

**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

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

100263

**NORTHERN ONTARIO HERITAGE FUND CORPORATION
ORDER-IN-COUNCIL APPOINTMENT OF
E. JAMES T. HOOK***

Prepared for:

Standing Committee on Government Agencies

Prepared by:

Heather Conklin
Research Officer
Legislative Research

May 25, 2021

- * 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
NORTHER ONTARIO HERITAGE FUND CORPORATION	1
NOHFC OPERATIONS	1
Guiding Principles	2
NOHFC Programs	3
FINANCIAL INFORMATION	3
RECENT DEVELOPMENTS	4
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 E. James T. Hook 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.

NORTHER 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	2019-2020
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	
Statutory No. of Members: At least 12 directors.	Remuneration: Appointees receive \$1.00 annually.
Appointed by Cabinet: The Minister is a director and the chair of the board. Every other director is appointed by Cabinet.	Term of Office: 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.¹

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

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.²

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.³

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, not-for-profits, businesses, and entrepreneurs across northern Ontario to create jobs and strengthen the economy.⁴

Guiding Principles

Alignment with Key Initiatives – NOHFC priorities will support the key elements of the [Growth Plan for Northern Ontario](#).⁵

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.

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

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

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

⁴ NOHFC, [Annual Report 2019-2020](#), p. 5; NOHFC, [About Us](#).

⁵ Released in 2011, the Growth Plan for Northern Ontario "is a 25-year plan that provides guidance to align provincial decision-making and investment for economic and population growth in Northern Ontario"; see Ministry of Municipal Affairs and Housing, [Growth Plan for Northern Ontario](#).

communities including, but not limited to, Indigenous communities and individuals and the North's other demographic groups.⁶

NOHFC Programs

According to the NOHFC's 2019-2020 Annual Report, the following programs operated for that fiscal year:

- *Northern Business Opportunity Program* – Strategic economic development initiatives that support the growth and sustainability of communities, businesses and industry.
- *Innovation Program* – Innovation and productivity to support research and development, commercialization, innovation and productivity initiatives.
- *Strategic Infrastructure Program* – Community strategic economic infrastructure.
- *Northern Community Capacity Building Program and Northern Event Partnership Program* – Economic development capacity enhancement.
- *Northern Ontario Internship Program* – Attraction and retention of talent.

The NOHFC approved 887 projects for the 2019-2020 fiscal year, creating or retaining a total of 3,542 jobs. In the previous fiscal year, 610 projects were approved, creating or retaining a total of 2,307 jobs.⁷

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.⁸

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.⁹

⁶ NOHFC, [Annual Report 2019-2020](#), pp. 5-6.

⁷ Ibid., pp. 7-8. The report includes a five-year comparison for jobs to be created/retained, as well as for total projects approved.

⁸ NOHFC, [Financial Statements For the year ended March 31, 2020](#), pp. 1, 2 and 12.

⁹ Ibid., p. 14.

RECENT DEVELOPMENTS

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

From October 1 through December 31, 2020, the NOHFC only accepted applications for NORP. This time-limited short-term program provided conditional contributions of up to \$25,000 to help offset expenses incurred by businesses to meet mandated public health requirements. 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.

The program “received an overwhelming number of applications” and committed to approximately \$26.5 million in funding support to help over 1,300 business in northern Ontario.¹⁰

For the fiscal year 2020-21, the NOHFC reports that it created or sustained 1,083 jobs (up to December 31, 2020 and not including NORP job creation and retention).¹¹

In February 2021, the NOHFC launched its renewed funding programs as follows:

- *Invest North Program* – To boost economic growth in northern Ontario by encouraging businesses to invest in transformative, strategic and complementary business development opportunities in northern communities.
- *People and Talent Program* – To attract, retain and develop northern Ontario’s workforce by targeting new entrants into the workforce, those transitioning to a new career, and the unemployed and underemployed.
- *Community Enhancement Program* – To help build strong and resilient northern communities through infrastructure investments (e.g., upgrade/repair existing assets to improve community quality of life, economic-development infrastructure, and strategic economic development initiatives).
- *Cultural Supports Program* – To help showcase northern Ontario culture, geography and talent through event partnerships and the production of films and television series.¹²

¹⁰ Ministry of Energy, Northern Development and Mines, “[Remarks for Greg Rickford, Minister of Energy, Northern Development and Mines](#),” *News Release*, September 28, 2020; NOHFC, [Fiscal 2021-22 Business Plan](#), pp. 2 and 19.

¹¹ NOHFC, [Fiscal 2021-22 Business Plan](#), p. 24.

¹² *Ibid.*, pp. 21-23.

THE WITNESS

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

According to information provided by the Office of the Premier, E. James T. Hook is a retired founding partner for Hook, Seller & Lundin LLP. His community involvement includes serving as past President with the Canadian Wildlife Federation Advisory Committee and with the Ontario Federation of Anglers and Hunters Advisory Committee.

POSSIBLE QUESTIONS

What has motivated the witness to seek this appointment?

Can the witness describe how his 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?