



Economic Development Strategy

June 15, 2012



Our official recognition as status Mi'Kmaq Indians has provided us with an opportunity to actively engage in business and economic development in this province. We recognize that in order to be successful as a First Nation Band we must become pro-active in making sound business investments. The creation of an Economic Development Strategy is a key step in helping to create an environment for our members and communities to succeed.

Chief Brendan Sheppard (2011)

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- P 8 - **Executive Summary**

The Qalipu Mi'kmaq First Nation (QMFN) will represent approximately 40,000 status Mi'kmaq Indians, with an estimated 67% residing in Newfoundland and Labrador. This number includes the 21,149 people who became founding members at the time of Band formation in September 2011, and an additional 1,515 members whom were added to the list in March 2012. As of May 2012 approximately 20,000 applications remain to be processed.

The communities and electoral wards that comprise QMFN are located throughout Western and Central Newfoundland. The full membership is distributed throughout Newfoundland and Labrador and across Canada. QMFN has committed to providing services to its members regardless of where they reside. Qalipu maintains four physical points of service in the province at Corner Brook, Bay St. George, Glenwood and Grand Falls-Windsor. The Band intends to utilize web based technology to provide program information and access for members who are not able to access these physical points of service

One of the responsibilities of QMFN is to continue its history of successful investment and business growth. As a Band without reserve lands, distributed across a large geographical area, QMFN will not have access to significant natural resources to fuel its growth and meet the demand for programs and services. To address its growth and subsequent demand, the Band will need to generate income and wealth from sources other than direct government funding. The only area that this income and wealth can be derived from is successful community economic growth and business development. This report will outline the objectives and methods for engaging in successful community economic growth and business development.

QMFN envisions that this strategy will be implemented through action plans designed for two new entities – a Department of Economic Development and Resources and the Qalipu Development Corporation (QDC).

In its original transition document Qalipu Development Corporation Final Report (July 2011), Qalipu set forth a vision that would increase its capacity for economic development through initially devoting its limited resources to the development corporation. The rationale for investing in QDC as a first step in economic development was based on the perceived flexibility of the development corporation to respond to business and investment opportunities in a timely and effective manner. The Band committed to allocating 70K per year to QDC for a period of three years to facilitate its development. At the end of that period the funds would be reallocated to the Department of Economic Development to pursue its goal of supporting community economic development.

In the months subsequent to the formation of the Band it has become apparent that there is a much greater demand for services under Community Economic Development than was originally anticipated. During the regional consultations the provision of support for community projects and for business development were recurring themes. There were also a large number of ideas for economic development that would be classified as developmental and will require public sector funding to pursue.

The feedback that has been received from members regarding their expectations necessitates that QMFN consider phasing in Community Economic Development earlier than Year Three. It will be necessary for the Band to proceed with the hiring of a Manager of Community Economic Development. This person would operate under the direction of Workforce Qalipu until such time as a Department of Economic Development and Resources is created.

As QMFN moves ahead with supporting developmental business opportunities it will require strategic alliances with other organizations that share similar goals and objectives. Some of these potential strategic alliances are outlined in the report.

Access to capital for economic development and business investment is a perennial challenge to First Nations. As a new entity QMFN will not have access to significant investment from capital market products and will necessarily be dependent to a large degree on government supported products, and grants and contributions, to leverage mainstream market investment.

Although the Economic Development Strategy will provide a framework for the type of investment and business opportunities to be explored by QDC, there still exists a need to capture the values, ethics and beliefs of the Qalipu Mi'kmaq First Nation and express them in a way that provides direction to the Corporation. Once the Board of the QDC is operational it will be necessary for the Band and QDC to develop and agree upon the parameters for investments by the Corporation. Overall there are a number of opportunities and challenges for the Band to address in its economic and business development. If the Band is to pursue these opportunities and positively address these challenges it will need to ensure that it has the appropriate plans, resources and strategic focus.

The time that QMFN spends in developing an economic development strategy will provide a number of concrete benefits. Most importantly it will create a road map for the Band to follow in pursuing economic development. Successful economic development does not just happen – it requires the identification of a number of intermediate steps and objectives that build towards achieving the overall goals of QMFN. A consistent, coordinated approach to economic development will assist the Band, its members and future generations in realizing the economic and social success that comes from establishing a viable First Nation.

The Band's commitment to strategic planning before introducing or expanding programs and services establishes an exemplary model and baseline for the efforts of future Councils. At any point in the future planners will be able to point to these strategies and say that this rationale for decisions and the information the decisions were based on.

It is a good time to engage in community and economic development. The Newfoundland and Labrador economy has been very strong in recent years. Newfoundland and Labrador posted a solid economic performance in 2010 when figures were last available.¹ All major economic indicators recorded increases over 2009. The province led the country in both GDP and employment growth.

¹ All data and sources were obtained from the Provincial Newfoundland and Labrador Department of Finance Economic Research and Analysis Division

The economic outlook remains positive beyond 2011. While GDP growth will vary depending on major project timelines and natural resource production, other indicators such as employment and income are expected to record steady growth. Sustained high levels of capital investment, stemming primarily from major project development will support these gains. Increased employment and income, combined with high levels of consumer confidence, will bolster consumer spending. Continued economic growth and optimism about the development of major projects is expected to lead to further net in-migration and an increase in the population. Companies involved in major industrial projects in Newfoundland and Labrador have become progressively better in their diversity workforce planning policies including preferential hiring of minority and disadvantaged groups. The federal and provincial governments also support these policies.

However, according to Community Business Development Corporation (CBDC) Humber, which serves the area including Corner Brook, the Bay of Islands, Humber Valley, Bonne Bay North and South to Rocky Harbour, and White Bay South, the Fishery and Forestry sectors have been the predominant industries that have suffered most in the last three to five years. This has a particular impact the QMFN and its members. A proactive, strategic response to economic and business development is required.

One of the main proactive approaches to assist in economic development has been the creation of Qalipu Development Corporation (QDC), a commercial for-profit corporation established under the Corporations Act of Newfoundland and Labrador and fully owned by the Qalipu Mi'kmaq First Nation. The Corporation will be a holding company for all of the business operations of the Qalipu Mi'kmaq First Nation. It will actively prospect for, and capitalize on, opportunities for business development and investment. It will conduct due diligence on potential business investments and joint ventures. It will also monitor and support business operations of subsidiaries as required.

Section 7 lists in detail a number of opportunities for economic development that should be considered by QDC. There is a classification of the type of opportunities - ranked as Tier 1, Tier 2 and Tier 3. Tier 1 business development opportunities are ones that should be considered for feasibility study by the Development Corporation and are seen as potentially immediately viable.

Tier 1 opportunities include:

- Construction – Residential and Commercial;
- Real Estate – Commercial and Residential;
- Personnel Services; Qalipu Seafoods; and
- Home and Auto Insurance.

Section 8 contains community economic development opportunities presented in detail. The primary program directions for Community Economic Development include:

- Business and Community Support;
 - Community Projects
 - Mi'kmaq Business Development Centre
 - Qalipu Business Network
- Developmental Business Opportunities;
 - Major Project Opportunity – Nalcor Energy
 - Mi'kmaq Arts and Crafts
- Tourism Culture and Heritage;
 - Tourism Sector Plan
 - Cultural Foundation
 - Field School for Cultural Researchers

This strategy will support Councillors in their role as facilitators of community based projects. Under the predecessor model the Councillors were Chiefs and communities expected them to work with various parties to support their projects. Under the QMFN model the Councillors are responsible to a much larger group of Band members while the expectation that they will continue to work with communities to help them realize their priorities still remains. The provision of resources at the Band level to help communities develop their business case for projects will be of major benefit to Councillors as they work with their constituent communities.

As Councillors go about their duties of communicating with the membership on the activities of the Band, they can also reference the Economic Development Strategy to point to specific initiatives that the Band has planned or underway. It will also enable Councillors to refer members to specific programs and services.

The Strategy forms the basis for future economic planning efforts for the Band. As it moves ahead with business and community economic development initiatives the Strategy is the document that it will reference in dealing with stakeholders and negotiating with funders.

The Strategy also encourages the effective and efficient use of scarce human and financial resources. A significant amount of money, time, and people will be required for economic development efforts and these limited resources must be used to maximum effect. The directions of the Economic Development Strategy provide a rationale for allocating resources.

The planning approach also ensures coordination of people and agencies involved in developing and implementing the plan. Various internal QMFN Departments, government departments and agencies, funding sources, community leaders, and various group and individuals will be involved in the economic development effort. It is important that the players do not overlap or conflict. The plan will serve as a vehicle for communicating development activities.

This strategy has reached out to members and other stakeholders to gather their views on business possibilities and community economic development. As the organization transitions from a collective of nine community bands to a single governing Band council it is imperative that everyone affected is afforded a meaningful opportunity to have input into the economic development planning process. A broad consensus on direction and effort also helps build support for implementation of the Strategy. The meaningful inclusiveness of stakeholder ideas into the analysis process establishes a solid planning base for the strategy and legitimizes the overall outcomes.

A well planned strategy that reflects the collective development goals of the Band also strengthens the Band's competitive position. A plan that establishes a clear direction for community economic development and business investment will allow QMFN to maximize its resources in a strategic way and capitalize on opportunities as they arise. It also ensures that activities are integrated with the other Band operation to achieve goals related to training, employment and creating opportunities for Band members and businesses.

The Strategy encourages forward looking and long-term planning. The long period of time required for successful economic development complements the long term outlook of the Band as a government. QMFN is building for the next generation – this provides an advantage over most private sector entities whose main focus is on quarterly returns and shareholder profitability.

Managing Expectations

It is readily apparent from feedback at the regional consultations, and discussion with QMFN staff, that the expectations of members with regard to the benefits and services may be unrealistically high. In some cases members are basing their expectations on the mistaken assumption that the Band has been funded to provide 100% education services to all members. In other cases, members believe that the Band has been provided with the resources to make non-repayable equity investments directly into individually owned businesses. Others believe that the band will be funding community improvement projects. Much of this is driven by pent up demand and priorities that have heretofore been unfunded. It is incumbent that people clearly understand the limitations of the funding provided to the Band by Canada. A proactive communications agenda will be necessary to get this message out to Band members.

Volunteer Recruitment and Management

The interest level among members in volunteering their time and skills to the Qalipu Mi'kmaq First Nation appears to be quite high. This may represent a significant opportunity for the Band to mobilize its members as a resource to helping it realize its vision as a First Nation organization.

Prior to embarking upon a call for volunteers it will necessary for the Band to design a structured volunteer recruitment and management program. Any call for volunteers at the present time will yield a high number of responses with implications for the Band's capacity to effectively manage and utilize such a resource. It will be necessary for QMFN to carefully design any volunteer recruitment program in such a way that it appropriately screens volunteers, identifies and records their skills, level of interest, commitment and availability, meets the needs of both the Band and volunteer, provides meaningful opportunities for engagement, tracks engagement and provides training and recognition.

Future Considerations

All plans are created at a particular point in time and cannot take into account every possible factor that may contribute to the success or failure of an enterprise. For QMFN and their economic development there are two particular areas that could have a major impact on the outcomes that the Band is working hard to achieve.

The Band receives project and administrative funding from Canada through Aboriginal Affairs and Northern Development Canada. The level of funding on an annual basis still has not been determined. If QMFN does not receive appropriate funding for any given area of its operations it could negatively impact others areas. Economic development will require capital and other resources. The success of these economic development projects will depend in great part on the level of funds available for each initiative, and the amount the Band can spend on operational support. Even limiting funds of programs such as employment and training will force the Band to make difficult choices with own source revenues: should the funds be reinvested in business opportunities or used to supplement programs.

The other area is the possibility of negotiating a benefits agreement with the proponents of the Muskrat Falls hydroelectric project. Nalcor Energy and Emera will both want to partner with QMFN in meeting diversity commitments for employment and sub-contracting. However, more substantial benefits and opportunities could be expected if the Band is able to formally negotiate a benefits agreement. If the project is sanctioned and proceeds as planned the opportunities presented may take priority over other projects as detailed in the Economic Development Plan.

1.0 Profile of Qalipu Mi'kmaq First Nation

1.1 Formation

In 1949, Newfoundland and Labrador was the last province to join Confederation. There was no agreement between the province and Canada on if, how or when the Indian Act system would be applied to the Mi'kmaq, who lived primarily on the Island of Newfoundland. In the absence of such an agreement, coupled with the fact that there were no reserve lands or federal treaties requiring reserve creation, the Indian Act was not applied.

From the 1950s to the 1980s, Canada provided ad-hoc funding to the province for social and health programs for Aboriginal Communities living in the province. Over time, however, both the Federal government and the First Nation population expressed a desire for a more focused and systematic application of the Indian Act.

In 1989, the Federation of Newfoundland Indians (FNI), representing approximately 7,800 members from nine Mi'kmaq communities across the island, along with Chiefs of six affiliated groups, began a Federal Court Action seeking eligibility for registration under the Indian Act.

From 2004 to 2006, the FNI and the Government of Canada agreed to undertake official negotiations for the creation of a band with no reserve land under the Indian Act for the Mi'kmaq of Newfoundland. In 2006, an Agreement-in-Principle (AIP) was reached that identified the process for recognition, the creation of a band with no reserve land, and specific FNI members who could vote on ratification. In 2007, negotiations were complete; in 2008 the Agreement-in-Principle was ratified by the FNI and Canada.²

On September 22, 2011, the creation of the Qalipu Mi'kmaq First Nation was announced.

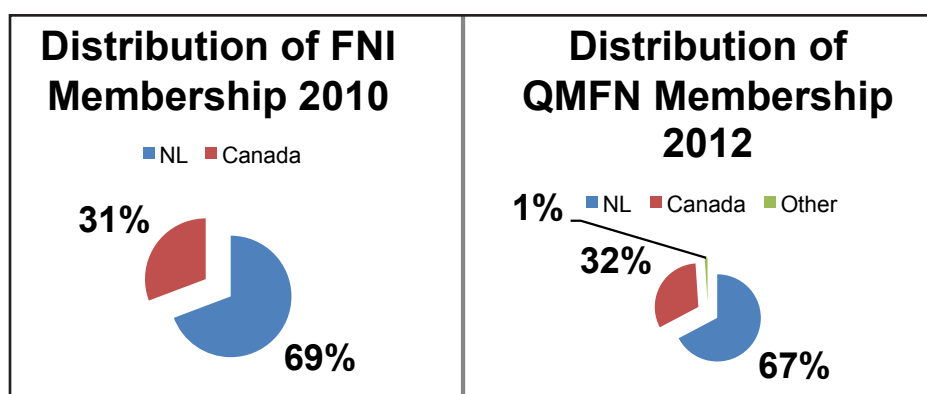
At the time of Band creation, September 22, 2011, 21,429 names were included on the list of founding members. An amendment was approved in March 2012 adding 1,515 individuals to the list of members. It is expected that another amendment will be required to complete the accelerated enrolment process.

The proportion of members living within Newfoundland and Labrador has remained consistent despite the increased growth of membership from the Federation of Newfoundland Indians to the Qalipu Mi'kmaq First Nation. In 2010, under the FNI 69% of the membership was resident within the province. In 2012, despite a doubling of the membership numbers under the Qalipu Mi'kmaq First Nation, the percentage of membership resident within the province was 67%.

² Backgrounder – www.qalipu.ca

Table 1 - Membership Distribution 2010 - 2012

Residency	FNI Membership Distribution 2010	QMFN Membership Distribution 2012
Newfoundland/Labrador	7,525	14,417
Canada and Other	3,338	7,012
Total	10,863	21,429



The age distribution of the membership has also remained relatively consistent from the time of the FNI to the QMFN.

Table 2 - Age Breakdown of Membership

Age Breakdown of Membership					
		FNI 2010		QMFN 2012	
Age Group	Total #	Percentage	Total #	Percentage	
0-10	1562	15%	2404	11%	
11-20	1955	18%	3516	17%	
21-30	1719	16%	3405	16%	
31-40	1557	14%	3224	15%	
41-50	1647	15%	3208	15%	
51-60	1393	13%	2891	14%	
61-70	737	6%	1777	8%	
71+	344	3%	943	4%	
Total	10914	100%	21368*	100%	

1.2 Transition Planning

The period from the ratification of the Agreement in Principle in 2008 to the formal creation of the Band under the Indian Act in 2011 was one of transition. The AIP specified that the Board of Directors of the FNI at the time of Band creation would function as the Qalipu Mi'kmaq First Nation Band Council for the 18 months following formation.

Following ratification of the AIP, the Board of Directors and Aboriginal Affairs and Northern Development Canada (AANDC) identified the need for transitional planning to ensure that the new Band would have some state of operational readiness when its formal creation took place.

In 2010, the FNI brought forward the following transition project proposals to AANDC.

Table 3 - Transition Projects

Projects	Organizational
Electoral Planning Process	(Funded and Underway)
Budget and Financial Plan/Policy Manual	(Funded and Complete)
Human Resources Plan/ Policy Manual	(Funded and Complete)
Post-Secondary Plan/ Policy Manual	(Funded and Complete)
Strategies	
Economic Development Strategy	(Funded and Ongoing)
Economic Development Corporation	(Funded and Complete)
Aquatic Resources Strategy	(Update)
Tourism Strategy	(Update)
Elder's Housing Strategy	
Communications and Branding Plan	
Qalipu Online Strategy	(Funded and Complete)
Capacity Building	
On-Line Staff Training Modules	
Employee Orientation Handbook	
Band Council Governance Manual	(Funded and Underway)
ISO Certification Framework	
Employee Assistance Program	

1.3 Governance

The Qalipu Mi'kmaq First Nation Band is governed by an elected Chief and Council. Under the agreement, the previous Federation of Newfoundland Indians' Board of Directors will act as the Band Council until the first Band Council election occurs. There must be an election within 18 months of the Band's formation.

The Band Council is made up of the Chief, the western region Vice-chief, the central region Vice-chief, and nine electoral ward Councillors. Qalipu Mi'kmaq First Nation members will vote in the electoral ward in which they live when elections are held. Those living outside an electoral ward will vote in the electoral ward in which they last lived, or to which they were assigned when they became members. All Qalipu Mi'kmaq First Nation members will have a place in which to vote.

Qalipu Mi'kmaq First Nation Council elections will be held every three years. Eligible voters can vote for one electoral ward Councillor, one Vice-chief (for their region), and the Qalipu Mi'kmaq First Nation Chief.

1.4 Service Delivery

One of the key decisions of the Chief and Council of the Qalipu Mi'kmaq First Nation has been to introduce a separation between elected official and staff when it comes to the delivery of programs and services to Band members. Key to this has been the formalization of a Qalipu Public Service, organized by Departmental structure and function.

Based on availability of program funding and anticipated demand, QMFN has adopted a model for service delivery that creates the following Departmental Structures:

- Workforce Qalipu – Education, Training and Employment
- Economic Development and Resources
- Finance and Administration
- Culture and Heritage
- Health and Social

Figure 1 - QMFN Departmental Structure



The first priority of the QMFN was to ensure that it was functioning and delivering services from the moment that creation of the Band was announced. This led to the decision to establish and staff Workforce Qalipu and Finance and Administration as the first departmental structures for the Band.

Finance and Administration is responsible for the oversight of administrative and financial systems, including finance, accounting, information technology, human resources, communications, and physical infrastructure.

Workforce Qalipu is responsible for delivering the Post-Secondary Education Program and the Aboriginal Skills and Employment Training Program.

The Department of Economic Development and Resources will be introduced in the second or third year of formation, depending upon availability of resources and demand from the community. In the interim period responsibility for Community Economic Development will be assigned to Workforce Qalipu under the direction of a Manager.

The Departments of Heritage and Culture, and Health and Social will be formed later in the Band's development as resources become available and the Band assumes delivery for projects and programs.

2.0 Scope of Project

The Qalipu Mi'kmaq First Nation Band (QMFNB) will eventually represent approximately 30,000 status Mi'kmaq Indians - 67% of whom will be residing in Newfoundland and Labrador. The communities and wards that comprise QMFN are located throughout Western and Central Newfoundland. The actual membership is distributed throughout Newfoundland and Labrador and across Canada. QMFN has committed to providing services to its members regardless of where they reside. Qalipu maintains three physical points of service in the province at Corner Brook, Bay St. George and Grand Falls-Windsor. For those members who are not able to access these physical points of service, Qalipu intends to utilize web based technology to provide program information and access for members.

The communities and Bands that have made up the Federation of Newfoundland Indians prior to Qalipu formation have not had the benefits of the full resourcing provided to other First Nation Reserves by Indian and Northern Affairs Canada. This has hindered their ability to address community economic development as well as their ability to invest in business opportunities. Despite this, they have availed of funding from other Federal Departments to make investments in tourism and commercial fishing. One of the successful projects has been the redevelopment of the old courthouse in Bay St. George as the K'Taqmkuk Mi'kmaw Cultural Historic Museum. The Federation has also been able to create a very successful commercial fishing company - Mi'kmaq Commercial Fisheries.

One of the responsibilities of QMFNB is to continue this history of successful investment and business growth. As a Band without reserve lands, distributed across a large geographical area, Qalipu will not have access to significant natural resources to fuel its growth and meet the demand for programs and services. To address its growth and subsequent demand, Qalipu will need to generate income and wealth from sources other than direct government funding. The only area that this income and wealth can be derived from is successful community economic growth and business development.

2.1 Strategic Planning for Economic Development

The Qalipu Mi'kmaq First Nation has been presented with a unique green field opportunity to plan for its engagement in business and community economic development. The time that QMFN spends in developing an economic development strategy will provide a number of concrete benefits.

It will create a road map for the Band to follow in pursuing economic development. Successful economic development does not just happen - it requires the identification of a number of intermediate steps and objectives that build towards achieving the overall goals of the Qalipu Band for economic development.

The Qalipu Economic Development Strategy will also encourage the effective and efficient use of scarce human and financial resources. A significant amount of money, time, and people will be required for economic development efforts and these limited resources must be used to maximum effect. The activities of the Strategy will also provide a rationale for allocating resources.

The planning approach will also ensure coordination of people and agencies involved in developing and implementing the plan. Several internal Qalipu Departments, government departments and agencies, funding sources, community leaders and various groups and individuals will be involved in the development effort. It is important that the players do not overlap or conflict. The Strategy will serve as a vehicle for communicating development activities.

The Qalipu Economic Development Strategy is also an opportunity to build consensus within the membership on the direction of the Band's economic development efforts. As the organization transitions from a collective of nine community bands to a single governing band council it will be imperative that everyone affected is afforded a meaningful opportunity to have input into the economic development planning process. A broad consensus on direction and effort will also help build support for implementation of the Strategy.

A well planned strategy that reflects the collective development goals of the Band will strengthen the Band's competitive position. A plan that establishes a clear direction for community economic development and business investment will allow the Band to maximize its resources in a strategic way and capitalize on opportunities as they arise. It will ensure that activities are integrated with the other Band operation to achieve goals related to training and employment. It will also create opportunities for band members and businesses.

The Strategy will encourage forward looking and long term planning. The long period of time required for successful economic development complements the long term outlook of the Band as a government. The Qalipu First Nation is developing the perspective that they are building for the next generation, which provides an advantage over most private sector entities whose main focus is on quarterly returns and shareholder profitability.

2.2 Vision for Economic Development

QMFN is still very early in its growth and development. Since the Band was officially created in September 2011, representatives of Qalipu and AANDC have been diligently working to establish funding levels for the various programs delivered by the Band on behalf of AANDC. The results are early stage budgets that are subject to change depending upon the eventual size of the Band's membership and the funds allocated to AANDC by Treasury Board.

As a new and emerging First Nation Band, Qalipu will need to ensure that it builds up front capacity into its front line service delivery models. It is evident from the community consultations conducted as part of this report that the expectations of the membership with regard to the quality and scope of service delivery will be quite extensive. The implication is that the Band must ensure that its departmental initiatives are properly resourced, to provide capable senior management team support to the Chief Executive Officer and Chief and Council.

The Qalipu Mi'kmaq First Nation believes that it must be proactive in order to strategically ensure the economic and financial future of the Band. A consistent, coordinated approach to economic development will assist the Band, its members and future generations in realizing the economic and social success that comes from establishing a viable First Nation.

This coordinated approach to economic development will utilize a comprehensive Community Economic Development Strategy. The Strategy will be implemented at the community level and through direct business investment. The Community Economic Development Strategy involved extensive local consultation with members and stakeholders to establish the direction, goals and objectives of how QMFNB would proceed with the development of its economy and the generation of wealth.

The QMFN recognizes the need to address business investment and community economic development through separate but parallel processes. This recognition is supported by the conclusions of a wide range of studies into the best economic development practices of the First Nations.

Figure 2 - Public Policy Forum Quote

“ The separation of business and politics is a hot topic in any discussion of First to Nations economic development. It is generally recognized that good business practice requires that business management have the capacity and freedom to make decisions on the basis of operating reality and needs. The political imperatives are often at odds with business needs. for example, band-owned companies are often at risk of being under-capitalized because the directors, generally chief and Council, are under enormous pressure to make any profits out of the business on immediate and continuous basis. Band members tend to want to see immediate benefits in terms of improved public services or in some cases, per capita distribution of cash.”

Public Policy Forum
Economic Development in First Nations
An Overview of Current Issues, January 2005

In its original transition document Qalipu Development Corporation Final Report (July 2011), Qalipu set forth a vision that would maximize its resources for economic development through initially devoting its limited resources to the development corporation. The rationale for investing in the QDC as a first step in economic development was based on the

perceived flexibility of the development corporation to respond to business and investment opportunities in a timely and effective manner. To facilitate this, the Band committed to allocating 70K (its entire economic development budget at that time) to the QDC for a period of three years. At the end of that period, the funds would be reallocated to the Department of Economic Development and Resources to pursue its goal of supporting community economic development.

In the months subsequent to the formation of the Band, it has become apparent that there is a much greater demand for services under the Department of Economic Development and Resources that was originally anticipated. During the regional consultations, the provision of support for community projects and for business development was a recurring theme. There were also a large number of ideas for economic development that would be classified as developmental and will require public sector funding to pursue.

The feedback that has been received from members regarding their expectations necessitates that the QMFN reconsider its original schedule of creating Qalipu Development Corporation in Year One and phasing in Department of Economic Development and Resources by Year Three. QMFN has decided to proceed with an interim step of creating a Manager position for Community Economic Development reporting to the Director of Workforce Qalipu. This will require dedicated financial and human resources to create the capacity necessary to build and manage these entities.

QMFNB envisions that this strategy will be implemented through action plans designed for two new entities - the Department of Economic Development and Resources - and the Qalipu Development Corporation (QDC).

Chief and Council understand that economic and business development for the Qalipu Mi'kmaq First Nation will not occur in a vacuum. It will require the engagement, participation and support of multiple stakeholders and partners in areas of financing, economic research and data collection, entrepreneurship and small business assistance, labour force development and a host of other areas.

In order for the Qalipu Mi'kmaq First Nation Band to successfully move forward with its economic development strategy it will require the nurturing of current partnerships and the creation of new strategic alliances with other organizations that share similar goals and ambitions.

One of the best practices for community economic development identified by a number of researchers and authors is to establish and maintain community and partner buy-in for the initiative. This requires that the Economic Development Strategy of the Qalipu Mi'kmaq First Nation reflect inclusiveness, transparency, flexibility and follow through.

2.3 Terms of Reference for Current Study

At present the collective vision of the QMFN to pursue business and economic development within the Band and the communities it serves is evolving. Over the next two to three years the Band will have dedicated access to economic development funds through the Community Economic Opportunity Program of AANDC. In order to utilize and leverage this funding for maximum benefit, the Band is proposing to develop a comprehensive economic development strategy.

It is anticipated that the Economic Development Strategy will provide QMFN with the following benefits:

- Arrive at a Vision for the future economic direction of QMFN;
- Build consensus and partnership among the various stakeholders;
- Increase public awareness of the Band's vision and commitment to business and economic development;
- Encourage innovative and visionary thinking;
- Develop goals and objectives that provide clear direction to the Band;
- Identify Band organizational infrastructure necessary to support community economic development;
- Define structure and focus of the Resources and Economic Development Department - Enterprise Qalipu;
- Provide direction to the Qalipu Development Corporation to guide its business and investment decisions; and
- Identify business opportunities to be further explored by QDC.

The Terms of Reference for this study address the following specific requirements:

- Profile of Current Business and Economic Environment in Newfoundland and Labrador
- Business and Economic Analysis
- Examination of existing QMFNB Economic Development Initiatives - Commercial Fishing Enterprise Analysis
- Engagement with Band Members and Business/Industry
- Comprehensive Economic Development Strategy

2.4 Methodology

The methodology used to prepare this report included a range of efforts:

- Literature and Document Review: Background information from secondary sources (research reports, government documents, presentations, market segment reports, websites and media notices) was compiled and reviewed.
- Community Consultation Process with members of the Qalipu Mi'kmaq First Nation
- On-line survey of membership of the Qalipu Mi'kmaq First Nation
- On-line survey of Chief and Council of the Qalipu Mi'kmaq First Nation
- Strengths Weaknesses Opportunities Threat (SWOT) Analysis
- Political Economic Social Technological (PEST) Analysis
- Key Informant Interviews with Private Sector
- Key Informant Interviews with Community Economic Development Sector

2.5 Scope of Analysis

The information collected for this report was organized and analysed to identify the following:

- An overview of the key characteristics of the economy in Newfoundland and Labrador;
- An assessment of the various economic sectors in Newfoundland and Labrador and opportunities in each sector;
- Consultation with members through regional meetings;
- Consultation with members through an online survey;
- An assessment of potential business opportunities for Qalipu Economic Development Corporation;
- An assessment of potential community economic development opportunities for Enterprise Qalipu;
- A review of Mi'kmaq Commercial Fisheries Inc.; and
- Preparation of an Implementation Plan.

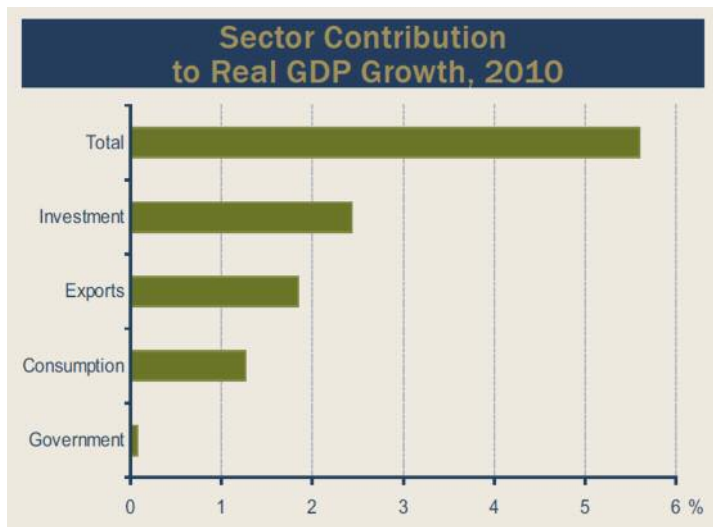
3.0 Business and Economic Outlook Newfoundland and Labrador

The Newfoundland and Labrador economy has been very strong in recent years. Newfoundland and Labrador posted a solid economic performance in 2010, when figures were last available.³ All major economic indicators recorded increases over 2009 and the province led the country in both GDP and employment growth.

Real GDP grew by an estimated 5.6% in 2010 due mainly to investment and export growth, and to a lesser extent, consumer and government sector growth (see chart). Most private sector forecasters rank Newfoundland and Labrador at the top of the list for economic growth last year. Investment in the province totalled \$6.5 billion in 2010, an increase of 32.3% compared to 2009. Increased spending on major projects was the primary driver of investment growth. The largest major project expenditures in 2010 were on the Vale nickel processing facility in Long Harbour and the Hibernia South Extension.

Additionally, there was significant investment on other oil projects (e.g. Hebron, White Rose expansion) and the Iron Ore Company of Canada (IOC) expansion project. The continuation of government’s infrastructure strategy, expansion in the commercial sector, and a robust housing sector also contributed to high levels of investment. Residential investment increased by 20.7% in 2010 - and housing starts were up by 18.0%. There was also a rebound in exports from depressed levels in 2009—partly related to the recession contributed to GDP growth last year. Real exports are estimated to have increased by about 4% in 2010. Mineral production increased substantially as improved market conditions led to higher output from most mines in the province.

Figure 3 - Sector Contributions to GDP Growth 2010



³ All data and sources were obtained from the Provincial Newfoundland and Labrador Department of Finance – Economic Research and Analysis Division

Service exports benefitted from a good tourism year and growth in the general economy that, in turn, boosted transportation activities. Fish products performed reasonably well. However, newsprint was down due to the closure of the Grand Falls-Windsor mill in 2009.

Consumer spending continued to support economic growth in 2010. Retail sales increased by 3.7%, fuelled largely by higher spending on motor vehicles. The number of new cars sold in the province rose by 10.1% in 2010, reaching the highest level on record. Continued high levels of consumer confidence—the highest in Atlantic Canada—combined with employment and income growth supported consumer spending in the province.

Medium Term Outlook

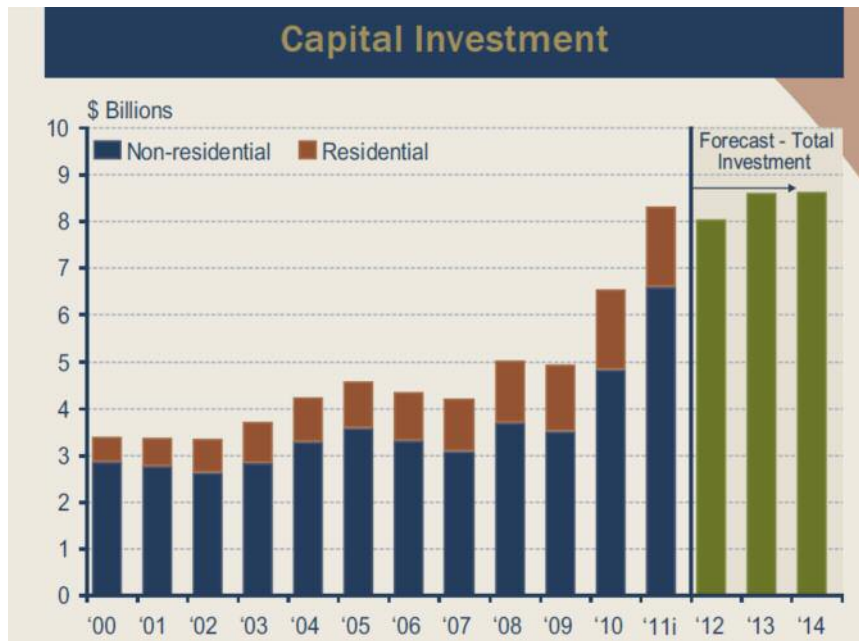
Economic growth is expected to continue to be robust in the medium term (next eighteen months to two years), fuelled largely by investment in major projects.

According to Statistics Canada’s Public and Private Investment (PPI) Survey, capital investment in the province is expected to increase by 27.2% in 2011 to \$8.3 billion. Of this, \$2.7 billion is expected to be spent by the mining and oil and gas industries.

Projects with considerable development activity scheduled in 2011-2012 include

Vale’s nickel processing facility, Hebron, IOC expansion, Hibernia South Extension and the White Rose expansion fields.

Figure 4- Capital Investment in Newfoundland and Labrador



Development work on these projects, combined with growth in the rest of the economy, is expected to support a 3.0% increase in employment. This performance will lead to a further reduction in the unemployment rate to 13.8%. Personal income is expected to increase by 5.4%, stemming from higher employment and continued wage gains. Subsequently, retail sales are forecast to increase by 4.2% this year. The current strength of the provincial economy is expected to support continued in-migration to the province, leading to an increase in the population of 0.3%.

Beyond 2011, the economic outlook remains positive. While GDP growth will vary depending on major project timelines and natural resource production, other indicators such as employment and income are expected to record steady growth. Sustained high levels of capital investment (see Figure 5 above) stemming primarily from major project development will support these gains. Increased employment and income, combined with high levels of consumer confidence, will bolster consumer spending. Continued economic growth and optimism about the development of major projects is expected to lead to further net in-migration and an increase in the population.

4.0 Research and Analysis

4.1 Industry Sector Analysis

The purpose of this analysis is to identify the economic sectors of importance to the Qalipu Mi'kmaq First Nation and to provide context and input into identification of opportunities for the Band's economic development strategy.

The classification of industries in this province is consistent with the North American Industry Classification System (NAICS). NAICS is "a comprehensive system encompassing all economic activities. It has a hierarchical classification structure which divides the economy into 20 sectors at the highest level. These are further refined to 102 sub-sectors, 324 industry groups, 718 industries and 928 national industries. (Source: **NAICS 2007**, Statistics Canada)

The 20 sectors at the highest level include⁴:

- Agriculture, Forestry, Fishing and Hunting
- Mining and Oil and Gas Extraction
- Utilities
- Construction
- Manufacturing
- Wholesale Trade
- Retail Trade
- Transportation and Warehousing
- Information and Cultural Industries
- Finance and Insurance
- Real Estate and Rental Leasing Professional, Scientific and Technical Services
- Management of Companies and Enterprises
- Administrative and Support, Waste Man. and Remediation Services
- Educational Services
- Health Care and Social Assistance
- Arts, Entertainment and Recreation
- Accommodation and Food Services
- Other Services (Except Public Admin.)
- Public Administration

⁴ http://www.stats.gov.nl.ca/Statistics/trade/PDF/BR_NL_NAICS_2004.pdf

In its annual reports The Economy 2010 and the Economy 2011, the province of Newfoundland and Labrador consistently profiles the following sectors with additional emphasis upon major development projects:

- Oil and Gas
- Fishery
- Forestry and Agrifoods
- Mining
- Manufacturing
- Construction
- Real Estate
- Travel and Tourism
- Retail
- Service Sector

Relevance to Qalipu Mi'kmaq First Nation Band

The scan of industry sectors in Newfoundland and Labrador is meant to identify opportunities relevant to the capacity of the QMFN. In order to achieve this it will be necessary to make the large volume of information on each industry sector manageable and meaningful.

Sources of Information

High Level Sector Information

- The Economy 2010
- The Economy 2011

Regional Economic Priorities (<http://www.nlreda.ca/content.php?cid=78&nav=89>)

- Exploits Valley Economic Development Corporation Strategic Economic Plan 2011-2013
- Humber Economic Development Board Strategic Economic Plan 2011-2014
- Kittiwake Economic Development Corporation Strategic Economic Plan 2012-2014
- Long Range Economic Development Board Strategic Economic Plan 2008-2011
- Marine and Mountain Zone Corporation Strategic Economic Plan 2008-2011

4.2 Qalipu Membership Consultations

Community and organizational buy-in to any strategy is essential to its success. The consultations conducted as part of this strategy development were designed to gather input from members, partners and other stakeholders. They also served the purpose of beginning the process of engagement with the goal of building support for the strategy.

4.2.1 Regional Consultations

There were three regional consultations held throughout the province in March 2012.

Newspaper advertisement

The Qalipu Mi'kmaq First Nation will be holding community consultations to seek input on the development of an economic development strategy for the Band.

All band members are invited to attend and share their opinions on economic development. Sessions will be held in the following locations:

Corner Brook	March 5th at 7:00 PM - Glenmill Inn
Stephenville	March 6th at 7:00 PM - The Holiday Inn
Grand Falls Windsor	March 7th at 7:00 PM - Mount Peyton Hotel

Band members can also complete a survey online (www.qalipu.ca). Written submissions can be sent to CEO Annie Randall at arandell@qalipu.ca or by mail to

Qalipu Mi'kmaq First Nation
1 Church St., 2nd floor, Corner Brook, NL

The sessions were very well attended and there was clearly a strong interest and commitment among those attending in seeing the Band move ahead with its growth and development. Some of the quotes from that session are distributed throughout this report. The feedback that was received has been reflected in the identification of business opportunities and program directions for community economic development strategy.

4.2.2 Membership Survey

The members of the Qalipu Mi'kmaq First Nation were also invited to provide their feedback through an online survey. Six hundred members completed the survey and provided their thoughts on opportunities available to the Band. This feedback made an instrumental contribution to identifying the business and program priorities for the Band.

4.2.3 Chief and Council Survey

Chief and Council have had an ongoing role into defining the economic development vision of the Band. As the Board of Directors for the FNI, Chief and Council commissioned a number of transition planning projects that impacted economic development planning. The ASETS Strategic Business Plan, the creation of Work Force Qalipu and the formation of the Qalipu Development Corporation all impacted various aspects of the economic development strategy.

Chief and Council were also provided a specific opportunity to comment on the process through an online survey. Some of the comments from that survey are reproduced below.

The businesses or partnerships we build as a base for our people must be credible. Qalipu Development Corporation must be perceived by private funders, investment agencies and Governments as one of the best in Canada, It has to earn the distinction as one of the best through its actions.

The future resides in our young educated people who have a reputation of being some of the best and smartest minds in Canada. Let's establish the foundation for them to succeed in business.

Business success is not a given because it is the Qalipu Band or the Qalipu Development Corporation - there is not an endless pool of money -success is earned.

5.0 Strategic Alliances and Partnerships

5.1 Private Sector - Major Projects

Companies involved in major industrial projects in Newfoundland and Labrador have become progressively better in their diversity workforce planning policies - these policies include preferential hiring of minority and disadvantaged groups. The federal and provincial government also support these policies.

Under Section 45 (4) of the *Canada-Newfoundland Atlantic Accord Implementation Act* (S.C.1987, c. 3) and the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act* (R.S.N.L. 1990, c. C-2) (the Atlantic Accord Acts), the Canada Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) may require that:

*“ any Canada-Newfoundland benefits plan include provisions to ensure that disadvantaged individuals or groups have access to training and employment opportunities and to enable such **individuals or groups or corporations owned or cooperatives operated by them** to participate in the supply of goods and services used in any proposed work or activity referred to in the benefits plan.”*

The Hebron Benefits Agreement also requires that each main contractor to the Hebron Project in the Province provide a plan for compliance with the Diversity Plan, and requires that contracts related to the execution of the Hebron Project in the Province include an acknowledgement from successful bidders that they are aware of the existence and importance of the Diversity Plan.⁵

As Qalipu moves ahead with supporting developmental business opportunities it will require strategic alliances with other organizations that share similar goals and objectives.

5.2 Former Band Councils

Prior to coming together as one entity under the Qalipu Mi'kmaq First Nation, the Federation of Newfoundland Indians was comprised of the following individual Bands:

- Gander Bay Band
- Glenwood First Nation
- Splettek First Nation
- Corner Brook Band
- Port Au Port Band
- Benoits Cove Band
- Indian Head First Nation
- Flat Bay Band
- St.George's Band

⁵ Hebron Benefits Agreement. August 20, 2008. P. 22

These Bands have ceased to exist as political organizations. However, their leadership, skills and knowledge should be preserved and encouraged as a means of creating capacity at the community level for economic development.

5.3 Regional Economic Development Boards

In 1992, the report *Change and Challenge: A Strategic Economic Plan for Newfoundland and Labrador* advocated the establishment of economic zones in the province to pursue long-term, sustainable development through the implementation of strategic economic plans in each zone.

The Boards are responsible for developing and maintaining up-to-date strategic economic plans, identifying investment opportunities, and taking responsibility for the economic development agenda in the zone. The Boards are not involved in direct implementation of initiatives; they provide other organizations in the zone with the support needed to achieve their development mandate in the context of an agreed upon strategic plan.⁶ There are a number of REDBs that overlap with the main geographical wards of the Qalipu Mi'kmaq First Nation. They include:

- Exploits Valley Economic Development Corporation
- Humber Economic Development Board
- Kittiwake Economic Development Corporation
- Long Range Economic Development Board
- Marine and Mountain Zone Corporation

The Boards will cease operations in 2013 as per a recent announcement by the Atlantic Canada Opportunities Agency.

5.4 Municipalities

Municipal governments in Newfoundland and Labrador share similar goals with the Qalipu Mi'kmaq First Nation in terms of economic development. Strong Municipal-Aboriginal relations can assist in meeting a range of objectives, including:

- identifying areas of mutual interest and developing joint initiatives
- infrastructure planning
- policy development and land use planning for crown lands
- meeting regulatory requirements for community development
- partnering on service delivery and resource management

Within the wards of the Qalipu Mi'kmaq First Nation Band there are a large number of small and medium sized municipalities and at least one city.

⁶ *Change and Challenge – A Strategic Economic Plan for Newfoundland and Labrador*. Government of Newfoundland and Labrador. June, 1992. P. 4

5.5 Community Business Development Corporations

There are 41 Community Business Development Corporations (CBDCs) operating throughout Atlantic Canada - thirteen of which are in Newfoundland and Labrador. The CBDCs are a network of not-for-profit organizations that work in co-operation with all levels of government and the private sector to meet the needs of small business. The primary function of the CBDC is to provide financial assistance to qualifying businesses within the defined geographical jurisdiction. They also provide a variety of information services and assistance with business plans and studies to new and existing businesses.

Four of the CBDC's in Newfoundland and Labrador have a direct geographical overlap with the wards of the Qalipu Mi'kmaq First Nation:

- CBDC Humber
- CBDC - Long Range
- CBDC Central
- CBDC - Gander

5.6 Chambers of Commerce

In Newfoundland and Labrador there are 24 Boards of Trade or Chambers of Commerce.⁷ Although the organizations have varying mission statements they generally incorporate the following objectives:

- promotion and improvement of trade and commerce and the economic, civic and social welfare of the community;
- advocacy on behalf of business;
- promotion of leadership which enables the business community to speak with a strong collective voice;
- distributing information pertinent to the operation of business and the business community and networking and recognition events;
- being the voice of the business community on matters of municipal, provincial and national importance;
- delivering value added services including discounts, referrals and marketing opportunities to our members; and
- promoting initiatives that support economic and social development of the region

⁷ <http://www.apcc.ca/index.php?s=Member%20Chambers>

A number of the Chambers and Boards of Trade serve the same communities as the Ward structure of the Qalipu Mi'kmaq First Nation. They include:

- Greater Corner Brook Board of Trade
- Exploits Regional Chamber of Commerce
- Gander and Area Chamber of Commerce
- Port Aux Basques and Area Chamber of Commerce
- Pasadena and Area Chamber of Commerce
- Deer Lake Chamber of Commerce
- Bay St. George Chamber of Commerce

6.0 Economic and Business Opportunity Identification

6.1 Methodology

The Study Team has utilized a modified Five Stage process of identifying and conducting preliminary assessment of business investment opportunities for the Qalipu Development Corporation and community economic development program directions for Enterprise Qalipu.

- Stage One - Idea Generation
 - Community and Member Consultations
 - Sector Analysis
 - Expert Knowledge (Consultant and Qalipu Knowledge)
- Stage Two - Idea Screening
 - Opportunity Screening
 - Tier Analysis
- Stage Three – Idea Prioritization
 - Qalipu Development Corporation
 - Tier One Opportunities
 - Tier Two Opportunities
 - Tier Three Opportunities
 - Enterprise Qalipu
 - Short-Medium Term Program Directions
 - Medium-Long Term Program Directions
- Stage Four - Feasibility and Business Analysis
- Stage Five - Business Case and Investment

The economic development strategy addressed Stages One - Three of this process.

- IDEA Generation Model
- Screening Model and Criteria

6.1.1 Stage One – Idea Generation Process and Methodology

The Study Team met on three occasions to generate expert knowledge ideas. The first session encompassed the experience and knowledge of the study team on existing and anticipated business and community economic development opportunities. The second session encompassed a review of previously published studies and reports by the Federation of Newfoundland Indians and Qalipu Mi'kmaq First Nation Band. The third session confirmed the ideas that contained sufficient merit for further consideration.

The Study Team also relied upon Qalipu member responses to the on-line survey, regional consultations and key informant interviews to elicit ideas for business and community economic development. An online survey of eighteen questions was completed by 600 individuals. Each respondent was asked to identify their ideas for business opportunities and community economic development. 295 responses were received. These responses were collated from the survey and inserted into one document. Three regional consultations were held across the island with a collective participation of nearly 200 individuals. Key informant interviews were conducted with representatives of Regional Economic Boards, Community Business Development Corporations, the Business Development Bank of Canada, Grenfell College, the Port of Corner Brook and Qalipu Mi'kmaq First Nation Band.

The Study Team also relied upon the results of the sector analysis to generate ideas. The first step in this process was to narrow down the scope of the sector analysis. The study team started with the North American Industry Classification index. The use of this index was viewed as being beyond the intent, scope and level of effort of the study. Ultimately it was agreed to conduct the sector analysis based upon the commonly used industry definitions used by the Province of Newfoundland and Labrador and reported upon annually in the Economy Reports.

The Study Team reviewed each of the suggested ideas and classified them according to the sectors being reviewed as part of the sector analysis. (Due to the relatively large number of ideas related to Entrepreneurship oriented business opportunities, these were classified separately). There were also a large number of Tourism and Heritage ideas that were collated and classified together. Ideas from all sources were classified in the following table format. Individual ideas were recorded only once no matter how often they were identified. The source of each idea was also attributed.

Figure 5 - Idea Generation Analysis

Idea Generation			
	Existing Knowledge	Consultations	Sector Analysis
Energy			
Wind Power	√		
Peat Moss for Power Generation		√	
Fishery and Aquaculture			
Shellfish Aquaculture	√	√	
Finfish Aquaculture	√	√	
Secondary Processing	√		
Lobster Purchasing	√		
Forestry and Agrifoods			
Cranberry Farming	√		
Blueberry Farming	√		
Vegetable Farming	√		
Sawmilling	√	√	

6.1.2 Stage Two – Ideas Screening Process and Methodology

The Study Team met and reviewed each of the suggested ideas and confirmed or re-categorized the ideas. Each member of the Study team was provided with the unedited list of suggestions from the consultations, the expert knowledge list and the sector analysis results. These sources were then compared to the summary table and discussed.

As a result of the review three separate Idea Screening documents were produced - one for business development, one for community economic development and one for entrepreneurship.

Tier Analysis Based On:

- Ease of Implementation and Available Resources within Qalipu
- Time to Implementation
- Capital Required

Description of the Tiers

- **Tier 1** – should be pursued immediately as an opportunity and prioritized as a prospect for QDC within the first six months;
- **Tier 2** – should be viewed as a medium term opportunity in the next six to eighteen months, should be monitored as it may move up to Tier 1, barriers may exist in: ease of implementation/available resources, time to implement or capital requirements that may need to be overcome; and
- **Tier 3** – should be viewed as a long term opportunity in the eighteen months to three years, should be monitored as it could move up to Tier 1 if there is a change in the business or economic landscape, barriers do exist in: ease of implementation/available resources, time to implement or capital requirements that may need to be overcome in order for the opportunity to move up to Tier 1 or Tier 2.
- **EQ** – although it may exist as an opportunity, it is not deemed sufficient from a Return on Investment (ROI) or Return on Time Invested (ROTI) to justify consideration by the Development Corporation at this time. These developmental opportunities were assigned to Enterprise Qalipu (EQ).

Table 4 - Opportunity Profile Matrix

Industry Sector:		Business Opportunity:		
Opportunity Profile Summary				
Narrative:				
Analysis				Notes
Current Attachment	Yes		No	
Capital Investment Required	Low >250K	Medium 250- 500K	High <500K	
Source of Funds				
Immediacy of Opportunity	Short >2 Yrs	Medium 2-4 Yrs	Long <4 Yrs	
Capacity Required	Internal		External	
Market	Growing	Stagnant	Decline	
Competition	High	Medium	Low	
Ownership Model	Direct	JV	Investment	
Risk Analysis	High	Medium	Low	
Barriers to Entry				
Unique Advantages				

Current Attachment – Does the Band have a current attachment to this opportunity either through existing business operations, current investment, previous business plans or studies?

Capital Investment Required – Commensurate with the Band's fiscal capacity and access to capital instruments

- Low would be under 250K,
- Medium would be between 250-500K and
- High would be greater than 500K.

Source of Funds – Is there a corresponding source of funding?

- Private Market (Ulnooweg Development Group, Peace Hills Trust, Commercial Banks, Private Investors)
- Non-Market (Grants & Contributions: Federal Departments. Provincial Programs and Regional Development Agencies (ACOA))
- Assisted Market (Crown Institutions: Export Development Canada, Business Development Bank of Canada, Farm Credit Corporation, Community Business Development Corporations)

Capacity Required – what capacity will Qalipu require to exploit the opportunity?

- Internal (Does the Band have existing staff with the required skills necessary to take advantage of the opportunity?)
- External (Will the nature of the opportunity require the Band to source expertise externally?)

Market – is the Market growing, is it stagnant or is it in decline?

Competition – Does the Band have an existing aboriginal competitor in this opportunity? What is the level of competition? Is it applicable?

Ownership Model – Direct Ownership, Joint Venture or Investment

Risk Analysis –

Barriers to Entry – What are the major barriers to entry into this opportunity for the Band?

Unique Advantages – Does the Band enjoy any unique advantages by virtue of its Aboriginal status? Are there any procurement set aside provisions? Are there any legislative diversity requirements to support aboriginal engagement? Are there any adjacency provisions for major projects to contract locally?

7.0 Community Economic Development

In the initial transition stage of the QMFN, the Department of Economic Development and Resources was tasked by Chief and Council to address the following priorities:

- Facilitating Community Economic Development Projects
- Enhancing Business Workforce Skills
- Forming a Qalipu Business Network
- Encouraging Entrepreneurship

The Department would be staffed by a Director of Economic Development and an Economic Development Officer.

It has become apparent from the results of the research that the Band needs to adopt a revised delivery model focusing upon a divisional approach to responsibilities within the Department.

- Business and Community Support
- Band Owned Enterprises
- Tourism, Culture and Heritage

It is envisioned that upon formation, the Department will identify resources and structures necessary to translate these priorities into action.

Figure 6 - Community Economic Development



7.1 Business and Community Support

Figure 7 - CED Business and Community Support



7.1.1 Community Projects

7.1.1.1 Concept

Qalipu will employ a full-time Community Economic Development Officer (EDO) who will work with community groups and organizations to develop the business case for their projects. This position will be familiar with the funding programs of both federal and provincial government departments and agencies. The EDO will also be responsible for building local and regional partnerships to support the projects.

The communities and Wards that make up the Qalipu Mi'kmaq First Nation Band all have ideas and suggestions for community and economic development. One of the obstacles that they have had at the community level to developing these ideas has been capacity. There have not always been human resources available with the necessary expertise to assess the relative merit of opportunities, develop proposals and secure the financing necessary to translate these ideas into projects.

The key to helping communities translate their ideas into working initiatives is to help them develop the business case for their idea. Preparing a business case is an integral part of the planning and fundraising process for any municipal or community project. It becomes more important as the cost and complexity of the project increases.

Developing a business case for a community project is similar to developing a business plan prepared for private business. Funding partners and government funding programs usually require a business case before committing to the project. The goal is to provide interested parties with the business rationale for undertaking the project and to define the parameters and management factors involved in the project itself. The business case provides support that the project is a good investment for both the funding partner and the community.

More specifically the business case serves four purposes:

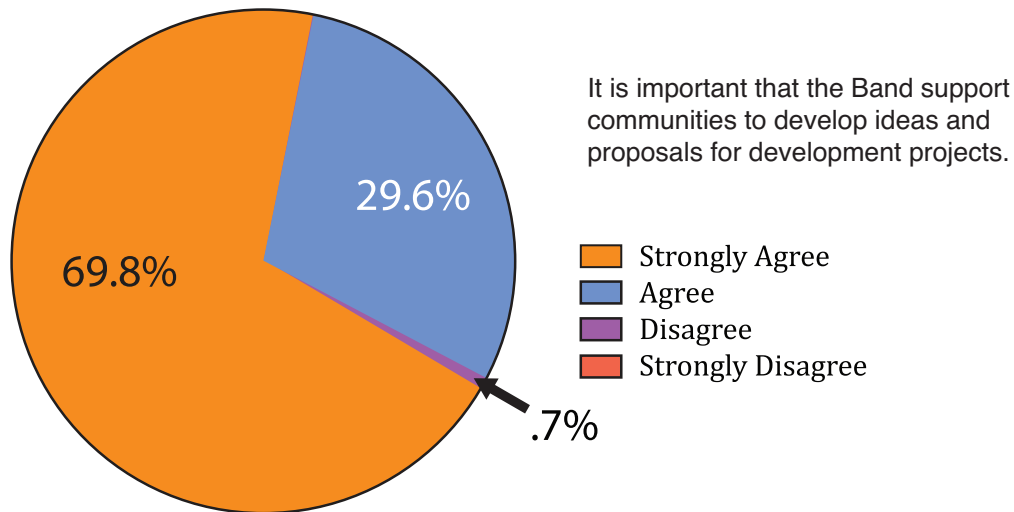
- It helps the applicant think through the project in a systematic, step-by-step manner;
- It explains to program administrators, funding partners and other interested parties why the project should be undertaken and why it is worthy of public funding;
- It helps potential funding partners understand the economic/social value of the project and why they should invest in it;
- It provides a framework for completion of the project on time and on budget.

7.1.1.3 Rationale/Need/Opportunity

The survey of Qalipu members posed the following statement “It is important that the Band support communities to develop ideas and proposals for development projects” and asked respondents to indicate the degree to which they agreed with the statement. Nearly 100% of the 600 respondents Strongly Agreed (69.9%) or Agreed (29.6%) that this should be a priority for the Band.

We have fishermen with licenses from the Band and have no proper place for them to land their catch. Some money to develop a proper place to put boats in the water would do our community good. Alfred Park – McIvers - Regional Consultations

Figure 8- Survey Response on Development Projects



Respondents also provided examples of some of the community projects that they would like to pursue. Specific details are available in Appendix A. A representative sample of the types of community projects that were suggested includes:

- Recreation Centres
- Cultural Centres
- Breakwater Extension
- Sporting areas for children
- Museum/historical type infrastructure
- Marina / Wharves and Slipways

7.1.1.4 Potential Partners/Funding Sources

The Community Economic Development Program provides core financial support for First Nation and Inuit communities for public services in economic development. The financial support is intended for community economic development planning and capacity development initiatives, development of proposals and leveraging financial resources, and carrying out economic development activities.

7.1.1.5 Next Steps

Develop an internal budget and implement human resource plan.

7.1.2 Mi'kmaq Business Development Centre

7.1.2.1 Concept

Qalipu will establish a Business Development Centre to support new and existing businesses and provide access to training, skills development, business planning assistance through a program of resources consolidation and community outreach.

The Qalipu Mi'kmaq First Nation will explore the development of a Mi'kmaq Business Development Centre to encourage entrepreneurship. This Centre would be developed in collaboration with other provincial and regional aboriginal organizations to provide services to a broader range of Mi'kmaq communities. It is anticipated that this approach would improve a wide range of business services to ensure a high rate of success of small business start-up.

7.1.2.2 Context

In 2001 the Canadian Census reported over 20,000 First Nation, Inuit and Metis identified business owners in Canada. According to the 2006 census this number had increased to more than 37,000 First Nations, Métis and Inuit persons in Canada who have their own businesses, an increase of 85 percent since 1996.⁸

Overall, the rate of self-employment within the aboriginal community is growing 2.5 times faster than the national rate. This is reflected in the rate of entrepreneurship of aboriginal youth who are also 2.5 times more likely to be entrepreneurs than Canadian youth in general.⁹ From 2001 - 2006, the rate of growth of self-employed Aboriginal people has five times that of self-employed Canadians overall (7%).

The 2011 Aboriginal Business Survey undertaken by the Canadian Council for Aboriginal Business identified the following findings that have implications for Business Development Centre initiative of the Qalipu Mi'kmaq First Nation:

- Only a minority of Aboriginal small businesses had a formal business plan in place the previous year, but this is more common among the most successful businesses (33% vs. 19% among the low-success firms).
- Successful Aboriginal businesses exhibit use of innovation. These businesses are more than twice as likely as the low-success group to have introduced new products or services, or new processes, in the past three years.
- Few (38%) Aboriginal small business owners have an individual or organization that has provided them with particularly valuable business guidance or advice. In fact, most cannot envision the type of guidance they would most like to have.

⁸ Promise and Prosperity – The Aboriginal Business Survey. Canadian Council for Aboriginal Business. 2011.

⁹ Aboriginal Entrepreneurs in Canada: Progress and Prospects. Aboriginal Business Canada, 2007.

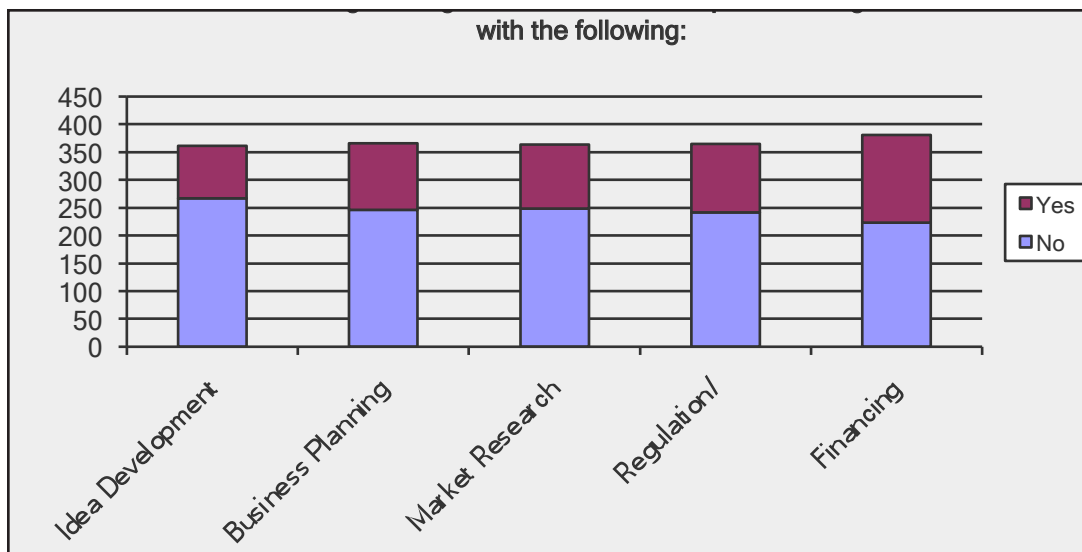
- There appears to be an overall lack of awareness among Aboriginal small business owners of the kind of information that is available to help successfully guide these small business owners.
- A minority (29%) have used any government programs in the start-up or maintenance of their business.

The various Aboriginal Business Surveys (1996, 2003 and 2011) asked Aboriginal entrepreneurs to identify their priorities for improvement to ensure continued business success. The 1996 survey identified the following priorities:

- management skills (89 percent);
- productivity (88 percent);
- innovation (76 percent);
- financing (74 percent);
- employee training (67 percent), and;
- expansion of markets (67 percent).

These priorities are also consistent with feedback received from Qalipu members in the online survey.

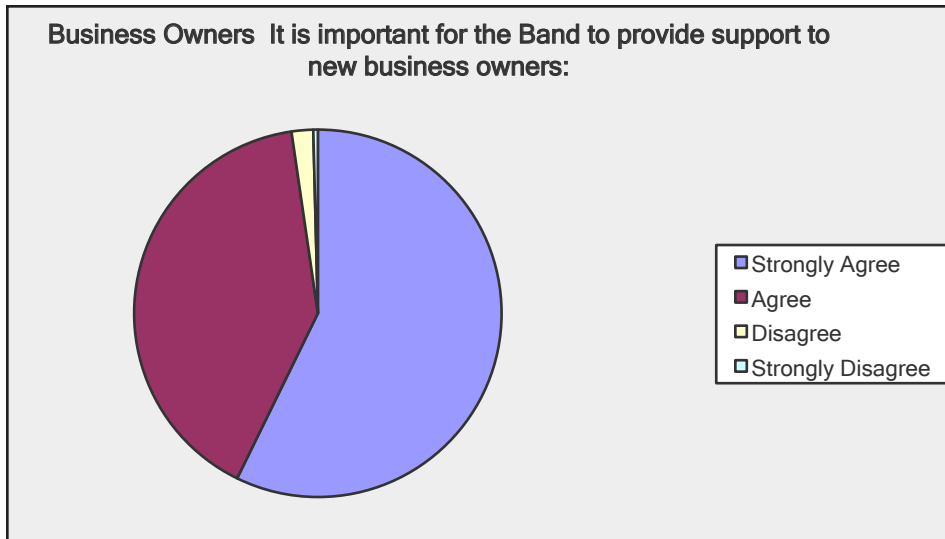
Figure 9 - Business Development Assistance



7.1.2.3 Rationale/Need/Opportunity

According to feedback from the Regional Consultations and Member Survey there is a strong level of support from the membership for the Band to provide support to business owners. When asked to respond to the statement “It is important for the Band to provide support for new business owners” nearly 98% of respondents indicated that they Strongly Agreed (57.3%) or Agreed (40.5%).

Figure 10 - Survey Response on Band Support for New Businesses



The goal of any initiative will be to create a client support process within the Mi'kmaq Business Development Centre to ensure the probability of business success for individual clients through the delivery of comprehensive business services.

The objectives for the Program may include:

- Simplify the start-up process for small business;
- Aid in the start-up of client firms by providing pre-care to ensure that all building blocks are in place for start;
- Promote proper business planning before business start-up;
- Assist with business plans, marketing and management;
- Aid in the ongoing operation of client firms by facilitating ongoing training and mentorship to guide the entrepreneurs through to success;
- Aid entrepreneurs in accessing government funding and private sector loans to help provide the most desirable financing package for the client;
- Answer general questions about financial and legal elements of business;
- Provide referrals where necessary and act as a liaison;
- Consolidate resources available to entrepreneurs;
- Provide community outreach

Starting a business is a good thing, but keeping a business running is a different thing. Maybe there needs to be a branch of the Band to help people that get in trouble, or people that need some advice, whether from an accounting perspective or basic marketing perspective or some strategy perspective.

Brendan Mitchell – Corner Brook. Regional Consultations

7.1.2.4 Potential Partners/Funding Sources

According to the 2010 Evaluation of the Atlantic Canada Opportunities Agency's Entrepreneurship and Business Skills Development Program, (EBSD) the Agency invests in EBSD activities to ensure that more Atlantic Canadians develop the motivation and skills required to successfully start, sustain and grow small and medium-sized enterprises (SMEs).

These investments are made primarily through contributions to non-commercial organizations and community based organizations that undertake activities that foster the EBSD. Support is extended to these organizations through a number of initiatives including the Young Entrepreneur Development Initiative (YEDI), the Women in Business Initiative (WBI) and non-commercial elements of the BDP.

The 2010 Evaluation concluded that it was unlikely that EBSD could have performed as effectively without working through third-party organizations that have the expertise required to deliver entrepreneurship promotion and business skills training. The Evaluation Report further stated that it is critical to the success of EBSD that ACOA continues to use a third-party delivery approach and continues to play an important role in partnership building. In Newfoundland and Labrador the Business Development Program provides core funding for the Métis business centre and a wide range of other projects.¹⁰

7.1.2.5 Next Steps

Develop a detailed proposal for submission to the funding agencies.

7.1.3 Qalipu Business Network

7.1.3.1 Concept

The QMFN will develop an action plan for the development of a network among business owners, to facilitate knowledge sharing and opportunity identification. This action plan will include activities to explore a virtual network and to hold an annual economic and business development conference.

7.1.3.2 Context

It is projected that the Founding Members list of the Qalipu Mi'kmaq First Nation Band may reach 30,000 + members. It is difficult to determine official estimates on how many aboriginal people are business operators as a percentage of the population. Statistics Canada, in its 2006 Census data, estimated that 3.9% of the aboriginal population were self-employed or operated businesses. Using this percentage, it is reasonable to assume that there may be 150-200 Qalipu member businesses.

¹⁰ Evaluation of the Atlantic Canada Opportunities Agency's Entrepreneurship and Business Skills Development Program Sub-activity, Sept 8, 2010

7.1.3.3 Rationale/Need/Opportunity

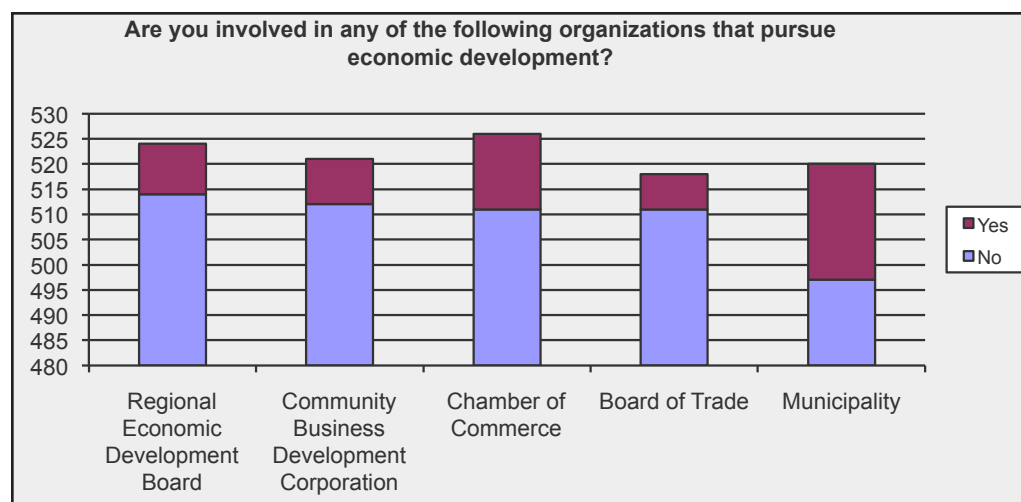
One of the recommendations arising from the 2011 Aboriginal Business Survey undertaken by the Canadian Council for Aboriginal Business concerns building networks.

The recommendation states that “Building stronger networks will lead to sharing of expertise and knowledge among and between Aboriginal businesses”.

The Report found that Aboriginal businesses tend to operate in isolation from other businesses and business organizations – there is need for more active support systems that offer mentorship and advice to help small businesses operate more effectively.

This finding is reflected in the Member Survey. When asked “Are you involved in any of the following organizations that pursue economic development?” only 64 of 564 respondents responded affirmatively (see Figure 12).

Figure 11 - Membership in Organizations Pursuing Economic Development



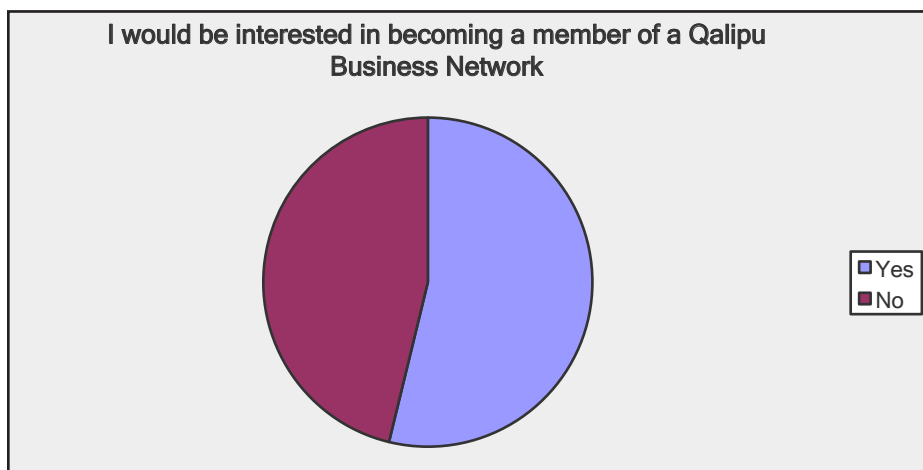
There is an opportunity for Qalipu to build a strong business network – locally, regionally and nationally – for Qalipu member businesses. According to the 2011 Aboriginal Business Survey relatively few Aboriginal small business owners identify professional groups or individuals to turn to for business advice. Even fewer know what type of business guidance they would seek even if it were available.

- The Qalipu Business Network may wish to consider a number of roles including:
- Creating an Aboriginal Mentorship Program
- Hosting an Annual Business Forum and Trade Fair
- Creating awareness of opportunities available through MERX, BIDS and the Set Aside Program for Aboriginal Business
- Providing Recruitment and Hiring Opportunities
- Acting as a voice for businesses to ensure access to Major Project diversity mandated opportunities.

The Member Survey asked respondents to identify if they owned and operated a business. 45 respondents or 7.7% identified themselves as being business owners/operator within the province. Only 42 or 7.1% of respondents advised that they owned and operated a business outside Newfoundland and Labrador.

When members were asked if they were interested in being part of a Qalipu Business Network the results were a major contrast. 53.8% of respondents, or 303 individuals advised that they were interested in becoming a member of a Qalipu Business Network.

Figure 12- Member interest in Qalipu Business Network



Qalipu has already embarked upon this process through the creation of a Qalipu Business Directory and through hosting three business development sessions.

Work Force Qalipu hosted three Business Development Sessions in partnership with:

- Aboriginal Affairs and Northern Development Canada (AANDC)
- Business Development Bank of Canada (BDC)
- Ulnooweg Development Group
- Newfoundland and Labrador Organization of Women Entrepreneurs (NLOWE)

The purpose of these sessions was to introduce Aboriginal business leaders and entrepreneurs to the funding and support opportunities that exist through these various portals. Work Force Qalipu also promoted our training programs and employment programs including the Graduate Incentive Program, Wage Subsidy Program and the Self-Employment Assistance Program. In addition we introduced our business directory as a means of bringing recognition to their businesses as being owned and operated by our members. The sessions were held in Grand Falls, Corner Brook and Stephenville with in excess of 200 members in attendance. The format was a trade show environment where each participating group had 10 minutes to provide a general overview of their programs and services, 10 minutes were set aside at the end for questions from the floor then the remainder of the time was given for the members to move around the room and meet one-on-one with these groups to get more details on programs which may be of direct benefit to them.

The response from the entrepreneurs in the room was tremendous. There is a high level of interest in more focused information sessions on new business start-up as well as a support system in place within Qalipu to assist member's start new businesses and grow their existing businesses. Most in attendance represented SMEs (Small - Medium Sized Enterprises) and the addition of specific funding partners was welcomed.

The Business Directory is a database that Workforce Qalipu has been populating over the last number of months which identifies aboriginal businesses and their sectors. The goal is to use this information as a means of developing partnership opportunities with Supplier development and Procurement divisions of the major employers in the major sectors in this province and beyond.

There was a great interest among businesses attending the Development Sessions in identifying themselves as Aboriginal owned and they were keenly interested in the Business Directory we have introduced. Several businesses expressed interest in the 'officially recognized' designation with a logo to display on their web site. Keith Goulding - Director, Workforce Qalipu

7.3.1.4 Potential Partners/Funding Sources

The Province of Newfoundland and Labrador offers a Business Networks Program that enables Newfoundland and Labrador companies to work together cooperatively to enhance their export potential - to accomplish what an individual business may not do alone. Financial assistance is available to create new business networks or for existing business networks to participate in activities related to export development.

7.3.1.5 Next Steps

Develop an operational model for the concept that clearly establishes the vision, goals, objectives, operations and budget for the Network.

Arrange meeting with the Department of Innovation, Business and Rural Development to discuss the Qalipu Business Network concept and determine their level of interest in providing financial support for its creation.

7.2 Developmental Business Opportunities

Figure 13 - CED Developmental Business Opportunities



There will be occasions when business ideas are brought forward for the Band's consideration that may be valid to pursue but for a number of reasons do not fit under the Development Corporation. It may be that the development and investment period is too long for the Development Corporation or that the idea may require non-repayable government assistances in research and development to prove its viability.

7.2.1 Major Project Opportunities - Nalcor Energy

7.2.1.1 Concept

Qalipu will position itself and Qalipu member companies as a major provider of goods and services to the on-land transmission line to be constructed on the Island portion of Province for the Muskrat Falls Project through negotiation of a benefits agreement that provides access to employment and business opportunities.

7.2.1.2 Context

Nalcor Energy is planning two major hydroelectric projects on the Churchill River in Labrador. Muskrat Falls is the first project and it is scheduled to be sanctioned as early as the fall of 2012. Gull Island is the second project and its development will depend on the success of the first project.

As detailed on the Nalcor website, the Muskrat Falls development includes three key components:

- 824 megawatt hydroelectric generating facility at Muskrat Falls on the lower Churchill River
- 1,100 km High Voltage direct current transmission line from Muskrat Falls to Soldiers Pond on the island of Newfoundland. 700 km⁷ of High Voltage Power Lines with 60m right-of-ways will be built on the Island portion of the province from Shoal Harbour on the Northern Peninsula to Soldier's Pond on the East Coast.
- 480 km High Voltage direct current Maritime transmission link (planned, financed and constructed by Nova Scotia's Emera Inc.) running from Soldiers Pond through an underwater cable to Nova Scotia.

Both planned transmission routes run through traditional Mi'kmaq lands either in Central or Western Newfoundland. QMFN was not consulted during the Environmental Assessment for the transmission lines. The Assessment has been completed and the report is open to public comment until June 12, 2011². Construction on both lines is scheduled for 2013, assuming sanctioning in 2012.

According to Nalcor it will take about four years to build the on-land transmission line. Access roads and bridges, temporary storage areas, and construction camps will be built first. The transmission line right-of-way will then be cleared and tower locations will be marked. The tower foundations will be built, the towers assembled and raised, and then the wires will be strung between the towers.¹¹

¹¹ Labrador-Island Transmission Link - Environmental Impact Statement. Plain Language Summary. P. 11

Figure 14 - Map of Transmission Route (Source: Nalcor Energy)



The transmission route will take the lines down through the Northern Peninsula and across Central Newfoundland. This raises potential adjacency benefits and access to opportunities to provide goods and services to the project for the Qalipu Mi'kmaq First Nation.

The Muskrat Falls Project represents a major opportunity for the Band and it will be necessary for Chief and Council to engage in discussions with Nalcor, the Province and the Federal Government regarding the negotiation of a Benefits Agreement for the Band. AANDC may be able to financially assist the Band to develop its position and negotiate with Nalcor through the Resource Access Negotiation fund.

There are clear and immediate business opportunities associated with this project for QMFN. Nalcor won't publicly comment on exactly when it expects construction of the lines to begin, however it has issued contracts for the construction of a road to the generation site in Labrador. This would indicate that Nalcor is prepared to move quickly when the project receives sanction from the provincial government.

The opportunities presented by the project can be identified in the following categories:

Table 5- Opportunities Associated with Muskrat Falls Project

Muskrat Falls Project Opportunity		
Required Services	Required Material	Required Equipment
<ul style="list-style-type: none"> • Fuel and lube equipment, parts and maintenance • Accommodations and lodging • Blasting and drilling • Catering • Machinery and equipment repair • Welding • Health and medical services • Mapping and surveying • Waste disposal • Fire, safety and security • Civil works contractors • Helicopters and aircraft charters • Electrical works contractors • Forestry and right-of-way clearing • General maintenance services • Communications network services • Ground transportation • Vehicle purchase, rental and maintenance • Snow clearing and road maintenance 	<ul style="list-style-type: none"> • Personal protective (safety) equipment • Construction consumables and tools • Lumber and formwork • Tires • Fencing • Portland cement • Explosives • Rebar • Scaffolding • Structural steel • Bridges and signage 	<ul style="list-style-type: none"> • High Voltage electrical switchgear and breakers • Construction heavy equipment • Accommodation complex • Converter stations • Controlled gates • Overhead cranes • Transformers • Transmission hardware • Transmission towers • Pumps and piping • Turbines and generators

The Chief Executive Officer of the Qalipu Mi'kmaq First Nation also met with representatives of the Port Authority of Corner Brook to discuss potential partnership and collaboration around the development of the Port. The Port Authority envisions a number of potential opportunities related to the development of the Muskrat Falls Project.

7.2.1.3 Potential Partners/Funding Sources

QMFN's opportunities to participate in the project are dependent upon several factors, including:

- **Negotiation of Benefits with Nalcor:** Although late to the process, QMFN can initiate negotiations with Nalcor on a form of adjacency benefits as formally achieved by the Innu in Labrador. This process would significantly increase the probability of the Band being able to access a range of business opportunities.
- **Access to Funding:** QMFN will require significant funding in order to quickly mobilize and generate the capacity to participate in the procurement process for the project. The longer the Band does not build capacity the less likely it is to access business benefits.
- **Willingness to Partner:** The Band could benefit from a strategy of partnering with existing enterprises to gain access to opportunities. With limited capacity and a short time-frame this may be an effective way of participating.

Aboriginal Affairs and Northern Development Canada have indicated that an Application for financial assistance to commence Resource Access Negotiations would be an acceptable purpose under the Community Economic Opportunities Program.

The Community Economic Opportunities Program (CEOP) provides project-based, proposal driven support to those First Nation and Inuit communities that have identified economic development opportunities which demonstrate significant economic benefits for their respective communities. The program is expected to lead to community economic benefits as a result of planning and negotiating activities, research and advocacy initiatives and economic infrastructure projects.

The idea of a Benefits Agreement with Nalcor Energy was also supported by AANDC staff at the Regional Community Consultations.

7.2.1.4 Next Steps

Qalipu will need to form a team to negotiate a benefits agreement with Nalcor. This team will need to be comprised of Qalipu's senior management team, Chief and Council designates, legal advisors, and consultants. A budget to address the costs of the negotiation process will need to be developed and submitted to AANDC under the Community Economic Opportunities Program.

7.2.3 Mi'kmaq Arts and Crafts

7.2.3.1 Concept

Qalipu will support the development of a vibrant and profitable arts and crafts sector that preserves traditional and cultural knowledge and provides members with a source of income. It will create the infrastructure and provide the training and business development necessary to ensure that the Mi'kmaq culture is reflected in genuine arts and crafts products and that artisans and craft producers are successful.

7.2.3.2 Context

The largest identifiable group of aboriginal people residing on the Island portion of the Province of Newfoundland and Labrador are of Mi'kmaq descent. There are two independent political groupings of Mi'kmaq people – those Mi'kmaq that are members of the Miawpukek First Nation of Conne River and those Mi'kmaq who are members of the Qalipu Mi'kmaq First Nation.

Each band in the province, at one point or another, has engaged in either craft producer training or in operating a retail craft shop as part of their respective band offices. Over the years, Mi'kmaq craftspeople have made and sold a variety of items including moccasins, hide coats, hide mitts, hide vests, moose tufting art work, variety of jewelry, wallets made of hide, hide cheque books, card holders, hide purses, dream catchers, medicine wheels, snow shoes, wood baskets, quill work, and a variety of regalia for men, women and children.

This aboriginal craft production experience was consistent with the national trends of the 1950s and 1960s which saw an upsurge in the number of people producing crafts for a livelihood. In part, this growth was an extension of the self-sufficiency movement of those years. That trend continues today, partly enforced by the significant increases in unemployment and underemployment, particularly in some rural areas of Newfoundland and Labrador.

Because the basic skills of many crafts are quickly learned, many early entrants attempt to sell what they make. The consequences are an undercutting of the professional market and a deterioration of standards. Craft organizations have long played an important role in maintaining standards of quality in design and production.

Every province and territory has a major craft organization. There are about 9000 professional members belonging to the provincial associations in such varied disciplines as wood, ceramics, textile printing and soft sculpture, metal jewellery, leather, skins and engravings.¹² There is one national body, the Canadian Crafts Federation.

¹² Peter H. Weinrich. The Canadian Encyclopedia. <http://www.thecanadianencyclopedia.com>

In this province the Craft Council of Newfoundland and Labrador is the provincial association which represents craft producers. Its Mission is to:

“advance and promote excellence in craft for the cultural and economic benefit of Newfoundland and Labrador by ensuring a strong and supportive craft community and by playing a leadership role in the growth of a thriving craft industry.”

7.2.3.3 Rationale/Need/Opportunity

It has been recognized by those involved in the aboriginal craft sector that many of the efforts to develop and promote craft businesses have been fragmented and localized. These individualized approaches have not addressed the need for economies of scale in procuring raw material, cost effective training, new product development, quality assurance in production, sales and marketing and overall commercial business development. The leadership of the Qalipu Mi’kmaq First Nation has expressed a belief that this aspect of economic development should be a process that takes into account the history, collective aspirations, economic diversity, and underlying realities of each Aboriginal community.

Geographical fragmentation, diversity and the absence of a common business strategy has relegated aboriginal arts and crafts production to the margins of the industry. There are exceptions of individual aboriginal producers experiencing significant success however on an industry wide basis there remain areas requiring significant development. However, the existence of focused province-wide enterprise dedicated to the development, quality assurance, marketing and promotion of Mi’kmaq products created by Mi’kmaq artisans has not been realized.

Many of the traditions and beliefs and history of Aboriginal peoples in this province and elsewhere is reflected in their Art and in their Crafts. Through the passage of time and changes in social lifestyle, the methods and materials used in the production of aboriginal arts and crafts on the Island portion of the province are in decline. It is the belief of the First Nation community in this province that a targeted effort needs to be taken to preserve these traditional methods before they are lost forever.

The opportunity exists to provide a focus for organizing and developing Mi’kmaq products and to engage in successful business practices to market and distribute these and associated products and services to resident and non-resident target markets.

As an artist a lot of my work ends up being sold outside the province because people don't really know much about it. We need to use our identity and culture. When people come here there is no awareness of the fact that there is an aboriginal culture here. We have to get better at making it know. Scott Butt – Regional Consultations.

7.2.3.4 Potential Partners/Funding Sources

There are several natural partners for the Band as it pursues the development of its arts and crafts sector. They include the Craft Council of Newfoundland and Labrador and the Craft Development Division of Innovation, Business and Rural Development. Both of these organizations can provide technical and product design/development assistance.

The Atlantic Canada Opportunities Agency, Aboriginal Affairs and Northern Development Canada and the Department of Innovation, Business and Rural Development are all potential sources of funding for the business and strategic planning requirements. The ASETS program of Workforce Qalipu may also be a potential partner in terms of funding group training.

7.2.3.5 Next Steps

Qalipu will need to develop a scope of work for the strategic planning and business development needs of the Mi'kmaq Arts and Crafts Sector.

7.3 Tourism, Culture and Heritage

Figure 15 - CED Tourism Culture and Heritage



Aboriginal tourism is one of Canada's unique strengths, in both domestic and international markets. Tourism represents about one quarter of the Aboriginal economy in Quebec, as well as in Northern and Western Canada. According to the 2003 National Study on Aboriginal Tourism in Canada, demand for Aboriginal tourism is outpacing capacity.

The Travel Activities and Motivation Survey (TAMS) survey from the Aboriginal Tourism Report (Lang Research, 2000) indicates a significant level of interest in aboriginal tourism, above and beyond the actual level of participation.

Visitors to Canada are very clear on what they want and do not want in terms of aboriginal products. Products that include their participation and provide an enriching experience are highly valued; products that are entertainment oriented are of lesser interest. (Canadian Tourism Commission, 2008) This aligns with the province of Newfoundland and Labrador's position on experiential tourism. (The Government of Newfoundland and Labrador, 2009)

7.3.1 Tourism Sector Plan

7.3.1.1 Concept

Qalipu is in the very early stages of development with regard to the tourism sector. It recognizes that there is a need for an overall management, planning and development document for their tourism industry development activity. The sector plan would involve working with existing businesses to ensure their viability, helping develop new ventures primarily in the areas of cultural and eco-tourism, and to develop an overall management approach and implementation schedule for the development of the sector.

7.3.1.2 Context

Tourism and cultural activities have frequently been identified as potential business and community economic development opportunities for the QMFN. The member survey conducted as part of the community consultation identified a large number of ideas and opportunities fell within the tourism and culture/heritage sector. As stand-alone opportunities, many of these ideas will require significant development work and investment of human and financial resources. Some of the ideas will not be individually sustainable but are essential to building the experiences that make a specific tourism venture viable.

Many of the suggestions received throughout the study are either in the idea stage or represent components of tourism (accommodations, transportation, experiences, attractions) that need to be integrated into something larger and more comprehensive to make them feasible.

A challenge for the communities, and QMFN, will be to:

- decide which ideas reflect and respond to a demand in the market;
- establish priorities for these ideas;
- develop the quality of these ideas and integrate them into a critical mass to become viable opportunities;
- enhance the capacity of the QMFN and communities to integrate these ideas into commercial activity.

The current approach to tourism development within the Band consists of community groups bringing forward ideas and seeing them through to fruition. This grass roots approach has identified a number of credible ideas and resulted in some notable achievements (Bay St. George Court House Restoration, Flat Bay Pow Wow, and Mi'kmaq Celebration Exhibit).

Qalipu has a number of elements of the various components necessary for a successful tourism sector – products and experiences, transportation and accommodations, and information and promotion. These elements are at varying levels of development and market readiness. To launch a truly market ready and successful tourism venture the Band should address the readiness of each of these various elements and components and ensure integration with complementary capacity development.

7.3.1.3 Rationale/Need/Opportunity

What has been missing is an overall vision that guides the pursuit and development of these ideas, and knits them into something that is greater than they would be individually. The formation of the Qalipu Mi'kmaq First Nation, and the integration of the nine community Bands into one organization, provides an opportunity to create that vision. To accomplish this, the QMFN will need to create capacity within the Band to provide this leadership, support and development.

7.3.1.4 Potential Partners/Funding Sources

There are a number of provincial and federal government departments and agencies that may be able to assist financially with the Tourism Sector Plan. Aboriginal Affairs and Northern Development Canada, the Atlantic Canada Opportunities Agency and Heritage Canada are potential partners. On the provincial side, the Departments of Tourism, Culture and Recreation and Innovation, Business and Rural Development are also potential partners.

Regionally, the former Bands, Tourism Associations, Zone Boards and Destination Management Organizations would also be potential partners.

7.3.1.5 Next Steps

It is envisioned that the QMFN will pursue the development of a Tourism Sector Plan in collaboration with the Qalipu Cultural Foundation. Some of the activities will include:

- Review previous studies, reports and business plans for tourism related projects of the Qalipu Mi'kmaq First Nation and collate findings, recommendations and best practices;
- Assess each element of potential Qalipu Tourism ideas against the results of the review and identify level of market readiness against industry standards;
- Define the role of each of the elements of QMFN Tourism in supporting a new tourism venture and develop individual implementation plans that will achieve market readiness;
- Build consensus on a collective vision for tourism development and what the Corporation will be mandated to achieve;
- Build partnerships with individuals, groups and organization that will assist the Band in its efforts to create a successful tourism industry.
- Develop an overall management and delivery structure to support the efforts of senior management and staff to develop a QMFM Tourism Venture;
- Create a comprehensive business plan for the new tourism venture that ensures market ready products and experience that will appeal to domestic and foreign visitors,
- Address capacity issues related to training and human resource development, construct various vehicles and mechanisms for marketing and promotion, and lay a solid foundation for future growth and success.

It will be necessary for the Band to define the Terms of Reference for the Sector Plan and submit a proposal for funding to the various funding agencies.

7.3.2 Cultural Foundation

7.3.2.1 Concept

The Cultural Foundation will be responsible for preserving and promoting the culture, language, and traditions of the Qalipu Mi'kmaq people of Newfoundland and Labrador. It intends to identify Band members who have a commitment to preserving and promoting culture and heritage and to designate cultural ambassadors. It will be responsible for ensuring cultural documentation and promoting the involvement of youth and Elders in cultural activities within the Band.

7.3.2.2 Context

Like other First Nations, the Mi'kmaq people have a long and rich history that includes unique cultural, social, political and spiritual traditions. However, with centuries old European contact and the subsequent domination of European policies and culture, many of these traditions have been eroded and lost.

In Newfoundland and Labrador this has been most acutely felt by the Mi'kmaq. Exclusion from recognition as status Indians through the province's Terms of Union with Canada in 1949 and the perpetuation of myths in history books and popular culture have served to obscure the very real culture and traditions of the Mi'kmaq Nation.

Many of the new members of the Qalipu Band will have grown up in a vacuum of information and knowledge of their heritage. Qalipu is making every effort to reach out to these individuals and provide them with information and experiences that will assist them in the discovery process. Many of these people will have limited knowledge of their Mi'Kmaq cultural heritage, while others will have extensive aboriginal experience and understanding.

The Band believes that it will be of vital importance to educate all members about their heritage. The success of Band initiatives, programs and services is tied to Mi'Kmaq beliefs and practices. In this sense the success of the Band is dependent upon the increased understanding of what it means to be Mi'Kmaq. The challenge will be to bring together the people, mostly elders, who have the experience and knowledge of Mi'Kmaq traditions. These are the people who will lead the Band and other members in their quest to preserve and protect their unique culture and heritage.

Cultural and heritage understanding, growth and preservation are so important to the Band that it also will create a charitable foundation to take on this mandate.

7.3.2.3 Potential Partners/Funding Sources

Qalipu has submitted an application to the provincial Department of Tourism, Culture and Recreation to undertake a consultation process on the purpose and structure of the Charitable Foundation.

7.3.2.4 Next Steps

The consultation process will be overseen by the Cultural Committee of Qalipu. When the Committee reports back to Chief and Council it will then be necessary to make a decision about the next steps.

We should have some knowledge of who we are and the emphasis has to be put on our culture. – Perry Pond – Regional Consultations.

7.3.3 Qalipu Field School for Cultural Research and Documentation

7.3.3.1 Concept

Qalipu will set up a Field School to train members to document the culture, traditions, history and knowledge of the Mi'kmaq people of the province. The field school would cover a variety of topics that provide participants with a basic introduction to cultural documentation in the field. Topics include: research ethics, project planning, interviewing, documentary photography, sound and video recording, writing field notes, archiving, and delivering public presentations on research findings. The first half of the course would be devoted to classroom lectures on a variety of topics and workshops about documentation equipment and related techniques. The second half of the course would be devoted to the application of documentation methods through team-based fieldwork.

7.3.3.2 Context

During the regional consultations members expressed a very strong interest in learning more about their cultural heritage and history. Over the years there have been efforts to collect some of this history – the results of which are available at two Qalipu owned web sites. (<http://qalipu.ca/qalipus-story/qalipu-stories> and <http://www.nlmikmaq.com/>)

Participants in the Regional Consultations expressed a desire to for these types of efforts to continue and were very interested in the concept of a Field School to train members in the proper techniques and methodologies for cultural research.

Qalipu members are distributed throughout the province, many in rural communities with limited employment opportunities. As a means to engage these geographically dispersed members in a common, identity-based initiative designed to build community, elders will learn to become cultural preservationists. This is also a group that has limited opportunity to acquire training aimed at getting them back into the workforce. Skill development and training in cultural heritage will better position them to respond to employment opportunities within the cultural tourism market and other related opportunities.

In order to enable success in achieving employment, this initiative would also focus on employment assistance activities that address résumé writing, job interview techniques, information gathering interviews, networking with groups and individuals, counselling and other related job finding activities. A prior learning assessment would be applied to each participant to determine existing strengths and capacities. In addition, there would be documentation of interests, skills and abilities, which will include the creation of a personal portfolio. It is anticipated that this activity would improve self-esteem and build confidence among participants. It is anticipated that the portfolio development and prior learning assessment would identify valuable marketable skills that have been taken for granted and strengthen their résumé and employment success.

These elders would become active participants in cultural preservation as well as cultural ambassadors within their communities. Training in how to engage with the public, communications skills, as well as how to liaise with agencies and organizations would be among the skill sets learned or updated, depending on the individuals involved.

The Qalipu First Nation would benefit significantly from bringing a focused effort to capture and build cultural presence in its constituent communities, while at the same time engaging a sector of the province's population in meaningful training opportunities that may lead to innovative employment opportunities in the future. Participants would acquire a skill set well-suited to their interests and promote interest in cultural tourism efforts in the province.

Traditionally, in North America, school is frequently understood to be a place where learners gather under the direction of a teacher who guides them through a specified curriculum. This model assumes that learners will congregate at a specific location to engage in learning experiences. Over the past two centuries the model has worked well for many groups. In recent years the power of the Internet has been felt around the world and has unleashed a whole new model of curriculum delivery. Learners are now able to remain where they are and the learning experiences are delivered to them at their own pace.

The Qalipu First Nation Band is interested in adapting from both of these models the best they have to offer, by enhancing them with a learning approach that is widely used by groups in developing countries to reach people in remote areas. This is the concept of a field school approach. In short, the concept sees learners engaged in learning through the resources and materials around them. Everything stems from the local experience and is structured to make sense of that local content through a unified curriculum.

Qalipu is proposing to draw upon its largely undocumented aboriginal heritage throughout the province of Newfoundland and Labrador as a source of content to establish the Qalipu First Nation Field School. This entity will exist without a physical structure in any single location. Rather, it will exist in the hearts and minds of its members as it strives to research, document and share the collective history and culture of the nine distinct Bands which make up the Qalipu First Nation. The Field School will engage people at the community level in building appropriate skill sets to conduct research, document experiences, preserve artifacts, structure and carry out interviews, create basic media products such as audio recordings, video recordings, web pages, shoot and edit digital photographs, etc..

The Field School would utilize a distributed approach to training delivery. It would employ distance face-to-face learning experiences led by a qualified instructor in regions of the province where Qalipu members will be brought together for short hands-on courses. These would be supplemented with distance learning experiences accessible from their home community that would be designed to reinforce the face-to-face learning. Distance courses would be available after the training has been completed where learners would gain skill in utilizing distance learning technologies and methodologies.

7.3.3.3 Rationale/Need/Opportunity

There has never been an opportunity like this to document, research and record that heritage until now. Though there have been individual efforts over the years most of these have been limited to school children conducting projects as directed by their school programs. In order to preserve cultural heritage whether tangible or intangible, those engaged in the process require an essential skill set of tools usage, methods and processes. These skills are not widely held among Qalipu members. This initiative will support the cultivation and application of a much-needed skill set in the communities in which members currently reside.

As a consequence of this project the Qalipu First Nation band would achieve two sets of objectives. The first set would focussed on the employability of elders and the second set focused on the collective benefits to communities and general awareness of aboriginal heritage in those communities.

Outcomes for Elders:

- Improve the employment capacity of participants
- Build self-esteem and confidence among older workers
- Develop awareness of employment opportunities based upon aboriginal culture and heritage
- Build networking connections for elders situated in geographically dispersed communities
- Enable elders in communities without formal employment services and training facilities to access support and training focused on their needs and capabilities

Outcomes for Communities:

- Build skill sets that empower elders within their community as keepers of cultural knowledge
- Cultivate a sense of community and shared heritage across the nine bands which comprise Qalipu
- Increase awareness in communities for tangible and intangible aboriginal heritage
- Establish a foundation skill set in communities that will enable appropriate cultural heritage documentation and preservation
- Provide communities with knowledgeable individuals who can liaison with others on matters of aboriginal heritage in their communities and the province
- Cultivate advocates for the dissemination of knowledge about aboriginal presence in communities
- Create within communities the potential for increased community economic development

7.3.3.4 Potential Partners/Funding Sources

There are a number of potential partners that could bring technical expertise and knowledge to this project. They include the Museum Association of Newfoundland and Labrador, the Association of Heritage Industries, the Rooms and Memorial University.

Funding sources for such a project could include Aboriginal Affairs and Northern Canada, the Atlantic Canada Opportunities Agency, the Department of Advanced Education and Skills, Innovation Business and Rural Development, Tourism Culture and Recreation, Workforce Qalipu and the Qalipu Cultural Foundation.

7.3.3.5 Next Steps

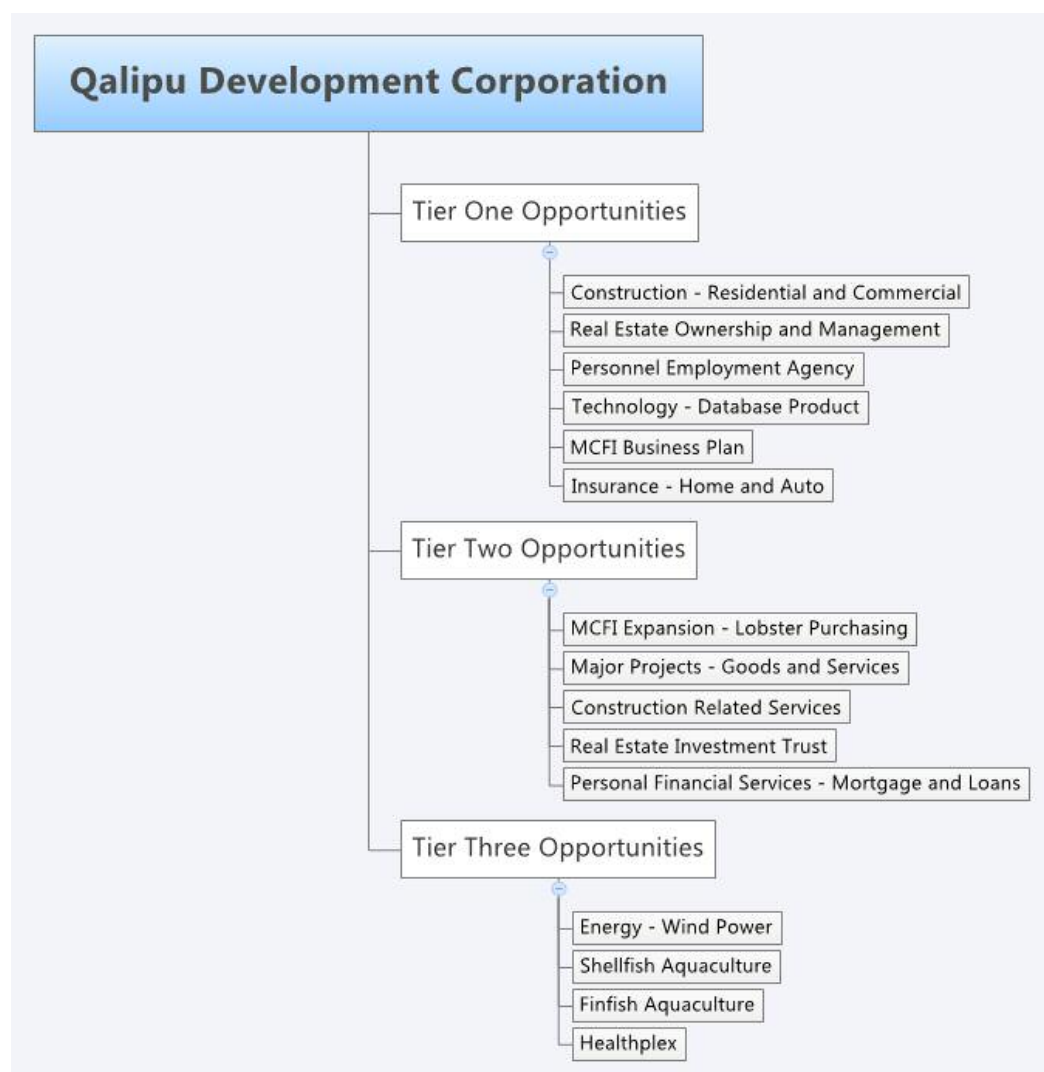
Qalipu will need to consult with the Culture Committee to gather input on the scope of the Field School. A proposal would then need to be developed for submission to funding partners.

8.0 Qalipu Development Corporation

The Qalipu Development Corporation is a commercial for-profit corporation established under the Corporations Act of Newfoundland and Labrador and fully owned by the Qalipu Mi'kmaq First Nation Band. The Corporation will be a holding company for all of the business operations of the Qalipu Mi'kmaq First Nation Band. It will actively prospect for, and capitalize on, opportunities for business development and investment. It will conduct due diligence on potential business investments and joint ventures. It will also monitor and support business operations of subsidiaries as required.

The QDC will assume ownership of existing business operations of the Federation of Newfoundland Indians. It will make strategic investments to maximize the internal financial benefits of program funds received by QMFNB.

Figure 16 - Qalipu Development Corporation Business Opportunities



¹³ Source of all data: Government of Newfoundland and Labrador (2011), Department of Finance – Economic Review - 2011

8.1. Construction – Residential and Commercial ¹³

8.1.1 Concept

The Qalipu Development Corporation will have either direct ownership or investments in a construction company focused on the residential and commercial sectors within the province.

8.1.2 Context

In Newfoundland and Labrador, economic conditions were robust in 2011. Strong growth is expected in GDP and most other economic indicators are forecast to post solid gains. This follows an impressive performance in 2010 in which Newfoundland and Labrador's employment and real GDP growth were the strongest among provinces. The Department of Finance's forecast for real GDP growth for the province in 2011 is 4.9%. Investment, largely related to the development of major projects in the province, is the main driving force behind economic expansion this year.

Although the majority of economic activity within the province has centred on major projects and public infrastructure, residential investment is also contributing to high levels of capital expenditures. Investment in the residential sector is expected to total about \$1.7 billion this year, on par with last year and buoyed by robust activity in renovations. Housing starts are down from 2010 but remain at historically high levels (Government of Newfoundland 2011).

Economic growth—as measured by real GDP—is expected to slow in 2012 due to a decline in exports stemming from lower oil production. However, growth in final domestic demand is expected to continue to be robust, buoyed by higher levels of investment on major projects. Part of this domestic demand will be reflected in the construction of new residential homes and commercial buildings.

Construction activity at the site of Vale's nickel processing facility in Long Harbour is expected to peak in 2013 and the Hebron and Muskrat Falls developments are expected to ramp up, resulting in a further increase in investment expenditures including housing and commercial properties.

Strong domestic demand is expected to lead to solid growth in other economic indicators. Both employment and personal income are expected to post solid gains. Increased employment and income, combined with high levels of consumer confidence, will bolster consumer spending—retail trade is expected to continue to record steady growth. Population is expected to increase in 2012 as job openings and continued optimism regarding the strength of the economy result in a return to net in-migration. All of these elements point to an opportunity to contribute to the growth of residential and commercial developments through the owning or investment in a construction company.

8.1.4 Rationale/Need/Opportunity

Within the province, the residential real estate market remained robust in 2011 demonstrating a strong need for new construction.

Strong demand for housing continues to be fueled by record low interest rates and solid economic fundamentals. A moderate slowdown in activity was recorded during the first half of 2011 (from levels at or near historic highs); however, activity increased in the second half. Housing starts, sales and prices are on pace to post another strong year. The residential rental market also remained strong in 2011, with low vacancy rates and higher rents. Demand for new residential and commercial construction would seem to be present and an opportunity exists for new construction companies.

Housing Starts

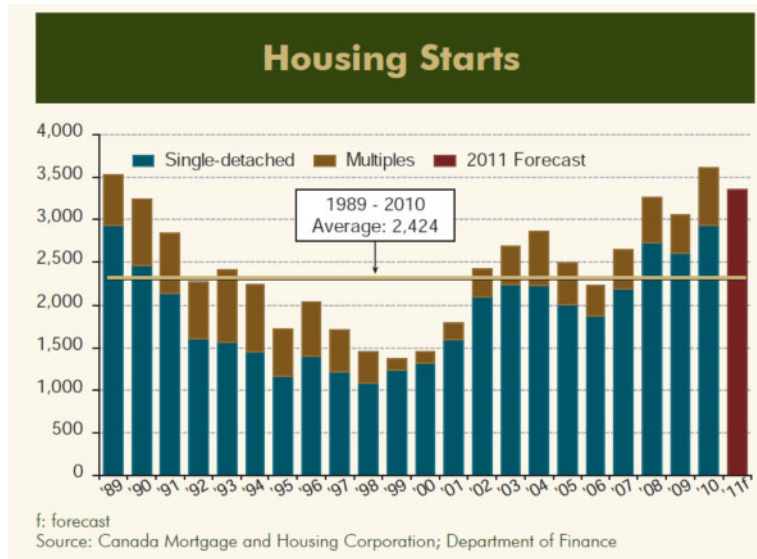
During the first three quarters of 2011, housing starts totalled 2,561 units, down 6.2% compared to the same period in 2010. By comparison, housing starts were down 4.1% in the Maritimes and 0.8% in Canada over the same period.

Single-detached starts (which typically account for about 80% of total starts in the province) declined by 16.0% to 1,899 units, while multiple starts (which include denser housing types such as row, semi-detached homes, apartments and condominiums) increased by 41.8% to 662 units. Factors contributing to the increase in multiple starts likely include tight conditions in the rental market, increased affordability and an aging population. Once again, this provides an opportunity for Qalipu to contribute to the construction industry and find an opportunity to be a niche provider.

Results differed for housing starts between urban and rural areas during the first nine months of 2011. Urban housing starts (which account for approximately two-thirds of housing starts in the province) were up 8.8% to 1,759 units. Conversely, rural starts were down 27.9% to 802 units. The divergent results between urban and rural can be partially explained by the type of housing being built—multiple units are more likely to be constructed in more populated urban centres such as Corner Brook and Grand Falls-Windsor – two key areas of Qalipu’s membership.

For the year as a whole, total housing starts are expected to reach 3,351 units, which, if realized, would represent a decrease of 7.1% from 3,606 units in 2010. Despite being lower than the previous year, housing starts are still high in a historical context. Since 1989, housing starts have averaged 2,424 units per year demonstrating a consistency in demand and an opportunity for construction companies.

Figure 17 - Housing Starts



Residential Construction

Residential sales activity and prices have been showing signs of stabilization, consistent with national trends, but both remain at or near historically high levels (see chart below).

The number of residential properties sold in the province through the Canadian Real Estate Association’s Multiple Listing Service® (MLS®) during the first 10 months of 2011 was 3,664, up 1.5% from the same period in 2010. Sales activity declined during the first half of the year, decreasing by 9.0%, before turning positive in the third quarter. More recently, a pickup in activity has been recorded.

The value of building permits issued in Newfoundland and Labrador reached \$763 million over the January to September period of this year. This was primarily driven by residential building permits, which reached a value of \$560 million (73% of the total).

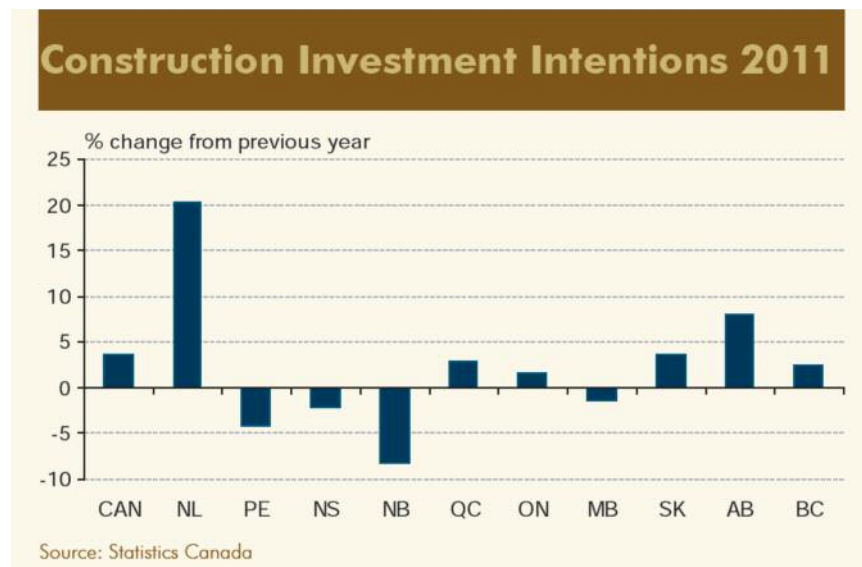
Investment in residential construction is expected to remain strong in 2011, comparable to the record highs seen in 2010. Residential construction expenditures for the first half of 2011 were up 6.8% compared with the same period in 2010. Significantly higher expenditures on renovations (+18.3%) offset a decline in spending on new dwellings (-7.5%). This is consistent with housing starts data which showed a 6.2% decline in the first three quarters of 2011.

During the last four months of 2011, residential sales were up 12.8% compared to the same four-month period in 2010. Nationally, residential sales were up 1.9% during the first 10 months of 2011. Once again, this points to an opportunity for new construction companies focusing on the residential markets.

Role of the Construction Industry

The construction industry accounted for 5.9% of the province's GDP and 7.0% of total employment in 2010. The industry has benefited from significant residential and non-residential investment in recent years. Construction spending in Newfoundland and Labrador is forecast to reach an estimated \$6.2 billion in 2011, up 20.3% from 2010, representing the strongest growth experienced among the provinces (see chart).

Figure 18 - Construction Investment Intentions 2011



The strong growth and anticipated demand points to a good opportunity for new residential construction companies.

Non-Residential Construction

Non-residential construction accounts for the largest portion of construction expenditure, representing 72.0% of investment in 2011 (see chart below).

Construction investment in the commercial sector is expected to reach a record \$4.4 billion, up 30.8% from 2010. This increase is being driven by both the private and public sectors. The advancement of private sector major projects, in particular activity related to the Long Harbour nickel processing facility, the IOC expansion, the Hebron project, and tie-ins to the Hibernia oilfield, all contributed to high levels of spending. In addition, continued investment in infrastructure by the provincial government contributed to higher public sector investment. Although some of these projects are not contained with Qalipu's traditional territories and may have a relatively low membership, the demand from an area such as Labrador West (IOC) may mean that opportunities will exist for new entrants in the West Coast and Central.

Moreover, an underrepresented (i.e. Aboriginal) group may have a unique marketing advantage when bidding on public sector commercial construction.

Construction Employment and Wages

Construction wages have increased considerably over the past decade (see chart below). In 2011, average weekly earnings through the month of September increased significantly (+5.4%) compared with the same period in 2010.

Average employment between January and October 2011 increased by 22.1%, or 3,400, compared to the same period in 2010. Annual employment in the construction industry in 2011 will likely be the highest level ever recorded in the province. Major project development combined with the continuation of government’s infrastructure strategy has significantly contributed to increased employment.

Utilizing Qalipu’s membership should provide an opportunity to identify construction workers and provide a new Aboriginal construction company with a list of qualified workers that could take advantage of the increased demand.

Figure 19 - Construction Wages and Employment



8.1.5 Potential Partners/Funding Sources

Potential partners may be available from the existing Qalipu membership and it would be a question of providing the investment and manpower for an existing company to take advantage of the local economic conditions and opportunities. Due diligence will have to be exercised when choosing a Qalipu member owned construction company to invest in as there will be significant unknowns such as financials, capacity to grow as well as reputation in the local market. In the case of a partnership or investment, a professional manager should be brought in to protect Qalipu’s investment.

If there are no Qalipu member owned companies available to partner with, then the same due diligence approach will apply. Local construction companies may be keen to partner with Qalipu to take advantage of opportunities for Aboriginal engagement on construction projects especially those in the public sector where being an underrepresented group may prove an advantage.

Regardless, there should be extensive due diligence and controls put in place when deciding on partnership and investment opportunities.

8.1.6 Next Steps

At a high level, next steps would be as follows:

- Identify any Qalipu member owned construction companies;
- Express interest in investment in partnership and/or investment;
 - Conduct due diligence;
- If due diligence fails to identify any suitable candidate, then identify non-Aboriginal partners;
 - Conduct due diligence;
- Ensure appropriate legal, operational and financial controls put in place regardless of any Aboriginal or non-Aboriginal investment.

8.2 Real Estate Ownership and Management

8.2.1 Concept

Qalipu will own and operate a real estate holding and management firm focused on both the residential and commercial sector. It has already begun this process through the purchase of #3 Church Street in Corner Brook to be renovated for use as the Band office.

8.2.2 Context

At a high level within Canada, it is possible to define the residential and commercial market into the following segments:

1. Office market has seen a record demand due to the strong commodity prices and supported by the expansion in financial services. The national averages look promising as the Vacancy rate has dropped from 8.2% to 7.8%.

2. Industrial: The Canadian industrial market staged a remarkable comeback in 2011 despite ongoing economic uncertainty. Fundamentals have improved significantly in western markets, as the oil and gas industry has spurred demand for industrial space. Performance of Eastern markets has exceeded expectations due to increased capital stemming from stimulus measures and Oil & gas spinoffs.
3. Retail: Canadian retail market fundamentals are very strong with low vacancy and high demand across the country and have been greeted by record sales.
4. Multi - Housing: This has been the most prized segment with only 2.7% vacancy across the country. Investors will continue to seek opportunities to purchase multi - housing assets, but supply will remain tight in 2012.

Through holding and managing real estate, Qalipu would be engaging in a traditional Aboriginal community and economic development strategy. As well, a number of strategic opportunities are available to Qalipu in respect to the type of housing from multi-unit, to social assistance as well as industrial. Contextually, it is an area that Qalipu should have experience in and with prudent investments be able to provide both investment returns and a service to their members.

8.2.3 Rationale/Need/Opportunity

Within the province, the residential real estate market remained robust in 2011 demonstrating a strong demand for accommodation.

Strong demand for housing continues to be fuelled by record low interest rates and solid economic fundamentals. A moderate slowdown in activity was recorded during the first half of 2011 (from levels at or near historic highs); however, activity increased in the second half. Housing starts, sales and prices are on pace to post another strong year. The residential rental market also remained strong in 2011, with low vacancy rates and higher rents. Demand for new residential and commercial accommodation would seem to be present and an opportunity exists for holding and management firms.

During the first three quarters of 2011, housing starts totalled 2,561 units, down 6.2% compared to the same period in 2010. By comparison, housing starts were down 4.1% in the Maritimes and 0.8% in Canada over the same period.

Single-detached starts (which typically account for about 80% of total starts in the province) declined by 16.0% to 1,899 units, while multiple starts (which include denser housing types such as row, semi-detached homes, apartments and condominiums) increased by 41.8% to 662 units. Factors contributing to the increase in multiple starts likely include tight conditions in the rental market, increased affordability and an aging population. Once again, this provides an opportunity for Qalipu to contribute to the real estate market and find an opportunity to be a niche provider.

Results differed for housing starts between urban and rural areas during the first nine months of 2011. Urban housing starts (which account for approximately two-thirds of housing starts in the province) were up 8.8% to 1,759 units. Conversely, rural starts were down 27.9% to 802 units. The divergent results between urban and rural can be partially explained by the type of housing being built—multiple units are more likely to be constructed in more populated urban centres such as Corner Brook and Grand Falls-Windsor – two key areas of Qalipu’s membership. Regardless, opportunities present themselves in both markets.

For the year as a whole, total housing starts are expected to reach 3,351 units, which, if realized, would represent a decrease of 7.1% from 3,606 units in 2010. Despite being lower than the previous year, housing starts are still high in a historical context. Since 1989, housing starts have averaged 2,424 units per year demonstrating a consistency in demand and an opportunity for investors and managers in the real estate market.

Residential Construction

Residential sales activity and prices have been showing signs of stabilization, consistent with national trends, but both remain at or near historically high levels (see chart below).

Figure 20 - Residential Sales and Average Price



The number of residential properties sold in the province through the Canadian Real Estate Association’s Multiple Listing Service® (MLS®) during the first 10 months of 2011 was 3,664, up 1.5% from the same period in 2010. Sales activity declined during the first half of the year, decreasing by 9.0%, before turning positive in the third quarter. More recently, a pickup in activity has been recorded. This increase in the market may point to more investor confidence in real estate as well as the opportunity to take advantage of a growing market.

Rental Market¹⁴

Residential rental vacancy rates have been near historic lows throughout Newfoundland and Labrador.

Since 2008, vacancy rates in urban areas increased from 1.1% in April 2010 to 2.1% in April 2011 (latest data available) but remain very low and well below the high of 15.4% reached in 1997. In April 2011, vacancy rates were 1.7% in the Corner Brook Census Agglomeration (CA), 2.0% in the St. John's CMA, 2.3% in Gander, and 2.7% in the Grand Falls-Windsor CA. Although vacancy rates are low, rents remain near the lowest in Atlantic Canada. In April 2011, the average monthly rent for a two-bedroom apartment in Newfoundland and Labrador was \$683, up from \$640 in April 2010. This compares to \$848 in Nova Scotia, \$752 in Prince Edward Island and \$672 in New Brunswick. It is expected that improved labour markets, positive net-migration and higher housing prices will continue to keep vacancy rates low and place upward pressure on rents.

Specific to the clusters of Qalipu membership, In Newfoundland, according to the CMHC, Fall Rental Market Survey conducted in October 2011, and the overall vacancy rate showed little change in provincial urban centres. The overall vacancy rate increased from 1.0 per cent to 1.3 per cent in October 2011. The vacancy rate was highest in Bay Roberts, while the lowest vacancy rate recorded was in Grand Falls- Windsor.

In Central NL, Grand Falls-Windsor posted the province's lowest vacancy rate of 0.9 per cent in October, a decline over last year's vacancy rate of 1.3 per cent. With a focus on economic development, the central town's economy has performed very well recently, despite the closure of the Abitibi pulp and paper mill.

In the fall of 2011, with its hospital, university and a relatively stable economy, Corner Brook posted a vacancy rate of 1.3 per cent, up from 0.7 per cent a year ago.

As a western regional hub Corner Brook has benefitted in recent years from a significant increase in government infrastructure spending and numerous capital projects such as the new court house, university improvements and new long-term care facility.

Using the vacancy rate as a proxy for real estate potential, there are some significant opportunities for Qalipu both in the Corner Brook and central Newfoundland regions.

Stephenville and the Port au Port area may prove to be more problematic. But given the location of the headquarters of the College of the North Atlantic, local hospitals and Stephenville's role as a service centre for the area, investments in real estate ownership and management would also seem to be prudent.

As well, although there is now some capacity through the purchase of commercial property by Qalipu, additional capacity should be required through having specific managers in place to deal with real estate.

¹⁴ Source: CMHC Fall Rental Market Survey 2011

One immediate opportunity that may exist for the Qalipu Mi'kmaq First Nation is to purchase a building and operate it as a Health Centre or HealthPlex. The HealthPlex concept brings together a variety of health service providers under one roof. The Non-Insured Health Program provides coverage for such products and services as dental, vision care and prescription drugs for members of the QMFN. Coverage may also be extended to health services such as physiotherapy. Given the high numbers of Band members who live on the West Coast of the Island the idea of renting centralized space to NIHB service providers should make financial sense.

8.2.4 Potential Partners/Funding Sources

There are a number of potential partners and organizations that may be willing to partner with Qalipu. Canadian Housing and Mortgage Corporation, a traditional partner and funder of Aboriginal housing on reserve, would be a good start to consider as a partner. A number of other private sector and public sector organizations may also be interested in partnering such as REIT and potentially other Aboriginal communities and businesses.

Funds would come from both the private and public sector depending on the type of housing that QMFN wants to invest in. For example, if it wants to invest and manage social housing, then the public sector would want/have to be involved. If it wanted to be involved in investing and managing multi-unit residential apartment buildings (where there is a specific demand), then this would mostly come from private sector capital.

8.2.5 Next Steps

- Identify geographical areas Qalipu would like to invest in;
- Identify partners including REITs, other residential/commercial property businesses, CMHC;
- Identify funding sources including both private and public sector;
- Developed detailed business and management plans; and
- Ensure appropriate controls and governance is put around investments including achieving a reasonable return on investment.

8.3 Qalipu Personnel Agency

8.3.1 Concept

Qalipu plans to take advantage of the demand for workers in the Newfoundland and Labour Force by using its labour force database to match employees with employer needs as part of a Personnel Agency.

8.3.2 Context

It is broadly recognized that there is a current and anticipated skilled labour shortage in the province of Newfoundland and Labrador. With the continued development of current large scale projects such as Hibernia, Terra Nova, White Rose and the Iron Ore Company of Canada in Labrador - and the new, large scale developments of Vale Inco NL- Commercial Nickel Processing plant, Hebron project, and Lower Churchill project, it is anticipated that the demand for a skilled labour force will increase - particularly in the areas of construction and natural and applied sciences.

According to *All The Skills To Succeed: a Report of the Newfoundland and Labrador Skills Task Force*, occupations in the natural resource industry facing potential shortages due to the anticipated labour demand include; engineers, processors, electricians, plumbers, iron workers and general construction related workers. These occupations are also in demand to sustain the required labour supply for local industry, local businesses and public and private sector institutions. A labour drain by large scale companies will create an intra-provincial labour shortage crisis, particularly for rural labour markets.¹⁵

The three largest occupational groups in the province and Canada are sales and service occupations; trades, transport, and equipment operators; and business, finance, and administrative occupations. These three groups represented 57.4% of employment in the province in 2005.

For the most part, the distribution of employment is relatively consistent across occupations. Newfoundland and Labrador has a higher share of workers in the trades, transport, and equipment occupations and the primary industry occupations. Canada has a relatively higher share of workers in business; finance and administrative occupations; and management occupations.

8.3.3 Rationale/Need/Opportunity

A personnel agency performs the function of pre-screening individuals and matching workers with jobs. The Agency gets compensated through the fees they charge clients for providing qualified employees for a limited period of time.

The average rate charged by an Agency to a client to hire a temporary worker ranges between 25 and 100 percent of the employee's salary. A personnel agency may charge around 150 percent of the worker's salary if the client requires someone with specialized technical skills.

If the client wished to make the temporary employee permanent then the agency is usually paid an additional commission to cover its costs of having recruited and prepared the individual employee for the workforce.

¹⁵ All the Skills to Succeed: Report of the Newfoundland and Labrador Skills Task Force, March 2007.

Qalipu plans to build upon the labour force database to create a Personnel Agency in Newfoundland and Labrador.

There are a number of personnel companies operating in Newfoundland and Labrador

- Newfoundland Personnel Inc.

According to its website Newfoundland Personnel Inc. was incorporated in 1983 to respond to a market need for a quality, full service, and placement and search agency. It provides temporary staff in times of shortage due to vacation, illness, projects and growth. The Company also advertises that it will provide full-time placement of administrative, light industrial, skilled trade, information technology candidates, as well as customized specialty services.

- Whelan Petroleum Personnel Management

Whelan Petroleum Personnel Management Inc. is an expansion company of the NPI and provides human resource management and logistics management support to the offshore and marine industry in Atlantic Canada, North America and internationally.

- Atlantic Staffing Consultants Inc.

This Company claims more than twenty years of international experience in staff interviewing and recruitment in almost every profession and industry, including construction, petroleum, transportation, logging, mining and fishery.

There are not a large number of Aboriginal communities involved directly in providing staffing solutions. There is one in the United States that could serve as a possible example.

- Cedar Band of Paiutes

In 2002, a local IT company looking for a Native American partnership approached the Cedar Band of Paiutes in Utah. From that contact the Band created Suh'dutsing Technologies. It has since incorporated three other entities including Suh'dutsing Staffing Services that serves Federal, State, and local agencies as well as the private sector. It provides project, contingent, and direct hire services in the IT field. In 2010, the four entities collectively reported HAVING 160 employees and revenues of 53M.

Qalipu will focus upon meeting the employment needs of the following employers:

- companies involved in major project developments in the province
- businesses owned and operated by the Qalipu Development Corporation.
- businesses that are part of the Qalipu Business Network

These three groups of employers represent an opportunity for the Qalipu Personnel Agency to focus its marketing efforts.

8.3.4 Potential Partners/Funding Sources

A Personnel agency will not succeed if it does not have a continuous pipeline of strong applicants who can be presented to new and existing clients. The Personnel Agency will work closely with Workforce Qalipu to ensure that members have the required skills and qualifications needed by employers.

At the present time Work Force Qalipu is engaged in building a partnership with Kiewit Kvaerner Contractors (KKC) to directly train and employ Band members as they build the Gravity Based Structure for the Hebron oil field operated by ExxonMobil Canada. KKC will provide specific on-site training for Band members that have been assessed and prepared by Work Force Qalipu for these and other opportunities. Nalcor Energy has also expressed an interest in becoming a partner in order to address labour issues related to the Muskrat Falls hydroelectric project.

A number of Band members will be identified and assessed in partnership with the Provincial Department of Advanced Education and Skills (AES) in order to prepare them for education and training, and ultimately employment. A range of members from those with multiple barriers to those who are job ready will be identified and offered services. Training and pre-employment programs will be a combination of AES and other services.

These activities will provide Qalipu with a continuous pipeline of applicants.

8.3.5 Next Steps

- Conduct Feasibility Analysis
- Recruit Manager
- Incorporate the business
- Brand the Business
- Secure six months cash flow
- Purchase liability insurance and arrange Workers Compensation Insurance
- Purchase and install software for record keeping and payroll

8.4 Qalipu Seafoods

8.4.1 Concept

Qalipu will diversify its fishing operations by investing in other aspects of the industry besides commercial harvesting. This may include fish purchasing and brokerage, value added processing, investment in aquaculture and wholesale/retail opportunities.

8.4.2 Context

The Newfoundland 2011 Seafood Industry Year in Review Report confirmed that the province's seafood producing sector experienced a substantial rebound in 2011, with production value reaching \$1B - representing growth of 7.3 per cent in comparison to the \$948 million recorded in 2010.

Higher market prices for key species, particularly snow crab and shrimp, combined with continued growth in the value of the aquaculture sector, resulted in a rise in total production value in 2011. Snow crab market prices for 5-8 ounce sections reached a record level. The market prices for cooked and peeled coldwater shrimp also reached a high in 2011.¹⁶

Commercial wild fishery landings declined slightly while aquaculture volume grew in 2011. The commercial fishery fared well in 2011, largely as a result of higher raw material prices for key species. While fish landings were lower compared to those of 2010, significant growth was realized for the associated landed value. Overall, landings totalled 267,910 tonnes in 2011, down 12.1 per cent compared to 2010. This decline is mainly the result of lower mackerel landings and a shrimp quota reduction. The total landed value of the 2011 harvest was \$568 million, up 21.3 per cent compared to \$468 million recorded in the previous year. This increase was the result of higher raw material prices paid for key species, particularly snow crab and shrimp.

Both the fishing and aquaculture industries saw a rise in production market value, up 6.2 and 1.8 per cent respectively.

Conversely, the fishing industry has seen significant reductions in quota associated with shrimp and crab. In 2010, the shrimp quota for the Northeast Coast of NL was reduced by 28%. In 2011, the Department of Fisheries and Oceans announced an additional 40% reduction in quota for the inshore fleet and a 10% cut in quota for the offshore fleet. The processing companies interviewed as part of this study believes that the reduction in quota will result in a decreased demand for trucking services- leading to greater capacity and competition in the sector.

For snow crab, the total allowable catch for 2012 is 52,502 tonnes, a decrease of five percent from 2011. This includes quota reductions of eleven percent in Division 2J, twenty two percent in Division 3K, and nine percent in Subdivision 3Ps. There will be a slight increase for Divisions 3LNO and 4R of approximately 2% and 3% respectively.

Landings are also down for pelagic species. According to the Department of Fisheries and Aquaculture¹⁷, in 2010 the landings for capelin, herring and mackerel declined 13.4% from 2009. This decrease in landings has continued for 2011 however final numbers are not yet available.

The commercial fishing industry in Newfoundland and Labrador has had a long history of ups and downs related to market demand, quotas, and availability of raw materials. One thing that has characterized the industry during these cycles has been its enduring nature.

¹⁶ Government of Newfoundland and Labrador. Seafood Industry in Review 2011. February 2012. p. 7.

¹⁷ The Economy 2011. www.economics.gov.nl.ca

Lennox Island Experience

The Lennox Island First Nation has had a very successful experience in fisheries diversification with involvement in commercial fishing, aquaculture and processing.¹⁸

The Band owns and operates Fisherman's Pride, a harvester and seller of inshore seafood. Based on the Lennox Island First Nation reserve, Fisherman's Pride owns various communal and commercial fishery licenses and quotas. The Business is owned by the band and operated by Band members, and employs Mi'kmaq community members when possible. The bulk of the revenue is earned through the harvest and sale of lobster, and to a lesser amount, snow crab. The lobster fishery is conducted with Band owned vessels and gear.

Minigoo Fisheries is owned and operated by the Lennox Island First Nation. As such, it is the only lobster processing plant in Canada owned and operated by aboriginal people. The workforce includes aboriginal and non-aboriginal workers from nearby communities. The processing facility is located on aboriginal lands in the province of Prince Edward Island, operating under a Government of Canada processing licence.

HyWater Fine Foods is the exclusive marketer of lobster products processed by Minigoo Fisheries. The new brand was introduced to international buyers during the Boston Seafood Show and the Brussels Seafood Show in the spring of 2010.

8.4.3 Rationale/Need/Opportunity

The QMFN engagement and experience in the commercial fishing sector is through Mi'kmaq Commercial Fisheries Inc. positions it well for diversifying into other areas of the fishery and aquaculture. In order to truly succeed in the industry Qalipu must spread out its risk across a number of sectors – harvesting, processing and sales.

- **Multi-Species Buyers License**

One potential area of diversification for is through the purchase of a buyer's license for multiple species. There is a potential seller located on the south coast of the Island – one of the more productive lobster harvesting areas of the province who has expressed an interest in selling to the Band. The buyer's license also includes ground fish.

- **Aquaculture**

According the Seafood Industry in Review 2011, the Newfoundland and Labrador aquaculture industry in this province continued to grow in terms of production and market value. Aquaculture production rose 12.4 per cent, from 15,360 tonnes in 2010 to 17,264 tonnes in 2011. This growth was facilitated by the continued expansion of the salmonid sector and a rebounding mussel sector. The total market value increased 1.8 per cent, from \$118 million in 2010 to \$120 million in 2011.

There has also been significant investment in the industry by all players. The Province of Newfoundland and Labrador has made significant investments to upgrade infrastructure to

¹⁸ The Economy 2011. www.economics.gov.nl.ca

support the aquaculture industry in the Coast of Bays Region. This includes the construction of new wharves to improve bio-security measures and a new Centre for Aquaculture Health and Development. Overall, Provincial funding for aquaculture development has tripled since 2005.

Fisheries and Oceans Canada and the Atlantic Canada Opportunities Agency have together invested approximately \$24 million into the aquaculture industry in the Coast of Bays region since 2005.

8.4.3.1 Opportunities in the Finfish Aquaculture Sector

- **Salmonid Production**

Atlantic Salmon and Steelhead Trout are the most highly valued species in production in Newfoundland. The majority of production is centered on the South Coast of the Island. On the South Coast of Newfoundland the key players in the Aquaculture Industry are:

- Cold Ocean Salmon (Cooke Aquaculture's NL Division)
- Northern Harvest Sea Farms;
- Gray Aqua Group; and
- Coldwater Fisheries

All processing takes place in either Harbour Breton or St. Alban's. The Gray Aqua Group is currently in the process of building a new plant in Hermitage. The Return on Investment calculation for net based (cage) aquaculture is projected to be 50%.¹⁹

The Miawpukek First Nation is preparing to re-enter the aquaculture industry through Netukulimk Fisheries Limited (NFL). NFL was established in 1999 to operate Miawpukek Band's commercial fish harvesting licenses and has been actively planning for its entry into Atlantic and steelhead salmon production through acquiring site licenses for grow out cages.

- **Feed Production**

All feed being used by the Aquaculture Industry is being trucked or shipped by boat from the Corey Feeds and Skretting Feed Mills in New Brunswick. It takes 1.5 kgs of feed to grow 1 kg of farmed salmon.²⁰ In order to produce the 20,000 MT of product the industry would require 30,000 MT of feed.

- **Processing**

All of the plants associated with the Aquaculture Industry in Newfoundland and Labrador are engaged in primary processing. Fish are required to be gutted before leaving the province. Further processing, such as filleting requires the fish go through rigor. Shipping

¹⁹ Boulet, Struthers and Gilbert, Feasibility Study of Closed-Containment Options for the British Columbia Aquaculture Industry. Department of Fisheries and Oceans, 2010. P. 40

²⁰ <http://www.dfo-mpo.gc.ca/fm-gp/sustainable-durable/aquaculture/resources-feed-eng.htm>

to the New Brunswick plants for this allows for rigor during transit, which in turn extends the shelf life as the fish can be delivered to the market within a day or two of packaging.

There is limited secondary production associated with the salmonid industry. Wood-Pick Enterprises Ltd., located in Wareham, Bonvista Bay, processes a variety of products including smoked salmon, herring and mackerel.

In the 1998, Rainbow Sea Products was created in Bay d' Espoir to pursue secondary production of salmon products. The Company produced and marketed a premium salmon burger under the Rainbow Sea Brand and had plans to expand into ready-to-eat meals and smoked salmon. It was caught in the take-over of SCB Fisheries by Scotia Rainbow - losing access to the raw material it required. The company discontinued operations in 2000.

The emergence of new processing plants on the South Coast also represents an opportunity to partner with primary producers to incorporate secondary production into their CFIA approved facilities.

- **Employment**

There is a serious shortage of workers in the Aquaculture industry on the South Coast of the Island. The processing plant St. Alban's was recently required to bring individuals from the Corner Brook operations in order to keep up with the processing requirements. With more and more fish going into the water, and new processing plants being built, the need for skilled labour will increase.

- **Packaging**

Packaging materials continue to be a challenge. Fish going to market is often shipped in 10 lb 30 lb or 50 lb Styrofoam containers. However, with the current emphasis on sustainability and environmental responsibility, Styrofoam is not always viewed positively. Companies like True Foam are always looking for ways to make their products more user friendly.²¹ Some companies are working with corrugated packaging, however, the challenges presented here is whether this product can keep the product cold enough during the summer months. Styrofoam is produced in Bishop Falls (Newfoundland Styro); however, corrugated boxes are shipped in. There may be an opportunity here to investigate packaging options, as this is also a significant cost of production/marketing.

8.4.3.2 Opportunities in the Shellfish Aquaculture Sector

Commercial shellfish aquaculture production is concentrated on the blue mussel. The Department of Fisheries and Aquaculture DFA has approved 51 commercial shellfish site licenses that cover a combined area of 3,843 hectares. Mussel production has trended upward over the last few years. In 2011, production climbed to 3,000 tonnes, valued at \$8 million in the marketplace.

²¹ <http://www.truefoam.com/en/home/abouteps/ecoadvantage/truefoaminitiatives.aspx>

Qalipu already has one of its members engaged in growing, harvesting and processing in the Mussel Sector. Norlantic Processors Ltd is a Newfoundland owned blue mussel farming and processing that operates three approved mussel aquaculture sites in Notre Dame Bay and a fresh mussel processing plant in Pleasantview, NL. The company is jointly and equally owned by Qalipu Band members and a non-aboriginal company.

Higdon's Seafoods Ltd., located in New Harbour, Trinity Bay, is owned by Woodman Sea Products Ltd. In 2002 it was funded under the Fisheries Diversification Program to diversify its value added mussel production.²²

The primary opportunity for the QMFN to become engaged in the mussel sector may be through the purchase of the non-aboriginal owned shares of Norlantic Processors Ltd.

8.4.4 Potential Partners/Funding Sources

- **Aboriginal Commercial Fisheries Diversification Initiative (ACFDI)**

The Aboriginal Commercial Fisheries Diversification Initiative (ACFDI) is a program of DFO designed to assist Mi'kmaq and Maliseet communities in Atlantic Canada with capacity building and diversification of their involvement in the fishery.

Earlier this year Qalipu requested and received clarification that it would indeed be eligible for support from ACFDI. ACFDI can contribute up to 90% of the costs of developing the business case though a non-repayable contribution. On large projects it is in a position to contribute up to 50% of the project's value through a non-repayable contribution.

As part of this Strategy, the Consultants met with the Team Leader of the Fisheries Business Development Team of Ulnooweg Development Group. The Business Development Team plays a key role in the process whereby projects submitted to ACFDI are assessed and approved. As a new entrant to the ACFDI process, there is every reason to believe that an application for support from the QMFN would be treated with all due consideration.

- **National Aboriginal Aquaculture Strategy**

The Department of Fisheries and Oceans is currently engaged in a consultation process with Aboriginal communities as it prepares to develop a National Aboriginal Aquaculture Strategy. It is anticipated that this Strategy will be accompanied by a multi-year funding commitment.

- **Fisheries Technology and New Opportunities Program**

At the provincial level the Department of Fisheries and Aquaculture delivers the Fisheries Technology and New Opportunities Program. This program is designed to provide support for harvesting, processing, and marketing initiatives, in order to diversify and increase the overall viability of the provincial seafood industry.

²² Fisheries Diversification Program, Project Summary - Marketing and Promotion of Value Added Mussels. FDP 149, 2002

The Program is focussed on research and development work in the harvesting and processing sectors with emphasis on more efficient utilization of traditional species, better use of under-utilized species and enhanced value-realization of all fisheries resources. Market research, development and promotion are also activities that may be undertaken in support of the various initiatives.

8.4.5 Next Steps

Any diversification of MCFI into other areas of the fishery would preferably be guided by a dedicated and comprehensive Fisheries Diversification Strategy. Investments into specific opportunities will need to be done on the basis of what constitutes a good business investment and a completed feasibility analysis.

This Strategy identified a number of potential areas for diversification. Should the QMFN decide to pursue any of these business opportunities it will need to submit a request for funding to the Aboriginal Commercial Fisheries Diversification Initiative (ACFDI) to undertake a feasibility study and business plan. This is the last year for the current ACFDI program. It is recommended that the QMFN engage with the ACFDI to ensure continuity with any successor program.

8.5 Insurance – Home and Auto

8.5.1 Concept

For Qalipu to own and operate an insurance agency that provides home and auto insurance to its members.

8.5.2 Context

The business model of an insurance agency involves earning commissions on a book of business of repeat customers that keep renewing their policies.

The approximate commissions for Insurance products are:²³

- Personal Auto: 12-15% Commission on New Business, 10-15% on Renewals
- Health Insurance: 15-20% Commission on New Business, 10-20% on Renewals
- Commercial Insurance: 12-20% Commission on New Business, 10-20% on Renewals
- Life Insurance: 80-120% Commission on New Business, 2-10% on Renewals
- Homeowners & Flood Insurance: 12-20% Commission on New Business 12-20% on Renewals

²³ <http://how2start.hubpages.com/hub/insuranceagency>

It is important to note that most agency offices do not carry Commercial and Life Insurance products. The only company to do so in Newfoundland and Labrador is the Cooperators.

There are two options available to Qalipu for becoming a provider of insurance products to its members – Agent or Broker.

Agent

As an agent Qalipu would enter into an 'agency contract' with an insurance company for the purpose of selling insurance for that company. An agent is not an employee of the insurance company, but rather an independent contractor.

An agent that hires more than one person to service their policyholders is called an agency. An agency consists of two or more people, usually a combination of licensed individuals along with support staff.

There are two types of Agents:

- **Exclusive Agent:** An exclusive agent solicits business for placement with the particular insurance company they have an agreement with.
- **Non-Exclusive Agent:** A non-exclusive agent has agency contracts with more than one insurance company. Realize however, no matter which company they use to insure your business, they still represent the insurance company.

Broker

A broker is a person or firm that has permission to seek insurance quotations for an insured (client) or prospective client. A broker is not an insurance company employee. As a representative for the insured, brokers will approach several insurance companies in an attempt provide quotations and coverage to adequately insure the client's exposures.

The broker will ascertain the client's needs, gather and submit the information to several insurance companies. Brokers do not have the authority to bind coverage. They present the information and if the insurance company agrees, the insurance company will bind the coverage.

Once the coverage is bound, the insurance company, not the broker, will issue evidence of coverage in the form of a binder. A binder is an insurance summary that outlines the coverage limits, terms, conditions and premiums that the company agrees to provide.

The broker's fee or commission is built into the insurance premium. The client is fully aware of how much their broker earns as the broker must disclose their commission to and get written consent from their client.

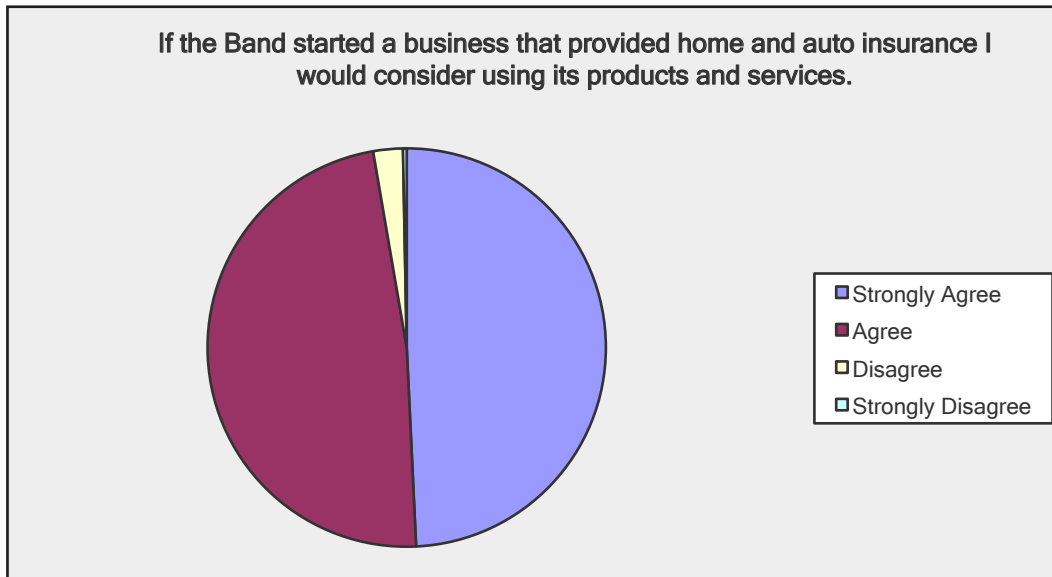
8.5.3 Rationale/Need/Opportunity

Auto insurance in Newfoundland and Labrador is provided by more than 50 private companies that compete for customers by offering a different mix of price, coverage and service. Everyone who wants to drive a car in Newfoundland and Labrador must by law buy a minimum amount of insurance and has the option to buy more to suit their needs.

The average net auto insurance premium in Newfoundland and Labrador is 749.00.²⁴ On average Canadians pay \$840 annually for their home insurance.²⁵

The Member Survey conducted as part of this study asked Qalipu members to respond to the following question *“If the Band started a business that provided home and auto insurance I would consider using its products and services”*. 49.2% of respondents Strongly Agreed that they would consider this while an additional 48% chose Agree. In total over 97% of the 600 respondents stated that they would consider using a Qalipu owned insurance agency as their home and auto provider.

Figure 21 - Insurance Interest Among Members



Commercial Insurance Policies provide a greater return than personal insurance because of the size of the policies.

²⁴ Mohindra, N. and Hasan, E. The Personal Cost and Affordability of Auto Insurance in Canada Financial Policy 2011 Edition

²⁵ <http://how2start.hubpages.com/hub/insuranceagency>

8.5.4 Potential Partners/Funding Sources

The Membertou First Nation of Nova Scotia represents a potential model for Qalipu to follow. Through its business arm, Membertou Corporate, the Band has created Membertou Insurance Brokers to provide Commercial Insurance and entered into an Agency Contract with A.P. Reid Insurance Stores to provide Personal Home and Auto Insurance. Membertou Insurance Brokers has indicated an interest in opening a brokerage office in this province to offer commercial insurance products.

Any of the major insurance providers would have some level of interest in discussing a potential agency relationship with Qalipu. Insurance providers with existing agency contracts in place in the Corner Brook region may be hesitant to enter into any arrangement that would impact their current agency representatives.

8.5.5 Next Steps

Qalipu will conduct a fact finding visit with Membertou Insurance in Halifax to discuss their experience in getting into the Insurance industry.

Qalipu will also need to undertake a detailed analysis of the feasibility of setting up an Insurance Agency. This study would document regulatory and licensing requirements, further explore demand for the various insurance products, meet with representative Insurance Companies and Brokers, develop costing and business plan and issue a Request for Proposals to major insurers.

9.0 Review of Mi'kmaq Commercial Fisheries Inc.

9.1 Financial Performance

The Federation of Newfoundland Indians Financial Statements for the year ended March 31, presents the financial information for Mi'kmaq Commercial Fisheries Inc. for which it owns 100% of the outstanding common shares. Qalipu Mi'kmaq First Nation is currently in the process of transferring MFI to the Qalipu Development Corporation.

9.2 Capital Infrastructure and Investment

MCF owns 64' Crab Boat, Newfoundland Navigator

- 2 Supplementary crab licenses with combined quota of 100,000
- No Liability on the NL Navigator

MCF owns 44' 11" Dream Catcher

- Currently up for sale
- Mortgage is paid

MCF owns 11 in-shore licenses

- Lobster
- Ground fish (2000-3000 lbs) sell independently
- Includes boats/motors etc.
- Licenses and gear given to members to obtain their livelihood

9.3 Human Resource Requirements and Capacity

Mi'kmaq Commercial Fisheries currently provides employment opportunity to five individuals on the Newfoundland Navigator, the captain and four crew members. The Dream Catcher is currently listed for sale. The eleven inshore licenses provide opportunity for members to participate in the ground fishery and lobster fishery. Product obtained from the ground fishery can be sold independently.

Cost of core license including ground fish, lobster and crab is \$3500; core license without the inclusion of crab is \$3000. Mi'kmaq Commercial Fisheries purchases this license along with the boat, motor and any other equipment required. The purpose of this program is to provide band members with the opportunity to obtain a livelihood for themselves and their family. Currently all employees are members of the Qalipu Mi'kmaq First Nation.

9.3.1 Training

In its 2009 Commercial Fishery Strategy, the Federation of Newfoundland Indians / Qalipu Mi'kmaq provided the following community survey results:

What level of training is required or should be obtained by current and future FNI fish harvesters?	
<input type="checkbox"/> MED A1/B1?B2	83%
<input type="checkbox"/> Fiber-Glassing	55%
<input type="checkbox"/> Fish harvesting (gear, equipment, handling etc..)	88%
<input type="checkbox"/> First Aid	100%
<input type="checkbox"/> ROCMC (Restricted Operator's Certificate Maritime Compulsory)	66%
<input type="checkbox"/> Fish Masters 1 to 4	55%
<input type="checkbox"/> Maintenance	72%
Number interested in all listed Courses	45%
Should FNI participate in species diversification (i.e. develop capacity to fish other species)	100%
Should FNI re-evaluate inshore fisheries (inside 12 miles) and acquire licenses/enterprises in the <35' fishing class?	78%
Should FNI and its Commercial Fishers be part of the FFAW?	55%

The captain of the Newfoundland Navigator currently holds a Fish Masters 4 certification. All fishermen have the required training that is necessary to fish the acquired licenses; however the need for training in net repairs was expressed.

9.4 Current Markets and Potential for Growth

Mi'kmaq Commercial Fisheries currently own 2 crab licenses of 50,000 lbs each and a shrimp license of 370,000 lbs. This provides the employees with approximately two months of employment during the fishing season. Growth potential would be achieved only by securing additional licenses. Employees participate in outside employment during the remaining months of the year and come back to Mi'kmaq Commercial Fisheries each year during the fishing season.

All catch from the crab and shrimp fishery is sold to Breakwater Fisheries Limited. Each season the negotiated minimum price to harvesters has to be determined by the FFAW and the quota is determined by the Department of Fisheries and Aquaculture. In 2010, the price was \$1.35 for snow crab. If the allowable 100,000 lbs was successfully captured, Mi'kmaq Commercial Fisheries would receive gross revenues of \$135,000. From this, the captain receives 13% and the 4 crew members receive 7% each, leaving net revenues of \$79,650. From this the operating costs are deducted; fuel, insurance, maintenance of the vessel, mortgage payment, etc. Additional fishing licenses, allowing a longer fishing season would provide a better return on the investment given that the fixed costs, insurance, mortgage payments and vessel upkeep are necessary whether they fish for two months or six months. In addition, it provides a longer employment opportunity to the band members.

10.0 Accessing Business Development Assistance and Capital

Access to capital for economic development and business investment is a perennial challenge to First Nations. As a new entity Qalipu will not have access to significant investment from capital market products and will necessarily be dependent to a large degree on government supported products, and grants and contributions, to leverage mainstream market investment.

Capital Market Products. These products are best suited for the large capital requirements of mature and established businesses operating in regulated environments

Mainstream Market Products: The availability is related to the size, maturity and financial strength of the user, the higher level secondary market products generally being available to only the larger, more mature users Aboriginal access is, for the most part, limited to the bank loans.

Government Supported Products: The availability is also related to the size, maturity and financial strength of the user. Aboriginal access is limited to low end of the spectrum (seed capital and developmental loans).

Capital Market Products

- Commercial Paper is an unsecured promissory note sold by large corporations to secure funds for short term debt obligations. It is available only to those businesses with an excellent credit rating from a recognized credit rating agency.
- Private Equity Issue is the sale of equity or stock in the corporation to private investors selected by the company.
- Initial Public Offering (IPO) is the sale of equity or stock in a publicly traded company open to any registered investor.

Mainstream Market Products:

- Aboriginal controlled institutions (Peace Hills Trust, First Nations Bank of Canada): lending all types including business
- Chartered banks : lending all types including business

Government Supported Products

- Aboriginal Financial Institutions Network (Ulnooweg Development Group): developmental lending business only
- Business Development Bank of Canada: loans and equity business only

- First Nations Finance Authority: Infrastructure financing
- Central Mortgage and Housing Corporation: Housing Financing
- Farm Credit Corporation

Government Grants and Contributions: (business only)

- Mainly supported by Aboriginal Affairs and Northern Development Canada, Service Canada, Fisheries and Oceans, Atlantic Canada Opportunities Agency: Grants and Contributions
- Very limited support from NRC, Agriculture Canada: Grants and Contributions
- Provincial programs

The availability of capital for purposes of equity investment will represent a significant challenge for Qalipu as it moves forward with the implementation of this strategy. For the foreseeable future Qalipu business investments will be reliant upon a financing formula that combines grants and contributions from primarily federal sources with commercial bank loans and direct equity contributions.

In those situations where Qalipu receives non-repayable funding from the Community Economic Opportunities Program of AANDC, this financial contribution can be treated as the Band's equity investment to leverage commercial bank financing.

Where CEOP funds are used for non-commercial economic development projects that do not involve bank financing there may still be a requirement for an equity contribution from the Band.

Qalipu Equity Investment Account

It will be necessary for Qalipu to develop a mechanism to accumulate funds for purposes of meeting equity requirements on community economic development projects. The simplest and most economical approach would be to open a bank account specifically to receive deposits for this purpose. Interest earned on operating funds would be transferred to this account and would be available for equity contributions for non-commercial economic development projects.

Equity for business investments would be drawn from retained earnings of Qalipu Development Corporation.

Access to Capital Challenges for Small Business

Entrepreneurs and small business operators also find it challenging to access capital for investment.

11.0 Investment Parameters

When the Qalipu Development Corporation was established by Chief and Council it was set up as an independent arms-length business tasked with generating own source revenue for the Band. Chief and Council also specified that the QDC would operate within the comprehensive Economic Development Strategy of the Qalipu Mi'kmaq First Nation Band.

“As the owner of the Development Corporation, the input of QMFN is highly valued. This input will be reflected in the comprehensive Economic Development Strategy that will serve as the guiding document for the business operations of the QDC. The Band will also have meaningful input into the decision making process through its membership on the Board of Directors”²⁶

Although the Economic Development Strategy will provide a framework for the type of investment and business opportunities to be explored by the QDC, there still exists a need to capture the values, ethics and beliefs of the Qalipu Mi'kmaq First Nation and express them in a way that provides direction to the Corporation. Once the Board of the QDC is operational it will be necessary for the Band and the QDC to develop and agree upon the parameters for investments by the Corporation. It is anticipated that the issues to be decided may include:

- ‘No GO’ investment opportunities by virtue of cultural or spiritual beliefs
- Diversity of investments
- Levels of investment
- Taxation Implications
- Risk tolerance
- Loan guarantees from the Band
- Revenue distribution
 - Dividends
 - Retained Earnings
 - Investment Capital

This will provide Chief and Council with an opportunity to establish direction satisfactory to the Band without becoming involved in day to day operations.

Once the parameters have been agreed to by both parties it should be executed as an addendum to the By-Laws of the Qalipu Development Corporation to make it binding.

²⁶ Qalipu Development Corporation Final Report July 5, 2011. P. 11

12.0 Implementation Plan

It is important for QMFN to realize that implementation plans rarely proceed smoothly. In the process of implementation, there is never usually a tidy, step-by-step process to an envisioned future. Missteps can occur, key staff can turnover and there can be a lack of communication between different stakeholders. In this perspective it is reasonable to create a mid-level implementation plan that identifies the key activities without detailing minute steps. Success will be determined by a combination of strategy and operations. The implementation plan lays out the broad activities related to the strategy but the details of operations will be determined by the players' response to the immediate environment upon implementation.

Research demonstrates that the usual implementation problems are (roughly the same but in declining order of importance²⁷ :

- Implementation took more time than originally planned
- Major problems emerged that had not been identified beforehand
- Coordination of implementation activities was not effective enough
- Competing activities and crises distracted attention from implementing the strategic direction
- Capabilities (skills and abilities) of employees involved with the implementation were not sufficient
- Training and instruction given to lower-level employees were not adequate; and
- Uncontrollable factors in the external environment had an adverse impact on implementation

Implementation can be an unpredictable challenge. Key elements to counter the problems that should be considered by QMFN are detailed below including:

- Create a solid plan
- Enlist the support and involvement of key stakeholders
- Support the plan with consistent behaviors
- Develop enabling structures (such as pilot and change programs)
- Celebrate milestone successes
- Communicate the plan relentlessly

²⁷ Source: Implementation: Putting Your Plan in Motion. Harvard Business School Press, Boston, Massachusetts.

For QMFN, detailed Operational and/or Business Plans need to be created for Community Economic Development and the Economic Development Corporation. These plans guide the staff in implementing the details of each particular project, be it a business start-up or a community capacity project. Strategic directions must be “owned” by the organization and at a high level, specifically the Chief and Council, while staff must “own” the elements of business and operating plans. Elements in such plans should include:

- The primary milestones
- The individuals responsible/accountable for each milestone
- The resources required to reach each milestone
- Dates when QMFN will see the benefits of the recommended course of action
- Impacts on QMFN expense and staffing budgets
- Changes in revenue and/or goals
- QMFN's plan for demonstrating that the intended results have been realized

12.1 Mid-level Implementation Plan

The following mid-level implementation plan should be put into operation and made into more detailed plans once QMFN decides on specific goals and timing. Future work on project management could include hiring specialized resources and developing a scorecard or dashboard to report on the implementation to Chief and Council, the membership and other stakeholders.

12.1.1 Start up for Economic Development Corporation (First Year)

1. Identify Human Resource requirements
 - Recruitment of key personnel
 - Orientation of new staff
 - Coaching and management of staff
 - Review and evaluation of staff
2. Create Board of Directors for the Development Corporation as per Strategy
 - Recruitment of community representatives and identification of Council representatives
 - Orientation of all Board members as to their role on the Development Corporation Board
 - Development of governance policy specific to the Board of Directors of the Development Corporation

3. Develop Mutual Vision with QMFN

- Create by-laws within the Development Corporation to accommodate QMFN ultimate control and ownership
- Creation of operating policies and practices
- MOU/Contract developed and signed between the Development Corporation's Board and the Council of QMFN detailing arrangements for the dispersal of income, asset management and other high level policies

4. Develop Business Opportunities

- Existing enterprises (Mi'kmaq Fisheries)
 - Analysis of operations
 - Decision on direction
 - Change of management agenda
- Potential enterprises and other opportunities:
 - Follow Economic Development Plan to assess Tier 1,2 and 3 opportunities
 - Prioritization of opportunities
 - Create Business Plans for enterprises that have been targeted for development
 - Identify Partners as appropriate for each endeavour
 - Go or No Go Decision

12.1.2 Start up for Community Economic Development (First Year)

1. Identify Human Resource requirements

- Recruitment of key personnel
- Orientation of any new staff
- Coaching and managing of staff
- Review and evaluation of staff

2. Project Development

- Follow Economic Development Plan to identify development opportunities
- Prioritization of opportunities to implement based on resources
- Staff create Operational Plans for each project
- Identify Partners for projects as appropriate
- Go or No Go Decision

12.2 On Going Activities for Economic Development (Continuous)

1. Communications of Economic Development activities
 - Internal communications to:
 - Chief and council
 - QMFN Staff
 - Members
 - External communications to:
 - Communities
 - Business Communities
 - Media
 - Governments
 - Funding Agencies
 - Economic Development Agencies
 - Public
 - Message and objective identification as appropriate
 - Communication tool selection
 - Monitoring of results
2. Budgeting and funding of Economic Development activities
 - Identifying needs based on specific projects and opportunities
 - Sourcing funds for operations and projects
 - Managing revenues and expenses as appropriate
3. Over sight of Economic Development activities and outcomes
 - Reporting mechanisms created and put into operation
 - Chief and Council monitors all activities through reports of the CEO, reports from Council Portfolio holders and council representatives on the Development Corporation
 - CEO monitors work of QMFN staff
 - EDC Board monitors work of the Development Corporation staff
 - Director of Work Force Qalipu monitors work of the Manager of Community development (until the creation of a Economic development Department)
4. Analysis and implementation of further projects
 - Prioritization of remaining opportunities and projects identified in the Economic Development Plan
 - Identification and assessment of new opportunities

12.3 Management of Active Projects (Continuous)

1. Management of all aspects of business and community economic development projects by front line staff , managers, Directors and CEO
2. Reporting and monitoring of project and business milestones, objectives and outcomes
3. Stewardship of project and business partners
4. Evaluation of work and activities

Appendix A – Idea Generation

	Idea Generation			
	Tier	Expert Knowledge	Consultations	Sector Analysis
Energy				
Wind Power	Tier 3	√	√	√
Peat Moss for Power Generation	EQ		√	
Fishery and Aquaculture				
Shellfish Aquaculture	Tier 2	√	√	
Finfish Aquaculture	EQ	√	√	√
Secondary Processing	Tier 2	√		√
Lobster Purchasing	Tier 2	√		√
Forestry and Agrifoods				
Cranberry Farming	EQ	√		√
Blueberry Farming	EQ	√	√	
Vegetable Farming	EQ	√		√
Sawmilling	EQ	√	√	
Pulp Harvest	EQ	√		
Sod Farming	Entrepreneurship	√		
Ornamental	Entrepreneurship	√		

Trees/Shrubs				
Perennials and Annuals (Wholesale)	Entrepreneurship		√	
Wood Briquettes/Pellets	Entrepreneurship		√	√
Major Projects				
Line Cutting	Tier 2	√		√
Surveying	Tier 2	√		√
Supply and Catering	Tier 2	√		√
Environmental Monitoring	Tier 2	√		√
Mining				
Prospecting and Exploration	Tier 3	√		
Manufacturing				
Water Filtration Systems	EQ	√		
Boat Building	EQ	√		
First Nations Clothing	EQ		√	
Water Bottling	EQ			
Construction				
Residential	Tier 1	√	√	√
Commercial	Tier 1	√	√	√
Social Housing	Tier 3	√	√	√
Concrete Forming	Tier 2	√		

Home Insulation (Spray)	Tier 2		✓	
Hydro Seeding/Landscaping	Tier 2		✓	
Commercial/Residential Inspection	Tier 2		✓	
Decking and Fencing Company	Tier 2		✓	
Real Estate				
Commercial Rentals	Tier 1	✓	✓	✓
Residential Rentals	Tier 1	✓	✓	✓
Property Management	Tier 1	✓	✓	✓
REIT	Tier 2		✓	
Retail				
Craft Shop	EQ	✓	✓	✓
Seafood Market	EQ	✓	✓	
Convenience Store	Entrepreneurship		✓	
Gas Station/Restaurant	Entrepreneurship		✓	
Sporting Goods Store	Entrepreneurship		✓	
Service Sector				
Employment Agency	Tier 1	✓		✓
Database Partnership	Tier 1	✓		
Media Monitoring	Tier 1	✓		

Home/Auto Insurance	Tier1	√	√	√
Financial Services - Credit Union	Tier 2		√	
Financial Services - Mortgages	Tier 2	√	√	
HealthPlex	Tier 3	√		√
Photography/Video	Entrepreneurship		√	
Book Keeping Service for small business	Entrepreneurship		√	
Training Institute (Trucking)	Entrepreneurship		√	
Cordwood Project Teaching Facility	Entrepreneurship		√	
Senior's Care Centre	Entrepreneurship		√	√
Personal Services (Spa & Beauty)	Entrepreneurship		√	
Day Care	Entrepreneurship		√	
Consulting - Land Use	Entrepreneurship		√	
Equipment Rental - Safety & Supply (Existing)	Entrepreneurship		√	
NIHB Claims Administration	Entrepreneurship		√	
Waste Management	Entrepreneurship		√	
Recycling	Entrepreneurship		√	
Packaging Business (Existing)	Entrepreneurship		√	

Small Commuter Airline	Entrepreneurship		√	
Franchise				
Montana's in Corner Brook	Entrepreneurship		√	
Community Projects				
West Coast Casino	EQ	√	√	
Field School for Cultural Researchers	EQ	√		
Co-op Store	EQ		√	
Mi'kmaq Newspaper	Entrepreneurship		√	
Small Venture Capital Fund for Start-Ups	EQ		√	
Corner Brook Waterfront	EQ	√	√	
Incubator Mall/Business Centre	EQ		√	
Boat Launch/Breakwater Extension	EQ		√	
Wharves and Day Parks	EQ		√	

All tourism operations are to be considered under the Tourism Sector Plan to be developed by Enterprise Qalipu.

Idea Generation – Culture and Heritage			
	Existing Knowledge	Consultations	Sector Analysis
Tourism			

Wigwam Point Interpretation Centre	✓	✓	
Sandy Point Interpretation	✓		
Lewis Hill Interpretation	✓		
Gander River Aboriginal Themed Tours	✓		
Aboriginal Village	✓	✓	
Bay of Islands - Aboriginal Village and RV Park	✓	✓	
Bay of Islands - Adventure Tours		✓	
Accommodations/Hospitality Home Gros Morne		✓	
Cottage Rentals		✓	
Hotel		✓	
Outfitting		✓	
Qadapi Tourism (Tour of Cow Head Trail)		✓	
Sport Fishing		✓	
Tourism Chalet(Aboriginal Theme)		✓	
Rafting and Boating Trips		✓	
Mountain Climbing		✓	
Ocean Boat Tours		✓	
Culture and Heritage			

Mi'kmaq Language Training		✓	
Crafts for Kids		✓	
Health and Wellness Programs		✓	
Native Artists Gallery		✓	
Aboriginal Conference & Arts Centre		✓	
Wildlife Retreat for Young Adults		✓	
Wildlife Sanctuary		✓	
Friendship Centres in each community		✓	
Basket Making		✓	

Entrepreneurship opportunities were felt to be outside the scope of the Qalipu Development Corporation and Enterprise Qalipu.

Idea Generation - Entrepreneurship			
	Existing Knowledge	Consultations	Sector Analysis
Certified Universal Life Coach & Certified NLP Practitioner		✓	
Moose Cutting Shop		✓	
Outdoor Garden Furniture		✓	
Welding Shop in Stephenville		✓	
Alternative Health care		✓	
Advanced Foot Care Clinic		✓	

Trucking		✓	
Aboriginal Bookstore		✓	
Physiotherapy and Health Promotion		✓	
Nutrition Counselling		✓	
Elevator Consultant		✓	
Life Insurance Services		✓	
Income Tax Preparation		✓	
Mobile Pressure Washing		✓	
Landscaping/Decking/Fencing		✓	
Consulting – Project Management and Business Analysis		✓	

Idea Prioritization – Qalipu Development Corporation

Qalipu Development Corporation	Priority Business Opportunities
Tier One	Construction – Residential and Commercial
	Real Estate – Commercial and Residential
	Personnel Services
	Technology - Database Development
	Qalipu Seafoods
	Home and Auto Insurance
Tier Two	Major Projects Goods and Services (Line Cutting,

	Surveying, Supply and Catering)
	Construction Sub-Trades – Concrete Forming, Spray Insulation, Landscaping, Hydro-seeding. Deck and Fence Construction
	Real Estate Investment Trust
	Personal Financial Services – Mortgages and Personal Finance
Tier Three	Energy - Wind Power
	Health Plex
	Shellfish Aquaculture
	Finfish Aquaculture

Priority Program Directions – Community Economic Development

Business and Community Support	Priority Program Directions
Short – Medium Term	Mi’kmaq Business Development Centre
	Qalipu Business Network
Medium –Long Term	Small Venture Capital Fund for Start-Ups

Developmental Business Opportunities	Developmental Business Opportunities
Short – Medium Term	Mi’kmaq Arts and Crafts
	Corner Brook Waterfront Development
Medium –Long Term	Agrifoods Strategy

	Cranberry Farming
	Blueberry Farming
	Sawmilling
	Boat Building
	First Nations Clothing
	Pulp Harvest
	Peat Moss for Power Generation
	Vegetable Farming
	Water Filtration Systems
	Water Bottling
	Seafood Market

Enterprise Qalipu – Tourism, Culture and Heritage Support	Priority Program Directions
Short – Medium Term	Tourism Sector Plan
	Cultural Foundation
	Field School for Cultural Research
Medium –Long Term	West Coast Casino
	Qalipu Tourism Corporation

Unedited Survey Responses

Do you have business opportunities that you would like to suggest for consideration by Qalipu Development Corporation? Please identify:

Opportunity # One

- Home Spray Foam Insulation
- Property Management
- Increase fishing Industry
- Photography/Video business focused on NL Mi'kmaq
- Smoke & Retail Shop
- Gas station-restaurant
- Accommodations- Hospitality home in Gros Morne
- construction company
- Service Station for Band members that would also service others in community
- Certified Universal Life Coach & Certified NLP Practitioner
- Mi'kmaq Language training
- Montana's in corner brook, nl
- Long Term Care Consultant LEAN
- Crafts for kids program
- Fish Store.
- Book-keeping Services for Small Companies
- Outfitter-hunting fishing
- Training facility (trade school)
- Truck Driver training for class 01,02,03
- Real estate rental
- Senior Care Center
- Pre-existing fishing enterprise that needs upgrading
- Personal services - spa & beautification
- Gas Bar
- Open the doors for tourism ie: Retreats, experience Mi'kmaq Culture with workshops, festivals, powwows
- Real Estate Company
- Moose cutting shop
- Having warehouse facilities on reserves(charge fee) for purchases that need to go through reserves to save band members/consumers on taxes.
- Health & Wellness Programs

- Housing Development
- Fishing and hunting lodge
- Outdoor garden furniture
- Qadipa tourist venture (tour of Cow Head trail)
- Native Graphic Artists Gallery
- Welding shop in Stephenville
- Affordable Housing
- Sport fishing
- Hydro seeding and landscaping
- Peat moss for power generation
- Multi theatre like the ones on the main land with food
- Art gallery to promote cultural history
- Sporting goods store
- First Nation themed tourism like BC, fishing, hotels and tours
- Alternative health care
- Wildlife Retreat for young adults
- wildlife sanctuary
- Low income housing/rental units
- Day Care
- Consulting firm for our land use
- Wind Energy Technology Development (Global Potential)
- Outfitting lodge(s) in locations such as the Gander River
- Adventure tourism near my home town of Daniel's Harbour
- Promote /Educate Public about History of MI'KMAQ PEOPLE
- Co-op
- Elderly housing
- Expansion: Equipment Rentals & Dedicated Safety Supply
- Outfitting camp hunting & Fishing
- Adjudication of its own medical claims and for all of NIHB
- Casino
- Advanced Foot Care Clinic
- Insurance
- Cottage Rentals
- Urban housing development in Stephenville and Corner Brook
- Indian Arts and Crafts
- Sawmill

- Would like to start a construction Business
- Credit Union
- Tourism (Adventure)
- Waste management
- Setting up a Indian community, In my own community
- Hotels
- Tourism business with first nations theme
- Paper/film/packaging brokerage - offshore/domestic sourcing & sales. Already ongoing successful business but looking to go independent of US partnership
- 48 acres of land on the northern peninsula that would make an excellent site for a rv park, walking trails, hunting lodge, whatever we wanted to put there
- Qalipu Tourist Chalet for Western Newfoundland aimed at Tourists
- Gas station in Corner brook if possible
- Delivery Truck (5 Ton)
- Arts and crafts and carving
- Mortgage investment corporation
- Secondary processing of our forest and other natural resources
- Restaurant
- Aboriginal Bookstore
- Physiotherapy and health promotion/exercise and diabetes prevention etc
- Wood briquettes / Pellets for overseas markets I have contacts already established
- teaching foot care to Care Attendants or Nursesto start own businesses
- Franchise
- Nutrition education by Registered Dietitian
- Purchase hunting and fishing lodge, gander river
- Small scale renewable energy operations
- Tourism
- Child daycare centre
- Fishing and hunting camps / store
- Tourism
- Eco tourism
- Service Station
- Tourism Community dev./ hotels /accommodations Sites of int.
- Cordwood Project teaching facility

Opportunity #2

- Inn or B&B celebrating NL Mi'kmaq history and future
- Life Insurance Services
- Cultural development
- Nutrition Consultant
- computer services
- Income Tax Preparation
- Seniors complex (with all amenities)
- Elevator consultant
- Day Care Center
- Inn with a cafe
- Open b & b accommodations or hotels, museums
- Home building company/Contractors.
- Craft shop long house
- Rental Houses for persons with disabilities (most receive disability pensions) secure flow of revenue.
- Qalipu adventure tourism Trips to the outback Long range mountains
- Bed and breakfast
- Housing Complex
- Cottage and possibly residential land development
- Encourage Programs DEV. AT MUN re/Aboriginal studies
- brokering of native art
- Expansion: Commercial & Residential Project Management Services
- Wellness center
- Wound Management - lower limb
- Land based activities - Real Estate
- Post-secondary education partnerships to provide programs and training in communities
- Seafood selling Business
- Real Estate
- Recycling
- Bed and Breakfasts
- Real estate development - mix of retail / commercial / accommodation
- Development of independent living senior living accommodations. Extension of Mountainview Home in Meadows, NL.
- Mobile Pressure Washer
- Credit union
- First nations clothing

- Lumber mill / logging
- Teach foot care to Care Attendants or Nurses so as we can have clinics for seniors
- Local business- Indian Band Cigarettes and Crafts
- Cultural & Heritage centre and local Tourism opportunities
- Fish farming
- After school program
- Seasonal X-Country Skiing /Lodges for VISITORS COMFORT
- Homesteading and sustainable living

Opportunity #3

- Childhood cultural and educational development
- Business Start-Up Consultant
- Tourism Tours
- Qalipu small commuter airline (for NL)
- Parlor for youth
- Share work opportunities with other employers
- Landscaping/Decking/Fencing companies
- Mountain tours
- Berry farming (line of products)ex. wines, facial creams, etc.
- Consulting-Project Management and Business Analysis
- Building of Cultural Native Center to promote#1 /Memorial Corner Brook
- Expansion: Commercial & Residential Inspection Services
- First Nations School
- Small Business Development
- Services or Manufacturing Supporting Resource Sector
- Processing financial
- Rafting, boating outings for tourists
- Small venture capital fund to help startup
- Real estate investment trust
- Disc golf course
- Teach employees and set up home care for Senior Elders
- Bed and breakfast
- Outdoor guiding companies
- Guiding tours etc.
- Overland excursions, following the footsteps of our ancestors
- Our Rivers and Oceans/Family adventures/whale watching
- Perennial and annual propagation for distribution locally in Newfoundland

Opportunity #4

- Ecotourism
- Gift shop with Mi'kmaq/Qalipu Regalia
- Qalipu resort (Rocky Harbour)
- Mi'kmaq Cemetery Tours, Bus tours, Harbour tours, etc.
- Car Dealerships/Mechanic shop (franchises)
- Natura (organic) herbs and plants(product line)(medicinal /therapeutic)
- Consulting-Environment and Natural Resources Research and Management
- Promoting teaching of Mi'kmaq language Primary/Elementary levels
- Tourism - Adventure etc - Joint Projects
- Bringing Green energy to our members
- Blow me down camp ground and rv park
- Set up Retirement home for Elders with trained staff
- Local farming
- Independent Mi'kmaq-run Newspaper
- Show casing the beauty of the west coast /Mountain Climbing

Do you have community economic development projects that you would like to suggest for consideration by the Band? Please identify:

Development Project #1

- Property Management
- Wind energy
- Smoke & Retail Shop
- Ecotourism
- Oil sands projects in Alberta
 - Book entitled musicians of Bay St George and the Port au Port Peninsula
- Selling drinking water throughout North America
- Clean water for town of St George's
- Chalets for summer and winter vacations back home
- Basket making
- Upgrade to fishery
- Create a Mi'kmaq village and teach the ways of our people through museum, workshops, retreats, cabins, wigwams, stones, sacred fires, talking circles, feast, crafts, etc.
- Reclaiming our heritage (Qalipu events/tourism)

- Seniors Facilities in rural areas
- housing project for people with disabilities
- Training for oil and gas trades
- Slipway for fishing boats in Trout River nl.
- Qalipu members in the community to improve recreation
- Movies complex with food court
- A west coast friendship centre will create jobs, a sense of community and the friendship centre can have for profit ventures
- Mentoring program
- Airport/Port travel options
- Aboriginal Conference and Arts Center
- Local improvements to encourage tourism .
- Training and job creation potential related to Ques. 10
- Small capital investment fund to assist start-up funding
- Apprenticeship program for all trades start to finish
- Recreation center for the town of Daniel's Harbour and surrounding communities
- Cultural Center
- The Corner Brook Waterfront
- Native Economic Development Program - Arts
- Lowering the number of "Nighttime Vehicle Accidents" utilizing Existing Technologies
- Child Care Center
- Eco tourism
- Develop local land base
- Mi'kmaq language classes in community schools
- Aquaculture
- Sple'tk First Nations Wigwam Point Project (Tourism)
- incubator mall / business center
- Power generation/alternative energy programs (i.e. wind turbines)
- Organic Farming
- Rural and Native low income housing
- housing
- Construction of boatlaunch/breakwater extension
- Sporting areas for children
- Secondary processing of our forest and other natural resources
- lumber mill / bio fuel IE wood briquettes / pellets
- Health teaching - Diabetes/High Blood Pressure

- Local band House and reserve in the bay of islands
- purchase hunting and fishing lodge
- Bed and breakfast / Hotel
- Board walks along beach
- Service Station
- Tourism and regional development /Hunting /Fishing etc.
- Cordwood Project teaching facility

Development Project #2

- Fish farming
- Mi'kmaq language training
- Real estate investment
- as for our beautiful west coast, adventure tours (canoe , skidoo , bus for some beautiful sights and experiences you only get on our island.
- Beading
- Have a Mi'kmaq crafts shop and hire people to do the beading of garments, make mocassins, dresses and other leather products, drums, rattles, etc.
- Mentoring Programs for youth to gain job skills(mechanics, carpentry)
- Craft Cooperatives/training to learn traditional Mi'kmaq craftsmanship
- Health care focused programs
- Job shadowing
- Museum/historical type infrastructure
- Aboriginal Museum of History
- Marina / Wharf's
- Clean-up of known dump sites and testing of our waters and land sites where chemical dump sites are suspected
- Agricultural Development
- Friendship centers in each community
- Farming
- Green energy center of excellence
- Youth sports programs
- Development of hiking/walking trail
- Hire employees
- Light industry clothing manufacturing
- Training/Education re/Mikmaq Culture /Language in Schools
- Homesteading and sustainable living

Development Project #3

- Tree planting
- Childhood cultural and educational development
- Gas station somewhere between Lourdes and marches point.
- Learning the Mi'kmaq songs
- Create a heritage trail and take people on it , Canoe rides, boat tours
- Event Planning/ Newfoundland bus tour events for tourists in the summer and skiing/snow mobilizing/ice fishing events in the winter
- Mi'kmaq promotion at Visitor Stations in the province(series of pamphlets, postcards, etc)
- Tourism
- Aboriginal Center for Career Opportunities
- Outfitting / tourism centers of excellence
- Natural foods farming, fishing and hunting to improve the health of our people
- Local shop for home based crafts
- Basket weaving workshops at Friendship centers
- Softwood Lumber Harvesting
- Non Timber Forest Product center of excellence
- cultural festivals
- Set up retirement homes for Elders
- Museum development relating to Qalipu Mi'kmaq First Nations
- Obtaining Land /money to build Friendship Heritage centers
- Perennial and annual propagation for distribution locally in Newfoundland

Development Project #4

- Cultural development
- Serve wild game in restaurants and cook offs.
- Mi'kmaq satellite office on Port au Port Peninsula
- Aboriginal Crafts Outlets
- Training Institute-partnering with college or university
- Our communities on the risks of and avoidance of health issues, cures and controls using modern and traditional medicines.
- Local Fine Arts School developing and promoting Mi'kmaq arts etc.
- Mi'kmaq language instruction at Friendship centers
- Wind Energy
- wharves / day park / etc in places like Gander Bay / Gander River
- Healing centre for troubled youth/adults
- Run clinics- Foot care for elders/ Blood pressure/Wound care etc
- Exploring creating employment through grants/funding fm. govt.

Appendix B - Feasibility Analysis Guide

The following is a guide²⁸ to conducting a feasibility analysis for business opportunities arising with QMFN. It should be considered along with the accompanying proforma when conducting a feasibility study.

Introduction

Feasibility analysis is a tool organizations such as QMFN can use to evaluate a proposed change in an organization or investment decision. This change may involve developing a new service, improving an existing service, changing strategy or expanding or contracting an investment.

One dictionary defines feasibility as "capability of being used or dealt with successfully". The concept of success gives feasibility analysis its real value as a planning and risk management tool.

In organization terms, success is usually defined as some measure of profit or increased value. An organization such as QMFN may have other goals, such as expanding its political impact in western Newfoundland and Labrador. Even in that scenario, the expansion must provide sufficient extra value to compensate for the additional cost.

If the feasibility analysis indicates that the goal may not be met, QMFN can abandon the idea before investing heavily in lobbying. In other words, the feasibility analysis provides a means whereby QMFN can justify whether to proceed with or abandon a proposal, idea or investment opportunity.

A change in business always involves risk. A thorough feasibility analysis identifies factors that contribute to the risk, the probability these factors will happen and their effect on the proposed business opportunity and QMFN as an organization.

A feasibility analysis also allows the development of an advanced plan to mitigate the risk factors and to establish appropriate contingencies, such as insurance or alternate markets.

The Feasibility Analysis Mindset

A feasibility analysis is conducted in several stages. The more complex the business proposal, the more stages of analysis needed. At the end of each stage, an organization such as QMFN is required to do two things:

1. set criteria by which the project or idea will or will not proceed to the next planning phase
2. make a decision to proceed to the next stage or to abandon the idea at this point.

These criteria depend on the goals set at the beginning.

²⁸ Adapted from source: <http://www.omafra.gov.on.ca/english/busdev/facts/09-007.htm>

Example 1

If QMFN sets a goal to increase profit by \$50,000 per year in its fisheries operations, the criteria may be that profit must increase by at least \$25,000 or it is not worth proceeding. But a market assessment shows the fisheries business is unlikely to net more than \$10,000 extra from added sales or investment, so QMFN decides to abandon the project, looking for a different opportunity.

Setting Goals

Often, a single goal is set against which the performance expectations of QMFN may be measured.

At times, a long-term goal and one or two shorter-term goals by which performance may be measured are set. These goals should conform to the S.M.A.R.T. model, (Specific, Measurable, Achievable, Realistic, Timely) as the decision to proceed or abandon will be based on the ability to actually reach these goals.

The ability to remain objective is imperative in the setting of goals and throughout the feasibility study. Every step in the process is designed to move QMFN closer to a goal. It is important the goal be clear and remains static, and that QMFN is able to clearly define whether an activity will meet the objective.

In a feasibility analysis, two sets of goals are necessary. The first set defines what the opportunity is expected to achieve in a given time period, while the second goal defines the minimum acceptable criteria that must exist if an analysis shows the business case or plan will not reach its first goal.

Example 2

QMFN may decide a new enterprise aimed at small scale manufacturing should gross \$50,000 in its first year of production, \$125,000 in year 2 and \$200,000 in year 3. At these rates of return, it would be expected to lose \$50,000 in year 1, break even in year 2 and net \$50,000 in year 3.

These financial goals would be reached if the venture could generate 10,000, 25,000 and 50,000 widgets at \$5 each respectively in the first three years of operation. These are the production goals for the enterprise.

The above goals are specific, measurable and timely. The study will reveal whether they are realistic and achievable.

Establishing Criteria

The last activity in each stage of analysis is to set the criteria against which the results of the analysis will be judged. These criteria are based on the goals set for the project, and allows QMFN to decide whether to proceed to examine the idea further or to abandon the idea altogether.

Example 2 continued

QMFN may decide that returns of \$25,000 in year 1, \$75,000 in year 2 and break even at \$150,000 in year 3 are tolerable. These are the minimum acceptable criteria against which the enterprise is evaluated. If the planning process fails to justify these results, the entrepreneur will abandon the project. Minimum marketing criteria would be any combination of sales volume and price that would result in a lower gross income.

At this point, QMFN should re-examine the methods used to obtain the results. Here are some sample questions to ask in assessing the results.

- Was the technique used appropriate for getting accurate results?
- Did the people surveyed accurately represent the customer base?
- Do these cost figures represent accurately the cost of production and distribution?

Decision to "Proceed" or "Abandon"

The decision-making activity is easier if "minimum acceptable" criteria for each stage are established. Either the project meets the minimum criteria or it does not. If it does not, then the project is abandoned. If the project meets or exceeds the criteria, QMFN can proceed to analyze the next stage.

This is where it is critical to remain focused and objective. If a "maybe" enters the decision, the goal or the information is not well defined. It may be necessary to re-define the goals and start over, or to do the activity more thoroughly.

Stages of Evaluation

Feasibility analysis is a practical process. It forces an organization such as QMFN to examine the real circumstances that the venture is likely to encounter.

This is where QMFN's understanding of its management capability is challenged. The more thoroughly it can examine the various business or environmental factors, the more reliable the conclusions of the feasibility study.

Stages of Feasibility Analysis

- Examine the Idea
- Examine the Management Capabilities of QMFN
- Examine the Technical Capabilities of the QMFN
- Examine the Marketing Potential for the product or service
- Examine the Cost and Financing needs

These stages are the same as the components of a high level business case or plan, so the information gathered during the feasibility study can be transferred directly to the business plan, resulting in a more effective and accurate business case or plan.

The Idea

- Every idea has some merit and drawbacks. At this stage, QMFN will concentrate mostly on the obvious benefits and limitations.
- Does the idea appear to meet set strategic goals?
- What factors could prevent it from being successful?
- Are the different parts of QMFN prepared to make the sacrifices if necessary for this project to work?

It is difficult to remain totally objective through this stage. A healthy level of scepticism allows QMFN and its management to discover the warning signs and pitfalls that can sabotage any good idea

Management Capabilities

The most important factor for success in any organization is the management team that makes the decisions; yet it is the factor most often overlooked in determining the feasibility of a venture. When beginning a feasibility study, QMFN should consider the following:

- What management skills are lacking in order to have effective control over the business idea?
- Can these skills be acquired?
- What effect will involvement in this project have on other parts of QMFN?
- Will this new product/service/business opportunity generate sufficient returns?

Criteria considerations:

- What specific skills need to be developed or hired?
- At what point does the lack of available skills become an obstacle?

On a scale of 10, how much support is there for pursuing this opportunity?

Technical Realities

An assessment of the idea must consider the question, "Can it be done?" In other words, is QMFN capable of producing the product and/or creating the business, taking it to the marketplace and making it work? Specific questions might include:

- What technology, equipment and processes are required?
- Does staff understand the required technology, equipment and processes?
- Does it appear that the underlying business idea is workable and affordable?

Criteria considerations:

- How much time can be devoted to this project at the expense of other QMFN enterprises?
- How much change is required to accommodate this project or business idea?
- At what point is it not worth the effort?

Market Realities

The success of any venture depends on the ability to get the right product or service into the right market at the right time and the right price. The business world is littered with failed products that could have been successful if the formula for success had been different. Effective planning and research is the most important activity QMFN can undertake to reduce risk.

Key areas to research

- **Features and benefits** of the product or service
- **Target market** (Who is most likely to buy?)
- **Distribution options** (Best way to reach the target buyers)
- **Market demand** (How many possible buyers, what volume and price?)
- **Competition** (What products and companies compete?)
- **Trends** (What is the expected life of the product?)
- **Expected Price** (Highest, lowest and most often prices)
- **Expected Sales** (Volume and market conditions)

It is important to understand that customers rule the market. They alone determine whether the product will sell in sufficient numbers and price to be viable. Planning and research can reveal the probability of success.

Criteria Considerations:

- What are the minimum values on sales volume and price needed to be viable?
- Is the potential for growth in sales adequate?
- Is this product or service the best option available?

Cost and Financial Realities

Each of the previous analyses generated information on anticipated costs and expected returns. Financial considerations should include:

- Pro Forma (Projected) Income and Expense Statement
- Cash Flow Statement
- Opening Balance Sheet

These statements are essential to creating a solid business case to justify the proposed venture. In the original goals, return on investment (ROI) might have been stated. It is possible to calculate a projected ROI.

QMFN should be seeking answers to the following questions:

- Does the profit level meet or exceed stated goals?
- Are the setup costs within the range of financial options?
- Will this proposal provide sufficient return on investment?
- How will this investment affect net worth?

Criteria considerations

- Is the cost of sales acceptable relative to the product price?
- Does the venture meet or exceed the profit goals?
- Does the expected return meet or exceed the minimum acceptable level?
- Is there a better way to reach my financial goals?

Risk Realities

Investments are made in the expectation of a return to the investor.

In general, the greater the return expected, the more willing the investor will be to invest. People vary in their ability and their willingness to take risks. The ability varies with the extent of the cost and the wealth or asset value of the investor. The willingness varies with the amount of those assets that the investor is willing to place at risk. These risks may be financial or social. In either case, they can have a significant effect on QMFN.

Managing risk is a function of controlling the factors that contribute to possible losses against the investment. Feasibility analysis is a risk-management tool because it helps QMFN identify the risk factors involved in the project. Other risk management tools are those practices that contribute to consistent quality and safety of the product or service being sold or that contribute to a low unit cost of production.

The feasibility analyst might ask the following questions:

- What can go wrong with this project?
- Is there a way to prevent any of these from happening?
- What is the probability that any of these factors will go wrong?
- What is the probability that two or more of these will go wrong?
- What will be the effect on the project and the family if they do?
- Can the effect of these risks be reduced through insurance and at what cost?
- How able and willing is QMFN to assume these risks?

Risk control is the utilization of systems that minimize the effect of a negative occurrence.

Quality Control and Safety programs

- Reduce the risk of injury or harm to customers

Efficiencies

- Competitive advantage through low cost of production/provision of service

Thorough Market Research and Planning

- Improved chance of marketplace success

Accurate Cost Estimates

- Improve the accuracy of estimating profit and return.

Criteria Considerations:

- Do the risks involved in this venture exceed the benefits?
- What specific risks need to be avoided or controlled?
- Is the cost of risk abatement through prevention and insurance affordable?
- What is the maximum amount of risk that can be handled?

Financing the Enterprise

The business case or plan is a key tool for obtaining financing for a new venture, but it is not a guarantee a financial institution will lend the necessary money to finance the capital and operating costs of the enterprise.

The information acquired during the feasibility study will make the business case or plan more attractive to investors and lending institutions.

There will be one more "proceed or abandon" decision to be made at this stage. If several financing sources reject the business plan, QMFN must re-examine the business case, and decide whether to proceed with the proposal.

One option is to review all sections of the feasibility analysis and determine whether improvements can be made. Another is to reject the idea completely and look for a better idea.

Criteria Considerations:

- How much funding is needed to operate the enterprise effectively?
- Should the business case be improved in order to keep trying?
- Does this proposal put too much at risk?

Summary

Feasibility analysis can be conducted on any business, from developing a commercial property business to an aquaculture business. The amount at risk determines the intensity and thoroughness with which it is conducted. The quality of the information and analysis determines the accuracy of the resulting business case and plan.

Appendix C – Comparing Strategic Investment Opportunities

Comparing Strategic Investment Opportunities

There are a number of ways of comparing strategic investment opportunities.

At a high level, four main factors should be considered. These include:

Factor 1 - Size of Investment

The most important objective in evaluating a strategic investment is to determine if the size of the investment is reasonable compared to its expected benefit. If the investment will require huge amounts of capital to be tied into one investment, then that may not be advantageous for QMFN.

Factor 2 - Goals of Investment

The goals of a strategic investment must be deep and broad. What is QMFN expecting from making the investment? Is it to gain expertise in a particular industry, create jobs for members or simply to generate a good return on investment (ROI)? These should be stated and explicit; otherwise investment appraisals will be done in manner that is not consistent.

Factor 3 - Risks

Above all, the investment must be risk-controlled. There must be a balance between the risk undertaken in the investment and the benefit. If an investment is too risky for QMFN when compared to the benefits that will accrue to the organization, then that should be weighed in its comparison to other strategic investment opportunities.

Factor 4 – Creation of Opportunities

Similarly, a strategic investment must create opportunity, both now and in the future as well as not limit opportunity. It must add to the competitive edge and expertise of QMFN within a particular industry and add new revenue sources.

Many of the risks in assessing a strategic investment opportunity can be minimized by properly assessing the business. The assessment should logically cover most of the factors in the business case or plan, looking at whether the investment is satisfactory in each factor as well as identifying areas that could be improved before deciding to invest.

Assessment of Strategic Investment Opportunities for QMFN

The following checklist and factors can be used in the assessment of strategic investment opportunities.

Assessment of Strategic Investment Opportunities for Qalipu						
Factor	Addressed in the Investment Opportunity	Impact of the factors below have been considered				Overall impact of Qalipu in Pursuing Strategic Investment
		Size of the Investment	Goals of the Investment	Risks	Creation of Opportunities	
Defined Opportunity						
Existing business plan						
Clearly defined product/service						
Clearly defined market segments						
Growing, stagnant or declining market						
Competition – High, Medium or Low						
Barriers to entry						
Business Feasibility						
Advantageous location						
Advantageous site						
Acceptable legal terms						
Appropriately estimated market potential						
Appropriate levels of insurance						
Intellectual property protection						
Full transferability of						

Assessment of Strategic Investment Opportunities for Qalipu						
Factor	Addressed in the Investment Opportunity	Impact of the factors below have been considered				Overall impact of Qalipu in Pursuing Strategic Investment
		Size of the Investment	Goals of the Investment	Risks	Creation of Opportunities	
contracts						
Marketing						
Appropriate image						
Appropriate product/service mix						
Appropriate pricing strategy						
Appropriate distribution channel						
Appropriate promotion techniques						
Effective advertising techniques						
Effective sales techniques						
Operations						
Fixed assets needed						
Space utilization/layout						
Purchasing system						
Quality control systems						
Record keeping systems						
Up to date records						
Clear lines of authority						
Job descriptions						
Management						

Assessment of Strategic Investment Opportunities for Qalipu						
Factor	Addressed in the Investment Opportunity	Impact of the factors below have been considered				Overall impact of Qalipu in Pursuing Strategic Investment
		Size of the Investment	Goals of the Investment	Risks	Creation of Opportunities	
policies						
Salary and remuneration						
Management capability						
Licenses and permits						
Full legal compliance						
Finances						
Level of capital required						
Financial statements						
Healthy key ratios						
Healthy credit reports						
Source of funding						
Qalipu Specific						
Current attachment to industry						
Immediacy of opportunity						
Unique Aboriginal advantages						