

Northern Ontario Heritage Fund Corporation
Business Plan Fiscal 2024-2025

Annual Budget and Financial Projections for 2024-25 through 2026-27

Table of Contents

- Executive Summary 2
- 1.0. Northern Ontario Heritage Fund Corporation Mandate 4
 - 1.1. Strategic Direction 4
 - 1.2. NOHFC Strategic Plan..... 6
 - 1.3. Strategic Priorities 7
- 2.0. Northern Ontario Economic Landscape 8
 - 2.1. Northern Ontario Overview 9
 - 2.2. Key Economic Sectors & Activities 12
- 3.0. MND Mandate, Priorities, Initiatives..... 23
 - 3.1 Building a Strong Ontario – 2023 Ontario Budget..... 24
- 4.0. Overview of NOHFC’s Current Programs..... 26
- 5.0. Performance Measures..... 28
 - 5.1. Key External Performance Measures 29
 - 5.2. Non-Key Performance Measures 29
 - 5.3. Program Specific Non-Key Performance Measures..... 30
- 6.0. Key Initiatives to Meet Mandate Letter Expectations 33
- 7.0. Marketing and Communications 35
- 8.0. Information Technology/Electronic Service Delivery Plan..... 35
- 9.0. Resources to Meet Mandate and Strategic Direction..... 36
 - 9.1. Projected Three Year Schedule of Administrative Expenses..... 37
 - 9.2. Projected Three Year Financial Budget 38
- 10.0. Third-Party Engagement..... 39
- 11.0. Strategic Partnership - Regional Economic Development Branch (REDB).. 39
- 12.0. NOHFC - Ontario Public Service Employees 40
- 13.0. NOHFC’s Organizational Structure..... 41
- 14.0. Risk Management..... 42

Executive Summary

The Northern Ontario Heritage Fund Corporation (NOHFC) achieved its mandate to promote and stimulate the economy in Northern Ontario throughout the 2023-24 fiscal year. This was accomplished by remaining focused on economic development and enhanced client service through the delivery of programs that provide financial support to foster economic growth, create and retain jobs and leverage investment in the region. NOHFC's Board of Directors, under the leadership of The Honourable Greg Rickford, Minister of Northern Development, demonstrated their commitment by ensuring programs remained relevant and responsive to the needs of Northern Ontario.

As NOHFC prepares for the 2024-25 fiscal year and beyond, the Agency will continue with the commitment to create and leverage economic opportunities for Northern Ontario communities. This commitment will be realised through strategic investments that support the transformation of innovative opportunities into long-term benefits that foster growth, create and retain jobs, as well as building strong and resilient Northern communities to improve quality of life. The 2024-25 Business Plan outlines key priorities and objectives for NOHFC and the Board of Directors to deliver on its mandate.

These key priorities and projects for fiscal 2024-25 include:

- Supporting broader community and organization participation in NOHFC's programming with an emphasis on increasing the participation of Indigenous communities and partners.
- Achieving all milestones in NOHFC's information technology and system renewal project, enabling easier, efficient processes that increase access to information and make it easier to apply for funding.
- Facilitating informed funding decisions of the Board and operating decisions to maximize funding approvals and manage operating expenses within the allocation from the province.
- Oversight of third-party and partner due diligence and service delivery to enable superior client service.
- Maintaining a continuous improvement process, including developing training, and support to enable superior client service and supporting increased participation by new applicants.
- Supporting a mandate review to ensure NOHFC programs are aligned with government priorities.

The people of Northern Ontario continue to strengthen Ontario's economy through Ontario's Plan – *Building a Strong Ontario Together*¹. The plan is creating conditions for long-term economic growth and a strong future for Ontario. NOHFC role in the plan is providing financial assistance to businesses, municipalities, Indigenous communities,

¹ [2023 Ontario Economic Outlook and Fiscal Review: Building a Strong Ontario Together](#)

and non-profit organizations across Northern Ontario to grow and strengthen the economy.

A handwritten signature in blue ink that reads "John Guerard". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

John Guerard,
Executive Director
Northern Ontario Heritage Fund Corporation

1.0. Northern Ontario Heritage Fund Corporation Mandate

The Northern Ontario Heritage Fund Corporation (NOHFC) is an operational service agency established under the enabling legislation of the *Northern Ontario Heritage Fund Act*². Oversight of NOHFC falls within the mandate of the Ministry of Northern Development (MND). NOHFC, as a board-governed agency, has an appointed Board of Directors, and the Minister of Northern Development is the Chair of the NOHFC Board.

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

- I. 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;
- II. To promote and stimulate economic initiatives in Northern Ontario; and
- III. To commission studies and enter into contracts in connection with the objects set out in clauses (I.) and (II.) above.

NOHFC delivers financial assistance through programs that offer conditional contributions and loans to municipal, Indigenous, not-for-profit, and business applicants. This provincial support for the NOHFC, recognizes the vital role NOHFC will continue to have as Northern Ontario moves toward long-term economic growth.

NOHFC's funding programs are as follows:

- I. Community Enhancement Program
- II. Invest North Program
- III. People and Talent Program
- IV. Cultural Supports Program

1.1. Strategic Direction

NOHFC Mandate Letter (Agency)

In September 2023, The Honourable Greg Rickford, Minister Northern Development, provided a mandate letter to NOHFC's Vice-Chair of the Board of Directors with the expectation that NOHFC focus on:

- Supporting broader community and organization participation in NOHFC programming, with an emphasis on increasing the participation of Indigenous communities and partners.
- Continuing to provide superior client service.
- Enabling easier, efficient processes that reduce burden to submitting applications.

² *Northern Ontario Heritage Fund Act*

- Supporting the ministry and any third parties in a mandate review to ensure alignment with government priorities.

Agencies of the Government of Ontario are expected to act in the best interests of the people of Ontario and ensure value for money is provided to taxpayers. To achieve this, NOHFC continues to focus on:

1. Competitiveness, Sustainability and Expenditure Management

- Operating within the agency's financial allocations.
- Identifying efficiencies and savings through innovative practices, and/or improved program sustainability.
- Complying with applicable direction related to accounting practices and supply chain centralization, including leveraging Supply Ontario's bulk purchasing arrangement and working with Supply Ontario on strategic procurement initiatives.
- Complying with realty interim measures for agency office space.

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.
- Identifying appropriate skills, knowledge, and experience needed to effectively support the board's role in agency governance and accountability, and providing the Minister with annual skills matrices to ensure the board has qualified appointees.
- Reviewing and updating agency key performance indicators (KPIs) annually to ensure efficiency, effectiveness, and sustainability.

3. Risk Management

- Developing and implementing an effective process for the identification, assessment, and mitigation of agency risks, including cyber security, and any future emergency risks.

4. Workforce Management

- Optimizing organizational capacity to support the best possible public service delivery, including redeploying resources to priority areas, where needed.
- Supporting the implementation of the Community Jobs Initiative (CJI) by identifying opportunities to relocate new or existing agencies to lower cost communities across Ontario (per Management Board of Cabinet (MBC) Realty Directive, s. 5.4), as applicable.
- Aligning Human Resource and Accommodations strategies with Ontario Public Service (OPS) Directives and Policy.
- Adhering to Treasury Board / Management Board of Cabinet (TB/MBC) labour and bargaining mandates.
- Prudently and efficiently managing operational funding and workforce size.

5. Diversity and Inclusion

- Developing and encouraging diversity and inclusion initiatives promoting an equitable, inclusive, accessible, anti-racist and diverse workplace.
- Adopting an inclusion 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.

1.2. NOHFC Strategic Plan

NOHFC's strategic plan was developed by the NOHFC Board of Directors in consultation with NOHFC's administration and Ministry of Northern Development. Reviewed annually by the NOHFC Board, the plan sets out the strategic framework of NOHFC, including the vision, mission, guiding principles, and strategic priorities.

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.

Guiding Principles

The following principles provide overall program direction throughout NOHFC's day-to-day operations, irrespective of changes in its goals, requirements, or resources.

- I. **Recognition of Northern Ontario's Unique Circumstances**
NOHFC programs and initiatives will continue to be an important means of recognizing the unique needs of Northern Ontario, in the support of a strong resilient Ontario. In 2021, NOHFC launched its enhanced programs and services in response of today's path to build a stronger Ontario together.

- II. **Adaptability**
The strategic planning process is an ongoing process that provides NOHFC with a management tool for adapting to changes in the future.
- III. **Reflective, Flexible and Forward-Thinking**
It is the intent that the NOHFC Board of Directors will continue to review the strategic priorities and plans, at minimum, on an annual basis.
- IV. **Inclusiveness**
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.

1.3. Strategic Priorities

In support of Building a Strong Ontario Together, NOHFC continues to provide funding support to the following strategic initiatives:

Innovation, Research and Development, and Commercialization

Supporting applied research and development projects and initiatives that lead to innovative products and services with commercialization potential.

- Support and encourage partnerships among educational institutions, research organizations, and industry to develop and grow innovative products and industries in Northern Ontario.
- Support the commercialization of ideas and innovation in partnership with northern stakeholders.

Creativity, Productivity and Entrepreneurial Development

Supporting an environment that promotes creativity, productivity, and entrepreneurial development.

- Support collaboration with educational institutions and industry to promote productivity and entrepreneurial development.
- Assist northern stakeholders to attract and retain a highly skilled and creative workforce.
- Aid entrepreneurs at various stages of their business' growth.

Partnerships and Collaboration

Maximizing opportunities to leverage NOHFC funding through partnerships and collaboration to ensure the success of projects and sustainable economic outcomes.

- Engage leaders in economic development discussions to increase awareness, knowledge, and access to NOHFC programs.
- Support projects that demonstrate collaboration and partnership amongst public and private sector organizations in Northern Ontario.

- Work collaboratively with other funding partners to assist in the development and funding of projects that result in job creation and support a growing and sustainable Northern Ontario economy.

Furthermore, internally within the Agency, NOHFC will continue to focus on:

Organization Development and Renewal

Engaging in continuous improvement and human resource development to improve the efficiency, effectiveness, access, and delivery of NOHFC programs, as well as improve performance measurement.

- Continued development of information technology capabilities and enhance existing systems to improve access for clients to NOHFC programs and NOHFC staff to program statistics.
- Implement regular, ongoing dialogue between the NOHFC Board and staff to plan and engage in strategic thinking in the new and emerging opportunities and key government initiatives.
- Develop business approaches and best practices that allow staff and program delivery partners to proactively communicate and work with stakeholders to promote and facilitate access to NOHFC programs.
- Provide the tools and training to enable staff and the Board to fulfill their roles and responsibilities effectively in an increasingly demanding environment.

Awareness, Education and Recognition

Develop effective marketing, communication, and outreach tools that increase awareness, understanding and recognition of NOHFC, its programs, applications, and other processes.

- Develop effective marketing and communications tools that increase awareness and recognition of NOHFC and its programs.
- Develop effective marketing and communications tools to educate targeted clients to improve access to NOHFC programs.

2.0. Northern Ontario Economic Landscape

The following is a current overview of the demographic, economic, and labour market indicators, and trends in Northern Ontario. In addition, information about the key economic sectors and activities of Northern Ontario are also outlined. This overview is updated as new information becomes available from data sources and involves intra-ministerial consultation and collaboration.

Ontario continues to navigate economic uncertainties such as rising inflation, rising interest rates, supply chain challenges, ongoing labour shortages and record-high housing prices.

Northern Ontario has seen growth and some diversification of its economy. However, the region continues to rely on the primary resource extraction sectors that are tied to

global commodity prices and market demand. As a result, it is anticipated that the region will continue to experience pronounced boom and bust economic cycles. The North continues to address challenges such as a declining population and youth out-migration, which will affect the labour force supply needed to drive economic growth.

Over the past number of years, Northern Ontario's Gross Domestic Product (GDP) growth has fluctuated. Northern Ontario experienced a real GDP growth of 3.1 per cent in 2022 and growth is forecasted to increase by 1.9 per cent in 2023, compared to Ontario's GDP growth of 3.7 per cent in 2022 and forecasted growth of 1.2 per cent in 2023³.

2.1. Northern Ontario Overview

Demographics and Workforce

The North continues to address challenges such as a declining population, youth out-migration, and a shortage of skilled workforce in several sectors. However, the future labour force supply will be essential to drive Northern Ontario's economic growth.

Northern Ontario represents 90 per cent of the provincial land mass, with a population of approximately 821,000, representing 5.4 per cent of the provincial population. In addition, the 2021 Census indicates that more than half of the Northern Ontario population (61 per cent) is concentrated in the North's five largest centers of Greater Sudbury, Thunder Bay, Sault Ste. Marie, North Bay, and Timmins⁴.

Northern Ontario continues to have a higher rural population distribution than in Southern Ontario (36.1 per cent vs 14.0 per cent in Southern Ontario). This is further demonstrated with over 85 per cent of the municipalities in Northern Ontario having a population under 5,000, and nearly half (49 per cent) of all municipalities in Northern Ontario have populations of under 1,000. Only 20 per cent of all municipalities in Ontario have a population of fewer than 1,000. Nearly 90 per cent of all municipalities in Ontario under 1,000 are in Northern Ontario⁵.

Looking forward, the Ontario Ministry of Finance indicates that the population of Northern Ontario is projected to grow slowly, with an increase of 14.6 per cent from 821,000 in 2022, to 941,000 by 2046. Within Northern Ontario, the Northeast is projected to see population growth of approximately 96,000, or 16.7 per cent, from 570,000 to 676,000. The Northwest is projected to experience growth of 23,000, or 9.7 per cent, from 242,000 to 265,000⁶.

³ Stokes Economics: Stokes Ontario Regional Macroeconomic Outlook

⁴ Statistics Canada 2021 census released February 9, 2022

⁵ Ibid

⁶ Ontario Ministry of Finance Demographics

While the overall population of Northern Ontario has increased by 1.2 per cent, the proportion of children (0-14 years) and the working-aged population (15-64 years) has declined. The population of children has decreased by 0.5 per cent compared to a provincial increase of 2.0 per cent, while the working-aged population has decreased by 2.4 per cent compared to an increase of 3.8 per cent provincially⁷.

However, there are regional differences to these fluctuations in the working-aged population. For example, the census agglomeration Elliot Lake and census subdivisions Parry Sound, Sioux Lookout, Kenora, Seguin, Kasabonika Lake First Nation, Deer Lake First Nation, Magnetawan, McKellar and Carling all saw increases in working-aged people that ranged from 1.6 per cent in Parry Sound to 31.1 per cent in Deer Lake First Nation⁸.

Northern Ontario has become increasingly reliant on net migration for population growth. Ontario's net migration jumped from 283,000 in 2021-2022, to 448,000 in 2022-2023. However, net migration is projected to be slightly lower in 2023-2024, at 394,000. While net migration for Northern Ontario was 6,900 in 2021-2022, it is projected to be 14,600 in 2022-2023, and 11,000 in 2023-2024. Furthermore, net international migration for Northern Ontario of 8,700 in 2021-2022 is projected to jump to 17,300 in 2022-2023, and 13,400 in 2023-2024⁹.

Further to the net migration projections, detailed age population demographic projections for Northern Ontario are also unique. Between 2022 and 2046, the number of children aged 0 to 14 is projected to decline slightly in both the Northeast and Northwest regions. In 2022, the Northwest region's population aged 0-14 accounted for 16.6 per cent of the population and 14.5 per cent in the Northeast. By 2046, the Northeast region is projected to have the lower of the two regions with a population share of children aged 0-14 at 14.7 per cent while the Northwest is projected to be at 16.1 per cent¹⁰.

Among all regions of Ontario, in 2022, the Northeast had the highest share of those aged 65 and over at 23.3 per cent. By 2046, it is projected that the Northeast will remain with the highest share of that demographic at 25.4 per cent. While the Northwest is projected to have an increase in those aged 65 and over from 20.4 per cent in 2022, to 22.4 per cent in 2046¹¹.

Ontario has the largest Indigenous population in Canada (406,585), representing 2.9 per cent of Ontario's population. The young and growing Indigenous population is poised to play an increasingly important role in meeting the region's future labour needs

⁷ Ontario Ministry of Finance Demographics

⁸ ibid

⁹ ibid

¹⁰ ibid

¹¹ ibid

with thirty-eight per cent of Ontario's Indigenous population under 25 years of age and twenty-two percent of Ontario's Indigenous population under 15 years of age¹².

In Northern Ontario the Indigenous population is 17.8 per cent, compared to 2.0 per cent in Southern Ontario. The Thunder Bay Census Metropolitan Area has the highest proportion of Indigenous people in Canada at 14 per cent of the population¹³.

Economic Performance

Like other parts of country, Northern Ontario is experiencing the impacts of rising interest rates, supply chain challenges, lack of affordable housing, ongoing labour shortages and inflation. However, the impact to Northern Ontario is illustrated through Northern Ontario's economic output falling from 5.2 per cent to 4.9 per cent of Ontario's GDP in 2022.

The population in Northern Ontario increased slightly in 2022 by 1.1 percent from the previous year, representing 5.4 per cent of the provincial population. Moreover, between 2021 and 2022, there was an increase in employment in the North from to 343,500 to 358,200 workers¹⁴.

Northern Ontario remains heavily reliant on public sector employment, with health care and social assistance, education, and public administration making up the largest sectors by employment share (estimated at 34.1 per cent of the North's total employment in 2022, compared to 25.4 per cent provincially).

In addition, to the prevalence of public sector employment, many of the region's communities continue to depend on primary industries such as mining and forestry, which accounted for 6.1 per cent of the North's total employment in 2022, compared to only 0.5 per cent for the province. Additional innovation and diversification of value-added opportunities within these sectors as well as building on existing clusters and the expertise related to primary industries could help the northern economy withstand the impacts of boom/bust cycles in primary resource sectors.

¹² [Statistics Canada 2021 census released February 9, 2022](#)

¹³ [Statistics Canada 2021 census released February 9, 2022](#)

¹⁴ [Statistics Canada Annual Labour Force Characteristics, Table 14-10-0393-01](#)

2.2. Key Economic Sectors & Activities

Mining

Since 2018, NOHFC has supported 227 projects in the minerals and mining supplies and services segments of the sector with investment totalling \$44 million and leveraging additional support of \$213 million in Northern Ontario.¹⁵

Mining in Ontario directly employs approximately 31,000 people and indirectly 47,000 jobs are associated with mineral processing and mining supplies and services, with approximately two-thirds of direct mining jobs located in Northern Ontario¹⁶. The sector has one of the highest proportions of Indigenous workers in Ontario and many benefits from Ontario's direct mining employment occur in Northern Ontario. The broader mining supply and services cluster includes over 1,400 companies and employs more than 40,000 people, contributing \$3.9 billion towards Ontario's GDP annually. In 2022, Ontario's mining industry accounted for more than \$4.3 billion in direct wages annually.

Northern Ontario is home to 27 of the 28 metal mines in Ontario and one major industrial mineral mining operation. As of July 31, 2023, there were 377,000 active mining claims in good standing in Ontario, the majority located throughout Northern Ontario¹⁷. In 2022, \$13.5 billion worth of minerals were produced (mined and processed) in Ontario (approximately 82 per cent metallic and 18 per cent non-metallic minerals). A total of \$989 million was spent in (Ontario) 2022 on mineral exploration, an increase of 10 per cent from 2021. Ontario was Canada's second-largest jurisdiction in mineral production, with most mineral production activity occurring in Northern Ontario. Ontario was also Canada's leader in mineral exploration expenditures in 2022 making up 24 per cent of the nation's total mineral exploration spending. Elevated mineral prices supported by increased demand for critical minerals helped maintain Ontario's strong performance in the mining sector in 2022.

S&P Global Market Intelligence forecasts a decrease of between 10 and 20 per cent in global exploration spending in 2023 due to companies' exploration budgets being impacted by concerns over the potential for a global recession. Currently, Ontario has a pipeline of approximately 31 advanced mineral exploration projects.¹⁸

The 2021 Fraser Institute Annual Survey of Mining and Mineral Exploration Companies¹⁹ ranked Ontario 12th on the Investment Attractiveness Index (out of the 62 jurisdictions assessed in the survey) with a score of 80.6 per cent (unchanged from 2021). The survey is an attempt to assess how mineral endowments and public policy

¹⁵ NOHFC approved projects as of November 3, 2023.

¹⁶ [Statistics Canada Employment by Industry Table 14-10-0392-01 Released January 2023](#)

¹⁷ [Invest Ontario: Mining](#)

¹⁸ Ontario Ministry of Mines

¹⁹ [Fraser Institute Annual Survey of Mining Companies, 2020](#)

factors such as taxation and regulatory uncertainty affect exploration investment. Ontario offers highly competitive business costs focused on burden reduction and fair and transparent mining law that support growth and profitability. It is a sector that attracts more exploration spending dollars than any other jurisdiction in Canada, with access to the mining finance capital of the world, Toronto²⁰.

Ring of Fire

Ontario's Ring of Fire is an area of significant mineral deposits located approximately 540 kilometres northeast of Thunder Bay in the James Bay lowlands region of Northern Ontario. The Ring of Fire is a mineral development opportunity that has significant multi-generational potential to produce critical minerals, including nickel, chromite, copper, and platinum. The international interest in this area continues to highlight the value of the mineral potential in this part of Ontario, especially as it relates to the search and acquisition of critical minerals including nickel, chromite, copper, and platinum.

Infrastructure investment and Indigenous leadership will help ensure that Ontario is well-positioned to contribute to North American (and global) critical minerals supply chain requirements and to benefit from strategic trade and investment opportunities. All-season, dependable road access to the Ring of Fire is a critical step to unlocking economic opportunities and benefits for the region. All-season road access will provide First Nations and northern communities better access to health services, create economic opportunities, improve food security, and reduce the cost of living. It is anticipated that NOHFC will play a role in supporting community economic development, as well as job creation and retention related to these opportunities.

As of November 1, 2022, there were active claim cells covering 5,079 km² in the Ring of Fire, held by 14 companies and individuals as sole owners and in various joint ventures²¹.

Critical Minerals

NOHFC plays a foundational role in funding critical minerals related projects across the value chain, including academic research, mineral exploration and development, and business expansion.

Ontario's exceptional mineral potential, supportive business climate and strong environmental and social governance fundamentals make the province a premier global destination for investment into critical minerals development. Ontario boasts a vast and varied geology that includes world-class deposits of nickel, lithium, platinum, cobalt, graphite, and dozens of other strategically important minerals. Many of these minerals have been identified by other countries as having geopolitical significance due to supply

²⁰ Invest Ontario: Mining

²¹ Ministry of Mines November, 2022

shortages or concentration of supply in very few countries. Ontario's clean electricity grid, high labour standards and its commitment to Indigenous reconciliation and environmental sustainability make Ontario a global supplier of choice for responsibly sourced critical minerals. In 2022, Ontario produced \$5.7 billion worth of critical minerals and attracted \$328 million in investment in critical mineral exploration²².

The transition of the global auto industry away from internal combustion engines to electric vehicles (EVs) has bolstered Ontario's competitive position across the entire battery supply chain from critical minerals through to battery manufacturing and ultimately recycling. With the release of its first-ever *Critical Minerals Strategy* and *Driving Prosperity Phase 2* (Ontario's automotive strategy) the province is committed to supporting the development of an end-to-end battery supply chain ecosystem. Since 2020, Ontario has successfully attracted over \$19 billion worth of keystone EV assembly and EV battery manufacturing investments. As Ontario implements its Critical Minerals Strategy, the province will have to make the necessary investments and work with industry to increase the production of critical minerals through the development of new mines, expanded mineral processing and refining capacity, battery recycling, and the recovery of minerals from mine wastes²³.

Forestry

Since 2018, NOHFC has supported 220 projects in the forestry sector with an investment totalling \$50 million and leveraging an additional support of \$257 million in Northern Ontario.²⁴

Ontario's forest sector generates \$20.9 billion in revenue, contributes \$4.4 billion to the provincial GDP (2021), and comprises \$8.2 billion worth of forestry products exports annually (2022). The sector continues to be an important employer across all regions of Ontario and directly employs 47,400 people and supports 142,000 jobs²⁵ overall. Approximately 10,600 people in Northern Ontario were employed directly by the forest industry in 2022. Approximately, one in four northern communities depends significantly on the forest sector for employment income²⁶.

In 2021, the Ontario government released the *Ontario Forest Sector Strategy*²⁷ with the goal of sustainably growing the forest sector to create opportunity and prosperity and encouraging innovation and investment in the industry. Ontario has 71.1 million hectares of forest, 27.7 million hectares of managed Crown forests, and harvests 0.1 million hectares of Crown Forest annually. In 2022, the province released *the Forest*

²² Ontario Ministry of Mines

²³ Ibid

²⁴ NOHFC approvals as of November 1, 2023

²⁵ [Ontario Ministry of Natural Resources and Forestry](#)

²⁶ Ontario Ministry of Natural Resources and Forestry

²⁷ [Ontario's Forest Sector Strategy](#)

Biomass Action Plan, a five-year plan that encourages the use of forest biomass resources to secure jobs, support economic development and encourage sustainability in Ontario's Forest sector²⁸.

To support the implementation of *Forest Sector Strategy* and the Forest Biomass Action Plan, the Ontario government has also launched the *Forest Biomass Program*²⁹ in May 2023. This initiative encompasses \$19.6 million in funding to support projects and initiatives that increase long-term wood utilization across the province, with a focus on underutilized species and forest biomass. Support from the Forest Biomass Program will contribute to the advancements of key government priorities, including increasing Indigenous participation in the forest sector, building an understanding of biomass utilization options, deploying innovative uses for biomass, and modernizing existing forest sector assets to improve competitiveness and long-term sustainability.

Softwood Lumber

The province's 20 largest sawmills operating out of Northern Ontario produce 90 per cent of the province's lumber. While Ontario's primary forest sector is mainly located in the North, it provides a foundation for a large secondary and value-added manufacturing sector located in Southern Ontario.

Defying all expectations, the demand for lumber has been robust during and post pandemic as the housing sector was declared as an essential industry. At the same time, lumber supply was impacted due to forest wildfires, flooding in British Columbia and transportation bottlenecks, which led to record high lumber prices, peaking at US\$ 1,479/MBF (thousand-foot board measure) in May 2021. Lumber prices were volatile in 2022, ranging between a high of US\$1,244/MBF in March to a low of US\$405/MBF in December. With rising interest and mortgage rates, the demand for housing, and consequently for lumber is expected to remain low in 2023. Lumber supply has increased in 2021-2023 due to capital investments in sawmills during the pandemic's price surges. Consequently, lumber prices have been on the decline in 2023, currently averaging US\$ 428/MBF in September 2023, down 71 per cent from the May 2021 peak.

Ontario lumber exports to the US have been strong, with an eight per cent year-to-date increase in 2023 from last year, due in part to substituting for the decrease in supply from British Columbia.³⁰

²⁸ [Ontario's Forest Biomass Action Plan March 28, 2022](#)

²⁹ [Ontario's Forest Biomass Program](#)

³⁰ Ministry of Natural Resources and Forestry October 2023

Table 2.2.1 Softwood Lumber Pricing

| Year/Month | Pricing (US)/MBF |
|----------------|------------------|
| 2021 | US\$1,479/MBF |
| 2022/March | US\$1,244/MBF |
| 2022/December | US\$405/MBF |
| 2023/September | US\$428/MBF |

The softwood lumber industry continues to face trade challenges from the US Department of Commerce as duties are applied on Canadian softwood lumber. Ontario's softwood lumber producers have paid an estimated \$757 million in duty deposits between April 2017 and the end of September 2023. The softwood lumber industry is a key driver of Ontario's economy, and vital to the economic recovery of both Canada and Ontario. Ontario will continue to voice the importance of free trade in defence of the forest industry in conjunction with other Canadian provinces whose industry are subject to the import tariffs³¹.

Oriented Strand Board

Oriented Strand Board (OSB) demand and prices have followed a similar pattern to lumber demand and prices. Fueled by a strong homebuilding industry both in the US and Canada and due to capacity curtailments, the OSB sector witnessed a demand and supply imbalance. Since the peak of \$1,275/MSF (thousand square foot measure) in March 2022, OSB prices have been decreasing due to weakening construction markets in North America and the easing of supply-chain bottlenecks. Annual prices are anticipated to be one per cent lower in 2023, with no change in 2024³².

Pulp and Paper

Northern Ontario accounts for all the province's annual market pulp production (approximately 1.3 million tonnes) and newsprint production (400,000 tonnes). There are currently five operating pulp and paper mills in Northern Ontario. The indefinite idling of the Domtar Espanola mill (in October 2023) will decrease capacity by 280,000 tonnes per year which will leave Ontario's annual market pulp and newsprint production at approximately one million tonnes³³.

Overall newsprint demand continues to fall, and many producers are looking to transition from newsprint to other products with higher demand, such as boxboard, containerboard, and linerboard. Producers have also been somewhat successful in offsetting the reduction in domestic demand by shifting tonnage back into export

³¹ Ministry of Natural Resources and Forestry October 2023

³² Ministry of Natural Resources and Forestry October 2023

³³ Ministry of Natural Resources and Forestry October 2023

markets. North American newsprint demand decreased by 21.4 per cent during January and August 2023 compared to the same period in 2022³⁴.

Table 2.2.2 – Pulp and Paper (Newsprint Prices)

| Year | Price/Tonne in US\$ |
|----------------|---------------------|
| 2022 January | US\$795/tonne |
| 2022 December | US\$920/tonne |
| 2023 May | US\$920/tonne |
| 2023 September | US\$845/tonne |

Note: 16 per cent increase from January 2022 to December 2022/May2023.

Prices for Northern Bleached Softwood Kraft (NBSK) pulp have been steadily decreasing since Q4 of 2022.

The drop in pulp prices was primarily caused by weak demand (lack of new orders) as pulp and paper inventories continued to wind down in the US. The printing and writing sector, a significant consumer of pulp in North America contracted 23 per cent in the first half of 2023 compared with 2022.

The NBSK pulp market is expected to remain tight over the coming years due to declines in capacity, grade switches and very limited new supply additions. One of the major events influencing the Ontario market going forward is the indefinite idling of the Domtar Espanola mill in October 2023. The Espanola mill accounts for approximately 4.5 per cent of North American NBSK capacity (280,000 tonnes/year). Concurrently, WestRock, a major paper and packaging solutions company with operations in the Americas, Europe and Asia-pacific decided to permanently shut down its softwood pulp and paper mill in Washington State, further influencing supply metrics. On a positive note, Paper Excellence has announced the restart of the Crofton market NBSK mill in British Columbia, which was idled for three months, and will re-establish some capacity in North America³⁵.

Table 2.2.3 – Pulp and Paper (NBSK Prices)

| Year | Price/Tonne (US\$) |
|------------------|--------------------|
| 2022 (June) | US\$ 1,805/tonne |
| 2023 (January) | US\$ 1,700/tonne |
| 2023 (September) | US\$ 1,270/tonne |

³⁴ Ministry of Natural Resources and Forestry October 2023

³⁵ Ministry of Natural Resources and Forestry October 2023

Agriculture

Since 2018, NOHFC has supported 322 projects in the agricultural, aquaculture and the food processing sector with a total investment of \$60 million, leveraging \$114 million in additional investment for Northern Ontario.³⁶

This investment includes NOHFC's Regional Tile Drainage initiative which has supported 13 projects for 164 producers with a total investment of \$104 million (since 2018). The investment has resulted in an increased productivity of 17,749 acres of arable land in Northern Ontario resulting in more productive growing seasons and increased crop yields for producers.

According to Statistics Canada and the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA), in 2021, agriculture related businesses employed 33,730 people in Northern Ontario. Furthermore, in 2022 Northern Ontario farm cash receipts for goods produced totalled approximately \$272.1 million (not including aquaculture operations)³⁷.

The agri-food sector is comprised of primary agriculture, food, beverage, and tobacco processing/manufacturing, wholesale, and retail and food services. Northern Ontario's 1,782 farms utilized 711,263 acres of farmland to grow crops and raise livestock. The number of farms in Northern Ontario represents approximately 3.7 per cent of the provincial total. The two largest sub-sectors of Northern Ontario's agriculture sector are dairy product, cattle, and beef, representing 41 per cent of the total cash receipts in 2021 Northern Ontario.

Although aquaculture is not captured in agriculture census data, it is the third largest agriculture production sub-sector in Northern Ontario with approximately \$38 million in cash receipts annually. Northern Ontario aquaculture represents more than 90 per cent of Ontario's open-water-net-pen rainbow trout production with an estimated value of \$27.5 million³⁸.

Other significant agricultural production in Northern Ontario includes hay, canola, soybeans, barley, oats, maple syrup, potatoes, and horticulture crops. New crop and livestock production technologies, low priced land, a warming climate, and growing world population are generating significant interest in growth of the agriculture, aquaculture, and food processing sector in Northern Ontario.

While a Canada-United States-Mexico (CUSMA) free trade deal has been negotiated, uncertainty in the domestic dairy sector remains as CUSMA will see Canada lift Class 7 pricing on some Canadian-produced milk ingredients and open 3.6 per cent of its domestic dairy market to foreign competition.

³⁶ NOHFC approvals as of November 3, 2023

³⁷ Ontario Ministry of Agriculture, Food and Rural Affairs

³⁸ Ontario Ministry of Northern Development Division

With global demand for food rising and a global warming climate, new technologies and crop varieties can increase the range of crops that can be grown in the North and improve crop yields. Northern Ontario also has the capacity to increase production of fish and livestock to serve growing domestic and export markets for protein. More opportunities for value-added processing are also anticipated as primary agricultural output expands³⁹.

Tourism

Since 2018, NOHFC has supported 656 projects in the tourism sector with a total investment of \$92 million and leveraging \$157 million in additional investment for Northern Ontario.⁴⁰

The pandemic impacted Ontario's tourism, hospitality, and culture sectors significantly due to limits on travel and other restrictions. Between February 2020 and May 2020, Ontario's tourism and hospitality-related sectors lost more than 280,000 jobs. As of October 2023, these sectors have continued to recover. Compared to October 2019, employment remains at more than 26,000 jobs below its pre-pandemic level.⁴¹

Preliminary visitor spending for Northern Ontario in 2022 is estimated to support 12,600 jobs (9,000 direct, 1,700 indirect and 1,900 induced) based on \$1.5 billion of domestic spending, contributing \$0.9 billion to Northern Ontario's GDP⁴².

In 2022, tourism-related businesses accounted for 7.0 per cent of all business establishments in Northern Ontario, Ontario's Tourism Region #13 (RTO13). Compared to other industries in Ontario, tourism-related industries employ higher proportions of women, young people, and students.

Northern Ontario attracted a higher proportion of overnight trips than the Ontario average, and nature-based tourism is the most dominant type of tourism across the three sub-regions that comprise the Northern Ontario Tourism Profile RTO13 (Northeast, Central, and Northwest). Nearly one-quarter (27.0 per cent) of tourist visits in Northern Ontario included participation in an outdoor or sports activity in 2019. These outdoor activities include fishing (10.0 per cent of visits), boating (8.0 per cent of visits), and camping (7.0 per cent of visits).

Significant impacts have been identified in Northern Ontario as a result the pandemic. Tourism businesses that rely on US guests had been impacted by border closures and lack of significant proximate local and hyper local market. US entries to Ontario via border crossings in Northern Ontario are significantly down in August 2023 compared to

³⁹ Ontario Ministry of Agriculture, Food and Rural Affairs: Ontario business, agri-food, and farm data profiles

⁴⁰ NOHFC approvals as of November 1, 2023

⁴¹ Ontario Ministry of Tourism, Culture and Sport

⁴² Ibid

the same period in 2019: Pigeon River (down 26.0 per cent); Fort Frances (down 32.0 per cent); Rainy River (down 34.0 per cent); and Sault Ste. Marie (down 30.0 per cent).

Additionally, there were significant net job losses in the accommodation and food services sector in Northern Ontario in 2022, compared to 2019 (down 3,900 jobs or down 17.4 per cent). In 2022, hotel occupancy in Northern Ontario improved compared to 2019: Sudbury (down 6.0 percentage points); Thunder Bay (up 1.6 percentage points); Sault Ste. Marie (up 5.1 percentage points); and North Bay (up 3.6 percentage points)⁴³.

Arts, Culture, and the Creative Industries

Since 2018, NOHFC has supported over 931 projects in Arts, Culture and Creative Industries sector with a total investment of \$186 million and leveraging \$867 million in additional investment for Northern Ontario⁴⁴.

Ontario is one of the leading jurisdictions for Film and Television production around the globe, typically hosting over 300 productions annually. Film and Television production is thriving throughout the province, creating jobs and economic impact for local suppliers, vendors and talent. In 2022, the industry contributed to a record-breaking \$3.15 billion to Ontario's economy.⁴⁵ Many communities have reported record-breaking location shoot days and production spending including North Bay⁴⁶.

Financial support from the NOHFC has been provided for a wide range of film and television productions with total production values ranging from \$40,000 to \$55 million and has directly influenced the growth of this industry in Northern Ontario. To date, most productions in the North occur in Sudbury, North Bay, and Sault Ste. Marie. However, other popular locations include Timmins, Thunder Bay, and Parry Sound.

Popular productions supported by NOHFC include CBC's *Essex Country* and *SkyMed Season 2*, CTV's *Cardinal*, Crave TV's *Letterkenny* and the hit show *Shoresy*, the Hallmark series *When Hope Calls*, and features such as *Warrior Strong*, *Indian Horse*, *A Boy in the Woods*, and *Cascade*. NOHFC funding support is limited to those costs of the production that are spent in Northern Ontario, including labour costs, production goods and services, and post-production costs.

⁴³ Ontario Ministry of Tourism, Culture and Sport, November 15, 2022

⁴⁴ NOHFC approvals as of November 1, 2023

⁴⁵ [Ontario Creates: 2022 Film and Television Production Statistics by Format](#)

⁴⁶ [Ibid](#)

Advanced Manufacturing

Since 2018, NOHFC has supported 729 projects in the advanced manufacturing sector with a total investment of \$133 million and leveraging \$557 million in additional investment for Northern Ontario.⁴⁷

In addition to Northern Ontario's reliance on resource sectors, the manufacturing sector represents a significant contributor to the northern economy with approximately 623 manufacturing enterprises that employed 23,000 in 2022, representing 6.2 per cent of the region's total employment. Despite an increase of eight per cent in the region's manufacturing employment, the 2022 level remains below its 2018 peak. The sector contributed \$2.5 billion (seven per cent) to Northern Ontario's GDP in 2022⁴⁸.

Advanced manufacturing includes companies that utilize innovative applications such as leading-edge robotics, automation, and computer-integrated manufacturing to develop their products. New manufacturing techniques and equipment, in combination with information technology and micro-electronics, have resulted in innovative manufacturing processes used in northern companies. This includes firms involved with mining, telecommunications, chemicals and plastics, transportation (rail and aerospace), food processing, and the automotive parts sector.

Northern Ontario's mining and forestry sectors helped to establish advanced manufacturing in the North. To compete effectively, both industries have modernized to decrease production costs and improve workplace safety. Where once miners had to operate heavy machinery underground in places where safety was of concern, now automated remote handling allows for the safe operation and movement of mining equipment thousands of metres below. In other instances, computer-integrated manufacturing is applied in machine shops for creating tools used in the production of parts and accessories for computer-controlled mining and forestry equipment.

The opportunities generated by the continued growth of advanced manufacturing in Northern Ontario will continue to rely on a dependable supply and well-trained, highly skilled workers. Employers, tradespeople, and students all need ready access to state-of-the-art training and education to stay current on new technology and its application to a variety of manufacturing processes.

The continued development and adoption of innovative applications and technologies will ensure that northern companies remain competitive in global markets.

⁴⁷ NOHFC approvals as of November, 1, 2023

⁴⁸ [Statistics Canada Annual Employment by Industry Released January 2023](#)

Steel

Since 2018, NOHFC has supported 10 projects in the steel sector with a total investment of \$2.1 million, leveraging \$7 million in additional investment for Northern Ontario.⁴⁹

The steel sector (including the supplies and services segment) generated \$2.5 billion in sales contributing \$462 million in GDP, employing 3,357 and providing approximately \$296 million in wages in Northern Ontario.⁵⁰

Northern Ontario is home to Canada's second largest integrated steel producer, Algoma Steel Inc., located in Sault Ste. Marie. Algoma Steel is also Northern Ontario's second largest private sector employer and the largest private sector employer in Sault Ste. Marie. With approximately 2,841 direct employees, Algoma Steel supports a total of approximately 4,800 direct and indirect jobs in Sault Ste. Marie. The company spends more than \$1.2 billion on supplies, services, and raw materials, including \$120 million in the region each year.

Algoma Steel's electric-arc-furnaces (EAF) project (replacing its existing blast furnace and basic oxygen steelmaking operations) is on track with commissioning expected at the end of 2024. The \$825 million transformation is expected to reduce Algoma Steel's carbon emissions by approximately 70 per cent positioning the company as a competitive, energy-efficient, lower environmental impact steelmaker. The project is expected to create 500 construction jobs, contracting 47 local businesses with a total community spend of \$47.7 million.

⁴⁹ NOHFC approvals as of March 21, 2023

⁵⁰ Statistics Canada Data Tables – Business Counts (2023), Employment (2021), GDP (2019)

3.0. Ministry of Northern Development Mandate, Priorities, Initiatives

Mandate

Ministry of Northern Development (MND) works to advance economic and community development in Northern Ontario through collaborative partnerships and solutions that reflect the unique needs of the North. To accomplish that the government has undertaken several initiatives detailed below.

Priorities

- I. **Northern Economic Development**
 - Make Northern Ontario strong, healthy, and prosperous for the benefit of all Ontarians, including Indigenous Peoples.
 - Increase economic opportunities through innovation, collaboration and reducing barriers for business, while developing, adapting, and delivering economic and community development programs and services in the North.
- II. **Service Delivery Excellence and Modernization**
 - Deliver programs, services and experiences to Ontarians that are faster, better, simpler, and responsive to their needs, by adopting digital approaches utilizing data-informed-decision-making and increasing efficiency.
 - Create a Lean culture to ensure public services are delivered efficiently and to improve business outcomes.
- III. **Organizational Leadership**
 - Build a workplace culture that is responsible, innovative and collaborative, and where employees are valued, engaged, and can actively support a respectful, equitable, accessible, diverse and inclusive organization that is anti-racist and free from discrimination and harassment.
 - Accountable for effective, efficient, and ethical management of resources and making fiscally responsible decisions.

Initiatives

- I. Provide advice, information, and support to ministry partners and the government in the development and delivery of government policies, programs, and services in the North, with a focus on northern and regional knowledge and perspectives.
- II. Assist northern municipalities, communities, and Indigenous People to develop and grow economic development capacity, enhance quality of life, maintain their economic viability, and reach their full economic potential.
- III. Provide leadership and input to economic development policies and implement actions to achieve results consistent with Government priorities.

- IV. Provide fiscal and accountability oversight, direction and support to the Government's planned approach for the Northern Ontario Heritage Fund Corporation.
- V. Assist and support business start-ups and companies located in Northern Ontario to grow and expand their business.
- VI. Identify and prioritize strategic investments in transportation, community and other critical infrastructure, including road infrastructure, in Northern Ontario, building on established partnerships with other ministries and governments.
- VII. Assist northern communities to identify, promote, and secure economic development opportunities that foster regional economic growth by supporting investment attraction, economic diversification, and job creation.

3.1. 2023 Ontario Budget: Building a Strong Ontario

In March 2023, the Ontario government released the 2023 Budget. The plan navigates ongoing global economic uncertainty with a responsible, targeted approach to help people and business, while laying a strong fiscal foundation for future generations. Building a Strong Ontario identifies actions to drive growth by lowering costs, building key infrastructure, and attracting more jobs and investment.

Key initiatives outlined in the 2023 Budget and Fall Economic Statement to unlock Northern Ontario's economic potential include the following:

Critical Minerals

The government's plan will seize opportunities in critical minerals, batteries and electric hybrid vehicle manufacturing and key infrastructure to build a strong minerals sector in the province. As critical minerals are key to the economy of the future the government is working with Indigenous communities to unlock the economic potential of the province's critical minerals in the North, including minerals in the Ring of Fire. These important resources are critical to products that the people of Ontario rely on, including cell phones, electric vehicles (EVs), and semiconductors in countless goods.

The province is also advancing Ontario's Critical Minerals Strategy, supporting supply chain connections between industries, resources and workers in Northern Ontario and manufacturing in Southern Ontario, including Ontario-based electric vehicle (EV) and battery manufacturing.

Ontario is furthering Northern Ontario's economic potential in critical minerals through investments and support. The government is investing an additional \$3 million in 2023–24 and \$3 million in 2024–25 in the Ontario Junior Exploration Program to help more companies search for potential mineral deposits and attract additional investment the sector. Also, the government proposed an enhancement to the Ontario Focused Flow-Through Share Tax Credit to help stimulate critical mineral exploration in Ontario and improve access to capital for small mining exploration companies.

Additionally, Ontario has attracted over \$16 billion in investments by global automakers and suppliers of EV batteries and battery materials to position Ontario as a global leader on the EV supply chain, including a subsidiary of Volkswagen AG to establish an EV battery manufacturing facility in St. Thomas, Ontario. The Ontario Made Manufacturing Investment Tax Credit provides a 10 per cent refundable Corporate Income Tax credit to help local manufacturers lower their costs, invest in workers, innovate and become more competitive.

Ontario is also strengthening occupational health and safety in the mining sector by changing regulations to reflect modern technology and better protect workers.

Ring of Fire

The Ring of Fire, one of the most promising mineral deposits in Canada has the potential to play an important role in supporting innovative technologies for high-growth sectors such as batteries, electronics, electric vehicles and cleantech and to bring multigenerational opportunities to Northern and First Nation communities. By working with First Nation partners, Ontario has an opportunity to leverage health, economic and social benefits, while unlocking significant economic growth.

The government is also continuing work to build the roads to the Ring of Fire. All-season, dependable road access is a prerequisite to unlocking opportunities in the region. Ontario is making investments to continue working with First Nations and industry on key Ring of Fire projects. These investments are part of Ontario's commitment of close to \$1 billion to support critical legacy infrastructure such as all-season roads, broadband connectivity and community supports for the Ring of Fire region. All-season road access will also help bring prosperity to First Nation communities, improving access to education, health care, goods and services, and housing.

To help build all-season roads to the Ring of Fire the government continues to support Environmental Assessments for the Marten Falls Community Access Road project, the Webequie Supply Road project and the Northern Road Link project, led by the Marten Falls First Nation and Webequie First Nation. The Terms of Reference for the provincial Environmental Assessments for the Marten Falls Community Access Road and the Webequie Supply Road were approved in 2021. The Terms of Reference for the Northern Road Link was approved in March 2023.

Transportation for Northern Communities

Northern communities need transportation options that connect them to the rest of the province and provide access to goods and services in other regions. Ontario's winter roads network provides seasonal connections to all-season roads for remote First Nation communities in the Far North. The winter roads network makes it possible for remote communities to deliver essential goods and services, support special projects,

including bridge improvements, maintenance of crossings and other repairs, and enable inter-community connections.

The government is improving the reliability, safety, and environmental impact of the winter roads network by investing an additional \$5 million in annual funding for Winter Roads Program enhancements.

Electricity Transmission Infrastructure

In addition to generating resources, new electricity transmission infrastructure is needed to meet growing electricity demand in the province. Three new transmission lines in Northeastern Ontario to power forecast electricity growth, such as in the Sault Ste. Marie and Timmins areas, including from the conversion from coal to electric arc furnaces at Algoma Steel as well as from growth in the mining sector. The Ontario Infrastructure Bank provides additional opportunities for the government to work with Indigenous communities and other partners to continue building more electricity transmission infrastructure.

Expanding High-Speed Internet Access

As connectivity is also critical in this area Ontario is amending the Building Broadband Faster Act to help speed up the delivery of high-speed internet access to every community by the end of 2025.

Access to high-speed internet is essential for the growth and prosperity of communities across the North. The government has committed to improving connectivity in Northern Ontario, including \$10.9 million to bring improved internet access to several towns and First Nation communities across Northern Ontario.

4.0. Overview of NOHFC's Current Programs

NOHFC's programs enable clients to pursue investing in their businesses; build strong and resilient northern communities; attract, retain, and develop Northern Ontario's workforce; and showcase Northern Ontario's culture, geography, and talent, while supporting economic growth and development.

Invest North Program

The Invest North Program is designed to boost economic growth in Northern Ontario by encouraging businesses to invest in transformative, strategic, and complementary business development opportunities in northern communities.

The program supports productivity, innovation, business competitiveness, revenue growth, export capacity development, and job creation and retention through six program streams:

- **Innovation:** The Innovation Stream supports the research, development, and commercialization of new and innovative technologies in Northern Ontario.
- **Innovation – Industrial Research Chair:** The Industrial Research Chair (IRC) initiative is designed to establish and enhance research capacity at Northern Ontario universities, colleges, and research institutions.
- **Investment - Launch:** The Launch stream is designed to assist with the launch of new businesses in Northern Ontario.
- **Investment – Grow:** The Grow stream is designed to assist with the growth of existing businesses in Northern Ontario.
- **Investment – Locate:** The Locate stream is designed to assist with locating new business operations to Northern Ontario.
- **Regional Tile Drainage:** The Regional Tile Drainage Initiative is designed to support the agriculture sector in installing tile drainage to improve the quality of arable land in Northern Ontario resulting in more productive growing seasons and increased crop yields for producers.

People & Talent Program

The People & Talent Program is designed to attract, retain, and develop Northern Ontario's workforce by targeting new entrants into the workforce, those transitioning to a new career, the unemployed, and underemployed. This includes the hiring of apprentices under a registered apprenticeship program.

The People & Talent Program is comprised of two funding streams:

- **Indigenous Workforce Development:** Strengthening and developing Northern Ontario's Indigenous workforce through business partnerships by offering internships to Indigenous persons.
- **Workforce Development:** Strengthening and developing Northern Ontario's workforce through business partnerships by offering internships.

Community Enhancement Program

The Community Enhancement Program is designed to help build strong and resilient northern communities through infrastructure investments, to upgrade/repair existing assets to improve community quality of life, economic-development infrastructure, and strategic economic development initiatives.

The Community Enhancement Program is comprised of two funding streams:

- **Rural Enhancement:** supports rural municipalities, Indigenous communities, not-for-profit organizations, and Local Services Boards having or serving a population of less than 30,000.
- **Enhance Your Community:** support municipalities, Indigenous communities, not-for-profit organizations, and Local Services Boards located in Northern Ontario.

Cultural Supports Program

The Cultural Supports Program is designed to help showcase Northern Ontario culture, geography and talent through event partnerships and the production of films and television series.

The Cultural Supports Program is comprised of two funding streams:

- **Community Events:** supports organizations that host events that increase community profile and promote economic development in Northern Ontario.
- **Film & Television** is designed to increase industry jobs and investments and to increase quality, original film and television productions produced in Northern Ontario, while showcasing its culture, geography, stories, and talent.

5.0. Performance Measures

Performance measures are an essential management tool for public sector organizations. Well-designed measures enable sound agency and ministry decision-making, highlight and track improvements in programs/services, and fulfill accountability requirements through reporting on results. Performance measures also signal areas needing attention and improvement, and emphasizes the improvement and value made by the program or service.

NOHFC utilizes output, outcome, and program specific performance measures to benchmark progress towards agency mandate. Outcome-based measures look at the effectiveness of operations relative to the agency's mandate. As outcomes reflect the intended results of the program or service, performance targets are not set for these measures. NOHFC refers to these as Key External Performance Measures, and they include job creation and investment leverage. Output-based measures show outcomes and results of agency activities that support the realization of outcomes in the context of volume and experience with services. NOHFC refers to these as Non-Key Performance Measures and uses client service satisfaction rate as the measure. NOHFC utilizes a mix of both outcome and output performance measures for program specific performance measures.

The following sections highlights NOHFC’s performance tracking and historical results. NOHFC reports on performance measures each year in an agency annual report.

5.1. Key External Performance Measures

Number of Full-Time Jobs Being Created/Retained

NOHFC funding programs are ultimately focused on job creation and retention. As such, NOHFC will provide funding to projects in Northern Ontario that result in the creation and/or retention of jobs. The job creation/retention target for the current fiscal year and the duration of the plan is 1,800.

| Total Job Creation | | |
|--------------------|-------------------------|--------|
| Fiscal Year | Created & Retained Jobs | Target |
| 2023-24 YTD | 1,213 ⁵¹ | 1,800 |

NOHFC Investment Dollars Leveraged from other Partners

Funding provided by NOHFC to projects will also leverage external funding. This increase in investment through leverage of funding will provide opportunities to create jobs in a broad range of economic sectors in Northern Ontario. The investment leverage target for NOHFC remains at 3:1 for the duration of the plan. This means that for every dollar NOHFC invests, the target is that another three will be leveraged or invested from other sources. However, it should be noted that NOHFC programs generally only require 1:1 ratio as funding is generally limited to 50% of eligible project costs.

| Leverage Ratio | | |
|----------------|-------------------|--------|
| Fiscal Year | Actual | Target |
| 2023-24 YTD | 3.0 ⁵² | 3 |

5.2. Non-Key Performance Measures

Client Service Satisfaction

Client service satisfaction with NOHFC and its service delivery providers is assessed on an annual basis. A survey conducted after the close of each fiscal year measures client satisfaction with the services provided. The results provide NOHFC with feedback to assist in continuous improvement efforts.

⁵¹ Figure includes NOHFC project investments between April 1, 2023 through to November 3, 2023

⁵² Figure includes NOHFC project investments between April 1, 2023 through to November 3, 2023

The results from the 2022-23 client survey were calculated on survey responses from a wide spectrum of NOHFC client interactions. Survey recipients included clients seeking information on how to apply, those in the process of applying for funding, and those in receipt of funding. For 2022-23, NOHFC’s achieved a client satisfaction rate of 85.59 per cent, which refers to clients who agree (at 43.87 per cent) or strongly agree (at 41.72 per cent) with the statement “Overall, I am satisfied with the quality of services provided by the NOHFC.”

| Client Satisfaction | | |
|---------------------|--------|--------|
| Fiscal Year | Actual | Target |
| 2020-21 | 88.0% | 85% |
| 2021-22 | 88.5% | 85% |
| 2022-23 | 85.6% | 85% |

5.3. Program Specific Non-Key Performance Measures

The following non-key outcome-based measures (immediate and longer term) have been developed for NOHFC’s programs. NOHFC’s current programs have been accepting applications since February 11, 2021, with approvals beginning in fiscal 2021-2022.

The immediate outcomes described below required at least one full year from the program launch to build a baseline of data for reporting purposes. Data for longer-term outcomes will be known within three years of program launch, as much of the data required to inform the measures will be collected through project reporting once recipients complete projects and begin to report on project outcomes at the individual business level.

The immediate outcome performance measures reported below represent year to date figures for 2023-23, including all approvals from April 1, 2023, through November 3, 2023. The figures below include only projects approved under current programming, and do not include legacy program approvals.

Invest North Program

Immediate Outcome of the program: Northern Ontario businesses have access to capital and create/retain jobs in the North.

Measures:

1. Number of businesses supported.
2. Investment dollars leveraged.
3. Number of jobs created/retained.

| Measure | 20223-24 YTD ⁵³ |
|---------------------------------|---|
| Number of businesses supported | 67 |
| Number of jobs created/retained | 431 |
| Investment dollars leveraged | A ratio of 7.0 or \$135.6 million in real dollars |

Longer-term Outcomes of the program: Northern Ontario businesses are growing, increasing productivity, and building capacity to innovate.

Measures:

- Increase in Northern Ontario business growth and productivity:
 - Number of business expansions/start-ups.
 - Percent of business survivorship rate.
 - Percent change in R&D investment.
- Increase in Northern Ontario businesses' gross margins:
 - Percent change in gross margins.
 - Increase in number of sales for Northern Ontario businesses.
- Enhanced Northern Ontario business productivity:
 - Number of new products/services offered in Northern Ontario companies.

People and Talent Program

Immediate Outcome of the program: Northern Ontario employers and internship candidates participate in NOHFC People and Talent program, helping fill skilled worker shortages.

Measures:

- Number of approved intern applications.
- Number of approved Indigenous intern applications.

| Measure | 2023-24 YTD ⁵⁴ |
|---|---------------------------|
| Number of approved intern applications | 592 |
| Number of approved Indigenous intern applications | 58 |

Longer-term Outcomes of the program: Northern Ontario job seekers, including those of Indigenous ancestry, are benefitting from greater access to skills training and work experience, leading to long-term employment.

⁵³ Figure includes NOHFC project investments between April 1, 2023 through to November 3, 2023

⁵⁴ Figure includes NOHFC project investments between April 1, 2023 through to November 3, 2023

Furthermore, Northern Ontario employers are developing and benefitting from a growing skilled workforce, including trades people and professionals.

Measures:

1. Increase in number of job seekers, including those with Indigenous ancestry, benefiting from greater access to skills training and work experience, leading to long-term employment.
 - Percent change in the number of interns and apprenticeship interns hired.
 - Percent change in the number of Indigenous interns and Indigenous apprenticeship interns hired.

2. Increase in the number of employers that develop and benefit from a growing skilled workforce.
 - Percent change in number of private-sector internships.
 - Percent change in number of employers that hire full-time employees who participated in the Program.

Community Enhancement and Cultural Supports Program

Immediate Outcome of the program: Northern Ontario communities have access to capital to improve and modernize infrastructure, host events, and showcase northern culture, geography, and talent.

Measures:

1. Increase in access to capital for Northern Ontario communities to improve and modernize infrastructure, host events, and showcase northern culture, geography, and talent.
 - Number of assets improved/enhanced.
 - Number of events.
 - Number of film and television productions.

| Measure | 2023-24 YTD ⁵⁵ |
|---|---------------------------|
| Number of assets improved/enhanced | 111 |
| Number of events | 59 |
| Number of film and television productions | 21 |

Longer-term Outcomes of the program: Northern Ontario community assets modernized/improved/enhanced, events are well attended, and northern culture, geography, and talent are showcased in film and television productions.

⁵⁵ Figure includes NOHFC project investments between April 1, 2023 through to November 3, 2023

Measures:

1. Increase in Northern Ontario community modernization, expansion, and enhancement of assets.
 - Dollar value of modernized/improved/enhanced assets.
2. Event attendance at Northern Ontario events.
 - Number of event attendees.
3. Increase in film and television productions that showcase northern culture, geography, and/or talent.
 - Percent change in the number of film and television productions.

6.0. Key Initiatives to Meet Mandate Letter Expectations

NOHFC's business plan is preceded by NOHFC's annual mandate letter issued by the Minister outlining the Agency's directions for the year.

NOHFC's annual business plan describes its planned activities, incorporating direction from the mandate letter as outlined in section 1.1 above.

Competitiveness, Sustainability, and Expenditure Management

- I. NOHFC's programs include a hybrid of intake and evaluation methodologies that are subject to continuous improvement supporting program sustainability and innovation. These methods support timely funding decisions, financial management, and NOHFC's ability to operate within its allocation from the ministry.
- II. NOHFC's programs were designed to leverage project investment within both existing and emerging economic sectors that will stimulate further growth in the North.
- III. Indigenous, rural, and remote communities will have increased access to targeted NOHFC programs and services through an enhanced program advisory service. Program delivery models that meet the needs of northerners through digitally accessible services, data driven decisions, and enhanced efficiency will be strengthened and implemented.

Transparency and Accountability

1. NOHFC will continue to enhance administrative support to the Board through resource access and training.
2. NOHFC will review the Board of Directors skill repository that was completed in 2023.
3. NOHFC will deliver agency training to increase awareness of its process and accountability to the ministry and stakeholders.

4. NOHFC will continue to enhance transparency through open data initiatives and website enhancements.

Risk Management

1. Assess potential Information Management and Information Technology risks for NOHFC Information Technology System Replacement and Modernization project as well as the agency website and implement risk mitigation strategies to reduce or eliminate risk to infrastructure.
2. NOHFC will deliver training to staff to provide agency specific education related to privacy and data management.
3. NOHFC will implement any recommended actions related to annual internal audits.

Workforce Management

1. NOHFC will continue to analyze organizational structure and position requirements to ensure that the agency is maximizing efficiency and productivity through work allocation and leveraging available technology.

Diversity and Inclusion

1. Utilizing training, tools and operating practices outlined in the Ontario Public Sector (OPS) Inclusion and Diversity Blueprint, prioritizing broad participation in workplace diversity, accessibility, inclusion and anti-racism activities through formal and informal learning and development opportunities within the OPS.
2. Use of the OPS Inclusion lens tool in program and policy improvement initiatives.
3. Establishing engagement processes that enhance policy and decision making with an inclusion lens.
4. Utilizing diversity support resources for recruitment and retention of employees.

Data Collection

1. NOHFC continues to improve its user-friendly internet funding application systems to meet customer expectations on an ongoing basis.
2. Through NOHFC's Information Technology System Replacement and Modernization project, NOHFC will identify new data tracking to enhance digital tracking and better inform decision-making, reporting and information sharing.

Digital Delivery and Customer Service

1. Enhanced customer service with implementation of the information technology systems renewal project to enhance client access and service.
2. Enhancements to performance measures and tracking of NOHFC and service provider partners, supporting continuous improvement in impact reporting.

3. Strengthen partnerships and promote relationship to collaboratively deliver on government priorities, including MND's Regional Economic Development Branch's enhanced support to NOHFC clients.
4. NOHFC will enhance practices to continue to effectively respond to clients and stakeholders through emergency situations.

7.0. Marketing and Communications

NOHFC continues to execute a modernized communications and marketing strategy to create effective marketing, communication, and outreach tools that aim to increase awareness, understanding and recognition of NOHFC, its programs and processes.

Key Objectives:

- Enhance awareness of NOHFC programs and opportunities for support;
- Educate and engage clients to foster successful NOHFC applications and projects; and
- Strengthen partnerships and promote relationships to collaboratively deliver on government priorities and increase applications from a more diverse range of communities and Indigenous clients.

Outcomes include:

- Delivering excellent service to clients, partners, and stakeholders;
- Improved language and appearance of client and employee facing resources to enhance understanding of program information and simplify processes;
- Increase in applications for NOHFC support from a more diverse range of communities and Indigenous clients;
- Increased use of all appropriate social media marketing and web resources; and
- Through NOHFC's partners, ensure clients receive enhanced guidance and support throughout the entire project funding lifecycle.

8.0. Information Technology/Electronic Service Delivery Plan

Several information management initiatives will continue in 2024-25, aimed at supporting NOHFC's modernization and improving NOHFC's policies and procedures for the entire information management lifecycle. Activities include:

- New system implementation to replace aging infrastructure in 2024;
- Enhanced records and information management, including increased opportunities to migrate paper-based processes to a digital format;
- Process improvements to enhance efficiency and improve user experience; and

- Continue to contribute to the government’s Open Government objectives by making available NOHFC data to the public where appropriate and promote transparency, accessibility, and data security.
- Updating the information technology strategy including the following activities:
 - Improvements in client self-serve activities.
 - Improved information security through migration of highly sensitive data to existing high security solutions within the OPS.
 - Centralized access for general data, record keeping, and resource documents; and
 - Enhanced self-serve reporting and data analysis capabilities.

9.0. Resources to Meet Mandate and Strategic Direction

The following table outlines the resources needed to continue to support the above noted objectives of NOHFC.

9.1. Projected Three Year Schedule of Administrative Expenses

| | 2022/23 Fiscal Actual | 2023/24 Fiscal Forecast | 2024/25 Fiscal Budget | 2025/26 Fiscal Budget | 2026/27 Fiscal Budget |
|---|--------------------------------------|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Salaries and Wages | \$2,158,581 | \$2,167,000 | \$2,527,000 | \$2,552,000 | \$2,577,000 |
| Employee Benefits | 343,833 | 336,000 | 367,000 | 371,000 | 374,000 |
| Transportation & Communication | 116,546 | 250,000 | 250,000 | 250,000 | 250,000 |
| Services | 4,253,802 | 6,157,170 | 6,305,000 | 6,035,000 | 6,070,000 |
| Information Technology and System Renewal Project | 1,209,277 | 1,317,830 | - | - | - |
| Supplies & Equipment | 3,846 | 25,000 | 30,000 | 30,000 | 30,000 |
| Total Administration Costs | \$8,085,885 | \$10,253,000 | \$9,479,000 | \$9,238,000 | \$9,301,000 |

The following points should be noted with respect to the preceding financial information regarding NOHFC resources:

- Salaries and benefits include 24 full time positions and one temporary position and one summer student.
- The Services component includes costs associated with third party and internal (MND REDB) due diligence services, Land and Resource Cluster Business Solutions Services for ICT needs, and MND Legal Services Branch assisting with legal requirement.

9.2. Projected Three Year Financial Budget

The following table includes a forecast of NOHFC revenues and expenses projected from 2024-25 through 2026-27.

(Figures are reported in 000's of dollars)

| <i>For the fiscal year</i> | 2022-23 Actual | 2023-24 Forecast | 2024-25 Projected | 2025-26 Projected | 2026-27 Projected |
|---------------------------------------|---------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| Revenue | | | | | |
| Province of Ontario Grant | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| Interest on cash and cash equivalents | 2,839 | 4,000 | 2,000 | 2,000 | 2,000 |
| Interest on loans receivable | 972 | 900 | 900 | 1,000 | 1,100 |
| Recoveries | 2,249 | - | - | - | - |
| Total Revenue | \$106,060 | \$104,900 | \$102,900 | \$103,000 | \$103,100 |
| Expenses | | | | | |
| Grants | \$85,523 | \$95,995 | \$101,502 | \$102,102 | \$97,325 |
| Credit losses | 301 | 2,800 | 2,800 | 3,000 | 3,100 |
| Administration – see schedule | 8,086 | 10,253 | 9,479 | 9,238 | 9,301 |
| Total Expenses | \$93,910 | \$109,048 | \$113,781 | \$114,340 | \$109,726 |
| Annual Deficit | \$12,150 | \$(4,148) | \$(10,881) | \$(11,340) | \$(6,626) |

Assumptions Used:

- Transfer payment allocation is held as a payable by the ministry until the cash resources are needed by NOHFC to cash flow committed projects.
- NOHFC's annual allocation will remain at \$100M through to 2026-27 as per the Ontario Budget.

10.0. Third-Party Engagement

Third parties are integral to NOHFC's operations and performance achievements.

NOHFC utilizes the services of third parties to support the delivery of its private sector programming by providing proposal evaluation, financial monitoring, evaluation of payment requests from clients, and collection and enforcement services for loans and conditional contributions.

NOHFC secures third-party services through a competitive procurement process established by the province. NOHFC last initiated a request for bids process during fiscal year 2020-21 and signed a five-year agreement, with a possible one-year extension, effective May 1, 2022.

11.0. Strategic Partnership - Regional Economic Development Branch (REDB)

Within the Ministry of Northern Development Division, REDB delivers, supports, and promotes NOHFC programs across Northern Ontario through its five area teams. REDB has twenty-three office locations in the North, with area team head offices located in Kenora, Thunder Bay, Timmins, Sault Ste. Marie, and North Bay/Sudbury. Each area team employs Northern Development Advisors that provide services to NOHFC clients, including project development, application assistance, investigating additional or complementary sources of other funding, and maintaining an ongoing relationship with clients on NOHFC's behalf.

For public sector clients, REDB evaluates proposals, performs project monitoring services, and the evaluation of payment requests from clients. REDB also provides program advisory services to NOHFC's private sector clients. The enhancement and streamlining of REDB's support services from application development to project monitoring is essential in supporting these clients. The partnership between REDB and NOHFC is crucial to the success of NOHFC achieving its mandate.

NOHFC also relies on REDB for ongoing feedback from clients, stakeholders, and partners as well as sector expertise and community relations enabling NOHFC to remain on the leading edge meeting the needs of northerners.

12.0. NOHFC - Ontario Public Service Employees

NOHFC maintains a Memorandum of Understanding (MOU) with MND. The MOU includes that MND will arrange for the provision of services and support from MND to NOHFC in consultation with the Board, Chair, and the Executive Director to ensure fulfillment of NOHFC's mandate and to support the day-to-day activities of NOHFC.

The support and services include management and staff of MND who are assigned to NOHFC. All management and staff assigned to NOHFC remain OPS employees and the Executive Director has a dual reporting structure to the Chair and Board of Directors of NOHFC, as well as to MND. All management and staff are compensated through the OPS compensation framework and are subject to all OPS human resources directives and policies.

NOHFC has a full-time equivalent (FTE) complement of 24 employees. MND has provided additional temporary FTEs, as required, to assist NOHFC in achieving the strategic priorities, mandate, and major project initiatives outlined in this plan.

NOHFC's FTE complement consists of both unionized and non-unionized employees. For the unionized FTEs, the bargaining units comprise of the following:

Ontario Public Service Employees Union (OPSEU)

This is the largest bargaining unit in the OPS, OPSEU represents a broad range of non-managerial job categories across the government. OPSEU is governed by the Crown Employees Collective Bargaining Act (CECBA) and the Labour Relations Act.

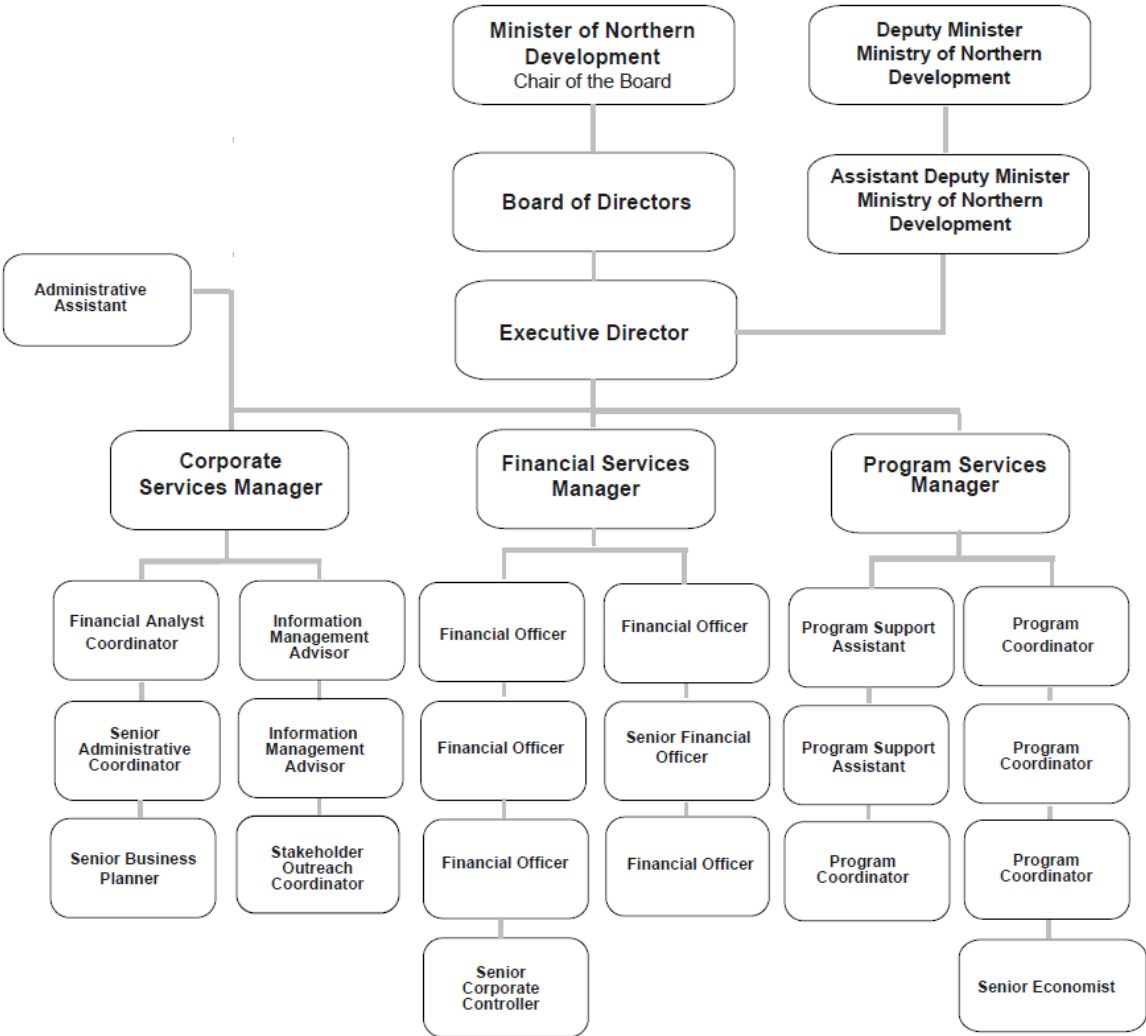
In the OPS, OPSEU is divided into two bargaining units – the Unified unit and the Correctional unit. Dispute Resolution for the Unified unit is by strike or lockout, with no disruption of essential services and Interest Arbitration for the Correctional unit.

Association of Management, Administration & Professional Crown Employees of Ontario (AMAPCEO)

AMAPCEO is the bargaining agent for professional and supervisory staff who do not exercise managerial functions or who do not deal with confidential labour relations matters.

AMAPCEO is governed by the Crown Employees Collective Bargaining Act and the Labour Relations Act. Dispute Resolution is by strike or lockout, with no disruption of essential services.

13.0. NOHFC's Organizational Structure



14.0. Risk Management

NOHFC has an Enterprise Risk Management (ERM) program that supports the agency by identifying, assessing, and managing risks related to the agency. The ERM is aligned with the OPS's and MND's ERM program and practices, which includes an assessment process, regular monitoring of key risks, and reporting of these findings to the Board and to MND. NOHFC's risk management framework provides a platform for managing risk through several key risk areas, including:

- Strategic,
- Accountability/Governance,
- Operational,
- Information Technology & Infrastructure, and
- Workforce.

The NOHFC Executive Director has the ultimate accountability for risk management and is supported by Senior Management, NOHFC Board Committees, including the Audit and Governance committees, and resources from MND, including Legal Services and Business Planning.