



Department of Natural Resources
Strategic Plan 2006-2008





Message from the Minister

I am pleased to provide the Strategic Plan for the Department of Natural Resources. The scope of this Department is extensive and includes four branches: Agrifoods, Mines, Energy and Forestry Services. For the purpose of this exercise, the Forestry and Agrifoods Agency and the Mines and Energy Branches have prepared separate strategic plans which are included in this document.

During the development of this plan, careful consideration was given to the strategic directions of government. These directions lay the foundation of the Department's strategic plan and represent the desired physical, social and economic outcomes for the entities for which I am responsible. While the varied mandate of the Department requires some differences in specific desired outcomes, the Department of Natural Resources is united behind the overriding strategic direction of Sustainable Resource Development, as reflected in Appendix 1 of this document.

The focus period for this Strategic Plan is 2006 - 2008. The Plan provides an overview of the Department and identifies the key strategic goals and objectives to be accomplished during this period.

As the Minister for the Department of Natural Resources, I am accountable for the preparation of this Plan and for the achievement of the specific goals and objectives contained herein.



Kathy Dunderdale
Minister
Natural Resources



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Department of Natural Resources
Mines and Energy
Strategic Plan
2006 - 2008





PLAN AT A GLANCE

Vision

The vision of the Department of Natural Resources is of a Province that is realizing the full benefit from the use of its mineral and energy resources in a sustainable manner.

Mission

By 2011, the Department of Natural Resources will have identified and facilitated further opportunities for resource development and optimized the benefits received from these resources.

Goals

Goal 1: By March 31, 2008, the Department of Natural Resources will have increased promotion of its mineral, energy and business services and supply resources.

Objectives:

1. By March 31, 2007, the Department of Natural Resources will have initiated new promotional activities and increased existing activities.
2. By March 31, 2008, the Department of Natural Resources will have increased promotion of its mineral, energy and business services and supply resources.

Goal 2: By March 31, 2008, the Department of Natural Resources will have increased the competitiveness of its mineral, energy and business services and supply resources.

Objectives:

1. By March 31, 2007, the Department of Natural Resources will have analyzed existing legislation and developed proposals for implementation of new or amended legislation, regulations and/or programs.
2. By March 31, 2008, the Department of Natural Resources will have increased the competitiveness of its mineral, energy and business services and supply resources.

Goal 3: By March 31, 2008, the Department of Natural Resources will have increased benefits to the Province from resource developments.

Objectives:

1. By March 31, 2007, the Department of Natural Resources will have developed and implemented new programs and improved existing programs to increase benefits to stakeholders from resource development.
2. By March 31, 2008, the Department of Natural Resources will have increased benefits to the Province from resource developments.

Goal 4: By March 31, 2008, the Department of Natural Resources will have improved the information available to the general public about natural resource developments.

Objectives:

1. By March 31, 2007, the Department of Natural Resources will have developed and begun implementation of a communications plan to better inform the public about natural resource developments.
2. By March 31, 2008, the Department of Natural Resources will have improved the information available to the general public about natural resource developments.

1. Introduction

The Department of Natural Resources and its activities are integral to economic growth for Newfoundland and Labrador.

The mining and energy sectors, including electricity, directly produced \$2.43 billion in real Gross Domestic Product (GDP) in 2005, representing nearly 18 per cent of provincial GDP. The energy sector alone (including electricity) was responsible for some \$1.99 billion of this total, representing more than 14 per cent of provincial GDP. Together, the mining and energy sectors also generated some 4,900 person years of direct employment and an estimated additional 4,100 person years of indirect employment. The agrifoods and agriculture sector contributed \$197.6 million to GDP in 2005 and 3,800 person years of employment throughout the province. Primary forestry activity, newsprint manufacturing, and wood products manufacturing together directly accounted for some \$319 million or 2.3 per cent of the province's GDP in 2005 and approximately 4,300 direct person years or about 2 per cent of total employment.

Newfoundland and Labrador's resource-based industries are the most significant economic drivers for the economy. Royalty revenues from offshore oil production, for example, were approximately \$492 million (cash basis) for 2005/06. This trend is projected to continue into the future, with growth forecast in several sectors including mining, oil and gas, electricity and agriculture.

Government noted in its inaugural **Speech From The Throne** that a number of priorities will guide its decisions for Newfoundland and Labrador. The Department of Natural Resources will do its part to effectively address these priorities:

...firstly to get our economy growing in a way that generates more jobs, investment, diversification and revenue here in our own communities...

Effective leadership by the department is required to ensure the province realizes the full potential and benefit from its substantial natural resources, which would in turn assist government in meeting its first priority. The people of Newfoundland and Labrador expect their government to protect the people's interests in their natural resources. Government is the steward of these resources and needs to ensure they are managed appropriately. This clearly falls within the mandate of the Department of Natural Resources.

The second priority of government is *to use those revenues to finance low-waste, high-quality social programs*. The Department of Natural Resources will play a vital role in achieving government's mandate.

Over the next two years, the department will successfully face many exciting challenges and will advance not only government's short-term goals, but its long-term strategy. **Our primary challenge is to ensure that our natural resources are utilized in a sustainable manner such that the resources and the economic benefits from these resources are optimized.**

From continued monitoring of our existing projects in petroleum and mining to ensuring we market our energy and mineral prospectivity; from ensuring sustainable management of our forest resources to growing the secondary hardwoods industry; from ensuring the availability of agriculture land to growing the agriculture industry in Labrador - on a daily basis, the focus of the Department of Natural Resources is to ensure the appropriate development of our resources today and to promote further development for the benefit of generations to come.

2. Overview

The Department of Natural Resources multi-sector mandate encompasses four (4) Branches: Mines, Energy, Forestry Services and Agrifoods.

The **Mines Branch** is responsible for the assessment, promotion, development and management of the province's geology, mineral resources and mineral potential in a manner that maximizes the contribution of this sector to the economic well-being of the province. The **Energy Branch** is responsible for promoting and facilitating the effective and efficient management of the province's electricity and petroleum resources from assessment through to development and production. In conjunction with Newfoundland and Labrador Hydro, the branch is assessing and actively promoting the development of renewable long term energy supplies, including wind, as part of our future energy needs. Branch activities also include ministerial accountability functions for the Newfoundland and Labrador Hydro (Hydro) Group of Companies and the Canada-Newfoundland and Labrador Offshore Petroleum Board (CNLOPB.) The **Branch** is also responsible for maximizing the benefits to the local economy from the development of major mining and energy projects through strategic positioning, benefits commitments negotiation and monitoring, strategy development and implementation and the identification, enhancement and international promotion of industrial capabilities. The **Agrifoods Branch** is responsible for promoting the continued development, expansion and diversification of competitive and sustainable primary and value-added agriculture and agrifoods businesses. The **Forestry Service Branch** is responsible for managing and regulating the forest resources of the province. For the purpose of this strategic planning exercise, the Forestry and Agrifoods Agency has completed a separate strategic plan which is also included in this document. In this regard, values and estimates expressed in this portion of the plan are exclusive of the Forestry and Agrifoods Agency.

The Department of Natural Resources is accountable for 31 pieces of legislation which are listed and described in Appendix 2. The department also shares jurisdiction over offshore petroleum resources with the federal government and participates in its management through the Canada-Newfoundland and Labrador Offshore Petroleum Board. Additionally, the department has legislative oversight for the following agencies: Newfoundland and Labrador Hydro Group (NLH, CF(L)CO, LCDC, GIPCo, TwinCo), Bull Arm Site Corporation, Mineral Rights Adjudication Board, Agricultural Development Area of the St. John's Urban Region Appeal Board, Farm Industry Review Board, Land Consolidation Review Committee, Land Development Advisory Authority, Livestock Owners Compensation Board, Newfoundland and Labrador Chicken Marketing Board, Newfoundland and Labrador Crop Insurance Agency and Newfoundland and Labrador Veterinary Licensing Board.

The Department of Natural Resources (excluding the Forestry and Agrifoods Agency) employs approximately 200 permanent, temporary and seasonal staff in the delivery of its programs from headquarters offices in St. John's and Corner Brook and regional offices located throughout the Island and Labrador.

The total budget for the Department of Natural Resources in 2006-07 (excluding the Forestry and Agrifoods Agency) is approximately \$22 million.

3. *Mandate*

The mandate of the Department of Natural Resources includes supervision, control and direction of all matters relating to promotion and exploration of mineral and energy resources and related industry development activities including:

- i) Mines, minerals, quarries, quarry materials and beaches;
- ii) Onshore and offshore petroleum resources;
- iii) Electrical power;
- iv) Overall responsibility for provincial energy supply and demand;
- v) The development, monitoring, supervision, assistance or other government intervention into any of the industries as described above;
- vi) Royalties and associated matters, within or outside the province;
- vii) The identification, assessment and monitoring of industrial benefits commitments from major resource development projects.

4. *Lines of Business*

The Department of Natural Resources delivers its mandate through the following lines of business:

1. Resource Policy

Working closely with key stakeholders, the department develops resource policy and coordinates and facilitates sustainable development and management. Based on these frameworks, the department directly and indirectly develops, monitors and/or initiates supporting regulatory and benefits optimization activities.

2. Resource Management

In the on-land area of the province, the department is solely responsible for ensuring industries follow appropriate resource management practices and comply with relevant regulations. The department facilitates well-planned, responsible resource management activities and is responsible for monitoring all aspects of these activities. Mineral and petroleum resource management activities also include title allocation, administration and ensuring compliance with site development and rehabilitation requirements.

In the offshore area, the department discharges its operational management and administration functions for offshore petroleum activity under a federal-provincial joint regime administered by the CNLOPB. In the electricity sector, the department's involvement in resource management is indirect and implemented through the Public Utilities Board and Hydro.

The department is also responsible for royalty development and administration for onshore and offshore petroleum production.

3. Resource Assessment

Resource assessment includes all those activities that precede resource development, such as developing assessment information through geoscience and climate surveying, mapping and documentation, disseminating information that encourages and supports or enhances resource exploration, investment decisions, exploration permitting and promoting development opportunities, industrial infrastructure and supply and service capabilities.

4. Promotion and Facilitation of Resource Development

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

5. Values

The Department of Natural Resources values an environment that facilitates a high degree of personal responsibility and initiative. Excellence is key to the Department's achievements and, as individuals and as a team, we strive to uphold these values. Over the next two years the Department of Natural Resources employees will be guided by the following principles or core values as they address opportunities and challenges in agrifoods, forestry, mining, energy and related issues:

Core Values

Integrity
Respect and Professionalism
Timeliness
Collaboration
Innovation

Core Values	
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 departmental legislation and policies equitably to stakeholders. They will serve our client groups to the fullest extent possible.
Timeliness	Each individual will meet specified deadlines in accordance with departmental priorities and follow through on their commitments.
Collaboration	Each individual will seek the opinions and ideas of others in the application of departmental legislation and policies.
Innovation	Each individual will demonstrate initiative and flexibility in responding to challenges and change.

6. *Primary Clients*

The Department of Natural Resources is ultimately accountable to the citizens of Newfoundland and Labrador. Its primary clients in fulfilling its mandate are the following:

- Exploration and Development Companies
- Electrical Generation and Supply Companies
- Industrial and Residential Electricity Customers
- Supply and Service Companies in the Resource Sector



7. *Vision*

The vision of the Department of Natural Resources is of a province that is realizing the full benefit from the use of its mineral and energy resources in a sustainable manner.



8. *Mission*

The Department of Natural Resources promotes and facilitates the sustainable development of the province's mineral and energy resources through its policy development, management, promotion and assessment activities for the overall benefit of the citizens of Newfoundland and Labrador.

Our mission statement is:

By 2011, the Department of Natural Resources will have identified and facilitated further opportunities for resource development and optimized the benefits received from these resources.

Measure 1: Identified resource opportunities

Indicators:

- Increased geo-scientific research and data releases
- Increased collaboration with industry and industry associations
- Increased participation in industry trade shows and conferences
- Increased collaboration with the federal government, other governments and provincial government departments and agencies
- Increased identification of resource development opportunities

Measure 2: Facilitated opportunities for resource development

Indicators:

- Decreased processing time for permits, licensing and leases
- Established a natural gas development framework
- Implemented comprehensive Energy Plan
- Decreased processing time for project approvals
- Increased efficiency of regulatory regimes

Measure 3: Optimized benefits received from these resources

Indicators:

- Increased local investment by industry
- Increased resource revenues
- Increased employment
- Increased value-added from primary production
- Increased supply and service capability and capacity
- Increased exporting of knowledge and products related to resource industries

9. *Strategic Issues*

Issue 1. A Marketable Natural Resource Base

“Promote the province's natural resource development potential”

In the mining and energy sectors, industry legitimately expects the department to generate and distribute resource information that is of the highest quality. Meeting the needs of these industries as they experience increasing growth improves the province's competitive position as a place to explore and develop. This activity is augmented by programs which focus on the marketing and promotion of our resource development potential to the local, national and international audience.

Goal 1: By March 31, 2008, the Department of Natural Resources will have increased promotion of its mineral, energy, and business services and supply resources.

This goal will enable the department to increase the resources allocated to new resource promotional activities and allow it to review current promotional directions and prioritize resources allocated to these activities.

Measure: Increased promotion

Indicators:

- Increased national and international promotion
- Increased exploration and development opportunities
- Increased business service and supply opportunities

Objectives:

1. By March 31, 2007, the Department of Natural Resources will have initiated new promotional activities and increased existing activities.

Measure: Initiated new promotional activities and increased existing activities

Indicators:

- Identified and approached five new major oil companies
 - Expanded the number of mining/exploration companies to which exploration opportunities are promoted
 - Identified new venues for trade shows and exhibitions
 - Increased the release of scientific and promotional materials
 - Increased marketing and promotion for industrial infrastructure and supply and service capabilities
2. By March 31, 2008, the Department of Natural Resources will have increased promotion of its mineral, energy and business services and supply resources.

Issue 2: A Competitive Industry

“Maintain competitiveness in the 21st century global economy”

Increasingly in Newfoundland and Labrador, questions are being asked about our ability to identify new resource development opportunities and our capacity to maximize employment, business and fiscal benefits from their development. Among the factors involved in addressing these concerns is our need to be internationally competitive, to maximize our productivity and to become more efficiency conscious in the use of our natural resources. The strategic issues central to the Department of Natural Resources in addressing our competitiveness are our fiscal and regulatory systems for natural resources, our cost competitiveness in the supply of labour and business services, the state of our existing infrastructure and our ability to attract new capital investment.

Goal 2: By March 31, 2008, the Department of Natural Resources will have increased the competitiveness of its mineral, energy and business services and supply resources.

This goal will enable the department to complete current initiatives to improve our competitiveness and to undertake a focused assessment of the current legislative, regulatory and economic environment and propose required changes.

Measure: Increased competitiveness

Indicators:

- Increased exploration and development opportunities
- Increased oil and gas exploration and production
- Increased mineral exploration and production
- Increased efficiency of regulatory environment
- Increased advocacy with stakeholders
- Increased business service and supply opportunities
- Increased business service and supply activity

Objectives:

1. By March 31, 2007, the Department of Natural Resources will have analyzed existing legislation and developed proposals for implementation of new or amended legislation, regulations and/or programs.

Indicators:

- Developed a comprehensive Energy Plan
- Developed a natural gas royalty framework
- Completed an internal review of Mining Act and Mineral Act
- Increased regulatory efficiency, in part through the Red Tape Reduction initiative
- Continued process of stakeholder consultation
- Completed assessment of key industrial/fabrication infrastructure

2. By March 31, 2008, the Department of Natural Resources will have increased the competitiveness of its mineral, energy and business services and supply resources.

Issue 3: Increased benefits from Resource Developments

“Maximize benefits from resource developments for provincial stakeholders”

The Department of Natural Resource's Vision and Mission suggest that the province should realize the full benefit from the sustainable use of its resources and that the department will work to identify and facilitate new opportunities for resource development. A strategic issue for the department is the maximization of benefits, with benefits broadly defined as those outcomes stemming from sustainable use, contributing to both the economic and social well-being of the province and its people.

Goal 3: By March 31, 2008, the Department of Natural Resources will have increased benefits to the province from resource developments.

Measure: Increased benefits

Indicators:

- Decreased land-use conflicts
- Increased oil and gas exploration and production
- Increased mineral exploration and production
- Increased business service and supply opportunities
- Increased business service and supply activity
- Increased revenues

Objectives:

1. By March 31, 2007, the Department of Natural Resources will have developed and implemented new programs and improved existing programs to increase benefits to stakeholders from resource development.

Indicators:

- Developed comprehensive Energy Plan
 - Developed a natural gas royalty framework
 - Increased regulatory efficiency and effectiveness
 - Developed measures to ensure optimal benefits
2. By March 31, 2008, the Department of Natural Resources will have increased benefits to the province from resource developments.

Issue 4: An Informed Public

“Provide people with accurate and relevant information.”

As a significant contributor to provincial GDP and overall economic development, the mineral and energy sectors are a focus of public attention. Currently, in the face of high energy and metal prices and an uneven distribution of economic wealth throughout the province from these sectors, there is an undercurrent of public expectation that the benefits from existing projects should be greater. These expectations can be the source of significant frustration from the general public when the benefits realized from natural resource developments do not meet expectations. Critical to informing these expectations is dissemination of factual information and an acknowledgement that there are global factors beyond the control of government.

Goal 4: By March 31, 2008, the Department of Natural Resources will have improved information available to the general public about natural resource developments.

This goal will enable the department to improve public knowledge of natural resource development opportunities, projects and issues. This heightened understanding will facilitate a more informed discussion on issues of public interest and concern.

Measure: Improved public information

Indicators:

- Increased public awareness
- Increased public confidence
- Decreased public uncertainty

Objectives:

1. By March 31, 2007, the Department of Natural Resources will have developed and begun implementation of a communications plan to better inform the public about natural resource developments.

Measure: Communications Plan

Indicators:

- Increased publications
 - Increased speeches and presentations
 - Increased news releases
 - Increased Ministerial interviews
 - Improved website
 - Increased public consultations
2. By March 31, 2008, the Department of Natural Resources will have improved the information available to the general public about natural resource developments.

Department of Natural Resources
Forestry and Agrifoods Agency
Strategic Plan
2006 2008





PLAN AT A GLANCE

Vision

The vision of the Forestry and Agrifoods Agency is of a province that is realizing the full benefit from its forestry and agrifoods resources in a sustainable manner.

Mission

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

Goals

Forestry Services

Goal 1: The Forestry Services Branch will have completed an analysis of the forest sector in Labrador and Newfoundland by 2008.

Objectives:

1. By 2007, the Forestry Services Branch will have completed an analysis of the forest sector for Labrador and initiated a similar analysis for Newfoundland.
2. By 2008, the Forestry Services Branch will have completed an analysis of the forest industry on the Island portion of the province and assessed the recommendations for implementation.

Goal 2: By 2008, the Forestry Services Branch will have developed mechanisms to improve government's ability to maximize the value of the resource.

Objectives:

1. By 2007, the Forestry Services Branch will have implemented processes to address the flow of wood to maximize value and develop a new royalty regime.
2. By 2008, the Forestry Services Branch will have completed a review of value added opportunities and developed mechanisms for forestry diversification.

Goal 3: By 2008, the Forestry Services Branch will have maintained healthy forest ecosystems

Objectives:

1. By 2007, the Forestry Services Branch will have increased resources dedicated to maintaining healthy forest ecosystems
2. By 2008, the Forestry Services Branch will have continued with implementation of enhanced programs and services designed to maintain healthy forest ecosystems.

Agrifoods

Goal 1: By March 31, 2008, the Agrifoods Development Branch will have developed and implemented mechanisms to improve government's ability to maximize the value of its agrifoods resources.

Objectives:

1. By March 31, 2007, the Agrifoods Development Branch will have initiated mechanisms to maximize the value of agriculture and agrifoods resources.
2. By March 31, 2008, the Agrifoods Development Branch will have developed and administered initiatives to further develop and advance agriculture and agrifoods resources.

Goal 2: By March 31, 2008, the Agrifoods Development Branch will have provided mechanisms to increase the sustainability of agriculture and agrifoods resources.

Objectives:

1. By March 31, 2007, the Agrifoods Development Branch will have initiated mechanisms to enhance the sustainability of the industry through enhanced land-use management, food safety and food quality and animal health programs and services.
2. By March 31, 2008, the Agrifoods Development Branch will have continued with implementation of enhanced programs and services for the sustainability of agrifoods resources.

10. Introduction

The Forestry and Agrifoods Agency has two main responsibilities within the province: 1) managing and regulating the forest resources and 2) promoting the continued development, expansion and diversification of a competitive and sustainable agriculture and agrifoods sector. The Forestry and Agriculture sectors together contributed \$371.5 million to the province's Gross Domestic Product (GDP) in 2005. Primary forestry activity and the newsprint industry together directly accounted for \$319 million or 2.3 per cent of the Province's GDP in 2005 and 4300 direct person years or about 2 per cent of total employment. The agriculture and agrifoods sector contributed \$197.6 million to the GDP in 2005, generating approximately 3,800 direct person years of employment throughout the province.

FORESTRY SECTOR

Approaches to managing the forests have evolved through time. The early 1900's was a time of forest industry development, where forests were exploited. During the past 100 years, forest management has evolved from forest protection, to timber management, to multiple use management, and today, sustainable forest management (SFM.) Ecological, economic and social parameters form the foundation of SFM. The Forest Service of Newfoundland and Labrador defines SFM as "to maintain the long term health of forest ecosystems, while providing ecological, economic and cultural opportunities for the benefit of present and future generations."

Managing forest ecosystems requires knowing where you're headed and how you plan to get there. In 2003-04 the Department prepared and released a new strategy for the management of the province's forests entitled the *Provincial Sustainable Forest Management Strategy*. The Strategy introduced a new vision for the management of the province's forest ecosystems. This vision includes finding 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.

The Forest Act 1990 mandates the Forest Service of Newfoundland and Labrador to manage the forest resources of the province. Forest management occurs on a district basis through 18 districts in Newfoundland and 6 in Labrador. A forest management plan is required for each district comprising of a five-year forest management plan and an annual plan.

AGRIFOODS SECTOR

The Agrifoods sector is a growing and dynamic industry. This sector continues to expand and provide economic benefits and employment to many regions of the province. Many sectors are experiencing growth as Farm Cash Receipts (FCR) continue to increase each year. Sectors within the agriculture and agrifoods industry are strategically planning to ensure they remain sustainable and competitive in the marketplace. In 2001, the Dairy Farmers of Newfoundland and Labrador negotiated a 31 million litre industrial milk quota over a 15 year period. This opportunity allows this province's largest primary agriculture sector to continue to expand and potentially double its size by the year 2016.

The Agricultural Policy Framework Agreement (APF), a 60-40 cost shared federal-provincial agreement, is providing over \$32 million from 2003 - 2008 to the industry in Newfoundland and Labrador. APF provides funding for food safety and food quality, environment, science and innovation, renewal and business risk management. It is a great opportunity to strengthen the agribusinesses in this province and contribute to the national objective of being a world leader in food safety and quality and environmentally sustainable production.

11. Overview

The Forestry and Agrifoods Agency's objective is sustainable and environmentally sound management and development of the forest and agriculture resources providing socio-economic benefits to the people of the province. In addition to its forest management duties, the Forestry Services Branch is mandated to carry out enforcement of forestry and wildlife regulations. The branch employs approximately 510 permanent, temporary and seasonal people in the delivery of its programs. The Agrifoods Branch is responsible for promoting the continued development, expansion and diversification of competitive and sustainable primary and value-added agriculture and agrifoods businesses. The agrifoods sector is growing at an unprecedented rate supporting over 5000 jobs in a \$500 million industry.

The Agency's forestry programs are delivered through three regional offices located in Gander, Corner Brook and Labrador. Agrifoods programs are delivered through nine regional offices located in St. John's, Carbonear, Clarenville, Gander, Bishop's Falls, Pynn's Brook, McKays and Happy Valley-Goose Bay. The headquarters and executive offices are in Corner Brook. In addition, the Agency is subdivided into 24 management districts, 18 on the island and 6 in Labrador for forestry and 10 agricultural units, 9 on the island and 1 in Labrador. The total budget for the Forestry Services Branch of the Agency in 2005-06 was \$30.9 million while the total budget for the Agrifoods Branch in 2005-06 was \$13.1 million.

A new forest management strategy was prepared for the province in 2003 entitled Provincial Sustainable Forest Management Strategy 2003. This new Provincial Sustainable Forest Management Strategy sets a new vision and direction for managing the forest ecosystems of the province.

In addition, the Agency is involved in Government's Sustainable Development initiative aimed at developing a policy framework for sustainable development of all the province's natural resources.

12. Mandate

In accordance with the Executive Council Act the mandate of the Forestry Services Branch includes the supervision, control and direction of all matters relating to:

- (a) forest resources and utilization, constructing and maintaining forest access roads, forest protection from fire and insects, silviculture, inventory, conservation, management, preparation of management plans, surveying, mapping and developing of forest resources;
- (b) enforcement responsibility in the areas of forestry and wildlife and assisting in enforcement in the areas of inland fisheries, motorized snow vehicle and all-terrain vehicle usage.

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

- (a) Agriculture, including, without limitation of the word “agriculture,” agrifoods, agronomy, horticulture, animal husbandry, aviculture, the development of pasturage 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.
- (b) animal health
- (c) food technology and marketing
- (d) agricultural land and the utilization, protection, conservation, management, surveying, mapping and development of agricultural land.



13. *Lines of Business*

FORESTRY SERVICES BRANCH

Management of the Forest Resource: The Forestry Services Branch headquarters in Corner Brook is responsible for policy, legislation, programs and forest management planning that enable the citizens of the province to benefit from the services that ecosystems provide, while ensuring their sustainability and health. These programs include silviculture, resource roads construction, forest inventory, forest fire suppression, forest insect control, forest management planning, enforcement/compliance and industry development. Under these programs, the department carries out the province's tree planting operations which, in 2004-05, saw the planting of 10.6 million seedlings. In addition, each year the department delivers an extensive precommercial thinning program and constructs a number of resource roads. In 2004-05 a total of 76 resource roads were constructed.

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

Enforcement of legislated requirements: The Branch's responsibility for enforcement of the province's Forestry and Wildlife Acts is delivered through the Regional Services structure. In addition, the Branch collaborates with other government departments and agencies in enforcement of the Federal Fisheries Act (Inland Fish,) All-Terrain Vehicle (ATV) regulations and the Migratory Bird Convention Act. The Forestry Services Branch is responsible for monitoring of timber harvesting operations as well as patrolling inland waters and hunting areas for compliance with the regulations under the various Acts.

Licensing, Permitting and Registration: The Regional and District Offices issue licenses and permits for: timber cutting, sawmilling, burning of brush, operating of harvesting equipment during the fire season, timber export, timber scaling, the purchase of timber, possession permit for wildlife, beaver traplines, transportation of firearms, the export of game and the management of nuisance animals (eg. moose) on farmlands.

AGRIFOODS DEVELOPMENT BRANCH

Agriculture and Agrifood Resource Development: Working closely with key stakeholders, the Branch develops policy and programs, and provides a support function to the agriculture and agrifoods industry. Programs and services are specifically directed to promoting and facilitating well-planned, sustainable agriculture and agrifoods development and the economic and employment opportunities associated with their development in many regions.

The Agrifoods Development Branch offers a range of services and agribusiness development programs to diversify, strengthen and add value to the agriculture and agrifoods sector in order to increase the profitability of agribusinesses and enhance the competitiveness of the agriculture and agrifoods industry. These programs and services include crop and livestock insurance, access roads, land consolidation and development, animal health services, 4-H program, market development, human resources development, technology adoption, food safety and quality, GIS mapping, soil and plant laboratory analysis, environmental farm planning and farm business management and extension services.

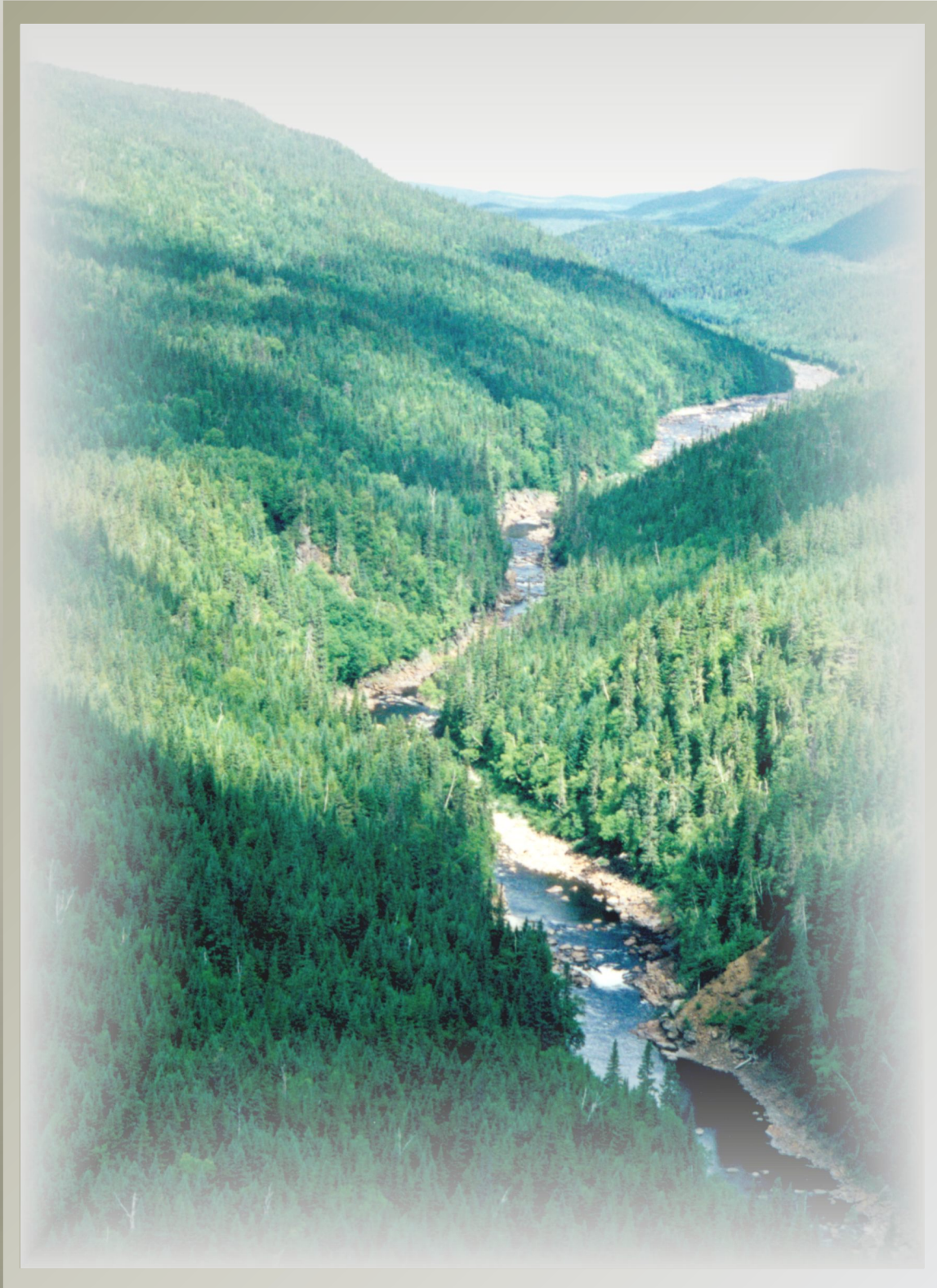
14. *Primary Clients*

The clients of the Forestry and Agrifoods Agency include: pulp and paper and sawmill industries, secondary processing value added industries, commercial cutting permit holders on crown land, aboriginal groups, agribusinesses, agriculture organizations and the citizens of the province.



15. *Vision*

The vision of the Forestry and Agrifoods Agency is of a province that is realizing the full benefit from its forestry and agrifoods resources in a sustainable manner.



16. *Mission*

The Forestry and Agrifoods Agency promotes and facilitates the sustainable development of the province's forestry and agrifoods resources through sustainable resource management and development activities for the overall benefit of the citizens of Newfoundland and Labrador.

Our mission statement is:

By 2011, the Forestry and Agrifoods Agency will have:

- (i) implemented programs necessary to sustain the province's forest ecosystems
- (ii) identified and facilitated further opportunities for sustainable agriculture and agrifoods resource development
- (iii) optimized the benefits received from these resources

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

Indicators:

- Actual harvest levels match sustainable harvest levels for each of the province's forest management districts
- Area planted matches planting levels defined to maintain established sustainable harvest levels
- Area thinned matches thinning levels defined to maintain established sustainable harvest levels
- Promoted the development of increased awareness of value-added wood manufacturing facilities in the province
- All forest management districts have current management plans in place
- Increased kilometers of access road facilitating improved forest protection and improved planting regimes
- Increased the amount of area protected from insects
- Number of programs put in place to protect forests from insects
- Decreased the amount of forested area burnt
- Number of programs put in place to protect forest from fires

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

Indicators:

- Increased collaboration with industry and industry associations
- Increased promotion of the agriculture and agrifoods industry
- Increased collaboration with the federal government and provincial government departments and agencies
- Increased availability of agriculture land
- Increased development and implementation of programs and services
- Increased production in agriculture
- Increased employment
- Increased value-added from primary production

FORESTRY SERVICES BRANCH

Issue: Forest Sector Economy

The relationship among pulp and paper, sawmilling and value-added manufacturing sectors has evolved over the past decade and fostered steady progress in improved utilization and processing of wood fibre in the province. The department will continue to work with industry to identify and implement strategies that will lead to new growth opportunities. In addition, the department will focus on the expansion of secondary wood products manufacturing in the province and the development of new value-added products.

The forest sector is an important component of the provincial economy and is the key economic generator for many rural communities throughout the province.

Goal 1: The Forestry Services Branch will have completed an analysis of the forest sector in Labrador and Newfoundland by 2008.

The forestry sector is in a period of restructuring at the national and provincial levels. This goal enables the Forestry Services Branch to undertake a complete review of the forest sector that will involve an assessment of the current state and structure of the forest industry and provide a path for a new and sustainable forest industry that is responsive to the global economy.

Measure: Completion of forest sector studies for Newfoundland and Labrador

Indicators:

- Completed the Labrador secondary processing and value added study
- Completed the Newfoundland Forest Sector analysis

Objectives:

1. By 2007, the Forestry Services Branch will have completed an analysis of the forest sector for Labrador and initiated a similar analysis for Newfoundland.

Measure: Labrador analysis completed

Indicators:

- Analysis report completed including recommendations for priority actions

Measure: Initiated the analysis of the Newfoundland Forest Sector

Indicators:

- Terms of reference completed and approved
 - Consultant retained to complete analysis
2. By 2008, the Forestry Services Branch will have completed an analysis of the forest industry on the Island portion of the province and assessed the recommendations for implementation.

Goal 2: By 2008, the Forestry Services Branch will have developed mechanisms to improve government's ability to maximize the value of the resource.

Measure: Developed mechanisms to improve government's ability to maximize the value of the resource.

Indicators:

- Developed a new timber royalty regime which is reflective of the quality of the resource, the cost of resource management and our ability to maintain access to international markets
- Implemented processes to address the flow of wood to maximize value
- Opportunities are identified for economic diversification related to the forest industry
- Identified value-added industrial participants by product and size
- Increased the number and type of opportunity reviews undertaken
- Increased the number of technical advisory contacts provided to prospective industries

Objectives:

1. By 2007, the Forestry Services Branch will have implemented processes to address the flow of wood to maximize value and develop a new royalty regime.

Measure 1: Implemented processes to address the flow of wood to maximize value

Indicators:

- Mechanisms are in place directing the flow of wood to meet existing commitments with stakeholders and maximize value of the resource

Measure 2: Developed a new royalty regime

Indicators:

- Established a new royalty regime
- Consulted with the Newfoundland and Labrador Lumber Producers Association

2. By 2008, the Forestry Services Branch will have completed a review of value added opportunities and developed mechanisms for forestry diversification.

Goal 3: By 2008, the Forestry Services Branch will have maintained healthy forest ecosystems.

Two of the main objectives of forest managers are the implementation of strategies directed at improving forest protection and forest enhancement. Such initiatives are important as they provide for a healthier and more productive forest ecosystem while contributing to the sustainable management of the resource for the long term.

Measure: Maintained healthy forest ecosystems

Indicators:

- Enhanced silviculture programming including additional tree planting and the use of different species
- Enhanced forest inventory program that is expanded to include Labrador and overall reflects more up-to-date information
- Expanded forest fire fighting capabilities in Labrador
- Improved enforcement to ensure the protection of inland fish resources

Objectives:

1. By 2007, the Forestry Services Branch will have increased resources dedicated to maintaining healthy forest ecosystems

Measure: Increased resources

Indicators:

- Completed new silviculture agreements with industry reflecting increased tree plantings with a variety of tree species
 - Initiated aerial photography and interpretation of photography on the Island and in Labrador to improve inventory database for decision making
 - Additional aircraft contracted for fire fighting services in Labrador
 - Increased enforcement effort to protect inland fish resource
2. By 2008, the Forestry Services Branch will have continued with implementation of enhanced programs and services designed to maintain healthy forest ecosystems.

AGRIFOODS DEVELOPMENT BRANCH**Issue: Agriculture and Agrifoods Economy**

The agriculture and agrifoods sector is an important contributor to the economy of Newfoundland and Labrador. The industry is valued at over \$500 million and provides employment to over 5,000 people in many regions of this province. Success in this industry has been from agribusinesses in both the primary and secondary sectors. The department will continue to work in partnership with industry to move forward with programs and initiatives that will further facilitate the development and growth of the industry in a sustainable manner. It is important that the Agrifoods Development Branch undertake initiatives to further advance the industry in order for the agriculture and agrifoods industry to remain viable, competitive and sustainable.

Goal 1: By March 31, 2008, the Agrifoods Development Branch will have developed and implemented mechanisms to improve government's ability to maximize the value of its agrifoods resources.

Measure: Developed mechanisms to improve government's ability to maximize the value of agriculture and agrifoods resources.

Indicators:

- Implemented initiatives to assist the industry in its advancement
- Increased stakeholder consultation
- Increased agriculture and agrifoods promotion
- Increased collaboration with industry
- Increased value of agrifoods resources through agrifoods development programs and services

Objectives:

1. By March 31, 2007, the Agrifoods Development Branch will have initiated mechanisms to maximize the value of agriculture and agrifoods resources.

Measure: Initiated mechanisms to maximize the value of agriculture and agrifoods resources.

Indicators:

- Implemented advertising campaign and promotional agriculture and agrifoods initiatives
 - Completed assessment of Agricultural Policy Framework Programs through industry stakeholder consultation
 - Increased cooperation with the Federal Government and other stakeholders to assess and develop programming for the industry
 - Collaborated with industry to complete relevant sector strategies
 - Implemented research and development initiatives
 - Implemented food safety and food quality initiatives
 - Implemented agriculture business development programs and initiatives
 - Implemented land development programs and initiatives
 - Implemented professional advisory services for crop, livestock and agribusiness management
2. By March 31, 2008, the Agrifoods Development Branch will have developed and administered initiatives to further develop and advance agriculture and agrifoods resources.

Goal 2: By March 31, 2008, the Agrifoods Development Branch will provide mechanisms to increase the sustainability of agriculture and agrifoods resources.

The branch will work with all sectors to continue to enhance the sustainability of the industry. Environmentally sound land-use practices and programs in the areas of food safety, food quality and animal health are key elements in a sustainable industry.

Measure: Sustainable agriculture and agrifoods sector

Indicators:

- Implementation of programs for increased land usage, productivity and sustainability
- Implementation of food safety and food quality and animal health monitoring and surveillance
- Enforcement of regulatory programs
- Regular industry consultation and partnership
- Maintained and/or increased sustainability of agrifoods resources through land use management, food safety, food quality, and animal health programs and services

Objectives:

1. By March 31, 2007, the Department of Natural Resources will have initiated mechanisms to enhance the sustainability of the industry through enhanced land use management, food safety and food quality, and animal health programs and services.

Measure: Initiated mechanisms to enhance the sustainability of the industry through enhanced land-use management, food safety and food quality and animal health programs and services.

Indicators:

- Provision of soil analysis for improvement of soil fertility and farm productivity
 - Usage of GIS mapping and data collection to capture information on farm related activities across the province
 - Increased efforts in monitoring, surveillance and testing for diseases that could impact food safety, food quality and animal health
 - Regular enforcement of regulatory programs
 - Implementation of on-farm food safety and food quality and post-farm food safety and food quality programs
 - Implementation of programs for land consolidation and development
 - Identification of suitable agricultural land and the review of land availability for agricultural land use purposes
 - Increased kilometres of access road facilitating increased agricultural development
2. By March 31, 2008, the Department of Natural Resources will have continued with implementation of enhanced programs and services for the sustainability of agrifoods resources.



Appendices



Strategic Direction

Strategic directions are the articulation of desired physical, social or economic outcomes and normally require action by more than one government entity. These directions are generally communicated by Government through platform documents, Throne and Budget Speeches, policy documents and other communiqués. The Transparency and Accountability Act requires departments and public bodies to take these strategic directions into account in the preparation of their performance-based plans. This action will facilitate the integration of planning practices across Government and will ensure that all entities are moving forward on key commitments.

The Department of Natural Resources encompasses a broad scope including mines, energy, agrifoods, and forestry. The strategic direction detailed below represents that of the Mines, Energy, Agrifoods and Forestry branches of the department.

1. Title: Sustainable Resource Development

Outcome: Effective and efficient management of our natural resources to ensure that they are utilized in a sustainable manner such that the resources and the economic benefits from these resources are optimized. This outcome supports government direction as outlined in Government's 2003 Policy Document and the 2004 and 2005 Speech from the Throne.

Components of Strategic Direction	This direction is addressed:		
	in the department's strategic plan	in the department's operational plan	in the branch/divisional work plans of the department
1. Petroleum and Natural Gas <ul style="list-style-type: none"> ○ Research and Development ○ Benefits Maximization ○ Land use ○ Effective and efficient management 	√		
2. Agrifoods <ul style="list-style-type: none"> ○ Primary Agriculture Production ○ Secondary Processing and Diversification ○ Land Development and sustainability ○ Research and Development ○ Food Safety and Quality 	√		

Components of Strategic Direction	This direction is addressed:		
	in the department's strategic plan	in the department's operational plan	in the branch/divisional work plans of the department
3. Minerals <ul style="list-style-type: none"> ○ Exploration ○ Land use ○ Benefits Maximization ○ Value-added activities 	√		
4. Electricity <ul style="list-style-type: none"> ○ Hydro-Electric Development 	√		
5. Forestry <ul style="list-style-type: none"> ○ Silviculture ○ Forest Protection ○ Value-added Forest Industry ○ Forest Sector Economy ○ Enhance Forest Inventory ○ Healthy Forest Ecosystems 	√		

1. **Department of Mines and Energy Notice under the Executive Council Act (O.C. 96-313).**
Provides for the establishment of the Department of Mines and Energy and sets out the powers, functions and duties of the Minister.
2. **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.
3. **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 and provincial statutes.
4. **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.
5. **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.
6. **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.
7. **Newfoundland and Labrador Power Commission (Water Power) Act.**
Extinguishes certain water power rights held at the time by BRINCO and provides for their assignment to Newfoundland and Labrador Hydro (Power Commission) to facilitate financing of the Bay d'Espoir hydro-electric project.
8. **Miscellaneous Financial Provisions Act, 1975.**
Removes any restrictions elsewhere in provincial legislation on government assigning to Newfoundland and Labrador Hydro Electric Corporation a right, title or interest in royalties and rentals in clauses 1 and 8 of Part II of the lease between government and CF(L) Co.

9. Mineral Act.

Defines the rights of explorers and developers of mineral properties; the methodology to be used in obtaining such rights and the areas where government may regulate activity.

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

10. Mineral Holdings Impost Tax Act.

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

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

11. Quarry Materials Act.

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

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

12. 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.

13. Mining Act.

Provides for a clean working environment for the mining industry in the province; outlines requirements for mine development approval, operational reporting, milling licences; and for rehabilitation and closure of mines and provisions for financial assurance. This Act does not deal with Occupational Health and Safety matters.

14. Farm Products Corporation Act.

An act respecting the administration of Farm Products Corporation.

15. Plant Protection Act.

An act respecting the protection of plants in the province as it regulates nursery sods and dealers, plant quarantine and seed potatoes.

16. Poultry and Poultry Products Act.

An act respecting all poultry and poultry products such as chicken and eggs.

17. Livestock Health Act.

An act respecting the prevention of diseases in livestock. Under this act are the *Livestock Health Regulations* which provide the details on the prevention of diseases in livestock.

- 18. Animal Protection Act.**
The purpose of this act is to provide for a method to help animals that are in distress and to prevent cruelty to or other mistreatment of animals.
- 19. Dog Act.**
An act respecting the keeping of dogs.
- 20. 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.
- 21. Heritage Animals Act.**
The purpose of this act is to provide the means for recognition and protection of heritage animals within the province. Included under this act are the *Designation of Inspectors Order* and the *Newfoundland Pony Designation Order*.
- 22. Veterinary Medical Act.**
An act to revise the law about veterinary medicine. The *Veterinary Licensing Board Regulations* set out the standards related to veterinarians practicing in the province.
- 23. Livestock Act.**
An act regarding the control and protection of livestock. The *Livestock Regulations* outline the details relating to the control and protection of livestock.
- 24. 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.
- 25. 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 crop by the regulations. The Act designates the Newfoundland and Labrador Crop Insurance Fund and also the Crop Insurance Board.
- 26. Agrologists Act.**
An act establishing the Newfoundland and Labrador Institute of Agrologists. The Act outlines the objectives, structure, operation and membership of the Institute.
- 27. 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.

28. Farm Practices Protection Act

An Act respecting the protection of Farm Practices in the province.

29. Forestry Act

An Act respecting the management, harvesting, and protection of the forests of the province.

30. Wildlife Act

The Wildlife Act provides for the management and protection of wildlife in the province.

31. Endangered Species Act

An act respecting the protection of endangered species.

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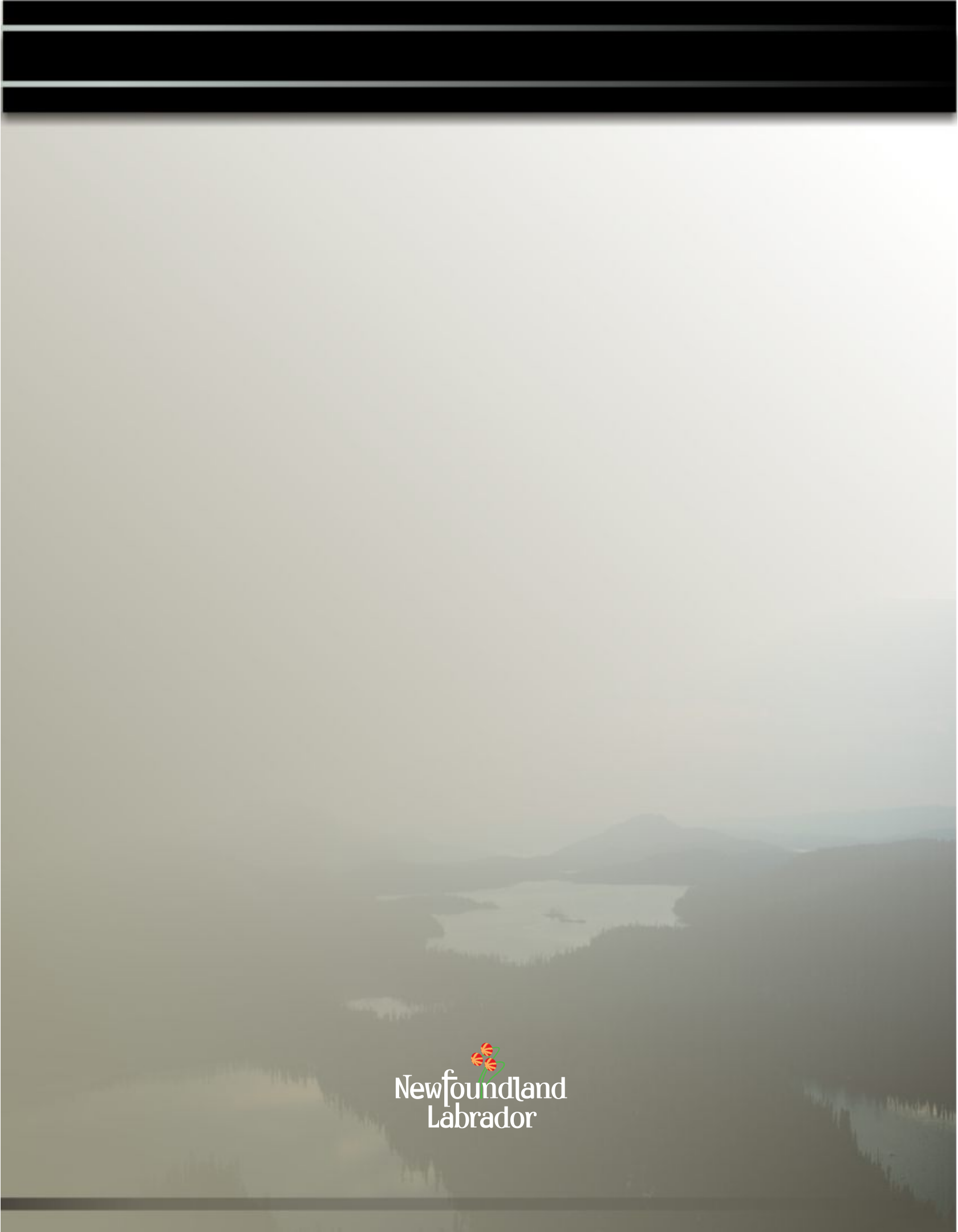
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- 1). Department of Natural Resources, Mines Branch
- 2). Department of Natural Resources, Energy Branch
- 3). Department of Natural Resources, Agrifoods Branch
- 4). Department of Natural Resources, Forestry Services Branch
- 5). Husky Energy
- 6). A. Harvey & Company Ltd.




Newfoundland
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