

**Legislative  
Assembly  
of Ontario**



**Assemblée  
législative  
de l'Ontario**

Legislative Research  
Information and Technology Services Division  
Room 2520, Whitney Block  
Queen's Park  
Toronto, Ontario M7A 1A9  
Telephone: (416) 325-3675  
Facsimile: (416) 325-3696

Recherche législative  
Division des services de l'information et de la technologie  
Bureau 2520, Edifice Whitney  
Queen's Park  
Toronto (Ontario) M7A 1A9  
Téléphone: (416) 325-3675  
Télécopieur: (416) 325-3696

200336

**NORTHERN ONTARIO HERITAGE FUND:  
ORDER-IN-COUNCIL APPOINTMENT OF  
SUSAN PRODANIUK\***

---

Prepared for:

Standing Committee on  
Government Agencies

Prepared by:

Heather Conklin  
Research Officer  
Legislative Research

November 12, 2020

- \* Projects prepared by Legislative Research are designed in accordance with the requirements and instructions of the Committee making the request. The views expressed should not be regarded as those of Legislative Research or of the individual preparing the project.



**CONTENTS**

|                                            |   |
|--------------------------------------------|---|
| INTRODUCTION                               | 1 |
| NORTHERN ONTARIO HERITAGE FUND CORPORATION | 1 |
| NOHFC OPERATIONS                           | 1 |
| Guiding Principles                         | 2 |
| NOHFC Programs                             | 3 |
| RECENT DEVELOPMENTS                        | 4 |
| FINANCIAL INFORMATION                      | 5 |
| THE WITNESS                                | 5 |
| POSSIBLE QUESTIONS                         | 5 |



## INTRODUCTION

This document was prepared to assist Members participating in the Committee's review of the Order-in-Council appointment of Susan Prodaniuk as a part-time member of the Northern Ontario Heritage Fund Corporation (NOHFC). It describes the role and operations of the NOHFC, presents information about the appointee, and suggests possible lines of questioning.

## NORTHERN ONTARIO HERITAGE FUND CORPORATION

| Enabling Statute                                                                                                                                                                                                                                                                                                                                                                                            | Responsible Ministry                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Northern Ontario Heritage Fund Act</i>                                                                                                                                                                                                                                                                                                                                                                   | Ministry of Energy, Northern Development and Mines                                                                                                       |
| Agency Type                                                                                                                                                                                                                                                                                                                                                                                                 | Most Recent Annual Report                                                                                                                                |
| Operational Service Agency                                                                                                                                                                                                                                                                                                                                                                                  | <a href="#">2018-2019</a>                                                                                                                                |
| Activities of the Agency                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                          |
| The NOHFC advises and makes recommendations to Cabinet on matters relating to the growth and diversification of the economy of northern Ontario. The Corporation was established to promote and stimulate economic initiatives in northern Ontario and to commission studies and enter into contracts to encourage such growth and diversification. The NOHFC maintains the Northern Ontario Heritage Fund. |                                                                                                                                                          |
| Board Membership                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                          |
| <b>Statutory No. of Members:</b><br>At least twelve directors.                                                                                                                                                                                                                                                                                                                                              | <b>Remuneration:</b><br>Appointees receive \$1.00 annually.                                                                                              |
| <b>Appointed by Cabinet:</b><br>The Minister is the chair of the board. Every other director is appointed by Cabinet.                                                                                                                                                                                                                                                                                       | <b>Term of Office:</b><br>At pleasure (no limitation in legislation). Current part-time members appointed by Cabinet have two-year and three-year terms. |
| Position Requirements                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                          |
| Directors appointed by Cabinet must reside in one of the territorial districts of northern Ontario, namely Algoma, Cochrane, Kenora, Manitoulin, Nipissing, Parry Sound, Rainy River, Sudbury, Thunder Bay or Timiskaming.                                                                                                                                                                                  |                                                                                                                                                          |

## NOHFC OPERATIONS

The NOHFC was established, without share capital, on June 1, 1988. Its purpose is to promote infrastructure improvements and economic development opportunities in northern Ontario by providing financial assistance in the form of conditional contributions, forgivable performance loans, and term loans.

The NOHFC is an Ontario Crown agency, chaired by the Minister of Energy, Northern Development and Mines.<sup>1</sup>

The full board meets approximately eight times per year, with more frequency for special board meetings by teleconference, if required. Subcommittees generally meet once monthly.<sup>2</sup>

NOHFC's objectives, as set out in the *Northern Ontario Heritage Fund Act*, are:

- (a) to advise and make recommendations to the Lieutenant Governor in Council on any matter relating to the growth and diversification of the economy of Northern Ontario;
- (b) to promote and stimulate economic initiatives in Northern Ontario; and
- (c) to commission studies and enter into contracts in connection with the objects set out in clauses (a) and (b) above.<sup>3</sup>

The Corporation provides economic-development funding (as noted above) toward approved projects in the territorial districts of northern Ontario. The NOHFC engages in a strategic planning process and has developed vision and mission statements, as well as guiding principles, which are outlined below.

*Vision* – NOHFC will be a catalyst for key strategic investments to stimulate economic development and diversification in Northern Ontario.

*Mission* – To partner with communities, businesses, entrepreneurs and youth across northern Ontario to create jobs and strengthen the economy.<sup>4</sup>

## Guiding Principles

*Alignment with Key Initiatives* – NOHFC priorities will support the key elements of the [Growth Plan for Northern Ontario, 2011](#).

*Recognition of Northern Ontario's Unique Circumstances* – The programs and initiatives of NOHFC will continue to be an important means of recognizing the unique requirements of Northern Ontario in support of a strong Ontario.

*Adaptability* – The strategic-planning process is ongoing and provides the NOHFC with a management tool for adapting to change in the future.

---

<sup>1</sup> Northern Ontario Heritage Fund Corporation (NOHFC), [Financial Statements For the year ended March 31, 2020](#), p. 5.

<sup>2</sup> Public Appointments Secretariat, [Northern Ontario Heritage Fund Corporation](#).

<sup>3</sup> *Northern Ontario Heritage Fund Act*, R.S.O. 1990, c. N.5, s. 5 ("Objects").

<sup>4</sup> NOHFC, [Business Plan 2017/18 Through 2019/20](#), pp. 3-4; NOHFC, [Annual Report 2018-19](#), p. 5; NOHFC, [About Us](#).

*Reflective, Flexible, and Forward-Thinking* - It is the intent that the NOHFC Board of Directors will review the strategic plan, at minimum, on an annual basis.

*Inclusiveness* – The NOHFC will continue to develop and deliver its programs and initiatives in a manner that recognizes the needs of the North’s diverse communities including, but not limited to, Indigenous communities and individuals and the North’s other demographic groups.

The Corporation’s programs focus on the growth of existing and emerging priority economic sectors, including:

- advanced manufacturing;
- agriculture, aquaculture and food processing;
- arts, culture and creative industries;
- digital economy;
- forestry and value-added forestry related products;
- health sciences;
- mineral sector and mining supply and services;
- renewable energy and services;
- tourism;
- transportation, aviation and aerospace; and
- water technologies and services.<sup>5</sup>

## NOHFC Programs

According to the most recent business plan available on the NOHFC’s “[Agency Accountability](#)” page, annual notional program budgets are set as follows:

| Program                               | Theme                                                                                                                                                        | Estimated Notional Budget |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Northern Business Opportunity Program | Implement strategic economic development initiatives that support the growth and sustainability of communities, businesses and industry in Northern Ontario. | \$55M                     |
| Innovation Program                    | Stimulate innovation and productivity to support R&D, commercialization, innovation and productivity initiatives.                                            | \$10M                     |
| Strategic Infrastructure Program      | Support community infrastructure.                                                                                                                            | \$35M                     |

<sup>5</sup> NOHFC, [About Us](#).

|                                              |                                                            |       |
|----------------------------------------------|------------------------------------------------------------|-------|
| Northern Community Capacity-Building Program | Enhance economic development capacity in Northern Ontario. | \$5M  |
| Northern Ontario Internship Program          | Attract and retain talent to Northern Ontario.             | \$15M |

Source: NOHFC [Business Plan 2017/18 Through 2019/20](#), p. 16.

According to the NOHFC's 2018-19 Annual Report, 610 projects were approved for the fiscal year, creating or retaining a total of 2,307 jobs. In the previous year (2017-18), 854 projects were approved, creating or retaining a total of 3,914 jobs.<sup>6</sup>

According to the Ministry, "since June 2018, the NOHFC has invested more than \$193 million in 1,386 projects in Northern Ontario, leveraging more than \$748 million in investment and creating or sustaining 3,912 jobs."<sup>7</sup>

## RECENT DEVELOPMENTS

On September 28, 2020, the Minister of Energy, Northern Development and Mines and Indigenous Affairs announced the Northern Ontario Recovery Program (NORP) to help businesses adapt to COVID-19 public health guidelines.

The \$20 million program is administered through the NOHFC with applications being accepted from October 1, 2020, through December 31, 2020. The program will provide conditional contributions that "will normally not exceed \$25,000."<sup>8</sup>

According to the Minister, examples of eligible projects could include

- building renovations and new construction to support physical distancing;
- customer and employee safety installations, such as plexiglass shields;
- equipment purchases, including personal protective equipment; and
- marketing for new business initiatives and restructuring of operations.<sup>9</sup>

As of October 1, 2020, the NOHFC is only accepting applications for the Northern Ontario Recovery Program. The government has announced plans to launch "a new and improved NOHFC program" in January 2021.<sup>10</sup>

<sup>6</sup> NOHFC, [Annual Report 2018-19](#), p. 8. The report includes a five-year comparison for jobs to be created/retained and a six-year comparison for total projects approved.

<sup>7</sup> Ministry of Energy, Northern Development and Mines (MENDM), "[Ontario Launches Recovery Program for Northern Businesses Impacted by COVID-19](#)," *New Release*, September 28, 2020.

<sup>8</sup> NOHFC, [Northern Ontario Recovery Program](#); see also "[Province launches Northern Ontario Recovery Program to aid businesses through COVID-19 pandemic](#)," *CBC News* [Thunder Bay], September 28, 2020.

<sup>9</sup> MENDM, "[Remarks for Greg Rickford, Minister of Energy, Northern Development and Mines](#)," *News Release*, September 28, 2020.

<sup>10</sup> NOHFC, [FAQ page](#); MENDM, "[Ontario Launches Recovery Program for Northern Businesses Impacted by COVID-19](#)," *New Release*, September 28, 2020.

## FINANCIAL INFORMATION

According to the NOHFC's Financial Statements for the year ended March 31, 2020, the Corporation's 2020 net financial assets totalled \$296.3 million. Funds committed, but not yet disbursed (because eligibility criteria had not yet been met by recipients) were \$221 million. The NOHFC received a \$75 million grant from the Province. The budget for salaries and benefits was approximately \$2.5 million.<sup>11</sup>

Because of the direct impact of the COVID-19 pandemic on the NOHFC's clients, a temporary loan deferral and interest relief program was offered to all loan recipients in order to help offset the financial crisis facing clients. The Financial Statements note that a temporary decline of interest revenue in the beginning of the new fiscal year is expected, as a result of this deferral:

Management is actively monitoring the effects on its financial condition, liquidity, operations, and workforce. At this time, the full potential impact of COVID-19 on the organization is unknown.<sup>12</sup>

## THE WITNESS

The witness, of Thunder Bay, is seeking appointment as a part-time member.

According to information provided by the Office of the Premier, Susan Prodaniuk is President of Sue Prodaniuk Advertising/PR Consultant Inc., and a former Executive Director of Communications, Fundraising and Strategic Enrolment Management for Confederation College. Her community involvement includes acting as an Executive Member for Ambassadors NW.

## POSSIBLE QUESTIONS

*What has motivated the witness to seek this appointment?*

*Can the witness describe how her expertise and background relate to the NOHFC's five guiding principles?*

*What is the witness's understanding of the particular challenges posed by COVID-19 for northern Ontario businesses and the NOHFC's role in light of the present situation?*

---

<sup>11</sup> NOHFC, [Financial Statements For the year ended March 31, 2020](#), pp. 1, 2 and 12.

<sup>12</sup> Ibid., p. 14.