

Department of Natural Resources



**Strategic Plan
2014-17**

Report prepared by:

Department of Natural Resources
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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, 2014 to March 31, 2017.

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 identified.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Dalley'.

DERRICK DALLEY
Minister of Natural Resources



Department of Natural Resources

Plan Overview

The Department

An important element of the Provincial Government's overall economic strategy is to maximize the socio-economic opportunities that arise from the development of natural resources, while maintaining sound stewardship of the resource base. Toward this end, the Department of Natural Resources is responsible for regulating and encouraging sustainable development of the province's natural resources¹, namely minerals, energy (oil, gas, hydro, wind, biofuels), forest assets and agriculture/agrifoods resources.

To carry out its duties, the department is divided into two main areas of operation: the Mines and Energy Branches, commonly referred to as "the department", and the Forestry and Agrifoods Agency, commonly referred to as "the agency". These two areas share a number of central functions and collaborate on select initiatives but, otherwise, operate independently of one another, each offering a distinct set of programs and services for their respective natural resource sectors.

The Plan

This strategic plan has been developed in accordance with the province's *Transparency and Accountability Act* (the Act) which identifies both the department and the agency as "category one" entities. Under the Act, a category one entity is required to prepare and make public a strategic plan every three years. As such, this plan is divided into two "sub-plans" setting out separate missions, as well as a separate set of goals and objectives, for the Mines and Energy Branches and the Forestry and Agrifoods Agency. The highlights of each plan are provided below.

¹ Fisheries resources under provincial jurisdiction are the responsibility of the Department of Fisheries and Aquaculture; wildlife resources are the responsibility of the Department of Environment and Conservation.



Department of Natural Resources

Mines and Energy Plan Highlights

Mission

By March 31, 2017, the Department of Natural Resources will have supported the growth of the energy and mineral resource industries in a sustainable manner for the benefit of future generations.

Goals

By March 31, 2017 the Department of Natural Resources will have advanced initiatives to attract investment and encourage exploration in the province's mineral and petroleum sectors.

By March 31, 2017 the Department of Natural Resources will have advanced management mechanisms, capacities and initiatives to help ensure resource developments are conducted responsibly and provide maximum benefit to the people of the province.

By March 31, 2017 the Department of Natural Resources will have implemented measures toward enhanced reliability, sustainability and export readiness of the province's electricity system.



Department of Natural Resources

Forestry and Agrifoods Plan Highlights

Mission

By March 31, 2017, the Forestry and Agrifoods Agency will have supported programs and services to strengthen and sustain forestry, agriculture and agrifoods industry development in an innovative and economically beneficial manner.

Goals

By March 31, 2017, the Forestry and Agrifoods Agency will have advanced programs and initiatives to enhance the sustainability of the province's forestry and agriculture resources.

By March 31, 2017, the Forestry and Agrifoods Agency will have advanced programs and services for the sustainability, expansion and diversification of the forestry and agriculture industries.

By March 31, 2017, the Forestry and Agrifoods Agency will have supported initiatives to build greater awareness and education of our forestry and agriculture sectors.



Mines and Energy Branches





Mines and Energy

Introduction

The Department of Natural Resources, through the Mines and Energy Branches (the department), has responsibility for legislative, regulatory and policy functions related to the mining, oil and gas and electrical utility sectors. The mines and energy sectors are key contributors to the province's gross domestic product (GDP), employment and overall economic growth. These sectors also make significant contributions to the provincial treasury in the form of royalties and taxes.

The funds received by the Provincial Government from the mines and energy sectors contribute to capital investments and overall public sector program delivery. In effect, they contribute to the construction and maintenance of provincial infrastructure and valued social programs such as education and health care, as well as all other provincial expenditures. Naturally, the funds from these sectors are not limitless or guaranteed. It is essential that government manages its expenditures wisely to make the most of the funds available. Just as important, however, is working with the mining and petroleum sectors, and the citizens of the province, to encourage continued investment in local resource exploration and development and to maximize the benefits from such activity to the province and its people.

The following sections provide an overview of the mining, petroleum and electricity sectors in the province.



Mines and Energy

Overview of Mining and Energy Sectors

Mining

Newfoundland and Labrador has a large and diversified minerals industry that provides a wide variety of commodities to the world market. The industry ranges from world class iron and nickel mines which supply the steel industry, to producers of industrial stone such as granite, slate and limestone used for building construction and aggregate.

Several large development projects in the province are experiencing significant progress. A recent example is Alderon Iron Ore Corporation's Kami iron ore project near Wabush in Labrador West. The project has been released from environmental assessment at both the provincial and federal levels and in February 2014 the company announced completion of a power purchase agreement with Newfoundland and Labrador Hydro for electricity to service its operations. The power will be transmitted over a new power line, sanctioned by the Provincial Government, from Churchill Falls to service the Labrador West area. Once in operation the Kami project is expected to ship eight million tonnes of iron concentrate per year with a mine life of over 30 years. In addition, plans have been confirmed for the development of an underground mine at the existing Voisey's Bay nickel mine in Labrador, operated by Vale Newfoundland and Labrador Limited. The development of the underground mine will extend the Voisey's Bay mine life by at least another 15 years.

Government's own exploration work on the Julienne Lake iron deposit has identified another significant opportunity for mine development in the Labrador Trough. The department solicited proposals from industry parties interested in developing the resource and in 2014 entered into discussions with a prospective developer. The project has potential to realize significant benefits for the people of Newfoundland and Labrador.

The province also hosts a vigorous mineral exploration sector, including many locally-based companies and individuals who provide expertise and financing to seek the next generation of mineral wealth. Exploration for base and precious metals and industrial minerals is conducted throughout the province, and provides a useful source of employment in rural areas, as well as the potential for new industrial growth.



Mines and Energy

Value of Mineral Shipments

Based on forecasts by the province's mining companies, the gross value of mineral shipments for 2014² will be approximately \$3.8 billion. This is up slightly from the estimated 2013 value of nearly \$3.7 billion. In 2012 mining accounted for nearly 8.6 per cent, or close to \$2.7 billion, of the province's nominal gross domestic product of \$31.7 billion.³

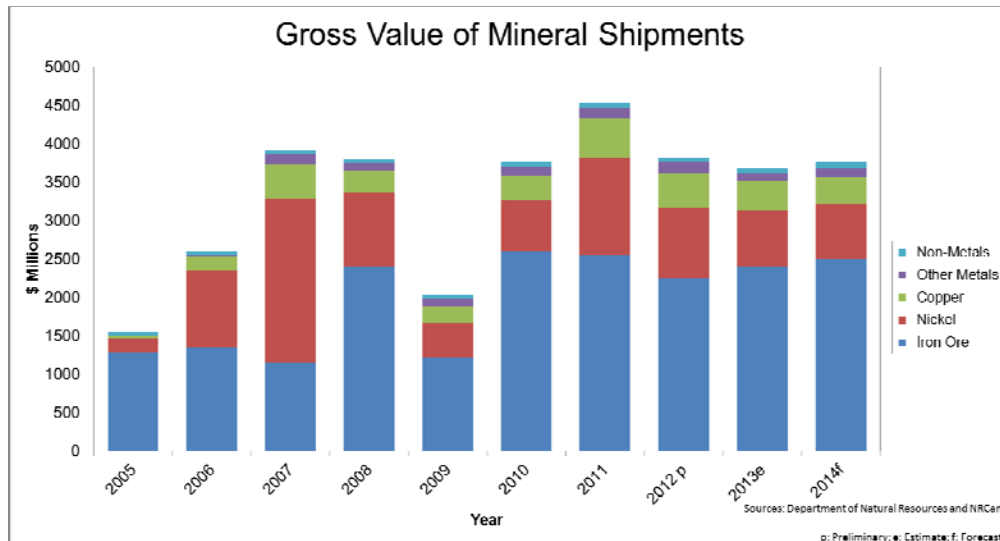


Figure 2: Gross Value of Mineral Shipments

Iron ore, nickel and copper make up the largest portion of the province's mineral shipments but production also includes gold, cobalt, zinc, peat and other industrial minerals.

² Adjusted to reflect diminished shipments from the recent idling of Wabush Mines.

³ GDP figures provided by the Department of Finance, Economics and Statistics Branch, and are as of March 4, 2014.



Mines and Energy

Employment

Direct employment in the minerals industry hit an all-time record high for 2013 at 11,250 person-years. Employment numbers for 2014 are forecasted to decrease to 8,100 person-years. This is primarily attributed to the completion of the first phase of construction activity at the hydromet nickel processing facility at Long Harbour.

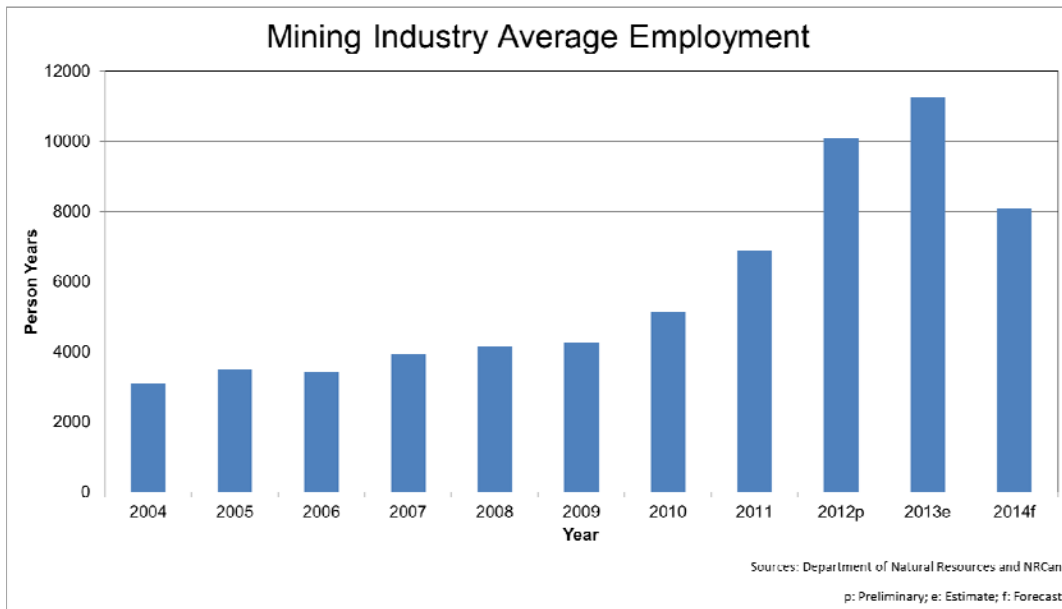


Figure 3: Average Employment



Mines and Energy

Exploration Expenditures

Mineral exploration expenditures for 2014 are forecast to be nearly \$84 million. This is a significant drop from last year's preliminary number of \$104 million. Several factors have contributed to the decline, but it is mainly due to the inability of companies to raise capital on the open market.

Despite global dampening of the industry, Newfoundland and Labrador's mineral exploration industry is still faring well. In a 2013 survey⁴ the Fraser Institute named Newfoundland and Labrador as the most improved in ranking amongst Canadian jurisdictions as measured by the Policy Perception Index (PPI). The PPI is a composite measurement which ranks the overall policy attractiveness of the 112 international jurisdictions involved in the survey. Newfoundland and Labrador went from 18th place in 2012 to 9th place in 2013. Policy factors considered in the PPI rankings include current regulations, taxation regimes, land use issues, infrastructure and community development.

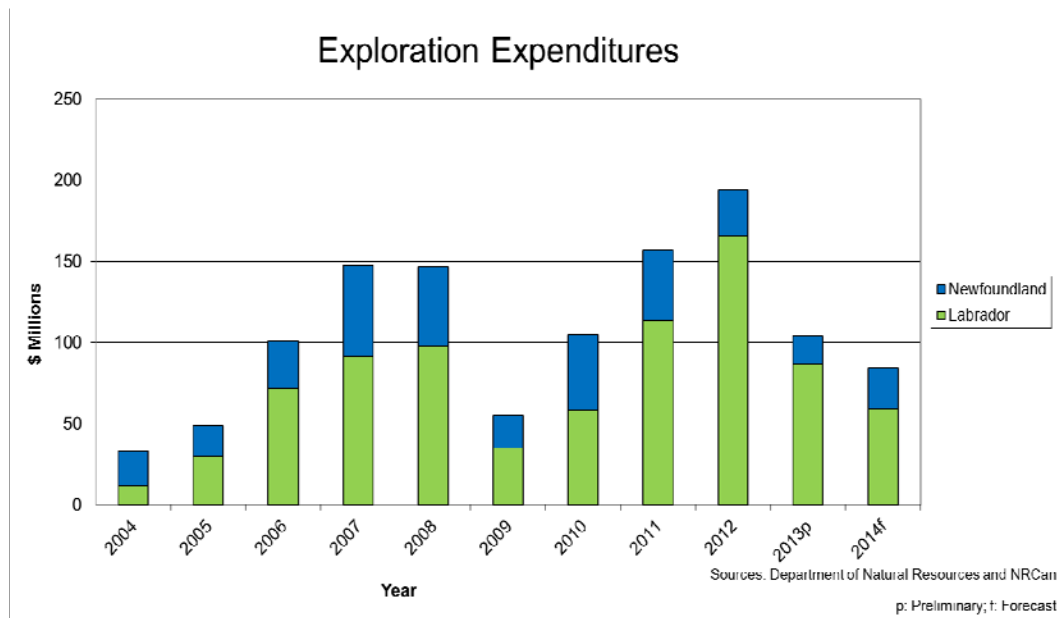


Figure 4: Mineral Exploration Expenditures

⁴ Fraser Institute Annual Survey of Mining Companies 2013.



Mines and Energy

Energy

Oil and Gas

The province's oil and gas resources include discovered reserves of 3.6 billion barrels of oil and 12 trillion cubic feet of natural gas. Undiscovered resources are estimated to total 6 billion barrels of oil and 60 trillion cubic feet of natural gas, suggesting strong potential for future discoveries.

The oil and gas industry has become an increasingly important part of Newfoundland and Labrador's economy since production began at the Hibernia oil field in 1997. In 2012, oil extraction and support activities accounted for 28.2 per cent of the province's nominal GDP, at over \$8.9 billion. In 2013, these same activities resulted in 3.8 per cent of provincial employment, or roughly 8,800 person years.⁵

The province's large-scale oil producing projects have produced more than 1.46 billion barrels⁶ of oil since Hibernia first came on stream. In 2013, Newfoundland and Labrador produced approximately 25 per cent of Canada's conventional light crude oil⁷ with offshore projects producing over 229,000 barrels of oil per day, on average.



West Aquarius Drill Rig, Conception Bay South

Photo: Department of Natural Resources

Over the last several years, existing projects have begun expansions and/or extensions of their operations. One of these – the White Rose Expansion Project – will see the construction of a well head platform to allow for the development of West White Rose. The platform will have a stand-alone concrete gravity structure and topsides which will be tied-back to the existing SeaRose Floating Production and Storage Offloading vessel. The decision to use a well head platform was announced in October, 2013 and represented an amendment to the original benefits terms of the 2007 White Rose Expansion Project Framework Agreement. The original

⁵ The Economy, 2014.

⁶ Total as of February 28, 2014: 1,457,714,816 barrels.

⁷ National Energy Board.



Mines and Energy

agreement reflected plans for development of West White Rose through subsea equipment. Using a wellhead platform for this project will deliver an estimated 115 million barrels of oil and signals an innovative way of developing smaller satellite developments in Newfoundland and Labrador. A significant portion of the well head platform will be constructed in the province at Argientia, including the concrete gravity structure and accommodations modules.

The existing Hibernia, Terra Nova, White Rose and North Amethyst oil fields⁸ will soon be joined by the Hebron project, a significant new development. The construction phase of the Hebron development began in 2012 with first oil expected in 2017. It is estimated that Hebron will produce more than 700 million barrels of oil. The Hebron field will be developed using a stand-alone concrete gravity based structure (GBS) which is being constructed in Newfoundland at Labrador at Bull Arm. The GBS will support an integrated Topsides deck that includes a living quarters and facilities to perform drilling and production. A substantial portion of the Topsides is also being fabricated in the province, and the integration will be performed at the Bull Arm site.⁹

In 2013, a new major discovery was made in the province's Flemish Pass basin by Statoil Canada and its partner Husky Energy. Statoil announced that its first Bay du Nord exploration well found between 300 and 600 million barrels of recoverable oil¹⁰. Statoil previously announced two other discoveries in the same basin, signaling the potential for future commercial discoveries and development projects in a brand new region of the province's offshore. With this and other positive exploration findings, along with existing offshore success and industrial capabilities, Newfoundland and Labrador is positioned to be an increasingly important player in the international oil and gas industry.

Electricity

In addition to oil and gas, the province is home to large stores of clean, renewable energy. Newfoundland and Labrador has nearly 7,500 megawatts (MW) of electric generating capacity, of which approximately 90 per cent is hydro and wind, as well as transmission and distribution systems serving about 280,000 customers.

Electricity utility service is provided by Newfoundland and Labrador Hydro (Hydro) and Newfoundland Power. Hydro is a subsidiary of Nalcor Energy, a Crown corporation, and is primarily a generation and transmission utility providing over 80 per cent of the

⁸ The White Rose and North Amethyst oil fields are both being produced under the White Rose project.

⁹ Hebron Project web site, www.hebronproject.com.

¹⁰ Statoil Canada News Release, September 26, 2013.

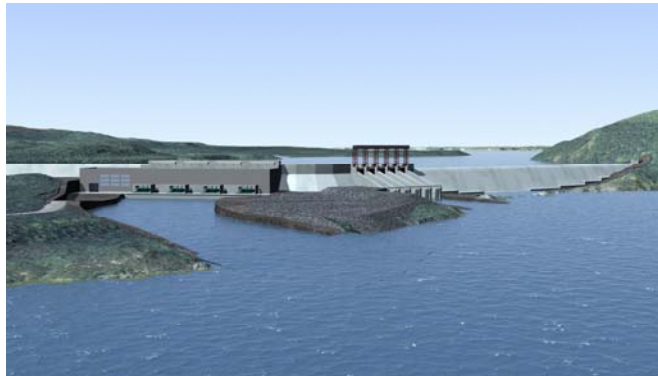


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electricity consumed in the province as well as providing distribution services in Labrador and to rural parts of the island. Newfoundland Power is primarily a power distribution utility, with some generation and transmission assets, operating on the island portion of the province. Newfoundland Power purchases the majority of its customer electricity supply from Hydro. Both are regulated by the Board of Commissioners of Public Utilities (PUB).

There are two primary generation-transmission systems in the province: the Island-interconnected system and the Labrador-interconnected system. The Island-interconnected system has a total generating capacity of approximately 1,950 MW, 75 per cent of which originates with Hydro. The Labrador-interconnected system serves customers from Labrador West to the Lake Melville region and is powered by electricity generated at the Churchill Falls hydroelectric generation plant located on the upper Churchill River. The majority of the 5,428 MW generated at Churchill Falls is sold into external markets with the exception of up to 525 MW used in the Labrador-interconnected system. In addition to the two primary systems in the province, there are another 21 electrically-isolated coastal community systems in place. These systems are powered primarily by small diesel generation.

The province is also home to the Lower Churchill Project which is being led by Nalcor Energy. Phase I of the project is underway and includes the development of three major components: an 824 MW hydro generation facility on the river at Muskrat Falls and two transmission links, one between Labrador and the island and another between the island and Nova Scotia. The result will be a new source of clean electricity to meet the province's growing energy needs, as well as a mechanism for the sale of excess power into the North American electricity grid. The Department of Natural Resources plays an important role in the project by providing legislative and policy support. As well, Nalcor and the department continue to consider options for development of Phase II of the project which would involve the development of a second, 2,250 MW generation facility at Gull Island following Phase I development.



Graphic of dam to be constructed at Muskrat Falls



Mines and Energy

Overview of the Department

The department's responsibilities for natural resource development in the mining and energy sectors are executed by staff in two branches, the Mines Branch and the Energy Branch.

Mines Branch

The Mines Branch is divided into three main divisions:

The **Mineral Development Division** is responsible for the approval and permitting of mining operations through the *Mining Act*; the administration of the Mineral Incentive Program; the collection, analysis and publication of mineral production data; and the assessment and rehabilitation of abandoned mine sites across the province.

The **Mineral Lands Division** is responsible for the administration of mineral land tenure through the *Mineral Act*, the *Mineral Holdings Impost Act* and related legislation, including the issuance of exploration licenses and production leases; the administration of quarry material rights and developments, including on-going field investigations, through the *Quarry Materials Act*; the issuance of exploration approvals and follow-up inspections; the maintenance of the core library system and the provincial mineral rights registry.

The **Geological Survey Division** is responsible for mapping and interpreting the province's geology; conducting geochemical and geophysical surveys; conducting mineral deposit studies; maintaining and publishing maps, reports and databases concerning the province's geological and mineral endowment, including geographic information system databases and web-delivery; and promoting the province's mineral potential.



Mines and Energy

Energy Branch

The Energy Branch is divided into three main sections, each made up of several divisions.

The **Petroleum Development Section** is responsible for fostering the exploration, development and production of the province's hydrocarbon resources. Responsibilities include: the provision of technical services in the areas of petroleum geoscience, petroleum engineering and petroleum operations to facilitate sustainable development and management for both onshore and offshore deposits; and, the provision of marketing and promotional services, both nationally and internationally, to help ensure continued interest and investment by industry.

The **Royalties and Benefits Section** is responsible for maximizing the benefits to the local economy from the development of major resource projects. Responsibilities include: the negotiation, development and administration of energy and mines project agreements and royalty legislation/regulations; the negotiation and monitoring of industrial benefits commitments related to energy and mines resource developments; the auditing of petroleum project costs and revenues to verify the accuracy of royalties paid to the province; the provision of energy-related economic/financial and supply/demand information, analysis and advice to inform resource management decisions; and the promotion of the province's industrial capacity and capabilities.

The **Energy Policy Section** is responsible for developing, planning and coordinating legislative, regulatory and policy matters relating to the province's energy sector. Responsibilities include: the management/co-management of onshore/offshore petroleum exploration and development, including regulatory development and compliance; electricity industry governance and structure, electricity industry markets, alternative energy, and responsibility for the *Electrical Power Control Act*; and general policy, planning and coordination related to the energy sector, including a lead role in the implementation of the province's Energy Plan.



Mines and Energy

Employees

As of March 31, 2014, the Department of Natural Resources' Mines and Energy Branches had 171 staff members.

Branch	Female	Male	Total
Mineral Resources	29	58	87
Energy	23	29	52
Financial Operations (1)	4	6	10
Executive Support (2)	15	7	22
Total (3)	71	100	171

1. Financial Operations staff are shared with the Forestry and Agrifoods Agency and the Department of Fisheries and Aquaculture.
2. A number of employees in Executive Support are shared with the Forestry and Agrifoods Agency.
3. Excludes vacant positions

Physical Location and Web Site

The department's main office is located in the Natural Resources Building in St. John's which houses the majority of department staff. Several staff members work at departmental/government facilities in Grand Falls-Windsor, Pasadena and Goose Bay. In addition, several employees are located at the department's geochemical lab at the Howley Building in St. John's.

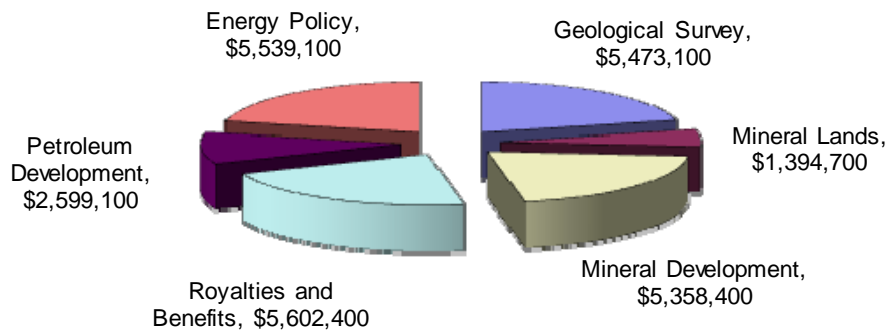
Budget

The budget for the Mines and Energy Branches for fiscal year 2014-15 is \$580.88 million. This figure does not include \$4.5 million related to executive and support services that will be shared with the Forestry and Agrifoods Agency. The chart below illustrates budgeted amounts for the divisions of the Mines Branch as well as the three sections of the Energy Branch. In addition to these amounts, the Energy Branch budget includes a \$552.7 million allocation to Nalcor Energy and its subsidiaries to facilitate participation in oil and gas activities and other energy projects. Budgeted amounts also include a net amount of \$2.2 million that the department will contribute toward the operating and capital costs of the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB).



Mines and Energy

Mines and Energy 2014-15 Budget by Section/Division



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, quarry materials and beaches;
- Onshore petroleum resources;
- Offshore petroleum resources, managed jointly with the federal government;
- 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.

For a complete list of the department's legislative responsibilities please refer to Appendix ME-II and/or the House of Assembly website at www.assembly.nl.ca.



Mines and Energy

Lines of Business

Resource Policy

Working closely with key stakeholders, the department develops, maintains and administers resource policy to coordinate and facilitate sustainable development and management. In doing so, the department directly and indirectly develops, monitors and/or initiates supporting regulatory and benefits activities.

Resource Management

In the onshore area of the province, the department ensures that industry follows responsible resource development and management practices for the maximum benefit of the people of the province. To achieve this, the department monitors resource development activities to ensure adherence to relevant policy and is responsible for the development and administration of royalty regimes for petroleum projects (onshore and offshore). The department also administers title allocation and ensures compliance with site development and rehabilitation requirements¹¹.

With respect to offshore petroleum activity the department discharges its operational resource management functions under a joint federal-provincial regime administered by the C-NLOPB.

In the electricity sector, the department provides advice and support for government decision-making related to resource management. Other resource management activities are implemented through the PUB and Newfoundland and Labrador Hydro.

¹¹ A number of onshore resource management activities are carried out by the Department of Environment and Conservation (e.g., monitoring compliance with environmental regulations and land use management, etc.) and Service NL (e.g., monitoring compliance with occupational health and safety regulations).



Mines and Energy

Resource Exploration and Assessment

This line of business is a major contributor to the advancement of exploration in the province's mineral and petroleum sectors. The department's main lever in attracting resource exploration is through the collection and dissemination of geoscience data. Through investment and direct geoscience research, the department accumulates and distributes preliminary scientific information to the exploration community. The availability of this information reduces overall exploration risk and provides an incentive for industry players to explore in Newfoundland and Labrador. It is this exploration activity that will lead to new resource development projects, along with the associated economic benefits to the province. As a supplement to its work in the area of geoscience, the department also maintains an extensive library of drill core samples originating from mineral and onshore petroleum exploration activities and provides training, mentoring and other supports to prospectors.

Promotion and Facilitation of Resource Development

Resource development projects generally tend to be long term and capital intensive and generate significant economic and employment benefits. These projects can be important catalysts of growth, particularly for rural areas, as well as for the development of industrial infrastructure and the province's supply and service capabilities. Activities are specifically directed to negotiating, promoting and facilitating well-planned, responsible mineral and energy development and associated business and employment opportunities.

Primary Clients

The department is, ultimately, accountable to the residents of the province. Other primary clients include:

- Resource exploration and development companies;
- Electrical generation and supply distribution companies;
- Energy consumers (refined petroleum products and electricity for industrial, commercial and residential customers);
- Supply and service companies in the mineral, petroleum and electricity sectors; and,
- Other Provincial Government departments, crown corporations and agencies.



Mines and Energy

Values

During the 2014-17 planning period, the department's employees will be guided by the following core values.

- Professionalism** Each individual demonstrates high professional standards and positive attitudes, and delivers quality service in an objective, timely and responsive manner.
- Innovation** Each individual demonstrates initiative, creativity and flexibility in responding to challenges and change.
- Safety** Each individual holds the personal safety of themselves and co-workers in the highest regard and will promote workplace safety at all times.
- Diversity** Each individual encourages an open exchange about ideas and decisions, and welcomes the varied opinions that contribute to new creative ideas and the development of comprehensive programs and services.
- Leadership** Each individual takes every opportunity to successfully integrate and use available resources within the department for the attainment of organizational goals.
- Collaboration** Each individual is open to sharing their knowledge with others and actively seeks the opinions and ideas of others to achieve the desired results.

Vision

A vision statement describes the ideal state an organization is striving to achieve in the long term. The vision of the Department of Natural Resources is:

“A province that realizes the full benefit from the sustainable development of its natural resources.”



Mines and Energy

Strategic Directions

Appendix ME-I presents the strategic directions of the Provincial Government in the natural resource areas of mines and energy. The department used these directions as guideposts in the development of this strategic plan. The section below highlights how these directions are reflected in the department's priorities and commitments for the planning period.

Increased exploration and development of mining and energy resources

Continued and, preferably, increased resource exploration and development is critical in order to sustain economic benefits derived from the mines and energy sectors. The department's mission is focused on supporting the growth of these sectors. This will be achieved, in part, by encouraging increased exploration activity and by promoting resource sector opportunities. To help achieve this, the department has selected *Sustained Industry Growth* as Goal 1. The objectives and indicators under this goal are all focused on encouraging increased mineral and petroleum exploration in the province. This will be accomplished through efforts to support the acquisition and availability of geoscience data and other scientific information, promote the province nationally and internationally as an ideal place to explore and develop and continue dialogue with industry and others to help identify and address other industry needs.

Responsible resource development

As a strategic direction, responsible resource development refers to the Provincial Government's focus on resource development that is environmentally sustainable and respectful of local communities and people. The department's primary role in responsible development is in the management of mines and energy industry activity through its framework of legislation, regulation and policy. Over the planning period, the department will progress a number of initiatives to advance and update this framework. Some of these initiatives, including revisions to Mineral and Quarry Exploration Guidelines and the development of a Roadmap for Onshore Petroleum Permitting and Approvals, will address matters related to environmental sustainability. The work plan for Roadmap development will include consultation with the public to ensure community groups and other stakeholders have an opportunity for input. All of this work is outlined under Goal 2, *Effective Management of Resource Development*. Also under Goal 2, the department will play a key role during the planning period in the Provincial Government's oversight



Mines and Energy

committee for the construction phase of the Lower Churchill Project. The committee will provide quarterly updates to the public beginning in July 2014.

From an environmental standpoint, the Lower Churchill Project is one of the most significant initiatives underway in the province. When complete, the province will have an electricity supply that is 98 per cent renewable, thus reducing greenhouse gas emissions through the burning of fossil fuels. The department will be undertaking significant work during the planning period to help advance the Lower Churchill Project, as well as other renewable energy sources. At the same time, the department will assess and take appropriate action to help ensure the province's current electricity infrastructure is reliable and meets the needs of citizens and businesses until Lower Churchill power is available. All of this work is reflected under Goal 3, *Electricity Sector Advancement*.

A number of the commitments under the department's mission will also further the strategic direction toward responsible resource development. During the planning period the department's work will help advance a number of these focus areas including: increased collaboration and communication in the advancement of exploration and development activities; optimized regulatory, policy and program environments to enhance sustainability; and advancement of the electrical industry structure and regulatory framework for the province.

Maximum benefits to the province through the strategic development of our resources

One of the most significant benefits to the province from resource development is the royalty revenue derived from offshore oil projects. In its mission, as well as under Goal 2, *Effective Management of Resource Development*, the department has included commitments related to the province's offshore royalty regime. During the planning period, the department will initiate a review of its approach to project royalties and evaluate potential options for a new, generic offshore royalty regime.

In its commitment to support industry growth, the department's mission includes elements dedicated to increased monitoring of industry performance in areas such as employment, expenditures and education/training. Along these same lines, Goal 2, *Effective Management of Resource Development* includes a focus on enhancing the department's capacity and practices with respect to the administration and monitoring of royalty and benefits agreements.



Mines and Energy

During the planning period the department will also advance efforts toward the development of the Crown-held iron ore deposit at Julienne Lake in Labrador. The department will continue to participate in discussions with the objective of arriving at an agreement to develop the deposit. The deposit represents a unique opportunity for the department to support increased employment and industrial benefits in the province and in western Labrador in particular. The department's work on this initiative is also found under Goal 2.

Stable and competitive energy supply for domestic use and export to market

This strategic direction is focused primarily on alternative energies, electricity rates and the export of surplus energy. The department's strategic plan addresses these focus areas under Goal 3, *Electricity Sector Advancement*, which includes initiatives related to the Lower Churchill Project as discussed above. Specific commitments include policy and/or program work in the areas of net metering and biogas as alternative sources of energy. Also included is the continued implementation of the province's new Labrador industrial electricity rate policy as well as legislative and/or policy work required to advance the structure of the province's electricity sector in order to meet required standards for participation in the North American electricity grid.



Mines and Energy

Mission

Definition and Time Period

Under the government's strategic planning model, departments set their missions for a six-year period (two planning cycles). The department's current mission was first established during the development of the 2011-14 strategic plan and will be carried forward into the 2014-17 planning period.

An organization's mission represents its primary focus, the ultimate target that will guide all of its operations and decisions for the foreseeable future. The mission statement for the Department of Natural Resources identifies the key longer-term result that the minister and the department will be working toward over the planning period, in line with government's strategic directions.

Mission Overview

Given the importance of the mines and energy sectors to the provincial economy and treasury, the Department of Natural Resources' primary focus is to support sustainable, responsible industry growth.

The mines and energy industries are global in scale and local industry growth depends on a multitude of factors, many of which are outside the department's control. Nevertheless, the department has a critical role to play in attracting private investment for resource exploration and the identification of new commercial development opportunities. In this vein, the department will continue efforts to encourage increased mineral and petroleum exploration activities, primarily through increased collection and promotion of geoscience data, as well as promotion of the province as a desirable exploration and development region.

Sustainable resource development involves ensuring that our development activities benefit current and future generations economically while mitigating the environmental impact of these activities. The department will help ensure long-term benefits to the people of the province through effective benefits negotiations with project operators as well as by monitoring benefits performance on projects. In addition to an overall focus maximizing local employment and expenditures, benefits negotiations on major projects will include a strong commitment to the development of gender and diversity plans and related benefits. The department will continue to support environmentally responsible development practices on mining and petroleum projects, clean energy development



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through the Lower Churchill Project and the advancement of alternative energy models for the province. The department will also continue with ongoing rehabilitation of former orphaned and abandoned development sites in the province.

Responsible resource management requires a policy and legislative structure that facilitates resource exploration and development activity while also allowing the province to control the pace of development and the benefits received by the province and its people. As the mineral and energy industries grow and change, the department will continue to identify options for, and work to advance, policy and legislative environments with these factors in mind.

Mission

Statement: By March 31, 2017, the Department of Natural Resources will have supported the growth of the energy and mineral resource industries in a sustainable manner for the benefit of future generations.

Measure: Supported growth of the energy and mineral resource industries

Indicators:

- Provided geoscience information and other supports to encourage increased mineral and energy exploration activity
- Increased promotion of our natural resources to increase global awareness of the province's resource opportunities
- Increased collaboration and communication in the advancement of exploration and development activities
- Continued assessment and development of natural gas royalty regime
- Established new offshore oil royalty regime
- Optimized regulatory, policy and program environments to enhance sustainability
- Increased monitoring of industry performance (e.g., employment, revenue, education and training, and R&D investment) to ensure benefits commitments are met
- Increased opportunity to influence R&D expenditures within petroleum and mineral industries
- Advanced environmental stewardship activities, including the monitoring of environmental compliance by industry
- Assessed alternative energy models for the province
- Advanced electrical industry structure and regulatory framework for the province



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Strategic Issues

Issue 1: Sustained Industry Growth

The mineral and petroleum sectors are significant contributors to Newfoundland and Labrador's economy. Continued progress in these industries is key to ongoing social and economic development in the province. To keep resource revenues flowing, new resource developments will be needed, particularly as existing projects reach maturity and, eventually, decline. New developments are dependent on the discovery of new, economically viable resource deposits. The projects of tomorrow lie in the province's undiscovered and/or underdeveloped petroleum and mineral resources. Locating and assessing the viability of these resources, however, requires capital-intensive exploration programs by industry.

Mining and petroleum companies often operate global exploration programs and choose the specific areas where they will explore based on a number of factors. One of the most important factors is the resource potential, based on existing scientific evidence, of each region under consideration. As such, the more geoscience data and other evidence that can be amassed and made available to industry, the better.

Scientific Supports for Exploration

The department is continually focused on increasing the amount of geoscience data collected in the province. Over the planning period, the department will continue to carry out its own geoscience field work and analytical studies through its Geological Survey Division and will develop a new five-year plan to guide the Geological Survey's projects over the next several years. In addition, the department will continue to cooperate with Nalcor Energy – Oil and Gas on its geoscience data acquisition efforts in the province's onshore and offshore.

Complementing this work, the department maintains a library of drill core samples which are available for inspection by the exploration community. There are six core storage facilities across the province which house over one million metres of core originating from mineral and onshore petroleum exploration activities. The department receives new core samples each year and, with the collection continually growing, is facing a challenge in terms of adequate space. A plan is needed for how best to maintain the program and its facilities over the long-term. During the planning period, the department will initiate an evaluation of the program in consultation with industry participants.



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Targeted Supports for Smaller Participants

Prospecting is a small-scale form of mineral exploration, often undertaken by individuals and small companies that can play a key role in the exploration cycle. Some of the province's most successful mineral developments are the result of mineral discoveries made by prospectors. Prospectors often do not possess the same resources or knowledge base as large exploration companies and, for this reason, the department delivers programs geared specifically toward this group. Program supports include advice, technical assistance, mentoring, training and financial assistance. Over the planning period, the department will maintain its commitment to these programs and, wherever possible, enhance the information and services available to the prospecting community.

Promotion and Investment Attraction

In addition to these technical supports for resource exploration, the department places emphasis on raising industry awareness of Newfoundland and Labrador as an attractive region for exploration, both onshore and offshore. The department regularly participates in promotional events on a local, national and international scale to ensure that companies looking to explore know about this province's resource potential, industrial supply and service capabilities and stable economic and political environment. The department also helps facilitate connections between local mineral rights holders and global industry players/investors. Such connections can help provide the funds needed to complete exploration/ assessment work on a resource property that may eventually lead to a new development project. Over the planning period, the department will continue to advance its promotion and investment attraction efforts.

The department's promotional work will include raising awareness about recent modernizations to the province's offshore land tenure system. The new system, administered by the C-NLOPB, is designed to be informed by the geoscience data available about the province's one million km² of prospective offshore lands. Based on the quantity and quality of available data, the province's offshore area has been divided into eight regions and three categories, "mature", "high-activity" and "low-activity", that are reflective of the level of activity and overall oil and gas development status. Regions designated as "mature" are characterized by well-understood geology and a history of extensive exploration, delineation and development drilling, supplemented by substantial seismic coverage. Licensing in these regions will continue on the traditional annual cycle. "High-activity" regions are typified by a combination of regional, two-dimensional (2-D) and local, 3-D seismic data, supported by exploration drilling sustained by hydrocarbon discoveries. Lands in these regions will undergo a two-year cycle of



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licensing. The “low-activity” category is best described as underexplored with coarse-grid, 2-D seismic data and an associated lower-level of geoscientific understanding that would benefit from a longer licensing period. As such, lands in this category will follow a four-year licensing cycle. In addition, these areas will be scheduled in advance providing industry certainty regarding both timing and location of available lands. Such a system provides all players, new entrants to the province’s offshore in particular, with the time necessary to conduct complete geoscience assessments, including the acquisition of new data, in order to prepare an informed bid on parcels of lands.

The department’s work over the planning period will be in direct support of the Provincial Government’s strategic direction toward *increased exploration and development of mining and energy resources*. In particular, the department will make progress in several of the focus areas associated with this strategic direction including: *acquisition and promotion of geoscience data, increased exploration and development activity, and enhanced marketing and promotion of our natural resources*. This work will also support the strategic direction toward *maximum benefits to the province through the strategic development of our resources* and the associated focus area of *supporting increased local industrial and employment benefits*.

Goal 1

By March 31, 2017 the Department of Natural Resources will have advanced initiatives to attract investment and encourage exploration in the province’s mineral and petroleum sectors.

Measure: Advanced initiatives

Indicators:

Advanced the amount/availability of geoscience data and other information used in exploration:

- Developed a new five-year plan (2015-20) for the department’s Geological Survey Division to guide the division’s research and analysis projects
- Increased the department’s inventory of mineral and petroleum geoscience data and related information, including information related to underexplored/greenfield areas



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- Advanced evaluation efforts pertaining to the long-term maintenance/enhancement of the Core Storage Program, including potential synergies with onshore petroleum requirements
- Continued cooperation with Nalcor - Oil and Gas on geoscience data compilation and, in particular, seismic data acquisition efforts in offshore Newfoundland and Labrador

Advanced promotion, investment attraction and engagement activities:

- Continued promotion and investment attraction efforts related to the province's mineral resource potential
- Continued promotion and investment attraction efforts related to the province's petroleum resource potential including the promotion of:
 - Geoscience research and reports conducted under the Petroleum Exploration Enhancement Program
 - Geoscience data sets obtained through Nalcor's seismic data acquisition program;
 - The province's new offshore land tenure system, administered by the C-NLOPB
 - The province's supply and service capability with respect to major resource development projects
- Continued dialogue with the petroleum industry through established working groups to promote exploration and address other industry needs
- Provided information and support for the International Symposium on Oil and Gas Resources in Western Newfoundland

Continued supports for prospectors:

- Provided information and support to prospectors through training, mentoring, promotional supports and financial assistance



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Objective 1

By March 31, 2015 the Department of Natural Resources will have enhanced programs and initiatives which support mineral and petroleum exploration activity in the province.

Measure: Enhanced programs and initiatives

Indicators:

- Begun development of the Geological Survey Division's five-year plan
- Completed the 2014-15 geoscience field program within the Geological Survey including:
 - Iron ore and uranium studies and lake sediment sampling in Labrador
 - Bedrock mapping on the Bonavista Peninsula
 - Surficial mapping and till geochemistry in the Bay D'Espoir area
- Initiated an evaluation of the long-term maintenance/enhancement of the Core Storage Program
- Completed planned efforts with respect to mineral and petroleum resource promotion and investment attraction including:
 - Development and publishing/distribution of investor-focused information materials
 - Participation at major conferences and industry meetings locally, nationally and internationally
 - Provided supports to the Western Newfoundland petroleum community through participation in the ninth International Symposium on Oil and Gas Resources in Western Newfoundland through participation on the technical committee, conference field trip and conference sponsorship
- Provided supports to the prospector community through Mineral Incentive Program grants, administration of and participation in prospector training sessions, and providing technical and other support through the Matty Mitchell Prospectors Resource Room (a government–industry–university partnership).

Objective 2

By March 31, 2016 the Department of Natural Resources will have advanced planning, geoscience and promotion activities to support mineral and petroleum exploration activity in the province.



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Objective 3

By March 31, 2017 the Department of Natural Resources will have improved overall its technical knowledge base and promotional/investment attraction programs in support of mineral and petroleum exploration activity in the province.



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Issue 2: Effective Management of Resource Development

It is the department's responsibility to provide management and oversight of mineral and energy resource development in the province to ensure that development is conducted in a responsible, sustainable manner and to maximize the resulting benefits to the people of the province. The department achieves effective management through a number of means, including the creation and maintenance of adequate legislative/regulatory frameworks and the ongoing oversight of all mineral and energy developments in the province. In some situations, the department can have a more direct impact on resource development, as in the case of mineral deposits for which the Provincial Government holds exclusive mining rights. Additionally, through its work in the natural resource sectors, the department is able to build synergies with other departments and agencies to contribute to better management of lands, better planning for communities and the advancement of beneficial, resource-based developments that are non-industrial in nature.

Legislative / Regulatory Frameworks

With the potential of new offshore developments in the coming years, the time is right for the department to consider potential advancements in its approach to project royalties. The royalty arrangements in place for current operating projects are all different and, to a large extent, have been reached through contractual negotiations between the Provincial Government and project proponents. During the planning period, the department will initiate an evaluation of potential options for a new, generic offshore oil royalty regime for the province. A more generic regime would provide greater certainty to potential operators as they assess the economics of proposed developments and would likely enable more efficient administration by the department. The department's evaluation will take into account the relative advantages and disadvantages of the options. Ultimately, any changes made to the existing regime would have to balance the interests of the province and operators to ensure a fair return for all.

Also in relation to the offshore, the department will continue its work with the federal government and other stakeholders in the modernization of the petroleum regime, including a review of legislation and regulations. This includes development of occupational health and safety legislation and regulations and strengthening offshore liability requirements. Work will also be ongoing towards the development of agreements respecting domestic and international boundary issues as well as the development of agreements respecting domestic and international border matters. This includes articles of the United Nations Convention on the Law of Sea (UNCLOS) which addresses the



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matter of jurisdiction for offshore development beyond the 200 mile limit into the extended continental shelf.

In the onshore, the department will complete technical and regulatory work in preparation for the release of a position document pertaining to onshore petroleum exploration and production. The department's work in this area began in early 2013 and helped inform the November 2013 decision by the Minister of Natural Resources to perform a review of hydraulic fracturing as a stimulation technique. Once the position document has been completed the department will facilitate a public consultation process. Following a principles-based process, all research, assessment and feedback will be used to inform the development of a "Regulatory Roadmap for Permitting and Approvals" for the onshore petroleum industry.

From a mineral development perspective, the department will take steps toward the development of new Quarry Materials Regulations that will provide more guidance and clarity for quarry operators and help streamline the department's management of quarry resources. This is particularly timely as the demand for quarry materials has increased significantly with the recent upturn in the province's economy and resulting increase in demand for aggregate material. There are approximately 1,800 active quarries in the province and an average of 75 new quarry permits are granted each year. With this level of activity, it is important to ensure the framework within which the industry operates is clear and effective.

The department will also develop revised Mineral and Quarry Materials Exploration Guidelines. Among other improvements and updates, these guidelines will provide enhanced information and direction to exploration permit holders regarding the measures that should be taken to minimize the impact of exploration activities on the environment and adjacent communities/interest holders.

Increased / Improved Oversight

While the department will be placing significant emphasis on the development and revision of legislative and related structures, it will also be working to improve its capacity and practices with respect to the oversight of developments in light of these and other structures. It will do this in part by enhancing its internal capacity to meet increasing administration/management demands driven by growth in the number and complexity of royalty and benefits agreements.

In addition, the department will participate in the Provincial Government's oversight



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committee for the construction phase of the Muskrat Falls Project. The committee, consisting of officials from the departments of Finance, Natural Resources, and Justice, and chaired by the Clerk of the Executive Council, will review project information, focusing on project costs, scheduling, and overall project performance. The committee will meet regularly with Nalcor Energy officials, will report directly to Cabinet and will provide quarterly updates to the public beginning in July 2014.

Effective Management of Crown-Held Deposits

Over the last several years, the department has been progressing efforts toward the development of the Julienne Lake iron ore deposit in western Labrador. The deposit is located approximately 25 kilometres from Wabush and Labrador City in “exempt mineral land”, meaning land where all mining rights are held by the Crown. Following a comprehensive evaluation of proposals from industry to develop the deposit, the Provincial Government has begun discussions with a prospective developer. During the planning period, the department will continue its participation in these discussions with the objective to secure an agreement to develop the deposit in the best interest of the province.

Effective Application of Unique Expertise

While the department’s primary focus is on fostering continued development in the natural resource sectors, its unique data sets and expertise are of vital importance in other areas of provincial interest as well. Departmental staff are frequently called upon by other government departments and agencies to share knowledge and provide advice on matters related to provincial mapping and land use planning, potential geohazards such as coastal erosion and landslides and proposed geoheritage and geotourism initiatives. During the planning period, the department will continue to share this knowledge and expertise with other departments and agencies, as well as the public.

The department’s work over the planning period will be in direct support of the Provincial Government’s strategic direction toward *increased exploration and development of mining and energy resources*. In particular, the department will make progress in the focus area of *competitive regulatory and policy structures that support resource development*. This work will also support the strategic direction of *responsible resource development* and the associated focus areas of: *development of clean, renewable energy through the Lower Churchill Project; activities to support social license through adequate stakeholder consultation; and resource developments built on a culture of*



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worker safety and environmental sustainability. Finally, the work will support the strategic direction toward maximum benefits to the province through the strategic development of our resources and the associated focus areas: supporting increased local industrial and employment benefits; and, increased participation of women and underrepresented groups in natural resource projects.

Goal 2

By March 31, 2017 the Department of Natural Resources will have advanced management mechanisms, capacities and initiatives to help ensure resource developments are conducted responsibly and provide maximum benefit to the people of the province.

Measure: Advanced management mechanisms, capacities and initiatives

Indicators:

- Participated in the Muskrat Falls Project oversight committee
- Enhanced departmental capacity in the areas of:
 - Benefits monitoring
 - Royalties administration and management
- Advanced efforts toward the development of a new, generic offshore oil royalty regime for the province
- Awarded Julianne Lake exempt mineral land to successful proponent
- Advanced the development/revision of legislation, regulations and other instruments that support effective, responsible resource development including:
 - Development of revised Mineral and Quarry Materials Exploration Guidelines
 - Development of new Quarry Materials Regulations
 - Development of a Roadmap for Onshore Petroleum Permitting and Approvals
 - Working with the federal government and other stakeholders toward the development of occupational health and safety legislation for the offshore
 - Ongoing development and consultations with stakeholders regarding FORRI Framework Regulations and Liability Regulations for the offshore
 - Working with various governments toward the development of agreements respecting domestic and international boundary and/or border issues including UNCLOS (Article 82)



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- Provided unique departmental knowledge and data to inform and support other types of development and/or resource management in areas such as coastal erosion, geohazards, geotourism, etc.

Objective 1:

By March 31, 2015 the Department of Natural Resources will have progressed the department's management mechanisms, capacities and initiatives related to resource development

Measure: Progressed management mechanisms, capacities and initiatives

Indicators:

- Participated in the Muskrat Falls Oversight Committee
- Advanced the development of revised Mineral and Quarry Materials Exploration Guidelines
- Progressed discussions with in support of the development of the Julienne Lake iron ore deposit
- Initiated an evaluation of potential options for a new, generic offshore oil royalty regime for the province
- In cooperation with the federal government and other stakeholders, advanced the province's regulatory framework for offshore petroleum operations, including:
 - Finalization of amendments to occupational health and safety (OHS) legislation for the offshore
 - Commencement of development work on new OHS regulations
 - Development of regulations required by the federal government's new Energy Safety and Security Act, scheduled for introduction in 2014, which increased liability requirements for offshore operators
 - Review of existing offshore oil and gas regulations and advancement of efforts toward amalgamating these regulations into a single, modernized Framework Regulation
- Advanced departmental capacity initiatives in support of effective management of resource developments including progress in the development of a new:
 - Benefits monitoring database
 - Royalties monitoring system
- Increased amount of information/data available related to geohazards, land use planning and geotourism initiatives.



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Objective 2

By March 31, 2016 the Department of Natural Resources will have further progressed the department's management mechanisms, capacities and initiatives related to resource development

Objective 3

By March 31, 2017 the Department of Natural Resources will have improved overall the department's management mechanisms, capacities and initiatives related to resource development



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Issue 3: Electricity Sector Advancement

The province's Interconnected Labrador, Interconnected Island, and remote diesel systems have operated in isolation from each other since their inception decades ago. With increasing demand, aging infrastructure, and the province's commitment to renewable and sustainable energy development, significant changes and improvements are necessary to these systems. To facilitate these changes, the Provincial Government has placed considerable emphasis in recent years on advancing the Lower Churchill hydro resource and developing and implementing related policies and industry structures.

With the completion of the Muskrat Falls phase of the Lower Churchill Project, the Isolated Island grid will interconnect with Labrador through the Labrador-Island Link transmission line and with Nova Scotia and North America through the Maritime Link transmission line. These interconnections will provide a path to sell excess power, as well as a means of accessing additional power if or when it is needed. This change in the electricity system will require a broader regulatory framework which considers this interconnection to North America. This includes consideration of North American market rules, transmission access rules, and reliability oversight. Over the planning period, the department will continue to work with Nalcor Energy on the advancement of the Muskrat Falls Project which is scheduled for completion in 2017-18. One of the department's key roles in this regard will be to enhance the legislative and/or policy frameworks within which the electricity system operates to ensure the province is ready to participate as a new player in the North American electricity industry.

With the implementation of the Muskrat Falls Project and access to additional power through a new interconnected system, the province will have an electricity supply that is 98 per cent renewable and a level of reliability that has not been possible before. The Provincial Government and its Crown corporations Nalcor Energy and Newfoundland and Labrador Hydro are committed to ensuring the existing system remains reliable in the interim years before Muskrat Falls comes on stream. In December 2013 and January 2014, the province experienced electricity supply interruptions during extremely cold winter conditions which left many residents with questions about system reliability. While the Provincial Government is confident that the current system can and will meet the Province's needs until Muskrat Falls power is ready, it has committed to facilitating an independent review of the issue. Over the planning period, the department will commission an expert independent consultant to undertake a review and analysis of the legislation, regulation, management and operation of the current provincial electricity system as the province moves from an isolated system to an interconnected system. This review will also examine the practices and approaches in other jurisdictions to



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identify any additional interprovincial, national and international considerations for the interim period leading up to and beyond transition to an interconnected system. Once the review has been completed, the department will use the results and recommendations to assess whether changes to the system are required in the short-term and to inform the longer-term changes necessary for an interconnected system.

While the Muskrat Falls Project is the main focus among renewable energy initiatives, the department also continues to explore opportunities in other renewable energy areas. In line with Energy Plan commitments, the department will provide support for the development of a provincial net metering policy or program for renewable energy sources such as wind and solar. Net metering allows utility customers to generate power from small scale renewable sources for their own use and supply surplus power to the utility when available. The department will also develop a biogas policy or program for the province. Biogas is a combustible gas created by anaerobic (i.e. without oxygen) decomposition of organic material. Biogas is mainly composed of methane, a potent Greenhouse Gas (GHG) which is 21 times more harmful than carbon dioxide in terms of its GHG impact when released directly into the atmosphere. Newfoundland and Labrador has untapped potential for biogas generated electricity. By burning biogas as fuel for electricity generation, the province will reduce its GHG emissions and support Energy Plan commitments to develop our sustainable and renewable energy.

The department's work over the planning period will be in direct support of the Provincial Government's strategic direction toward *a stable and competitive energy supply for domestic use and export to market*. In particular, the department will make progress in several of the focus areas associated with this strategic direction including: *the advancement of renewable energy projects and related infrastructure, the export of surplus energy, development of industrial electricity rates that support resource development and alternative energy research and development*. This work will also support the strategic direction of *responsible resource development* and the associated focus area *development of clean, renewable energy through the Lower Churchill Project*.



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Goal 3

By March 31, 2017 the Department of Natural Resources will have implemented measures toward enhanced reliability, sustainability and export readiness of the province's electricity system.

Measure: Implemented measures

Indicators:

- Examined and taken appropriate action on findings of the independent review of the province's electricity system
- Advanced the structure of the province's electricity sector in order to meet required standards for participation in the North American electricity grid/market
- Developed policies or programs in support of renewable alternative energy development

Objective 1

By March 31, 2015 the Department of Natural Resources will have completed studies, developed/enhanced legislation and/or policy to improve reliability and sustainability and establish a clear path toward export readiness of the province's electricity system.

Measure: Completed steps toward enhanced reliability, sustainability and export readiness

Indicators:

- Developed a net metering policy or program for the province
- Developed a biogas policy or program for the province
- Reviewed and initiated action, where appropriate, on findings from the external consultant's review of the electricity system
- Completed planned 2014-15 components necessary to advance Lower Churchill Project milestones
- Continued the implementation of the Labrador industrial electricity rates policy



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Objective 2

By March 31, 2016 the Department of Natural Resources will have advanced priorities related to hydro and electricity development and reliability in the province.

Objective 3

By March 31, 2017 the Department of Natural Resources will have advanced priorities related to the Lower Churchill project.



Appendix ME-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. For further detail on how the strategic directions are being addressed in this plan, refer to page 16.

Title: Resource exploration and development

Outcome: Increased exploration and development of mining and energy resources

This outcome supports the policy direction of government and will require focus in particular areas as outlined in the table below.

Strategic Direction	Focus Areas of the Strategic Direction	This Direction is addressed in/by:			
		Dept.'s strategic plan	Other entities reporting to minister	Dept.'s operational plan	Dept.'s work plans
Increased exploration and development of mining and energy resources	Acquisition and promotion of geoscience data	✓			
	Increased exploration and development activity	✓			
	Enhanced marketing and promotion of our natural resources	✓			
	Competitive regulatory and policy structures that support resource development	✓			



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Title: Responsible resource development

Outcome: Responsible resource development

This outcome supports the policy direction of government and will require focus in particular areas as outlined in the table below.

Strategic Direction	Focus Areas of the Strategic Direction	This Direction is addressed in/by:			
		Dept.'s strategic plan	Other entities reporting to minister	Dept.'s operational plan	Dept.'s work plans
Responsible resource development	Development of clean renewable energy through the Lower Churchill Project	✓			
	Activities to support Social License through adequate stakeholder consultation	✓			
	Resource developments built on a culture of worker safety and environmental sustainability	✓			
	Integration of advanced technological solutions that reduce environmental impacts				✓



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Title: Strategic resource development

Outcome: Maximum benefits to the province through the strategic development of our resources

This outcome supports the policy direction of government and will require focus in particular areas as outlined in the table below.

Strategic Direction	Focus Areas of the Strategic Direction	This Direction is addressed in/by:			
		Dept.'s strategic plan	Other entities reporting to minister	Dept.'s operational plan	Dept.'s work plans
Ensure maximum benefits to the province through the strategic development of our resources	Increased participation in energy developments		✓		
	Supporting increased local industrial and employment benefits	✓			
	Increased participation of women and underrepresented groups in natural resource projects	✓			



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Title: Stable and competitive energy supply

Outcome: Stable and competitive energy supply for domestic use and export to market

This outcome supports the policy direction of government and will require focus in particular areas as outlined in the table below.

Strategic Direction	Focus Areas of the Strategic Direction	This Direction is addressed in/by:			
		Dept.'s strategic plan	Other entities reporting to minister	Dept.'s operational plan	Dept.'s work plans
Stable and competitive energy supply for domestic use and export to market	Alternative energy research and development	✓			
	Advancement of renewable energy projects and related infrastructure	✓			
	Development of industrial electricity rates that support resource development	✓			
	Export of surplus energy	✓			
	Development of innovative technology solutions for existing and new energy sources		✓		



Appendix ME-II: Legislation

1. **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 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.
2. **Churchill Falls (Labrador) Corporation Limited (Lease Act).** An act to authorize the Lieutenant-Governor in Council to execute and deliver an indenture leasing certain water powers in Labrador to Churchill Falls (Labrador) Corporation Limited and to make provisions respecting other matters connected therewith.
3. **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.
4. **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.
5. **Energy Corporation of Newfoundland and Labrador Water Rights Act.** An act to enable the issuance of water rights to the Energy Corporation of Newfoundland and Labrador for the Lower Churchill River.
6. **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.
7. **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.
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.



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9. **Mineral Holdings Impost 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.
10. **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.
11. **Muskrat Falls Project Land Use and Appropriation Act.**

This Act:

- provides the ability to create a statutory easement which could be granted, transferred, mortgaged, leased or otherwise dealt with as real property;
 - establishes a process by which an expropriating authority may, where land is required for the Muskrat Falls Project, expropriate that land on behalf of a proponent in accordance with this Act and an expropriation protocol established in the regulations;
 - confirms that a holder is liable for taxation in respect of the Muskrat Falls Project, except in prescribed circumstances; and
 - approves the use of land by a proponent in the transmission corridor and with respect to the transmission lines for the Muskrat Falls Project, and require that existing and future land use plans and development regulations conform with the approved land use.
12. **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.
 13. **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.
 14. **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.



Appendix ME-III: Inactive Public Bodies

One of the pieces of legislation administered by the Department of Natural Resources resulted in the creation of the Mineral Rights Adjudication Board (MRAB), categorized as a Category 3 public body under the *Transparency and Accountability Act*. It is anticipated that the MRAB will be inactive during the April 1, 2014 to March 31, 2017 period. In the event that it becomes active, it will prepare and table in the House of Assembly an Activity Plan for the remainder of the planning period. The Activity Plan will be prepared based on guidelines for category 3 public bodies. An overview of the MRAB and its mandate is as follows:

Mineral Rights Adjudication Board – Section 37 of the *Mineral Act* provides for the appointment of a Mineral Rights Adjudication Board. The Board has exclusive jurisdiction to hear and determine a question, dispute or matter arising out of the application of the *Mineral Act* or the *Mining Act* and applicable regulations, including hearing and determining on:

- the rights of persons to the issuing of licenses, certificates and leases, including extensions of licenses and leases;
- the suspension and reinstatement of a person's rights to stake out claims;
- a decision by the minister to withhold approval of a transfer, assignment, mortgage, pledge or conveyance of a license;
- disputes or questions arising between a person and the Minister or recorder, or between competing claimants, respecting the boundaries of areas physically staked or the manner and time of staking;
- questions of priority for the right to obtain licenses;
- all matters respecting the cancellation of licenses and leases, including allegations of default of the conditions of licenses and leases, and whether a misrepresentation by applicants for licenses or leases is material;
- the right of persons to certificates;
- a question pertaining to security deposits required to be made by applicants for licenses, including rights to refund and forfeitures to the Crown and amounts of refunds and forfeiture; and
- other matters pertaining to the rights, privileges, obligations or duties of persons claiming or holding licenses or leases conferred or imposed under the applicable legislation.



Forestry and Agrifoods Agency



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Forestry and Agrifoods

Introduction

The Forestry and Agrifoods Agency (the agency) is responsible for supporting the advancement and development of the province's forestry and agriculture sectors. The agency has staff located in offices throughout Newfoundland and Labrador to assist our stakeholders. Our focus has and will continue to be to work with the stakeholders of these natural resource sectors to achieve sustainable economic growth for the benefit of the people of Newfoundland and Labrador.

This strategic plan for 2014–17 builds on the agency's 2011-14 strategic plan and lays out a path forward for the next three years. While some of the initiatives are new for this period there is a significant focus on reoccurring indicators that are important to ensure the sector maintains or enhances its contribution to the province. Areas such as forestry and agriculture are long term industries based on the sustainable management of renewable resources. Planning for these sectors is long term and strategic directional changes are generally subtle.

Overview of the Agency

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 and agriculture sectors.

Forestry Services Branch

The **Forestry Services Branch (FSB)** is responsible stewardship of the province's forest environments for the benefit of our citizens. The FSB administers 32 offices throughout the province responsible for forest productivity, diversity, silviculture, protection, harvesting, and enforcement.

Agrifoods Development Branch

The **Agrifoods Development Branch** is responsible for promoting the continued development and diversification of competitive and sustainable agriculture and agrifoods businesses.



Forestry and Agrifoods

Employees

As of March 31, 2014 the agency had 349¹ staff on payroll.

Branch	Female	Male	Total
Agrifoods	68	45	113
Forestry	56	180	236
Total¹	124	225	349

¹This figure does not include: 180 seasonal employees employed in the Forestry Service; 37 employees in Executive Support and Financial Operations shared with the Mines and Energy Branches.

Physical Location and Website

To service the public, the agency has offices situated throughout the province. The headquarters for the agency is in Corner Brook. The address is:

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

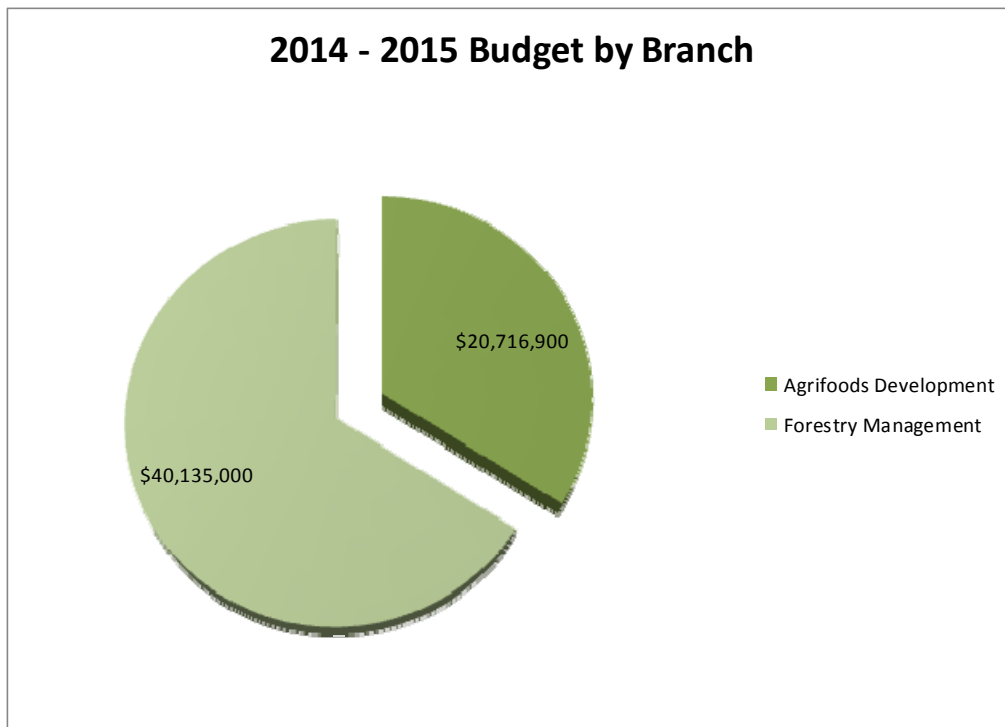
The Forestry and Agrifoods Agency web link is found within the Department of Natural Resources Web Site; www.gov.nl.ca/nr. This is where you can find out information about the agency, including office locations. A link to the department's web site is also provided in the main web site for the Government of Newfoundland and Labrador at www.gov.nl.ca.



Forestry and Agrifoods

Budget

The budget for the Forestry and Agrifoods Agency for fiscal year 2014-15 totaled \$60.8 million. This figure does not include \$4.5 million budget for executive and support services which are shared with other areas of the Mines and Energy Branches.



Other Entities

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

- Wooddale Land Development Advisory Authority
- St. John's Urban Region Agriculture Appeal Board
- Farm Industry Review Board
- Agricultural Land Consolidation Review Committee



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- St. John's Land Development Advisory Authority
- Newfoundland and Labrador Livestock Owners Compensation Board
- Chicken Farmers of Newfoundland and Labrador
- Newfoundland and Labrador Crop Insurance Agency
- Forest Land Tax Appeals Board
- Newfoundland and Labrador Farm Products Corporation
- Timber Scalers Board

Mandate

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

- Sustainable forest management, such as forest resource utilization, construction and maintaining forest resource roads, forest protection, silviculture, inventory and mapping, conservation, management and planning, research, frontline client services, and enforcement and compliance.
- agriculture, including, without limitation of the word "agriculture," agrifoods, agronomy, horticulture, animal husbandry, aviculture, apiculture, 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.

For a complete list of all legislative responsibilities that inform the agency's mandate, please refer to Appendix FA-II and/or the House of Assembly website:

<http://www.assembly.nl.ca/Legislation/sr/NaturalResources.htm>.



Forestry and Agrifoods

Lines of Business

Working closely with key stakeholders, the Forestry and Agrifoods Agency develops policy and programs, and provides support functions to the forestry and agriculture sectors. 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 eight main program and service areas, described below.

Sustainable Forest Management

The agency works to ensure a balance between environmental, economic and social values, while having forest ecosystems that provide viable populations of native species, a sustainable forest economy and associated employment. 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 citizens of the province to benefit from the services that forest ecosystems provide while ensuring their sustainability and health.

The agency's forest programs include silviculture, resource roads construction, forest inventory, forest fire suppression, forest insect control, forest management planning, enforcement/compliance, wood measurement and timber royalty, and industry development.

Furthermore, the Centre of Forest Science and Innovation is responsible for the development of forest-related research programs and science capacity in the province consistent with themes of the Provincial Sustainable Forest Management Strategy and other guiding documents.

Research themes under the ecological direction of the Provincial Forest Research Strategy include forest disturbance, climate change, ecosystem dynamics, biodiversity and water. Economic themes are grouped under innovation, industry and markets while social themes include forest-based communities, aboriginal participation and forest values.

Regional Services

The policy and programs associated with sustainable forest management, health and services are implemented through a regional/district structure. Regional Services is



Forestry and Agrifoods

responsible for the delivery of the silviculture, resource roads, forest fire suppression, and enforcement/compliance programs. In addition, Regional Services is responsible for 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 as a tool in forestry management is delivered through the Regional Services structure. In this capacity over 100 Conservation Officers are located at various regional/district offices across the province. In addition to enforcing Forestry regulations under the *Forestry Act/Regulations*, Conservation Officers are authorized to enforce provisions of the *Plant Protection Act*, *Motorized Snow Vehicles and All-Terrain Vehicles Act/Regulations* and certain sections of the *Wilderness and Ecological Reserves Act/Regulations*. As well the Conservation Officers are Inspection Officers under the *Animal Health and Protection Act*. The agency actively collaborates with other government departments and agencies on enforcement activities. The agency is responsible for monitoring timber harvesting operations as well as patrolling forest areas for compliance with the regulations under the various acts.

The Legislation and Compliance Division is located at headquarters in Fortis Towers in Corner Brook. In addition to providing support for enforcement and compliance related activities in regions and districts, this division manages: special investigations; policy development, implementation, analysis, and review; coordination of training and certification for enforcement related duties including use of force; and enforcement equipment inventory and distribution.

Licensing and Permitting

The agency's regional and district offices issue licenses and permits for: commercial or domestic timber cutting, commercial or domestic sawmilling, burning, operating during the fire season, timber export, the purchase of timber, protection of livestock from wild animals, bear protection, replacement of a big game license, removal of nuisance animals, game export, temporary outdoor identification cards, possession for taxidermy, transport of firearms, and fur bearer export.



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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 programs and services to support business development including: AgrilInsurance, Livestock Insurance; the Provincial Agrifoods Assistance Program, Growing Forward 2, 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 eight Agricultural Development Officers and three farm management specialists.

Land Management

The agency offers a number of programs in the area of land resource stewardship including the: Environmental, Land Use, Real Property Tax Exemption, Land Consolidation, Environmental Farm Planning, Agricultural Limestone, Soil Survey, Agricultural Access Roads and Electrical Services. Also included are services such as: soils and mapping activities, geographic information system development; field mapping and database development, soil fertility, and the Soil, Plant and Feed Laboratory.

Animal Health

The agency's animal health services consist of: farm animal veterinary services; supportive laboratory analyses for diagnostic and regulatory programs through the ISO 17025 accredited Animal Health Laboratory; control of food quality at the production or primary processing level under the *Food and Drug Act* (raw milk) and *Meat Inspection Act* (slaughterhouses); surveillance, research, and control of specific animal diseases of either economic interest to the livestock industry or of public health interest to the provincial community under the *Animal Health and Protection Act*; the oversight, monitoring and support of investigations of cruelty to animals complaints (*Animal Health*



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and Protection Act); assistance to wildlife/conservation officials; promotion and control of Heritage Animals (Newfoundland Ponies) under the *Animal Health and Protection Act*.

Primary Clients

The stakeholders of the Forestry and Agrifoods Agency include:

- Pulp and paper and sawmill industries;
- Secondary processing value-added and bioenergy industries;
- Commercial and domestic cutting permit holders on crown land;
- Aboriginal groups;
- Agribusinesses;
- Agriculture organizations;
- Municipal councils;
- Environmental groups;
- Other provincial government departments;
- Federal government departments; and,
- Residents of the province.



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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 2014-17 planning period, the agency's employees will be guided by the following core values or guiding principles as they address opportunities and challenges on related issues.

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 department's client groups to the fullest extent possible in a timely manner.
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 employee views the personal safety of themselves and co-workers in the highest regard and will promote workplace safety at all times.
Productive	Each employee will maximize their productivity and efficiency in carrying out their duties.
Continuous Improvement	Each employee will develop their strengths, improve their knowledge, increase their potential and achieve personal growth through continuous education.
Timely	Each employee will conduct their duties in a timely manner and meet all established deadlines.



Forestry and Agrifoods

Vision

A vision statement describes the ideal state an organization is striving to achieve in the long term. The vision of the Department of Natural Resources is:

A province that realizes the full benefit from the sustainable development of its natural resources.

Strategic Directions

Appendix FA-I presents the strategic direction of government in the natural resource areas of forestry and agriculture. The strategic direction sets a course of action for the agency. The mission, goals, objectives and indicators of the strategic plan link to the strategic direction. Through addressing the issues identified in this plan and the corresponding goals, objectives and indicators; the agency with stakeholder collaboration will ensure the strategic development of the province's resource sectors.



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Mission

The mission statement identifies the longer-term result that the Forestry and Agrifoods Agency will be working toward to address 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.

An organization's mission represents its primary focus, the ultimate target that will guide all of its operations and decisions for the foreseeable future. The role of the Forestry and Agrifoods Agency is to support and foster development opportunities in the forestry and agriculture sectors in Newfoundland and Labrador. During this planning cycle, the agency will work with sector stakeholders to further the sustainable economic advancement of the forestry and agriculture sectors, in addition to exploring opportunities to diversify into new products, expand to new markets, increase innovation through research and development, and promote the industry through improved public knowledge. Through these focus areas and within the context of its mandate and financial resources, the agency will implement programs and initiatives consistent with the strategic directions of government. As outlined in the focus areas of the strategic direction for this planning cycle, these initiatives will:

- Enhance sustainable development of the forestry and agriculture sectors;
- Support growth and innovation in the agriculture sectors;
- Assist the forestry sector to diversify and respond to innovative opportunities for long-term stability and prosperity of the industry;
- Contribute to innovation through research and development; and,
- Improve public knowledge of forestry, agriculture as well as the importance of supporting local industry.

Mission: By March 31, 2017, the Forestry and Agrifoods Agency will have supported programs and services to strengthen and sustain forestry, agriculture and agrifoods industry development in an innovative and economically beneficial manner.

Measure 1: Supported the strengthening and sustainability of the agriculture and agrifoods industry to create sustainable economic opportunities in Newfoundland and Labrador



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Indicators:

- Supported industry capacity building to increase food security within the province
- Supported increased development of agricultural land
- Supported opportunities to sustain and develop agribusinesses within the province
- Supported increased innovation and research and development within government and industry

Measure 2: Implemented programs to sustain the province's forest ecosystems and strengthen the forest industry to create sustainable economic opportunities in Newfoundland and Labrador

Indicators:

- Ensured 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
- Ensured area silviculturally treated matches silviculture levels defined to maintain established sustainable harvest levels in the context of five year targets and actual harvest levels
- Promoted industry diversification by supporting the development of new value-added wood manufacturing and bioenergy facilities in the province
- Ensured all forest management districts have current sustainable forest management plans in place
- Supported initiatives to increase protection of forests from fire, insects and disease
- Developed and implemented a forest products marketing strategy to promote the forest industry and locally produced forest products
- Supported increased research and development aimed at sustaining forest ecosystems and sustainable management of forest resources
- Implemented programs to maintain and expand capital infrastructure in support of ongoing forest industry activities



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Strategic Issues

Strategic issue identification is a necessary step that helps narrow the broader strategic direction as outlined in Appendix FA-I, as communicated by the Minister responsible for the Forestry and Agrifoods Agency. The agency has identified three strategic issues to be addressed over the period from April 1, 2014, to March 31, 2017.

Issue 1: Ensuring the Longevity of Our Province's Forest and Agriculture Resources

The focus area of resource sustainability is a priority for the agency. We will support programs and initiatives to ensure the forest and agriculture resources remain vibrant and available for current users and future generations.

Sustainability of the resources cannot be accomplished by just one action. The actions undertaken are more than simply using as much as being replaced. The agency will undertake various initiatives with regards to research, planning and investments to ensure the sustainability of our forest and agriculture resources.

Land base is a key component for agricultural sustainability and the agency will work to ensure that our land base is available and optimal for agricultural usage. As well, the agency will enhance our veterinary services and animal health laboratory services to ensure the long term sustainability of the farm animals and food that we grow here in the province.

The agency will work to ensure that the forest resources in the various forestry districts are sustained for future generations. Multiple use principles guide management actions to ensure the forest resource is fully utilized taking into account economic, social and environmental factors. The agency will work to prevent and control the loss of our forest resources due to insect and disease outbreaks, as well as wildfires. The agency will also ensure the regeneration of forest sites through our silviculture program to safeguard against permanent loss of forested land base and enhance the province's wood supply. To provide for the expected values from the provinces forestry and agriculture resources, it is important to ensure the necessary actions are undertaken to ensure sustainability.



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Goal 1

By March 31, 2017, the Forestry and Agrifoods Agency will have advanced programs and initiatives to enhance the sustainability of the province's forestry and agriculture resources.

Measure: Advanced programs and initiatives to enhance forestry and agriculture resource sustainability

Indicators:

- Provided farm animal health services.
- Supported agriculture land management programs/activities.
- Advanced forest resource protection.
- Supported resource research and development.
- Supported sustainable forest management planning.

Objective 1

By March 31, 2015, the Forestry and Agrifoods Agency will have enhanced programs and initiatives to support the sustainability of the forestry and agriculture resources.

Measure: Enhanced programs and initiatives

Indicators:

- Advanced the completion of the Molecular Diagnostic Laboratory to enhance animal disease diagnostics.
- Expanded environmental farm planning and supported the implementation of beneficial farm practices such as water resource management, soil conservation, nutrient management, and environmental stewardship.
- Expanded the Geographic Information System (GIS) to facilitate efficient storage, presentation and completion of geospatial farm data.
- Advanced efforts in climate change mitigation and energy conservation measures for farms and agribusinesses.
- Commenced implementation of the 10 year Provincial Sustainable Forest Management Strategy.



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- Initiated improvements in timber measurement through enhancement and updating of the provincial scaling program.
- Focused forest pest monitoring on the rising budworm populations and supported research/initiatives to reduce the potential impact on the forest resource.
- Advanced the development of the Environmental Management System to the international ISO 14001:2004 standard.

Objective 2

By March 31, 2016, the Forestry and Agrifoods Agency will have advanced programs and initiatives to ensure the sustainability of the forestry and agriculture resources.

Objective 3

By March 31, 2017, the Forestry and Agrifoods Agency will have improved programs and initiatives to ensure the sustainability of the forestry and agriculture resources.



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Issue 2: Creating a Climate for Industry Sustainability, Growth and Diversification

The Forestry and Agrifoods Agency will concentrate in this strategic planning cycle on industry sustainability, growth, and diversification. The province as a whole benefits greatly from the economic and social benefits attributed to the health of the province's forest, agriculture and agrifoods industries. The primary industries supported by the agency have been, and will continue to be important economic contributors to communities across the province. These industries provide for employment in rural areas where the necessary land base to support such industries exists. Products produced help sustain and provide for the people of Newfoundland and Labrador. In recent years, food security has become a concern when transportation routes to the province are interrupted. This amplifies the requirement to grow more food locally. Local agribusinesses produce quality food products creating a secure food source. The focus for the Agrifoods Development Branch in supporting the industry will be on varying areas of land development, agribusiness development, agriculture and agrifoods production, research, and extension services. As an agency we will support our industry to not only maintain the current level of production but to assist in growing the industry as well.

In the forest industry, the focus on industry sustainability is important given that global competitiveness and global markets greatly affect local industry and businesses. The growth and diversification of the industry is vital to ensure continued industry development. As an agency, we will continue to help transform the industry by making full use of the forest value chain. This included optimal use of fibre resources including fibre availability, flow and end use. The Forestry Services Branch will support industry in the areas of, research and innovation, forest engineering, industry services, forest inventory and mapping, silviculture, fire suppression, insect control, regional services and provision of data/information for operational planning.

Goal 2

By March 31, 2017, the Forestry and Agrifoods Agency will have advanced programs and services for the sustainability, expansion and diversification of the forestry and agriculture industries.

Measure: Advanced programs and services for the sustainability, expansion and diversification of the forestry and agriculture industries.



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Indicators:

- Supported agricultural land development and soil improvement.
- Provided assistance through programs and extension services for forestry and agriculture based businesses.
- Supported advancement of sectors through research initiatives.

Objective 1

By March 31, 2015, the Forestry and Agrifoods Agency will have enhanced activities to support the sustainability, growth and diversification of the Forestry, Agriculture and Agrifoods industries.

Measure: Enhanced activities to support sustainability, growth and diversification.

Indicators:

- Conducted soil surveys to identify new land for agriculture production and defined specific boundaries within existing agriculture areas.
- Initiated nutrient management planning (NMP) on farms in Labrador and overseen the NMP contracts in Newfoundland.
- Supported agribusiness development through Growing Forward 2, Agriculture and Agrifoods Development Fund and Agrifoods Assistance Program.
- Provided sustainable forest management assistance for CBPPL through cost shared agreements.
- Supported industry research that optimizes the fibre value chain to increase the forest industry's global competitiveness.
- Conducted research into bio-refinery and other innovative next generation technologies that support a diversified and sustainable forest sector.
- Established an industry steering committee to analyze and evaluate new industry development projects.
- Initiated an analysis of the current provincial forest resource road network and seek out planning and design efficiencies to help lower fibre transportation cost.

Objective 2

By March 31, 2016, the Forestry and Agrifoods Agency will have advanced programs and services to support the sustainability, growth and diversification of the Forestry, Agriculture and Agrifoods industries.



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Objective 3

By March 31, 2017, the Forestry and Agrifoods Agency will have improved programs and services to support the sustainability, growth and diversification of Forestry, Agriculture and Agrifoods industries.



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Issue 3: Building a Greater Awareness of the Forestry, and Agriculture Sectors

Both forestry and agriculture sectors are valuable renewable resources. It is necessary to create an awareness of these natural resources and their economic importance to the current and future generations. In addition to the primary production, there is secondary production which increases the economic value of these resources for many agribusinesses and forestry operations in the province. Awareness and education are focus areas of our strategic direction for this planning cycle.

The Forestry and Agrifoods Agency will continue in its strategic planning to work with stakeholders to build upon the current public awareness of the forestry and agriculture resources. The agency will continue to advance its efforts to communicate to the public, information about our renewable resources. It is important to communicate to Newfoundlanders and Labradorians the need to protect, sustain and grow our resources for years to come.

Goal 3

By March 31, 2017, the Forestry and Agrifoods Agency will have supported initiatives to build greater awareness and education of our forestry and agriculture sectors.

Measure: Supported awareness and education initiatives

Indicator:

- Enhanced public awareness of the forestry and agriculture sectors.
- Increased forestry and agricultural education initiatives for school aged children.

Objective 1

By March 31, 2015, the Forestry and Agrifoods Agency will have enhanced initiatives to build awareness of our sectors.

Measure: Enhanced initiatives to build awareness of our sectors.



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Indicators:

- Supported agriculture awareness initiatives, including Agriculture in the Classroom, Agriculture Fairs including the 2014 Agrifoods and Garden Show.
- Supported sector and regional development initiatives in the agriculture and agrifoods industry (Newfoundland and Labrador Federation of Agriculture, 4-H, Young Farmers Forum, Dairy Farmers of Newfoundland and Labrador, regional pastures and fairs).
- Supported National Forest Week activities.
- Provided forestry awareness education throughout the province.
- Advanced the implementation of the National Firesmart Community Program that is designed to help prevent and mitigate urban-wildland fires.

Objective 2

By March 31, 2016, the Forestry and Agrifoods Agency will have continued to enhance initiatives to build awareness of our sectors.

Objective 3

By March 31, 2017, the Forestry and Agrifoods Agency will have advanced initiatives to build awareness of our sectors.



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Appendix FA-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.

The agency has achieved success with the outcomes outlined in our Strategic Plan 2011-14 and the implementation of commitments. In reviewing our progress in the last planning period we will continue to focus on areas such as identifying opportunities, growing the forest and agriculture industries, supporting research and development and sustaining our resources. Outlined below is our strategic direction for the planning period 2014-17.

Outcome: Enhanced utilization, sustainability and public awareness of the forestry, agriculture and agrifoods sectors.

This outcome supports the policy direction of government and will require focus in particular areas as outlined in the table below.

Strategic Direction	Focus Areas of the Strategic Direction	This Direction is addressed in/by:			
		Dept.'s strategic plan	Other entities reporting to minister	Dept.'s operational plan	Dept.'s work plans
Enhanced utilization, sustainability and public awareness of the forestry, agriculture and agrifoods sectors	Industry Development	✓			
	Research and Development	✓			
	Awareness and Education	✓			
	Resource Sustainability	✓			



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Appendix FA-II: Legislation

Forestry Services Branch

1. **Abitibi-Consolidated Rights and Assets Act.** An act to return to the crown certain rights relating to timber and water use vested in Abitibi-Consolidated and to expropriate assets and lands associated with the generation of electricity enabled by those water use rights.
2. **Foresters Act.** An act establishing the Association of Registered Professional Foresters of Newfoundland and Labrador. The act outlines the objectives, structure, operation and membership of the Association.
3. **Forestry Protection Act.** An act to provide for the establishment and maintenance of a forest protection association in the province.
4. **Forestry Act.** An act respecting the management, harvesting, and protection of the forests of the province.
5. **Motorized Snow Vehicles and All-Terrain Vehicles Act.** An act respecting all-terrain vehicles.

Agrifoods Development Branch

1. **Agrologists Act.** An act establishing the Newfoundland and Labrador Institute of Agrologists. The act outlines the objectives, structure, operation and membership of the Institute.
2. **Animal Health and Protection Act.** An act respecting the health and protection of animals.
3. **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 under the regulations. The act designates the Newfoundland and Labrador Crop Insurance Fund and also the Crop Insurance Agency.



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4. ***Farm Practices Protection Act.*** An act respecting the protection of farm practices in the province.
5. ***Farm Products Corporation Act.*** An act respecting the administration of Farm Products Corporation.
6. ***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.
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. ***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.
9. ***Plant Protection Act.*** An act respecting the protection of plants and the prevention of the spread of pests and diseases destructive to vegetation.
10. ***Poultry and Poultry Products Act.*** An act respecting poultry and poultry products such as chicken and eggs.
11. ***Vegetable Grading Act.*** An act respecting the grading of certain products of agriculture in the province.
12. ***Veterinary Medical Act.*** An act to revise the law about veterinary medicine.



Appendix FA-III: Delayed Plans and Inactive Public Bodies

Delayed Plan

The legislation under the administration of the Forestry and Agrifoods Agency creates 11 category 3 public bodies. One of these public bodies - the Farm Industry Review Board (FIRB) – will be slightly delayed in presenting a 2014-17 activity plan. During the period leading up to the planning deadline, there were a number of board vacancies which prevented the board from achieving a quorum for planning purposes. As of early June, 2014 all board vacancies had been filled. The board will now proceed through a transition period to allow new members to gain a full understanding of the mandate of the board, and their related responsibilities. Following this transition, the 2014-17 plan will be developed and tabled. FIRB's mandate is provided below.

Farm Industry Review Board Mandate

The mandate of the Board is set out in two statutes:

1. *Natural Products Marketing Act*

The Board is responsible for general supervision of the operations of commodity boards created under that Act; hearing appeals filed by any person who is aggrieved by or dissatisfied with orders, decisions or determination of the commodity boards; and acting as a signatory to federal-provincial agreements for supply-managed commodities.

2. *Farm Practices Protection (Right to Farm) Act*

The Board is responsible for hearing complaints from persons aggrieved by odor, noise, dust or other disturbances arising from agriculture operations, and may also study and report generally on farm practices.

The Board is accountable to government for its administrative operations, but is independent of government in its decision-making. As an independent tribunal, the Board ensures that the public interest is served and protected.



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Inactive Public Bodies

Four public bodies - the Forest Land Tax Appeal Board, the Newfoundland and Labrador Farm Products Corporation, the Timber Scalpers Board, and the St. John's Urban Region Agriculture Appeal Board - are presently inactive. 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 mandates of each of these public bodies are provided below.

St. John's Urban Region Agriculture Appeal Board - The St. John's Urban Region Agriculture Appeal Board was established to hear appeals of the decisions of the St. John's Land Development Advisory Authority concerning applications to carry out development on land in the St. John's Urban Region Agriculture Development Area as defined by the *Lands Act* and specifically the *St. John's Urban Region Agriculture Development Area Regulations*. The board may recommend that the Minister of Natural Resources uphold, reverse or vary a decision of the St. John's Land Development Advisory Authority and record in a minute book the attendance and proceedings of the board at all appeal hearings.

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.

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.



Forestry and Agrifoods

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; hear appeals related to scaling disputes; and recommend to the minister new scaling methods before they are used.

