy examples include cranberry production, industrial milk production and fur farming. Each of these areas offers opportunities for additional growth. As well, with approximately 85 percent of vegetable crops that could be produced in the province, imported, this is another obvious area for positive growth.

The Forestry and Agrifoods Agency will facilitate this growth and diversification over the planning period through the introduction of new programs, enhanced services to farmers and agribusinesses and research and development initiatives.

The Agency will take a responsible and proactive approach to this facilitation role. A major planning effort will be undertaken over the next year to ensure that the right combination of initiatives and programs are assessed and identified, with implementation of priority programs to begin in year two of this Plan. In this regard, the Agency will complete a long term strategy for the agriculture and agrifoods industries in the province. As well, discussions with the federal government will continue in an effort to identify appropriate mechanisms to flow federal support to this sector in the province. Likely areas of emphasis in this initiative could include risk management, measures to promote innovation and competitiveness and issues of food safety, food quality and stability of supply.

In addition to the programs and services that will support growth and diversification in the agriculture/agrifoods sector, the Agency will plan and implement initiatives to promote these measures and the industry itself. Over the planning period, the Agency will conduct a province-wide study to identify benchmark public attitudes toward, and awareness of, local products and services, as well as awareness of the Agency's programs and services for the agriculture/agrifoods sector. The study will provide the necessary background for the creation of effective promotional tools to address the key issues raised by the public and stakeholders. The study will be complemented by a follow-up survey to measure the success of promotional and communications initiatives.

Issue 1

Growth and Diversification of the Agriculture and Agrifoods Industry

Goal

By March 31, 2011, the Forestry and Agrifoods Agency will have enhanced programs to support the growth and diversification of the agriculture and agrifoods industry.

Measure	Enhanced programs
Indicators	Assessed priorities for future agriculture and agrifoods sector development
	Increased promotion of the agriculture and agrifoods industry
	Enhanced programming to agribusinesses to support growth, innovation and diversification

Objective

By March 31, 2009, the Forestry and Agrifoods Agency will have developed an agriculture and agrifoods strategy and commenced a survey regarding public knowledge of, and attitudes toward, the agriculture and agrifoods industry in Newfoundland and Labrador.

Measure 1	Strategy developed
Indicators	Review of existing programs and services
	Identification of challenges facing the industry
	Assessment of opportunities for future industry advancement
Measure 2	Commenced a survey regarding public knowledge of, and attitudes toward, the agriculture and agrifoods industry
Indicator	Taken initial steps towards an attitude/public knowledge/expectations survey for the agriculture and agrifoods industry

Objective

By March 31, 2010, the Forestry and Agrifoods Agency will have identified priority programming to support growth and diversification of the agriculture and agrifoods industry.

Objective

By March 31, 2011, the Forestry and Agrifoods Agency will have implemented initiatives to support research and development, increased industry capacity, diversification and promotion of the province's agriculture and agrifoods industry.

Issue 2: Competitiveness in the Forestry Sector

The significant challenges of lower demand, increased competition and the export disadvantages of a higher valued Canadian dollar suggest a need for programs focused on competitiveness and innovation in the forest sector. As noted earlier in this Plan, the effects of these factors have already made themselves felt, through rationalization of the pulp and paper industry.

The Forestry and Agrifoods Agency has commissioned a study on "Forest Sector Competitiveness and Future Forest Strategy". The Agency will assess the findings of this study to assess the steps to be taken to assist the forestry industry to develop further growth and market opportunities.

As well, the Agency will focus on the identification of targeted support initiatives for the integrated sawmill sector through a study to be completed in the first year of the Plan. These initiatives will be assessed and implementation measures considered as the Plan moves forward.

Working with industry, the Forestry and Agrifoods Agency will facilitate innovative solutions to increase forestry industry competitiveness in the marketplace. Through the planning period the Agency anticipates that such solutions will be identified and assessed for implementation. By year three of the Plan, the Agency will have identified measures which will support the increased competitiveness of the forestry industry.

Issue 2 Competitiveness in the Forestry Sector

Goal

By March 31, 2011, the Forestry and Agrifoods Agency will have identified innovative opportunities for value-added production and contributed to the optimization of the benefits received from the forestry resources of the province.

Measure 1	Identified innovative opportunities for value-added production
Indicators	Identified strategic opportunities for value-added production
	Promoted diversification within the sector
	Increased commitment to industry's capacity to innovate
	Supported increased efficiency of forestry sector business operations
Measure 2	Contributed to the optimization of the benefits received from the forestry resources of the province
Indicators	Increased market opportunities
	Promoted diversification within the sector

Objective

By March 31, 2009, the Forestry and Agrifoods Agency will have completed a diagnostic study of the integrated sawmill sector and begun work on a survey of public knowledge of and attitudes toward the forestry industry, with initial steps toward implementation.

Measure 1	Completed a diagnostic study of the integrated sawmill sector
Indicators	Assessment of study results completed
	Program criteria developed
Measure 2	Begun work on a survey
Indicator	Taken initial steps towards an attitude/public knowledge/expectations survey regarding the management and economic use of the province's forest resources

Objective

By March 31, 2010, the Forestry and Agrifoods Agency will have identified additional market opportunities for value-added production in the forestry industry.

Objective

By March 31, 2011, the Forestry and Agrifoods Agency will have undertaken measures to improve the competitiveness of the forestry industry.

Issue 3: Sustainable Resource Management

Sustainability of the forestry, agriculture and agrifoods sectors is essential to ensure their long term viability and productivity. The Forestry and Agrifoods Agency has and will continue to implement programs that support the sustainable management of a healthier and more productive forest ecosystem. As well, to promote the sustainable development of the agriculture and agrifoods industry, the Agency has implemented beneficial programs and services in several areas including animal health, food safety and food quality and land use management.

For agriculture and agrifoods, land is a key factor in future growth, development and sustainability. To ensure better long term planning for agribusinesses in the province, it is important that the Agency identify industry's land requirements for future development and land availability to meet agriculture needs.

Resource safety and protection is an issue of particular relevance to the Agency. Events in recent years, such as the discovery of Aleutian disease in the province's ranched and wild mink populations, the risk of avian flu, the need to monitor for the West Nile virus and the occasional temporary appearance of rabies on the Island has identified the need for enhanced disease surveillance.

An effective and efficient approach to sustainable management of forestry, agriculture and agrifoods resources may also require legislative and regulatory measures. While the Agency considers legislative review to be an ongoing requirement, particular attention will be devoted to reviewing the *Forestry Act* over the planning period.

The issue of resource safety and protection has always been a priority for government planning initiatives, but, the urgency has never been greater for planning in the wake of the building scientific evidence concerning accelerated climate change. Climate will influence plant species including crops and will likely result in the appearance of pests and diseases, including human disease concerns, that have not been observed here before. Forecasts related to forestry indicate possible shifts in forest species composition, increased risk of and more severe forest fires and forest insect infestations due to changing climate parameters.

Planning must be viewed from both a short and long term perspective and programs that address prevention, mitigation and adaptation must be considered to adequately address this issue in the long term. The Agency will be proactive in addressing the sustainable resource management of the forestry, agriculture and agrifoods sectors.

Issue 3 Sustainable Resource Management

Goal

By March 31, 2011, the Forestry and Agrifoods Agency will have enhanced sustainable resource management measures for the province's forestry, agriculture and agrifoods sectors.

Measure	Enhanced sustainable resource management measures
Indicators	Reduced time to identify disease and insect pests
	Improved capacity to support resource safety and protection
	Improved forest fire protection
	Analyzed existing forestry legislation and developed new forestry legislation
	Developed an operational plan for the formal identification of an agricultural land base for the province

Objective

By March 31, 2009, the Forestry and Agrifoods Agency will have enhanced its sustainable resource management planning and development for the forestry, agriculture and agrifoods sectors.

Measure	Enhanced sustainable resource management planning and development
Indicators	Developed disease and insect surveillance action plan for the forestry and agrifoods sectors
	Developed capacity to identify diseases and insect pests
	Improved resources in forest fire training
	Developed Aleutian disease management programming
	Obtained approval to proceed with new forestry legislation
	Identified an agricultural land base enabling farmland expansion

Objective

By March 31, 2010, the Forestry and Agrifoods Agency will have commenced implementation of priority measures to enhance resource sustainability.

Objective

By March 31, 2011, the Forestry and Agrifoods Agency will have enhanced sustainable management measures for the forestry, agriculture and agrifoods sectors.

Appendix I: Strategic Directions

A Strategic Direction is the articulation of a desired physical, social, or economic outcome that would normally require action by, or involvement of, more than one government entity. They are normally communicated through White Papers, or other major platform documents.

Title: Sustainable Forestry, Agriculture and Agrifoods Resource Development

The province's forestry, agriculture and agrifoods resources are renewable. Careful resource stewardship is required to ensure that the resources are available for future generations while continuing to provide for the development of related industries.

OUTCOME: Improved sustainable resource development and usage for the long term benefit of residents of the province

This outcome supports the policy direction of government and will require focus in the following areas:

Strategic Direction	Focus Areas of the Strategic Direction	This Direction is:			
		addressed in the Agency's strategic plan	addressed by entities reporting to the Agency	addressed in Agency's operational plan	addressed in work plans within the Agency
Improved sustainable resource development and usage for the long term benefit of residents of the province.	Forest sector management			*	
	Agrifoods sector management			*	
	Legislative and regulatory framework	*			
	Forest sector research and development	*			
	Agrifoods sector research and development	*			

Title: Forestry, Agriculture and Agrifoods Development and Diversification

The province's forestry, agriculture and agrifoods sectors have the potential for considerable growth and diversification. The agrifoods sector in particular, given the large proportion of imported goods, can grow and diversify in numerous areas. The forestry sector is in a period of transition with many opportunities for diversification as well as prospects to enhance the competitiveness of traditional industries.

OUTCOME: Increased forestry, agriculture and agrifoods development and diversification

This outcome supports the policy direction of government and will require focus in the following areas:

Strategic Direction	Focus Areas of the Strategic Direction	This Direction is:			
		addressed in the Agency's strategic plan	addressed by entities reporting to the Agency	addressed in Agency's operational plan	addressed in work plans within the Agency
Increased forestry, agriculture and agrifoods development and diversification	Access to farm capital			*	
	Primary agriculture production			*	
	Value added and secondary production	*			
	Agriculture development and promotion	*			
	Research and development	*			
	Agricultural land development	*			
	Forest sector competitiveness	*			

Appendix II: Legislation

1. **Farm Products Corporation Act** An act respecting the administration of Farm Products Corporation.
2. **Plant Protection Act** An act respecting the protection of plants in the province as it regulates nursery sods and dealers, plant quarantine and seed potatoes.
3. **Poultry and Poultry Products Act** An act respecting all poultry and poultry products such as chicken and eggs.
4. **Livestock Health Act** An act respecting the prevention of diseases in livestock. Under this act are the Livestock Health Regulations which provide the details on the prevention of diseases in livestock.
5. **Animal Protection Act** The purpose of this act is to provide for a method to help animals that are in distress and to prevent cruelty to or other mistreatment of animals.
6. **Dog Act** An act respecting the keeping of dogs.
7. **Meat Inspection Act** An act to provide for animal and meat inspection in slaughterhouses. This act includes Meat Inspection Regulations which provide the details on standards and licensing for animal and meat inspection in slaughterhouses.
8. **Heritage Animals Act** The purpose of this act is to provide the means for recognition and protection of heritage animals within the province. Included under this act are the Designation of Inspectors Order and the Newfoundland Pony Designation Order.
9. **Veterinary Medical Act** An act to revise the law about veterinary medicine. The Veterinary Licensing Board Regulations set out the standards related to veterinarians practicing in the province.
10. **Livestock Act** An act regarding the control and protection of livestock. The Livestock Regulations outline the details relating to the control and protection of livestock.
11. **Livestock Insurance Act** An act to provide for livestock insurance and respecting the Livestock Owners Compensation Board. The Livestock Insurance Plan is covered under this act. The plan offers insurance on beef, sheep, cattle and goats from predatory attacks by dogs or coyotes. The Act designates the Livestock Owners Compensation Fund and the Livestock Owners Compensation Board.
12. **Crop Insurance Act** An act respecting the Newfoundland and Labrador Crop Insurance Agency. The Crop Insurance plan is covered under this act. The plan offers insurance on insurable agricultural crops. The Act designates the Newfoundland and Labrador Crop Insurance Fund and also the Crop Insurance Board.

13. **Agrologists Act** An act establishing the Newfoundland and Labrador Institute of Agrologists. The Act outlines the objectives, structure, operation and membership of the Institute.
14. **Natural Products Marketing Act** An act to allow for the creation of commodity boards, and a supervisory board to protect the interests of the general public, and an act to amend the Natural Products Marketing Act and the Farm Practices Protection Act to create the Farm Industry Review Board.
15. **Farm Practices Protection Act** An Act respecting the protection of Farm Practices in the province.
16. **Forestry Act** An Act respecting the management, harvesting, and protection of the forests of the province.
17. **Wildlife Act** The Wildlife Act provides for the management and protection of wildlife in the province.
18. **Endangered Species Act** An act respecting the protection of endangered species.

Appendix III: Inactive Public Bodies

The legislation under the administration of the Forestry and Agrifoods Agency creates 11 category 3 public bodies. Three of these public bodies are anticipated to be inactive during the April 1, 2008 to March 31, 2011 period. These public bodies will confirm their inactive status through the Agency's annual reporting process. In the event that one of these public bodies becomes active, it will prepare and table in the House of Assembly an Activity Plan for the remainder of the planning period. The Activity Plans will be prepared based on guidelines for category 3 public bodies. The inactive public bodies and their respective mandates are as follows:

Forest Land Tax Appeals Board - The Forest Land Tax Appeals Board was created pursuant to the *Forestry Act (1990)*. The mandate of the Forest Land Tax Appeal Board is to hear appeals from landholders who disagree with the way in which Part III of the *Forestry Act (1990)* is applied. Appeals may concern: the contents of a Certificate of Managed Land issued to the appellant; entries made with respect to the appellant in the Assessment Roll; the amount of tax payable by the appellant; or whether or not the appellant is even liable for taxation under Part III of the Act.

The Forest Land Tax Appeals Board is appointed by the Minister Responsible for the Forestry and Agrifoods Agency with the approval of the Lieutenant-Governor-in-Council and the appointments are for a three year period. The Board is to consist of three persons: the Chair, who must be a member of the Law Society of Newfoundland and Labrador, and two others who must be experienced in forestry.

Timber Scalers Board - The Timber Scalers Board was created pursuant to the *Forestry Act (1990)*. Under section 124 of the Forestry Act, the duties of the Timber Scalers Board are: to examine the ability and knowledge of persons who apply to be certified to scale timber; to hear appeals to scaling disputes; and to recommend to the Minister new scaling methods before they are used.

The Timber Scalers Board consists of 3 persons who may be appointed from among persons employed in the public service of the province. The Minister Responsible for the Forestry and Agrifoods Agency shall designate the Chairperson of the Board and the Secretary of the Board from among the members and may prescribe the duties of each.

Newfoundland and Labrador Farm Products Corporation - The Newfoundland and Labrador Farm Products Corporation was created pursuant to the *Farm Products Corporation Act*. The corporation has a mandate to establish abattoirs, cold storage plants, warehouses, packing and processing plants and other buildings and establishments of every kind necessary and suitable for the handling, preparation, processing and storage of farm products of every kind both animal and vegetable for the purpose of facilitating the development of farm products in the province. Associated activities may include: making advances of livestock to farmers and livestock keepers, either for cash or on credit; employing instructors to instruct farmers and livestock keepers; purchasing, storing, processing, packing and selling farm products of every kind; and handling, storing and selling or advancing on credit animal feeding stuffs of every kind.

The Lieutenant-Governor in Council may appoint not fewer than 5 nor more than 9 members to the Newfoundland and Labrador Farm Products Corporation. One person is to be chairperson. The members of the corporation, with the exception of the chairperson, shall be appointed for 1 year and are eligible for reappointment.