



An Agency of the Government of Ontario

Ontario Northland Transportation Commission
Business Plan 2022-2023

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Message from the President and CEO

I am proud to share with you Ontario Northland's 2022-2023 Business Plan. This business plan presents an integrated overview of Ontario Northland's work to achieve its mandate, explore opportunities to enhance transportation services to the region through innovation and a continuous improvement mindset.

Ontario Northland plays an important role creating transportation solutions for businesses by providing essential and efficient rail freight services connecting businesses to the rest of the world, integrated motor coach and passenger rail services connecting northerners to medical appointments, jobs, education, and tourism and extending the life of railway and transit rolling stock through quality remanufacturing and repair workmanship.

Our priorities this year continue to be pandemic recovery, continuous improvement, and innovation. I am confident that we will achieve what we set out to do in the next year – thanks to the 750 passionate and skilled employees who live and work in the communities we serve. I am so proud of how our employees reacted promptly and with compassion to ensure colleagues, passengers, and our customers were safe and healthy throughout the pandemic. We will continue to be diligent, caring, and responsible as we navigate changing requirements.

As you'll read in the following pages, we are investing in our people by providing training and development opportunities, enhancing processes and introducing new equipment, software and technology. These will provide the right tools necessary for employees to achieve their best and continue to provide innovative ideas to make our services better while providing responsible oversight of tax dollars. These initiatives will continue to progress a strong relationship with the Province who have provided incredible support by investing in our infrastructure and working together to improve transportation.

I am passionate about building a diverse and inclusive organization and this business plan will continue to progress that goal. There is no doubt that this creates a resilient organization poised to achieve success in every division.

Ontario Northland is a unique agency, providing inter-community transportation to over 150 communities, travelling over 5 million kilometers every year, connecting people and essential goods to remote and northern communities and major urban centers in Ontario and Manitoba.

While the world continues to navigate the COVID-19 pandemic, the importance of our rail freight services to provide access to the supply chain has never been so important. Connecting with class 1 railways to deliver goods proved that we are the backbone of the economy. In the business plan, you'll notice many innovative initiatives to enhance and sustain rail freight services in northern Ontario.

A culture of safety and accountability is the foundation for everything we do. We will continue to instill the values and behaviours that promote this culture. This is important as we operate within a vast geography with unpredictable weather challenges that shape the way we operate and require us to be safe, accountable, and adaptable.

For Ontario Northland to deliver efficient and effective services, we must continuously reimagine services, processes and information that enable our success. We do this to ensure we can meet the evolving needs of the passengers, customers and communities we serve. The following 2022-2023 business plan outlines the many priorities with clear objectives and key performance indicators to keep us focused on achieving our business goals.

I look forward to reporting on our progress in the 2022-2023 Annual Report.

Executive Summary

Ontario Northland is proud to deliver safe and reliable transportation services to people and businesses across Northern Ontario and is well positioned to support the economic recovery of the province. Building on our success during the very challenging time of Fiscal Year (FY) 2021-2022, the 2022-2023 Business Plan outlines our upcoming priorities for all of our operating divisions and includes details on our organizational priorities and direction, performance measures, risk assessment, business environment, financial profile, continuous improvement initiatives and planned deliverables.

This business plan is developed in accordance with the requirements of the *Ontario Northland Transportation Commission Act*, the provincial government's Agencies and Appointments Directive and reflects the northern transportation priorities of the Government of Ontario outlined in the agency's 2022-23 mandate letter. The COVID-19 pandemic has had a significant impact on Passenger Services however the Rail division is strong and proves the impact of rail during such exceptional times. We remain a strong component of the supply chain. The 2022-23 Business Plan projects a gradual and incremental recovery. The health and safety of our employees, passengers, customers and the communities we serve will continue to be of the utmost importance through this business cycle.

For the 2022-23 business cycle, Rail Services will continue to work with Class 1 Railways to improve the efficiency and access to rail freight transportation across North America. Motor Coach Services will focus on meeting transportation needs throughout the north and connect rural communities to major centers (Toronto, Ottawa, Winnipeg). In addition, Ontario Northland will continue exploring partnerships to improve the connectivity of passenger transportation.

The Polar Bear Express continues to provide vital transportation to medical services and education for First Nations communities of James Bay coast. Throughout this business cycle Ontario Northland will continually look for opportunities with James Bay coast communities to enhance and improve this service.

The Remanufacturing and Repair Centre (RRC) will continue to engage with rail coach remanufacturing, freight car repair, and locomotive overhaul work customers. This work is increasing revenue for the agency. RRC provides a specialized service to support other railways and their movement of goods and people.

For 2022-23, Ontario Northland will continue to move forward on its capital improvements program. With northern winter conditions and the large distances that the fleet travels, it is critical to ensure all assets and infrastructure are in an acceptable state of good repair. We will begin to implement our new performance management measures in order to continually evaluate progress in meeting our mandate and objectives. The Realty Group will continue to inventory Ontario Northland real estate assets and work with the government to divest surplus assets.

Looking forward, Ontario Northland will continue to concentrate on containing/reducing costs while improving customer service, and delivering our business in a strategic, responsible manner, taking into account potential risks. Ontario Northland is committed to connecting northern communities and businesses with the rest of Ontario and North America. With Ontario Northland's long-established skills and experience, Ontario Northland is proud to support the Ministry of Transportation (MTO) with input into the Northern Ontario Transportation Plan, begin to deliver key initiatives over the course of this business cycle, and support Northern Ontario citizens, passengers, Indigenous communities, French language communities and businesses.

1.0 Introduction

Ontario Northland is an agency of the Government of Ontario and as of April 1, 2020, reports to the Legislature through the Minister of Transportation. The agency is a vital partner in the delivery of quality transportation services and solutions to Ontarians.

Ontario Northland was created by the Ontario government in 1902 to provide transportation services in Northern Ontario and operates under the authority of the *Ontario Northland Transportation Commission Act*. With a long and storied history, Ontario Northland has helped shape the identity of Northern Ontario and at the direction of the Minister of Transportation continues to deliver its services to support Northerners and the Northern Ontario economy.

The transportation industry continues to evolve, and Ontario Northland supports that evolution, especially in response to the COVID-19 pandemic. The agency is responding to the needs of Indigenous communities, small business, seniors, students and community partners in an effort to move goods and people safely, efficiently and effectively.

While fulfilling its mandate, Ontario Northland is committed to supporting economic growth and sustainable employment through the provision of a strong transportation network for passenger, commercial and industrial transportation. This includes operating a vital link in the Provincial and National supply chain for the movement of goods within the Province and across the country.

The FY2022-2023 Business Plan continues to build on the success of the agency's transformation initiatives while using this momentum to further align its service offerings with government and customer expectations. Ontario Northland will continue to proudly support the transportation needs of communities, businesses, industry, and government to ensure its vital services are delivered in a cost-effective and measurable manner.

1.1 Mission, Vision and Values

Our Vision

Our focus is on business and employee excellence, innovation and collaboration. We will establish cost-effective business practices, continue progressing a culture of continuous improvement and operate more efficiently and effectively enabling a sustainable Ontario Northland.

As employees, we will continue to take pride in our work and our workplace. We will promote a culture of open communication, fairness, diversity, and creativity that will move us forward as a secure and valued workforce and agency.

Our Mission

Our motto is: *Moving people. Moving goods. Moving forward.* As a Crown agency, Ontario Northland

supports economic development, job creation and community sustainability across Northern Ontario.

Our vital transportation services promote access to work, health care, education, and the movement of goods and delivery of services within the region and throughout North America.

Ontario Northland supports the growth and prosperity of Northern Ontario and provides interconnectivity with other transportation modes across the province, including passenger services (Metrolinx) and rail freight (Class 1 railways) that rely on Ontario Northland as a key component of the supply chain.

Our Values

By choosing to live these values, Ontario Northland employees share accountability for helping achieve efficient and valued transportation solutions for the next 100 years:

- accountability
- customer satisfaction
- positive team/work environment
- safety
- continuous improvement

1.2 Overview and Key 2022-23 Priorities

Ontario Northland motor coach services operate across Northern Ontario typically traveling over 4.9 million km annually; however, due to the COVID-19 pandemic this was much less for FY2021-22. Rail services provides safe transport of goods for 9 major and multiple smaller clients, and remanufacturing and repair services deliver high quality repair and rehabilitation services for five major rail companies along with servicing its own fleet. The Cochrane Station Inn operates a boutique hotel located atop the Cochrane rail and bus station. As well, the agency operates the only year-round land link to the First Nation communities of the James Bay area through the Polar Bear Express (PBX) passenger and freight rail service.

In alignment with government priorities for agencies, boards and commissions reporting to the legislature, Ontario Northland commits to the following;

1. **Competitiveness, Sustainability and Expenditure Management**

- operating within its financial allocations
- identifying and pursuing opportunities for revenue generation, innovative practices, and/or improved program sustainability
- complying with applicable direction related to supply chain centralization and Realty Interim
- Measures for agency office space
- leveraging and meeting benchmarked outcomes for compensation strategies and directives
- working with the ministry, where appropriate, to advance the *Ontario Onwards Action Plan*

2. **Transparency and Accountability**

- abiding by applicable government directives and policies and ensuring transparency and accountability in reporting
- adhering to requirements of the Agencies and Appointments Directive, accounting standards and practices, and the Public Service of Ontario Act ethical framework, and responding to

- audit findings, where applicable
 - identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability
3. **Risk Management**
 - developing and implementing an effective process for the identification, assessment and mitigation of risks, including planning for and responding to health and other emergency situations, including but not limited to COVID-19
 - developing a continuity of operations plan that identifies time critical/essential services and personnel
 4. **Workforce Management**
 - optimizing organizational capacity to support the best possible public service delivery
 - modernizing and redeploying resources to priority areas when or where they are needed
 5. **Data Collection**
 - improving how the agency uses data in decision-making, information-sharing and reporting, including by leveraging available or new data solutions to inform outcome-based reporting and improve service delivery
 - supporting transparency and privacy requirements of data work and data sharing with the ministry, as appropriate
 6. **Digital Delivery and Customer Service**
 - exploring and implementing digitization or digital modernization strategies for online service delivery and continuing to meet and exceed customer service standards through transition
 - adopting digital approaches, such as user research, agile development and product management
 7. **Diversity and Inclusion**
 - developing and encouraging initiatives promoting an inclusive, accessible, and diverse workplace demonstrating leadership of an inclusive environment free of harassment
 - adopting a robust engagement process to ensure all voices are heard to inform policies and decision-making
 8. **COVID-19 Recovery**
 - identifying and pursuing service delivery methods (digital or other) that have evolved since the start of COVID-19
 - supporting the recovery efforts from COVID-19

1.3 Support for Northern Transportation Planning

Ontario Northland has been providing vital transportation services for over 119 years and as such is experienced in serving the transportation needs of people and businesses in rural areas of the province. With significant areas of Ontario comprised of rural or partially rural areas, the expertise that Ontario Northland has in delivering transportation services across vast rural regions will provide the foundation for agency input into MTO's northern transportation planning. This expertise could also support MTO in their planning for the transportation needs of other rural areas in the province.

In addition to the long and rich history of delivering transportation services, Ontario Northland brings a unique perspective as the only transportation agency in North America that provides rail freight, rail passenger, and motor coach services. This depth of knowledge may support the government as it develops and implements a transportation plan for Northern Ontario that includes integrating multi-modes of freight and passenger transportation services.

1.4 Agency Response to Mandate Letter

While FY2021-22 continued to be a challenging year globally, Ontario Northland continues to be well-suited to support the Ontario Government with the economic recovery of Northern Ontario moving forward. The agency will continue to connect the North and ensure safe transportation options for both freight and people, including access to hospitals, educational institutions and intercommunity connectivity.

Ontario Northland's 2022-23 mandate letter outlines expectations for the agency:

Deliver efficient, safe and reliable transportation services in Northern Ontario

Ontario Northland will:

- ensure that safe operations, for customers and communities, remain the highest priority while continuing to strive for the highest standards of safe and reliable services for passengers
- take into account the safety of Indigenous women, girls and other marginalized groups in planning, designing and delivering transportation services and taking actions to combat sexual exploitation and human trafficking (e.g. training of front-line employees, public awareness, reporting policies), in accordance with the Calls for Justice of the National Inquiry into Missing and Murdered Indigenous Women and Girls and Ontario's Anti- Human Trafficking Strategy
- take into account the needs of vulnerable, and underserved populations, including racialized people, Indigenous people, and people with disabilities in the planning, design and delivery of safe, equitable, and accessible transportation services
- continue to promote and provide essential transportation options for the movement of goods
- work with intercommunity passenger transportation service providers to address service gaps and improve transportation options for passengers given the deregulation of the sector, which came into effect on July 1, 2021

Improve the efficiency and safety of ONTC operations and business lines

Ontario Northland will:

- collaborate with the ministry to consider innovative solutions and partnership opportunities to enhance people and goods transportation services in northern and rural communities, including Indigenous communities
- continue to work with the ministry to support the ongoing review of provincial rail safety, including supporting as necessary the planning and implementation of changes to strengthen rail safety and oversight across the province

Advance key transportation initiatives

Ontario Northland will:

- partner with Metrolinx and the ministry to support the next stage of feasibility work for Northeastern Passenger Rail service between Toronto, North Bay and Timmins
- continue to engage with Indigenous communities and partners, local stakeholders and municipalities to identify needs, concerns, and collaborative opportunities related to the Northeastern Passenger Rail Updated Business Case and other business service opportunities
- Supporting the ministry in advancement of Connecting the North: A Draft Transportation Plan for Northern Ontario

Implement the Capital Asset Management Plan

Ontario Northland will:

- continue implementation of the capital asset management plan to support the long-term sustainability of the agency and state of good repair of assets, reduce ongoing maintenance expenses, and provide improved safety to passengers and employees
- develop business capabilities, processes, and technologies for ONTC to adhere to their Asset Management policy and principles, and to support the organization to mature Enterprise Asset Management practices in accordance with industry standards
- maintain ongoing improvements and investments in equipment and facilities; motor coaches and rolling stock; and bridges, culverts, and track infrastructure

Enhance Accountability and Governance

Ontario Northland will:

- work closely with the ministry to assess, develop and implement initiatives that would continue to modernize the agency and its enabling legislation
- continue the development of enhanced performance measures, including a technology-Enabled data collection strategy and monitoring and evaluation processes on all business lines to support evidence-based decision-making and continuous improvement on program effectiveness, operating efficiency, safety and service reliability
- continue to track and report on key project milestones and performance outcomes, such as the state of good repair for ONTC assets

This Business Plan provides details on how Ontario Northland will fulfill the expectations outlined in its mandate letter. The agency will support economic recovery during and after the COVID-19 pandemic through the safe and efficient provision of freight and passenger services to Northern Ontario. Ontario Northland has implemented a pandemic response and recovery plan that provides for a safe network for its employees and customers. These plans are adjusted as new information becomes available from public health authorities and governments.

Ontario Northland delivers efficient, safe and reliable transportation services in Northern Ontario through an inter-community network of passenger buses and parcel express services, connecting Northern Ontario to Southern Ontario and Western Canada. Its innovative trans-load facilities support Northern businesses in efficiently getting their product from truck to rail, expanding client's potential markets. Rail has the added benefit of reducing the carbon footprint and enhancing road safety by reducing the number of vehicles on the road. Ontario Northland continues to monitor and improve its on-time movement of people and freight.

The agency continues to improve the efficiency and long-term sustainability of operations and business lines through the implementation of business intelligence tools, third party efficiency reviews and an employee suggestion program. Ontario Northland continues to explore opportunities for trans-load facilities and investigate opportunities for new freight and repair and remanufacturing clients.

Throughout this business cycle Ontario Northland will build on its capital asset management work by developing Enterprise Asset Management practices and a system in accordance with ISO 55000. Ontario Northland will continue to implement and update its ten year capital management plan. In late 2021 Ontario Northland completed a comprehensive building conditions assessment of all buildings and structures, the most comprehensive review it has completed to date; the action plan resulting from this assessment will be developed in 2022. This includes the development of state of good repair standards for its entire capital asset infrastructure.

Through its recently established Commission Governance Committee, Ontario Northland will continue to develop strong accountability and governance policies and practices that demonstrate how the agency is ensuring effective delivery of its mandate, objectives, and value for money in every decision and action.

2.0 Business Context for 2022-2023

2.1 Coronavirus (COVID-19) Pandemic Plan

The World Health Organization (WHO) declared the COVID-19 outbreak as a pandemic on March 11, 2020. Ontario Northland subsequently activated its Pandemic Response Plan on March 11, 2020 (see Appendix A). As per the Pandemic Response Plan, a committee was formed, ensuring the alignment of COVID-19 protocols with public health authorities and government recommendations. The purpose of the plan and the committee is to ensure the safety of Ontario Northland employees, passengers and customers, as well as the continuation of critical services in response to the pandemic. This has served Ontario Northland well over the last 18 plus months.

In keeping with the Pandemic Response Plan, Ontario Northland installed Plasma cluster ION units (air purifiers) in all motor coaches and on all passenger equipment on the Polar Bear Express. The units are tied to the cabin ventilation system and operate automatically with normal heating/cooling controls. The units are a medical-grade air purification technology that removes 99% of airborne viruses; providing clean air for passengers.

In addition to the air purifier units, Ontario Northland implemented enhanced procedures to ensure the cleanliness of the passenger equipment, including the application of an antimicrobial product on all surfaces, using Health Canada approved disinfectant cleaning products, regular heavy duty cleaning including steam cleaning porous surfaces (including seats), passenger and employee face covering protocols, and extra cleaning at the end of every trip with disinfectant wipes on all passenger touch points.

Service Adjustments

During the onset of the COVID-19 pandemic, private transportation carriers temporarily reduced or cancelled routes, impacting passengers in the Northwest region of Ontario. Ontario Northland responded by adding new bus routes to cover the region between Sault Ste. Marie to Winnipeg, covering both Highway 11 and Highway 17 between Thunder Bay and Winnipeg. This new service enabled those passengers requiring reliable transportation services to travel throughout the region.

Pandemic Recovery

Ontario Northland's integrated diverse working environments require a site-specific tailored approach to pandemic recovery. Maintaining passenger, customer and employee safety and wellbeing is key as the state of emergency evolves and the Province implements its regional reopening plans.

As more goods and people begin to move and utilize Ontario Northland's services, and as more employees transition back into the workplace, the Standard Operating Procedures (SOPs) and workplace guidelines will remain in effect in order to reduce the risk of transmitting COVID-19. All Ontario Northland employees are required to take the *Coronavirus and COVID-19 Prevention and Management* e-learning module and to acknowledge an understanding of the protocols prescribed therein.

This plan is dynamic and can be ramped up or down in alignment with the Province's staged approach. With the rapidly evolving nature of the COVID-19 pandemic, Ontario Northland will continue to monitor and adjust as required to ensure all activities are aligned with current Public Health guidelines and government recommendations.

2.2 Environmental Scan

Northern Ontario has some unique and challenging transportation needs. The region has 88% of Ontario's land mass yet only about 7% of its population. Approximately 50% of that population resides in five large centers and 50% is rural. Seventeen percent of Northern Ontario's population is Indigenous and Northern Ontario is home to 118 First Nation communities. Ontario's Far North is home to 24,000 people, 90% of them First Nation and Metis peoples. Most Far North communities are accessible only by air year-round or by ice road in the winter. According to the 2016 census Northern Ontario is home to approximately one third of Ontario's Francophone population.

Building on its 119-year history in Northern Ontario, Ontario Northland is uniquely positioned to provide valuable transportation services to government, Indigenous and municipal communities, businesses, industry, seniors, students, travelers and other stakeholders and partners. The agency supported MTO in the development of a Northern Ontario Transportation Plan. Ontario Northland is situated in the North and has developed strong relationships with Mayors and First Nation community leaders.

The transportation industry is currently undergoing structural and technological change, as outlined in the external environmental scan factors identified below. Ontario Northland has adjusted its business model to meet these changes.

Here is a summary of key internal and external factors affecting the agency during this business plan:

Factor	Internal (I) or External (E)	Comment
COVID-19	E/I	<p>COVID-19 is having a substantial impact on revenues and ridership. Restricted passenger capacity will be regularly reviewed for the duration of this business plan.</p> <p>Ontario Northland implemented a Pandemic Response and Recovery Plan. The agency will continue to monitor industry practices regarding increasing capacity on buses and the PBX and will adjust capacity in accordance with public health advice and recommendations.</p> <p>COVID-19 is also having an impact on the workforce (mental health, stress, absenteeism). It has changed the way some jobs are completed by increased remote work arrangements and added safety protocols.</p>
New and emerging technology	E/I	<p>Current organizational technology is very outdated. This leads to duplication of effort, inconsistent reporting, inaccurate data and staff frustration.</p> <p>There are opportunities for the automation of manual processes that will accelerate continuous improvement initiatives. New technology in all divisions can help continue to meet the expectations of customers while enabling divisions to reach goals. Corporate IT will continue to evaluate, recommend and enable appropriate IT systems and technology, including evaluation and attention to disruptive technology such as artificial intelligence, machine learning, virtual reality, autonomous vehicles and ride-sharing /crowd-sourcing. During this business planning horizon Corporate IT will begin to implement a new five-year IT Roadmap for the agency. This plan includes; Enterprise Asset Management (EAM) and Enterprise Resource Planning (ERP) management.</p>
Change Fatigue	I	<p>Change fatigue is a risk for the organization. There has been a significant degree of change since 2015 in all lines of business; processes, technology, safety practices, have all been changing and improving rapidly. In 2021 Ontario Northland restructured Corporate Services to include Organization Change Management (OCM) as a department to support change practices and sustainability.</p>
Workforce Demographics	I	<p>A growing percentage of the workforce at Ontario Northland is nearing retirement eligibility. In order to continue to provide safe and secure services, effective succession planning is required. As employees are hired to fill retirements, support</p>

		transportation growth or complete new manufacturing work, leadership and technical skills training is imperative to continue to deliver on work programs efficiently, at a high quality, and with customer service excellence.
Recruiting in Northern Ontario	E	Workforce retirement eligibility is increasing and compounds the need to recruit for key trades and leadership positions. Recruiting for specialized trades and professionals in Northern Ontario is a significant issue. Population growth is low; lack of economic growth in areas means fewer workers are entering the region. Timelines to attract the appropriate workforce are extended as a result. In some cases, recruitment includes multiple rounds of posting/interviews or has not been possible. To respond, apprenticeships have been started to develop the required skills. Ontario Northland has focused on finding innovative ways to attract non-traditional employees to this largely male dominated field. Although there are incremental costs to operate the apprenticeship program, Ontario Northland is making this investment to ensure the ongoing safe and sustainable operation of its services. Overall, effective recruiting remains an area of focus for Corporate Services.
Skilled Trades for rail	E	The rail industry is experiencing skilled trades' shortages and challenges across North America. In order to address some of these challenges, Ontario Northland has initiated a two-fold approach: 1) to market and advertise rail-related careers to a younger and more diverse audiences, possibly including school visits and promotions; and, 2) begin discussion with Colleges and Universities, including Canadore College in North Bay, about increasing the program offering for rail-related skilled trades such as railway car technicians, engineers and conductors, machinists and electricians.
CAD/USD Exchange rate fluctuation	E	Exchange rate fluctuations can have a significant impact on Ontario Northland operations in two key areas: <ol style="list-style-type: none"> 1. Customers that use rail freight services closely track the USD to determine the destination and mode of shipment of products. 2. Purchase of capital, e.g. rail (material) or specialized parts in USD results in an increase in costs.
Fuel Price Volatility	E	Fuel costs for rail freight, rail passenger and motor coach services provided by Ontario Northland can have a material impact on agency financial performance. A 10- year review of fuel prices shows large and difficult-to- predict fluctuations which continue to affect the agency's costs.

2.3 Initiatives Involving Third Parties

Where Ontario Northland recognizes that it does not have the expertise or the workforce to execute an initiative/project, it will issue the appropriate instrument as defined in the agency's Procurement Directive to engage a third party who has the expertise or resources to deliver the initiative/project. Terms and accountabilities of each engagement are outlined in the procurement documents and in the final engagement contract. Each initiative or project has a set of milestones or check points to track progress and hold the third party accountable to quality standards and timelines outlined in the engagement documents.

Third party engagements are established through Memorandums of Understanding or Memorandums of Agreement. As with procurement documents these documents outline the expectations and timelines to hold both organizations to account.

2.3.1 Partnership with Metrolinx

There are many synergies between Metrolinx and Ontario Northland that will be explored in order to attain a seamless transportation network across Ontario. The partnership will support a number of Ontario Northland's mandate expectations:

- Deliver efficient, safe and reliable transportation services in Northern Ontario,
- Improve the efficiency and safety of Ontario Northland's operations and business lines, and
- Advance key transportation initiatives.

In addition, this partnership will contribute to:

- optimizing Ontario's investment in transportation infrastructure; and
- retention and development of specialized skills in Northern Ontario.

Ontario Northland and Metrolinx will continue to work together as provincial agencies on opportunities to enhance transportation services to their client base and create cost saving and knowledge sharing opportunities for both agencies. A few of the opportunities are highlighted below.

Refurbishment of rail assets:

The Ontario procurement directive allows agencies to procure goods and services directly from one another. Ontario Northland is currently working with Metrolinx to refurbish 56 GO Transit bi-level rail coaches at Ontario Northland's Remanufacturing and Repair Centre in North Bay. The refurbishment of the 56 bi-level coaches has a completion schedule for fall 2025. The coach cars will receive a complete overhaul that includes stripping the entire coach, structural work, and renewing or upgrading parts including new seating, washroom upgrades, electrical components as well as HVAC and door system upgrades.

Seamless motor coach transportation:

Metrolinx and Ontario Northland continue their partnership to improve connectivity between Northern and Southern Ontario. Service from downtown Toronto to the Muskoka region operated in 2018 and 2019. The service operated select summer weekends in 2018 and every weekend in 2019 through summer. Service was discontinued in 2020 and 2021 due to the COVID-19 pandemic, however Ontario

Northland and Metrolinx will consider reinstating during this business cycle as the pandemic subsides. Ontario Northland motor coach connected with the Friday afternoon GO Train at Allandale Waterfront GO Station on the Barrie line to provide service to Gravenhurst, Bracebridge, Huntsville and North Bay.

The Pearson Airport Connector is a service to help connect passengers from Northern Ontario, to have a more direct route to Pearson Airport via Highway 407 Terminal (ONTC bus routes connect with GO Route 40). Ontario Northland buses stop at the Highway 407 Terminal to provide greater travel options north of Toronto. Future plans include development of a system to sell a ticket within the Ontario Northland ticket system directly onto GO route 40 to provide a seamless ticketing experience. Ontario Northland would collect the fare and submit the GO portion of the trip back to Metrolinx. This is not anticipated to create challenges for the PRESTO system, as Ontario Northland passengers are generally long-distance travelers outside of the GTHA that do not use the PRESTO system.

Northeastern Passenger Rail

Ontario Northland will continue to work with Metrolinx and MTO on a detailed business case for Northeastern Passenger Rail with a targeted implementation date of the mid-2020's. Critical path items for implementation include:

- Securing a running rights agreement
- Completing infrastructure upgrades where required
- Securing passenger train equipment
- Completion of Municipal and Indigenous engagement
- Assessment of Stations/shelters and maintenance facility requirements

Ontario Northland is also supplying information for input into the Updated Detailed Business case. This includes:

- Timetable, schedule, and crewing considerations
- Mechanical, maintenance and equipment (including market evaluation for train sets)
- Impact to existing PBX equipment, inventory, and service planning
- Rail infrastructure requirements, upgrades, and timelines
- Service commitments and Passenger Experience considerations (ticketing, fares, bus feeder service, accessibility, snack options, etc.)
- Municipal and Indigenous engagement feedback
- Technology requirements (ticketing system, kiosks, display boards, Wi-Fi, point-of-sale requirements, onboard services technology, agency point of sale requirements, etc.)
- CN engagement including test train planning, infrastructure capacity study/evaluation and running rights agreement negotiations.

Transit Procurement Initiative (TPI)

Ontario Northland formally joined the TPI in 2018, which is led by Metrolinx. TPI is one of North America's most innovative transit procurement programs, working with over 44 transit agencies across Ontario since 2006. The program has delivered savings¹ of approximately \$33.8M for program participants. Ontario Northland uses this program for bus and bus equipment purchases, where feasible, and has already joined the TPI program for procuring surveillance systems (cameras and technology) for installation aboard our motor coach fleet.

2.3.2 Continuous Improvement Activity with Third Parties

Third party support will be acquired from, but not limited to, the following organizations during this business cycle:

- Consulting or Professional Services partners
- Capital Support

Ontario Northland is also engaging in partnerships that will focus on guiding operational direction, enhancing evaluation processes and effectively transporting people and goods.

Ontario Northland has established relationships with inter-community bus services to support cross-Canada bus travel. Along with moving people, Ontario Northland is establishing third-party synergies with parcel distributors. For instance, the agency is working with a shipping company to distribute parcels in the Toronto area from the Vaughan Depot.

Ontario Northland is working with a national railway for interchange improvements at Rouyn Noranda.

Ontario Northland's collaboration with Concordia University to host PhD students to evaluate passenger and freight car remanufacturing and repair processes and make recommendations for efficiencies was placed on hold due to COVID-19. This partnership, along with other educational partnerships, will be revisited once it is safe to do so.

Ontario Northland is working in partnership with Queen's University and Ontario Centre of Innovation (OCI) on Rail Regenerative Braking research projects with PHD students to evaluate feasibility of recapturing the kinetic energy during freight train braking and harvest it into a re-usable energy source.

The National Research Council of Canada has approved Ontario Northland's collaborative research proposal for the development of an Instrumented Railcar for Improved Track Safety which will include Instrumented Wheel Sets and a powerful, user-friendly system interface tool that will enable ONTC managers to easily interpret data and analysis results and apply it to make real-time safety and maintenance-related decisions.

¹ <http://www.metrolinx.com/en/projectsandprograms/tpi/tpi.aspx>

3.0 Overview of Programs

Ontario Northland operates four distinct programs: Rail Services, Passenger Services, Mechanical and Remanufacturing and Corporate Services. The following is a description of the four operating programs.

3.1 Rail Services

Current State

The Rail Services division continues to be Ontario Northland's core and primary revenue-generating business. The Division comprises rail freight, infrastructure maintenance and engineering, and rail mechanical. The division's key priorities are sustainability through cost containment and revenue generating initiatives, and continuing to offer efficient, reliable and safe rail transportation services to shippers and industry in northeastern Ontario.

Ontario Northland operates a significant network of light density rail lines through sparsely populated areas in a climate with severe winters and short summers. The majority of revenue comes from a small number of large customers. Many of the commodities handled can be cyclical in nature and are subject to competition from trucking. Despite these challenges, the Rail Services division has made measured progress in increasing revenue from trans-load hub customers, containing costs, improving service and processes, and maintaining a safe railway. The drive to improve in all of these areas will continue through a culture of continuous improvement that inspires operational advancements. Rail Services has ensured goods kept moving across the country, being an essential part of the supply chain and will support economic recovery post-pandemic.

Rail freight provides shipping options that help to support economic development throughout the region, increase road safety, reduce greenhouse gas emissions, decrease rail and truck congestion in urban areas of the province, and achieve provincial and federal objectives. Ontario Northland will continue to promote these opportunities:

- exploring opportunities to add rail trans-load hubs necessary to connect off-rail customers to the North American rail network. This will increase revenue and provide cost effective shipping options to off-rail customers. Providing trans-loads is critical for supporting community economic development initiatives and critical industry growth within mining, forestry, agriculture and fuel.
- exploring operating synergies with other connecting railways and trucking companies to maximize efficiency, strengthen the supply chain, increase road safety, reduce carbon footprint and decrease congestion in major urban centres.

Rail freight has also begun the process to modernize some service offerings and car fleet renewal. The division has purchased mill gondolas, log cars and intermodal flat cars to ensure business opportunities can be fulfilled and Ontario Northland can continue to support economic development and stability in the North.

The division has historically partnered with CN to provide a detour route over Ontario Northland tracks during main line outages to ensure goods keep moving. Through this business cycle, Ontario Northland

will continue work to broaden this partnership with the potential to introduce scheduled joint service to expedite carloads for Class 1 railways.

Following the significant initiatives undertaken in previous years including Polar Bear Express passenger train and freight train service plan changes, closure of a running trades home terminal, departmental reorganizations, retirement of numerous experienced employees, implementation of a new drug and alcohol policy, and renegotiation of collective agreements; the emphasis for FY2022-23 will be to continue to stabilize the division and its workforce, continue to improve overall safety, shift to an intermodal service at Cochrane, and continue to meet budget expectations.

3.2 Passenger Services

Motor Coach Services, Cochrane Station Inn and Polar Bear Express Passenger Train

Ontario Northland provides transportation services connecting Northern, rural and remote communities, including many First Nation communities. The Polar Bear Express passenger train connects passengers from Cochrane to Moosonee and the First Nation communities on the James Bay Coast. This is the only year-round land link servicing these communities, providing a regular mail service and supply line. During a normal year, prior to COVID-19, over 54,000 passenger trips are completed, over a distance of 299 kilometers each way, with the trip taking five hours in each direction. The Polar Bear Express operates a reduced schedule of four one way trips a week in response to COVID-19. Onboard the passenger train, daily food specials and other sundry items typically generate over \$500,000 in annual revenue. Ontario Northland endeavors to return to these numbers and exceed them in future years.

The Cochrane Station Inn is a 23-room hotel, conveniently located above the Ontario Northland Cochrane Train and Bus Station. It is the only hotel in Canada located inside a train station. The Station Inn provides an overnight resting place for passengers travelling on the Polar Bear Express and hosts snowmobile enthusiasts every winter. The hotel typically generates over \$450,000 in revenues and accommodates over 4,200 bookings annually. As above these annual numbers describe a pre-pandemic state and the goal is to return to or exceed these results in future years.

The Ontario Northland bus network operates over 4.9 million kilometers per year, equivalent to 122 trips around the world. Buses transport nearly 310,000 passengers and over 140,000 parcels. Parcels include time-sensitive items such as eye bank shipments, cremated remains, water and lab samples, legal documents, in addition to automotive parts, personal shipments, home building supplies, safety supplies, and various other goods. Ontario Northland has a modern coach fleet that includes Wi-Fi, electrical outlets, and audio and visual announcement systems that align with accessibility standards. The fleet of buses features bus camera systems, both interior and exterior, to improve passenger, driver and highway safety. Passengers can purchase tickets electronically for contactless services and can access enhanced customer services, including a 'track my bus' application that allows passengers and care-givers to confirm bus location for a seamless and safe pickup/drop off.

Ontario Northland's Polar Bear Express Freight service transports 7,000 to 10,000 shipments yearly, containing over 180,000 units between Cochrane and Moosonee. These shipments include parcels, groceries, medical supplies, consumer goods, sporting goods and other equipment.

Ontario Northland participated in the IESO "Save on Energy Program" and successfully installed 2,000 LED lights across its building portfolio in Cochrane which continues to generate cost reductions in hydro consumption. Ontario Northland also received an incentive from the provincial government for having participated in this program which contributed to offsetting the capital cost of this project.

Looking forward

The agency is poised to deliver and support integration with other carriers to align with passenger demand and provincial policy. Ontario Northland is well positioned to partner with other private and public carriers to support an integrated transportation network across Ontario and beyond. Ontario Northland will continue with their integration of schedules to connect Ontario Northland passengers to Metrolinx at the Vaughan 407 GO stop connecting to Pearson airport, King City GO, Barrie Allandale GO, Yorkdale GO, as well as a summer service connecting Metrolinx passengers with Ontario Northland services to Muskoka (paused in summer 2020 and 2021 due to COVID-19).

Ontario Northland is also exploring the installation of solar panels on the roof of a new builds (bus parking shelter) that would provide power for the plug ins for the buses. Solar energy would provide on-demand power to Ontario Northland's buses and would generate electricity to offset a portion of the neighboring bus garage's annual electricity consumption.

Passenger Services provides service to many First Nations communities. Ontario Northland will begin discussions with the community of Moose Factory on how the agency may be able to participate in the 350th anniversary of the community in 2023. Passenger Service regularly holds discussions with the leaders of James Bay coastal communities on how to improve services. With the expansion to Northwestern Ontario, Passenger Services is initiating discussions with First Nations communities in Northwestern Ontario on collaboration efforts and how to provide easier access to transportation services.

Ontario Northland is delivering efficient, safe and reliable transportation services in Northern Ontario, by taking into account the safety of Indigenous women, girls and 2SLGBTQQIA+ communities in the planning, designing and delivery of transportation services and taking actions to combat sexual exploitation and human trafficking (e.g. training of front-line employees and reporting policies), in accordance with the Calls for Justice of the National Inquiry into Missing and Murdered Indigenous Women and Girls and Ontario's Anti-Human Trafficking Strategy. In 2021, Ontario Northland initiated Busing on the Lookout (BOTL) training. Motor Coach operators and ticket agents are being provided training in BOTL, which is an Anti-Human Trafficking training program affiliated with the American-based Truckers against Trafficking.

A new Accessibility Advisory Committee has been formed, to provide an open forum for passengers with disabilities, as well as vulnerable and underserved populations, and collaborate to find ways to remove limitations on travelling with our services. For example, there are vulnerable passengers that do not have access to computers or credit cards, so finding a safe and secure location to purchase a ticket is critical to allow these customers to use the transportation services that Ontario Northland provides.

3.3 Mechanical and Remanufacturing

Ontario Northland operates a Remanufacturing and Repair Centre for its own fleet. To optimize the capacity of the RRC, the agency offers its unique skill set and services to the private sector at full cost recovery., which also helps reduce the overall subsidy required to run the railway.

The Remanufacturing and Repair Centre has completed extensive passenger, freight, and daily locomotive, freight car and passenger coach maintenance, light repair and major overhaul work for more than 100 years. Modern maintenance facilities and expertise are essential for the safe and efficient operation of the railway. Rail rolling stock and locomotive maintenance is completed at facilities located in North Bay and Cochrane.

The North Bay shop complex includes a 150,000 square-foot facility with a car shop that is dedicated to passenger and freight car repair and remanufacturing, a locomotive shop, a wheel shop, and a state-of-the-art paint facility.

Experience in mechanical and remanufacturing work on internal rail rolling stock assets means there is a workforce with significant knowledge capable of delivering high-quality repair and refurbishment. External customers benefit from Ontario Northland's unique understanding of railway operations and mechanical expertise, and this knowledge and expertise has been used to gather additional external customers in all shops over the past few years.

External locomotive, freight and passenger car repair contracts are completed when the capacity exists within the North Bay shop complex. External contracts deliver profit that helps to offset fixed costs and reduces the overall operating subsidy, as well as increase long-term skilled trades jobs.

Rail Mechanical Repair and Overhaul

The Rail Mechanical division ensures the safe operation of Ontario Northland's daily services for passenger and freight. The division provides regular inspections, repairs and certification of on-track equipment and rolling stock to ensure Ontario Northland can maintain a safe railway, its commitments to customers and its regulatory requirements. Rail car mechanics (RCM) perform detailed inspections of cars to identify defects and make necessary repairs. Rail Mechanical division maintains and repairs the Ontario Northland fleet and also repairs private sector rail cars on property on a commercial basis.

Rail mechanical services are offered to private railways. Most railways do not have an extensive or any ability to repair, overhaul, or remanufacture their own equipment. This service has attracted 15-20 new locomotive and wheel customers.

RCMs are strategically positioned throughout Ontario Northland's network to provide mechanical support with little disruption to customer's traffic and to control out of cycle miles for equipment. The Rail Mechanical division has mobile capabilities to address mechanical needs at all locations in the Ontario Northland network and make necessary repairs at those locations.

The Rail Mechanical division includes the Cochrane shop complex, a 70,000 square-foot maintenance facility dedicated to the maintenance, light repair and inspection of railway rolling stock, which includes the Polar Bear Express (PBX) passenger cars, freight cars and locomotives. By implementing lean manufacturing principles and engaging the workforce with third-party rail mechanical experts, the existing Cochrane facility and workforce has transitioned in recent years to support further locomotive maintenance, inspections and light repairs, in addition to the daily PBX and freight car maintenance.

The Rail Mechanical division also operates several smaller mechanical shops at the endpoints of the railway in Rouyn-Noranda and Hearst as well as a centrally located facility in Englehart.

The North Bay location of the Rail Mechanical division oversees the locomotive and wheel shop and the transition of day-to-day locomotive maintenance and inspections from North Bay to Cochrane. This transition created capacity in the North Bay shop to be able to complete a backlog of locomotive capital rehabilitation programs, including large internal locomotive overhauls. The capital locomotive rehabilitation program will continue over the next ten years.

3.4 Corporate Services

The Corporate Services division is a business partner and trusted advisor to the operating divisions of Ontario Northland. Corporate Services will continue to operate efficiently and effectively, delivering a corporate services centre of excellence to assist the operating divisions to achieve their goals, contain and reduce costs, implement efficiencies, and identify and reduce risks.

Corporate Services combines organization-wide support services based on specialized knowledge and subject matter expertise in Finance, Human Resources, Information Technology, Marketing and Communications, Facilities, Business Analysis, Enterprise Risk Management, Project Management and Organization Change Management. As the organization moves forward, Corporate Services will focus on supporting the divisions in activity-based costing, digitizing services and optimizing business processes to ensure the focus remains on continuous improvement.

Corporate Services aligns with industry best practice and public sector norms in delivery of services. Embracing modern technology for corporate and transportation solutions, Corporate Services will analyze and utilize appropriate digital tools in its delivery of services and provide technological leadership and stewardship to ensure each division can maximize these shared services to achieve their goals. This is ever more important in the organization as it transforms to meet the needs of today's customers.

Looking forward

Corporate services will lead the development of Ontario Northland's performance measurement strategy and implementation of continuous improvement and lean principles. This will include educating and engaging employees in the development of performance measures and key performance indicators (KPIs), including setting targets, identifying benchmarks and reporting progress. This initiative includes looking at standards and indicators in use at leading railways, intercommunity bus companies, repair and remanufacturing shops, government, and other transportation agencies in the private sector.

In addition to comparison with industry, Ontario Northland will ensure focus on KPIs in supporting evidence-based decision making and continuous program improvements. The external indicators and benchmarks help to provide context for Ontario Northland decision-makers and cost centre owners;

however, the best comparator for Ontario Northland KPIs will be its own year-over-year (or month-over-month) self-comparison. This year-over-year comparison allows Ontario Northland to track its continuous improvement progress and make the necessary adjustments to ensure program improvement.

4.0 Planned Deliverables FY2022-23 to FY2026-27

Each division of Ontario Northland will be guided by the key elements of the agency's mandate letter in order to achieve the goals highlighted within this plan with a focus on ensuring value for money, accountability and transparency in:

- Delivering efficient, safe and reliable transportation services in Northern Ontario
- Improving the efficiency and safety of Ontario Northland operations and business lines
- Advancing key transportation initiatives
- Implementing the Capital Asset Management Plan
- Enhancing Accountability and Governance

4.1 Motor Coach and Passenger Rail Services

Ontario Northland plans to maintain high quality motor coach and passenger rail services, while continuing to monitor and adjust services to ensure customers receive the service they need while managing costs

Deliverable	Estimated Completion Date	Mandate elements(s)
Reduce management travel expenses by 10% by utilizing web-based technology for meetings.	On-going	Delivering efficient, safe and reliable transportation services in Northern Ontario Digital Delivery and Customer Service Competitiveness, Sustainability and Expenditure Management
Create an Accessibility Advisory Committee with participants selected throughout the service region, post updates on the Ontario Northland website with meeting summaries and updates.	March/April 2022	Delivering efficient, safe and reliable transportation services in Northern Ontario Transparency and Accountability Diversity and Inclusion
Continue to work with Metrolinx to find schedule efficiencies and make seamless ticket purchases available between Ontario Northland and Metrolinx.	On-going	Delivering efficient, safe and reliable transportation services in Northern Ontario

		Competitiveness, Sustainability and Expenditure Management
Continue to work with MTO and industry partners to develop a seamless cross-country intercommunity transportation network.	On-going	Delivering efficient, safe and reliable transportation services in Northern Ontario Competitiveness, Sustainability and Expenditure Management
Continue to conduct reviews of passenger ridership and find schedule efficiencies based on highest demand.	On-going	Delivering efficient, safe and reliable transportation services in Northern Ontario Competitiveness, Sustainability and Expenditure Management
Continue to optimize bus service by evaluating ridership and parcel activity to identify needs, potential options (e.g. the need for a bus stop, flag stop or no stop) and other opportunities for improvements (e.g., partnerships).	On-going	Delivering efficient, safe and reliable transportation services in Northern Ontario Competitiveness, Sustainability and Expenditure Management
Use data from reservation and ticket management solution to inform decision making using a repeatable, defensible methodology.	On-going	Delivering efficient, safe and reliable transportation services in Northern Ontario Data Collection
Implement Customer Charter, with reportable measurements updated on public website.	March/April 2022	Delivering efficient, safe and reliable transportation services in Northern Ontario Transparency and Accountability
Create accessible passenger bus safety pamphlets for passengers with disabilities that are not able to hear the bus safety message.	March/April 2022	Delivering efficient, safe and reliable transportation services in Northern Ontario Diversity and Inclusion
Provide bus charter services at full cost recovery to help offset the subsidy for public transportation services in Northern Ontario; provide transportation options for communities that have no other accessible transportation options (e.g. accommodate passengers with wheelchairs, provide emergency evacuations as required, etc.)	On-going	Delivering efficient, safe and reliable transportation services in Northern Ontario Competitiveness, Sustainability and Expenditure Management
Continue to provide front line employee training in line with MTO's Anti-Human Trafficking strategy and collaborate with Indigenous communities in Northern Ontario to find solutions to accessing Ontario Northland transportation services, including locations to purchase tickets for	On-going	Delivering efficient, safe and reliable transportation services in Northern Ontario

vulnerable populations that do not have access to online ticketing, safe locations to wait for a bus, etc.		
Use software for all incidents/collisions to understand trends, reduce Workplace Safety and Insurance Board claims and collaborate with employees on re-training opportunities.	On-going	Improving the efficiency and safety of Ontario Northland operations and business lines Data Collection
Continue to monitor and engage with private and public sector transportation providers, to identify opportunities to enhance connectivity and provide transportation in under-served markets.	On-going	Improving the efficiency and safety of Ontario Northland operations and business lines Delivering efficient, safe and reliable transportation services in Northern Ontario
Explore cost-benefit analysis of installing solar panels on the new bus parking facility at the North Bay Bus Maintenance Facility, to help provide electricity for the bus plug-in's as well as offset some of the hydro expense of the neighboring Bus Maintenance Facility.	Summer 2022	Improving the efficiency and safety of Ontario Northland operations and business lines Competitiveness, Sustainability and Expenditure Management
Monitor COVID-19 pandemic and ensure appropriate safety measures and best practices are in place using guidance from public health, industry partners and the government ministries.	On-going	Improving the efficiency and safety of Ontario Northland operations and business lines COVID-19 Recovery
Contribute to the development of the Northeastern Passenger Rail Updated Business Case	2022-23	Advancing key transportation initiatives
Attend Indigenous and other community events throughout the network to seek feedback from communities and advertise services available.	On-going	Enhancing Accountability and Governance Diversity and Inclusion
Organize Employee Community Engagement Events (e.g., Stuff the bus to collect food for the local community Food Bank)	March/April 2022	Enhancing Accountability and Governance

4.2 Polar Bear Express Services

Polar Bear Express (PBX) Services will enhance the quality of passenger and express freight service to/from the James Bay Coast via the Polar Bear Express

Deliverable	Estimated Completion Date	Mandate elements(s)
Identify cost-saving measures to offset expense pressures resulting from COVID-19 safety measures. Participate in industry discussions on benchmarking and best practices to	On-going	Delivering efficient, safe and reliable transportation services in Northern Ontario

increase operational efficiencies and implement ideas that fit within operation.		COVID-19 Recovery
Continue to participate on Special Task Force to reduce the flow of illegal substances into northern communities.	On-going	Improving the efficiency and safety of Ontario Northland operations and business lines Deliver efficient, safe and reliable transportation services in Northern Ontario
Attend Indigenous and other community events throughout the network to seek feedback and advertise services available.	On-going	Enhancing Accountability and Governance Diversity and Inclusion
Continued participation as a board member with Cochrane Tourism Association.	On-going	Enhancing Accountability and Governance
Continue to host regular Polar Bear Express community calls to provide updates on service and receive on-going and regular feedback from communities.	On-going	Enhancing Accountability and Governance
Collaborate with Moose River Heritage and Hospitality Association to bring awareness of the history of the region and support the return of cultural-based and land-based healing services in Moose Factory. As the only land-link to the James Bay Coastal community, ONTC connects people and critical supplies like food, fuel and building materials to Moosonee, Moose Factory and the James Bay Coast.	On-going	Diversity and Inclusion

4.3 Rail Services

Rail Services will provide safe, efficient and reliable rail services that support economic prosperity in Northern Ontario

Deliverable	Estimated Completion Date	Mandate elements(s)
Manage train schedule to fit changing demands. Freight service has responded well since COVID-19 caused declines.	Ongoing until end of COVID-19	Delivering efficient, safe and reliable transportation services in Northern Ontario
Continue to have proactive measures in place to prevent COVID-19 contamination and address each reported case of potential symptoms by isolation and testing prior to re-engaging in the work force.	Ongoing until end of COVID-19	Delivering efficient, safe and reliable transportation services in Northern Ontario COVID-19 Recovery
Continue to upgrade Ontario Northland's grade crossing protection systems. Five crossings were completed in 2020, and we are currently planning for five crossings with	October 2034 for all crossings	Delivering efficient, safe and reliable transportation services in Northern Ontario

flashers and bells to be upgraded each financial year. We have a total of 72 crossings with flashers and bells on the system.		Improving the efficiency and safety of Ontario Northland operations and business lines
The Rail Association of Canada has advised that Locomotive Video and Voice Recordings (LVVR) will be mandated effective September 2022. We will begin the process to upgrade our fleet with LVVR, Forward Facing Camera/recorder and Event Recorders as they are packaged by manufacturer. Additionally, we will install GPS monitoring devices.	July 1, 2022	Improving the efficiency and safety of Ontario Northland operations and business lines
Quarterly review of existing service to ensure our design meets customer commitments and trip plans.	Ongoing each Quarter	Improving the efficiency and safety of Ontario Northland operations and business lines
Will conduct meetings with existing customers to understand their changing business lines and explore opportunities for additional rail services based on volumes, cycle times and pricing.	Ongoing	Improving the efficiency and safety of Ontario Northland operations and business lines
Examine all sources of revenue for rail car owners, such as switching, haulage, line haul, storage (both long and short term).	Ongoing	Improving the efficiency and safety of Ontario Northland operations and business lines
Provide technical input to the development of the Northeastern Passenger Rail Updated Business Case.	2022-23	Advancing key transportation initiatives
Continue to hold employee town hall type meetings (safety, update, and engagement) to provide each employee an opportunity to attend at least one meeting during the fiscal year.	On-going	Enhancing Accountability and Governance Transparency and Accountability
Hold bi-annual union-management meetings with all unions.	Ongoing	Enhancing Accountability and Governance Transparency and Accountability
Annual meetings with Mayors and Economic Development Officers in the major northern communities that Ontario Northland serves and bi-annual meetings in Moosonee.	Ongoing	Enhancing Accountability and Governance Transparency and Accountability

4.4 Corporate Services

Corporate Services will provide innovative, efficient and effective services to support the business units

Deliverable	Estimated Completion Date	Mandate Element(s)
Continued focus on Early & Safe Return to Work following both occupational and non-occupational illness to support staff in their wellness and to contain costs associated with lost time.	On-going	Delivering efficient, safe and reliable transportation services in Northern Ontario
Ensure all buildings and structures are following current labour/building code/legislation and/or there is a plan to comply, achieved through Facility Management building audits and plans.	Continued Audits to include tables for compliance dates 2025	Delivering efficient, safe and reliable transportation services in Northern Ontario
Complete an energy audit of all major buildings, informed by the 2021 buildings condition assessment, and build an action plan to reduce energy expenses.	2022	Delivering efficient, safe and reliable transportation services in Northern Ontario
Formalize the Attendance Support Program to support staff to attend work, thereby reducing costs associated with absenteeism.	2022-23	Delivering efficient, safe and reliable transportation services in Northern Ontario
Focus on incident prevention through the utilization of data in the new incident management software to identify trends and proactively address Health & Safety risks.	On-going	Delivering efficient, safe and reliable transportation services in Northern Ontario
Ongoing promotion of Safety Culture through Work Safe campaign activities and quarterly Health and Safety Awards.	On-going	Delivering efficient, safe and reliable transportation services in Northern Ontario
Organization-wide introduction of pre-job hazard assessment policy and tool to ensure risks are identified prior to work being initiated.	2022-23	Delivering efficient, safe and reliable transportation services in Northern Ontario
Warehouse redesign in all locations to ensure safety is prioritized.	2023-24	Delivering efficient, safe and reliable transportation services in Northern Ontario
Partner with Ontario Centre for Innovation and Queen's University to conduct a feasibility study about rail regenerative braking energy capture	2022-23	Delivering efficient, safe and reliable transportation services in Northern Ontario
Establish ONTC Environmental Sustainability Committee and policy and establish priorities for promoting more environmentally friendly practices and initiatives.	2022-23	Delivering efficient, safe and reliable transportation services in Northern Ontario
Review and evaluate options to reduce Ontario Northland's exposure to fuel price risk.	FY2022-23	Improving the efficiency and safety of Ontario Northland operations and business lines
Examine opportunities to introduce paperless employee file system in HR.	FY2023-24	Improving the efficiency and safety of Ontario Northland operations and business lines
Complete a detailed cost benefit analysis of current technology applications and consider shifting them to cloud-based service offerings to reduce costs and improve efficiency.	Q4 FY2022-23	Improving the efficiency and safety of Ontario Northland operations and business lines

Establish Configuration Management processes to effectively manage IT assets.	Q4 FY2023-24	Improving the efficiency and safety of Ontario Northland operations and business lines
Motor Coach passenger Wi-Fi Improvements - audit and investigate opportunities to reduce/consolidate the data expense per motor coach and improve user experience.	Q3 FY2022-23	Improving the efficiency and safety of Ontario Northland operations and business lines
Ensure accountability in meeting or exceeding expense (capital and operating) targets within Business Plan/Capital Plan. Where targets exceed variance expectations (% and \$ variance per division), ensure realistic and clear mitigation strategies are outlined and implemented.	On-going	Improving the efficiency and safety of Ontario Northland operations and business lines Competitiveness, Sustainability and Expenditure Management
Monitor Vendor of Record (VOR) and implement any that could benefit Ontario Northland.	On-going	Improving the efficiency and safety of Ontario Northland operations and business lines
Investigate and plan replacement of legacy fax systems and modernize related business processes.	Q4 FY2023-24	Improving the efficiency and safety of Ontario Northland operations and business lines
Increased promotion of the agency's revenue generating services (passenger bus and train, parcel shipping, rail freight, and rail repair)	On-going	Improving the efficiency and safety of Ontario Northland operations and business lines Competitiveness, Sustainability and Expenditure Management
Increased focus on external relations by finding and creating opportunities to enhance company profile with external stakeholders.	On-going	Improving the efficiency and safety of Ontario Northland operations and business lines
Improve communications emergency preparedness by enhancing protocols, anticipating event, investing in training, and strengthening crisis communications plans.	Q4 FY2022-23	Improving the efficiency and safety of Ontario Northland operations and business lines
Ensure any surplus buildings or land are sold or leased to maximize revenue potential from land and buildings portfolio.	On-going	Improving the efficiency and safety of Ontario Northland operations and business lines Competitiveness, Sustainability and Expenditure Management
Research, prepare and initiate third-party advertising program.	2022-23	Improving the efficiency and safety of Ontario Northland operations and business lines
Improve the effectiveness of internal communications by continuing to invest in channels that will reach non-desk workers.	On-going	Improving the efficiency and safety of Ontario Northland operations and business lines
Work with MTO, Metrolinx and other stakeholders to provide decision-making information regarding Northeastern Passenger Rail.	2022-23	Advancing key transportation initiatives
Provide input and execute deliverables in support of Province's Northern Ontario Transportation plan.	2022-23	Advancing key transportation initiatives

Implement a Capital Asset Management Program	On-going	Implement the Capital Management Plan Transparency and Accountability
Further Ontario Northland's Enterprise Risk Management capabilities through: <ul style="list-style-type: none"> ○ Development of Divisional/Departmental Risk Centers ○ Training Risk Centre Owners 	2022-23	Enhancing Accountability and Governance Risk Management
Continue to expand and optimize internal audit plan, which includes other shared services, in particular, high-risk areas to increase financial governance and control processes. <ul style="list-style-type: none"> • Work to bring the Internal Audit activity in line with IPPF (International Professional Practice Framework) Standard. This includes working to establish the Independence of the Internal Audit Activity, designing a Quality Assurance and Improvement Program as well as updating the Internal Audit Policy as needed. 	2022-23 to 2026-27	Enhancing Accountability and Governance
Implement upgrade to Enterprise Resource Planning (ERP) software, including introducing a Centre of Excellence for Organizational Change Management, upgrades to safety and time tracking software, as well as process transformation in HR and Finance and optimization of budgeting and reporting software.	2022-23 to 2026-27	Enhancing Accountability and Governance
Audit Staff Portal (SharePoint) content for accuracy and relevance. Establish a governance model and plan to ensure sustainability of content.	2026-27	Enhancing Accountability and Governance
Continue to implement Ontario Northland's Enterprise Asset Management (EAM) program. Includes people, business processes, technology and policy for best-practice-aligned EAM specifics include: <ul style="list-style-type: none"> ○ Establish EAM Steering Committee to support continuous improvement of the EAM System ○ Develop asset information data standard and dictionary that applies to asset acquisition, capital project delivery, maintenance, and decommissioning ○ Ensure there is a standard set of processes, technology (Infor EAM) and information / data to support asset management, work management and inventory / procurement capabilities ○ Deploy capital integration process that supports asset reporting requirements for the Ministry of 	2022-23	Enhancing Accountability and Governance

<p>Transportation - Infrastructure Plan / MYP, 10 year capital plan, 30 + year capital plan</p> <ul style="list-style-type: none"> ○ Develop whole life cost cycle (LCC) manual that specifies what maintenance, repair, rehabilitation, and/or replacement activities should be performed on each asset over its lifecycle ○ Deploy RCM framework and methods to optimize maintenance tasks <p>Define key corporate performance expectations, customer service expectations, and asset level of service expectations to support service delivery through Asset Management Plans by Asset category</p>		
Review processes for tracking capital warranty holdbacks and make improvements as necessary.	2022-23 On-going	<p>Enhancing Accountability and Governance</p> <p>Competitiveness, Sustainability and Expenditure Management</p>
Implement regular scheduled physical inventory counts (change from perpetual count).	2022-23	<p>Enhancing Accountability and Governance</p> <p>Competitiveness, Sustainability and Expenditure Management</p>
Review options for inventory stocking agreements with vendors.	2023-24	<p>Enhancing Accountability and Governance</p> <p>Competitiveness, Sustainability and Expenditure Management</p>
Continue to enhance budgeting and reporting standards to be in line with government requirements.	2022-23	<p>Enhancing Accountability and Governance</p> <p>Competitiveness, Sustainability and Expenditure Management</p>
Continue to further develop a performance measurement framework to support evidence-based decision making, continuous improvement, and public accountability including key performance indicators (KPIs) aligned with industry standards.	On-going	Enhancing Accountability and Governance
Establish work program to assess and make appropriate recommendations to improve organization's governance processes.	2023-24	Enhancing Accountability and Governance
Implement manager-specific new employee orientation and onboarding program as a component of overall leadership development roadmap.	2022-23	<p>Enhancing Accountability and Governance</p> <p>Workforce Management</p>
Establish centralized grievance tracking system showing status, updates and resolution for grievances from all bargaining groups.	2022-23	Enhancing Accountability and Governance

Further develop Ontario Northland Workforce Strategy through introduction of e-succession module in existing performance management software to capture certifications, training and provide improved reporting on skills/training gaps.	2022-23 to 2023-24	Enhancing Accountability and Governance Workforce Management
Develop improved on-boarding/off-boarding framework and support processes leveraging technologies and applications currently in use.	Q2 2022-23	Enhancing Accountability and Governance
Create finance training library/videos for all Ontario Northland personnel to have access to, as well as to be included within on-boarding of new staff, and update library as necessary.	2023-24	Enhancing Accountability and Governance Workforce Management
Continue implementation of findings from Materials Management, Stores/Warehousing and Procurement review: <ul style="list-style-type: none"> ○ Strategic sourcing ○ Continue to review inventory levels ○ Track and monitor key performance indicators 	2022-23 to 2026-27	Enhancing Accountability and Governance Competitiveness, Sustainability and Expenditure Management
Work to develop procedures or guidelines for specific processes, e.g. AP, AR, creating journal entries, etc. within the Finance department.	2022-23	Enhancing Accountability and Governance
Review filling procedures and implement an electronic solution (including accounts payable, procurement and payroll filling).	2022-23	Enhancing Accountability and Governance
Introduce Customer Relationship Management (CRM) for various divisions and departments.	Q4 2023-24	Enhancing Accountability and Governance
Assess benefits, needs, and requirements for Ontario Northland's data warehouse and governance to support centralized business intelligence services.	Q4 2023-24	Enhancing Accountability and Governance
Continue to implement the 5-year IT Strategy & Roadmap.	Q4 2022-23	Enhancing Accountability and Governance Data Collection
Update and test IT service continuity management plan, including disaster recovery routines for business-critical services.	Q4 2022-23	Enhancing Accountability and Governance Risk Management
Continue to enhance Ontario Northland's performance measurement framework	2022-23	Enhancing Accountability and Governance
Implement multi-factor-authentication (MFA) best practices to improve cyber security posture and reduces risks related to evolving cyber-security threats.	2022-23	Enhancing Accountability and Governance
Automate year-end Financial Statements.	2024-25	Enhancing Accountability and Governance
Implement "fast lane" within stores for prompt service.	2022-23	Enhancing Accountability and Governance

		Improve the efficiency and safety of ONTC operations and business lines
Evaluate feasibility and develop business case for a 'digital transportation marketplace' to connect passengers to Ontario Northland transportation services and partners. Includes consideration for open connectivity, encouraging local partnerships and focus on northern and rural Ontario transportation and trip purposes.	2022-23	Enhancing Accountability and Governance Digital Delivery and Customer Service
Implement the coordination of fleet management practices, equipment repairs, maintenance, operating policies and procedures while liaising between customers, corporate services and various business partners. This includes coordinating the purchase of all new fleet vehicles and making recommendation on remarketing or disposing fleet.	2022-23	Enhancing Accountability and Governance
Participate in community, regional and industry engagement opportunities, including with Indigenous communities to share knowledge.	On-going	Enhancing Accountability and Governance
Establish Information Technology Steering Committee to develop, govern and support ITS strategic roadmap.	Q4 2022-23	Enhancing Accountability and Governance
Plan the 4th Spike Driving Competition and find opportunities to increase media coverage, customer participation and attendance. Will be dependent on COVID-19 restrictions.	June 2022	Enhancing Accountability and Governance
Refresh website and add content on governance, corporate policies, and an engagement section.	FY2022-23	Enhancing Accountability and Governance
Conduct an employee engagement survey and utilize feedback to establish KPIs. Use feedback to inform human resource initiatives.	FY2022-23	Enhancing Accountability and Governance
Build relationships while establishing or joining a procurement alliance with other short line rail organizations.	2022-23	Enhancing Accountability and Governance
Provide quarterly technical (IT) notices and/or user education on best practices for use of technology at Ontario Northland.	Quarterly	Enhancing Accountability and Governance
Establish or join peer/collaborative ITS network with ITS representatives from other transportation or northern organizations.	Q4 2022-23	Enhancing Accountability and Governance
Collaborate with ticket agencies on a regular basis to build relationships and improve communication.	On-going	Enhancing Accountability and Governance
Participate in industry conferences and events as a speaker/subject-matter expert for topics related to Corporate Services or transportation.	On-going	Enhancing Accountability and Governance

Establish an Indigenous cultural awareness training program for all employees. Plan to adjust/deliver programming/content based on employee role.	Q1 2022-23	Enhancing Accountability and Governance Diversity and Inclusion
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5.0 Key Corporate Projects

5.1 Environmental Sustainability

By its very nature Ontario Northland contributes to the environmental sustainability of Ontario by providing rail freight services and mass intercommunity transportation services. As part of Ontario Northland's commitment to continuous improvement and the environment, the agency hired an environmental specialist to design and launch an environmental sustainability program during the FY 2021-22 business cycle.

Through innovation and employee engagement, this program will generate ideas for enterprise-wide environmental improvement resulting in operational efficiencies leading to cost savings and an enhanced public image. The first phase of this program is Pre-Planning and will focus on "low-hanging fruit" such as:

- Scrap railway tie collection and disposal
- Energy and facilities management initiatives
- Locomotive *Rail Regenerative Braking* project with the Ontario Center of Innovation (OCI)
- Conservation and site restoration projects
- Northern advantage (pristine environments, connecting remote communities)
- Communication – sharing program highlights to external and internal stakeholders through various channels

5.2 Enterprise Resource Planning Program

In FY 2022-23, Ontario Northland will initiate the digital Enterprise Resource Planning Program (ERP). This updated ERP program, which includes all agency finance and human resources and supporting systems, will replace legacy systems.

The scope of the recommended program is structured into seven (7) distinct initiatives across 54 months (4 years and 6 months) which will operationalize a set of target state systems, as defined in the ERP ONTC Systems Blueprint, and deploy the capabilities as stated in the ERP ONTC Scope and Capabilities. The program outlined in the Business Case and Roadmap document directly aligns with several key priorities listed in the most recent Mandate Letter from MTO and supports ONTC in their mandate to provide reliable and efficient transportation. Moreover, the ERP outcomes with respect to HR and workforce management will allow ONTC to gain a better picture of the workforce and further achieve objectives that are prioritized by the government of Ontario and the Ministry of Transportation,

including Safety, Equity, and Diversity & Inclusion.

5.3 Enterprise Asset Management

In 2021-22, Ontario Northland began a four-year program to establish an Enterprise Asset Management Program. This program will deliver a set of benefits, both tangible and intangible, to support the corporate objectives and ensure Ontario Northland has the right competencies in place to maximize the value of its assets and continue to deliver excellent service long term. The program scope is comprised of four key initiatives that are rolled out over the course of four years. The program will:

1. establish an Asset Management Office;
2. develop an asset management process and inventory for bus and facilities;
3. develop an asset management process and inventory for Rail, linear assets and all remaining groups; and
4. establish reliability centered maintenance program.

A program roadmap has been developed with an estimated completion date of Q4 FY2023-2024. As part of the early development of the program a performance measurement and evaluation framework will be developed to monitor progress and planned outputs and outcomes.

6.0 Financial Profile

Ontario Northland at a Glance

Ontario Northland is a consolidated entity to the Province of Ontario.

The FY2022-23 operating budget includes a planned operating subsidy requirement of \$52.5M, revenues of \$71M and expenses of \$123.5M. Ontario Northland was materially impacted over the past two fiscal years due to the COVID-19 pandemic with decreased ridership on the Polar Bear Express (PBX) and Motor Coach Services, as well as a slight decrease in freight carloads. Ontario Northland forecasted the impact from COVID-19 on revenues for FY2021-22, as of the second quarter, to be over \$7.1M in lost revenues in passenger services and \$1.6M loss on rail freight revenues. Along with the decrease in revenues, Ontario Northland continued to see an increase in costs to ensure customer and employee safety through increased safety measures during the pandemic. The financial impact of the COVID-19 pandemic is projected throughout the full three-year outlook for Ontario Northland. Over the course of the three-year business plan, the operating subsidy requirement increases from \$52.5M to \$56.8M, an 8% increase, which also includes the operating costs for the implementation of Enterprise Asset Management Program and the implementation of an Enterprise Resource Planning Transformation Program.

Ontario Northland is faced with annual negotiated union rate escalations, plus inflation/consumer price index of approximately 1.5% to 3% per year, which increases the costs of materials and services required for operations. Ontario Northland has implemented several cost saving strategies to reduce the impact of these costs through efficiency improvements, offsetting in part the impact of the forecasted salary and inflationary pressures within the plan.

Out of the overall operating budget, it is important to note that the projected funding requirements for

the PBX essential services is \$21.1M (40% of the operating budget). The PBX passenger and freight train are an essential service connecting the communities of Cochrane and Moosonee and is the only land link to the First Nations communities of the James Bay Coast. All remaining Ontario Northland services and supporting departments have a projected funding requirement of \$31.4M. This critical investment in the North directly and positively supports economic development, climate change, tourism, public access to transportation, reduces road maintenance costs and enhances road safety.

Ontario Northland FY2022-23 to FY2024-25 Fiscal Impact (000's)

<u>Ontario Northland at a Glance</u>	Projected 2022-2023	Projected 2023-2024	Projected 2024-2025
Operating Investment:			
Polar Bear Express (PBX)* Essential Services	21,066	19,849	21,081
Ontario Northland (excluding PBX)	31,397	32,556	35,756
Total Operating Investment	52,463	52,405	56,837
Capital Investment:			
Polar Bear Express (PBX) Essential Services	14,014	11,782	10,421
Ontario Northland (excluding PBX)	76,442	71,167	71,768
Total Capital Investment	90,456	82,949	82,189
Total Polar Bear Express (PBX) Essential Services Investment	35,080	31,631	31,502
Total Ontario Northland (excluding PBX) Investment	107,839	103,723	107,524
Principle payments of long-term debt	106	111	117
	143,025	135,465	139,143
* Polar Bear Express Essential Services include all Rail Freight and Rail Passenger services from Cochrane to Moosonee, including the Cochrane Station Inn hotel			

6.1 Operating Budget Summary

Operating Budget Summary

The development of the FY2022-23 to FY2024-25 operating budget is guided by the set of deliverables described in this plan. The budget is presented here at a summary level.

The budget was developed in light of COVID, assuming that there will be no further significant service interruptions causing loss of revenue, no significant service increases/decreases, no significant machinery failures causing loss of service, no major derailment or washouts or major changes to the current large mining and forestry customer forecasts that are not already included in the forecast.

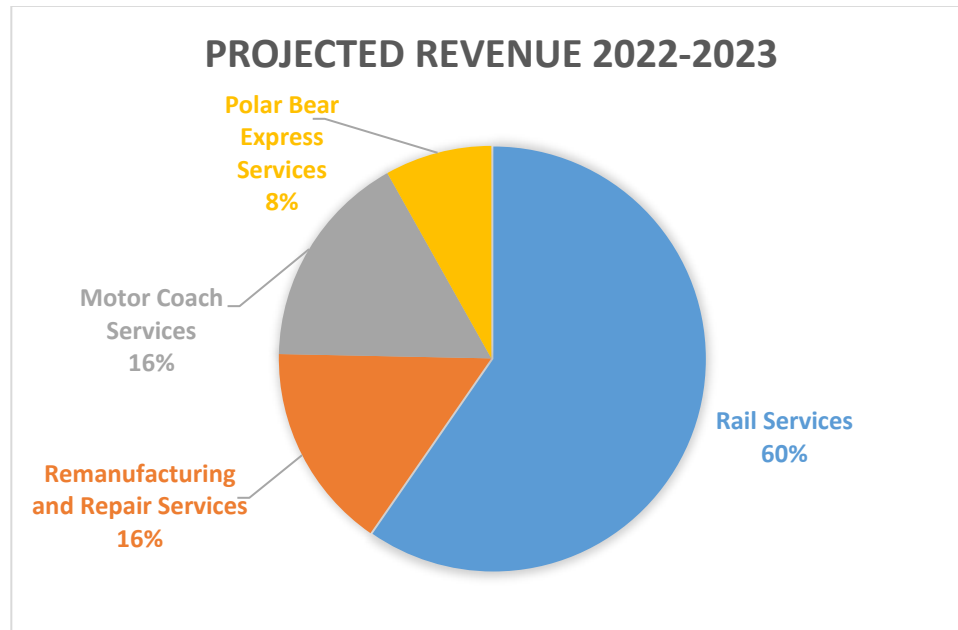
Ontario Northland FY2022-23 to FY2024-25 Summary Operating Budget Requirement

<u>SUMMARY OPERATING BUDGET FY2022-23 to FY2024-25</u>			
Revenues (\$000's)	2022-2023	2023-2024	2024-2025
Rail Services	42,385	41,607	40,287
Remanufacturing and Repair Services	11,130	3,744	3,133
Motor Coach Services	11,724	11,874	12,076
Polar Bear Express Services	5,773	9,014	8,829
	71,012	66,239	64,325
Expenses (\$000's)			
Labour & Benefits	73,807	71,302	72,615
Materials & Parts	22,916	19,998	20,278
Supplies & Equipment	5,362	5,268	5,358
Services	9,708	10,162	10,675
Other	11,682	11,914	12,236
	123,475	118,644	121,162
Total operating loss	(52,463)	(52,405)	(56,837)
Principle payments on loan	106	111	117
Total Operating Subsidy Requirement	(52,569)	(52,516)	(56,954)
Other expenses:			
Amortization	3,999	3,946	3,731
Amortization of deferred capital contribution	19,091	27,396	29,186
Amortization asset retirement obligation	66	66	66
Write off of assets/inventory	500	500	500
	23,656	31,908	33,483
Cost Recovery Ratio	58%	56%	53%
Cost Recovery Ratio (excluding PBX)	68%	64%	61%

Revenues

Total projected revenues for FY2022-23 are \$71M.

Ontario Northland FY2022-23 Revenues by Division



Rail freight revenues are projected to slightly decrease by 5% over next three years with the impact of the pandemic and two large customer wind downs. Growth is forecasted to partially replace the slowdown of current customers, however does not fully offset. Current focus includes mining, forestry, agriculture, and petroleum industry opportunities.

Remanufacturing and Repair Centre (RRC) includes only external work and has projected external revenues in the locomotive shop, paint shop, and car shop (freight passenger car). RRC will deliver services at full cost recovery, with all profit directly offsetting overall operating subsidy levels. Over the course of the multi-year plan, RRC revenues are expected to decrease as a large customer contract winds down. The impact of this wind down will affect 75 FTEs over the next two fiscal years and decrease revenues by \$8M in FY2022-23 with a further decrease of \$0.7M in FY2023-24. There are a number of opportunities, including large passenger coach refurbishment contract that would fully mitigate the risk of this revenue and job loss.

Motor Coach Services has projected revenues to increase over the course of the multi-year plan by 3% with an increase to ridership in FY2022-23 as services have been materially impacted by the pandemic and ridership declines. Motor Coach is projecting a gradual increase in ridership over the course of this business plan; however, it is not anticipating a return to pre-pandemic revenues. Note that uncertainty remains regarding the pace of recovery from the pandemic, and the impact of changes to travel patterns and behaviors over the long-term.

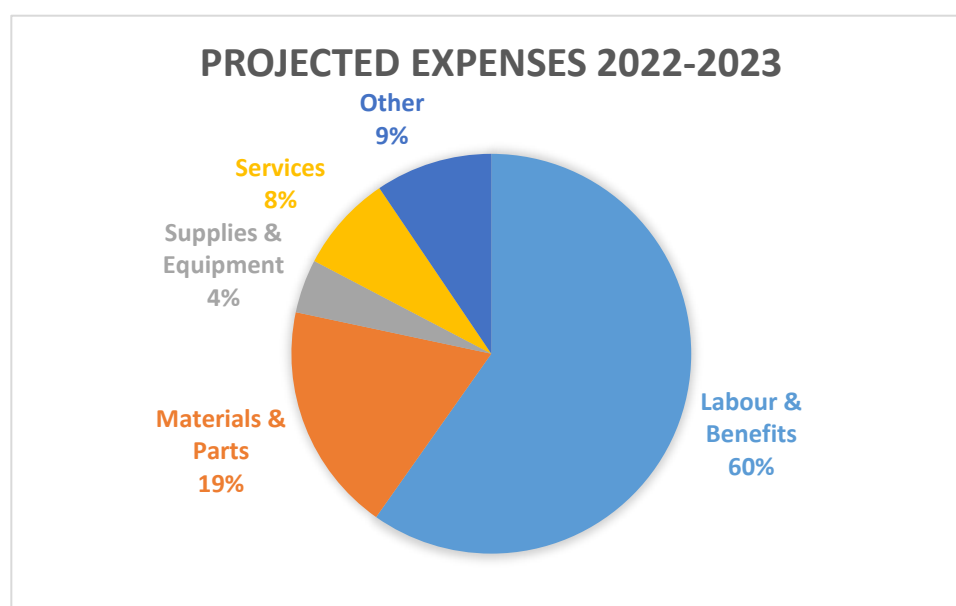
Polar Bear Express Services has projected revenues to increase through the multi-year plan by 53% based on an increase in ridership in FY2022-23 and a large rail freight project starting within FY2023-24 in Moosonee for the hospital build. Revenues have been materially impacted by the pandemic and is

projecting a gradual increase in ridership over the course of this business plan; however, it is not anticipating a return to pre-pandemic revenues.

Expenses

Total operating expenses for FY2022-23 are projected at \$123.5M (including Enterprise Asset Management Program expenses as well as Enterprise Resource Planning Program).

Ontario Northland FY2022-23 Operating Budget by Expense Type



The largest expense in the operating budget is labour and benefits which represents 60% of projected expenses for FY2022-23 to support operations. Total labour and benefits decrease over the course of this multi-year plan by 2% due to a decrease in services.

Another large expense in the business plan is fuel, which is included in Materials and Parts making up 19% of expenses. Diesel fuel prices can be unpredictable as it is determined by the market and has been projected to increase by 3% each year. For our Rail and Motor Coach operations, fuel is a crucial input. Due to its nature as a petroleum-based commodity, fuel prices fluctuate with the supply and demand forces of the oil market. This volatility often falls within a normal range but there can be large changes. For example, from FY2020-21 to FY2021-22 average diesel prices increased from \$0.69/litre to \$0.94/litre (35%) where prices from FY2019-20 to FY2020-21 had decreased 23%. Should fuel prices increase by 10% next year, Ontario Northland would be looking at a \$1M increase in Motor Coach and Rail expenses.

Other expenses make up 9% and represent insurance, property taxes, freight car rentals, software fees and travel expenses. This is followed by services at 8% which includes rail and track testing, vehicle and equipment repairs, and consulting. Finally, supplies and equipment represents 4% of the budget, which includes utilities, general tools and supplies for operations.

Another expense included in the operating budget is the Enterprise Asset Management Program, in the amount of \$1.7M for FY2022-23. This program includes an operating and a capital portion and will allow the agency to deliver a single information platform for the effective utilization of physical assets across

the organization, which will align with Asset Management and transportation industry best practices.

Another initiative included in the operating budget is the Enterprise Resource Planning (ERP) transformation program, in the amount of \$1M for FY2022-23. This five-year program includes an operating and a capital portion and will allow the agency to modernize ERP technology and will integrate and streamline ONTC's core business areas and enable several efficiency improvements and risk mitigations.

Other expenses noted in the summary budget include non-cash expenses, including amortization expenses, amortization of deferred capital contribution, as well as amortization of asset retirement obligation and assets/inventory write-offs.

6.2 Capital Budget Summary

Ontario Northland Ten-Year Capital Plan: FY2022-23 to FY2031-32

Overview (Snapshot)

Major assets owned by Ontario Northland:

- Motor Coaches: 38 coaches
- Rolling Stock:
 - 32 locomotives
 - 16 Polar Bear Express cars including passenger, diner and baggage cars
 - 367 freight box cars and 154 service cars (gondolas, paper, center beam)
- Track: 1083 kms (673 miles) of main line track
- Bridges and culverts: 93 bridges and 2100+ culverts
- Major buildings: 183 buildings with 58 buildings over 1000 sq. ft.

This year's 10-year capital plan remains focused on delivering the rehabilitation of major capital assets to achieve an appropriate state-of-good repair across the agency. Starting with the FY2021-22 approved plan as the basis, adjustments were made to ensure assets reach and maintain state of good repair, any new regulatory requirements are met including environmental obligations, and a new tenth year of planning was added.

This 10-year capital plan will layout the capital investment needed to improve asset performance and address the growing state of good repair (SGR) deficit. A portion of the funding is focused on modernization, including modernization of technology and processes to meet demand.

Ontario Northland seeks a capital investment by the Province of Ontario of \$685.1M over the next 10 years, of which \$610.1M represents on-going state of good repair investment, building on the approved 10-year plan that started in FY2017-18 and \$75M represents preliminary investment estimates for Northeastern passenger rail. This \$610.1M investment extends and rehabilitates Ontario Northland's aging infrastructure to deliver its mandate for safe and efficient transportation services. This investment further reduces risk and improves the SGR of all capital assets, reducing ongoing maintenance expenses and providing improved safety to passengers, customers, employees, environment and infrastructure.

6.2.1 Recommendations for Asset Management

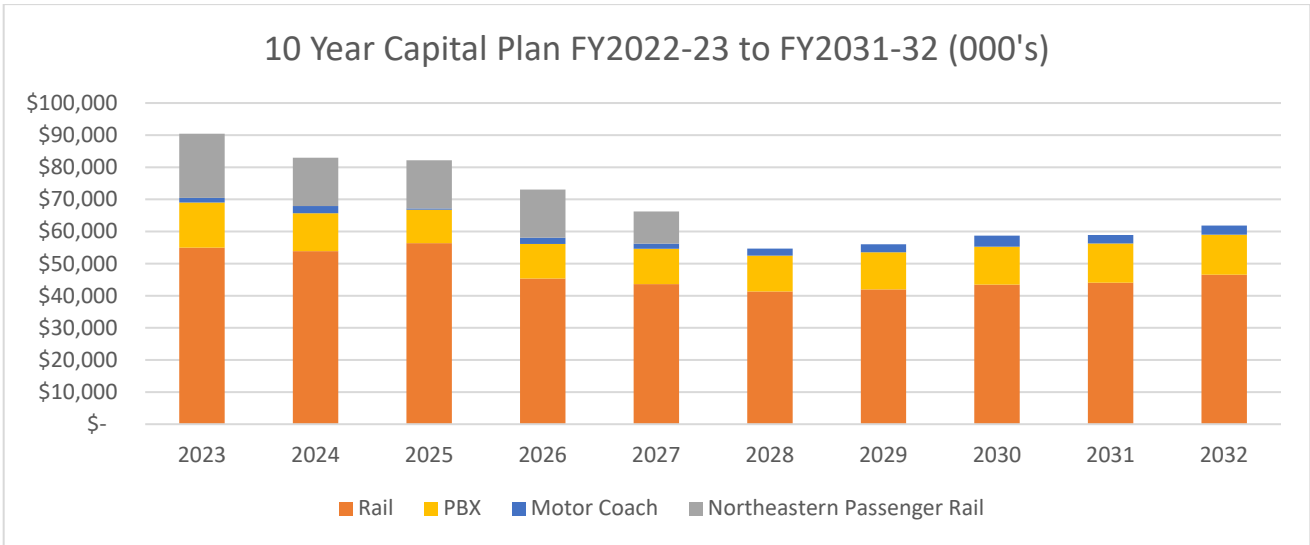
Ontario Northland divides its capital asset program across the divisions of Rail, Polar Bear Express and Motor Coach Services. A capital asset management strategy and plan are in development, taking the needs of all of Ontario Northland into consideration.

Ontario Northland continues to refine operating and maintenance practices to more efficiently balance lifecycle costs against acceptable risk tolerance by implementing its 10-year asset management plan and improving state of good repair in this planning horizon. While some asset categories have reached state of good repair, others have a significant backlog. Initial analysis has indicated that Ontario Northland’s current capital funding will not be sufficient to reach and maintain state of good repair. Additional studies will be taking place in the coming years to analyze various asset groups from which additional funding may be requested.

As an asset heavy organization, having accurate information and shared knowledge across the organization is key. In FY2021-22, Ontario Northland created the new Asset Management Office, which will oversee the implementation of the Enterprise Asset Management (EAM) program, and its sustainment going forward. This project not only focuses on implementing improved technology, but improving Ontario Northland’s processes and procedures. The program is looking at ways to improve how work is done. The program includes asset management, inventory management and work management. Motor Coach Services will go live with the system in FY2022-23, with the remaining divisions going live the following year. This plan will transform Ontario Northland’s asset management program.

Financial Overview

The following figures illustrate the breakdown of the investment requirements over the 10 years:



(000's)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
Rail	\$ 54,982	\$ 53,896	\$ 56,344	\$ 45,361	\$ 43,593	\$ 41,345	\$ 41,965	\$ 43,482	\$ 44,082	\$ 46,572	\$ 471,622
PBX	14,014	11,782	10,421	10,765	11,029	11,155	11,557	11,809	12,207	12,451	117,190
Motor Coach	1,460	2,271	424	1,929	1,619	2,179	2,496	3,400	2,636	2,837	21,251
	\$ 70,456	\$ 67,949	\$ 67,189	\$ 58,055	\$ 56,241	\$ 54,679	\$ 56,018	\$ 58,691	\$ 58,925	\$ 61,860	\$ 610,063
NEPR*	20,000	15,000	15,000	15,000	10,000						75,000
	\$ 90,456	\$ 82,949	\$ 82,189	\$ 73,055	\$ 66,241	\$ 54,679	\$ 56,018	\$ 58,691	\$ 58,925	\$ 61,860	\$ 685,063

*North East Passenger Rail

Rail

In FY2016-17 a field audit of Ontario Northland main track was conducted in order to assess overall track conditions relative to the tonnage and traffic levels handled (both passenger and freight). The following recommendations resulted: the installation of 40,000 track ties, and 10 miles of rail installed per year over the 10 years as well as a new grinding program for 40 miles of track grinded bi-annually that extends the life of the rail, removing rail surface defects.

In 2000, Ontario Northland stopped the previously harmful practice of burning ties that were replaced. Since then an estimated one million ties have been replaced and currently are placed in small piles along the system, which can cause a safety hazard. In the next 10 years, Ontario Northland is set to replace an additional 525,000 rail ties. Included in the plan is \$30.2M to properly dispose of the rail ties that have been replaced since 2000, and to continue the program going forward. The practice of disposing the ties properly when replaced will become the new standard.

Ontario Northland's bridge and culvert repair and maintenance plans have been established and are updated annually. An annual bridge inspection is completed in order to set priorities for bridge repairs with the assistance of an external engineering firm. The engineering firm inspects, designs and supervises all projects.

Ontario Northland plans to continue rehabilitating the aging rolling stock fleet, including locomotives, boxcars and passenger cars, over the next 10 years. The first round of major locomotive overhauls will be completed by year four and will then restart, while freight car rehabilitation is ongoing. This investment in rolling stock continues to improve the state of good repair while reducing fuel consumption, maintenance costs and emissions outputs. Due to Ontario Northland's extensive expertise in remanufacturing, used locomotives and freight cars are being acquired, and then overhauled by Ontario Northland skilled workforce. These units allow for a cost-effective method to replace rolling stock assets and allow for additional revenue generating opportunities.

A building condition assessment took place in FY2021-22. The assessment provided a detailed breakdown of all of Ontario Northland's buildings and required repairs for the next 20 years. Additional funding based upon the assessment will be included in future business plans as the assessment was ongoing during the business planning cycle.

The completion of the new Enterprise Asset Management Program investment of \$6.3M is included in the plan, this program will deliver a set of benefits, both tangible and intangible, to support the corporate objectives and ensure Ontario Northland has the right competencies in place to maximize the value of our assets and continue to deliver excellent service long term. The program scope is comprised of four key initiatives that are rolled out over the course of four years, finishing in FY2024-25.

Another initiative included in the capital asset plan is the Enterprise Resource Planning (ERP) transformation program, in the amount of \$15.2M over the next four fiscal years. This five-year program includes

an operating and a capital portion and will allow the agency to modernize ERP technology and will integrate and streamline ONTC's core business areas and enable several efficiency improvements and risk mitigations.

Annual investment for Rail averages \$47.2M over the 10-year Capital Plan.

Polar Bear Express

In the FY2016-17 field audit the following was recommended: the installation of 12,500 track ties, and five miles of relay rail installed per year over the 10 years. The rail installed on the Polar Bear Express is relayed from the main system and the actual amount of rail relayed may be reduced if the available rail does not meet safety requirements. Further investment requirements include station upgrades and repairs, platform upgrades, and equipment replacement.

Annual investment level for Polar Bear Express averages \$11.7M over the 10-year Capital Plan.

Motor Coach

Over the past few years, Ontario Northland has invested in motor coaches with initial bus expansion to Sault Ste. Marie and a further expansion west to Winnipeg in FY2020-21. Ontario Northland plans to continue to invest in new motor coaches on an annual basis and its overhaul program for existing coaches, including power train and light cosmetic work. This is in line with recommendations from a third-party review to keep our motor coach fleet renewed and reliable.

Annual investment level for Motor Coach Services averages \$2.1M over the 10-year capital plan.

Northeastern Passenger Rail

Ontario Northland has included in its capital requirements a 5 year investment of \$75M based on preliminary estimates from stage 1 approval of the initial business case. The proposed service route would support economic opportunities, the tourism industry and improve access to health care, education, as well as other critical services. Ontario Northland continues to work with the Ministry and Metrolinx on the updated business case.

6.3 Key Assumption: Diesel Fuel

For Ontario Northland's rail and motor coach operations, fuel is a crucial input. Due to its nature as a petroleum-based commodity, fuel prices fluctuate with the supply and demand forces of the oil market. This volatility often falls within a normal range but there can be large moves. Over a 10 year period (2011-2021) year-over-year changes fluctuated from a -26% change to a +17% change. For example, from FY2020-21 to 2021-22, average diesel prices increased from \$0.69c/litre to \$0.94c/litre (35%) and unleaded increased from \$106.59/litre to \$135.28/litre (27%). Should we see a 10% increase, we would be looking at a \$1M variance in Motor Coach and Rail; with a 20% increase, it would be a \$2M variance.

The table below highlights the impact of unit price change on Ontario Northland's budget:

Fuel Price Volatility – Impact of Unit Price Change							
Division	Direct Price/Line	Outsourced Price/Litre	Budgeted Volume (litres in 000s)	Total Budget (\$000's)	5% Increase (\$000's)	10% Increase (\$000's)	20% Increase (\$000's)
Motor Coach	\$ 135.28	\$ 1.21	2,467	\$ 1,980	\$ 99	\$ 198	\$ 396
Rail	\$ 0.94	\$ 0.64	7,545	\$ 7,246	\$ 362	\$ 725	\$ 1,449
Operations	\$ 1.35	\$ 1.35	888	\$ 776	\$ 39	\$ 78	\$ 155
Grand Total			10,901	\$ 10,002	\$ 500	\$ 1,000	\$ 2,000

Fuel Price Variance FY2020-21 to FY2021-22		
FY2021 Average Price/Litre	\$ 0.69	\$ 106.59
FY2022 Average Price/Litre	\$ 0.94	\$ 135.28
\$ Change	\$ 0.25	\$ 28.69
% Change	35%	27%

7.0 Enterprise Risk Management

Ontario Northland's Enterprise Risk Management (ERM) practice conforms to the Ontario Government ERM directive and continues to advance and mature allowing Ontario Northland to effectively focus on top strategies as well as manage risks to achieve the corporate business plan objectives. In alignment with Ontario Public Service directive, a corporate ERM risk policy has been implemented with supporting risk appetite and risk tolerance statements to allow for a consistent approach across the organization. Risk based analysis of operations, strategic decision making and key projects of present-day and emerging risks are currently examined for compliance within Ontario Northland's risk limit structure, risk policies and procedures to increase the likelihood of positive results.

Key objectives:

- Development of Divisional/Departmental Risk Centres
- Training Risk Centre Owners

Through ongoing development, Ontario Northland will continue assembling a risk strategy-centric culture that will enable ERM integration in all levels of the organization as part of their day-to-day goals and responsibilities. Such a culture further supports continuous improvements to the ERM framework and tools allowing for an open discussion of risks and opportunities leading to stronger organizational performance.

The following table summarizes the high-medium to high risks identified by the agency.

Risk identification, assessment and mitigation strategies:		
Risk	Description	Mitigation Strategy/Action Plan
Unknown extent of impact that COVID-19 will have on revenues, therefore forecasted budget may not include adequate COVID relief.	COVID-19 has had a significant impact on revenues for all business lines. Due to physical distancing requirements COVID has reduced the potential occupancy for passenger services.	<p>The Pandemic Response Working Group has developed a Pandemic Response plan. The Plan addresses continuation of services, employee and customer health, and communication with staff, customers and agencies.</p> <p>Senior Leadership is in regular communication with the Ministry to obtain direction on essential services and financial impact.</p> <p>Ontario Northland implemented a successful pandemic response plan. There have been no known transmissions of COVID-19 from Ontario Northland services or staff.</p>
Loss of rail freight revenues due to customer demand.	Key rail freight customers are in the forestry, mining and agriculture sectors which are inherently cyclical. The cyclical loss of customer demand has an impact on rail freight revenues.	<p>Reworking rates and providing volume incentives.</p> <p>Other rail revenues, such as demurrage, storage, etc. are coming in over budget which will help offset risk.</p> <p>Ontario Northland continues to identify opportunities to diversify revenues sources for transportation services and assets.</p>
Public potentially being exposed to hazards at former Cobalt mine sites located on/near Ontario Northland real estate assets.	Some of the real estate in Cobalt, Ontario include former mining hazards and workings that require additional analysis and potential remediation.	<p>Initial assessment is underway. A standard approach to decision making to assess the uncertainty of the emerging risk mitigation will be utilized.</p> <p>Ontario Northland is ensuring interim safety measures are taken such as signage and fencing, while a longer-term solution is developed.</p>

Loss of freight revenue due to the closure of the Kidd Creek Mine in Timmins.	Ontario Northland receives significant revenues from services to the Kidd Creek Mine.	Develop relationships to look for opportunities to increase freight from agriculture and other sources. Implement cost reduction initiatives. Inter-modal facilities are being established to increase access to rail for off-rail small, medium and growing customers. Started offering car storage service to grow revenue.
Intercommunity passenger transportation vehicle sector deregulation may impact the services provided by Ontario Northland.	Ontario Northland operates Motor Coach Services to northern and rural communities as well as major centers. In 2021, Greyhound Canada announced that they would be shutting down all of their bus routes in Canada permanently, leaving a potential gap within the market. In addition, intercommunity passenger transportation vehicle sector deregulation came into effect on July 1, 2021.	Ontario Northland will continue to provide excellent customer and schedule options, accessible services, connections to government services and long-haul journeys moving people across the province. Motor Coach Services will focus on connecting Northern Ontario to Southern Ontario. ONTC will explore opportunities to accomplish this goal including effective partnerships and collaborations.

8.0 Performance Measurement

Ontario Northland continues to expand and improve its performance measurement program. In an effort to continually improve its performance accountability, monitor business lines and progress to meet organizational objectives, the agency has implemented a process for effective planning and identification of areas of focus.

Key steps in the implementation include:

- documenting and confirming the logic model at the organization level with articulated outcomes for each business line and based on the agency's strategic priorities and mandate,
- identifying the right things to measure including outcome and output measures for all business lines, as well as high level organizational key performance indicators,
- drafting a performance story,
- instituting data collection, and
- developing a reporting strategy and program implementation plan.

The critical performance indicators cover a suite of strategic and operational outcomes focusing on aspects of effectiveness, efficiency, organizational sustainability, and customer experience. The performance measures will be adjusted and refined by a Performance Measurement Steering Committee.

The assessment of existing and development of new performance outcomes and outputs will be guided by the agency's objective and mandate of:

- Identifying and pursuing opportunities for efficiencies and savings
- Ensuring efficient, safe, environmentally responsible and reliable transportation services in Northern Ontario
- Continuously improving and innovating to achieve business and service excellence
- Identifying and pursuing opportunities for revenue generation, innovative practices, and improved program stability
- Collaborating with employees and communities, including Indigenous communities to improve services

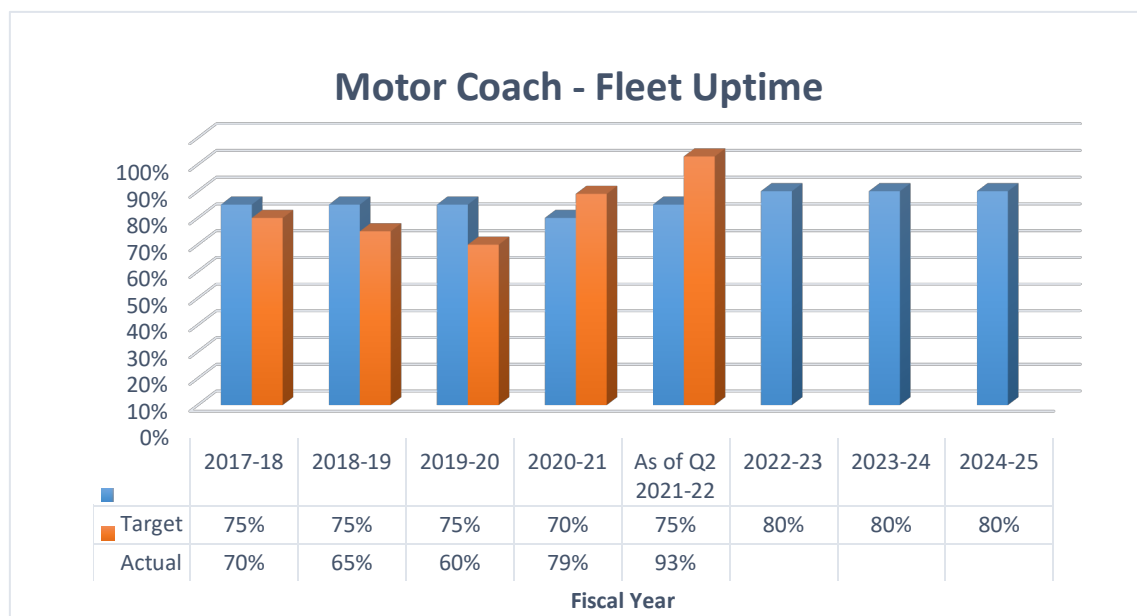
Ontario Northland maintains a myriad of performance measures to support its continuous improvement. Each major project is also required to develop a set of performance measures to measure the success of the project and identify corrective measures required. Many of the current performance measurement targets will be impacted by the COVID-19 pandemic. Despite this, Ontario Northland is ensuring that performance measures will support the organization as individual travel increases and the economy begins to recover.

The following are select key performance measures that relate to Ontario Northland's mandate.

Motor Coach and Passenger Services

Motor Coach Fleet Uptime

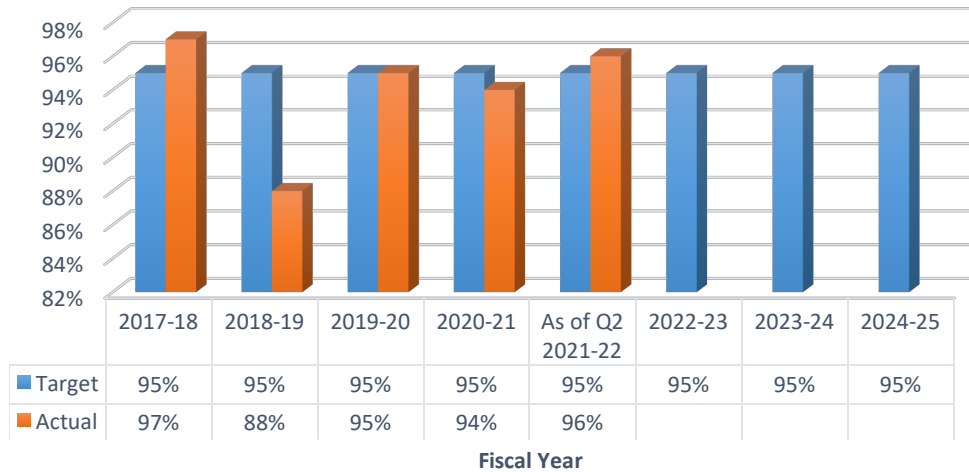
This measure represents the percentage of motor coaches that are available for routes or charters, including motor coaches that are sitting idle ready for active service. Motor Coach continues to show quite a bit of improvement in fleet uptime over the past two fiscal periods ensuring motor coaches are available to respond to charter requests and substitute in for coaches that may have mechanical issues enroute.



Polar Bear Express On-Time Performance

This represents the percentage of time that the Polar Bear Express passenger train arrives on time (within 15 minutes) of scheduled arrival time. On time performance is affected by a variety of factors such as track maintenance and weather conditions. Ontario Northland has an extensive maintenance program to ensure that the fleet and track infrastructure is kept in a state-of-good repair and is safe for its staff and passengers. One of the main variables to the on time performance is the amount of flag stops that may occur along the route, and also corresponds with any baggage and sports equipment (i.e. all-terrain vehicles, snowmobiles, hunting equipment, canoes, etc.) that may be loaded or unloaded along the route. Flag stops are non- station stops along the route to pick up passengers and their gear. The passengers are often hunters, canoers and people who live along the railway line.

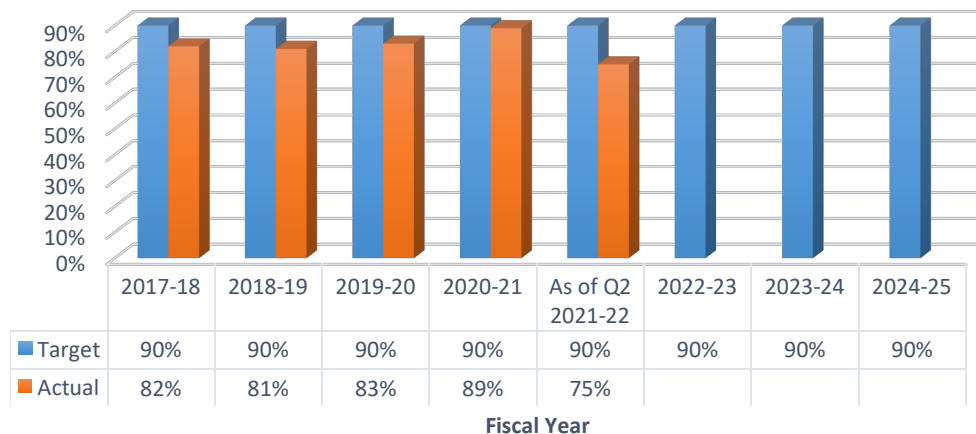
Polar Bear Express - On Time Performance



Motor Coach on-Time Performance

This represents the percentage of time that the Motor Coach departs from all station stop points - within 15 minutes. Similar to GO Transit, the variance allows for the condition of highways and distance traveled as well as traffic in and out of larger centers served. Traveling northern highways, especially during the winter months makes this measure challenging. However, Ontario Northland has set a high goals and has historically come very close to meeting it.

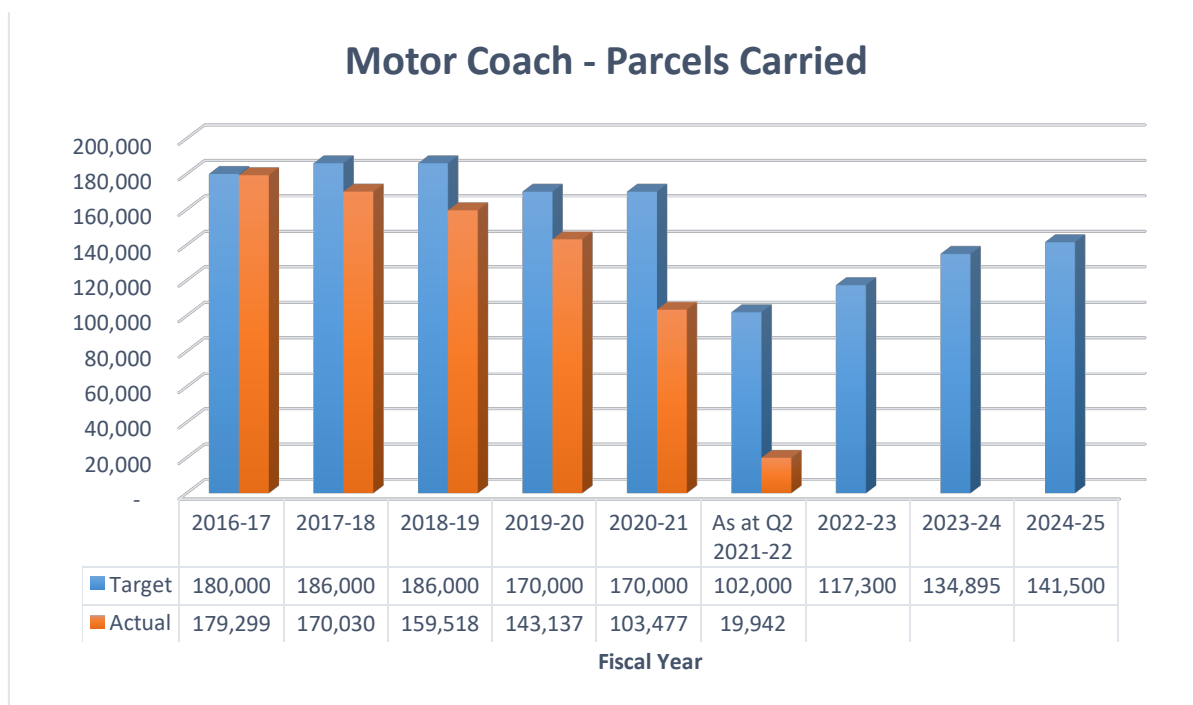
Motor Coach Services - On Time Performance



Motor Coach: Parcels Carried

Parcels carried tracks the number of parcels carried by motor coach each year. In FY2020-21 a new point of sale system was installed allowing Ontario Northland to capture the data more accurately. As illustrated

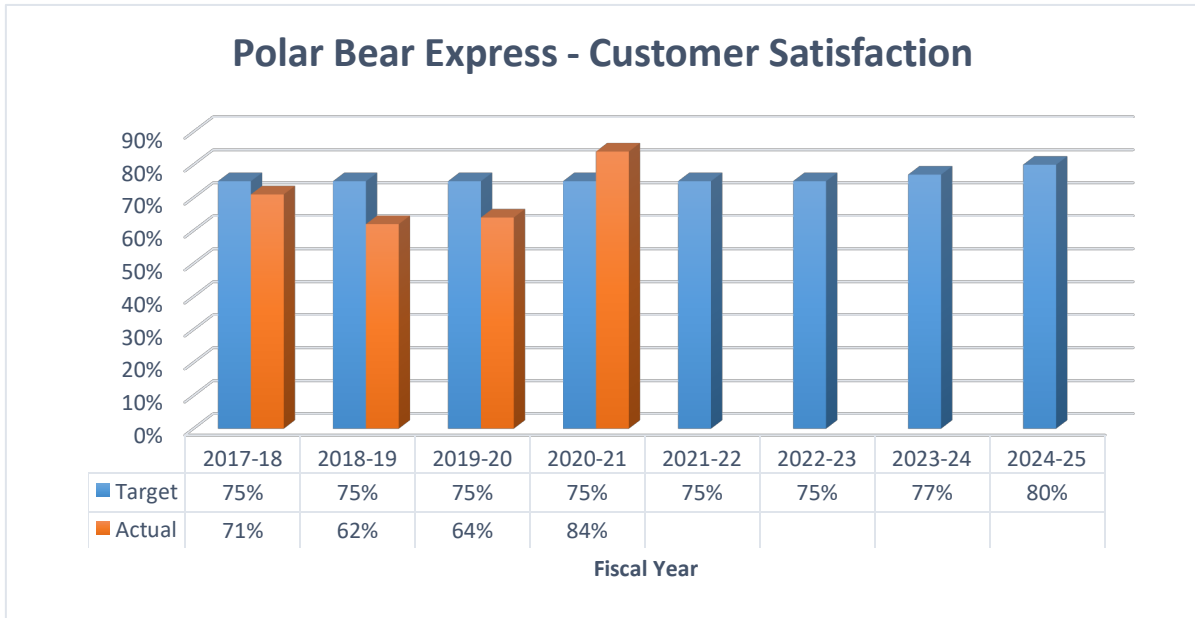
below, with the shutdown of Greyhound in FY2020-21 there has been a large decrease in parcels being shipped because of the lack of connectivity with other carriers. Ontario Northland is working with a carrier in the Toronto region to explore opportunities for enhancements to Ontario Northland's parcel service. As well, the agency is expecting an increase in parcels shipped with the route expansion to the west.



Polar Bear Express Customer Satisfaction

Annual customer satisfaction surveys are conducted by means of sending surveys to the customers that have used the Polar Bear Express over the past year.

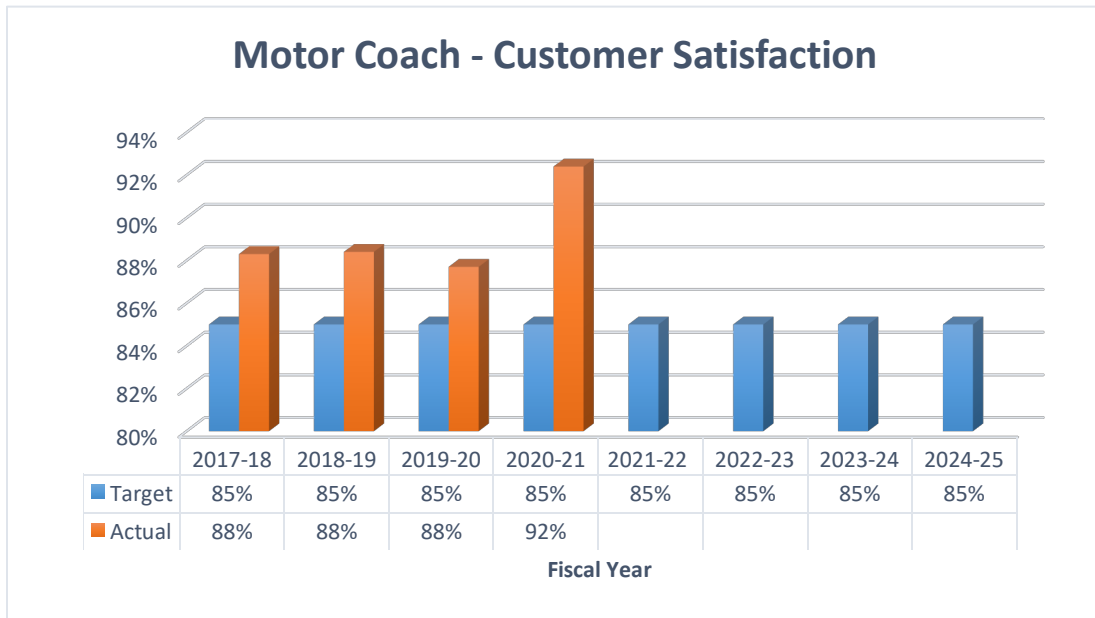
Historically, the number of survey respondents is very low. However, Ontario Northland enhanced the distribution of surveys and social media posts to increase the numbers of respondents for a better understanding of customer satisfaction. Ontario Northland is encouraged to see that we exceeded our goal in 2020-21. We believe this represents our customer's confidence in the safety measures implemented during a pandemic and the increased comfort following the refurbishment of the coach cars.



Motor Coach Customer Satisfaction

Ontario Northland makes available a customer satisfaction survey to its client through its on-line systems (a survey pop-up appears when a passenger logs into the complimentary Wi-Fi on the bus). The agency regularly reviews the questions in the survey against its objectives and outcomes to ensure it is capturing the relevant information.

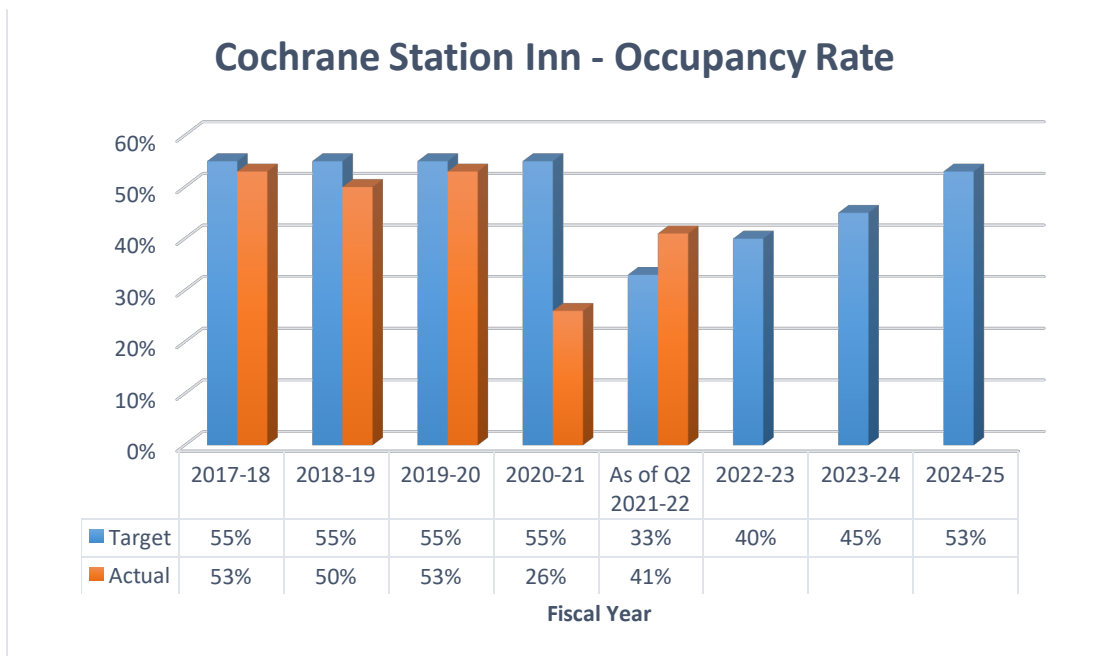
The survey is on-going and allows management to respond quickly if there are any trends emerging. As an example of quick response, the survey was showing a lower satisfaction score with the availability of hand sanitizer. Seeing this allowed the team to respond quickly to increase the availability of hand sanitizer and ensure a new task was implemented into the cleaning checklist to refill hand sanitizer stations on the buses. As with the PBX, this indicates customers are satisfied with the safety procedures put in place, friendliness of the drivers and cleanliness of the coaches.



Station Inn Occupancy Rate

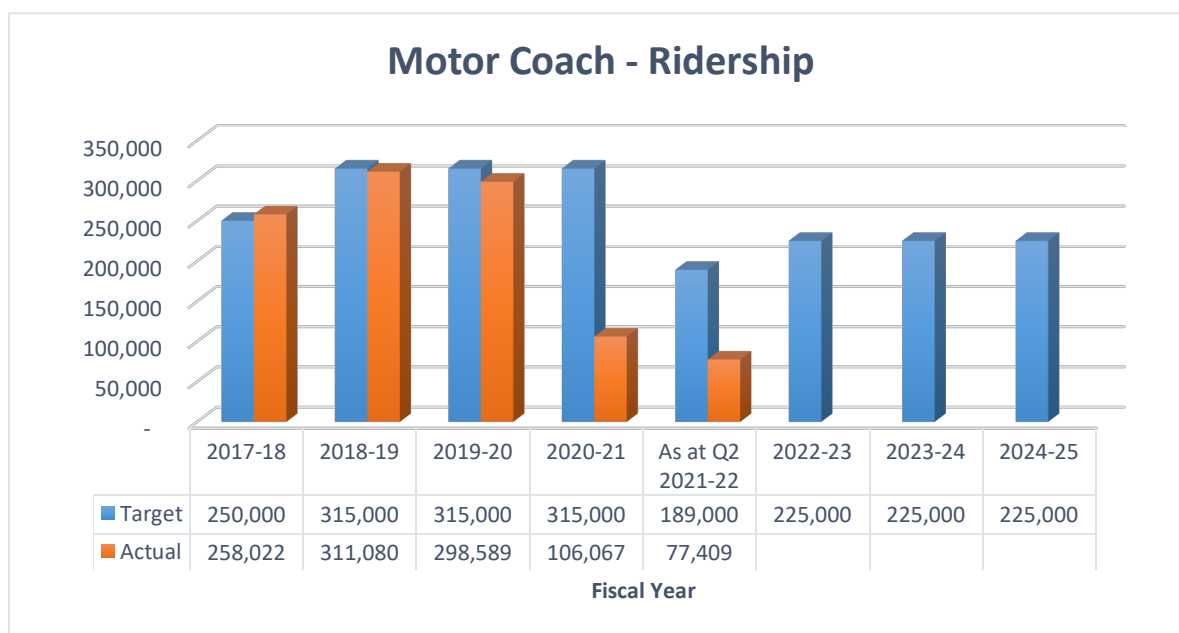
Occupancy rate is the number of available rooms that are occupied over a period of time (by month) versus the total amount of rooms that were available for booking in that same time period. Note that uncertainty remains regarding the pace of recovery from the pandemic, and the impact of changes to travel patterns and behaviors over the long-term.

The chart below illustrates the sharp decline in occupancy in 2020-21 due to the COVID-19 pandemic. At the time of writing this business plan the occupancy rate was recovering well. Ontario Northland believes that has a lot to do with consumer confidence in the cleaning and pandemic protocols put in place.



Motor Coach Ridership

Motor Coach ridership tracks the number of person trips taken on Ontario Northland buses. Due to COVID-19, Ontario Northland has projected a 25% reduction in ridership throughout the business plan with uncertainty around when the economy will normalize. Note that uncertainty remains regarding the pace of recovery from the pandemic, and the impact of changes to travel patterns and behaviors over the long-term.



Ridership numbers post COVID-19 – proposed new temporary for three years

This measure is intended to track ridership recovery post COVID-19 (Feb 28, 2020) and will be implemented during this business cycle.

Ridership embarking and disembarking at educational or medical facilities – proposed new

Ontario Northland offers a unique service in northern Ontario. All routes through major centers in the north have stops at hospitals and educational institutions. The agency will measure, on an annual basis the number of riders that embark and disembark at these institutions. This measure will demonstrate the agency's impact on supporting social services in the north and will be implemented during this business cycle.

Average Ticket Price – proposed new

The average ticket price provides details on the average fare amount a passenger pays for a leg of a trip over a measured period of time. In the future, this could also be measured by 'Average journey Price' – which would be the average amount a passenger pays to take a journey on Ontario Northland (i.e. the whole trip, not just by leg). This measure will be implemented during this business cycle.

Cleanliness – proposed new

To track cleanliness standards, audits are performed by management after a coach has been cleaned by employees. This metric is an indicator of how detailed the cleaning process is and ensures accountability for employees.

The cleanliness score is measured on 22 various items (both internal and external conditions) of the coach. Scores are given within categories to generate an overall cleanliness score. The final score summary generates a percentage score out of 100.

This measure will be implemented during this business cycle.

Rail and Freight Services

Rail Service maintains high health and safety standards on all of its freight trains and is working with its customer base to assist them in getting their product to market. The health and safety standards are set out in the Rail Safety Management System (RSMS) and include a comprehensive set of safety authorities, responsibilities and accountabilities such as accident and incident reporting and fatigue management planning.

Additional key measures for rail and freight services are summarized below.

Rail Division Slow Order Penalty Minutes

Rail Services tracks the impact of slow orders on performance by determining slow order penalty minutes. Dependent on the grade and curvature of tracks, speed limits are developed. If the condition of the track deteriorates then a slow order is issued for that section of track until it can be repaired. This performance measure tracks the amount of additional time or 'penalty' time that it takes a train to complete its journey as the result of a slow order. These are tracked monthly for every subdivision across the railway. Slow orders are a good measure of the condition of the track infrastructure and the success of capital investment. This measure helps determine where capital investments should be made in the track infrastructure. The lower the penalty minutes the better the state-of-good repair is for the infrastructure.

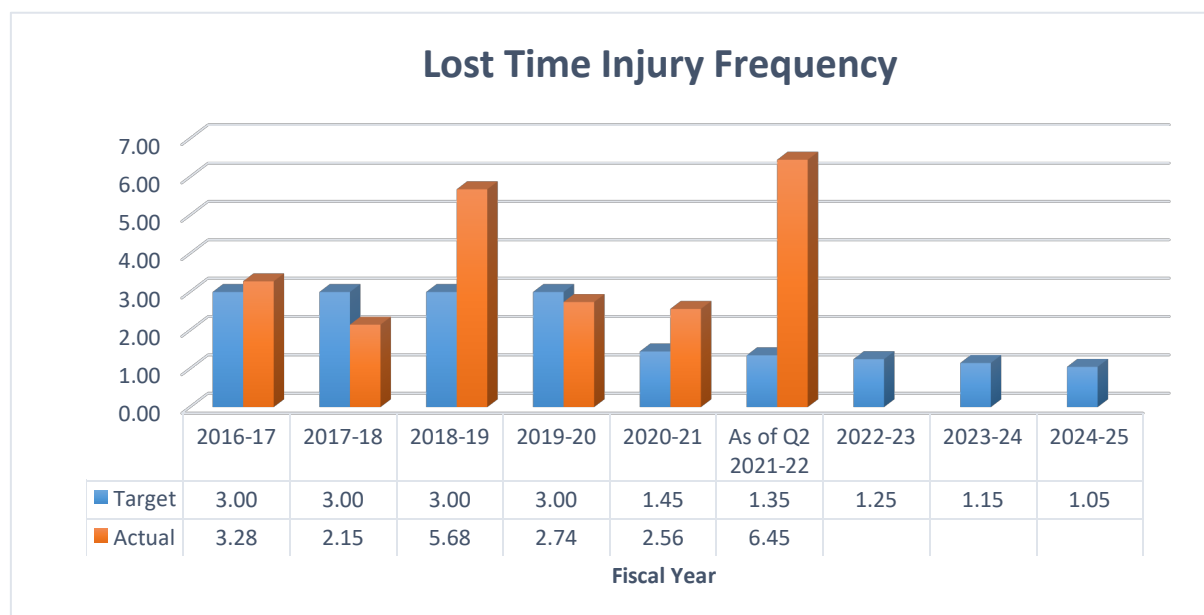
A reinvestment in the capital infrastructure began in 2018-19. As illustrated below, this reinvestment has begun to pay off.



Lost Time Injury Frequency

Lost time injury frequency measures the number of lost time injuries occurring in the workplace per one million hours worked, this measure provides a picture of how safe the workplace is for its workers.

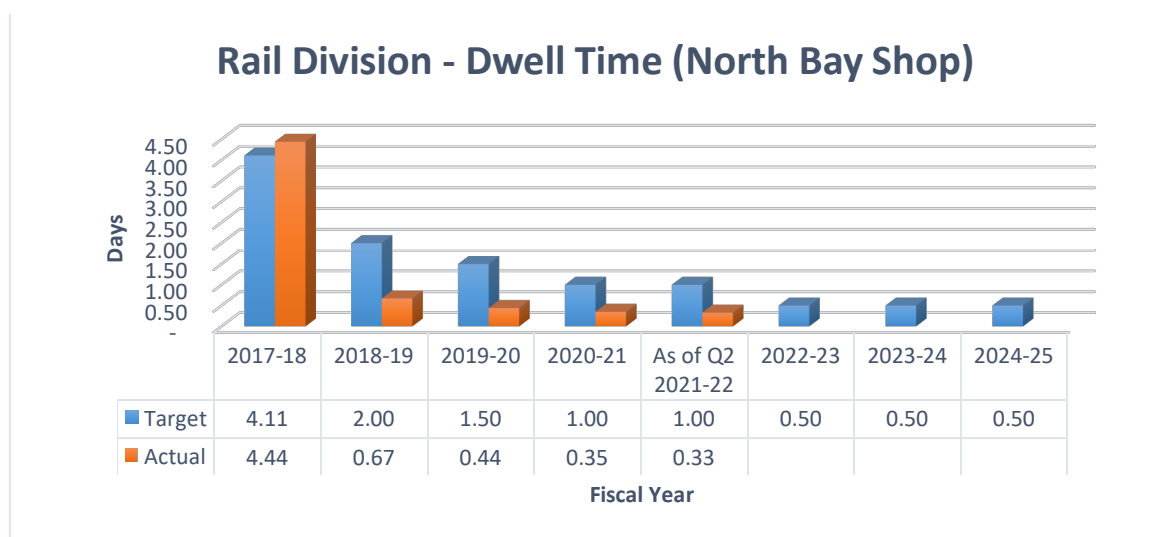
Throughout FY2021-22 there was an increase in Ontario Northland's lost time ratios. A lot of work has been done to establish a foundation of accountability, by implementing tools to support the hazard identification and control processes. Ontario Northland is continuing to strengthen its internal responsibility system through education. The focus of education is on the application of legal responsibility. In addition, the agency has developed information guides for managers and employees on their roles and responsibilities for health and safety in the workplace. Ontario Northland now has the capability, with the new safety software system, to analyze the data in an effort to identify the gaps and barriers that could be leading to the increase in numbers. Continuing to improve its internal responsibility system, Ontario Northland recently participated in a Safety Culture Assessment. This assessment has identified main areas of focus that will be used to develop an action plan that specifically focuses on the safety culture assessment findings. Developing an internal safety culture committee made up of both management and employee representation will support both managers and employees as Ontario Northland develops an action plan to improve behaviors at all levels within the organization. This activity is creating significant change and although the injury numbers seem to be trending in the wrong direction, the agency will inevitably see the benefit of its efforts throughout FY2022-23.



Dwell Times

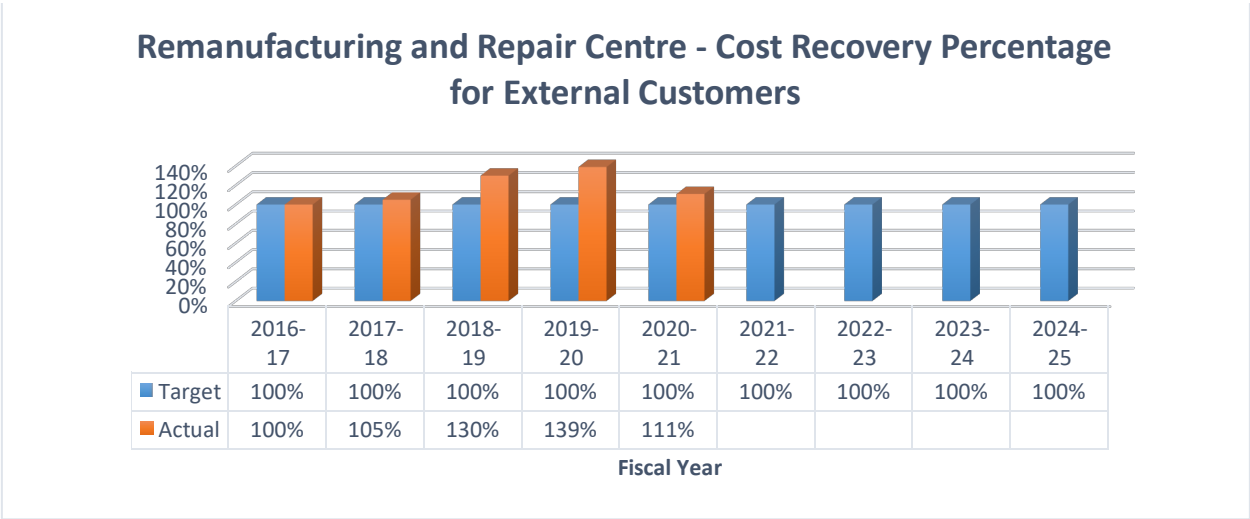
Dwell Times are calculated from the time a rail car hits the Repair in Place (RIP) track to the time it is released back into service (internal and external cars). All rail cars must be inspected and repaired, if required, before they move from one railway line to another. The RIP track facilitates this practice. Dwell times are a measure of the efficiency of this process. The lower the dwell time the more efficient the process is.

Remanufacturing and Repair Centre: North Bay Dwell Times



Remanufacturing and Repair Centre: Cost Recovery Percentage for External Customers

Cost recovery ratio is the ratio of total revenues (excluding operating subsidies, grants and sale of assets) to total operating costs, for RRC this excludes corporate allocation. This measure illustrates Ontario Northland’s ability to ensure full cost recovery for its external business.

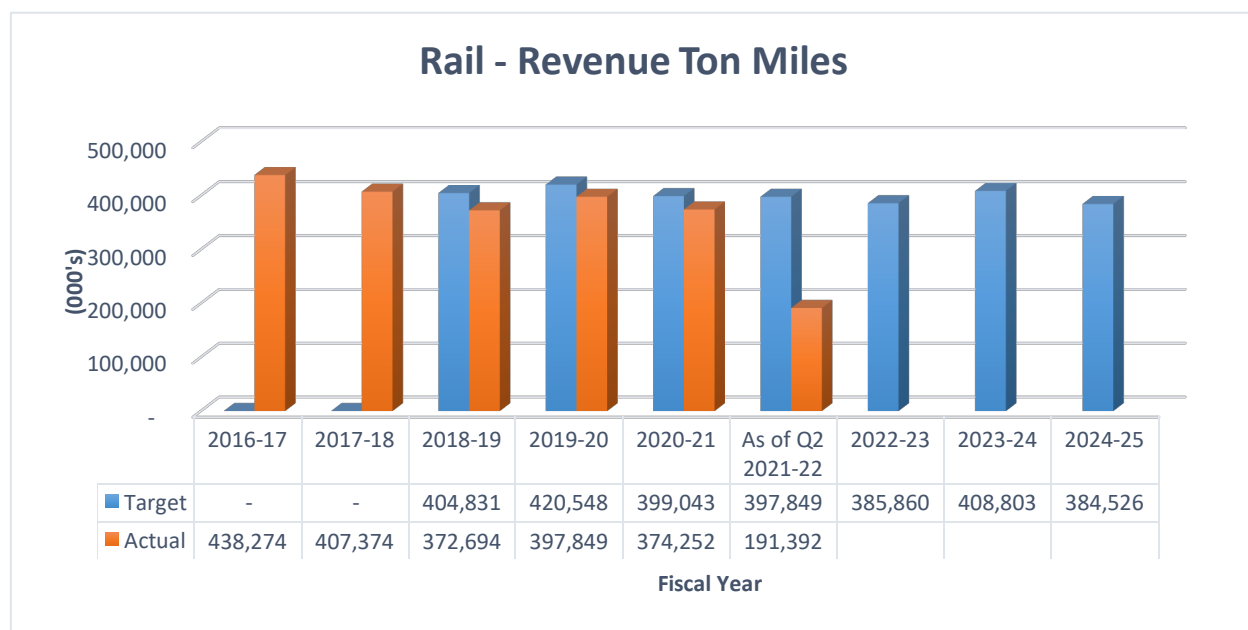


Rail Division: Revenue Ton Mile (RTM)

Revenue Ton Mile (RTM) allows Ontario Northland to measure incremental performance. This measure tracks a load versus distance. It’s a metric used in the rail industry to measure revenue gained by moving one ton of goods the distance of one mile. Freight revenue includes: Carload freight revenue, carload freight USD, Haulage revenue, switching and CN switching in North Bay in order to remain consistent with the cars handled measure.

RTM is a quick reference to measure territory by territory or a time frame. This measures the productivity and indicates where adjustments may be required. Seasonality of traffic and changes in customers or their shipping patterns may be the cause. Adjustment of horsepower required or train frequency should be viewed when large changes occur.

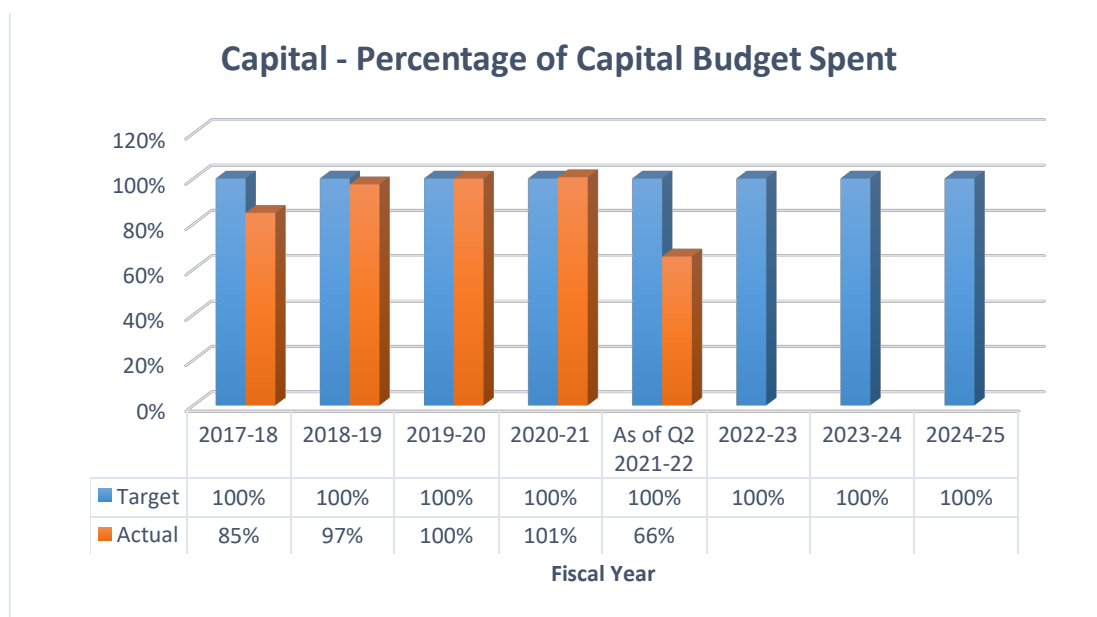
For the past three years, Ontario Northland has been successful in coming very close to its target. At the time of the writing of this business plan Ontario Northland projections indicate that again it will come very close to meeting its targets for 2021-22 despite the challenges of COVID-19.



Corporate Services

Implementation of Capital Asset Management Plan

Ontario Northland has been implementing a full Enterprise Asset Management program which began in FY2021-22 and continues over three to four years while also expanding its current capital asset management plan by approving a capital asset policy and working on the capital asset management strategy. Furthermore, Corporate Services continues to build on a prioritization model for grading capital projects and continues to reconcile data gaps within a fixed asset register.



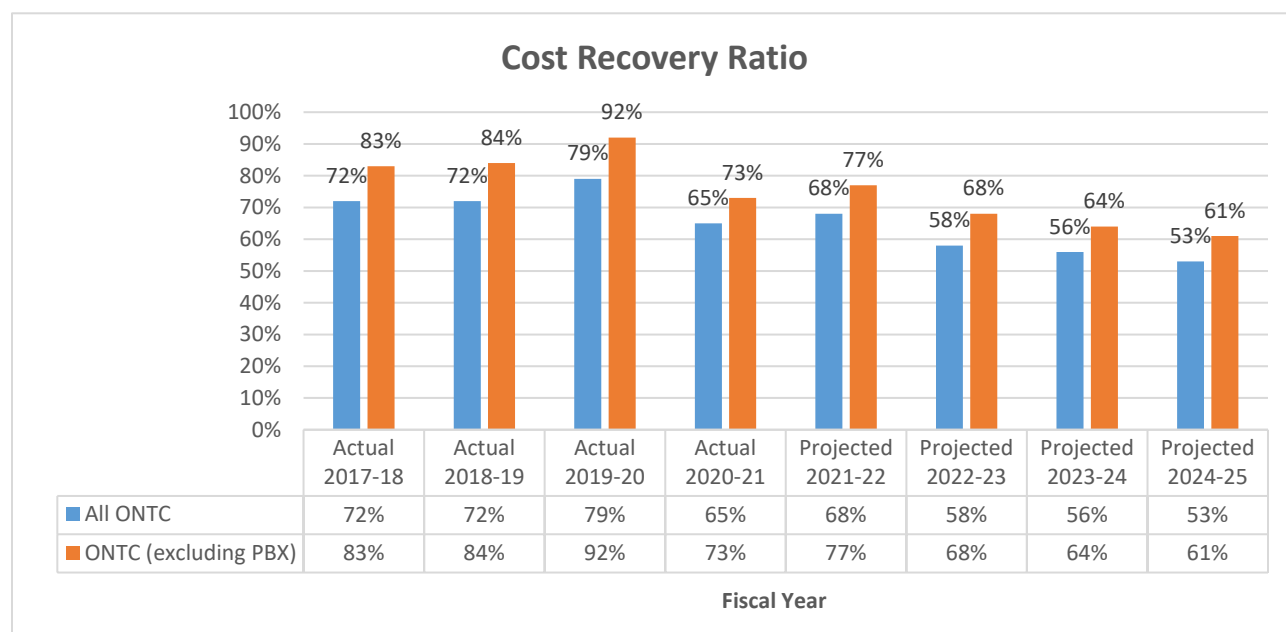
Cost Recovery Ratio

Cost recovery ratio is the enterprise wide ratio of total revenues (excluding operating subsidies, grants and sale of assets) to total operating costs including corporate allocation (excluding amortization, future employee benefits, derailment expenses, and discontinued operations). Cost recovery ratio is used as a key indicator of financial performance and provides an indicative measure of how efficient the agency operates. This ratio also represents the extent to which the organization's operations are self-funded. It is most useful to compare cost recovery ratio to Ontario Northland year-over-year results, meanwhile considering industry benchmarks at transportation agency peers.

As the base year for this business plan, FY2022-23 forecasted cost recovery ratio is 58% across the entire agency. Ontario Northland has historically had a very high cost recovery ratio when compared year over year and in comparison to other transportation agencies. However, with the pandemic, the cost recovery ratio went from an overall 79% pre-pandemic, to 65% in FY2020-21 to a projected 63% in FY2021-22, which is an increase from the targeted FY2021-22 cost recovery ratio of 59%. The budgeted 58% for FY2022-23 is projected to slightly decrease to 56% in FY2023-24, with a further decrease to 53% in FY2024-25. The decrease in cost recovery is mainly due to the wind down and expected closure of a large freight customer as well as the completion of a large external refurbishment contract. Ontario Northland continues to actively seek out opportunities for replacement revenue projects through the sales funnel.

If the Polar Bear Express services are considered as standalone, the agency would typically recover approximately 25% of expenses each year. However due to the effects of the pandemic, including a decrease in ridership and revenues, cost recovery is forecasted to be 15% for the entire course of the business plan. Under this scenario, the rest of Ontario Northland would achieve cost recovery ratios of 68% in FY2022-23, 64% in FY2023-24 and 61% in FY2024-25.

Ontario Northland projects the following cost recovery ratio in this business plan:



Ontario Northland is continually working on improving its cost recovery ratio through business efficiency initiatives, optimizing its use of provincial assets and by having a sustained focus on cost drivers and cost restructuring efforts.

9.0 Human Resources

Ontario Northland continues to focus on human resources best practices to support the organization's goal to identify and pursue opportunities for efficiencies and savings and achieve business and service excellence. Human Resources will do this through initiatives to recruit and retain top talent, improve employee engagement, support individual employee goal setting and achievement, and promote a culture of safety and wellness.

By setting measurable objectives, Human Resources will remain consistently focused on continuous improvement to meet the needs of Ontario Northland operations. The department will focus on the following key priority areas.

Recruitment and Retention of Top Talent

In order to attract top talent from and to Northern Ontario and within the broader transportation industry, Human Resources will focus on initiatives that will strengthen employee engagement, provide competitive compensation and benefits, and build a reputation as an "Employer of Choice". Key initiatives we will undertake to achieve this include:

- Conduct employee engagement survey and utilize feedback to inform HR initiatives and validate HR key performance indicators.
- Establish ambitious yearly targets for our HR key performance indicators to ensure we continue to strive for HR excellence.
- Develop a matrix of required organizational-wide human resources and safety training requirements for staff.
- Support a yearly organizational performance management program to create a culture of regular feedback and discussion of individual objectives to support organizational goals.
- Examine additional e-modules for coaching and feedback.
- Ongoing improvement of data exchange and process alignment between HR and Payroll departments. Eliminate duplicate records and optimize payroll information system utilization.
- Create a manager-specific new employee orientation program.
- Further develop an Ontario Northland Workforce Strategy through the introduction of e- succession to capture certifications and training and provide improved reporting on skills/training gaps, demographics, risks, and opportunities.
- Examine opportunity to introduce paperless employee file system in HR.
- Audit HR policies and develop action plan to review and revise in order to ensure legislative compliance and alignment with HR best practices.

Apprenticeship Program - Railway Car Technician (commonly known as the Carman trades)

Ontario Northland maintains an ongoing partnership with the Ministry of Colleges and Universities and Canadore College to establish a formal Railway Car Technician (RCT) Apprenticeship Program. This initiative addresses mid to long-term shortages in RCTs at Ontario Northland due to attrition trends and upcoming retirements. Licensed RCTs are extremely difficult to recruit, in part due to the specialized nature of this trade, as well as having to compete with the major railroads who pay their RCTs a higher rate of pay. Of the 24 RTC Apprentices who joined the most recent recruitment of apprentices, seven have graduated in FY2020-21 and are working as qualified RCTs at Ontario Northland. An additional 12 RTC Apprentices will graduate within FY2021-22, with the remaining apprentices expected to graduate in FY2022-23. With more fully qualified RCTs, Ontario Northland is in a stronger position to attract this type of work to the North.

Removal of systemic barriers for underrepresented groups

Exit interviews are conducted whenever possible with employees who have resigned or have retired from the organization. Information from these interviews provides an opportunity to uncover systemic barriers within the culture of the organization or within specific divisions. These barriers may not always be identified by current employees and may be more willingly identified by employees leaving the organization. Past exit interviews have identified systemic barriers for specific groups, allowing for the organization to address these challenges.

New Employee Orientation includes Accessibility training on the *Accessibility for Ontarians with Disability Act (AODA)*, educating new staff on the meaning of systemic barriers and the rights and responsibilities of employees and management with respect to removing these barriers. New Employee Orientation also includes training on Ontario Northland's Human Rights and Respectful Workplace policy, highlighting the legislated prohibited grounds for discrimination and harassment.

Ontario Northland is a participant in the "Young Women in Trades" Program organized by the Ontario Youth Apprenticeship Program. This helps to break down barriers allowing young women to feel confident in entering the trades, a historically male dominated field.

Ontario Northland actively participates in job fairs hosted by Indigenous communities to highlight job and career opportunities at the Agency.

Diversity & Inclusion at Ontario Northland

FY2022-23 will build on Ontario Northland's FY2021-22 action plan on Diversity & Inclusion to further initiatives from the prior fiscal year. The plan mirrors the focus areas in the OPS Anti-Racism Action Plan framework, identifying areas multi-year actions to:

- Build anti-racism competency and capacity
- Diversify the talent pipeline
- Foster and be accountable for an anti-racist and inclusive workplace

The Diversity & Inclusion Council will review workforce demographics data currently captured by Ontario Northland. At present, Ontario Northland captures information on sex, visible minority status, and Indigenous status but will examine which additional diversity demographics should be captured to ensure we have appropriate and accurate data to inform decision making and progress with diversity and inclusion initiatives.

Present demographic data show:

- Women in the workforce: 21.8%
- Women in trades: 3.6% (5 of 158 trade employees)
- Visible Minority staff (including those self-identifying as Indigenous): 6.3% Indigenous staff: 5.4% have self-identified as Indigenous

In FY22-23 the Diversity & Inclusion Council will develop an inclusion engagement process to ensure all voices are heard to inform policies and decision-making

FY2022-23 will continue our work to support a Respectful Workplace, rolling out additional sessions on Respectful Workplace Training and 2SLGBTQ+ and Trans Awareness training. The Respectful Workplace Training, a 3.5-hour session delivered to 100% of Unifor employees and Supervisors and Managers working with these employees, provided education on Human Rights and Harassment & Violence policies, as well as the employee and management role in creating, supporting, and promoting an equitable, accessible, inclusive, anti-racist environment for all employees. This training will be provided to the remainder of staff and management by end of FY22-23. In addition we will build on our LGBTQ+ Positive Space initiative. This initiative, in partnership with the Ontario Public Service Positive Space Network, trained over 100 staff on 2SLGBTQ+ and Trans Awareness and resulted in over 20 staff self-identifying as “Positive Space Champions”. A Positive Space Champion displays an ONTC Positive-Space indicator in their workspace to show they are someone who creates a 2SLGBTQ+ welcoming place within the workplace; is open to questions related to 2SLGBTQ+ from work colleagues; can provide referrals to additional resources; and posts a sign to indicate that their workstation is a Positive Space for people in the 2SLGBTQ+ community.

Organizational Health, Safety and Wellness

Ontario Northland continues to implement initiatives to support a culture of safety. Human Resources actively works with Divisional management to support employee health, safety, and wellness. Elements of this strategy include:

- Providing H&S due diligence training for all supervisors on an on-going basis.
- Continued optimization of incident management software capabilities to track and trend employee H&S incidents.
- Yearly auditing of employee safety policies and processes to ensure that policies and processes are up to date and that there is an ongoing focus on continual improvement.
- Roll-out of organization-wide training in the prevention of workplace violence, harassment, and discrimination.
- Focus on Early & Safe Return to Work following both occupational and non-occupational illness to support our staff in their wellness and to contain costs associated with lost time.
- Formalize Attendance Support Program to support staff to attend work, thereby reducing costs associated with absenteeism.

9.1 Workforce Summary & Planning

Human Resources and Finance have been working together to put in place stricter controls over the workforce planning process to ensure that Ontario Northland’s forecasted staffing levels are in-line with

annually budgeted labour resource needs. FY2020-21 saw the development of a multi-year Ontario Northland Workforce Strategy project that will roll-out over the course of this Business Plan. This is a four-phase strategy. Phase one is the implementation of an organizational position administration process to assist in vacancy management, knowledge transfer and management training. Phase two is the implementation and upgrading of Ontario Northland's human resource planning software to assist with position control and salary forecasting. The final two phases will focus on the tracking and reporting of employee training and development activities, and the development of career and succession plans.

The first two phases of this process will include consultation with designers of Ontario Northland's existing Infinium software system to explore the capability of this system. Enhanced tracking and reporting of labour resource utilization, alongside the monthly reporting on salary dollar utilization, will provide business unit managers with the position management information they need to better plan and manage their workforce.

As of March 31, 2021, the total headcount of active full time (FT) employees on payroll, both unionized and non-unionized, was 714. In addition to these FT employees, there were 4 part-time employees and 2 employees on temporary contract (backfilling vacancies).

The majority of Ontario Northland employees are FT permanent workers. As such, for most of our staff headcount is considered equivalent to FTE. The exception is Extra Gang Labourers in the Rail Infrastructure Group who work on a seasonal basis. For this group, Human Resources has historically considered 1 Headcount equivalent to 0.5 FTE.

The Ontario Northland workforce consists of the following position types:

- Non-union management (includes Supervisors): 76 employees.
- Non-union full-time (includes Professional, Technical and some Office roles): 74 employees.
- Unionized employees: 564.

Approximately 79% of ONTC's current employees are represented by one of five bargaining agents:

- Unifor represents 45% of the total workforce.
- Teamsters Maintenance of Way Division represents 16% of the total workforce.
- United Steelworkers represents 12% of the total workforce.
- Teamsters Motor Coach Division represents 8% of the total workforce.
- International Brotherhood of Electrical Workers represents less than 1% of the total workforce.

For 2022-23, ONTC approved an increase of 5 positions, including permanent full-time and contract positions. This growth supports the increase in safety protocols/requirements in response to the COVID-19 pandemic as well as support for the delivery of several strategic objectives and Ontario Northland's rapidly evolving business complexities.

The table below forecasts budgeted FTEs from FY2022-23 to FY2024-25 and reflects the cyclical nature of projects underway. The reduction in numbers in FY2023-24 reflect completion of Metrolinx work. However, it is anticipated that these employees will be retained as a result of successfully securing additional refurbishment and repair contracts. This will be reflected in future year business plans.

BUDGETED FTEs			
FISCAL YEAR	2022-23	2023-24	2024-25
TOTAL	740	720	720

9.2 Compensation Strategy

Ontario Northland's compensation strategy is designed to ensure that the agency is able to attract, retain, and motivate key qualified, skilled, and committed employees in a manner that is competitive, affordable and aligned with Ontario Northland's business strategy. While the approach in setting compensation differs between our unionized and non-unionized workforce due to the nature of the collective bargaining environment, the following common principles are applied:

Compensation Principles:

1. Compensation must be viewed through a total compensation lens
2. Total Compensation must be competitive to attract and retain talent
3. The Total Compensation program must be sustainable
4. Total Compensation must support both internal and external equity, ensuring marketplace competitiveness that is in compliance with legislative requirements, including pay equity
5. For Executives, there should be an element of risk to pay - each year a portion of salary will be re-earnable

Total Compensation at Ontario Northland consists of:

Compensation	Benefits	Learning Opportunities	Work Environment
<ul style="list-style-type: none"> ▪ Base Pay ▪ Pay-at Risk for Executives 	<ul style="list-style-type: none"> ▪ Medical/Dental ▪ Extended Health Care/Wellness (Massage, Chiropractic, Physiotherapy, etc.) ▪ Employee Assistance Program ▪ Life Insurance ▪ Pension 	<ul style="list-style-type: none"> ▪ Career Development ▪ Training ▪ Performance Feedback ▪ Succession Planning 	<ul style="list-style-type: none"> ▪ Values ▪ Leadership ▪ Work Relationships ▪ Work/Life Balance

The objective behind our total compensation program is to support the organization's values of:

- Accountability
- Customer Satisfaction
- Positive Team/Work Environment
- Safety

- Continuous Improvement

Non-Union Employees (Professionals & Management, including Executives)

Ontario Northland targets total salary at the 50th percentile (P50) of the broader public sector peer group. That is the point where half of our comparators pay above, and half pay below. Ontario Northland determines pay ranges based upon job analysis and market data. Keeping pace with comparators is critical to attract and retain the talent required to drive ongoing organizational transformation.

The development of the strategy included a comparative analysis through job evaluation completed by an independent third party. Utilizing the Hay Method, the third party conducted a market analysis comparing Ontario Northland against 17 other public sector organizations. Current salary ranges are based on a 2018 evaluation which looked at 17 public sector organizations, using their 2017 salary figures for determining P50.

Pay-at-risk for Executives

Ontario Northland believes that a component of executive pay should be re-earnable and paid only where established performance commitments are met. This supports our value of continuous improvement and provides accountability to identified outcomes. All roles identified in Executive pay bands are subject to a % of pay-at-risk ranging from 5 to 8% on compensation.

Unionized Employees

Approximately 79% of the Ontario Northland workforce are unionized employees whose wages are determined through the collective bargaining process. In addition to the common compensation principles shared with the non-unionized employee group, Ontario Northland is mindful of achieving negotiated agreements that provide cost containment, cost certainty, and labour stability.

In preparation for the last bargaining cycle, Ontario Northland completed an environmental scan to review trends in broader public sector unionized settlements and identified recruitment issues that might affect the unionized workforce in relation to compensation.

10.0 Information Technology Services

Information Technology Services (ITS) provides centralized enterprise technology services for all divisions. ITS is positioned as a business partner to assist and support Ontario Northland in achieving its goals by providing timely and consistent decision-making tools.

Focused on innovation and continuous improvement, ITS is an integral partner in agency transformation. As more opportunities to improve the organization present themselves, Ontario Northland has been adding to its Information Technology (IT) services portfolio. While the growth and expansion in services has allowed Ontario Northland to expand, there was limited integration of IT

systems. This lack of integration has resulted in inefficiencies and risks to services, an expanded support portfolio without additional support staff, and ultimately increased costs.

With organizational support in FY2020-2021, the ITS department has created an IT strategy (road map) that considers the current and anticipated needs of the organization, industry trends, current capabilities and regulatory expectations. This five-year road map provides the ITS department with the direction to address urgent technological issues, while also establishing a foundation for organizational growth. An annual update to the IT Strategy and roadmap is expected in early Q3.

In FY2022-2023, ITS will continue to introduce a number of solutions, services and standards aimed at containing expenses, gaining efficiencies and improving productivity, including:

- Microsoft SharePoint 365
- Microsoft Power BI
- IT training and application support services
- DevOps and software lifecycle management standards

ITS is also looking to fortify Ontario Northland's cyber security posture by incorporating SECaaS (Security-as-a-Service) solutions and by implementing additional security best practices such as Multi-Factor-Authentication (MFA).

11.0 Legal Services, Realty & Corporate Governance

The Legal Services and Corporate Governance Department provides services and support to the Commission, senior management, operations and external stakeholders.

The Legal Services and Corporate Governance Department's primary responsibilities are:

- Risk management: Providing legal advice and contract management
- Realty services: Managing all land holdings including leases and licenses and sale of land
- Claims and Litigation: Managing all litigation and third-party claims, except labour and human resources matters, and managing the insurance program
- Information Management: Maintaining the corporation's records and privacy management programs, in conjunction with Information Technology, including access to information and open government initiatives
- Corporate Governance: Acting as the Commission's corporate secretary and managing the legislative and regulatory regime governing the corporation and the Commission

Legal Services

In the previous five years, Legal Services has modernized its processes to reduce risk in procurements and contracts, more effectively managed claims and litigation and the associated insurance portfolio and ensured Ontario Northland is complying with current regulations and requirements. In FY 2021-22, Legal Services:

- Completed a review of the corporation's insurance portfolio and implemented changes to the portfolio to meet existing business needs and to mitigate risks.
- In response to the COVID-19 pandemic, reviewed and updated all standard agreements to reflect the changing business climate in which Ontario Northland was operating.
- Developed enforcement protocols for defaults under leases and licenses.
- Implemented a modern process for legal holds relating to litigation matters.
 - Completed the implementation of a contract management solution increasing the access to and management of Ontario Northland's contracts.
- Settled a class action lawsuit relating to a derailment of the passenger train; and,
- Developed and implemented a plan for knowledge management in the department.

Information Management

Records

In FY 2021-22, Legal Services commenced the modernization of the corporation's information and data asset management program to ensure compliance with the Governance and Management of Information and Data Assets Directive and other applicable government policies and directives by creating a Records and Information Management ("RIM") Specialist position. The RIM Specialist will be an integral member of the corporate Information Management team working together with the Governance and Privacy Manager and the Data Management Manager to build on and enhance Ontario Northland's Records and Information Management Program.

Privacy

Ontario Northland created a dedicated resource for Privacy in FY 2020-21 to increase compliance with information access and privacy legislation. Implementation of an enhanced privacy program throughout the organization has commenced, including education initiatives for employees, information gathering meetings with stakeholders and updated video surveillance practices. A new corporate policy on the protection of personal information and privacy was approved by senior leadership and a privacy breach protocol was developed.

Realty

In FY 2021-22, the Realty division completed significant work relating to realty interests in Moosonee and Moose Factory and the Cochrane Railyard to support enhancements to Ontario Northland's services in those communities.

Ontario Northland anticipates realty impacts from FY 2022-23 to FY 2025-26 relating to program proposals and realty acquisitions related to those proposals as follows:

Passenger Rail:

- Leases or licenses for the use of land for passenger shelters and platforms at stops on the passenger train route.
- Acquisition of land for the terminus location in Timmins.

- Lease or license of space for overnight storage of train in Toronto.

Intercommunity Bus Expansion (in Northwestern Ontario to Thunder Bay and Winnipeg)

- Lease or license of terminal locations or spaces.
- Lease of land and buildings for maintenance facilities and driver rest areas.

Corporate Governance

The agency's Board of Directors (Commission) establishes goals, objectives and strategic direction consistent with this mandate, government policies and Ministry direction.

In June 2021, the Board approved a Diversity and Inclusion Policy in June 2021 which reflects the commitment of the Board to having a membership reflective of the diversity of its service area. In FY 2021-22, Ontario Northland on boarded two new appointees and a new Chair.

In FY 2021-22, Ontario Northland completed the transition of Nipissing Central Railway Company to the Canada Business Corporation Act regime. Ontario Northland also continued to work with MTO to develop a modern governing act for the corporation, including exploring potential options to modernize the regulatory regime for the agency's railways.

In 2022-2023, Legal Services & Corporate Governance will focus on supporting the corporation's overall strategy as it relates to the vision, objectives, and values of the organization and the mandate of the government.

2022-2027 Deliverables

Legal Services & Corporate Governance will provide innovative, efficient and effective services to support the business units and the Commission

Deliverable	Estimated Completion Date	Mandate elements(s)
Enhance safety along the rail corridor by disposing of surplus properties and strengthen the requirements in our leases and licenses for lands adjacent to the right-of-way.	2022-23	Delivering efficient, safe and reliable transportation services in Northern Ontario
Complete the inventory of rail yards, rail right of way and excess lands (by subdivision), followed by an inventory of non-rail lands.	2025-26	Delivering efficient, safe and reliable transportation services in Northern Ontario
Modernize the agency's privacy, records and information management program to support: 1) consistent practices related to the collection, organization, use, accessibility, storage, protection and disposition of agency information assets, and 2)	2022-23	Improving the efficiency and safety of Ontario Northland operations and business lines

support the preservation of corporate memory and organizational history.		
Develop Standard Operating Procedures (SOPs) for realty file creation, land surplus declaration, disposals of surplus property, leasing and licensing, and taxation	2022-23	Improving the efficiency and safety of Ontario Northland operations and business lines
Support the government's plans for mitigating the risk of Ontario Northland owned legacy mining rights lands and contaminated properties.	2022-23	Improving the efficiency and safety of Ontario Northland operations and business lines
Implement the records and information management program throughout the corporation.	2023-24	Improving the efficiency and safety of Ontario Northland operations and business lines
Continue to support the evaluation by the Ministry of Transportation of the return of passenger rail in Northern Ontario.	2022-23	Advancing key transportation initiatives
Support Passenger Services in supporting intercommunity bus connectivity in alignment with government priorities.	2022-23	Advancing key transportation initiatives
Support MTO in advancement of Connecting the North: A Draft Transportation Plan for Northern Ontario.	2026-27	Advancing key transportation initiatives
Support the implementation of the capital asset management plan regarding land and facility assets, in conjunction with the capital asset management plan, collaborate with the Facilities Management Department to modernize building and land records and develop streamlined processes and standard operating procedures, to enhance the effectiveness of the agency's delivery of services and support capital projects.	2023-24	Implement the Capital Management Plan
Integrate the protection of personal information into existing programs, practices, systems, and policies.	2022-23	Enhancing Accountability and Governance
Complete the modernization of the corporate governance of the agency in collaboration with MTO.	2022-23	Enhancing Accountability and Governance
Develop a privacy risk assessment plan to identify and reduce privacy risks and to develop mitigation	2023-24	Enhancing Accountability and Governance

strategies utilizing privacy impact assessments and project level monitoring.		
Expand access to the agency's non-confidential information by creating an inventory of agency records that can be publicly shared and determine a digital web-based solution for publication.	2023-24	Enhancing Accountability and Governance
Create an inventory of intellectual property owned or created by Ontario Northland and a process for managing and protecting the intellectual property rights.	2023-24	Enhancing Accountability and Governance
Adopt a privacy audit tool to measure and evaluate ONTC's privacy program to determine compliance with legislation and maturity.	2024-25	Enhancing Accountability and Governance
Work with MTO on ONTC Act modernization.	2022-23	Enhancing Accountability and Governance
Provide input to Transportation Canada to modernize the rail regulatory regime.	2022-23	Enhancing Accountability and Governance Delivering efficient, safe and reliable transportation services in Northern Ontario

12.0 Marketing and Communications

Ontario Northland is committed to timely, effective, and transparent communications with all stakeholders including communities, customers, the media, employees, stakeholders and the provincial government.

Corporate communications provide a range of services and products that help the agency deliver on its objectives while strengthening relationships and increasing awareness. Communications activities include issues management, media relations, digital content development, advertising, as well as planning events for engagement or promotion.

Our team of communications professionals' work with the Ministry of Transportation and other stakeholders to ensure messaging is accurate and align with government priorities.

In response to the COVID-19 pandemic, Ontario Northland quickly improved its internal communications efforts to inform employees of public health measures. This work will continue this fiscal, with an emphasis on strengthening outreach to non-desk workers.

Priorities for this fiscal include:

- Increased promotion of the agency's revenue generating services (passenger bus and train, parcel shipping, rail freight, and rail repair).
- Rapid response to emerging issues and media requests.

- Redesign of the company's primary communication channel www.ontarionorthland.ca to improve customer experiences and showcase more content.
- Support Remanufacturing and Repair client retention and outreach
- Growth of social media channels with dynamic digital content
- Launch of the company's third-party advertising program.

The revenue potential of placing commercial advertising for third parties on Ontario Northland equipment and assets is exciting. Exterior advertising on motor coach equipment, digital ads on public Wi-Fi networks, printed materials on the passenger train, and in station messages will be available to advertisers. Much interest is expected for the exterior motor coaches advertising spaces as the equipment travels throughout the province which provides broad market exposure. Initial steps in the program include writing of an advertising policy and establishing sales partnerships with media companies.

13.0 Implementation Plan

Ontario Northland is committed to implementing this business plan within its allocation and revenue projections. The agency has set out a number of new initiatives throughout the plan, as well as their associated timelines as presented in Section 4.0 Planned Deliverables FY2021-22 to FY2025-26. Priorities include:

- Designing and implementing an Enterprise Asset Management process and system,
- Continuing to implement the agency's ten-year capital plan to ensure its infrastructure is maintained in a state-of-good repair,
- Multiple projects, enterprise wide to reduce costs and ensure continuous improvement,
- Upgrade vigilance systems in locomotive fleet and bid on third-party railways work, as federal
 - Locomotive Video and Voice Recordings (LVVR) requirements come into effect September 2022,
- Review potential cooperation with other rail roads, particularly Canadian National Railway due to proximity of track and historical achievements, and
- Implementing the new five-year IT strategy.

The agency holds management accountable for their day-to-day operations and specific initiatives through regular management reporting mechanisms. Each initiative is assigned a project manager (PM). The PM works with the business unit to develop a project charter. Each project charter is reviewed and approved by management committee. Once approved, there are monthly project review and update meetings to ensure projects remain on schedule and on budget.

Fiscal year 2022-23 and beyond will be challenging as government responds to the fiscal impact of COVID-19. Ontario Northland will dedicate resources to these deliverables as per Section 6.0 Financial Profile and Section 9.0 Human Resource. Adjustments may be required due to COVID however we are committed to our mandate commitments:

- Delivering efficient, safe and reliable transportation services in Northern Ontario
- Improving the efficiency and safety of ONTC operations and business lines

- Advancing key transportation initiatives
- Implementing the Capital Asset Management Plan
- Enhancing Accountability and Governance

Ontario Northland will work closely with MTO to ensure resources are available before beginning any major project.

Appendix A – Pandemic Response Activity

High Level Summary of Ontario Northland's Pandemic Response Activity

Initiative	Details
Supporting Employees	<ul style="list-style-type: none"> • Made additional personal leave days available to all employees • Ontario Northland COVID-19 Information Site and COVID-19 Response email (covid@ontarionorthland.ca) • Employee FAQ document and frequent communication updates • Care packs distributed in July 2020 • Re-assigned four Full Time Equivalents (FTE) to directly support the Pandemic Response and Pandemic Recovery
Personal Protective Equipment (PPE) / Supply Chain	<ul style="list-style-type: none"> • COVID-19 Supply Chain Support Team working diligently to assess, budget and manage the use of class 91 inventory items such as masks, gloves, coveralls, or face shields • Detailed supply catalogue and weekly stock status reporting readily accessible to Managers/Supervisors
Cleaning	<ul style="list-style-type: none"> • Rigorous infection control and sanitization protocols in place across the organization • Employees required to ensure workplace tools, equipment and frequently touched surfaces (e.g., doorknobs, counters, desks, telephones, keyboards) are cleaned and disinfected after each shift or when transferred to a new employee
Physical Distancing	<ul style="list-style-type: none"> • 26 Standard Operating Procedures (SOPs) developed to support physical distancing, hygiene and cleaning in shared vehicles, locomotive cabs, motor coach loading, etc. • Workspace safety planning and redesign to increase physical separation (e.g., elevators, offices, meeting rooms)
Visual Management	<ul style="list-style-type: none"> • COVID-19 related signage, posters, decals in place throughout the organization
Vaccination Policy	<ul style="list-style-type: none"> • All employees must be fully vaccinated on or before November 19/21 • All contractors must be fully vaccinated by November 19/21 • All visitors must be fully vaccinated by November 19/21 • All job posting will clearly state the requirement for all employees to be fully vaccinate

Reducing # of Employees in the Workplace	<ul style="list-style-type: none"> • Wherever feasible, schedules have been adjusted to reduce social contact, such as: <ul style="list-style-type: none"> ○ Flexible hours ○ Staggering shift start times, lunches and breaks ○ Teleworking arrangements; supporting up to 115 employees remote work • Flexible Work policy under development for pandemic recovery, will include input from Managers via a survey
Passenger/Guest Screening	<ul style="list-style-type: none"> • Implemented Transport Canada directive to screen all passengers before boarding the PBX passenger train and motor coaches • Implemented guest screening protocols at the Cochrane Station Inn according to the COVID-19 Guidelines for the Tourism and Hospitality Sectors provided by Workplace Safety and Prevention Services
Employee Screening	<ul style="list-style-type: none"> • On-site employee standard health screening assessment implemented for On Board Services staff prior to start of shift including contactless temperature checks • Motor Coach and Running Trades employees are provided an At-Home Self-Screening Assessment to be completed prior to every shift
Self-Monitoring	<ul style="list-style-type: none"> • Frequent communications have been released to encourage and facilitate employee self-monitoring
Employee Training	<ul style="list-style-type: none"> • Ontario Northland employees required to acknowledge having taken the mandatory e-learn training module: Coronavirus and COVID-19 Prevention and Management
Audit	<ul style="list-style-type: none"> • Roll-out of Observations module in the safety software and associated Monitoring and Controlling Procedure relevant to infection reduction and control procedures
PBX and James Bay Coastal communities	<ul style="list-style-type: none"> • Weekly calls with community leaders, including the Town of Moosonee, Mushkegowuk First Nations Chiefs, and Moose Cree/Mocreebec health directors, WAHA (Weeneebayko Area Hospital) CEO