



An Agency of the Government of Ontario

Ontario Northland Transportation Commission
Business Plan 2023-2024

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Land Acknowledgement

We would like to acknowledge the importance of the land which Ontario Northland Transportation Commission (ONTC or Ontario Northland) operates on. We do this to reaffirm our commitment and responsibility in improving relationships between Ontario Northland and Indigenous peoples and communities to improve our understanding of local Indigenous peoples and their cultures. We are dedicated to honouring the treaties and other commitments that have been made by moving towards reconciliation and collaboration.

Message from the Chief Executive Officer

As we look ahead to the coming business cycle, Ontario Northland remains focused on achieving operational excellence in the delivery of efficient, safe and reliable transportation services. Our targeted approach to safety and innovation means customers, employees and communities can maintain their confidence in us as a trusted, future-oriented transportation provider.

We look forward to advancing key transportation initiatives such as the reinstatement of Northeastern passenger rail and we will continue to enhance our short line rail freight services to support economic growth and opportunity.

As a Northern agency, we understand the unique needs of Northern and rural Ontario. We will continue to seek out ways to create and enhance partnerships that seamlessly connect to major centres, service providers, healthcare facilities, and post-secondary institutions. We recognize that an integrated transportation network enhances quality of life for northerners, and we are committed to providing solutions that are inclusive, accessible and customer focused.

Our commitment to continuous improvement will move us forward in implementing our Capital Asset Management Plan and identifying new ways to achieve excellence in governance and accountability. We will continue to leverage our railway experience to repair, remanufacture and strengthen transportation equipment for our agency and for our customers.

As we carry out our vision for the coming business cycle, we look forward to working with the government, industry partners and our valued customers to deliver on the transportation needs of Northern Ontario.



Chad Evans

Chief Executive Officer

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. During the 2022-2023 business cycle we took time to reflect on our past and set a path forward to support the direction set out by the Minister of Transportation. The 2023-24 business plan sets out a path for Ontario Northland to continue building on its foundation to enhance stability, connectivity, and prosperity in the North and in Ontario.

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. We remain a strong component of the supply chain. 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 2023-24 business cycle, Rail Services will leverage the existing capacity on all major rail corridors and continue to seek opportunities to expand their customer base through marketing and expansion of the trans-load facilities across the network and work with Class 1 Railways to improve the efficiency and access to rail freight transportation across North America. Motor Coach Services will focus on developing the transportation network throughout the north to align services with government direction, demand and connecting rural communities to major centers (Toronto, Ottawa, and Winnipeg). In addition, Ontario Northland will continue exploring partnerships across the sector to improve the connectivity of parcel delivery and passenger transportation.

The Polar Bear Express continues to provide vital transportation to medical and education services for First Nation communities along the James Bay coast, as well as support the region's focus on tourism growth. Throughout this business cycle Ontario Northland will continue to look for opportunities with James Bay coast communities to enhance and improve this service.

The Remanufacturing and Repair Centre (RRC) will continue to seek opportunities to attract rail coach remanufacturing, freight car repair, and locomotive overhaul work. RRC provides a specialized service to support other railways and their movement of goods and people.

For 2023-24, 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. The Realty Group will continue reviewing the inventory of ONTC's realty assets, primarily based on operational requirements

Looking forward, Ontario Northland will continue to concentrate on containing/reducing costs while improving customer service, and operating 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) in the advancement of Connecting the North: A draft

Transportation Plan for Northern Ontario, begin to deliver key initiatives, as outlined below, over the course of this business cycle, and provide vital transportation services for 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 reports to the Legislature through the Minister of Transportation. The agency is a vital partner in ensuring 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 enhance 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 and recovery from 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 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 FY2023-2024 Business Plan will outline how 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 Vision and Values

Our Vision

The world needs what Northern Ontario has to offer and Ontario Northland will be the modern, future-ready transportation system to deliver it. We're improving connectivity between Northern Ontario and other parts of the province to support economic development, job creation and community sustainability.

As an agency we will work with municipal stakeholders, Indigenous communities and partners at the Ministry of Transportation. We will align priorities, focus on fulfilling our commitments, and be a trusted partner to deliver high quality services.

Our Values

Ontario Northland conducted an employee engagement survey called the ON VOICE in 2022 as part of an effort to refresh its organization values. The new organization values are:

Safety. Full Stop.

Safety is core to everything we do. We do not settle for less, for our people or our customers-.

Go Beyond

We take pride in serving our customers and communities. We seize every opportunity to exceed their expectations and to challenge the status quo, to meet their evolving needs.

Never Stop Caring

We care about each other, our customers, the work we do, and how we do it. We create a respectful environment where we can be ourselves, feel valued, and perform at our best.

Focus on the Path Ahead

We grow and innovate with intention. We align with government and ministry priorities and fulfil our commitments.

Lead the Way

We can all be leaders. We take responsibility, trust each other to do the right thing, and speak up to make things better.

1.2 Overview and Key 2023-24 Priorities

Ontario Northland motor coach services operate across Northern Ontario typically traveling over 4.9 million kilometres annually. Rail services provides safe transport of goods for nine (9) major and multiple smaller clients, and remanufacturing and repair services delivers high quality repair and rehabilitation services for five (5) major rail companies along with servicing its own fleet. 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

- Identifying and pursuing opportunities for revenue generation through partnerships, where appropriate.
- Identifying efficiencies and savings through innovative practices, and/or improved program sustainability.
- Operating within the agency's financial allocations.
- Complying with applicable direction related to supply chain centralization, including contract harmonization for planned and pending procurements, accounting practices and realty interim measures for agency office space.

- Leveraging and meeting benchmarked outcomes for compensation strategies and directives.

2. Transparency and Accountability

- Abiding by applicable government directives and policies and ensuring transparency and accountability in reporting.
- Adhering to accounting standards and practices, and responding to audit findings, where applicable.

3. Risk Management

- Developing and implementing an effective process for the identification, assessment, and mitigation of agency risks, including COVID-19 impacts, environmental hazards, climate change impacts and any future emergency risks.

4. Workforce Management

- Optimizing our organizational capacity to support the best possible public service delivery, including redeploying resources to priority areas, where needed.
- Continuing to support government wide initiatives, as applicable.

5. Diversity and Inclusion

- Developing and encouraging diversity and inclusion initiatives by promoting an equitable, inclusive, accessible, anti-racist and diverse workplace.
- Adopting an inclusive engagement process to ensure all voices are heard to inform policies and decision-making.

6. Data Collection

- Improving how the agency uses data in decision making, information sharing and reporting, to inform outcome based reporting and improve service delivery.
- Increasing data sharing with Supply Ontario when applicable regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making.

7. Digital Delivery and Customer Service

- Exploring and implementing digitization for online service delivery to ensure customer service standards are met.
- Using a variety of approaches or tools to ensure service delivery in all situations, including pursuing delivery methods that have evolved since COVID-19.

1.3 Support for Northern Transportation Planning

Ontario Northland has been providing vital transportation services for over 120 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 in supporting the ministry in the advancement of Connecting the North: A draft Transportation Plan for Northern Ontario. 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-modal freight and passenger transportation services.

1.4 Agency Response to Annual Letter of Direction

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 2023-24 Annual Letter of Direction, formerly known as Mandate Letter, outlines the following expectations for the agency:

1. **Operational Excellence in the Delivery of Efficient, Safe and Reliable Transportation Services in Northern Ontario**

- Continuing to strive for the highest standards of reliable services for passengers.
- Continuing to work with the ministry to provide essential transportation options for the movement of goods.
- Ensuring that safe operations, for customers and communities, remain the highest priority, through the implementation of best practices, continuous improvement processes and compliance with applicable health and safety regulations, including applicable environmental safety regulations. This includes providing the ministry with regular updates on health and safety initiatives.
- Improving recruiting initiatives and programs to attract, develop and retain talent through effective staffing and succession management strategies that build a strong, diverse and inclusive workforce.
- Further implementing strategies and initiatives to foster an efficient high performing workforce while supporting staff health, safety and wellness to foster a positive corporate culture and work environment.
- Continuing to work with the provincial government to establish partnerships between the ONTC and the private sector for intercommunity bus service delivery, as a way to enhance access to and coordination of intercommunity bus service, including for Indigenous communities.
- Working with the ministry to develop a multi-year agency operational plan.
- Developing long-term operational planning for motor coach fleet management, including an assessment of the existing fleet to identify gaps and opportunities for cost effectiveness, reducing emissions, enhancing efficiency and to support the ministry with evidence-informed planning and decision making.
- Taking into account the safety of Indigenous women, girls, 2SLGBTQQIA+ people (particularly those living in rural, remote, and northern communities) and other marginalized groups in 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. This includes engagement with Indigenous communities and anti-human trafficking organizations.

- Taking into account needs of vulnerable and underserved populations, including women, 2SLGBTQQIA+ people, racialized people, Indigenous communities and people with disabilities in the delivery of safe, equitable and accessible transportation services. This includes engagement with these populations to best serve their needs.
- Collaborating with the ministry to consider innovative solutions and partnership opportunities to pilot emerging transportation technologies to enhance people and goods transportation services in northern and rural communities, including Indigenous communities.
- Continuing to work with the ministry to support the ongoing review of provincial rail safety, including, as necessary, the planning and implementation of changes to strengthen rail safety and oversight across the province.
- Reporting to the Transportation Safety Board of Canada (TSB), as soon as possible, all rail safety occurrences in accordance with the procedure set out by the TSB and notifying the Ministry as soon as possible when a report is made.
- Working with MTO to develop criteria and a framework for when the agency would provide charter services, with intent to support activities with a clear public good, and/or where the private sector is unable to deliver.
- Proposing ways to adapt to future environmental conditions to ensure transportation options are sustainable and resilient to a changing climate.
- Considering the impacts of inflation on delivery of current projects, contract management and future project costing as part of the agency's risk management processes.

2. Excellence in Governance and Accountability

- Working closely with the ministry to assess, develop and implement initiatives that would continue to modernize the agency and its enabling legislation.
- Continuing to work with the ministry to implement and adhere to previous Act amendments.
- Continuing 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 in program effectiveness, operating efficiency, data sharing and reporting, safety and customer experience, including service reliability.
- Ensuring that the agency adheres to all approval and review processes, as well as frameworks established between the agency and the ministry to ensure early collaboration, timely submissions and alignment with established priorities.
- Providing regular updates and report backs on progress in implementing the direction as set out in this Annual Letter of Direction and in other Letters of Direction, key initiatives and projects, with accompanying performance measurement and evaluation as applicable.
- Continuing to inform the ministry about any planned or current agency-initiated reviews.
- Continuing to implement a skills-based governance model to enhance agency governance, accountability, oversight and effective decision-making. This includes regularly assessing the Board of Directors to identify skills, knowledge and experience gaps and opportunities, regularly updating the board's skills matrix and conducting succession planning to ensure continuity of operations.
- Submitting the Board's skills matrix and succession plan to the ministry for review on an annual basis or as requested.

- Continuing to conduct periodic reviews of the informational needs, as well as decision-making approaches, of the board and senior management and to report to the ministry on outcomes of these reviews.
- Working with the ministry to update the communications protocol between the ministry and agency, as required, to support collaboration, clarify roles and expectations and ensure compliance on public communications opportunities, including community and stakeholder engagement.
- Continuing to assess and develop consistent approaches to third-party engagement, including categorization, relationship management and risk management strategies, to support continuous improvement efforts, and share results with the ministry.

3. Advancement of Key Transportation Initiatives

- Continuing to advance the Northeastern Passenger Rail service between Toronto and Timmins, with a rail connection to Cochrane; establishing an implementation plan to deliver the service; and releasing updated planning and analysis, with a target in-service date in the mid-2020s.
- Working to fulfill the Duty to Consult with Indigenous communities when ONTC initiatives have the potential to adversely impact Aboriginal and treaty rights.
- Supporting the ministry in the advancement of *Connecting the North: A Draft Transportation Plan for Northern Ontario*.

4. Implementation of the Capital Asset Management Plan

- Continuing implementation of the capital asset management plan and asset management data reporting 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.
- Developing 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.
- Maintaining ongoing improvements and investments in equipment and facilities; motor coaches and rolling stock; and bridges, culverts and track infrastructure.

This business plan provides details on how Ontario Northland will fulfill the expectations outlined in its Annual Letter of Direction. The agency will support economic recovery through the safe and efficient provision of freight and passenger services to Northern Ontario.

2.0 Business Context for 2023-24

2.1 Pandemic Recovery

During the pandemic, Ontario Northland strengthened trust with passengers and stakeholders. The organization was quick to put in safety and preventative measures, and frequently communicated with employees, passengers, public health and community leaders.

Ontario Northland's motor coach and passenger train ridership recovered to near pre-pandemic levels by Q3 of 2022-23. As we move forward, we will 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 centres 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 Métis 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 120-year history in Northern Ontario, Ontario Northland is uniquely positioned to provide valuable transportation solutions and services to government, Indigenous and municipal communities, businesses, industry, seniors, students, travelers and other stakeholders and partners. The agency participated in the development and will support the advancement of Connecting the North: A Draft Transportation Plan for Northern Ontario.

The transportation industry continues to undergo 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
New and emerging technology	E/I	Current organizational hardware and software is very outdated. This leads to duplication of effort, inconsistent reporting, inaccurate data and staff frustration. We have launched a five-year IT Roadmap for the agency. Several projects are underway including; Enterprise Asset Management (EAM) and Enterprise Resource Planning (ERP) management.
Change Fatigue	I	Change fatigue is a risk for the organization. There has been a significant degree of change through transformation and now modernization. The many changes in business practices initiated to respond to COVID-19 also placed significant stress on the organization. The organization has implemented a Organizational Change Management department to help plan and communicate upcoming changes.
Social Media	E	Customers and stakeholders of Ontario Northland utilize social media to plan, communicate and evaluate services. Through social media channels, Ontario Northland will measure and tactfully respond to new and emerging news, trends, communications

		and comments. Proactively, Ontario Northland currently utilizes Facebook, Twitter, Instagram and LinkedIn as part of its social media reach, with followers continuing to grow in numbers each year.
Workforce Demographics	I	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 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) continued discussions 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: 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.
Inflationary pressures on capital programs	E	Over the past few years Ontario Northland has experienced unprecedented volatility in various markets and industries along with higher than expected inflation rates and additional increases forecasted in inflation rates throughout the course of the business plan. Ontario Northland is seeing large inflationary increases in all areas of operations from consumables in the warehouses, personal protective equipment, petroleum products, track materials, original equipment manufacturer materials, infrastructure projects, building maintenance & repairs, vehicles, and other expenses and tangible assets. Due to the nature of our large infrastructure projects inflation has a material impact, which is out of our control when requiring state of good repairs upgrades on our assets. Ontario Northland continues to negotiate with vendors and employ additional approaches to help offset these inflationary pressures.

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 potential synergies between Metrolinx and Ontario Northland that will continue to be explored in order to attain a seamless transportation network across Ontario, as well as 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:

- Job creation, the tax base and GDP, while 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 for continued partnerships are highlighted below.

Refurbishment of rail assets:

The Government of Ontario's procurement directive allows agencies to procure goods and services directly from one another. Ontario Northland is currently working with Metrolinx on a rail cab and coach refurbishment project. This was initially a project to strip, remanufacture and repaint 15 bi-level coaches, and has included some change orders to scope. Modifications such as additional electrical and duct work as well as widening the control cabs have extended timeframes. In 2022-2023 Ontario Northland began its next Coach refurbishment program with Metrolinx, a 56-coach refurbishment program that includes Side Sill replacements, HVAC upgrades, and renewal of many interior components (as opposed to reconditioning).

Seamless motor coach transportation:

ONTC continues to work with 3rd party carriers to discuss connection and ticketing possibilities to connect more Ontarians across the province. Metrolinx and Ontario Northland continue their partnership to improve connectivity between Northern and Southern Ontario.

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. Ontario Northland worked with Metrolinx to develop a seamless ticketing experience for passengers using the connecting service, where passengers can purchase a ticket within the Ontario Northland ticket system directly onto GO route 40.

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

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

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:
 - Conectado: Enterprise Asset Management program
 - Infor-Hexagon: EAM and ERP software provider and some professional services
 - Intellex: Health & Safety incident management software upgrades and process design
- Capital Support:
 - Platinum Track Services Inc.: capital programs track infrastructure

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

We continue to establish 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 has worked with PenguinPickUp to distribute parcels in the Toronto area.

Ontario Northland is working with Canadian National Railway (CN) for interchange improvements at Rouyn Noranda.

National Research Council (NRC) of Canada

Ontario Northland has a joint initiative underway with the NRC related to Transport Canada's **Rail Climate Change Adaptation Program**. This initiative is titled, *Integrating satellite and instrumented hi-rail truck data into current, railway water inspection procedures to improve its effectiveness amidst changing climate conditions*. The project will use satellite imagery and hi-rail inspection results to finalize/fine tune an algorithm designed to evaluate, predict and alert railways of increasing water levels along railway right-of-ways.

Ontario Northland Brakes for Greener Rail Future

Ontario Northland will be working with Queen's University, exploring the benefits to energy efficiency that regenerative braking technology can provide the rail transportation industry.

Although in the preliminary stages of research, the concept has been around for quite some time. Regenerative brakes are already being used in other industries such as hybrid electric vehicles; but this research seeks to develop a new application for the technology. This technology will be used to capture kinetic energy typically lost when locomotives brake which can then be stored and used elsewhere.

The location of Ontario Northland is an excellent place to undertake this research because its northerly climate of the rail line could lead to additional research opportunities. Ontario Northland routes will give researchers a wide variety of climates to test the technology, making the research practical for our locomotives and others in the industry.

Canadore Audio Visual Virtual Reality partnership

Canadore College has a proven track record with innovative applied research specifically designed to meet the needs of industry. The Innovation Centre for Advanced Manufacturing and Prototyping (ICAMP) is a not-for-profit innovations centre operated by Canadore College. Its mission is to promote the growth and success of Canadian industry by providing direct and cost-effective access to the latest in advanced manufacturing technology, expertise and practices. ICAMP, is the ideal partner to explore new technologies to enhance our internal training programs.

During this business cycle a project team from both organizations will be producing immersive virtual reality experiences for training. The objective is to produce a module where new employees can put on Virtual Reality headsets and navigate a work challenge. This risk-free environment allows trainees to gain confidence and allows Ontario Northland to meet Transport Canada requirements for simulation training.

This project is partially funded by FedNor.

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 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 securing new customers increasing revenue from trans-load customers, containing costs, improving service and processes, and maintaining safe operations.

Rail Services has ensured goods kept moving across the country, being an essential part of the supply chain and will play an important role in supporting economic recovery post-pandemic.

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 region.

Looking Forward

Rail freight provides shipping options that help to support economic development, 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 by:

- 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 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 centers.

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.

Much of the divisions focus in FY2023-24 will be to continue to stabilize the division and its workforce, pursue opportunities for more freight business, 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

Current State

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 typical year, over 54,000 passenger trips are completed, over 299 kilometers each way, with the trip taking five hours in each direction. Onboard the passenger train, daily food specials and other sundry items typically generate important annual revenue. Ontario Northland endeavors to maintain this revenue generation as ridership returns to pre-pandemic numbers and exceed it in future years.

The Cochrane Station Inn is a 23-room hotel, conveniently located above the Ontario Northland Cochrane Train and Bus Station. The Station Inn provides an overnight resting place for passengers travelling on the Polar Bear Express. The hotel typically generates over \$450,000 in revenues and accommodates over 4,200 bookings annually.

The Ontario Northland bus network operates over 4.9 million kilometers per year, equivalent to 122 trips around the globe. Buses transport nearly 310,000 passengers and over 140,000² parcels per year. 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 other various 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.

Looking forward

² In FY21, the system to count parcels changed, whereas prior to FY21, parcels were manually counted on each leg of a trip (some journeys could include 3 different 'trips'). The parcel counts are now captured electronically through a new parcel 'point of sale' program which counts a parcel only 1 time, regardless of connecting trips required to reach a final destination. This will reduce the parcel count.

The agency is poised for continued integration with other carriers to align with passenger demand and provincial direction. 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 the 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 finding connections with other intercommunity carriers. Ontario Northland has engaged with VIA Rail to work towards connecting its motor coach services to the VIA Rail train schedules out of both Ottawa and Winnipeg, to look for opportunities to connect passengers to other parts of Canada that is served by VIA Rail. There are new intercommunity motor coach entrants along Highway 401, and Ontario Northland is continuing conversations to find synergies to align schedules where possible.

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 and LED lighting. Solar energy would provide on-demand plug-in power to Ontario Northland's buses during cold weather and would generate electricity to offset a portion of the neighbouring bus garage's annual electricity consumption.

Ontario Northland will continue discussions with the Moose River Heritage and Hospitality Association (MRHHA) and the community of Moose Factory on how the agency may participate in the 350th anniversary of the community in 2023. While Passenger Services provides service to many First Nations communities, the program regularly holds discussions with the leaders of James Bay coastal communities on how to improve services. Since 2018, Ontario Northland has broadened bus services in 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. This will continue as we engage with First Nations communities in Northwestern Ontario.

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, which is an Anti-Human Trafficking training program affiliated with Truckers against Trafficking. During this business cycle, Ontario Northland will continue to provide training in BOTL to motor Coach operators and ticket agents, and work with the MTO to make Ontario's transportation and transit infrastructure safer, particularly from a gender and anti-human trafficking perspective.

Ontario Northland will continue to leverage its Accessibility Advisory Committee to provide an open forum for community members who are customers of Ontario Northland and live within the geographical region we cover, to collaborate to find ways to remove limitations on travelling with our services. For example, there are vulnerable passengers who 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.

Northeastern Passenger Rail

Ontario Northland continues to work on a detailed implementation plan for Northeastern Passenger Rail with a targeted in-service date of the mid-2020's. The shift from business case to implementation planning during FY2022-23 marked a significant milestone in the restoration of Northeastern Ontario passenger rail service. Work stream and staffing planning at ONTC is underway to begin the implementation activities.

Fleet

In Fall 2022, the ONTC entered into an agreement with Siemens Mobility Limited for the purchase of three new Venture trainsets for the service. This purchase represents a significant milestone towards implementation.

Stations

Ontario Northland will continue to work with communities and organizations along the route to secure agreements on appropriate station stops as design progresses.

Environmental Assessment and Indigenous Consultation

The requirements for environmental assessment and Indigenous consultation are currently under assessment, and will be further developed during the detailed design phase.

3.3 Mechanical and Remanufacturing

Ontario Northland operates a Remanufacturing and Repair (RRC) 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 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

Current State

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

Current State

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 and Engagement. 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, Ontario Northland will assess its own KPIs year-over-year (or month-over-month) to monitor trends. This year-over-year comparison allows Ontario Northland to track its continuous improvement progress and make the necessary adjustments to ensure program improvement. 2023-2024 includes more focus and resources planned for deeper data gathering and analysis in order to provide performance measurement information, eventually into a dashboard format, for operations, executives and stakeholder decision making and reporting.

4.0 Planned Deliverables FY2023-24 to FY2027-28

Each division of Ontario Northland will be guided by the key elements of the agency's annual letter of direction in order to achieve the goals highlighted within this plan including:

- Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
- Advancement of Key Transportation Initiatives
- Implementing the Capital Asset Management Plan
- Excellence in Governance and Accountability; and
- Government-Wide Initiatives

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	Annual Letter of Direction Elements
Continue to reduce management travel expenses by utilizing web-based technology for meetings and employ other cost-saving strategies.	On-going	Competitiveness, Sustainability and Expenditure Management
Continue to work with Metrolinx to find schedule efficiencies and make seamless ticket purchases available between Ontario Northland and Metrolinx.	Summer 2023	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Continue to work with industry partners to develop a seamless cross-country intercommunity transportation network.	On-going	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Continue to conduct reviews of passenger ridership and find schedule efficiencies based on demand.	On-going	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
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	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Continue to use data from reservation and ticket management solution to inform decision making using a repeatable, defensible methodology.	On-going	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario Data Collection
Initiate work with MTO to develop criteria and a framework for when the agency would provide charter services, with intent to support activities with a clear public good, and/or where the private sector is unable to deliver.	Winter 2024	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Continue to provide front line employee training in line with MTO's Anti-Human	Winter 2023	Operational Excellence in the delivery of Efficient, Safe,

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 vulnerable populations that do not have access to online ticketing, safe locations to wait for a bus, etc.		Reliable Transportation Services in Northern Ontario
Continue to use software (Intalex) for all incidents/collisions to understand trends, reduce Workplace Safety and Insurance Board claims and collaborate with employees on re-training opportunities.	On-going	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario Data Collection
Continue to advance the Northeastern Passenger Rail service between Toronto and Timmins, with rail connection to Cochrane; establishing an implementation plan to deliver the service; releasing updated planning and analysis, with a target in-service date in the mid-2020s.	On-going	Advancement of Key Transportation Initiatives
Attend Indigenous and other community events throughout the network to seek feedback from communities and advertise services available.	On-going	Excellence in Governance and Accountability Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Enhance bus parcel express by creating print at home waybills.	2023-23	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario

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	Annual Letter of Direction Elements
Continue to identify cost-saving measures to offset expense pressures resulting from COVID-19 safety measures	On-going	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Digital Delivery and Customer Service

Continue to participate on a First Nation's Special Task Force to reduce the flow of illegal substances into northern communities.	On-going	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Continue to attend Indigenous and other community events throughout the network to seek feedback and advertise services available.	On-going	Excellence in Governance and Accountability Diversity and Inclusion
Continue to 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 the movement of goods in Northern Ontario

Deliverable	Estimated Completion Date	Annual Letter of Direction Elements
Manage train schedule to fit changing demands. Freight service has responded well since COVID-19 caused declines.	Ongoing	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Maintain proactive health measures for hygiene, cleanliness and awareness for overall health and safety of passengers, employees and communities.	Ongoing	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario Digital Delivery and Customer Service
Continue to upgrade Ontario Northland's grade crossing protection systems. By end of Dec 2022, 21 crossings were completed, and we continue planning for five crossings with flashers and bells to be upgraded each financial year. We	October 2024 for all crossings	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario

have a total of 72 crossings with flashers and bells on the system.		
Continue to conduct quarterly review of existing service to ensure our design meets customer commitments and trip plans.	Ongoing each Quarter	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Continue to conduct meetings with existing customers to understand their changing business lines and create an opportunity for additional rail services based on volumes, cycle times and pricing. Pursue opportunities with proposed new ventures in the north.	Ongoing	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Continue to examine all sources of revenue for rail car owners, such as switching, haulage, line haul, storage (both long and short term).	Ongoing	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Identify new opportunities for the Remanufacturing and Repair Centre from the mining and trucking industries.	Ongoing	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
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	Excellence in Governance and Accountability Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Continue to hold bi-annual union-management meetings with all unions.	Ongoing	Excellence in Governance and Accountability Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Continue to facilitate annual meetings with Mayors and Economic Development Officers in the major northern communities that Ontario Northland serves and bi-annual meetings in Moosonee.	Ongoing	Excellence in Governance and Accountability Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario

4.4 Corporate Services

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

Deliverable	Estimated Completion Date	Annual Letter of Direction Elements
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	Operational Excellence in the Delivery of Efficient, Safe and Reliable Transportation Services in Northern Ontario
Continue to 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.	On-going	Operational Excellence in the Delivery of Efficient, Safe and Reliable Transportation Services in Northern Ontario
Maintain major energy audit program, informed by the 2021 buildings condition assessment, and build an action plan to reduce energy expenses.	On-going	Operational Excellence in the Delivery of Efficient, Safe and Reliable Transportation Services in Northern Ontario
Continue to 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	Operational Excellence in the Delivery of Efficient, Safe and Reliable Transportation Services in Northern Ontario
Continue ongoing promotion of Safety Culture through Work Safe campaign activities and quarterly Health and Safety Awards.	On-going	Operational Excellence in the Delivery of Efficient, Safe and Reliable Transportation Services in Northern Ontario
Warehouse redesign in all locations to ensure safety is prioritized.	2023-24	Operational Excellence in the Delivery of 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.	Completion Q4-2023 Phase 2 - 2024	Operational Excellence in the Delivery of Efficient, Safe and Reliable Transportation Services in Northern Ontario
Continue to support the ONTC Sustainability Committee and work with the incoming Sustainability Coordinator to evaluate existing policies/practices, establish priorities, and set goals/	On-going	Operational Excellence in the Delivery of Efficient, Safe and Reliable Transportation Services in Northern Ontario

objectives for continuous improvement. Continue to help promote, communicate and report on ONTC environmentally-friendly projects and initiatives to critical stakeholders.		
Establish Configuration Management processes to effectively manage IT assets.	Q4 FY2023-24	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
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	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Continue to ensure any surplus buildings or land are sold or leased to maximize revenue potential from land and buildings portfolio.	On-going	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Maintain an acceptable state of good repair of assets and forward plan through a Capital Asset Management Program.	On-going	Implement the Capital Management Plan Excellence in Governance and Accountability
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. 	2023-24 to 2026-27	Excellence in Governance and Accountability
Continue to implement upgrades to Enterprise Resource Planning (ERP) software, including introducing a Centre	2023-24 to 2026-27	Excellence in Governance and Accountability

of Excellence for Organizational Change Management, upgrades to Intalex and process transformations for finance and human resources processes including optimization of budgeting and reporting software.		
Audit Staff Portal (SharePoint) content for accuracy and relevance. Establish a governance model and plan to ensure sustainability of content.	2026-27	Excellence in Governance and Accountability
Review options for inventory stocking agreements with vendors.	2023-24	Excellence in Governance and Accountability Competitiveness, Sustainability and Expenditure Management
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	Excellence in Governance and Accountability
Establish work program to assess and make appropriate recommendations to improve organization's governance processes.	2023-24	Excellence in Governance and Accountability
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.	2023-24	Excellence in Governance and Accountability Workforce Management
Re-engagement in in-person recruitment events, with a continued focus on recruitment initiatives in Northern Ontario, while expanding to select events hosted in southern Ontario with a focus on targeting skilled professionals to ONTC and Northern Ontario.	On-going	Workforce Management Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Continue with the Marketing/HR campaign 'The Company You Keep', launched in FY22/23 to support the attraction of qualified employees.	On-going	Workforce Management Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario

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 	2023-24 to 2026-27	Excellence in Governance and Accountability Competitiveness, Sustainability and Expenditure Management
Introduce Customer Relationship Management (CRM) for various divisions and departments to support enhanced customer service.	Q4 2023-24	Excellence in Governance and Accountability Digital Delivery and Customer Service
Continue to participate in community, regional and industry engagement opportunities, including with Indigenous communities to share knowledge.	On-going	Excellence in Governance and Accountability
Continue to collaborate with ticket agencies on a regular basis to build relationships and improve communication.	On-going	Excellence in Governance and Accountability
Collaborate with MTO to develop a performance measurement framework including KPI's for each operation area.	On-going	Excellence in Governance and Accountability
Establish a team to be able to lead performance measurement at ONTC to inform outcome-based reporting.	2023-24	Excellence in Governance and Accountability
Create a Reconciliation Action Plan and Indigenous related policies; embed these into other organization policies.	2023-24	Diversity and Inclusion

5.0 Key Corporate Projects

5.1 Environment and Sustainability

By its very nature, Ontario Northland contributes to the sustainability of Ontario by providing rail freight services and mass intercommunity transportation services throughout the beautiful northern reaches of the province. As part of Ontario Northland’s commitment to continuous improvement and delivering on its mandate for environment and sustainability, the agency has taken meaningful steps to grow its environmental team and expand management responsibilities. Through this effort, Ontario Northland will continue to maintain strong environmental investment and oversight with respect to its projects, facilities and operations. This includes: ensuring adherence to all environmental laws and regulations; promoting safety,

environmental due diligence and sound management of legacy properties/issues; modernizing the collection, storage, QA/QC, statistical analysis and presentation of data; engaging, working, and communicating with critical stakeholders; promoting innovation; and evaluating, planning and implementing corporate sustainability projects and initiatives.

Ontario Northland's aims to align its sustainability with the MTO's *Statement of Environmental Values* (link: <https://ero.ontario.ca/page/sevs/statement-environmental-values-ministry-transportation>). This includes broad support and commitments related to :

- The Natural Environment
- Environmental Concerns in Decision-Making
- Integrated Transportation Planning
- Research and Development
- Education and Promotion
- Public Engagement
- Consideration of Indigenous Peoples' Rights and Interests
- Climate Change Adaptation and Resilience; and
- Greening of Internal Operations and Energy Conservation

During 2022, Ontario Northland completed a useful brain-storming exercise to help further explore potential Environmental, Social and Governance (ESG) considerations relevant to the organization. The result of this work was the development of a general framework of main organizational priorities to be considered during project and policy planning/implementation. In summary, environmental priorities are related to climate change resilience and adaptation, reducing greenhouse gas (GHG) emissions, facilities (energy and waste) management, and responsible procurement practices. Social priorities are related to access, diversity/equity/inclusion, as well as community, indigenous and employee engagement (in alignment with Ontario Northland's *People Plan*). The addition of an Indigenous Relations Advisor will further support the achievement of Indigenous engagement. Governance priorities are related to safety, information management, corporate governance and financial accountability, with the majority of the proposed initiatives underway.

In supporting Ontario Northland's *Sustainability Program*, an internal *Sustainability Committee* was formed during 2021 comprised of Ontario Northland staff from all major functional groups, including "boots on the ground" employees/managers in addition to leaders from the Executive level. The Sustainability Committee seeks to meet quarterly to brainstorm new ideas and initiatives, provide progress updates on projects and help guide Ontario Northland sustainability direction/policies as part of overall continuous improvement. In further building on this commitment, Ontario Northland will add to its ranks a full-time Sustainability Coordinator position in FY 2023-24. This individual will be influential in advancing Ontario Northland's Sustainability Program, including providing a dedicated, internal resource to: evaluate existing practices; determine priorities and set goals/objectives; develop and implement projects and initiatives; track progress and monitor for success; as well as communicate and report on sustainability successes.

By the end of FY 2024, Ontario Northland has a goal to draft its first annual Sustainability Report to communicate on its sustainability priorities, vision, projects/initiatives, goals and progress to date.

Overall, through innovation and employee engagement, the Sustainability Program will generate and drive forward ideas for enterprise wide environmental improvement resulting in increased operational efficiencies, cost savings, improved employee retention, attraction and morale, as well as enhanced public image and customer satisfaction. Some examples of completed, current/ongoing, and upcoming/planned Ontario Northland sustainability projects include:

- **Scrap railway tie collection and disposal / re-use** (*ongoing*)
Collection of scrap ties along the rail right of way for proper disposal, including re-use in the energy co-generation process of production mills.
- **Scrap steel collection and recycling program**
Over many years, scrap steel (e.g., rail sections, spikes, tie plates, anchors, joint bars, etc.) tends to accumulate along the rail right of way and in yards. These items have value and can be sold to scrap metal recycling dealers or mills for re-rolling. Ontario Northland continues to generate considerable, re-couped revenue through this ongoing collection program.
- **Building LED-lighting upgrades** (*completed*)
Upgrades system wide (e.g., North Bay, Sudbury, Cochrane, Englehart, Moosonee), switching out old fixtures and bulbs for new, energy efficient LEDs. Offers significant benefits to the people, planet and Ontario Northland's bottom line.
- **Facility business signage upgrades** (*completed*)
Signage upgrades at North Bay and Cochrane facilities, installing energy-efficient lighting fixtures and bulbs, modernizing and improving the quality/attractiveness of corporate branding.
- **North Bay office building HVAC and building automation** (*completed*)
Updating head office building heating, ventilation and air conditioning (HVAC) systems with new, high-efficiency models/design. Improved building automation including new air quality "NANO Tech" to kill airborne viruses.
- **North Bay new bus shelter solar photovoltaic (PV) roof** (*upcoming*)
The canopies will provide shade coverage and help buses quickly cool down during the summer season allowing more efficient operations and reducing fuel costs. The solar PV system will power all forms of electricity used in the new shelter (i.e. power receptacles, LED lighting). The excess power will be returned to the main building to reduce the bus garage's electrical load, saving energy and costs.
- **North Bay Shops Industrial Conservation Initiative** (*ongoing*)
Ontario Northland continues to enroll in the Government of Ontario Industrial Conservation Initiative (ICI) which is a demand response program used to conserve electricity and save on costs by allowing Ontario Northland to manage its global adjustment costs through reducing demand during peak periods.
- **Paint and Car Shops trial PPE recycling program** (*ongoing*)
Collaboration with TerraCycle recycling company (Toronto, ON). "Zero Waste" boxes placed in shops and used for disposal of PPE (e.g., masks, ear plugs, safety glasses, gloves, etc.). PPE waste is taken away and broken down to effectively recover recyclable content. Employee tailgate meetings held to train and communicate on use.
- **Rail regenerative braking research project** (*ongoing*)
Regenerative freight car energy harvesting research project with support from Queen's University through Ontario Centre of Innovation (OCI). Concept: a freight train carries a

huge amount of kinetic energy while in motion. Anytime the brakes are applied that energy is lost. This research project aims to examine how this energy may be captured with a regenerative braking system.

- **Electric and hybrid fleet vehicle pilot** (*ongoing*)
Exploring the feasibility and use of electric/hybrid fleet vehicles as part of the transition from traditional carbon-based fuels. Hybrid vehicle currently purchased in Cochrane, with hopes that test pilot program may be expanded in near future (e.g., installing electric charging stations, trialing fleet trucks, buses, equipment, etc.).
- **Sustainability Audits** (*upcoming during FY 2024*)
Sustainability audits (including energy, waste and GHG) of pertinent Ontario Northland facilities/operations, to be completed by a qualified, experienced consulting/engineering firm. Baseline (benchmark) metrics will be established and used to develop meaningful goals/objectives for improvement (key performance indicators, or KPIs) and monitor for success.
- **Site remediation projects** (*ongoing*)
For various Ontario Northland legacy sites and decommissioned properties, studying environmental impacts and working towards developing appropriate remediation, monitoring and/or health and safety plans, as needed.
- **Transport Canada Rail Climate Change Adaptation – research grant program** (*upcoming*)
In partnership with scientists from the National Research Council of Canada (NRC), Ontario Northland will help facilitate a research project involving integrating satellite and instrumented hi-rail truck data into current, railway water inspection procedures to improve its effectiveness amidst changing climate conditions.
- **Ontario Northland updated emergency spill kits** (*completed*)
Project to assemble and distribute updated emergency spill kits (i.e., absorbent pads, booms, etc.) and work procedures/instructions to Track Inspectors and District Managers to help ensure safety and protect the environment in the case of accidental spills.
- **Sustainable procurement policy** (*ongoing*)
Draft sustainable procurement policy is being developed by Ontario Northland to help ensure that the environmental impacts of procured goods/services be considered during evaluations, including emissions or other such impacts from manufacturing, packaging, delivery and use of the product or service and the end of life disposal plan (e.g., recycle, re-use, re-sale, landfill).
- **Earth Day community cleanups** (*ongoing*)
More than 1 billion people in 192 countries participate in Earth Day activities each year, making it the largest civic observance in the world. Over the past several years, Ontario Northland's staff from various offices continue to do their part to help clean up waste in their local communities.
- **Sustainability Program communications and reporting** (*upcoming*)
Sharing program highlights and successes with employees and external stakeholders through various channels, including ON News, Dispatch app, social media, corporate website and annual sustainability reporting.

5.2 Enterprise Resource Planning Program

In FY 2023-24, Ontario Northland will complete a readiness and gap assessment to prepare for a new Enterprise Resource Planning (ERP) system. This updated ERP program, which includes all agency finance and human resources and supporting systems, will replace legacy systems. To date, Ontario Northland has established an Organizational Change Management office to support this major change and other modernization efforts. Furthermore, upgrades are being made to our health and safety incident management system to be able to integrate with the future ERP system.

The ERP replacement will address several key priorities in the Annual Letter of Direction from MTO and supports ONTC in their mandate to provide reliable and efficient transportation and evolve innovation in transportation for the region. Moreover, the ERP outcomes with respect to HR and workforce management will allow ONTC to gain a better picture of the workforce and advance objectives related to Safety, Equity, and Diversity & Inclusion.

5.3 Enterprise Asset Management

The Enterprise Asset Management program began in 2021-22 at Ontario Northland, and includes several early deliverables. The development of the Asset Management Office has been fundamental at establishing the foundation to the program and working towards increasing our asset management maturity level within the organization. To date, the following deliverables have been completed:

- Established an Asset Management Office and Governance model
- Established an Ontario Northland Asset Management Policy
- Implemented data standards for all major asset categories
- Implemented a Strategic Asset Management Plan
- Developed approximately 70 enterprise level standardized processes across our asset management work streams (Work Management, Asset Management, and Parts & Inventory Management)
- Went live in December 2022 with the deployment of our Enterprise Asset Management system to Motor Coach Services and Facilities

The program will continue to work towards accomplishing further key milestones over the next few years, including:

- Going live for our Rail Mechanical and Infrastructure, Non-Revenue Fleet and Information Technology asset categories
- Completing Asset Management Plans which report on the State of Good Repair, Level of Service, Risk Management Strategy, Life Cycle Strategy and Financing Strategy for all the organization's major asset groups
- Building capability within the organization to make data driven decisions for asset management
- Maturing our asset maintenance management program
- Establish proactive mindset for planning, scheduling, and preventive maintenance across all divisions

6.0 Financial Profile

Ontario Northland at a Glance

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

The FY2023-24 operating budget includes a planned total subsidy requirement of \$48.9M (including proceeds from scrap sales and principal payments on loan), revenues of \$121.6M and expenses of \$171M. Over the course of the three-year business plan, the operating subsidy requirement increases from \$49.5M to \$54.5M, a 10% increase, which includes 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 increases per year, which increases the costs of materials and services required for operations. Over the past few years we have seen volatility in inflationary rates which could materially impact Ontario Northland's budget requirements, however Ontario Northland has implemented several cost saving strategies to help 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 \$19.3M (39% 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 operating funding requirement of \$30.1M.

Ontario Northland FY2023-24 to FY2025-26 Fiscal Impact (000's)

Ontario Northland at a Glance	Projected 2023-24	Projected 2024-25	Projected 2025-26
Operating Investment:			
Polar Bear Express (PBX)* Essential Services	19,346	18,980	20,531
Ontario Northland (excluding PBX)	30,123	35,016	33,919
Total Operating Investment	49,469	53,997	54,450
Capital Investment:			
Polar Bear Express (PBX) Essential Services	12,513	9,677	9,845
Northeastern Passenger Rail	27,910	52,185	43,239
Ontario Northland (excluding PBX)	78,873	65,228	47,712
Total Capital Investment	119,295	127,090	100,796
Total Polar Bear Express (PBX) Essential Services Investment	31,859	28,657	30,376
Northeastern Passenger Rail	27,910	52,185	43,239

Total Ontario Northland (excluding PBX) Investment	108,996	100,244	81,631
Proceeds from sale of scrap metal	(640)	(605)	(640)
Principle payments of long term debt	111	117	123
Total Investment Required	168,235	180,598	154,729

* 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 FY2023-24 to FY2025-26 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 during the COVID-19 recovery period, it assumes 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 FY2023-24 to FY2025-26 Summary Operating Budget Requirement

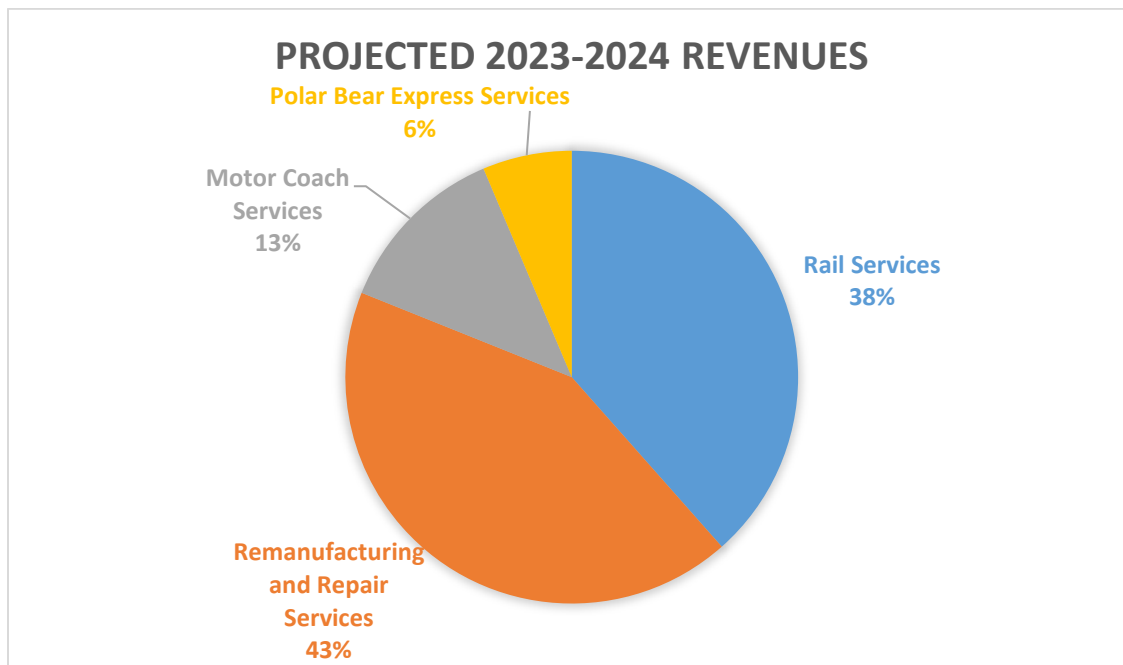
SUMMARY OPERATING BUDGET - FY2023-24 to FY2025-26			
Revenues (\$000's)	2023-24	2024-25	2025-26
Rail Services	46,764	45,174	45,744
Remanufacturing and Repair Services	51,800	51,480	12,697
Motor Coach Services	15,256	15,485	15,718
Polar Bear Express Services	7,747	9,358	9,559
	121,567	121,498	83,718
Expenses (\$000's)			
Labour & Benefits	95,594	97,151	83,485
Materials & Parts	46,257	47,535	25,754
Supplies & Equipment	5,181	5,173	4,914
Services	10,285	11,423	9,277
Other	13,719	14,211	14,737
	171,036	175,494	138,167
Total operating loss	(49,469)	(53,997)	(54,450)
Proceeds from sale of scrap metal	(640)	(605)	(640)

Principle payments on loan	111	117	123
Total Operating Subsidy Requirement	(48,941)	(53,509)	(53,933)
Other expenses:			
Amortization	3,924	3,707	3,338
Amortization of deferred capital contribution	26,327	28,821	34,803
Amortization asset retirement obligation	66	66	66
Write off of assets/inventory	500	500	500
	30,817	33,094	38,707
Cost Recovery Ratio	71%	69%	61%
Cost Recovery Ratio (excluding PBX)	79%	76%	69%

Revenues

Total projected revenues for FY2023-24 are \$121.6M.

Ontario Northland FY2023-24 Revenues by Division



Rail freight revenues are projected to slightly decrease by 2% over next three years with the permanent impacts of the pandemic and two large customer wind-downs. New 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 and passenger car).

RRC will deliver services at cost recovery, with any 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 decrease revenues by \$39.1M in three years.

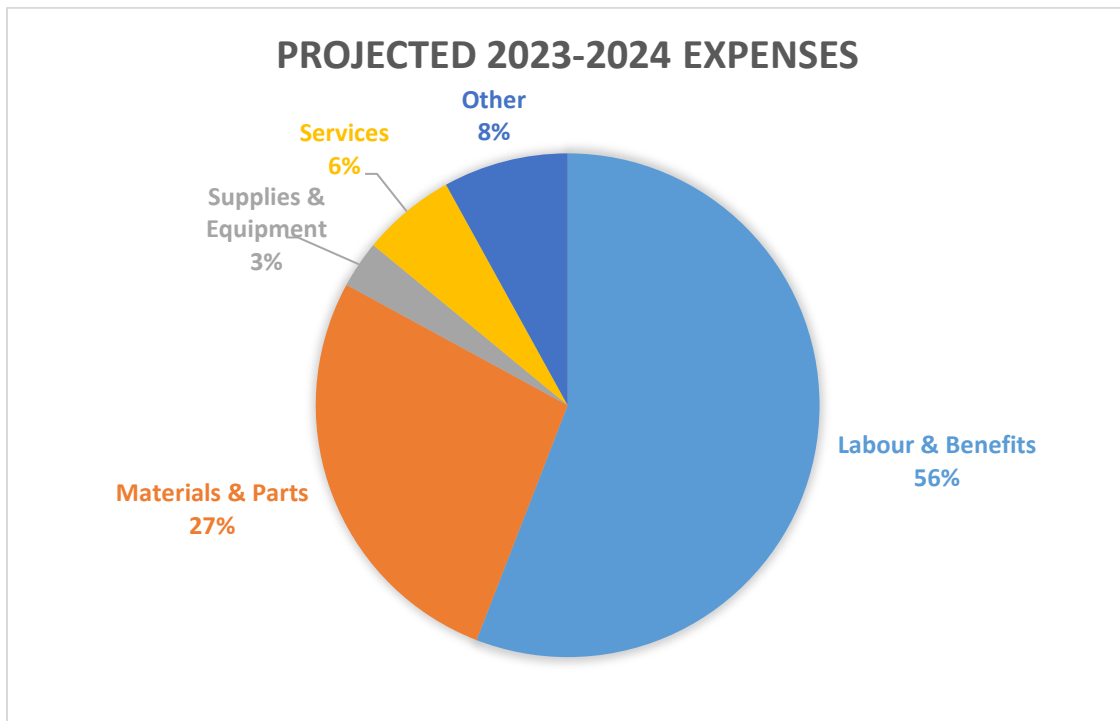
Motor Coach Services has projected revenues to increase over the course of the multi-year plan by 3% with a projected increase to ridership and fares annually throughout the plan. Projected revenues assumes a return to full service and ridership, and includes all current routes. Motor Coach revenues also includes revenues for bus parcel express services with annual projected increases in parcels carried as well as regular projected increases in rates.

Polar Bear Express Services includes all rail freight and rail passenger services from Cochrane and Moosonee and has projected revenues to increase through the multi-year plan by 23% based on an increase in ridership and a large rail freight project starting in Moosonee for the hospital build.

Expenses

Total operating expenses for FY2023-24 are projected at \$171M (including Enterprise Asset Management Program expenses as well as Enterprise Resource Planning Program).

Ontario Northland FY2023-24 Operating Budget by Expense Type



The largest expense in the operating budget is labour and benefits which represents 56% of projected expenses for FY2023-24 to support operations. Total labour and benefits decrease over the course of this multi-year plan by 13% due to a wind down of external contract work.

Another large expense in the business plan is Materials and Parts making up 27% of expenses. Included in materials and parts is fuel, which can be unpredictable and volatile as diesel fuel prices are determined by the market. Due to its nature as a petroleum-based commodity, fuel prices fluctuate with the supply and demand forces of the oil market. Please see Section 6.3 for fuel assumption/volatility impact table.

Other expenses make up 8% and represent insurance, property taxes, freight car rentals, software fees and travel expenses. This is followed by services at 6% which includes rail and track testing, vehicle and equipment repairs, and consulting. Finally, supplies and equipment represents 3% 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 \$0.8M for FY2023-24. 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 \$2.4M for FY2023-24. 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: FY2023-24 to FY2032-33

Overview (Snapshot)

Major assets owned by Ontario Northland:

- Motor Coaches: 41 in-service coaches
- Rolling Stock:
 - 32 locomotives
 - 16 Polar Bear Express cars including passenger, diner and baggage cars
 - 367 freight box cars and 241 service cars (gondolas, paper, center beam)
- Track: 1086 kms (675 miles) of main line track
- Bridges and culverts: 93 bridges and 2100+ culverts
- Major buildings: 192 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 FY2022-23 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 10th 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 and upgrades. This includes modernization of technology and processes and, modernizing facilities to meet demand.

Ontario Northland seeks a capital investment by the Province of Ontario of \$701.6M over the next 10 years, of which \$577M represents on-going state of good repair investment, building on the approved 10-year plan that started in FY2017-18 and \$124.6M represents preliminary investment estimates for Northeastern passenger rail (design/engineering and fleet costs). This \$577M 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.

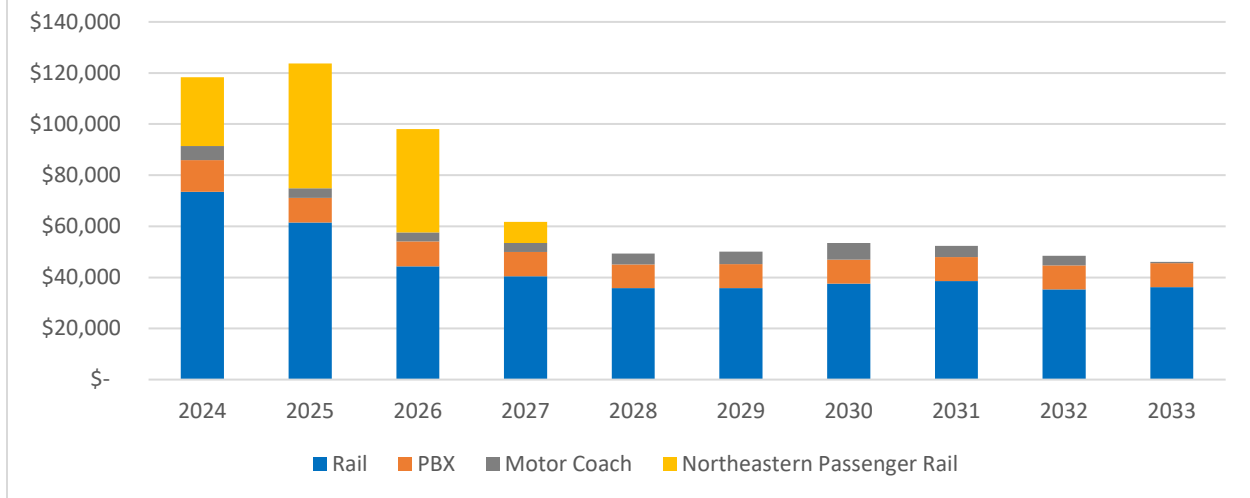
Ontario Northland continues to refine operating and maintenance practices to more efficiently balance lifecycle costs against acceptable risk tolerance by implementing its 10-year asset management plan and improving state of good repair in this planning horizon. While some asset categories have reached 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 complete 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 intensive organization, having accurate information and shared knowledge across the organization is critical. 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 program not only focuses on implementing improved technology, but improving and standardizing Ontario Northland's processes and procedures. The program includes asset management, inventory management and work management. Motor Coach Services went live with the system in FY2022-23, with the Rail Mechanical division going live in FY2023-24 and Rail infrastructure going live in FY2024-25. This plan will transform Ontario Northland's entire asset management program.

Financial Overview

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

10 Year Capital Plan FY2023-24 to FY2032-33 (000's)



(000's)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Rail	\$73,446	\$61,455	\$44,290	\$40,406	\$35,802	\$35,850	\$37,586	\$38,610	\$35,334	\$36,208	\$438,987
PBX	12,513	9,677	9,845	9,503	9,274	9,349	9,349	9,349	9,349	9,349	97,557
Motor Coach	5,427	3,772	3,422	3,496	4,209	4,830	6,492	4,396	3,827	511	40,382
Northeastern Passenger Rail	26,953	48,835	40,463	8,372	-	-	-	-	-	-	124,622
	\$118,339	\$123,739	\$98,020	\$61,777	\$49,285	\$50,029	\$53,426	\$52,355	\$48,510	\$46,068	\$701,548

Rail

The Ontario Northland annual main track upgrades include on average between 46,000 and 52,000 ties replaced and over 10 miles of rail installed annually. Another upgrade to our infrastructure includes a bi-annual grinding program for 40 miles of track 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 FY2022-23 Ontario Northland disposed of 250,000 ties and in the next 4 years, Ontario Northland is set to dispose of the entire backlog of ties. Included in the plan is \$24.8M to properly inspect and dispose of the rail ties that have been replaced since 2000, and to continue the program going forward to avoid a repeat scenario. 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 results and recommendations have been included in this year's business plan for the first two years of recommendations, with an ask for the next two years of \$13.1M. Further analysis will be completed by Ontario Northland over the next year to plan and prioritize the additional investment that will be required over the next 10 years in order to get to a reasonable facility condition index.

The completion of the new Enterprise Asset Management Program investment of \$4.8M 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, with operational sustainment subsequent.

Another initiative included in the capital asset plan is the Enterprise Resource Planning (ERP) transformation program, in the amount of \$15.5M over the next three fiscal years. This 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 \$43.9M over the 10-year Capital Plan.

Polar Bear Express

The Ontario Northland annual Island Falls subdivision track upgrades include the installation of over 13,000 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 bridge upgrades and repairs, building upgrades and equipment replacement.

Annual investment level for Polar Bear Express averages \$9.8M 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 White River, followed by 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. Further investment requirements include motor coach shelter and parking upgrades.

Annual investment level for Motor Coach Services averages \$4M over the 10-year capital plan.

Northeastern Passenger Rail

Ontario Northland has included in its capital requirements an investment of \$124.6M which includes funding for design/engineering and fleet procurement. The proposed service route would support economic opportunities, the tourism industry and improve access to health care, education, as well as other critical services. This funding does not include costs associated with station and track infrastructure. Ontario Northland continues to work with the Ministry on seeking necessary government approvals to support the next stages of project implementation and seek funding requirements based on the Updated Initial Business Case (UIBC).

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, as seen in recent years. Over a 10 year period (2012-2022) year-over-year changes fluctuated from a -26% change to a +53% change. For example, from FY2021-22 to 2022-23, year-to-date average diesel prices increased from \$1.04/litre to \$1.60/litre (53%) and unleaded increased from \$1.44/litre to \$1.81/litre (25%). Should there be a 10% increase, there would be a \$1.2M variance in Motor Coach and Rail; with a 20% increase, it would be a \$2.4M variance.

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

Fuel Price Volatility - Impact of Unit Price Change								
Divison	Direct Price/Litre	Outsourced Price/Litre	Budgeted Volume (litres in 000's)	Total Budget (\$000's)	10% Increase	20% Increase	10% Decrease	20% Decrease
Motor Coach	\$1.60	\$1.71	1,798	\$2,473	\$247	\$495	(\$247)	(\$495)
Rail	\$1.60		7,568	\$8,656	\$866	\$1,731	(\$866)	(\$1,731)
Operations	\$1.81	\$1.81	729	\$994	\$99	\$199	(\$99)	(\$199)
Grand Total			10,095	\$12,124	\$1,212	\$2,425	-\$1,212	-\$2,425

Fuel Price Variance FY2021-22 to FY2022-23		
	Diesel	Unleaded
FY2022 Average Price/Litre	\$1.04	\$144.28
FY2023 YTD Average Price/Litre	\$1.60	\$181.04
\$ Change	\$0.56	\$36.76
% Change	53%	25%

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. 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 appetite and tolerance 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 cultivating 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 risks identified by the agency.

Risk identification, assessment and mitigation strategies:

Risk	Description	Mitigation Strategy/Action Plan
The risk that Ontario Northland will be negatively impacted due to increased fuel rates stemming from lack of contingency funding to support fuel inflation	Ontario Northland continues to feel the impact of inflationary pressures to exceed budgetary allocations, with some costs increasing as high as 50%. Furthermore, Ontario Northland's fuel expense constitutes a significant portion of the operating costs increasing 45% compared to last fiscal. Rail and Motor Coach divisions are fuel intensive operations, dependent on the availability of diesel fuel.	Ontario Northland continues to monitor and analyze costs and work with the Ministry of Transportation to identify the appropriate strategy to address these pressures.
The risk that Ontario Northland's ability to deliver on its key priorities due to challenges to attract and retain top talent and tradespeople, stemming from increased competition for top	Recruiting and retaining skilled, experienced, workers for all divisions and departments, especially in the North, still remains difficult for a variety of reasons.	To ensure highly skilled workforce Ontario Northland will maintain apprenticeship programs and work with local high schools and colleges to continue the attract

<p>talent, uncompetitive compensation strategies and implementation of applicable legislation.</p>	<p>Ontario Northland requires many uniquely skilled employees, from railway car technicians to bus drivers across the organization that are typically not readily available in Northern Ontario.</p>	<p>people to the apprenticeship programs.</p> <p>The agency will continue to attend job fairs inside and outside our region while promoting careers at Ontario Northland.</p> <p>The agency will use third-party specialty services where skills do not exist in organization.</p> <p>Ontario Northland is reviewing the impacts on this for all positions that require backfill operations. Additional hiring of staff maybe required (in specific areas such as operations) to ensure there is enough staff to offset the additional days.</p>
<p>The risk of negative health and safety to the public and Ontario Northland Employees due to potential exposure to hazards at the former Cobalt mine sites stemming from proximity of these sites to Ontario Northland real estate assets</p>	<p>Some of the real estate in Cobalt, Ontario includes former mining hazards and workings that require additional analysis and potential remediation.</p> <p>Signage and fencing have been installed.</p>	<p>The agency is working with ministries to address the issue.</p> <p>Phase one ESA has been received and the report indicates that a Phase two ESA will be required.</p>

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 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, for example, energy usage per square foot at key locations, for example, locomotive/horsepower availability for freight train service plan requirements; and

- developing a reporting strategy and program improvement process based on performance result.

The critical performance indicators cover a suite of strategic and operational outcomes focusing on aspects of effectiveness, efficiency, organizational sustainability, safety 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 government priorities of:

- Identifying efficiencies and savings through innovative practices, and/or improved program sustainability.
- Ensuring efficient, safe, environmentally responsible, and reliable transportation services to enable the movement of goods and people across Northern Ontario while providing a secure connection to essential services.
- Collaborating with the ministry to consider innovative solutions and partnership opportunities to pilot emerging transportation technologies to enhance people and goods transportation services in northern and rural communities, including Indigenous communities.
- Identifying and pursuing opportunities for revenue generation through partnerships, where appropriate.
- Adopting an inclusive engagement process to ensure all voices are heard to inform policies and decision-making.

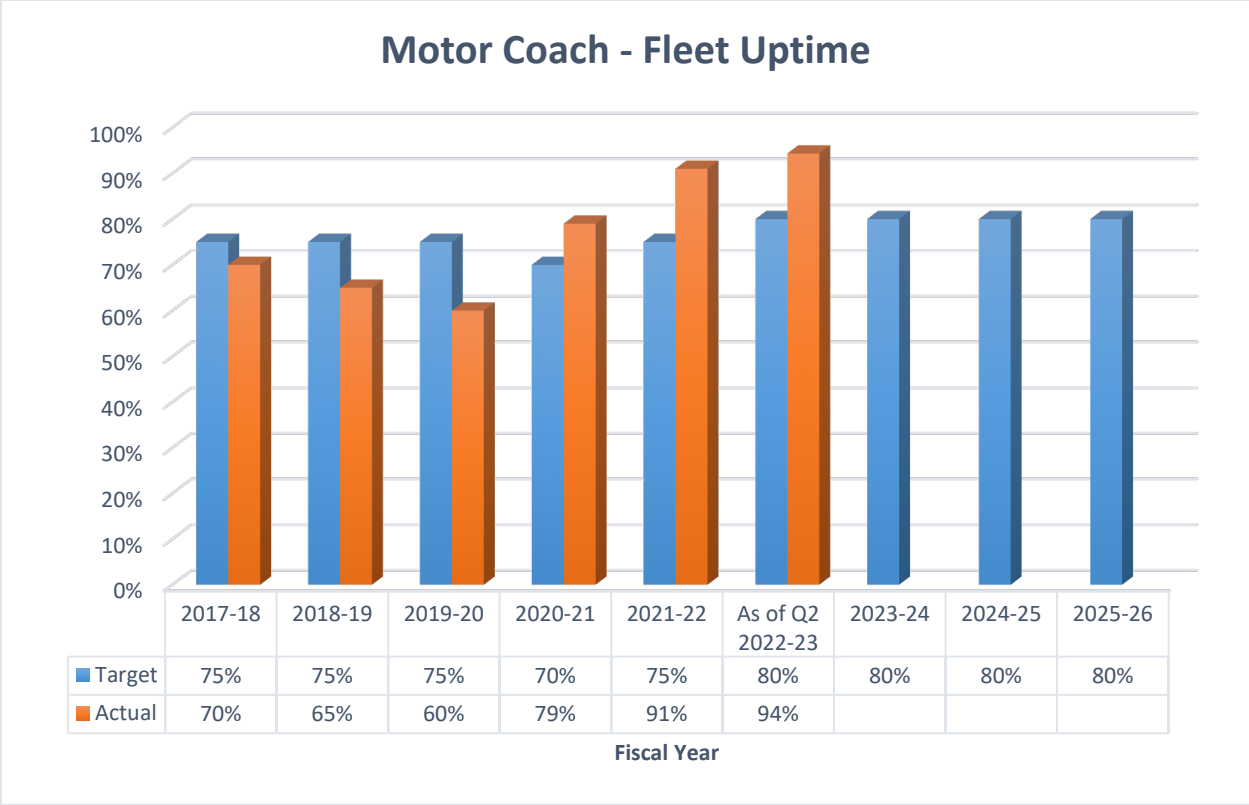
Ontario Northland maintains a set of performance measures to support its continuous improvement. Each major project is also required to develop a set of performance measures to measure the success of the project and identify corrective measures.

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

8.1 Motor Coach and Passenger Services

Motor Coach Fleet Uptime

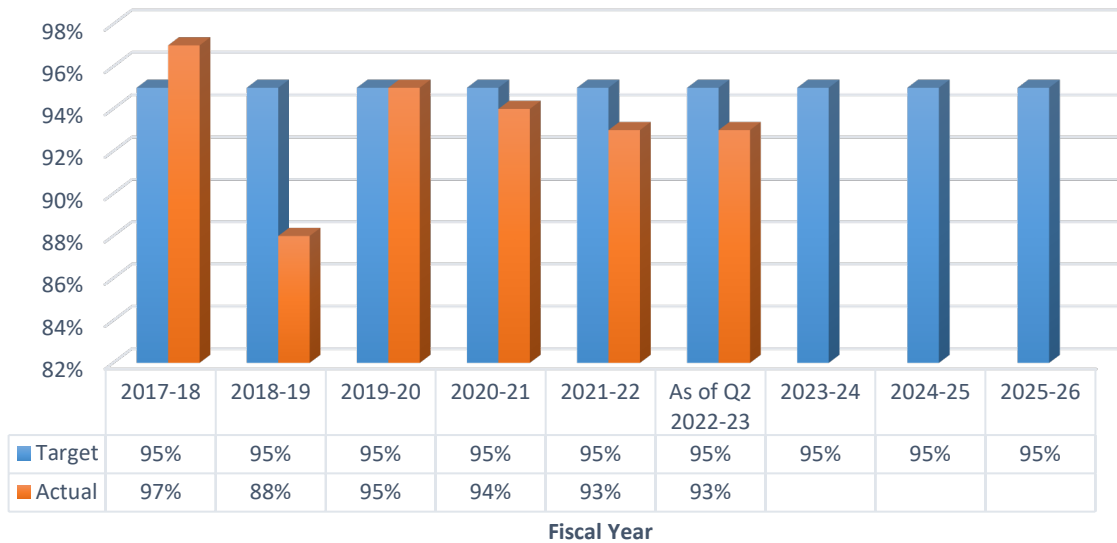
This measure represents the percentage of motor coaches that are available for revenue service, and reflects the effectiveness of maintenance work being performed on the coaches outside of peak bus requirement. Motor Coach continues to show quite a bit of improvement in fleet uptime over the past two fiscal periods showing an improvement in preventative maintenance measures being performed outside of critical bus fleet needs, allowing a higher percentage of buses available during peak service needs. In 2023, Ontario Northland will be engaging with a third party technical advisor to develop a new spare fleet ratio, which will allow us to gauge our performance metrics with similarly operated long-distance service providers (i.e., covers over 12,500 kms per day in line run service).



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 remote railway line.

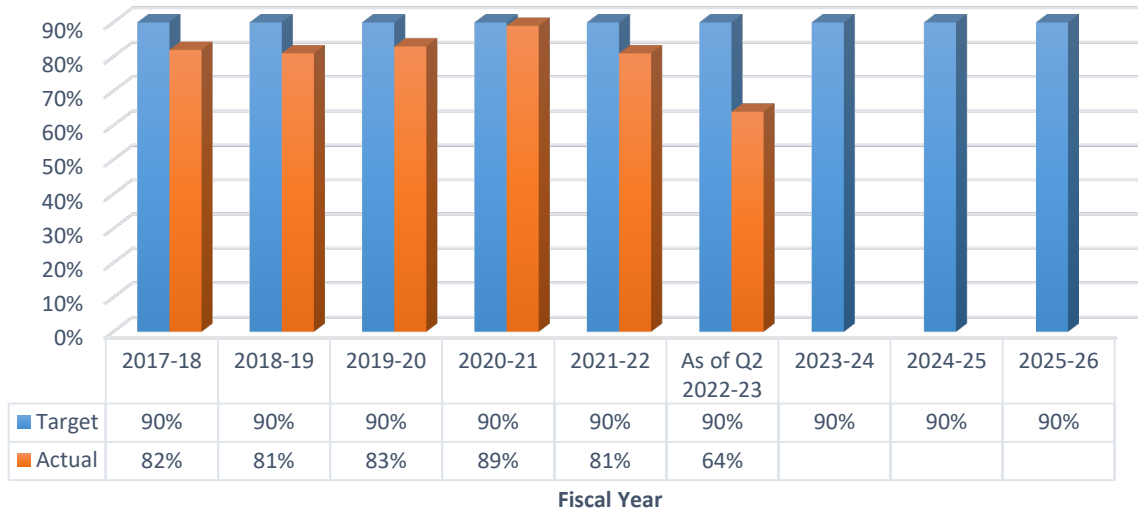
Polar Bear Express - On Time Performance



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 goal and has historically come very close to meeting it. Ontario Northland is reviewing data captured through its telematics software provider, to capture on-time performance by region, as the east/west corridor between Sault Ste. Marie and Thunder Bay encounters higher percentage of road closures and delays, due to weather patterns along Lake Superior.

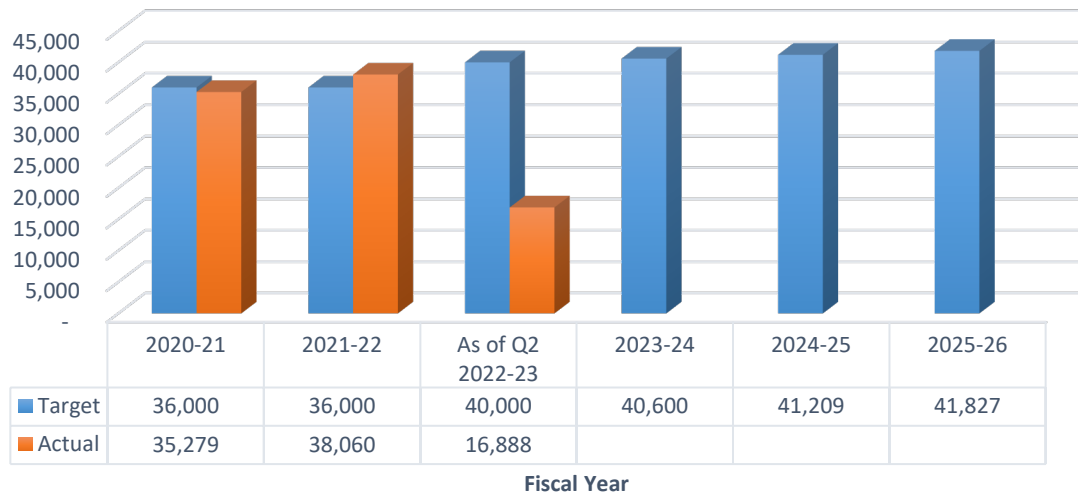
Motor Coach Services - On Time Performance



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. Parcel count is trending to be below target as Greyhound Canada permanently exited the market, leaving a gap for parcel services at critical connecting points with other intercommunity carriers. Ontario Northland is working with a private carrier in the Toronto region to provide parcel services that connect to this market.

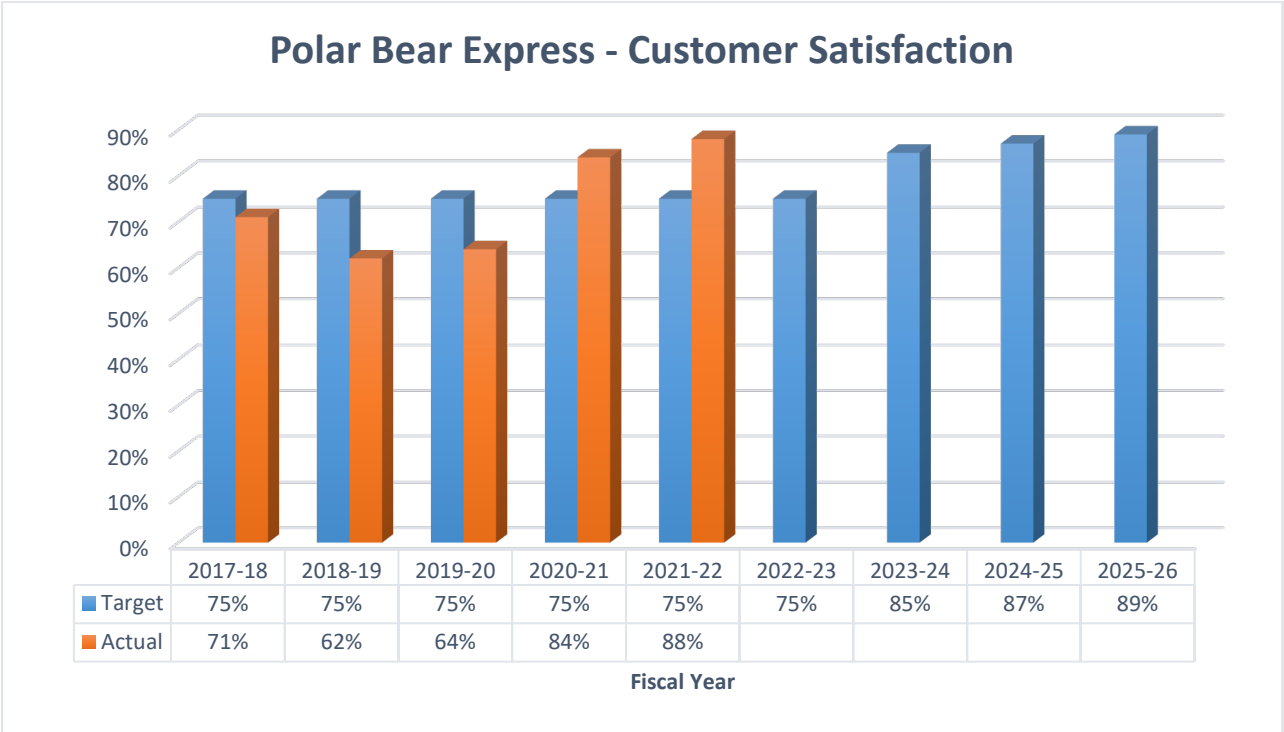
Motor Coach - Parcels Carried



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. Customers are asked to score on a variety of metrics, including, communications channels, food choice options, perceptions of safety, and customer service.

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 and again in 2021-22. 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.

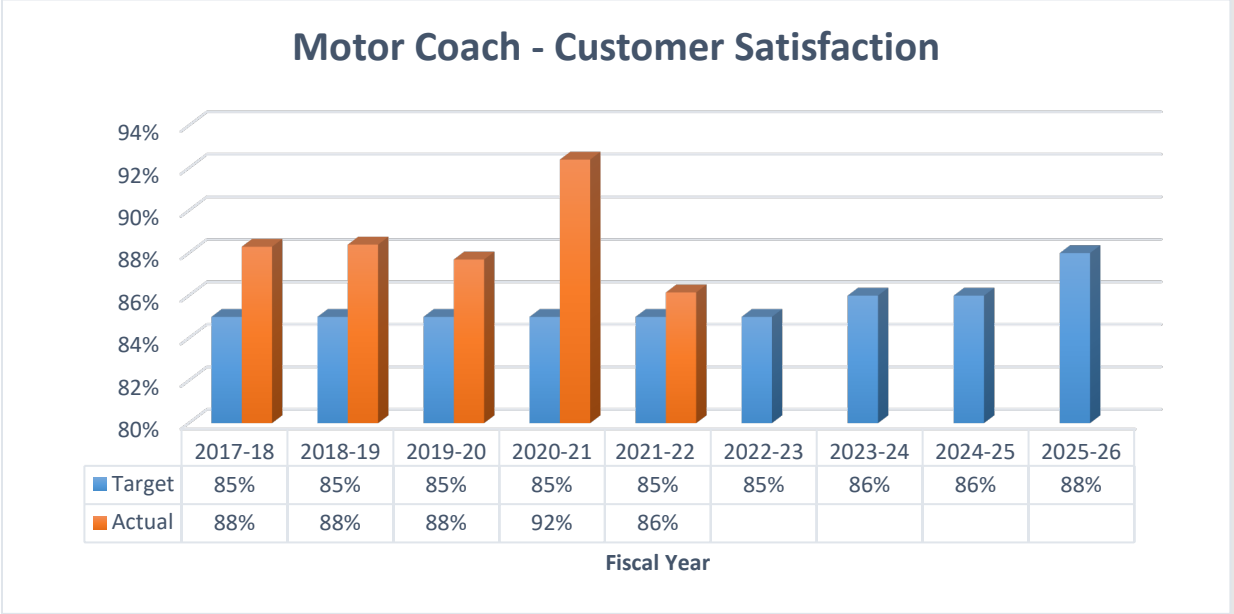


Motor Coach Customer Satisfaction

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. For 2023, Ontario Northland will be closely monitoring customers perceptions of being kept informed about any travel delays. There is a new process in place to notify customers when there is a Travel Advisory (issued during stormy weather events), where customer service employees connect with passengers on impacted trips to provide travel alternatives.

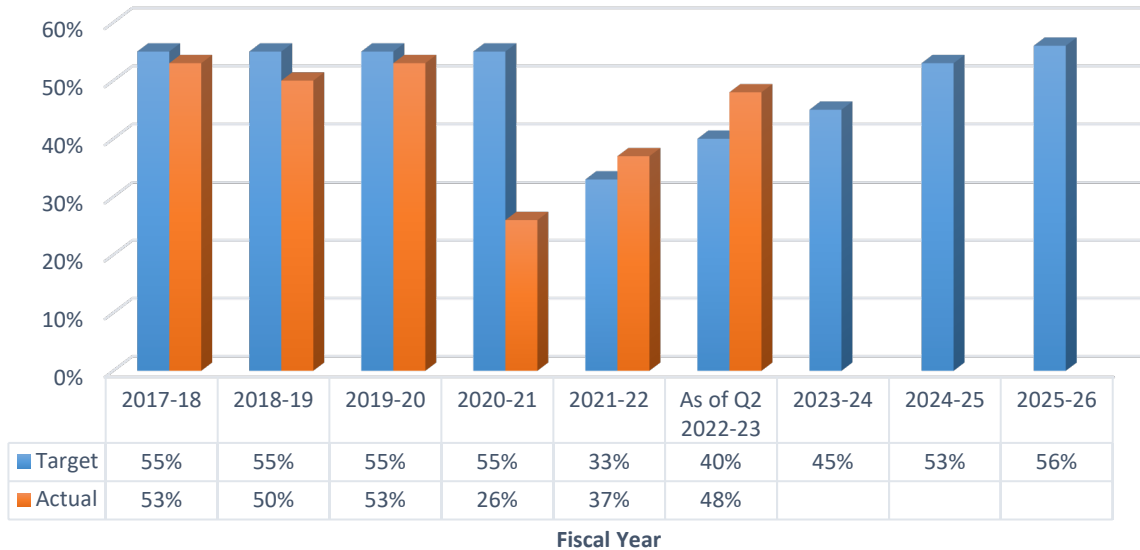


Station Inn Occupancy Rate

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. Occupancy rate is recovering well. Ontario Northland believes that has a lot to do with consumer confidence in the cleaning and pandemic protocols put in place, as well as ridership increases on the Polar Bear Express (resulting in more overnight stays at Cochrane Station Inn).

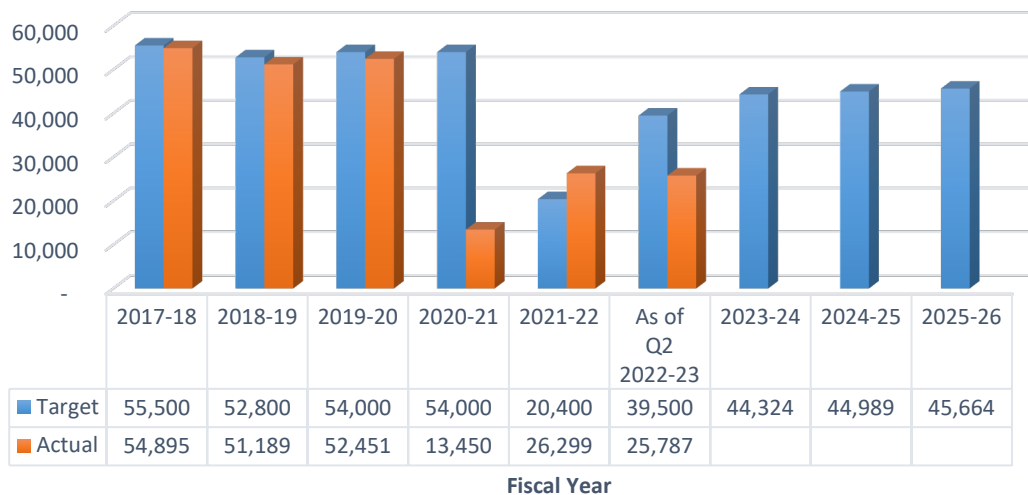
Cochrane Station Inn - Occupancy Rate



Polar Bear Express Ridership

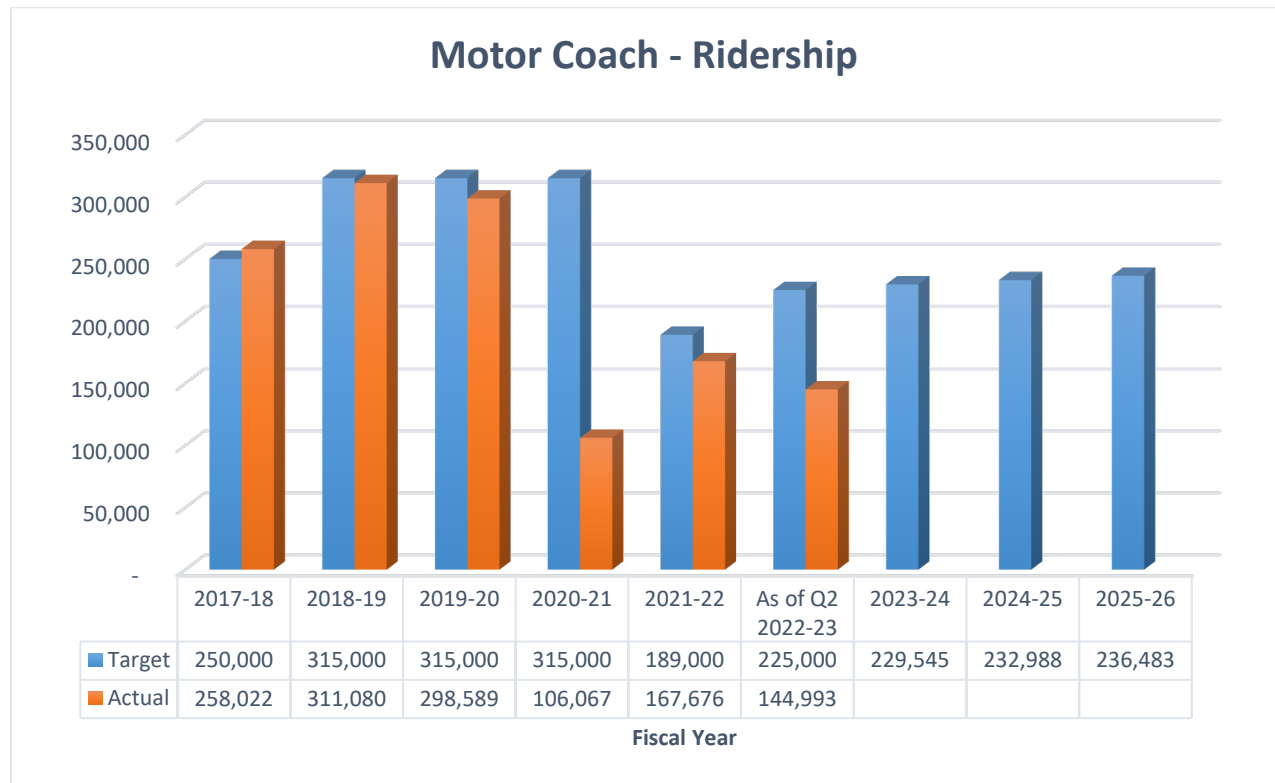
Polar Bear Express ridership captures the number of passengers that travel on the train. Ontario Northland has projected a 3% increase in ridership throughout this business plan with uncertainty around when the economy will normalize. Note that uncertainty remains regarding the pace of recovery from the pandemic, and the impact of changes to travel patterns and behaviors over the long-term. At the time that this business was written Ontario Northland was trending to exceed targeted passenger levels for FY2022-23.

Polar Bear Express - Ridership



Motor Coach Ridership

Motor Coach ridership tracks the number of person trips taken on Ontario Northland buses. Ontario Northland has projected a 3% increase in ridership throughout this 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. At the time that this business plan was written Ontario Northland was trending to exceed targeted passenger levels for FY2022-23.



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 on coaches to ensure program effectiveness.

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.

8.2 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.

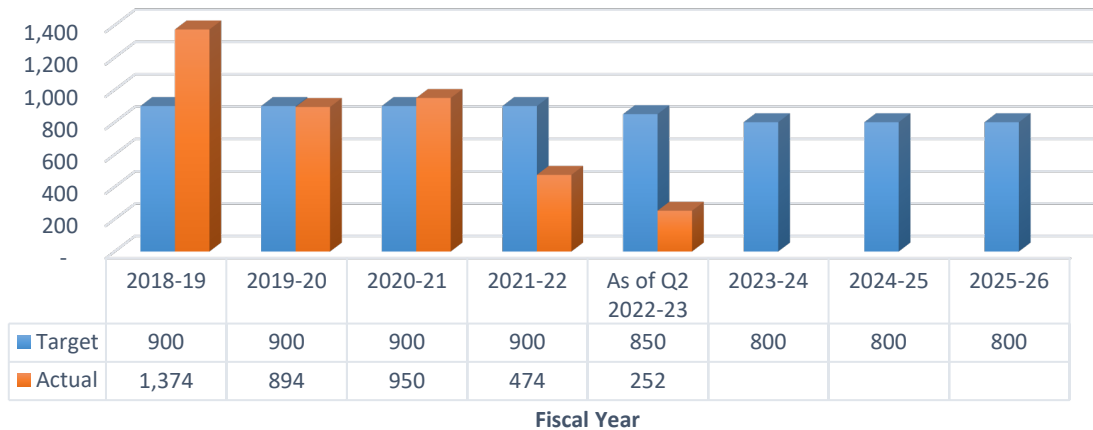
Additional key measures for rail and freight services are summarized below.

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.

Rail Division - Slow Order Penalty Minutes



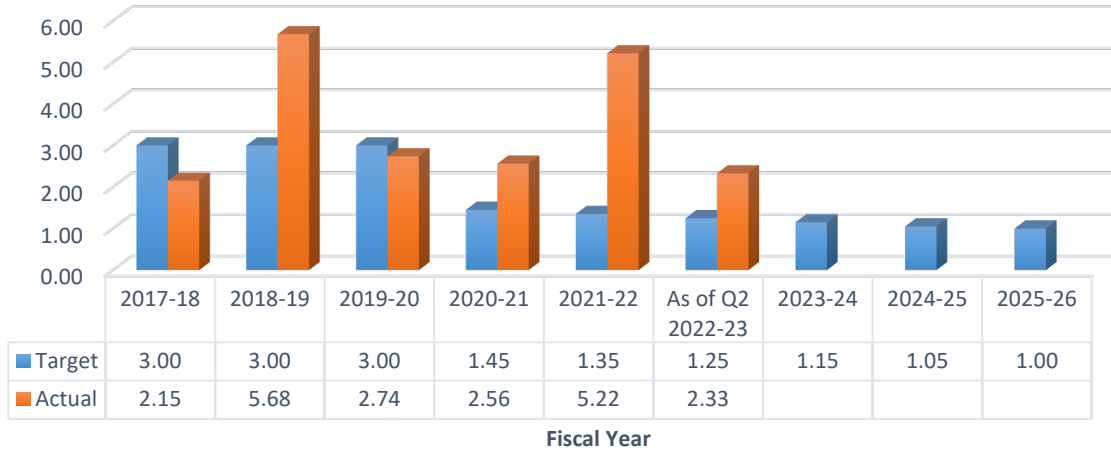
Lost Time Injury Frequency

Lost time injury frequency ratios (LTFR) provide a glimpse into how the overall Health and Safety Program is doing. Despite the improvements made to the internal responsibility system in FY2021-22, Ontario Northland saw an increase in our LTFR. Recognizing that we were not meeting our targets, we shifted focus and put effort into supporting critical work required by our middle management groups. To continue to strengthen the internal responsibility system Ontario Northland introduced weekly safety meetings with all levels of management participating. With the implementation of the electronic Incident Management System, we have been able to identify focus areas, analyze trends, review accident investigations, and better identify what is working and what is not. In these weekly meetings we use this data to discuss what is happening, where is it happening, why is it happening and what we're doing to correct it.

In addition, we have strengthened how we recognize our employees, with the launch of a new recognition program and regular health and safety communications to employees. The recognition program focuses on recognizing all levels of employees for behaviour that has a positive influence on our health and safety culture. We have increased the communication of health and safety information by uploading weekly statistics to all of the shop televisions and the employee Dispatch App. We release Safety Talks each month, with a topic strategically selected based on our ongoing analysis of incident activity. Two versions of the Safety Talks are created; one geared to improve conversations between supervisors and employees and the other geared to improve conversations between the Workplace Health and Safety Committee members and employees.

Our efforts have shown their effectiveness in fiscal 2022/23, as we ended the 1st quarter with a LTFR of 1.72, with a slight increase up to 2.33 at the end of the 2nd quarter.

Lost Time Injury Frequency

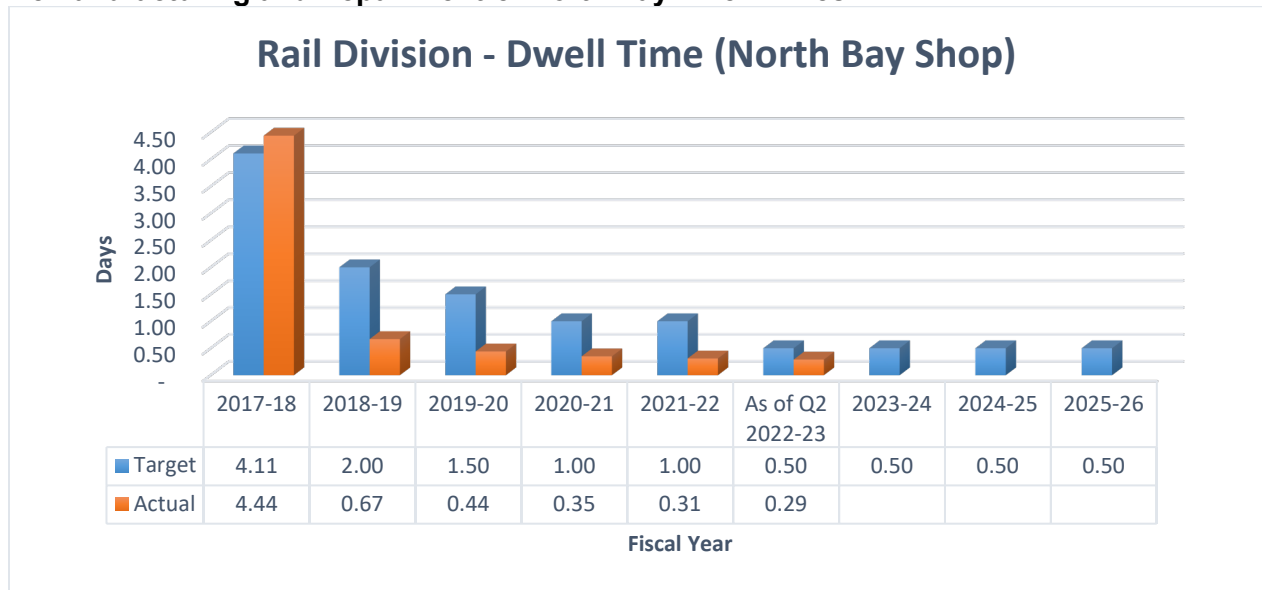


Lost Time Frequency Ratio = (Number of Lost Time Incidents/Hours Worked) x 200,000
 (200,000 represents 100 employees working 50 weeks or approximately 1 year)

Dwell Times

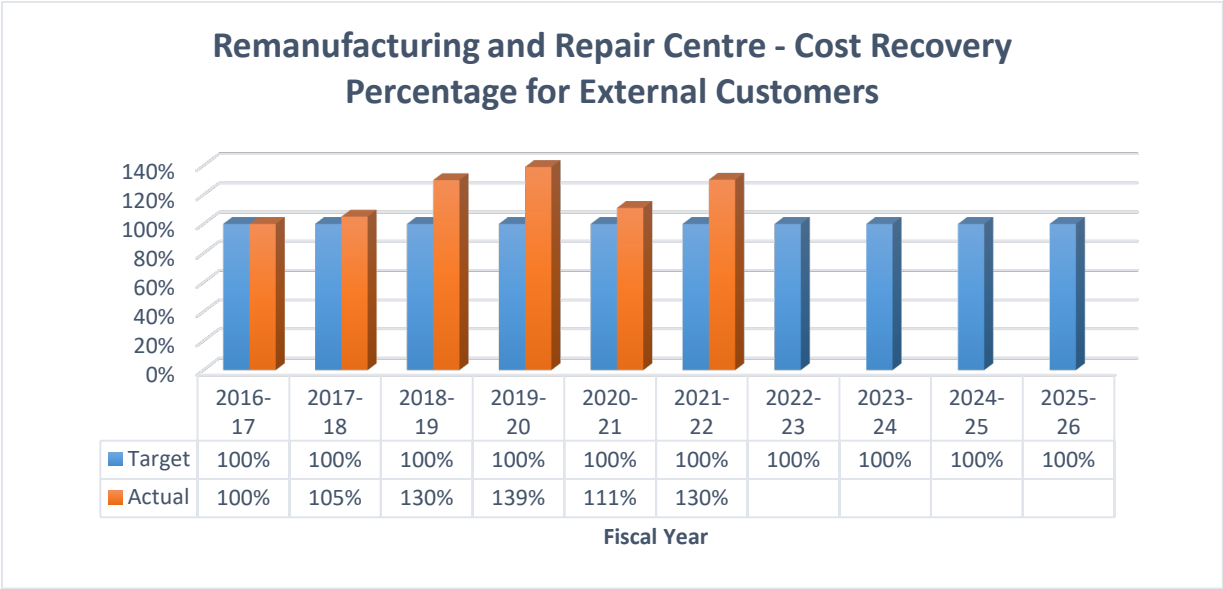
Dwell Times are calculated from the time a rail car hits the Repair in Place (RIP) track to the time it is released back into service (internal and external cars). All rail cars must be inspected and repaired, if required, before they move from one railway line to another. The RIP track facilities this practice. Dwell times are a measure of the efficiency of this process. The lower the dwell time the more efficient the process is and/or may reflect the overall conditions of rail assets (e.g., newer or well-maintained rolling stock may have a shorter dwell time).

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 cost recovery for its external business.

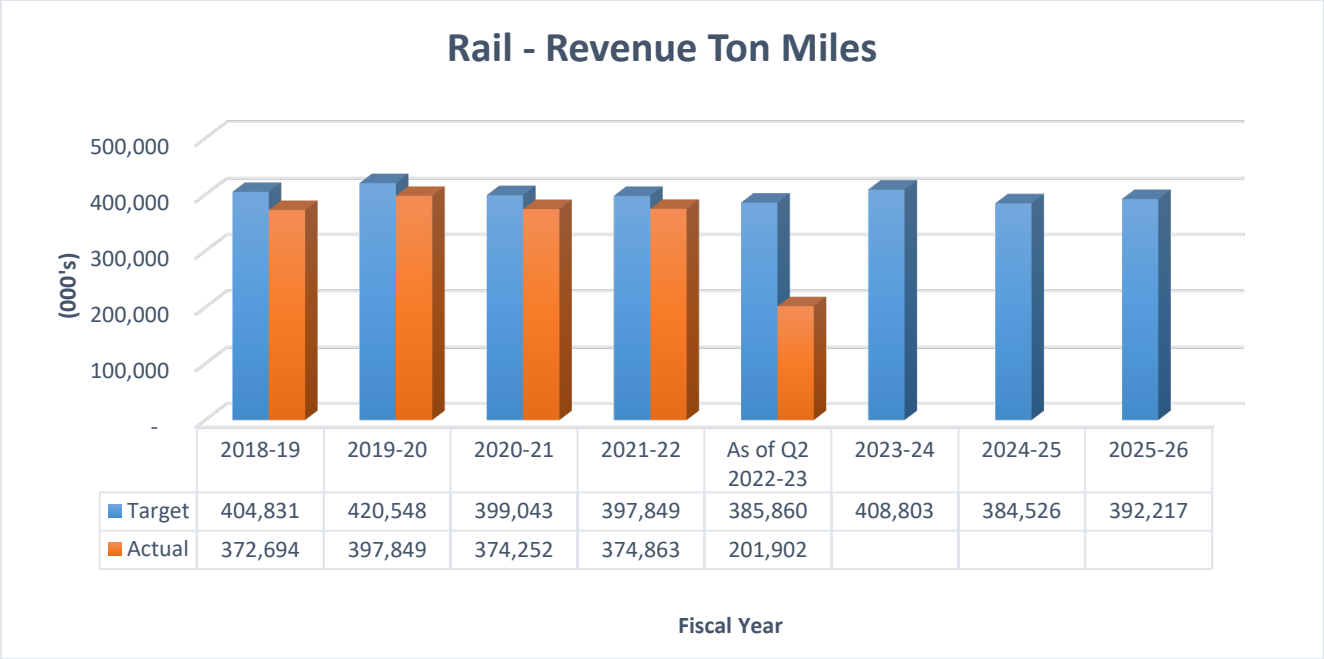


Rail Division: Revenue Ton Mile (RTM)

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 tracked by region to inform productivity differences and improvement needs, e.g., adjustment to train frequency and horsepower. 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.

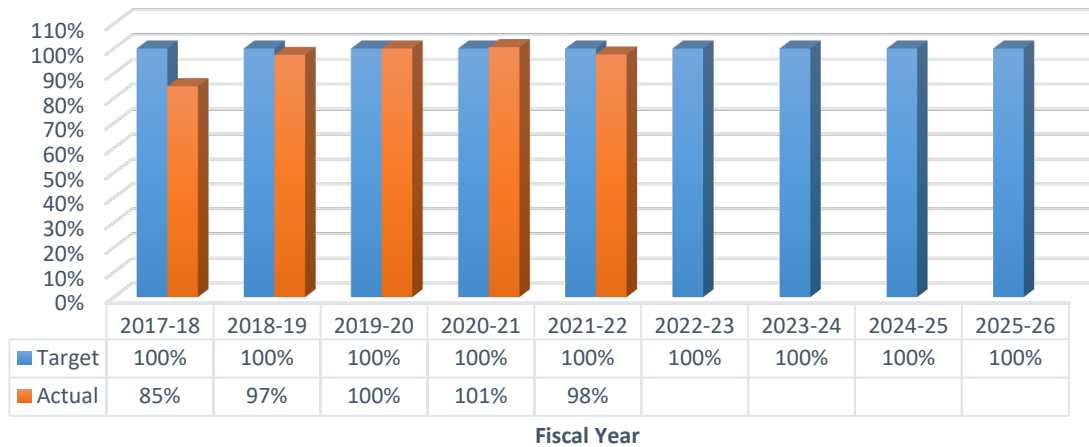


8.3 Corporate Services

Implementation of Capital Asset Management Plan

Ontario Northland implemented a full Enterprise Asset Management program in FY2021-22. This program will continue over three to four years. We continue to expand our current capital asset management plan and work on the capital asset management strategy. Furthermore, the Asset Management Office continues to reconcile data gaps within a fixed asset register as we continue to do details data collection through the Enterprise Asset Management program for each major capital asset class.

Capital - Percentage of Capital Budget Spent



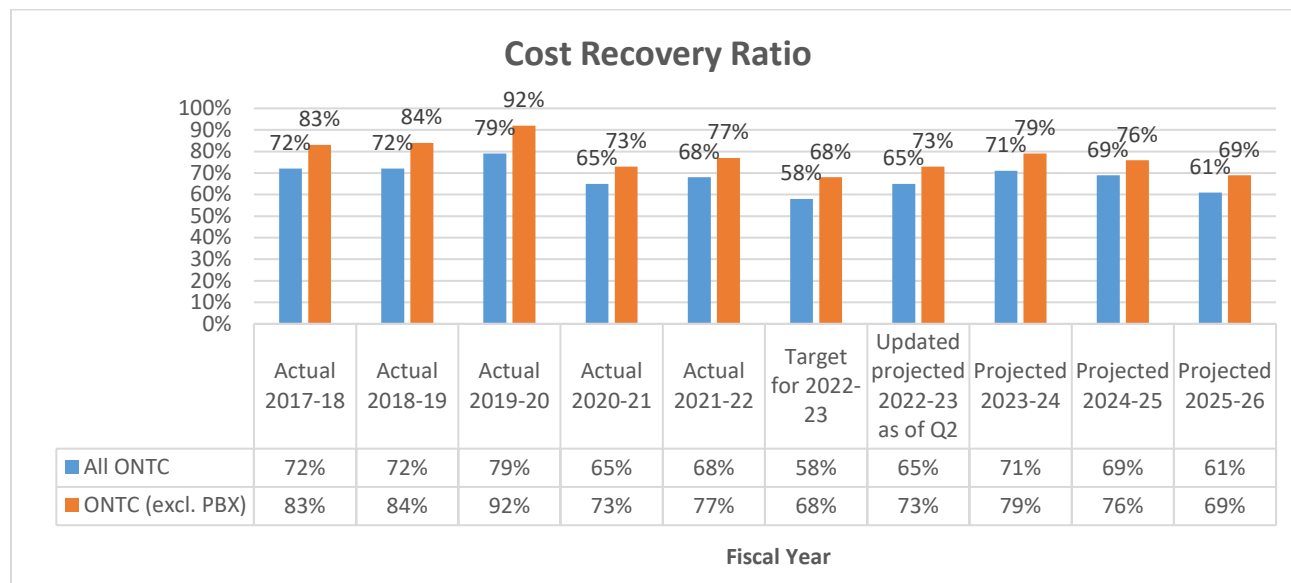
Cost Recovery Ratio

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, FY2023-24 forecasted cost recovery ratio is 71% 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 and 68% in FY2021-22, with a slight projected decrease to 65% in FY2022-23. When the target was set for FY2022-23 it was set at 58% not fully knowing the impact the Pandemic would continue to have, however it is now projected that in FY2022-23 there will be an increase to 65%. There is an increase forecasted in FY2023-24, however decreasing over the life of the business plan 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 replacement revenue projects through the sales funnel.

With the increase in revenues forecasted for the Polar Bear Express, over the course of the business plan its cost recovery ratio is forecasted to be approximately 29%, 33% and 31% respectively over each year. Under this scenario, the rest of Ontario Northland would achieve cost recovery ratios of 79% in FY2023-24, 76% in FY2024-25 and 69% in FY2025-26.

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.

Renewed People & Culture Strategy to Drive Engagement

Culture is the environment that surrounds us at work. A positive workplace culture improves employee engagement, job satisfaction, productivity, and efficiency. Significant work was completed to renew the organization’s people & culture strategy. The agency will see the roll-out of this strategy, including refreshed Values and associated actions and behaviours to support these Values, and our People Commitments – all to drive the Culture of engagement.

People Commitments

Informed by our ONVoice employee engagement survey and HR Best Practices, these People Commitments are the key pillars that outline the commitments to our people, and articulate the aspirational outcomes of the People & Culture strategy. We have developed 3 new People Commitments:

WE PUT OUR PEOPLE FIRST

- Increase focus on inclusion and well-being to build more equity and a healthier workforce
- Foster a balanced workforce by designing jobs with the right workload and impact to be most effective
- Implement a powerful two-way listening approach for capturing, measuring, and communicating workforce sentiments

WE TAKE PRIDE IN OUR WORK AND ARE REWARDED WHEN WE DO THE RIGHT THINGS

- Create a culture of responsibility and accountability at all levels through reinvented performance management
- Elevate employee engagement and discretionary performance through targeted rewards and recognition programs
- Deliver a modernized total rewards and benefits approach which fortifies the execution of the right behaviours and makes employees feel valued

WE BUILD LIFELONG CAREERS

- Create a candidate and employee experience that places Ontario Northland as an unparalleled career destination in the North
- Proactively determine future-capability gaps and deliver integrated, relevant, real-time learning at all levels
- Nurture a workforce of leaders through a comprehensive development program which enables employees to lead the way with the right skills and capabilities

Actions & Behaviours

Actions and behaviours are the demonstration of the practical application of our values across all levels and divisions. Through focus groups with employees across all divisions and levels in the organization, we developed a set of actions and behaviours that we expect of ourselves and each other in the workplace. In these focus groups participants shared stories of how they have already demonstrated the values and how they relate to them and emphasized the need to embed values into our day to day work through initiatives that promote positive reinforcement. An initial set of 28 Behaviours representing our five Values has been developed and will be refined moving into FY2023-24 as we look to embed in policies, practices, and initiatives.

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 follow-up to the FY22-23 inaugural ONVoice employee engagement survey and utilize feedback to further inform People & Culture plan initiatives and validate HR key performance indicators.
- Identify all internal processes and policies (e.g., job postings, onboarding, interview processes) which need to be updated to align with Values and Behaviours.
- Establish ambitious yearly targets for our HR key performance indicators to ensure we continue to strive for HR excellence.
- Investment in Learning & Development Specialist position to focus attention on leadership development and identification of required organizational-wide human resources and safety training requirements for staff.
- Following FY2022-23 introduction of new Leadership Development program focused on coaching and feedback, piloted in our Rail Division, roll-out of Program to Corporate, Motor Coach, and Passenger Services Divisions.
- Launch recognition programs associated with specific Values.
- Support a yearly organizational performance management program to create a culture of regular feedback and discussion of individual objectives to support organizational goals, integrating criteria related to the Values and Behaviours into performance review processes across the organization
- Ongoing improvement of data exchange and process alignment between HR and Payroll departments. Eliminate duplicate records and optimize payroll information system utilization.
- Roll-out of Manager-specific onboarding program for new leaders.
- Further develop an Ontario Northland Workforce Strategy through the introduction of Learning Management System to capture certifications and training and provide improved reporting on skills/training gaps, demographics, risks, and opportunities.
- Audit of HR policies and develop action plan to review and revise in order to ensure legislative compliance and alignment with HR best practices.
- Ongoing promotion of ONTC through the Marketing/HR campaign 'The Company You Keep', launched in FY2022-23. Goal of this campaign is to provide a consistent employer brand in support of attracting quality applicants to ONTC. The promotions have been used in various online ads, our company website, virtual recruitment events and shared through social media platforms.
- Re-engagement in in-person recruitment events, with a continued focus on recruitment initiatives in Northern Ontario, while expanding to select events hosted in southern Ontario with a focus on targeting skilled professionals to ONTC and Northern Ontario.

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. We currently have 12 RTC Apprentices working through the program at Ontario Northland, with graduation dates in FY2025-26 and FY2026-27. Based on our current staffing requirements, once all of these individuals RTC Apprentices graduate Ontario Northland will have a full complement of Railway

Car Technicians. 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. We will continue to seek opportunities to educate and promote an inclusive work environment with feedback mechanisms to encourage ongoing improvements to a barrier free workplace. Offering refresher training to all leaders on Accessibility and Accommodation, Lunch and Learn opportunities as well as events to promote & education will be planned throughout the year.

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.

We continue to partner with external stakeholders that will further our dedication in promoting a future in the trades to our youth. This includes continuing our partnership working with the Ontario Youth Apprenticeship Program (OYAP), creating promotional videos for the classroom setting at the high school level, participating in high school career fairs as well as ongoing support dedicated to "Young Women in Trades" events. This helps to break down barriers allowing young women to feel confident in entering the trades, a historically male dominated field.

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

Diversity & Inclusion at Ontario Northland

FY2023-24 will continue with the work established through Ontario Northland's action plan on Diversity & Inclusion to further initiatives from the prior fiscal years. 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 reviews workforce demographics data captured by Ontario Northland to determine year-over-year trends to inform decision-making and progress with diversity initiatives. At present, Ontario Northland captures information on sex, visible minority status, and self-identified Indigenous identity. Year-over-year (Sept 2021 to Sept 2022) we have seen an increase in representation of all marginalized groups that we currently capture demographic data for.

Women in the workforce: 23.2% (increased from 21.8%)

Women in trades: 3.9% (increased from 3.6%)

Visible Minority staff (including those self-identifying as Indigenous): 7.7% (increased from 6.3%)

Indigenous staff: 6.4% have self-identified as Indigenous (increase from 5.4%)

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:

- Work Safe Recognition and Awards Program to encourage, recognize, and reward employees for taking action to improve workplace safety. This program also reinforces the importance of teamwork and engagement, while helping to ensure a world-class safety culture. The program will feature on-the-spot recognition as well as quarterly and annual awards.
- 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.
- Introduction of additional modules in incident management software, including Occupational Health module, Job Safety Analysis, Behavioural Based Safety, and Industrial Hygiene.
- Updating orientation for employees and including an orientation portion for Managers/Supervisors as part of leader onboarding.
- 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.
- Introduction of hearing-loss prevention program and base-line testing to all employees exposed to noise, accompanied by updating noise analysis to determine high risk areas/activities.
- Exploring opportunity to bring periodic medicals and vision screening in-house
- 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.
- Begin roll-out of improvement to employee reporting process, where employees will have access and knowledge to report their own incidents into the incident management system.
- Continue supporting management with identifying and controlling reported hazards and those identified through accident investigation. This includes participating in weekly/monthly meetings held by VP's for Rail Operations, Remanufacturing and Repair, and Passenger Services to openly discuss past incidents, hazard reports, and observations.

9.1 Workforce Summary & Planning

As of March 31, 2022, the total headcount of active full time (FT) employees on payroll, both unionized and non-unionized, was 778. In addition to these FT employees, there were eight part-time employees and one employee 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 one headcount equivalent to 0.5 FTE.

The Ontario Northland workforce consists of the following position types:

- Non-union management (includes Supervisors): 86 employees.
- Non-union full-time (includes Professional, Technical and some Office roles): 87 employees.
- Unionized employees: 605.

Approximately 78% of ONTC’s current employees are represented by one of four bargaining agents:

- Unifor represents 43.7% of the total workforce.
- Teamsters Maintenance of Way Division represents 13.9% of the total workforce.
- United Steelworkers represents 12.1% of the total workforce.
- Teamsters Motor Coach Division represents 8.1% of the total workforce.

For 2023-24, ONTC is planning an additional 229 positions. This change primarily supports the increase in external work with a large contract at the North Bay shops. Furthermore, the increase also supports the mandate for excellence in governance and modernization to support reporting, performance measurement, data and statistical analysis, internal controls, external communications and relations, IT support and decision making. Additional FTE’s have been requested to provide operational excellence to support critical positions that impact the safety of operations due to Ontario Northland’s rapidly evolving business complexities.

The table below forecasts budgeted FTEs from FY2023-24 to FY2025-26 and reflects the cyclical nature of projects underway. The reduction in numbers in FY2025-26 reflect completion of refurbishment work for a customer. 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	2023-24	2024-25	2025-26
TOTAL	969	976	834

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 percentage of pay-at-risk ranging from 5 to 8% on compensation.

Unionized Employees

Approximately 78% 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 of software solutions 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.

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. That 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 Q4.

In FY2023-24, ITS will continue to introduce several solutions, services and standards aimed at containing expenses, gaining efficiencies and improving productivity, including:

- **Improved Wi-Fi and infotainment services for Polar Bear Express and Motor Coach Services passengers.**
 - *PBX-Phase 1* – Basic LTE and satellite connectivity for on board services with GoMedia infotainment for passengers. ETC FY2023-24-Q2

- *PBX-Phase 2* – Wi-Fi services for passengers. Speed and service availability dependent on the availability of Low Earth Orbit (LEO) satellite services anticipated in 2024. ETC FY2024-25-Q2
- *Motor Coach Services* – Wi-Fi improvements include improved passenger Wi-Fi experience and the addition of GoMedia infotainment services. Project phase to be completed by FY2023-2024-Q1.
- **Cloud-based Video Surveillance Solution**
 - Installation of 260+ cameras across 20+ locations to address growing demands for video surveillance, related security benefits, and operational efficiencies.
- **Enhancing Reporting, Data and Analytics**
 - Establish infrastructure and support model for business intelligence and performance measures programs
 - Introduction of Microsoft Power Platform (Power BI, Power Automate, Power Apps)
- **Focused Cyber Security Improvements and Awareness**
 - Increase employee awareness of cyber security and cyber hygiene through quarterly communications and through the Province's Cyber Security Awareness Month campaign.
 - Update IT security and user acceptance policies to align with current trends and industry best practices.
 - Administer simulated phishing campaigns, threat analysis and pen testing.
- **Ongoing release of Microsoft 365 tools and features**
- **Software lifecycle and data management standards**

11.0 Legal Services & 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 the realty inventory, 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, including access to information, in conjunction with Information Technology Services
- Corporate Governance: General Counsel acts as the Commission's corporate secretary and manages the legislative and regulatory regime governing the corporation and the Commission

Legal Services

The primary work of Legal Services is to provide support for the day-to-day work and initiatives being undertaken by the corporation. The majority of the work involves contract review for all departments and managing litigation and claims.

Legal Services also undertakes its own initiatives. Currently underway or being planned for 2023-24 and beyond are:

- Supporting government-wide priorities, as appropriate, such as the modernization of the *ONTC Act* and confirmation of jurisdictional issues relating to ONTC
- Development of a new Procurement Policy, including a Sustainable Procurement Policy and an Indigenous Business Procurement Policy
- Co-Executive Sponsor for the Sustainability Committee
- Supporting the development and implementation of the ESG decision making framework and initiatives within the framework
- Duty to Consult analysis for capital projects and realty disposals
- Proactive engagement with municipalities on land use planning initiatives in relation to the railway and motor coach operations

Realty

The Legal Department also manages ONTC's significant realty holdings throughout Northern Ontario, Western Quebec and Eastern Manitoba. As part of that responsibility, Realty is reviewing the inventory of ONTC's realty assets, primarily based on operational requirements. In addition to supporting the realty requirements of the operating divisions, Realty is responsible for addressing legacy environmental and other issues on specific realty holdings, including properties in Cobalt, Moose Factory, the James Bay former tower sites and Moosonee.

Corporate Governance

The Legal Department is also responsible for supporting the Board of Directors of the corporation and providing governance advice to the Board of Directors and the Executive. Included in this responsibility is providing advice regarding Conflict of Interest and Ethics to the Ethics Executives for the corporation and the Board, developing updated corporate documents in consultation with the Ministry and providing support for the Governance Committee of the Board.

Transport Canada Transition

In December 2022, the Ministry directed the agency to apply to transition Ontario Northland Railway in its entirety to federal regulation by Transport Canada and its associated agencies. This aligns with the Annual Letter of Direction from MTO to Ontario Northland requiring Ontario Northland to modernize its operations.

Ontario Northland has completed a preliminary assessment of the work required to be completed and created a draft workplan which establishes a completion date in Q1 FY 2024-25.

Information Management

The Information Management Team (IMT) is a cross-functional alliance with representation from Legal Services & Corporate Governance and Information Technology Services (ITS). The IMT coordinates privacy and records and information management (Legal Services), as well as data management and information security (ITS) initiatives across the corporation to ensure that information and data assets are strategically managed to optimize their value and manage risk.

Records and Information Management is responsible for developing and maintaining a program to manage and control Ontario Northland's information and records in all formats, including the creation, receipt, maintenance, use, and disposition of records.

The Privacy Office provides advice, support and education on issues related to privacy and the collection, use and disclosure of personal and confidential information held by the corporation. We manage requests for access to information submitted under the Freedom of Information and Protection of Privacy Act (FIPPA) and address privacy concerns and complaints. With the corporation's privacy program still in its infancy, new policies and processes are being developed to build compliance with relevant legislation and best practices.

2023-2027 Deliverables

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

Deliverable	Estimated Completion Date	Annual Letter of Direction Elements
Enhance safety along the rail corridor by disposing of select surplus properties and/or updating lease arrangements. Some properties adjacent to the railway can be sold or have language added to leases which should include/require new fencing, barriers and improved access agreements that improve railway safety.	2023-24	Operational Excellence in the delivery of Efficient, Safe, 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 in accordance with operational requests.	2025-26	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Develop an accountable and risk-informed privacy management program.	2025-26	Excellence in Governance and Accountability

Support the government's plans for mitigating the risk of Ontario Northland owned legacy mining rights lands and contaminated properties that arise during creation of the realty inventory.	2026-27	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
As part of the Information Management Team with Information Technology Services, define the scope of and develop a roadmap for Ontario Northland's information management program.	2023-24	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Develop the corporation's records and information management program, including: <ul style="list-style-type: none"> • Governance framework (policies, procedures, retention schedule, standards) • Training and employee awareness • Technology and process improvements and solutions 	2026-2027	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Develop and implement a Sustainable Procurement Policy, including policies to promote green, social and Indigenous business procurements	2024-25	Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario Operational Excellence in the delivery of Efficient, Safe, Reliable Transportation Services in Northern Ontario
Support the implementation of the return of passenger rail in Northern Ontario.	mid 2020s	Advancement of Key Transportation Initiatives
Support opportunities for expansion and modernization of the rail operations.	2024-25	Advancement of Key Transportation Initiatives
Support the implementation of the capital asset management plan regarding land and facility assets.	2024-25	Implementation the Capital Management Plan

Support the modernization of the ONTC Act in collaboration with MTO.	2025-26	Excellence in Governance and Accountability
Create an inventory of intellectual property owned or created by Ontario Northland and a process for managing and protecting the intellectual property rights.	2024-25	Excellence in Governance and Accountability

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.

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).
- Increase community engagement and outreach by sharing information on major projects including rail infrastructure initiatives and rail modernization.
- Collaborate with communities to promote travel. Partnerships will include Moose Factory’s 350 Anniversary celebrations, and tourism promotion.
- Rapid response to emerging issues and media requests.
- Support Remanufacturing and Repair client retention and outreach.
- Growth of social media channels with dynamic digital content.
- Further development 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

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 FY2023-24 to FY2026-27. Priorities include:

- Designing and implementing an Enterprise Asset Management process and system,
- Implementing the Environmental Sustainability Governance decision making framework,
- Continue to develop and implement Northeastern Passenger Rail,
- 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,
- Continue to develop cooperation with other railways, particularly Canadian National Railway due to proximity of track and historical achievements, and
- Continued Implementation of the 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.

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 unforeseen circumstances however we are committed to our mandate commitments:

- Operational Excellence in the Delivery of Efficient, Safe and Reliable Transportation Services in Northern Ontario
- Excellence in Governance and Accountability
- Advancement of Key Transportation Initiatives
- Implementation of the Capital Asset Management Plan

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