



SUMMARY REPORT

Roundtable

**Best Practices in Community/Industry Benefit Agreements
November 15-17, 2016**

Presented by

Long Harbour Development Corporation and the Towns of Long Harbour – Mount
Arlington Heights, Arnold's Cove, Come By Chance, Marystown, Placentia and
Sunnyside.

In partnership with



Co-Chairs Message

Dear STBBI Roundtable Participants,

On behalf of STBBI partners we would like to thank you for your engagement in the recent STBBI Roundtable held on November 15-17, 2017. The overall quality of presentations, the range and depth of perspectives, and most importantly the active engagement of delegates throughout the session, contributed to a very successful conference. Just over 60 people registered for various aspects of the Roundtable, as speakers, presenters, panelists and delegates. Our objective was to share best practice, building capacity for community benefit agreements with industry among local governments. Based on the initial evaluations and feedback we have received, we think we have met that objective.

The Roundtable panel format featured speakers from a range of backgrounds, perspectives and experience. We wish to thank all of our speakers, session presenters and panelists. The session format required a nimble facilitator and we are indebted to Rob Greenwood of the Harris Centre for his active leadership during the Roundtable and his earlier contributions to the overall session format and speakers line-up. We thank as well Josh Barrett for helping to provide a record of the discussions.

We wish to thank ACOA and their staff for their overall support of the Initiative. The partnership of Municipalities Newfoundland and Labrador and its Urban Municipalities Committee help broaden the reach and profile of the Roundtable among municipalities and we thank UMC Chairperson Dean Ball and MNL staff for their support. We also acknowledge the financial support of our various sponsors and as well Vale and KKC for facilitating site access during the STBBI partner study tour on November 15. Without these contributions the Roundtable would not have been possible.

We must also acknowledge the significant role played by our conference organizers in developing and delivering this event. The overall STBBI Steering Committee, and its working group comprising Phil Smith, Chad Holloway and Jennifer Philpott, played a key role. Long Harbour Development Corporation CEO Joe Bennett, who acted as overall Roundtable Chairperson, and Pat Curran of Independent Consultants Group, who acted as Conference Coordinator, enjoy a strong working relationship and believe very deeply in the Initiative – much of the success of the Roundtable can be attributed to their hard work and dedication.

The Roundtable represents more of a beginning than an end to this process. In the coming weeks, STBBI members, along with our partners at ACOA, the Harris Centre and MNL, will consider next steps and how we can build further capacity in this vital area of local governance. We commit to keep all of you up to date on future plans.

Sincerely,

Gary Keating, Co-Chair

Sam Synard, Co-Chair

Background

The Small Towns – Big Business Initiative is a collaboration of municipalities in Eastern Newfoundland clustered in Placentia and Trinity Bays who are working to identify best practices and approaches in industrial development within their communities. Our mission is:

We are small municipalities, hosting big industries, which have come together to explore shared approaches to enhance communities and industry.

Partners

Partners include the Towns of Long Harbour – Mount Arlington Heights, Arnold's Cove, Come By Chance, Marystown, Placentia and Sunnyside. The initiative is administered by the Long Harbour Development Corporation with support from the Atlantic Canada Opportunities Agency.

Shared Themes

STBBI has identified a series of shared themes in relation to major industrial development including:

- Employment
- Infrastructure/Services
- Procurement/Supplier Development
- Regulatory/Policy Environment/Taxation
- Engagement with Industry

Project Activities

In collaboration with industry and government partners, STBBI explores best practices and approaches, building awareness and capacity among community and industrial partners. STBBI has identified the following staged approach:

- Municipal consultation
- Industry consultation
- Best practice/literature review and roundtable
- Development of best practice template and resources for communities and industry

STBBI Roundtable

The STBBI Roundtable on Best Practices in Community/Industry Benefits Agreements was intended to share best practices and lessons learned, building capacity among municipalities in this emerging area of local governance. The Roundtable was held on November 15-17, 2016.

Agenda Overview

The Small Towns – Big Business Initiative Roundtable on Best Practices in Community/Industry Benefits Agreements was held on November 15-17, 2016 at the Delta Hotel in St. John's, Newfoundland. A copy of the detailed agenda is included as **Appendix A**.

Day 1 – November 15

Day 1 was dedicated to STBBI partner communities and featured a study tour of industrial sites at Long Harbour and the Isthmus of Avalon region followed by a working dinner with presenters and panelists. Artist and playwright Agnes Walsh provided a keynote address that emphasized the importance of place and community identity in Newfoundland and Labrador culture and how communities might reflect that unique identity in its relations with industrial partners.

Day 2 – November 16

On Day 2 the Roundtable opened to the participation of all delegates. The session began with a welcome from STBBI Chairperson Mayor Gary Keating followed by greetings from the Government of Newfoundland and Labrador by the Honourable Steve Crocker, MHA, Minister of Fisheries, Forestry and Agrifoods.

Economic Update

Dr. Wade Locke provided an economic update, emphasizing that the province's aging population and increasing level of indebtedness makes dealing with the deficit a significant challenge.

Themed Panel Sessions

The remainder of the morning and afternoon agenda comprised a series of five (5) panel sessions on the following themes:

- Employment
- Municipal Services
- Procurement
- Regulatory Environment/Taxation
- Engagement with Industry

Each panel featured a lead presenter/facilitator along with three (3) other panelist who in turn provided a perspective on the key points raised by the presenter. Each session concluded with Q/A from the floor.

Keynote Address

Day 2 concluded with a dinner and a keynote address provided by Colin Griffith of Colin Griffith and Associates relating to his experience in negotiating community benefit agreements with industry on behalf of municipalities in Northeastern British Columbia and Alberta.

Day 3 – November 17

Elements of an Effective CBA Model

The Elements of an Effective CBA Model session was facilitated by Rob Greenwood and featured a panel comprising the leader presenters/facilitators from the previous days' themed sessions, along with Colin Griffith. Each panelist was asked to share 2-3 key insights that might be featured in an effective CBA model. This was followed by Q/A from the floor.

Tools for CBA Capacity Building

Following the panel session on effective CBA models, the facilitator summarized the input, defining four key themes for planning. The four themes included:

- Theme 1 – Municipal Powers/Taxes
- Theme 2 – Research Company/Region
- Theme 3 – Require Agreement with Plan
- Theme 4 – Regional Coalitions/Governance

Participants were divided into four separate groups to explore the themes more fully and tasked with developing an action plan for each area. A copy of the Action Plan template is included as **Appendix B**. Each group was provide an hour or so to review their subject area and provide an oral summary at the end.

Evaluation

Participants were asked to complete an evaluation while those who had already left were provide with an electronic version of the evaluation form and asked to participate. A copy of the evaluation form is included as **Appendix C**.

Conclusion

Roundtable Chairperson Joe Bennet concluded by thanking all speakers, presenters, panelists and participants for their contribution and acknowledging once again the contribution of STBBI members, ACOA, MNL and Rob Greenwood/Harris Centre and sponsors.

Speakers, Presenters, Panelists and Delegates

Name	Group/Organization	Participant Type
Hon. Steve Crocker	Minister of Fisheries, Forestry and Agrifoods	Keynote Speaker
David Hiscock	Town of Bonavista	Delegate
Betty Fitzgerald	Town of Bonavista	Delegate
Linda Hickey	Town of Wabana	Delegate
Damon Clarke	Town of Deer Lake	Delegate
Michael J. Tobin	Town of Stephenville	Delegate
Ross Houlihan	Town of Torbay	Delegate
Jennifer Philpott	Town of Come By Chance	Delegate/STBBI Partner
Keith Best	Town of Come By Chance	Delegate/STBBI Partner
Kai Bath	Town of Carbonear	Delegate
Julianne Griffin	Town of Happy Valley-Goose Bay	Delegate
Jennifer Lake	Town of Conception Bay South	Delegate
Robert Snook	Town of Sunnyside	Panelist/ STBBI Partner
Susan Khaladkar	Town of Sunnyside	Delegate/STBBI Partner
Sarah McBreaity	Town of Gander	Delegate
Michelle Kelly	Town of South Brook	Delegate
Steve Butler	City of Mount Pearl	Delegate
Jennifer Penney	Town of Paradise	Delegate
Pat Curran	Independent Consultants Group	Coordinator
Norm Collins	Town of Portugal Cove-St. Philip's	Delegate
Jeff Lawlor	Town of Portugal Cove-St. Philip's	Delegate
Christine Carter	MNL	Delegate
Junior Humphries	Town of Labrador City	Delegate
Craig Purves	Town of Labrador City	Delegate
Roseanne Leonard	NLACBDC's	Delegate
Conrad Collier	Grand Bank Development Corporation	Delegate
Paul Pike	Town of St. Lawrence	Delegate
Michael Stacey	Town of St. Lawrence	Delegate
Chris Newhook	Port of Argentia	Delegate
Chad Holloway	Town of Arnold's Cove	Delegate/STBBI Partner
Jeffrey Janes	Stantec	Delegate
Agnes Walsh	Artist/Playwright	Keynote Speaker
Rob Greenwood	Harris Centre	Facilitator
Wade Locke	Memorial University	Keynote Speaker
Colin Griffith	Colin Griffith and Associates	Keynote Speaker/Panelist
Laura Ryser	University of Northern British Columbia	Presenter/Session Facilitator
Mary Shortall	NLFL	Panelist
Lorne Bennett	Pennecon	Panelist
Josh Barrett	Memorial University	Panelist/Recorder
Dean Ball	Urban Municipalities Committee/MNL	Presenter/Session Facilitator
Lori Ackerman	City of Fort St. John, BC	Panelist
Sam Synard	Town of Marystown	Panelist/ STBBI Partner
Wayne Power	Town of Placentia	Panelist/ STBBI Partner

Alvin Simms	Memorial University	Presenter/Session Facilitator
Perry Power	Grieg Seafarms Limited	Panelist
Barry Sheppard	Barry Sheppard Consulting	Panelist
Ed Moriarity	Mining NL	Panelist
Tom Cooper	Memorial University	Presenter/Session Facilitator
Mark Shrimpton	Stantec	Panelist
Leith Deacon	University of Alberta	Panelist
Marilyn Butland	Butland Communications	Presenter/Session Facilitator
Kristof Van Assche	University of Alberta	Panelist
Gordon McDonald	Guysborough County, NS	Panelist
Joe Bennett	Long Harbour Development Corporation	Conference Chairperson
Gary Keating	Town of Long Harbour – Mount Arlington Heights	Delegate/STBBI Partner
Felix Bailey	Town of Long Harbour – Mount Arlington Heights	Delegate/STBBI Partner
Jody Brushett	ACOA	Delegate
Monique Campbell	ACOA	Delegate
Nancy Robbins	ACOA	Delegate
Vivian Smith	Port of Argentina	Delegate/Sponsor
Nena Abundo	Department of Natural Resources	Delegate
Ian Farrell	CAP - MS	Delegate/Sponsor
Craig Moore	CAP - MS	Delegate/Sponsor

Keynote Speaker Presentation Overviews

Agnes Walsh



Arts and Community Identity

Agnes spoke of the small town that she grew up in (Placentia) and how it is different now. She shared how growing up in that small town influenced her and encouraged working in the arts in rural Newfoundland. She considered how place and language inform people. And how cultural identity forms pride of place and in turn how pride of place makes for a strong community. She spoke of the feel of a company town as opposed to a town with a strong identity. The arts also include oral history, genealogy, and social commentary and build an awareness of environmental issues without preaching. She also shared some of her own writing and that of noted Newfoundland author and humorist, Ray Guy.

Wade Locke

Economic Update

Dr. Wade Locke provided an economic update, emphasizing that the province's aging population and increasing level of indebtedness makes dealing with the deficit a significant challenge. Dr. Locke suggests



that while one can legitimately debate what the appropriate way is to deal with the fiscal problems we are now facing, there ought to be no debate that we are facing serious problems. This includes the fiscal problem and an aging and declining population. It may be difficult to meet the deficit targets but, as ambitious as they may be, these only get us to a point where debt stops accumulating. It does not lower our indebtedness. It is equally important to recognize that the best way to deal with an expenditure problem is to address your expenditures directly. It is easy to be critical of how any particular person deals with a problem, but it is not helpful if there are no feasible alternatives offered. The problem belongs to all of us and we all need to share in the solution! Even though people seem recognize the current fiscal and economic

circumstances, it seems that we, as a province, have not fully appreciated just how difficult the solution will have to be and that waiting may make the adjustment costs more unmanageable. There is hope with the offshore and that oil prices will rise, but these are medium to longer term and we do not know by how much they will rise and for how long. Yet, we do need to do something now and the political will and social acceptability does not seem to be there. He concludes with the suggestion that now might be a good time for a Royal Commission on Health Care and any vision statement for the province needs to have a firm grounding in the economic and fiscal realities of the province. A copy of Dr. Locke's full presentation is included as **Appendix D**.

Colin Griffith

Best Practices in Community/Industry Benefit Agreements

Colin Griffith placed his experience in Northeast BC in context, providing some background to the region he has worked in. He placed the issue of community benefits in a broader range of globalization and



neo-liberalism that emphasizes free market principles away from the public sector, including that of local governments. He shared the experiences of Fort St. John in initial negotiations and how a broader regional coalition has merged to push for broader regional benefits. He highlighted what those agreement have meant in terms of additional resources for Northeast BC municipalities. He summarized the challenges local and regional government face as a result of industrial development and cited Fort McMurray, Alberta as a community and region that has been unable keep pace with the social, infrastructure and development pressures arising from heavy industrial development. A copy of Colin's full presentation is included as **Appendix E**.

Theme 1 Employment

This session considered how to address expectations of local hiring and employment, including among sub-contractors during the construction and commissioning phases of development, training and job readiness for new industry, building trade agreements and the role of labour and collective bargaining.



Theme Presenter/Facilitator - Laura Ryser, University of Northern British Columbia.

This roundtable explored the complexities of responding to both local and mobile labour issues in communities and rural regions that have large-scale resource development projects. To set the foundation, we introduced a continuum to establish the range of employment issues that need to be, considered during exploration, construction, operations, and closure. Three topic areas covered included education and training, recruitment and retention strategies, and workplace policies that need to be in place to support that workforce.

Education and Training: To start, we posed the question: how are we creating better pathways for people to seize job opportunities created from large-scale industrial projects? There are several opportunities to improve coordination from high school to post-secondary through to industry. But are we considering the breadth of education and training needed to support that workforce? Technology used by industry also changes rapidly; making equipment and infrastructure used to support training outdated. As such, do our post-secondary institutions have the resources and capacity to address these needs? And lastly, how are we preparing people to transition from training to employment by strengthening apprenticeship programs and introducing workers to the realities of shift roster cycles and associated lifestyles?

Recruitment and Retention: Recruitment and retention issues can vary tremendously, but may involve job security, salaries, benefits, advancement, education / training, roster cycles, safety, physical work site conditions, positive workplace policies / protocols, distance to staging areas, supports for commuting, accommodations, nutrition, access to physical and mental health services, and cost of living. Beyond this, we consider strategies to improve broader participation in industry and to connect workers with housing, supports, and amenities. We also consider how the recruitment and retention strategy for industry workers affects other sectors in the community.

Workplace Policies: Workplace policies can also affect recruitment and retention, and the employment benefits accrued for local and regional workers. In this case, we consider approaches to allow workers to gain experience working with different contractors and to connect them with different components

of construction, operations, etc.; thereby better positioning them for future opportunities. We also explore attention to workplace policies to support that workforce and remain competitive to recruit and retain labour (i.e. fatigue management, mentors to adjust to shift rotation lifestyle, communication / conflict resolution, performance reviews, consistent management protocols, cultural sensitivity training, etc.). Lastly, we consider how staging areas and related workforce policies affect local / regional employment and related business opportunities.

Panelists were asked to consider what the legacy of employment should be to better position the competitiveness and long-term vision for the region. A copy of Laura's presentation is included as **Appendix F**.

Panelists - Highlights



Mary Shortall, Newfoundland & Labrador Federation of Labour (NLFL)

Mary suggested people need link employment back to socio-economic analysis and reconsider what are community benefits. There is a need to look at things from a different lens and consider all of these issues from a holistic perspective. The first priority in assessing community benefit agreements is to engage the broader community, including all stakeholders. It is never too early to plan.

Major industrial developments also have implications on social issues and service demands such as affordable housing, health care and so on. The emphasis must be on support for local people while addressing diversity and equity issues, including women and the aboriginal community.



Lorne Bennett, Pennecon Limited

Lorne emphasized three key areas: Planning, Communications and Patience. He recognized the need for protocols and best practice approaches. In the construction phase of major projects, the onus is on the contractor/owner to get the work done. Their focus is on efficiency, cost effectiveness and company brand. Planning is very important and helps define and manage expectations. Discussions on equity and employment should take place up front and companies should be able to present job profiles and requirements as early as possible.

On the part of the community, they need to be organized and act as a single point of contact for community resources such as local labour market information. In terms of an "employment legacy" we should aspire to two things – a culture of communications and transparency and creating an ongoing framework for dialogue. There is a need to define quality work, productivity and metrics.



Josh Barrett, St. John's Young Worker's Committee

Employers are looking for more diversified skills with technological experience versus a particular skill set. Some suggest recruitment is not a big issue.

Management indicate that retention can be difficult, especially where people are commuting from the St. John's area to the Avalon Isthmus. If the commute is difficult, why not move closer to the worksite? Are there amenities that would be required in order for a worker to consider relocation? One third stated that nothing would entice them to relocate closer to the facility. Employment

opportunities for spouses and opportunities for schooling for their children were identified as key factors in the decision-making process. Communication is important between the company and the host community. Companies should provide an appropriate space where residents feel comfortable sharing perspectives, and that these perspectives are valued. Similarly, the community must be explicit in their "ask" to the company.

Q Can you provide a good example of best practice?

Laura cited Kitimat, BC as a good example in relation to their mill closure. A community contact committee was established to facilitate adjustment issues. Mary reinforced the need to bring stakeholders together and referenced an impending Private Members Bill in House of Commons regarding requirement for Community Benefit Agreements. Lorne highlighted Pennecon's relationship with the Innu on labour and procurement that featured a focus on planning and communications and a standing committee that acts as a liaison with the community.

The focus must be on commuting population and labour mobility and need to engage the family, worker and community. There may be trade-offs on labour versus other community benefits, for instance infrastructure.

Q What are some considerations on time lines and the planning horizon?

Three stages cited including planning, construction and operations, each with their own requirements.

Q How do we deal with these phases and meeting expectations within each?

There may be a place for labour mobility depending on the stage of development.

Q Is there a template for CBAs in Newfoundland and Labrador?

The approach appears ad hoc and varies on theme, for instance labour agreements are generally quick and fast but other areas not so much so. There are principles accepted but it does not extend to local area needs or requirements.

Theme 2 Municipal Services

This session explored the role of municipalities as ‘hosts’ for big business including the municipality as a supplier of services i.e. water, sewer, transportation, realistic costs for services in terms of additional demand on municipal infrastructure, investment in new infrastructure and services to facilitate/support industrial development.



Theme Presenter/Facilitator - Mayor Dean Ball, Urban Municipalities Committee

This session will outline the services that municipalities supply to industry, businesses and residents every day in our province. Water and sewer, fire protection, waste management, roads and other infrastructure, are key services required to attract new industries and to service existing ones in our province. Municipalities are being faced with many challenges in continuing to provide

such services. Rural economic erosion, limited taxation power, succession planning and urgently needed improvements to basic municipal infrastructure are just some of the critical issues the sector is facing. There are challenges, but there are also solutions being sought through current initiatives with regional government, legislative reform and fiscal renewal of the sector. A copy of Dean’s presentation is included as **Appendix G**.

Panelists - Highlights



Mayor Sam Synard, Town of Marystown

Sam asked how to support business start-up and retention? Talked about the history of business in Marystown (fisheries, no fisheries, cow head site, no longer there, now aquaculture). He highlighted Marystown’s approach to an exit survey following a major project, determining how the Town did in meeting industry’s requirements. These findings in turn guided future investments in infrastructure and services. Community Benefit Agreements have been ad hoc and largely based on personalities involved, both within the Town and the industry. Sometimes the negotiations have been challenging while in others, millions of dollars for a CBA can be ironed out in a 15 minute conversation. The Town has not hesitated to use its legislative authority to tax and provide service to accomplish its CBA objectives. Despite this success, there is a need for a firmer template and approach.



Mayor Wayne Power, Town of Placentia

The Community Benefit Agreements process has been ad hoc, is personality based, and revolves around making sure you are getting the best for your community. A CBA template, providing a more consistent approach to discussions, is required. Often previous arrangements form the basis for future ones. Community expectations are always higher than what the company is prepared to provide. There is a need to provide services for the project. This requires balancing industry requirements with that of the community, ensuring that industry needs are met while providing appropriate services for the

community.



Mayor Lori Ackerman, Fort St. John, BC

Fort St. John is one of 4 communities north of the 55th parallel. Average age is 30. Research and development in the community. There is a difference between community and project - community will be here long term while projects have a start and end date. Any agreements must be legally binding and she referenced their Community Measures Agreement (CMA) which is perhaps a model for BC and possibly for Canada. She referenced as well the regional Legacy Agreement, the significance of regional collaboration and a consensus among regional partners on a sharing formula. A tangible asset management

plan is important. List of priorities when dealing with industrial development that Lori has worked with is a public document and can be made available. Bottom line is that it is important to address the future needs in a community when putting together a CBA; building a community foundation for the CBA. It's vital to have quantifiable data when you go to the collective bargaining as many companies do not consider the social impacts. If you can prove that 30% of workers suffer from mental health issues, it is an argument for them to provide mental health services.

Q How do you balance investment in core services versus investments in positioning a town for industrial development?

Agreement among the panel that that investment in core services will always win out over ancillary and other services/investments. The key is to place these in broader strategic context, incorporating those investments within long term economic development and capital plans.

Q BC Hydro is a Crown Corporation. Who/what brought them to the table to negotiate the agreement?

Communities in Northeastern BC collaborated on preparing a well-documented/researched position and applied pressure throughout the Joint Review Panel (JRP) and Environmental Assessment process, utilizing the existing regulatory and legislative framework to make a compelling case for an agreement on community benefits.

Q How do towns deal with term agreements when that money (tax revenue/grant in lieu) may disappear?

A risk you always take. Key is to not utilize those resources to offset operating costs and service delivery, rather apply those resources toward investment in sustainable capital and infrastructure expenses.

Q If you have an investor looking at your community, who leads the process and what is the relationship with the provincial government and others?

In Fort St. John, the City leads. Their investment attraction activities and CBA process requires little or no engagement from the province – you do not need them! To lead the process, hire good people – “Rock Stars”. The emphasis in Marystown has been on personal leadership and building relationships. Those leading the process cannot suffer from low self-esteem.

Q When you get grants in lieu, does it increase pressure to lower taxes?

Yes and no – most try to put such resources into capital funds and projects, not operating expenses.

Theme 3 Procurement

This session identified the importance of nurturing local suppliers and how best to encourage local procurement and local supplier development. Consideration is given to partnering for success by matching local companies with possible service providers to maximize procurement opportunities.



Theme Presenter/Facilitator - Alvin Simms, Memorial University

Within the procurement domain of an enterprise the objective of a supply chain assessment is to ensure that the inputs purchased adds value to the output. Geo-spatial and regional economic analytic tools make it possible to dig deeper into supply chain data to search for savings and efficiencies. In many cases the technology aspect of input-output models can be used to derive multipliers to construct local, regional, provincial and external valued supply chains. These chains are based on the required inputs to operate or produce outputs within any sector of an economy. Furthermore, this type of modeling can deal with an entire economy simultaneously (e.g. province, Atlantic Provinces).

When constructing supply chains for an entire economy that drills down to the community level the outcome is “big data” that is complex in structure and multi-dimensional in content. Given the prominent role these chains have in an enterprise’s cost structure and profitability a system modeling approach is required whereby the resulting supply chains are used in regional economic analytic tools to search for a competitive advantage and impacts for individual industries.

Within this context the connectedness of an economy's supply chain are used to drill down and examine local, regional, provincial, national as well as inter industry linkages and related geographic spillover effects. The premise for this type of analysis is that by through drilling down in these complex datasets it becomes an exercise in the predictive nature of impacts rather than a reactive view of the data. This approach provides a platform for evidence based planning in both the short and long term. The outcomes can be based on existing economic conditions as well as what if scenarios for future planning.

The presentation will present case based outputs to demonstrate how supply chain analysis and economic impact models can be used to inform on geographic spillover effects, value to a local economy, estimate number of jobs, identify industry clusters and their supply chains, impacts of adding or removing enterprises as well as the ability to identify benefits, gaps and growth factors in a regional economy. A copy of Alvin's presentation is included as **Appendix H**.

Panelists Highlights



Ed Moriarity, Mining NL

Resource developments are based on a global context, what we can do on a local context is based on this. Mining companies operate internationally and do so on basis of commodity prices and cost etc. There is always a necessity to reach out to local communities – there are many operational requirements at the various stages of development including exploration, development and operational phases. Opportunities exist in import substitution on production inputs. Best advice would be to get to know the companies and have an opening dialogue. Find out what companies need throughout the project life cycle and phases of a project. There is a role here for local governments, chambers of commerce, industry associations and others.



Barry Sheppard, Barry Sheppard Consulting

Local communities and businesses have a right to expectations for local benefits but they have an obligation to offer solutions. It is important that local companies understand and know their business costs and margins and how they might compete in the supply chain. Companies must offer alternatives but not get in over their heads, ignoring existing supply chains and current clients. Companies must focus on figuring out where they fit in however they can expect challenges. Project purchasing managers are sometimes brought into the province from other international projects and move on again mid-project, before getting used to the local business capabilities and before local businesses can get used to dealing with them. The need to focus on building effective networks and relationships. Project procurement requirements need to provide more information. In many instances the willingness (by local SMEs) is there to want to participate, but the investment gap is large for them. Sometimes they not willing to invest in preparing to pre-qualify by implementing quality, health and environmental policies.



Perry Power, Grieg Seafoods

Grieg emphasizes opportunities with processing and full utilization as opposed to shipping out the resources to be processed elsewhere. There is a need for a good assessment of the opportunities – asking the necessary questions and doing good research. Partnerships with the company and communities are important. The scale of the development provides considerable opportunity for supplier engagement on either large or small scale – from barges to catering.

Q How do we approach larger companies?

There is a need to develop local linkages and build networks.

Q Who leads and what is the local region?

In terms of leadership, could be chambers of commerce or local governments. Local should be considered as small “l”. Ultimately it depends on the input that is required. From an infrastructure servicing perspective, it is the local municipality. For labour, it could be the commuting region within a 50-60 kilometer radius or a 45-50 minute drive. For supply chain requirements, it could be any regional scale.

Q How do we as a town take leadership or is this best approached as a region?

There is a need to reflect on local capacity and that can most often be best done collectively, as a region. Participants were encouraged to check out www.supplychainconnector.ca. There is a need to focus on building networks. Leadership here must be from the ground up, not the top down.

Q How important is adjacency?

Adjacency to the project is important however one should also look beyond the primary project to other opportunities associated with the project as there may be elements where adjacency is not as great a factor in the supply chain.

Theme 4 Regulatory Environment/Taxation

This session reviewed the current legislative and policy environment in support of community benefit agreements, past industrial benefit agreements, the socio-economic aspect of the **environmental** assessment process along with the authority of municipalities to establish reasonable taxation and fee structures for new industry.



Theme Presenter/Facilitator - Tom Cooper, Memorial University

The term “benefit agreements” is very broadly applied. It can mean agreement with Aboriginal nations with asserted land claims, industrial benefit agreements with countries, regions, companies, municipalities, as well as a broad range of stakeholders and community benefit agreements – ex. land development/good neighbour agreements. Some community/industry benefit agreements are legally binding, some are not, and can be applied across a wide range of industries. As there is no clear definition of what a benefit agreement is, this creates concerns especially from the perspective of regulation and taxation. For smaller communities and municipalities, it is uncertain what to consider in deciding community/industry benefit agreements specifically around impact and scope. For example, should regulation just be at a community level or should it be done regionally? What would be an appropriate taxation model? Should community/industry benefit agreements differ from a regulation and tax perspective especially when looking at specific projects and/or industries?

At its core, a benefit agreement is what it says: there is some sort of benefit that accrues to both sides – the what, why, who, where and when are left to be negotiated. Regulation and taxation have to benefit both sides but also have to be negotiated. How the agreement is to negotiated needs to be considered by both government and industry. Questions emerge as to what level(s) of government should be involved in the negotiation and how the agreement will be regulated. Moreover, most benefit agreements could be widely classified as an offset agreement; there is precedence in this legal concept and good practice can be followed. Yet each country, province, or even community is unique and will have their own perspective on how to develop community/industry benefit agreements. Specifically, taxation and regulatory issues pose a myriad of strategic questions both for industry and communities developing community/industry benefit agreements.

Questions emerging from a regulatory and taxation perspective that may emerge in developing community/industry benefit agreements include:

- Who should be part of the agreement?
- How should administration and implementation costs be addressed?
- What will be the process of communications – information requirements, reporting, contact persons, protocols?
- What is the best approach to address financial accommodations, revenue sharing and taxes?
- How should business, employment as well as community benefits be addressed and managed?
- What is the best process around regulation, enforcement and dispute resolution in developing community/industry benefit agreements?

These questions, as well as good practice around regulation and taxation, will be explored in the panel session as part of the best practices in community/industry benefit agreements. A copy of Tom’s presentation is included as **Appendix I**.

Panelist Highlights



Mark Shrimpton, Stantec

The Environmental Assessment (EA) process is not geared toward positive impacts but negative impacts. It is also a one-time process – once it is done for project sanction and approval, there is little requirement for reporting. There is a need for management plans and processes geared toward set outcomes. Socio-Economic Impact plans in BC are comprehensive and look at both sides.

Generally, overall approaches seem to be getting better – a function of an emerging awareness of the relationship of industry to the broader community context. It is important to be armed with research and a good understanding on what is valued and a reasonable expectation on what you may get. When you are negotiating with the company you are also indirectly negotiating with the province. Offshore IBAs are provincial in scope and “local” is defined as 50km. The Vale IBA defined levels of benefits – Innu nation and Nunatsiavut, Labrador, the remainder of the province and Canada. There has been some documentation regarding the Hibernia project and benefit planning at the Bull Arm site. Could use that as an example/precedence when negotiating? Question to be answered is benefits for “whom” – it is a challenge we need to discuss.



Colin Griffith, Colin J. Griffiths and Associates

It is difficult to get information on what the impact on the community or province will be. Templates are needed for CBAs, yet it is difficult to come up with one that is appropriate. Provincial government approaches are not rigorous in terms community-based industrial requirements. Communities end up face to face with industry and often do not have the capacity to meet the challenges faced by industry. A regional approach to issues is important. There is a need to utilize regional capacity and to deal with issues collectively within regions. Local

governments must step up and “know their enemy” – regional collaboration is key and local communities should not expect the province to address your problems or needs.



Leith Deacon, University of Alberta

Each community is unique. The key point on community resiliency is that there is little continuity in approaches between towns - what works for one community may not work for other communities. Because of these differences it is important to work together. Competitiveness in resource communities is often stronger than their desire to collaborate and regional collaborative approaches become inherently “political”.

Q What is a reasonable value for a CBA?

It depends. There is a need to understand the comparable, either provincially or by industry. All CBAs should be predicated on access to information. The better prepared you are, the better prospect you have.

Q How can we consider the need for regional collaboration further?

The challenge is in defining the region and in understanding that some communities may not be interested either a) the discussion or b) a collaborative approach.

Q Are CBAs similar across the country?

It is important to use comparative research across multiple jurisdictions. By understanding the contextual differences, we can define similarities, strengthening overall CBA approaches.

Theme 5 Engagement with Industry

This session provided a glimpse into the challenges of community engagement with industry and the importance of maintaining effective and ongoing communications. It considers the issue of continuity and the need for both partners to clearly articulate needs and expectations.



Theme Presenter/Facilitator - Marilyn Butland,
Butland Communications

Understanding/misunderstanding Industry: Who's leading the charge? Who comes first? What are they trying to do? What's the plan? Managing Expectations: What does a community want? Need? Why should industry care? Impact and Benefit Agreements: What to ask for? Jobs? Contracts? Investment? Royalties? Why they work, and when they fail. Real Engagement: Who's talking? Who's listening? How to make and keep good conversations and connections.

We need to ask: How can an industry / company be better understood? How can a community make its case? What are some of the best agreements that instilled engagement? What are some of the best engagement experiences? A copy of Marilyn's presentation is included as **Appendix J**.

Panelist Highlights



Mayor Robert Snook, Town of Sunnyside

Sunnyside had little input into what happens in Bull Arm. By the time they were introduced decisions were already made. During the period between the completion of Hibernia and the commencement of the Hebron project, the Bull Arm Development Corporation negotiated with the fire department directly and paid \$600/month. At the outset of the Hebron project, the Town and Exxon Mobil entered into a fire and emergency services agreement while the company ramped up its own fire and emergency service capacity at the Bull Arm site. This agreement, which the Town understood to be for the duration of the project, was later cancelled by Exxon Mobil exercising a 30 day notice clause once their own capacity was operational.

Exxon was once asked “do you see a legacy from this project?” The response was that they were here for a project, not to build communities. A report was prepared on the communities that would be impacted by their development, and while St. John’s, Clarendville etc. were mentioned, Sunnyside was not. Town tried to amend boundaries to incorporate development – government said “no”. Sunnyside’s experience is that you do not always get what you are promised.



Gordon MacDonald, District of Guysborough, NS

The best tool the district used was the land use planning process, allowing you to engage the community. It is important to understand your assets, physical and otherwise. The district built its capacity through/after regionalization, changing out the governance and management structure with an emphasis on professional management and governance. The district’s approach to industrial engagement is based on their ownership of the industrial land, generally optioning land and releasing land as per agreed milestones. Residential and commercial assessments are both up over the past number of years. There is a need to focus on other than simply providing core services – role of municipalities must focus on economic development opportunities.



Kristof Van Assche, University of Alberta

The starting point of analysis has to be governance - who are the players and what are the tools of coordination for industry engagement? It is important to know the industry, know yourself and know the strategic situation. In terms of an engagement strategy, think of levels and time horizons. Engage players in multi- level governance, including province. Think of both tactics and strategy, both short and long term. Strategy can be adaptive, but very different from having no strategy at all. Consider the strategy tools available: resources, institutions, policies, plans and laws. Consider who and what is driving and framing narratives in the community: are they helpful and assets to build on and build into strategy or are they hindering

development and dealing smartly with industry? Ask yourself does this new opportunity undermine or reinforce the traditions we value; can we use the strategy to handle this situation and shift it to the positive side, the reinforcing of traditions and building on assets. The perfect tool does not exist, only in the context within which it operates.

Q Are they different ways to do things?

Push municipal legislative boundaries. Form new relationships and regional governance structures. It all starts with understanding your own situation and circumstances and from there, determine whether a particular approach might work.

Q Why did government say “no” on boundary amendment for Sunnyside?

Government felt the request was a “tax grab” on the part of Sunnyside. Government also forced the closure of the Sunnyside landfill, limiting potential revenues from adjacent development even further.

Q How do you ensure continuity in engagement?

Ways to ensure continuity include keeping good records, tie things back to the agreement, share – this works both ways.

Elements of an Effective CBA Model – Panel Discussion



Panel Facilitator – Rob Greenwood, Harris Centre

Rob Greenwood facilitated the Elements of an Effective CBA Model panel, asking participants to highlight 2-3 key areas or points that should be considered in a community benefit agreement or next steps that might be undertaken. Panelists included the lead presenter/facilitator from each of the themes sessions on Day 2, along with Colin Griffith. Panelists were given 7-10 minutes each to present their perspective, followed by discussion from the floor.

Panelist Highlights



Marilyn Butland

Know the company – go to the website do research. Go to their established worksites, wherever they are in the world. Connect with the mayors and local officials involved. Make CBA a requirement and embed it. Form a coalition – go to the table with others. Connect with like-minded communities and lobby together



Tom Cooper

Who is the lead for negotiating? Who will take the lead in the future – ensure continuity. Who are companies engaging with? A region? A community? If there is no point person, the company will go to the provincial government. Know what you want. Important to have these plans. Who is going to maintain the infrastructure? What does it mean for operations for communities? Compliance and monitoring - once agreement is in place, how do you make sure things will follow through? Build capacity - look at toolkits, previous best practices, including those for a particular context.



Alvin Simms

Know your company and be predictive rather than reactive - important to know the data. Look at the company and the supply chain - are there local opportunities at the outset as it is harder to break into existing supply chains. Consider the scale of the project and the competition, companies want to lower costs. What is your place in the supply chain? Hard to get into existing supply chains. Do you have the skills and capacity to get in the game?



Colin Griffith

Property tax is typically the key revenue for municipalities. Much of the dealings with businesses is a property tax issues, not a grant in lieu issue. Industry should be paying property tax wherever you go, whether inside municipal boundaries or outside. In the case of BC they have utilized a regional tax pool – money goes back to municipalities using a specific, agreed formula so the region benefits. There must be no losers – all the boats must rise.



Mayor Dean Ball

Water and sewer, fire protection, waste management, roads and other infrastructure, are key services required to attract new industries and to service existing ones in our province. Need policy/template/formula on grants in lieu.



Laura Ryser

Opportune time to revamp policies and tools we have in place, especially in downturns. Education needs to be revamped so people have the skills to better negotiate with government. How we present information – losing money per year because of this particular issue; argument to make community programs, etc. to mitigate this.

Tools for CBA Capacity Building/Next Steps

Rob Greenwood summarized the feedback from the panel discuss into four separate planning themes including:

- Municipal Powers/Taxes
- Research Company/Region
- Require Agreement with Plan
- Regional Coalitions/Governance

Working groups were tasked to explore each theme more fully, identifying the priority, why it is important, 2-3 action items that might be part of a CBA toolkit or a possible next step in the capacity building process and the deliverable at the end of the priority.

Municipal Powers/Taxes

Discussion Point Summary

- Entitled to tax powers, within boundaries or not
- Revenues based on assessed values x mil rate
- Establish Regional Tax Pools – distribution formula for participating municipalities
- Regional Coalitions
- On Provincial Government, make clear you will fight hard
- Industry will support you
- Downturns provide time for municipalities to review plans and approaches, i.e. zoning etc.

Report Back

What is the priority? Improve the level playing field of small towns, and strengthen their voice to engage with industry and senior governments.

Why is it important? As above

Action	Who leads (leadership)?	Other supports (resources)?	When (timelines)?
Mil Rate – not grants in lieu	Municipalities		Short term
MOUs	Economic development corporations, councils	ACOA Sample MOUs needs to be reflected in the “Tool Kit”	Medium term

Regional Tax Pool	Province needs to mandate towns to pursue this	Resolution at MNL Province must give towns the leverage to go to industry Authority needs to be in the “Took Kit”	Longer term
-------------------	--	---	-------------

Deliverable Broader and fairer taxation powers.
Prohibit grants in lieu – property tax or else.

Research Company/Region

Discussion Point Summary

- Templates, principles already exist, i.e. aboriginal, Australia
- Do not reinvent the wheel – check out CBA online/adapt to here
- Context matters, i.e. remoteness, capacity
- Prepare inventory of grants in lieu, establish check lists, info on companies
- Research websites – know the company
- Visit their operations, meet/reach out to municipal counterparts there
- Do homework
- Profile companies/use big data
- Understand supply chain dynamics
- Scale regions to meet different needs, i.e. procurement, amenities, labour etc.
- Align with industry requirements, i.e. daycare, housing etc.

Report Back

Action	Who leads (leadership)?	Other supports (resources)?	When (timelines)?
Municipalities review/update plans/map assets	Municipalities	MNL	
Web tool to assist planning and evaluate opportunities	MUN/RANLab	MNL	
Municipalities develop site selector documentation	Municipalities		

Research companies	Municipalities	Industry associations, EDAC, other host communities internationally	
MNL Resource webpage	MNL		

Require Agreement with Plan

Discussion Point Summary

- Develop a plan – what we want/need before getting into negotiations
- Formalize strategic thinking
- Determine operational risks of company setting up/impact on core and other services
- Define legacy – who maintains programs and infrastructure when company leaves?
- Define financial risk during scale up and scale down
- Agreement becomes a requirement
- List areas for investment
- If government is funding a project, make that a requirement
- Build a model
- On compliance, do not let agreements sit on the shelf
- Set long term goals, 25+ years
- Monitor
- Allocate resources and expertise

Report Back

What is the priority? Create an early stage “plan” that is a “living document”.

Why is it important? To protect the interests of the community/region.

Action	Who leads (leadership)?	Other supports (resources)?	When (timelines)?
Early relationship building	Municipalities, region and other groups	CoC's, CBDCs	As early as possible in project cycle
Create the plan/negotiate the plan	Municipalities, region and other groups	Municipality/region	Phase 2
Work the plan	Municipalities, region and other groups	Municipality/region	Life of project

Evaluate the plan	Municipalities, region and other groups	Municipality/region and community	End stage of project
-------------------	---	-----------------------------------	----------------------

Deliverable Provincial Benefit Agreement to include recommendation to build in Community/Regional Benefit Plan.

Regional Coalitions/Governance

Discussion Point Summary

- Coalition with neighbouring communities
- Form an accords
- Companies like certainty and clarity on what they have to do – some companies will avoid locating if there is uncertainty
- “Viking Trail Tourism Accord” a possible model
- Governance – personalities help – hard work toward common interests
- Need to define who is the “Community Contact”, i.e. EDO, CBDC, other?
- Determine lead/keeper of best practices
- Identify expertise in community/region
- Universities – need to revamp programming to emphasize planning and rural/remote realities on how to deal with industry

Report Back

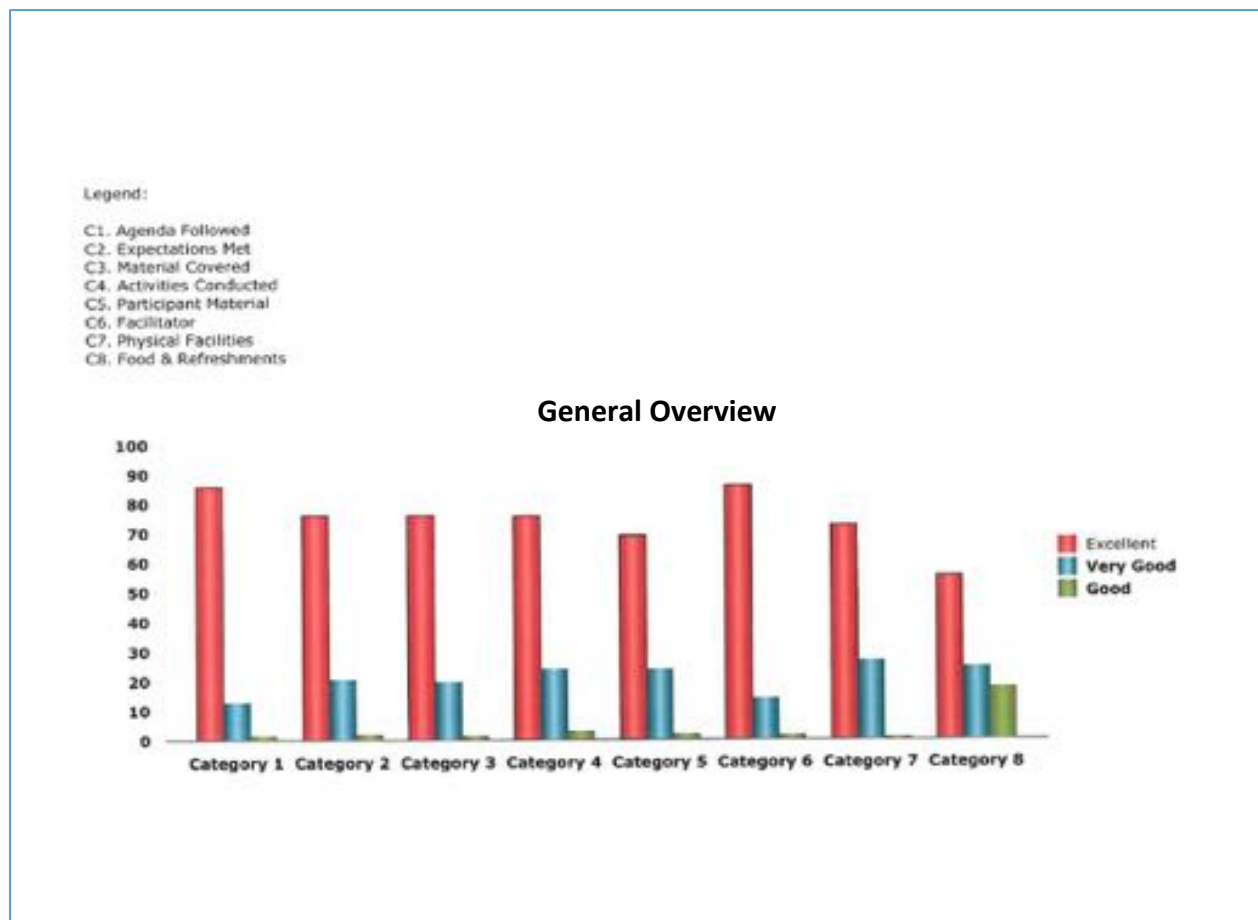
What is the priority? Explore collaboration.

Action	Who leads (leadership)?	Other supports (resources)?	When (timelines)?
Identify potential region/functional region	MNL Provincial Government	STBBI Consultant CBDC	Immediately
Identify best model/framework	Harris Centre	Department of Municipal Affairs	
Identify resources for mapping assets tool and site selection	Self-identify	Government/ACOA	

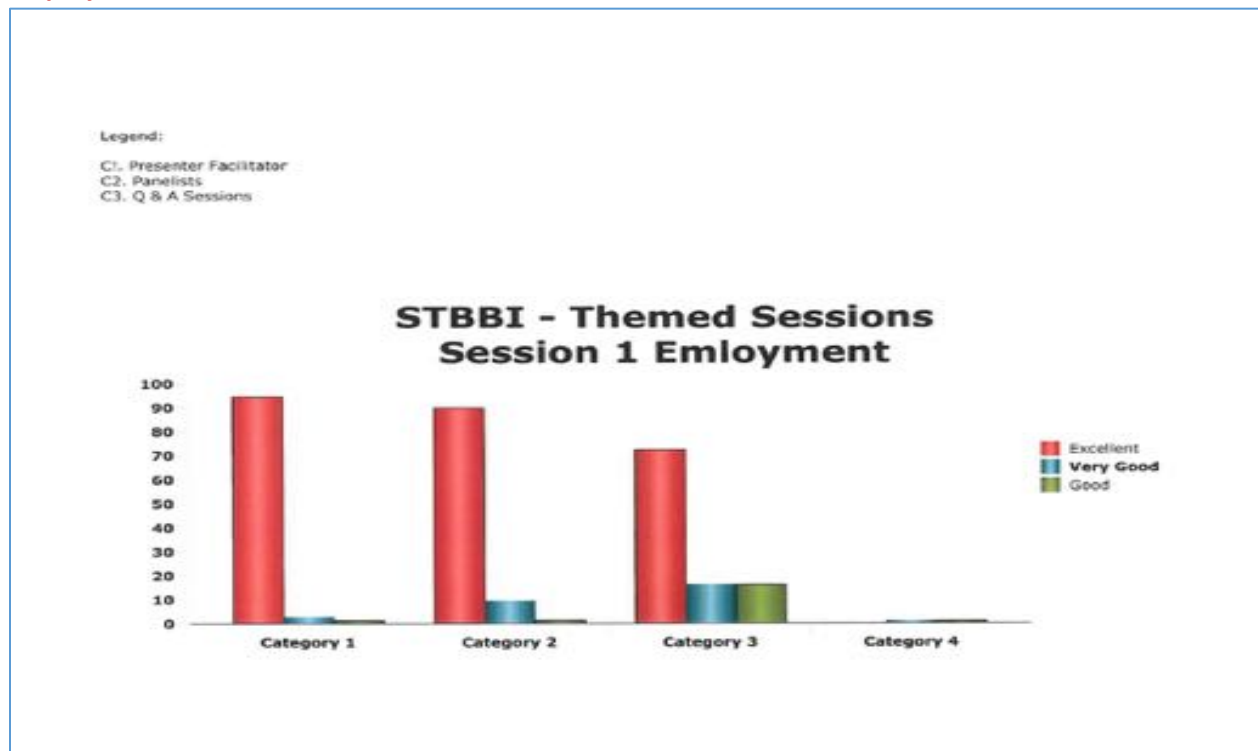
Evaluation

Participants were asked to complete an evaluation while those who had already left were provided with an electronic version of the evaluation form and asked to participate. A total of twenty nine (29) evaluations forms were submitted. Participants were asked to provide feedback on the overall Roundtable itself, each of the Theme sessions, the Elements of an Effective CBA Panel, the Break-out session on CBA priorities and as well, any other input on what might have been done to improve the sessions. Participants were asked to rate the effectiveness of each component of the Roundtable with “5” being excellent and “1” being poor.

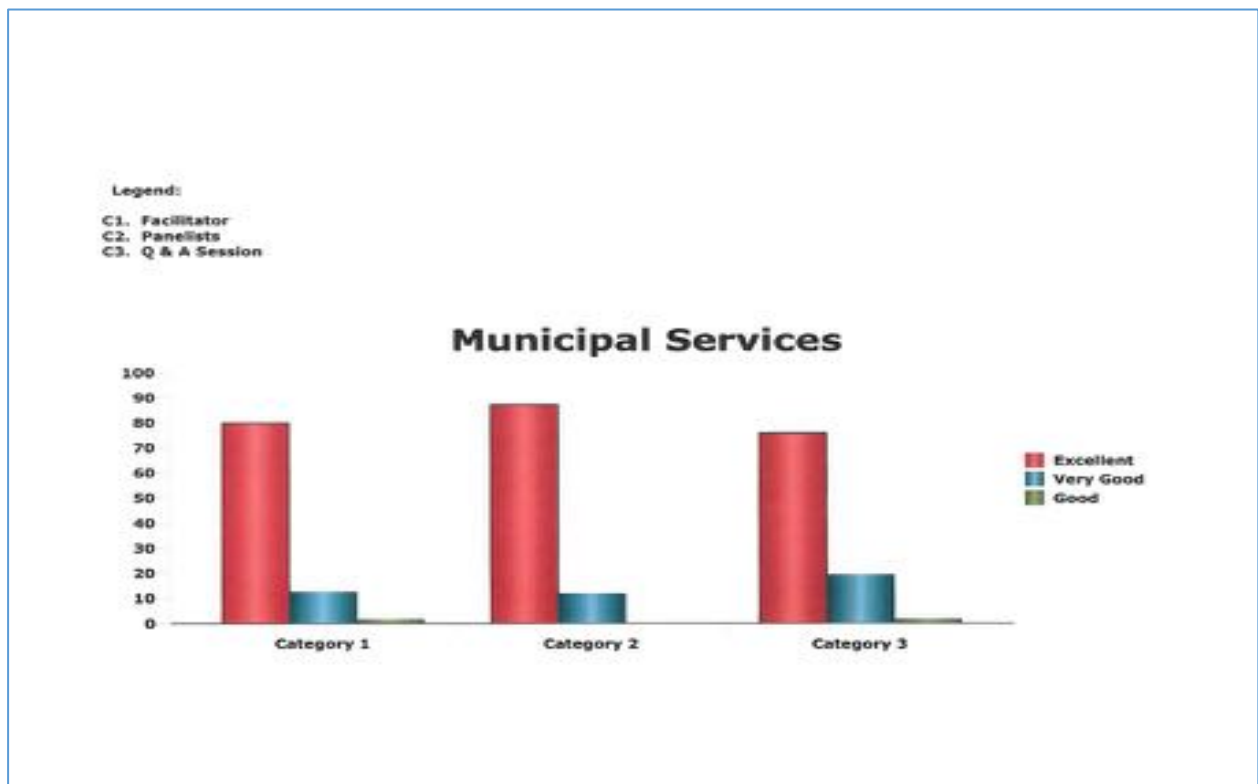
General Overview



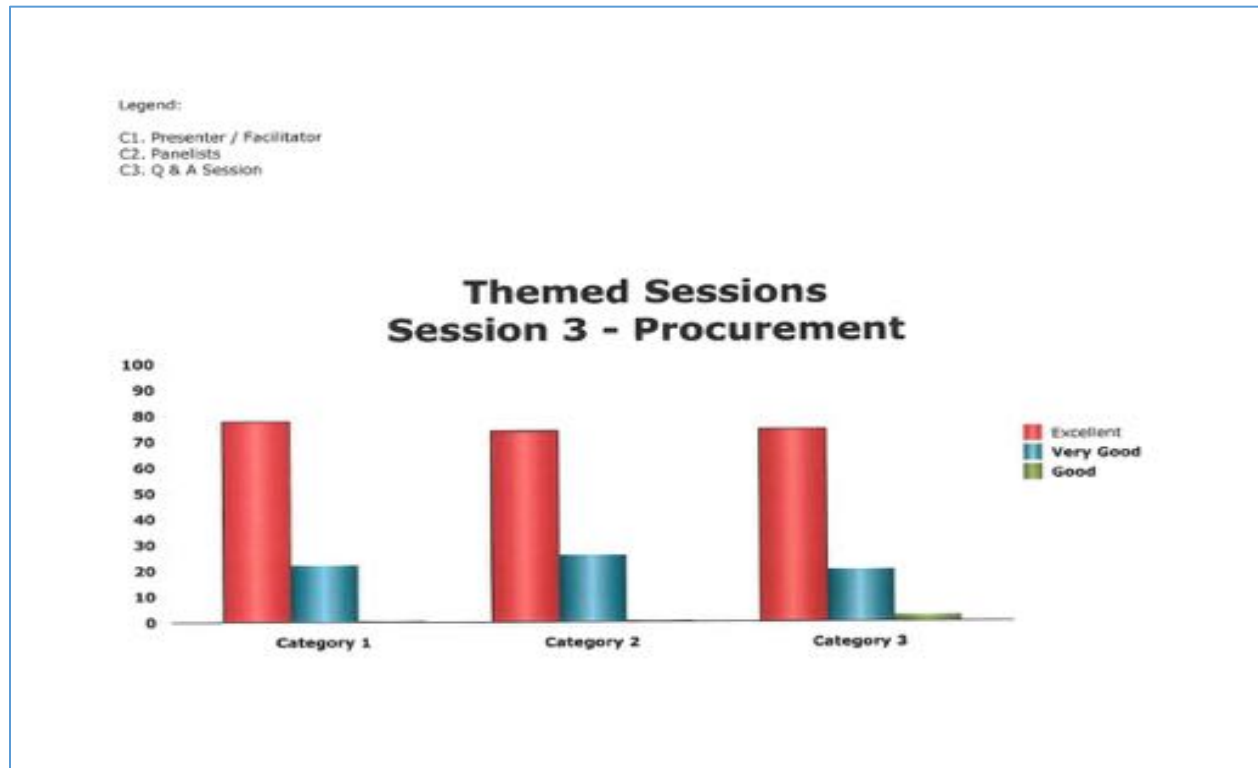
Employment



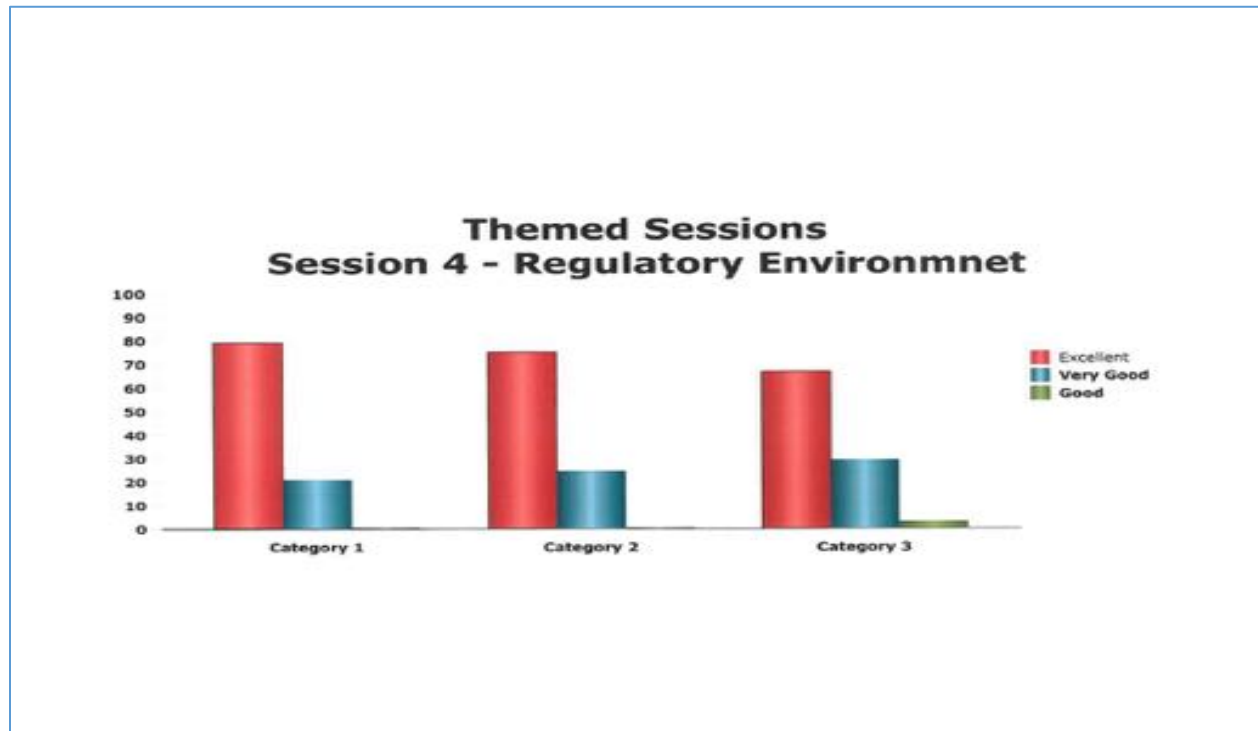
Municipal Services



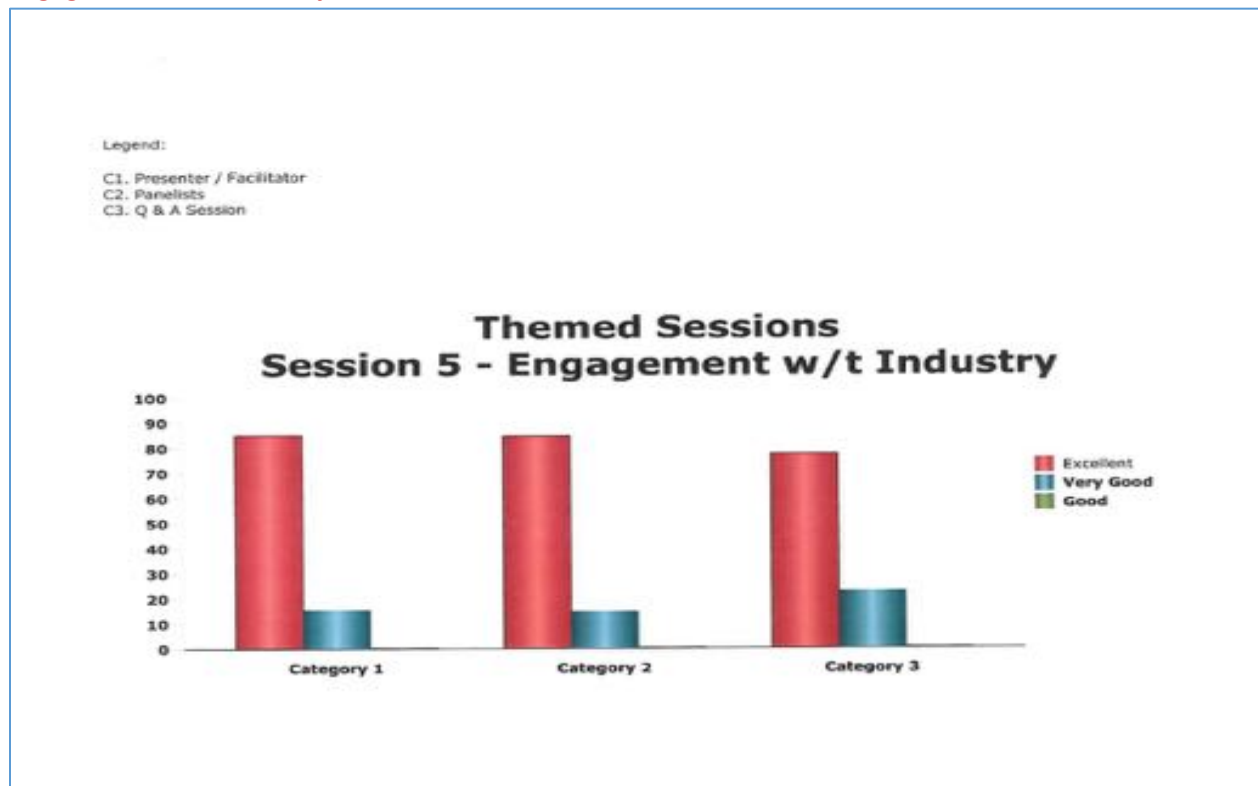
Procurement



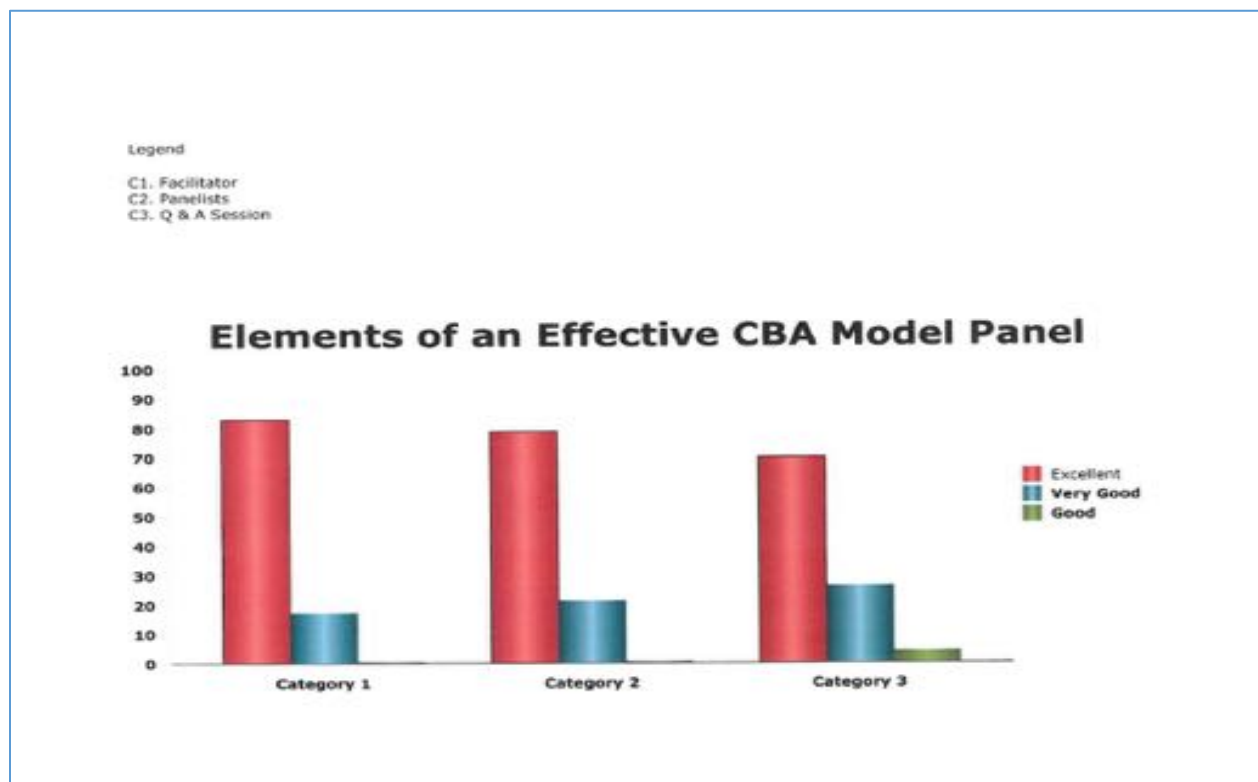
Regulatory Environment



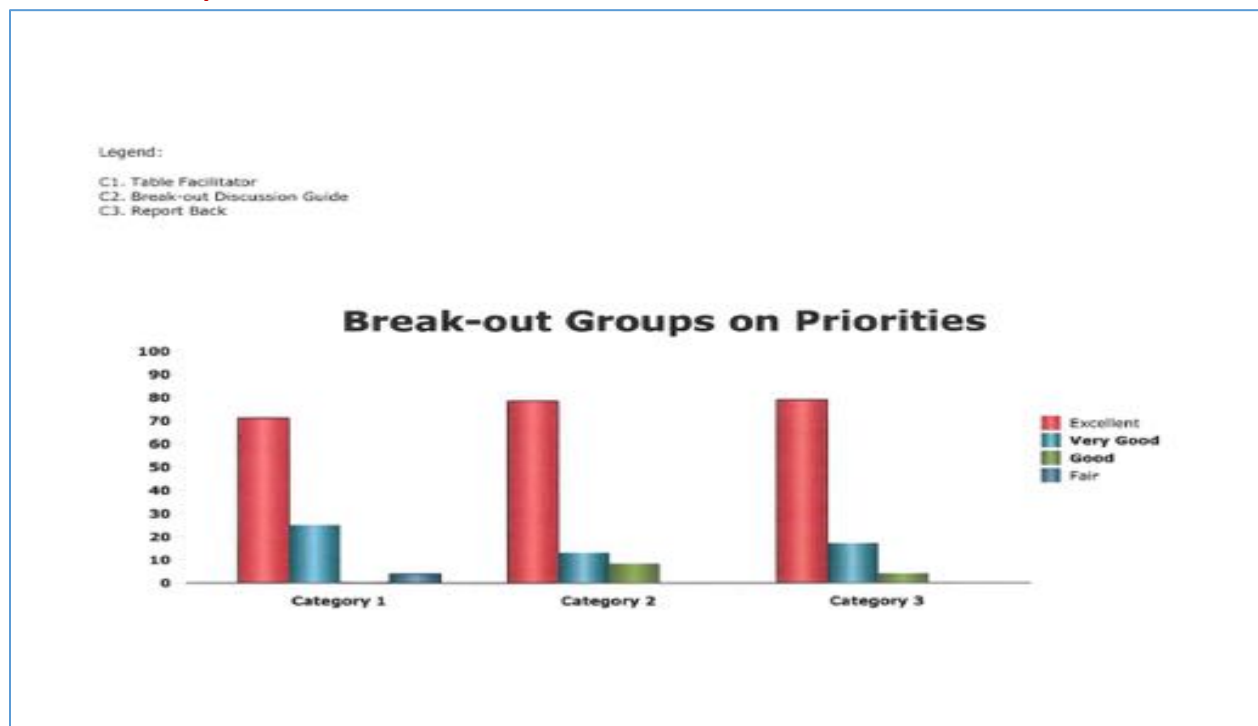
Engagement with Industry



Elements of an Effective CBA Model



Breakout Groups on Priorities



Other Remarks

Outstanding

The opening session was successful in setting the stage for a successful conference

Mayor Ackerman was awesome! Really enjoyed her bluntness

Great job. Implementation is now a necessity. Municipalities need more power

A very productive session

This was a great roundtable day and a half – thank you

Great conference – well organized – well done!

Great session!

Great couple of days. Looking forward to output documents. A little pre-reading on similar CBAs in other jurisdictions (Australia) could have been good. Well done.

Smaller rooms for closer connection

It was an initial meeting for many so many people were getting up to speed. Good presentations and discussions overall.

Would like to see these happen more throughout the province and then summarized for collective report.

Be great to see similar sessions held for other regions, maybe through MNL meetings. Lost here to be learned by other municipalities/regions throughout NL.

Following the session a “toolkit” for small towns to deal with big business from attraction/readiness to aftercare would be a very useful resource and take-away. It is time to act rather than to continue talking about these things. Municipalities/ED corporations need the tools to act with. Great tangible ideas but we never see action.

Conclusion

Conference Chairperson Joe Bennett provided concluding remarks, thanking partners, sponsors and participants. He indicated that in the coming weeks STBBI members would meet to review the session and determine next steps. In the meantime, a summary report from the Roundtable will be prepared and distributed to all participants.

Summary of Key Points

Employment

Consider employment opportunities through various stages of the project cycle, i.e. design, construction, operations, de-commissioning

Acknowledge that mobile workforce may be best approach in remote locations/accept trade-offs in terms of infrastructure etc.

Consider impact of workers on existing social infrastructure, i.e. housing, healthcare etc.

Assess amenities required to attract workers rather than commute – 33% will not relocate regardless of what is offered

Have discussions on employment and equity early on/manage expectations

Communities must identify single point of contact

Contractors on contract, budget and schedule – they want to get in and out

Have well-defined labour market info for community (need to define community in terms of catchment area/functional region)

Engage all stakeholders in considerations on community benefits

Commence planning early - never too early to plan

Further reading/research

Community Contact Committee, Kitimat, BC

<http://www.kitimat.ca/EN/meta/news/archives/169/eurocan-mill-closure.html?media=mobile>

House of Commons, Private Members Bill

<http://www.parl.gc.ca/LEGISInfo/BillDetails.aspx?billId=8102366>

Vale IBA <http://www.vbnc.com/iba.asp>

Municipal Services

Use existing legislative and regulatory powers, i.e. power to tax, provide services, set mil rates etc.

Be prepared to push boundaries of legislative authority

Assume that all property, regardless of whether it is in municipal boundary or not, is subject/should be subject, to taxation

Prepare inventory of current grants in lieu, tax and community benefit agreements in NL

Establish policy on tax agreements/CBAs at council

Utilize current EA/JPR processes to input into socio-economic benefit analysis of major projects

Have a well-defined ask based on good research

Hire good staff – Rock Stars

Collaborate with regional partners and establish a shared approach

Conduct exit surveys after major projects to inform service gaps

Identify assets

Update/maintain tangible asset and capital/infrastructure plans

Place infrastructure plans in context of broader community strategic plan

Use grants in lieu/CBA resources for capital requirements, not operating

Include social requirements within CBAs, i.e. if additional RCMP or mental health services are required, include as part of CBA ask

Do not look to provincial government to lead CBA process/municipalities must lead

Further reading/research

Community Measures Agreement, Fort St. John and BC Hydro

https://www.bchydro.com/news/press_centre/news_releases/2016/site-c-fort-st-john-agreement.html

Peace River Agreement (formerly Fair Share Agreement), Fort St. John, BC

<http://www.fortstjohn.ca/fair-share>

Environmental Protection Act, 2002, Newfoundland and Labrador

<http://www.assembly.nl.ca/legislation/sr/statutes/e14-2.htm#45>

Municipalities Act, 1999, Newfoundland and Labrador

<http://www.assembly.nl.ca/legislation/sr/statutes/m24.htm>

Procurement

Procurement must be considered across all phases of the project including exploration (in case of mining), design, construction, operations and de-commissioning

Supply chains and supplier requirements exist at local, regional, provincial, national and international level – need to know where you can fit in

Considerable data analysis required

Understanding of local/regional capacity required

Need to develop local linkages and networks

Companies need to provide detailed information on procurement requirements early on

Get to know companies/research and have an opening dialogue

Undertake a supply system modeling approach whereby the resulting supply chains are used in regional economic analytic tools to search for a competitive advantage and impacts for individual industries

Use supply system modeling approach to anticipate impacts of proposed developments

Further reading/research

Supply chain networks

www.supplychainconnector.ca

RANLab

<https://www.mun.ca/harriscentre/whatwedo/ranlab.php>

Regulatory Environment/Taxation

CBAAs may or may not be legally binding

CBAAs must benefit “both” sides, not just needs of the community/region

Need to define reporting process within agreements

Need to determine who represents interests of the community or region

Regional approaches are important – need to utilize regional capacity through collaboration

Regional collaborative approaches are inherently political

Communities/regions should not expect “province” to address your needs

There is little continuity in approaches between towns - what works for one community may not work for other communities

Need to define information requirements, reporting, contact persons, protocols etc.

Significant resources/literature available on CBAAs from agreements publicly available on-line to academic research

All CBAAs should be based on good information and data – the better prepared you are, the better your prospects of securing an acceptable agreement

On regional collaboration, some communities may not be interested in either having a discussion or in collaborating

Comparative research across multiple jurisdictions is important - by understanding the contextual differences, we can define similarities, strengthening overall CBA approaches

Further reading/research

CBAAs/IBAs and Other resources

<http://www.metisnation.ca/wp-content/uploads/2013/03/IBA-ECDEV-PDF.pdf>

<http://www.aecf.org/resources/community-benefits-agreements-the-power-practice-and-promise-of-a-responsib/>

<http://communitybenefitsagreements.ca/>

<http://www.hebronproject.com/docs/benefits/finalexecutedbenefits.pdf>

Engagement with Industry

Know the company – do your research

Form coalitions

Embed CBA in processes

Use existing planning tools, i.e. land use plans and municipal plan updates as opportunity to both guide development and seek input through consultation

Consider governance – who leads, who are the players and what are the tools for coordination

Determine who is driving the narrative in the community – seek input from other community stakeholders

Push legislative boundaries

Form new regional governance structures

Keep good records

Further reading/research

<http://www.municipality.guysborough.ns.ca/>

<http://nebccoalition.com/>

Possible Actions/Next Steps

STBBI

Present summary report and key findings at STBBI working group, including Harris Center and MNL

Present summary report and key findings at STBBI Steering Committee

Discuss/confirm STBBI/other partner engagement in possible Phase II, focusing on activities below

Research

Inventory of CBAs/IBAs from multiple jurisdictions

Inventory of tax/grant in lieu agreements in NL

Identify/inventory regional collaborative approaches on CBAs/IBAs from multiple jurisdictions

Identify industry/sector based CBAs/IBAs from multiple jurisdictions

Identify tools/best practice approaches in negotiating CBAs/IBAs from multiple jurisdictions

Knowledge Mobilization

Distribute summary report

Place summary report on MNL and Harris Center websites

Promote capacity of RANLab in defining supply chain requirements and functional regions as basis for collaboration

Provide overview of key findings from Roundtable at MNL regional meetings

Capacity Building

Develop CBA/IBA learning module for local governments, potentially in partnership with UMC/MNL

Identify potential pilot region(s) for collaborative approaches

Appendix A – Detailed Agenda

Day 1 Tuesday, November 15, 2016

9:00 am Panelist/Presenter registration – **Main Lobby**
9:30 am – 4:45 pm Study Tour – **Depart from Main Lobby**
6:30 pm Working dinner with panelists and STBBI partners communities – **Salon E**

Day 2 Wednesday, November 16, 2016 – Salon C/D All Day

8:00 am Registration – **Outside Salons C/D**
8:30 am Call to Order
8:35 am Welcome
8:40 am Introduction of Roundtable Facilitator/Overview of Roundtable Agenda
8:50 am Economic Update
9:25 am Introduction of Themed Panel Format
9:35 am **Employment Panel**
10:40 am Nutrition Break
10:55 am **Municipal Services Panel**
12:00 pm Lunch
1:00 pm **Procurement Panel**
2:05 pm **Regulatory Environment/Taxation Panel**
3:10 pm Nutrition Break
3:30 pm **Engagement with Industry Panel**
4:35 pm Wrap-up/logistics/housekeeping
6:30 pm Meet and Greet
7:00 pm **Dinner**

Day 3 Thursday, November 17, 2016 - Salon A

8:00 am Conference Breakfast (included in Conference registration)
9:00 am Call to Order/Housekeeping
9:05 am Overview of Day 2 and introduction of working group objectives/process
9:15 am Elements of an Effective CBA Model Panel
10:00 am Nutrition Break
10:15 am Break-out Groups on priority themes
11:15 am Report Back
11:30 am Session wrap-up
11:45 am Evaluation
11:50 am Conclusion

Appendix B – Action Plan

What is the priority?

Why is it important?

Identify 3-4 immediate actions to be undertaken

Action	Who leads (leadership)?	Other supports (resources)?	When (timelines)?

What is the deliverable at end of the priority? What do we hope to achieve (outputs)?

Appendix C – Evaluation

Session Evaluation

Please rate the effectiveness of the Roundtable with 5 being excellent to 1 being poor.

Activity	5	4	3	2	1
General					
Agenda followed					
Expectations met					
Material covered					
Activities conducted					
Participant materials					
Facilitator					
Physical facilities					
Food and Refreshments					
Themed Sessions					
Session 1 Employment					
Presenter/Facilitator					
Panelists					
Q/A					
Other remarks					
Session 2 Municipal Services					
Presenter/Facilitator					
Panelists					
Q/A					
Other remarks					
Session 3 Procurement					
Presenter/Facilitator					
Panelists					
Q/A					
Other remarks					

Session 4 Regulatory Environment/Taxation					
Presenter/Facilitator					
Panelists					
Q/A					
Other remarks					
Session 5 Engagement with Industry					
Presenter/Facilitator					
Panelists					
Q/A					
Other remarks					
Elements of an Effective CBA Model Panel					
Facilitator					
Panelists					
Q/A					
Other remarks					
Break-out Groups on Priorities					
Table facilitator					
Break-out Discussion Guide					
Report Back					
Other remarks					

Is there anything that might have been done to improve the session? If yes, please indicate below.

Name (optional) _____

Appendix D – Presentation by Dr. Wade Locke

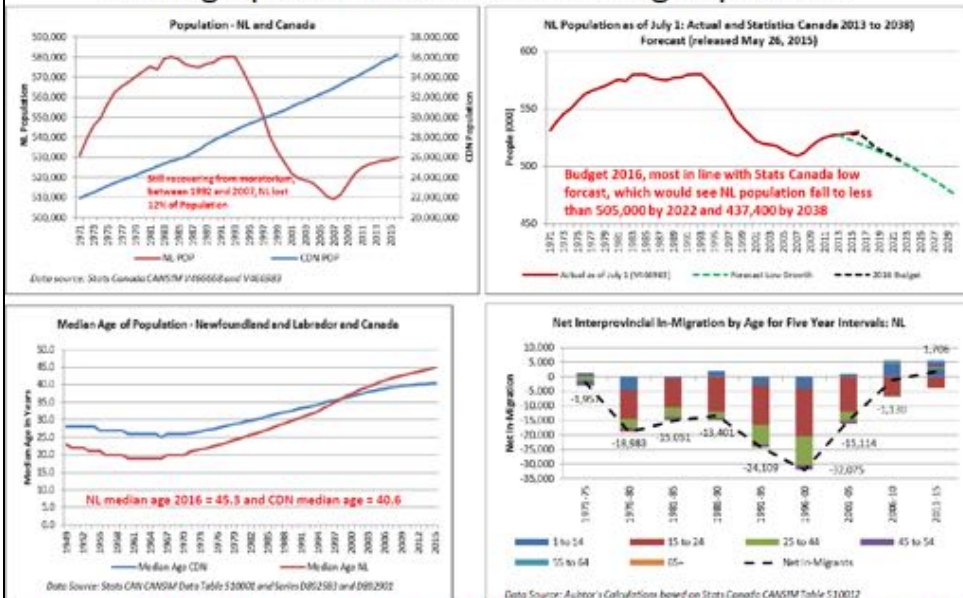
The “State” of the Newfoundland and Labrador Economy

A Presentation to the 2016 Annual Meeting of the Small Towns-Big Business Initiative

Wade Locke
Department of Economics, Memorial University

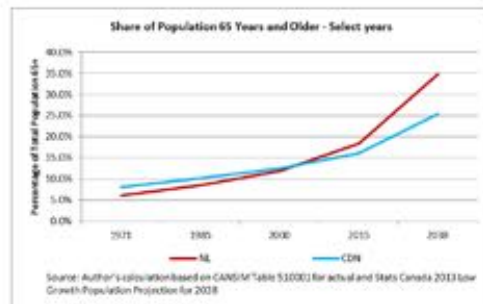
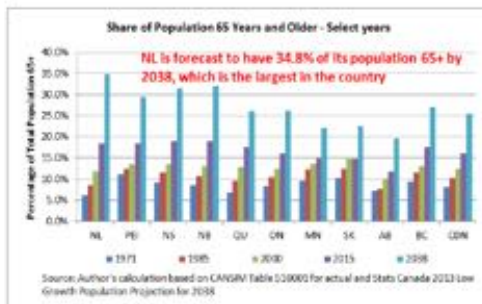
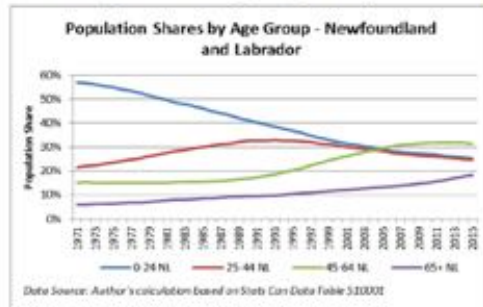
Wednesday, November 16, 2016

Demographic Time Bomb: Declining Population



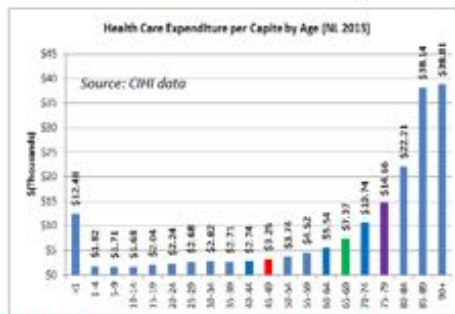
Between 1961 and 2016, 154,576 more people left NL than moved to NL from other provinces, which average 2,836 per year and between 2015 to 2038, population expected to fall by 17.1%

Demographic Time Bomb: Declining and Aging Population



NL is getting older and quickly. By 2038, NL is expected to have 34.8% of population over 65 years of age, while Canada will have 25.4%. This will have implications for public services (health in particular), housing, labour markets and demand for various types of projects³

Per Capita Expenditure on Health Care – NL (2013)



An aging population would normally be expected to put more pressure on health care costs

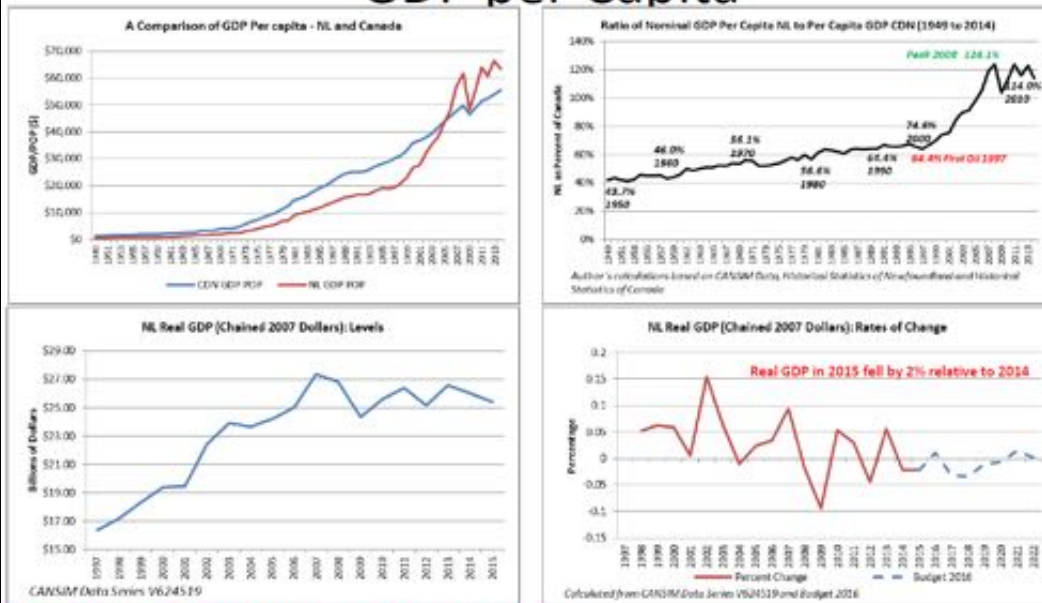
On average, it costs NL \$5,061 per capita for health care costs

If no other cost drivers change (doctor's salaries, cost of band aids, etc.), then in 20 years the median age (currently 45 years) person's health cost will more than double and will nearly double yet again in another 10 years after that

Health care is so important to Newfoundlanders and Labradorians and is the biggest expenditure in the budget (36% of expenditure on the Health Care Sector)

It is one of the most significant cost drivers for the government and it may be time to have a Royal Commission to look at all aspects of health care (funding, delivery, infrastructure and what we want and can pay for) seems to make a lot of sense at this point in time.

GDP per Capita

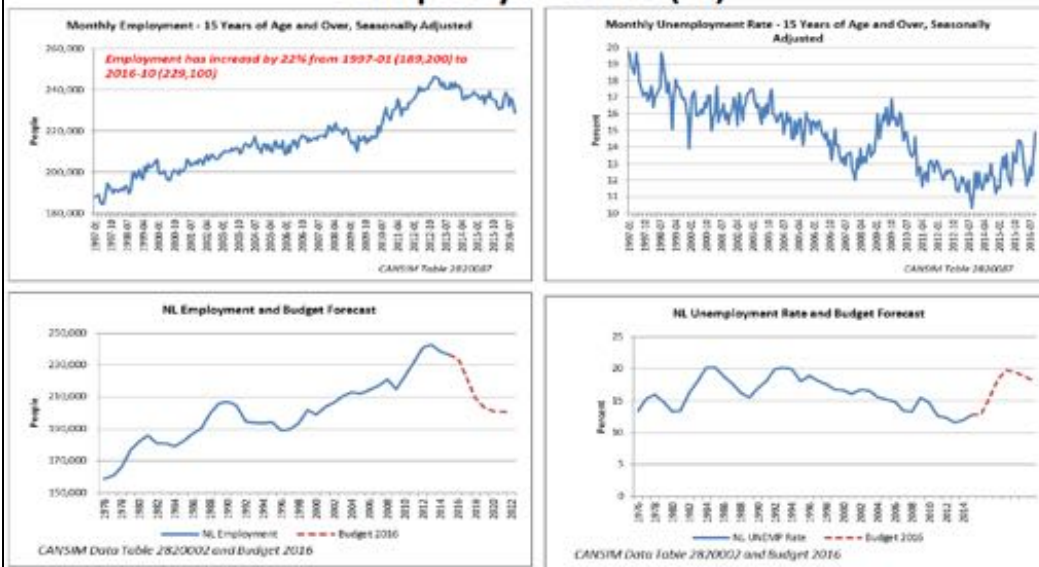


NL's absolute and relative position have improved over time.

We are starting to see the impacts of lower oil prices with two years of real decline in GDP

The budget is forecasting several years of negative growth

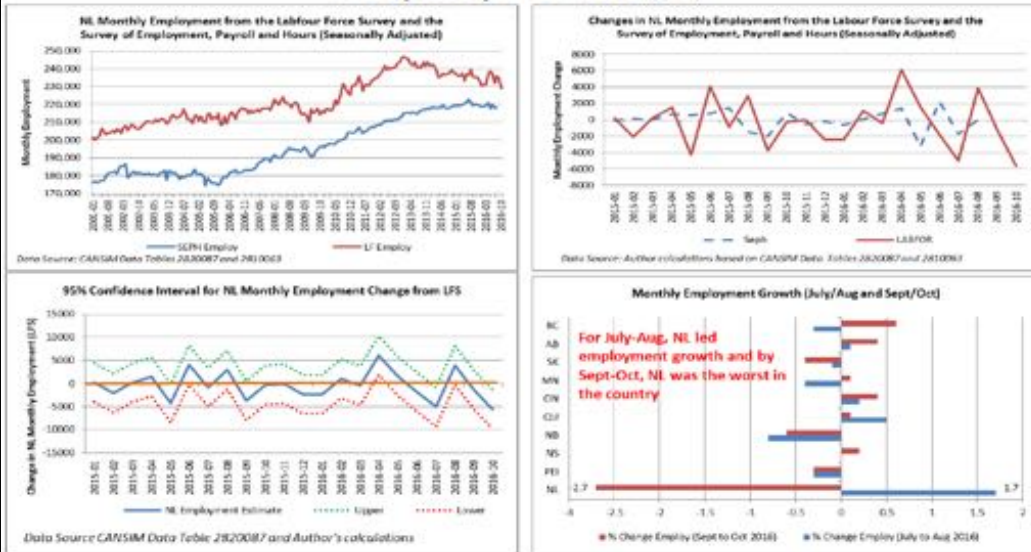
Employment (1)



There is a noticeable decline in employment and a noticeable increase in the seasonally adjusted unemployment rate in the last three years, which pre-dates the fall in the price of oil. Hard to know how much of it is caused by oil price falls, but certainly some of the deterioration is due to a slow down in the oil economy

Significant deterioration in the labour market predicted in the budget for the next few years

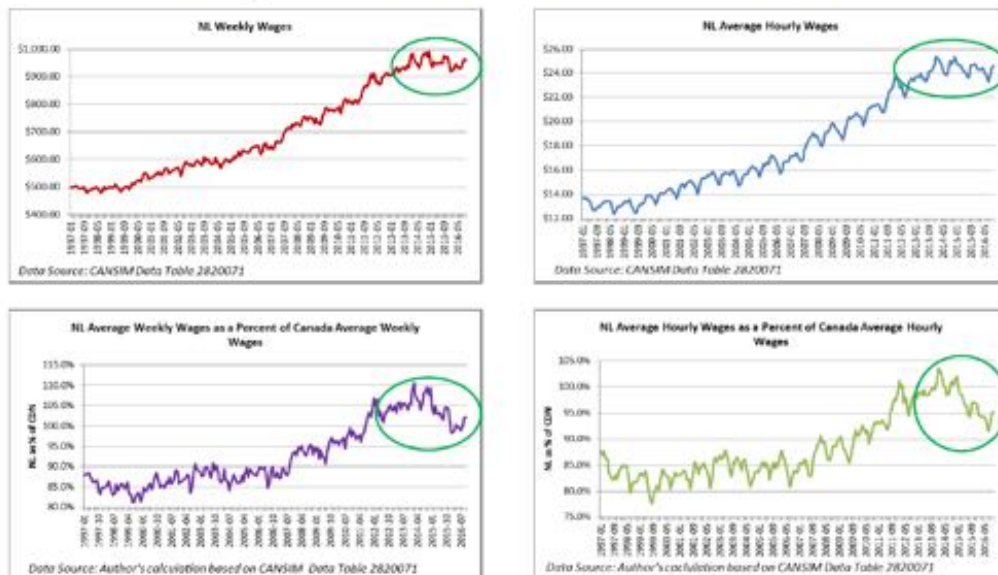
Employment (2)



In the Aug labour force survey, NL lead the country with 1.7% growth (3,900 jobs) between July and August. In the Oct labour force survey, NL was worst in the country with a 2.4% growth (-5,600 jobs) between Sept and Oct

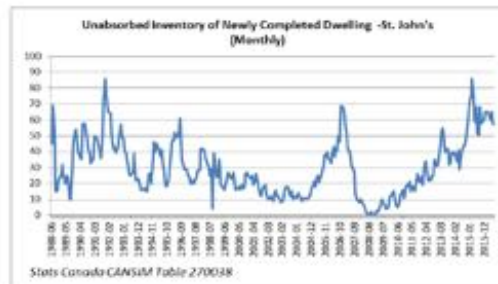
This is only a survey and with a 95% confidence band, you cannot reject the hypothesis that there was no growth or negative growth. SEPH data also show a slightly different picture, with less variability

Wages – NL Relative to CDN



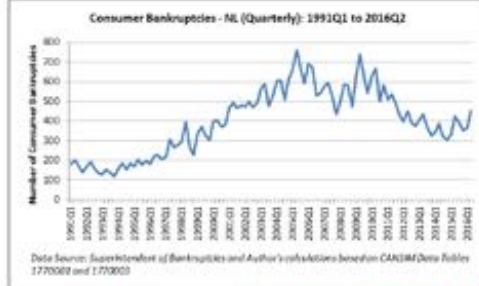
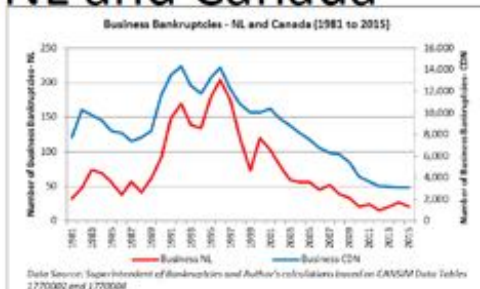
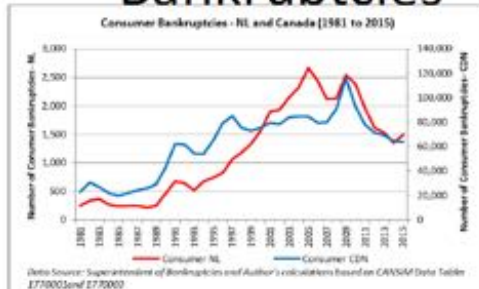
Wages starting to decline relative to CDN average and are flattening out in absolute terms. This will have implications for revenues measures introduced in the budget

NL Housing Market



Aging population, lower employment, higher taxes (including HST), lower expenditures and lower confidence do not bode well for the housing market

Bankruptcies – NL and Canada



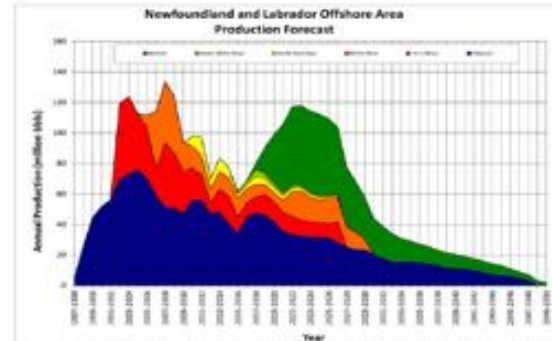
Consumer bankruptcies up 11% in NL from 2014 to 2015 (and up 7% 2015Q2 to 2016Q2) and business bankruptcies down by 22% 2014 to 2015 (and down 17% 2015Q2 to 2016Q2). Note: first two months of 2016Q3 are lower for consumers than previous quarter (ave 130.5/mth in Q3 versus ave 151.3/mth in Q2)

Consistent with strains on the economy as commodity prices have fallen, but it does not appear to be the crisis that some people have portrayed

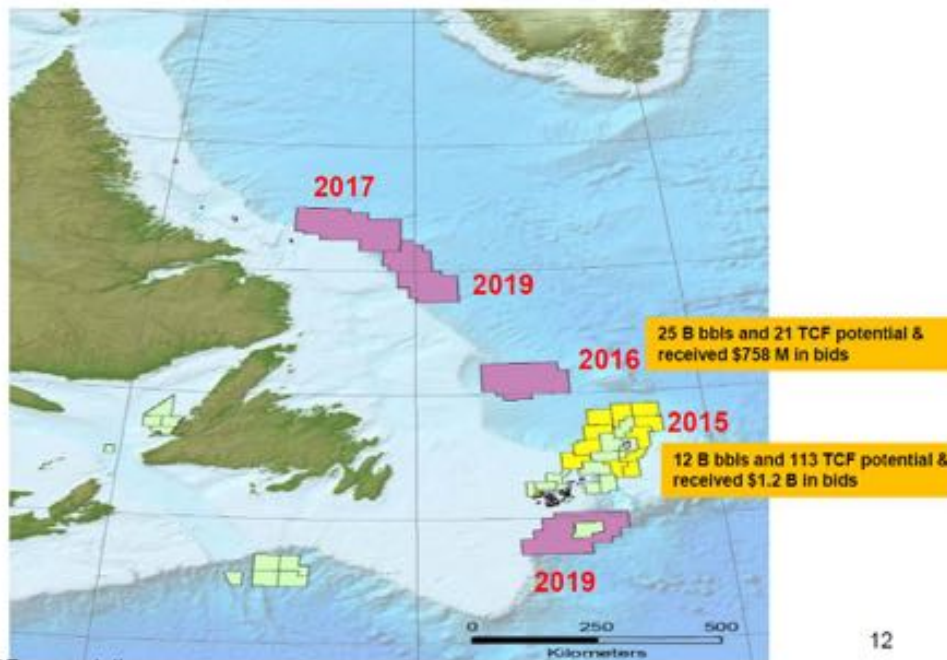
Oil Prices



Production (millions bbls) March 31 2016	1,604
Brent Price (US \$/bbl) average monthly	\$59.64
CDN/US \$	1.2446
US \$/CDN	0.8035
Value of Output (M \$ CDN)	\$115,000
Value of Output (M \$ US)	\$103,000
Cumulative Royalties to 2014-15	\$18,800
Investment (M \$ CDN) (to 2014)	\$45,551

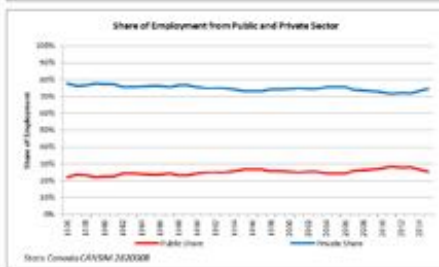
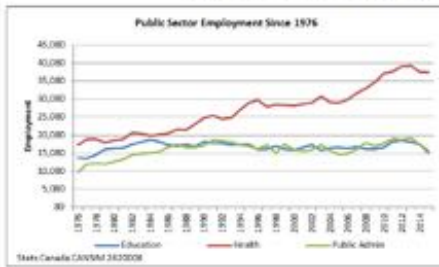


Future Potential



12

Public Sector Employment



Education grew by 9% from 1976 to 2015, public administration grew by 59% but health grew by 117%

While employment in the health care sector has grown noticeably, public administration and education have not grown significantly in the last 20 years.

In fact, employment in education and public administration has declined in last two years.

As a share of total employment, the public sector has been relatively constant

- 26.7% in 1996, 24.2% in 2005 and 25.3% in 2015

Returning to Balance – Budget 2016

7 Year Forecast

Fiscal Outlook (\$ millions)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Total Gross Revenue	6,776.3	7,409.6	7,659.2	7,737.0	7,871.8	8,096.6	8,245.1
Gross Expenses:							
Program Expenses	7,499.0	7,307.3	7,390.3	7,432.5	7,406.7	7,362.9	7,397.7
Debt Servicing Expenses	982.3	1,033.5	1,125.2	1,166.7	1,181.8	1,229.1	1,293.1
Total Gross Expenses	8,481.3	8,340.8	8,515.5	8,599.2	8,588.5	8,592.0	8,690.8
Surplus/(Deficit)	(1,705.0)	(931.2)	(856.3)	(862.2)	(716.7)	(495.4)	(435.7)
Revenue Risk Adjustment	(125.0)	(125.0)	(125.0)	(125.0)	(125.0)	(125.0)	(125.0)
Adjusted Surplus/(Deficit)	(1,830.0)	(1,056.2)	(981.3)	(987.2)	(841.7)	(620.4)	(560.7)
Surplus/(Deficit) – Target	(1,830)	(800)	(650)	(500)	(250)	(0)	100

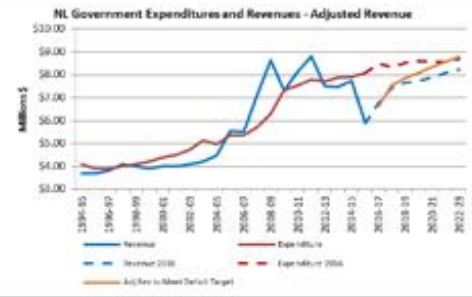
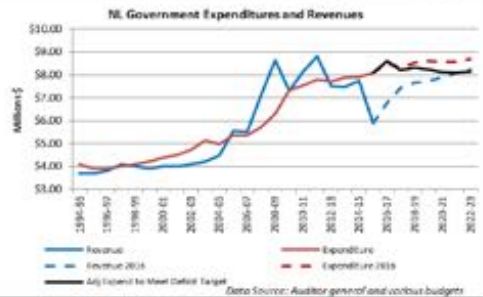
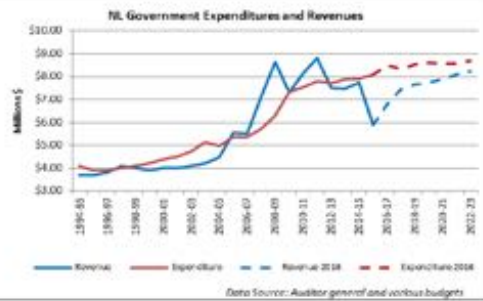
Presented on an Accrual Basis

Note: Adjusted Surplus/(Deficit) - Revenue Risk adjustment provides a contingency against revenue impacts encompassing potential commodity price fluctuations.

To get to balance, \$1.3 B (\$8.1 B - \$6.8 B) in extra revenue plus \$140 M (\$7.50 B - \$7.36 B) in indicated program reductions (1.8%) and another \$620 M in implied program expenditure cuts (8.3% reduction) for a total implied reduction on program expenditure of \$760 M (10.1% reduction) If the expenditure were made up by cutting labour costs, then, utilizing an average wage of \$60,000, this would imply a reduction of 12,667 full-time equivalent jobs or more than 20% of public sector. Or revenue would have to be \$2 B higher than current budget. Note: every \$200 M reduction in program expenditure, assuming half from wages, implies 1,667 fewer people.

14

Government Revenues and Expenditures



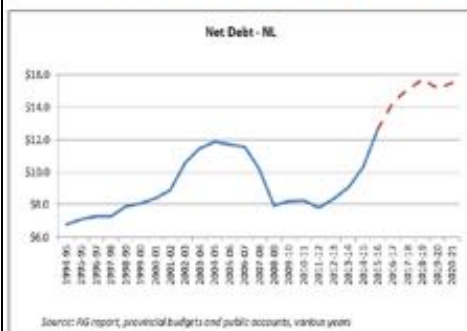
15

Implied Budgetary Changes to Meet Stated Targets

	Revenue	Prog Expend	Debt Servng	Implied Deficit	Implied Additional Expenditure Cut	Target Deficit W/O Fudge Factor (\$125 M)	Target Deficit
2016-17	\$6,776.3	-\$7,499.0	-\$982.3	-\$1,705.0	\$0.0	-\$1,705.0	-\$1,830.0
2017-18	\$7,409.6	-\$7,307.3	-\$1,033.5	-\$931.2	-\$256.2	-\$675.0	-\$800.0
2018-19	\$7,659.2	-\$7,390.3	-\$1,125.2	-\$856.3	-\$331.3	-\$525.0	-\$650.0
2019-20	\$7,737.0	-\$7,432.5	-\$1,166.7	-\$862.2	-\$487.2	-\$375.0	-\$500.0
2020-21	\$7,871.8	-\$7,406.7	-\$1,181.8	-\$716.7	-\$591.7	-\$125.0	-\$250.0
2021-22	\$8,096.6	-\$7,362.9	-\$1,229.1	-\$495.4	-\$620.4	\$125.0	\$0.0
Implied Annual Changes in Variables to Meet Target Deficit							
	Revenue	Prog Expend	Debt Servng	Implied Deficit	Implied Additional Expenditure Cut (or Implied Additional Revenue)	Target Deficit W/O Fudge Factor (\$125 M)	Target Deficit
2016-17							
2017-18	\$433.3	-\$191.7	\$51.2	-\$773.8	-\$256.2	\$1,030.0	\$1,030.0
2018-19	\$249.6	\$83.0	\$91.7	-\$74.9	-\$75.1	\$150.0	\$150.0
2019-20	\$77.8	\$42.2	\$41.5	\$5.9	-\$165.9	\$150.0	\$150.0
2020-21	\$134.8	-\$25.8	\$15.1	-\$145.5	-\$104.5	\$250.0	\$250.0
2021-22	\$224.8	-\$43.8	\$47.3	-\$221.3	-\$28.7	\$250.0	\$250.0
Cum Total	\$1,320.3	-\$136.1	\$248.8	-\$1,208.6	-\$620.4	\$1,830.0	\$1,830.0

16

Net Debt Government of NL



Net debt has come down in recent years, but with lower oil prices, deficits are higher and net debt is rising.

For the 2016 budget, if the targets are met, we will see a slowdown in debt accumulation; it will not result in debt being reduced. Net debt, if everything goes well, we will set in about \$15.5 B

Net debt per capita has increased by 60% in four years

Debt servicing cost increased from 11.1% in 2014/15 to 16.4% in 2015/16

17

Fiscal Update and Way Forward

Summary of Fiscal Update - Relevant Parameters			
	Change Since Budget 2016		Change Since Budget 2016
oil revenues (royalties and CIT from higher prices)	\$120	Oil Prices	\$5
Government Business Enterprises	\$17	Oil Production (MM bbls)	\$4
Prior Year Base Adjustments (PIT and CIT)	\$80	Exchange Rate	?
Total Change in Revenue	\$217	Real GDP	-0.4%
Program Expenditures	-\$111	Household Income	-0.5%
Debt Servicing Expenses	\$132	Retail Sales	-0.7%
Total Change in Expenses	\$21	Housing Starts	-0.3%
Revised Change in Deficit	\$197	Capital Investment	-1.3%
		Employment	-0.3%
		Unemployment Rate	0.4%
Change in Accounting Assumption (reduce \$125M to \$75M)	-\$50	Participation Rate	-0.2%
Change in Adjusted Deficit	\$247	Population	0.3%

Note: all the indicators appear to be going in the wrong direction. It does not bode well for hitting future budget targets. The 2016 AG report states: "Most economic indicators have deteriorated in the 6 months since the economic forecast released as part of Budget 2016 – this indicates there may be some risk for the revenue forecast for the remainder of 2016-17 and, also, future years.

The Way Forward lays out a vision, but one that does not appear to be fully integrated with the economic and fiscal realities of the province. It is certainly not a roadmap. It appears to be more in line what the government hopes will transpire.

18

Conclusion

- While one can **legitimately debate** what the appropriate **way is to deal** with the fiscal problems we are now facing, there ought to be **no debate** that we are facing **serious problems**.
- This includes the **fiscal problem**, an **aging and declining population**
- It may be difficult to meet the **deficit targets** but, as **ambitious** as they maybe, only get us to a point where debt stops accumulating. It does **not lower** NL's **indebtedness**.
- It is equally important to recognize that the **best way** to deal with an **expenditure problem** is to address your **expenditures directly**.
- It is easy to be **critical** of how any particular person deals with a problem, but it is **not helpful** if there are **no feasible alternatives** offered. The problem **belongs to all of us** and we all need to **share in the solution!**
- Even though people seem recognize the current **fiscal and economic circumstances**, it seems to me that we, as a province, have **not fully appreciated** just how difficult the solution will have to be and that **waiting** may make the **adjustment costs more unmanageable**.
- There is **hope** with the offshore and that oil prices will rise, but these are medium to longer term and we do not know by how much they will rise and for how long. Yet, we do need to do something now and the **political will and social acceptability does not seem to be there**.
- This might be a good time for a Royal Commission on Health Care and any vision statement for the province needs to have a firm grounding in the economic and fiscal realities of the province.

Thank you for listening

Appendix E – Presentation by Colin Griffith

NEBC
RESOURCE
MUNICIPALITIES
Coalition

"The Engine of BC's Economic Future"

Roundtable
Best Practices in
Community/Industry Benefit
Agreements

STBBI 

Small Towns - Big Business Initiative

November 15th - 17th, 2016

NEBC
RESOURCE
MUNICIPALITIES
Coalition
"The Engine of BC's Economic Future"

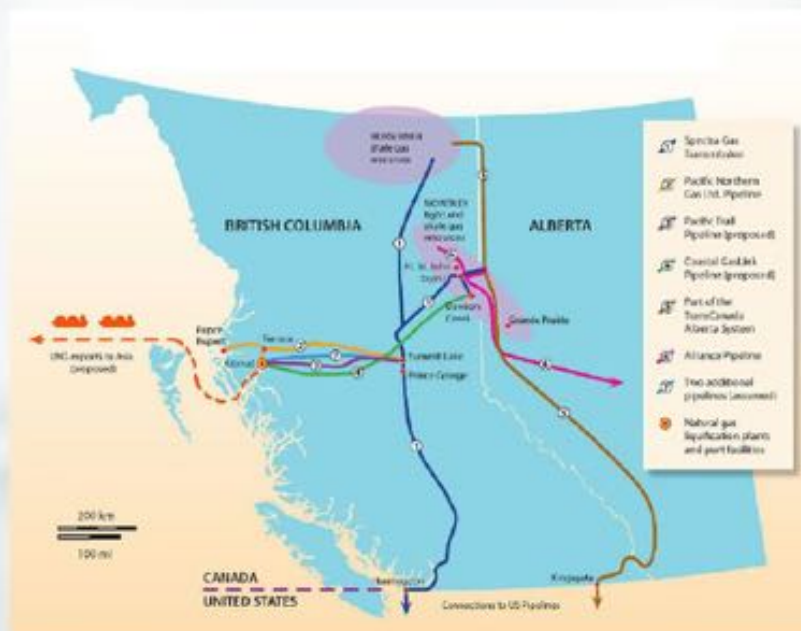
Where is Northeast British
Columbia?



We are Prairie People



Resources in Northeastern BC



Discovery of Vast Shale Gas Reservoirs

- * Discovery of Horn River, Liard, Montney and Cordova shale gas basins.
- * The industry investment from 2003 to 2013 exceeded \$62 billion.
- * Provincial revenues from 2003 to 2014 exceeded \$20 billion.
- * BC's natural gas reserves require access to world markets



The Tension Between Globalization and Regional Development



"It would be a disservice to British Columbians, and particularly to those living in resource-based communities, if the energy sector in B.C. develops as a predominantly frontier industry, serviced by a temporary and itinerant skilled labour force, dependent on intellectual capital imported from other jurisdictions, and bringing little long-term benefit to the regions from which it derives its profits"

Charles Jago - President-UNBC

Neo Liberalism

- * **Neoliberalism** is a policy model of social studies and economics that transfers control of economic factors to the private sector from the public sector.
... **Neoliberal** policies aim for a laissez-faire approach to economic development.

STBBi Communities Concerns

- * It is never easy to get what you want from big business/industry.
- * No requirement for construction companies to deal with local governments
- * Municipalities may have to force themselves and not be shy about speaking up for what they want.
- * Contractors generally more interested in getting in and getting out without any need to establish effective relationships with the town.
- * Companies perceive grants in lieu of taxes as a "gift".
- * Municipal boundaries cited as a challenge
- * Challenge often arises with changing faces of corporate partners making continuity on discussions and agreements difficult.
- * Corporations often question the need to pay taxes.
- * Government has generally been unsupportive of town efforts, have little appetite to allow local governments to become engaged in negotiations
- * Industry states *"We are not here to build communities. We are here to do a job."*

BC's Oil & Gas Capital

The condition of Fort St John after 45 years of no support from the oil & gas tax base.



Severe infrastructure deficits accumulated over 40 years because of the disconnect between the municipalities and the oil and gas tax base.

Fort St John - 2004

- 50% of the roads have open ditches
- 63 kms / 60% of roads do not have street lights
- 94 kms / 52% of roads are gravel
- 35kms of paved roads need to be reconstructed
- 60% of the town has no sidewalks



Confirming The Problem Defining the Issue



In the Province & NEBC
94% of forestry is incorporated

Only 8% of Oil and Gas assets in NEBC is incorporated

1. The BC Peace Region is one of the richest industrial regions in BC
2. The majority of the industrial workforce resides within municipalities
3. Most of the industrial tax base lies outside of municipalities
4. The majority of the industrial tax base elsewhere in BC is incorporated within municipalities
5. Residential taxes are higher in some municipalities because of poor access to industrial tax base
6. Industrial tax rates for rural industries are lower than those within municipal boundaries
7. Access to the industrial tax base is equitable

Alberta Industrial Tax Base Wealth

- * In 2014, Alberta's industrial taxes amounted to \$1.9 billion.
- * Out of the total of \$1.9 billion of industrial tax revenue:
 - * \$1.8 billion went to county governments representing just 15 per cent of the population.
 - * The remaining \$100 million was split between the 85 per cent of Albertans who live in towns and cities.

NEBC "FAIR SHARE" Initiative

- How did the Fair Share get started?
- How the municipalities and rural areas formed a "political coalition"
- The concept of a "Regional Property Tax Pool"
- The "allocation agreement" - the need to agree on how to share revenues
- Dealing with the Provincial Government - its role and positions!
- Dealing with the Oil and Gas Industry - CAPP and CEPA
- Can this be applied to municipalities in Alberta?

Fair Share Results

Fair Share Agreements 1994 - 2015	\$694 million
NRRM Agreement 2015 - 35	\$200 million
Peace River Agreement 2015 - 35	\$1 billion + 2%

What Were the Key Principles and Concepts

- * Highly unified political coalition of local governments that could speak with one voice
- * Political coalition represented a defined specific high growth resource area that is significantly important to provincial interest
- * A political coalition that moved past traditional lobbying to highly researched and documented positions
- * A political coalition that determined its regional needs and then developed innovation northern solutions
- * A political coalition that could sustain over time municipal support for a regional solution

About the Coalition

*The mission of the NEBC Resource Municipalities Coalition is to protect and enhance existing resource municipalities and rural communities of Northeastern BC

2011 BC Oil and Gas Conference in Fort Nelson BC



Rex Murphy

- The Oil and Gas Sector is *"Central Business that maintains the structure of the country that we own"*
- Discussed how the country's oil and gas industry has helped put Canada in an enviable position in a world of economic uncertainty
- *"One small island of partial exemption is Canada"*
- Expounding on the efforts of pioneers who built the oil and gas industry and the country, as well as the "dignity of employment" that the energy sector has brought to so many Canadians.
- It is obvious that we share all of the challenges and opportunities related to the development of Canada's vast resources.
- The question is can our Municipalities and Citizens have a Voice in the planning of resource development and receive a Fair Share of the benefits.



Thank You

Appendix F – Presentation by Laura Ryser

Employment Roundtable: Small Towns Big Business Initiative



Laura Ryser, Greg Halseth, Sean Markey, Marleen Morris

COMMUNITY
DEVELOPMENT
INSTITUTE



on the move
partnership



RPLC
RURAL POLICY LEARNING COMMUNITY
CAPR
COMMUNAUTÉ D'APPROFONDISSEMENT
DES POLITIQUES RURALES

The Continuum



Education and Training I

Pathways to maximize employment opportunities:

- **Workforce strategy committee**
 - In place from exploration to closure
 - Pre-employment – safety tickets – trades – specialized skills
- **Develop competency assessment tools**
- **Basic skills / literacy**
- **Dual credit / safety training for high school students**

Transition from training to employment:

- **Super camp programs, Mothers to Miners, simulated work camp settings**
- **Coordinate workforce transition through cross training**
- **Apprenticeships fast-tracked**

Education and Training II

But.....

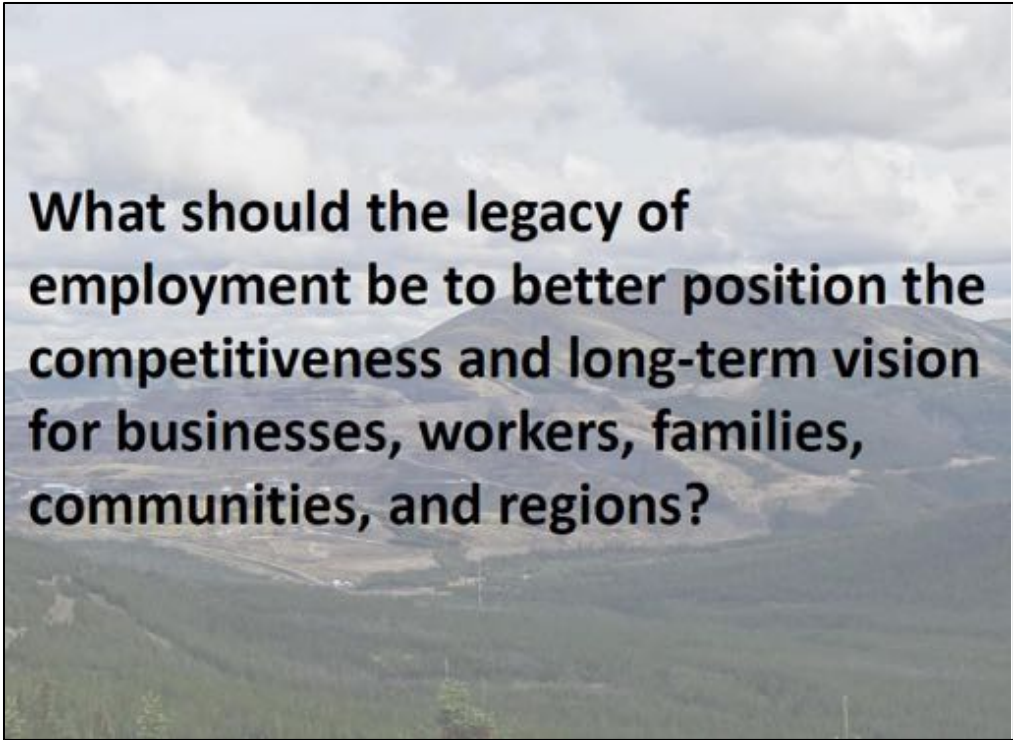
- **Technology changes rapidly; training equipment quickly outdated**
- **Post-secondary institutions need resources to address labour needs**
- **Need to revisit restrictive criteria to broaden breadth of residents who can benefit from training**
- **Don't forget about investments for education and training in other sectors to support that workforce**
 - Self-employment, emergency services, child care, health, etc.

Recruitment and Retention

- **Recruitment and retention**
 - Salaries, benefits, job security
 - Education / training, advancement
 - Safety, work site conditions, positive work sites
 - Roster cycles, distance to staging areas, supports for commuting
 - Accommodation, food, physical / mental health supports
 - Relocation coordinator
 - Family-friendly certification, community orientation programs
- **Strategies for broader participation**
 - Aboriginal, women, older workers, immigrants, etc.
 - Smudging, cultural sensitivity, etc.
- **Consider industry recruitment / retention strategies impact on other sectors**

Workplace Policies

- **Pathways to gain experience**
 - Skills inventories and workforce databases
 - Different contractors; different components of construction, operations, etc.
- **To support development, well-being, and competitiveness of labour**
 - Fatigue management; mentors; communication / conflict resolution; performance reviews; consistent management protocols; cultural sensitivity training
- **Strategic staging areas**
 - Impact on local / regional business and employment opportunities (i.e. housing, transportation, retail)



What should the legacy of employment be to better position the competitiveness and long-term vision for businesses, workers, families, communities, and regions?



Canada Research Chair, Rural and Small Town Studies

www.unbc.ca/greg-halseth/canada-research-chair-rural-and-small-town-studies

Resources:

Resource Royalties: Returns to Resource Producing Rural Regions

On the Move: Community Impacts of Long Distance Labour Commuting

Tracking the Social and Economic Transformation Process in Kitimat, BC



www.unbc.ca/community-development-institute

Resources:

Lessons Learned in Work Camp – Community Relations: Practices Making a Positive Difference



www.onthemovepartnership.ca

Appendix G – Presentation by Dean Ball



Municipal Services

Mayor Dean Ball, MNL UMC Director

“

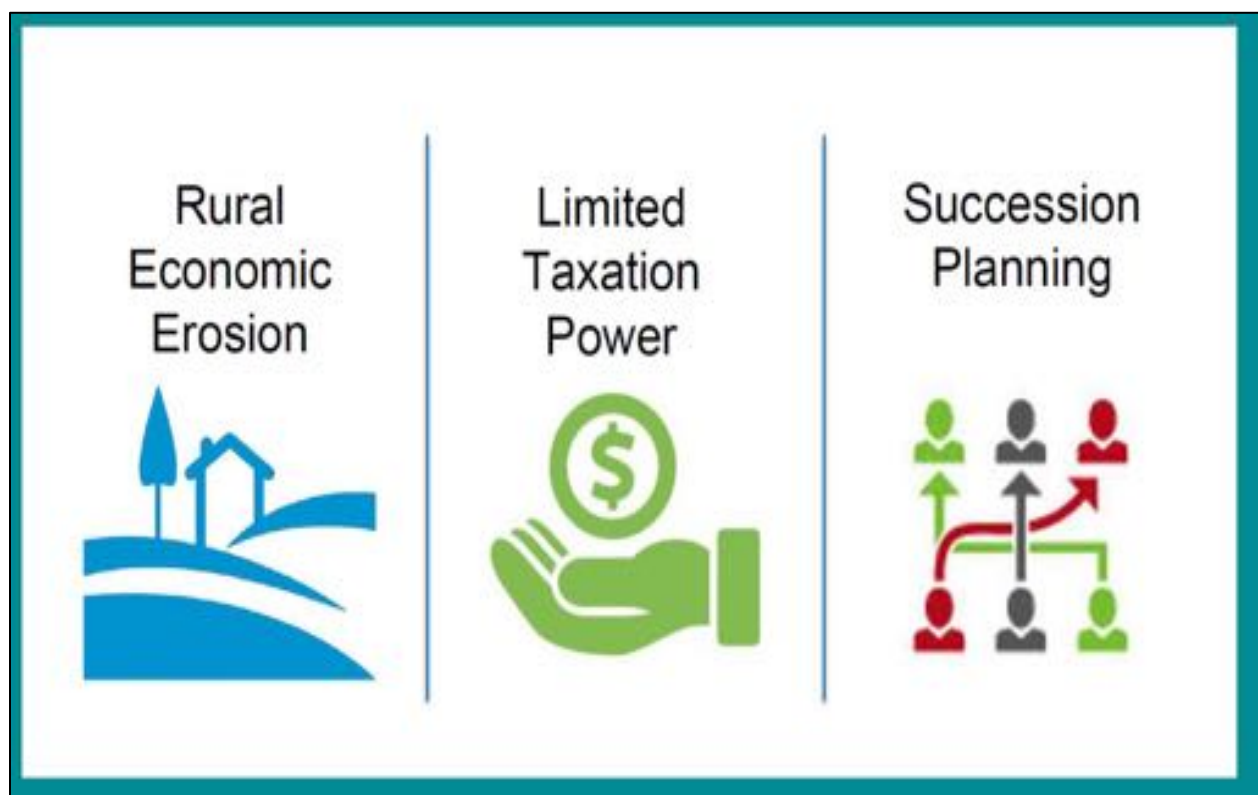
Fun Fact:

A council may acquire, establish, own and operate a cemetery or crematorium.



1. Water and sewage systems
2. Acquisition of private systems
3. Right of entry
4. Right to construct
5. Council to give notice
6. Diversion of watercourses
7. Compensation for injurious affection
8. Ownership of highways
9. Private roads
10. Construction
11. Closing
12. Acquisition of property
13. Removal of projections
14. Parking lots
15. Lighting
16. Names and numbering
17. Removal of vehicles
18. Movement of vehicles
19. Recreational facilities
20. Grants and loans
21. Collection, etc. of waste
22. Charges
23. Removal of waste
24. Municipal enforcement officers
25. Agreements re policing
26. Powers and duties
27. Agreement re jails
28. Fire department
29. Agreements
30. Fire spread prevention
31. Right re traffic
32. Power to enter building
33. Other fire department
34. Prohibition
35. Public transportation system
36. Public libraries
37. Cemeteries
38. Municipal service delivery corporation





Our Future



Thanks!

Any questions?

Find me at @MayorDeanBall & dball@municipalnl.ca



Appendix H – Presentation by Alvin Simms

Geo-spatial Supply Chains and Regional Economic Impact Models: A case for evaluating the benefits of locating industries in specific places to gain a comparative advantage in procurement costs and output value.

"The general theory of location and space-economy is conceived as embracing the total spatial array of economic activities with attention paid to the geographic distribution on inputs and outputs and the geographic variations in prices and costs."

Walter Isard in "Location and Space Economy"



**Best Practices in Community/Industry Benefit Agreements
November 15-17, 2016, St. John's, NL**

Alvin Simms . PhD

Jamie Ward, MSc

Dept. of Geography

Harris Centre RAnLab

Harris Centre Regional Analytics Laboratory

The Harris Centre **Regional Analytics Laboratory (RAnLab)** focuses on the use of regional economic and spatial analytics to quantitatively assess the capacity and sustainability of industries, labour markets and the population of places for the purpose of informing evidence based policies for regional development.

We have developed an operational **geo-spatial supply chain and regional economic analytics model** that can assess the impacts of any present or projected future changes in, commodity prices, industries, labour markets, services as well as the introduction or removal of industries /services from a region.

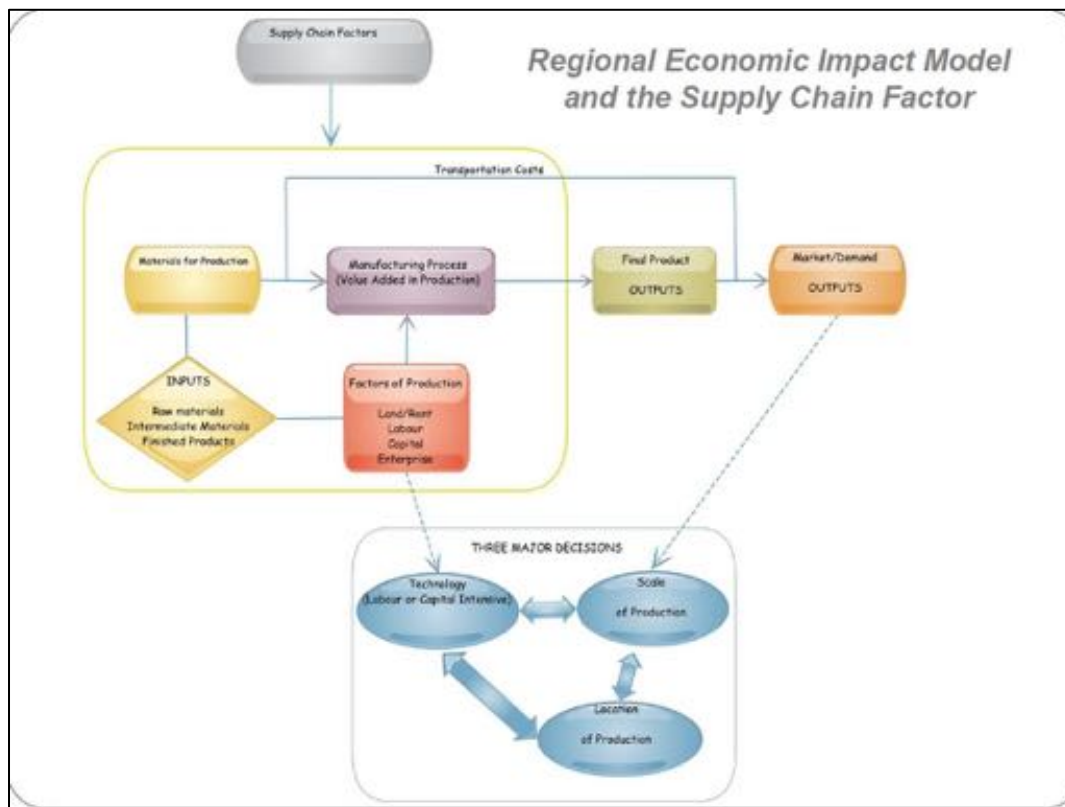
The tool is modular and additional functions can be easily added.

All analytics follow accepted regional economic practices and Statistics Canada standards

Regional Analytics

• Geo-spatial Supply Chain Analysis

- Logical strategy is to build on existing strengths by add forward or backward linkages (e.g. forestry cluster - linking forest harvesting equipment, bio-fuels, furniture or sawmills in a forestry specialized region within the context of the overall economy (local, regional, national, etc.)
- Identify how much of existing industries purchases and sales are to other local sectors - higher ratio implies larger multipliers and more local benefits - can identify industry clusters and their linkages - deals with the entire economy simultaneously (e.g. NL, Atlantic Canada)
- Note: If firm level data are available the analysis can be done at the firm level. For example when local data are available the data are uploaded and the model is re-calibrated to reflect the new information for a particular location - **can provide before and after scenarios**

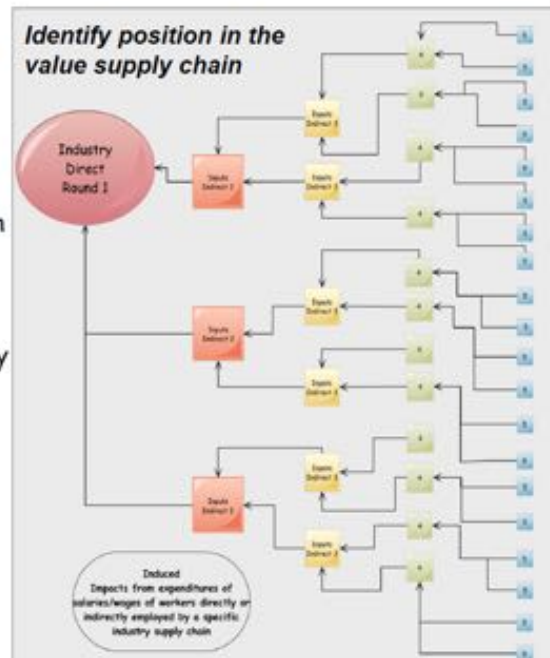


The integration of an regional economic impact model with a geo-spatial supply chain model provides information to:

- Identify drivers of competition → related to productivity, utilization of human capital and natural amenities to produce value → improvements at firm level where economies of scale not possible
- Identify “clusters” → groups of interconnected enterprises, supplier and related industries at a particular location (value chain analysis)
- Identify stages of development → the level of development within industry clusters → extent of supply chain → economic impacts
- Evaluate policies and strategies used to improve competitiveness/productivity and assess the comparative advantages to clusters
- Support economic development strategies that engages stakeholders, advance innovation and help with improving productivity

Direct and Indirect Impacts → Through Geo-spatial Supply Chain Analysis

- Direct effects are based on initial impacts where industries increase production to meet a demand
- Effects are indirect if it relates to an intermediate purchase made by an establishment to assist in creating a product (backward),
- Effects are induced if it is caused by a change in consumer spending,
- The overall impact of an industry generally includes both indirect and induced impacts
- These impacts are manifested through intermediate purchases and the payment of wages, respectively



Global Supply Chain

Global Supply Chain

Key:
WORLD'S LARGEST PORTS (BY CARGO VOLUME PER YEAR) + 10 MILLION TONS
● 100
● 500

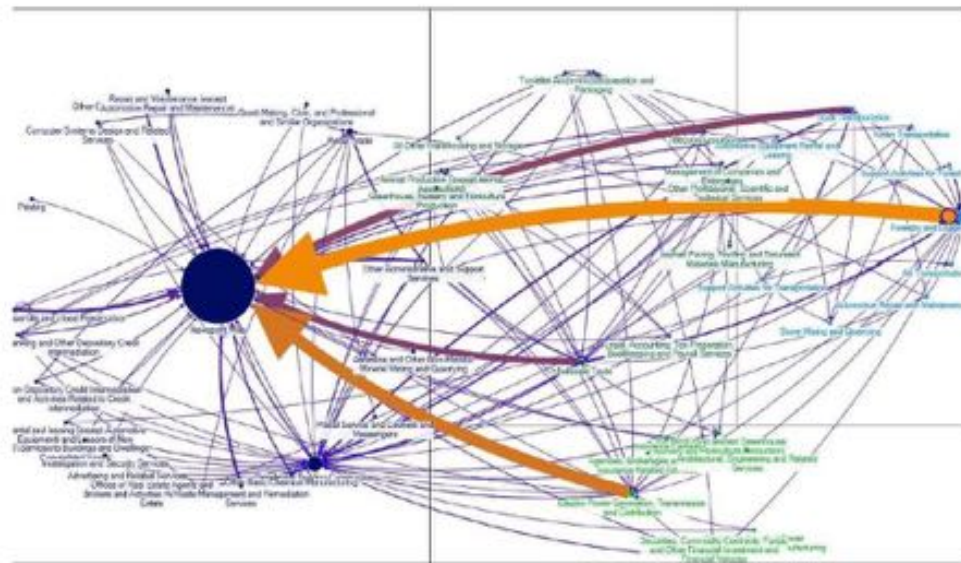
2011 TOP EXPORTERS
China 41.5B TONS, USA 12.5B TONS, Germany 10.5B TONS, South Korea 10.5B TONS, Japan 10.5B TONS, India 10.5B TONS, Brazil 10.5B TONS, Russia 10.5B TONS, Australia 10.5B TONS, Canada 10.5B TONS

2011 TOP IMPORTERS
China 41.5B TONS, USA 12.5B TONS, Germany 10.5B TONS, South Korea 10.5B TONS, Japan 10.5B TONS, India 10.5B TONS, Brazil 10.5B TONS, Russia 10.5B TONS, Australia 10.5B TONS, Canada 10.5B TONS

[illegible]

Note: Based on \$ value data from model

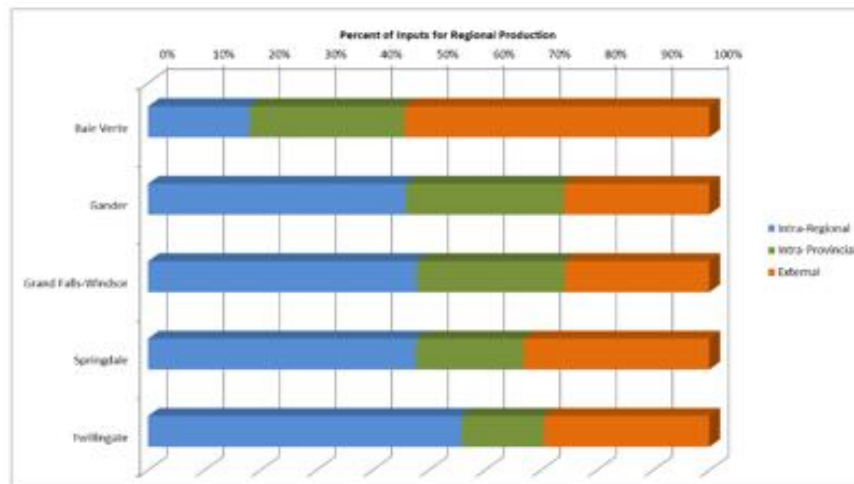
Note: Based on \$ value data from model



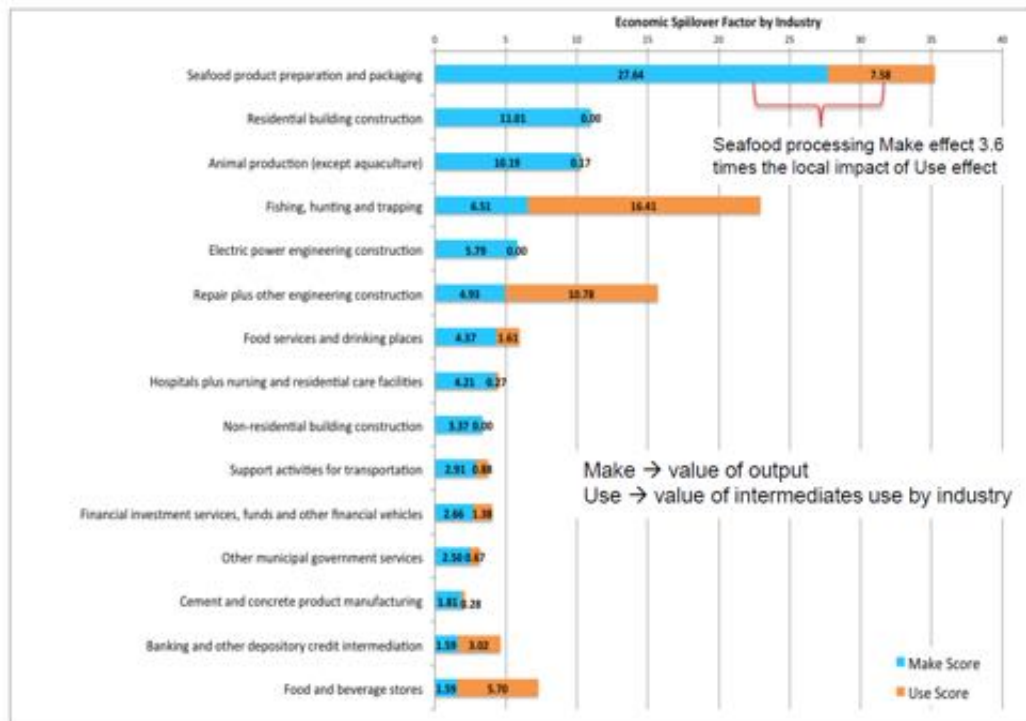
Percent of Total Inputs Available for Production

FER	Intra-Regional	Provincial	External
Baie Verte	18%	28%	54%
Gander	46%	28%	26%
Grand Falls-Windsor	48%	26%	26%
Springdale	48%	19%	33%
Twillingate	56%	15%	30%

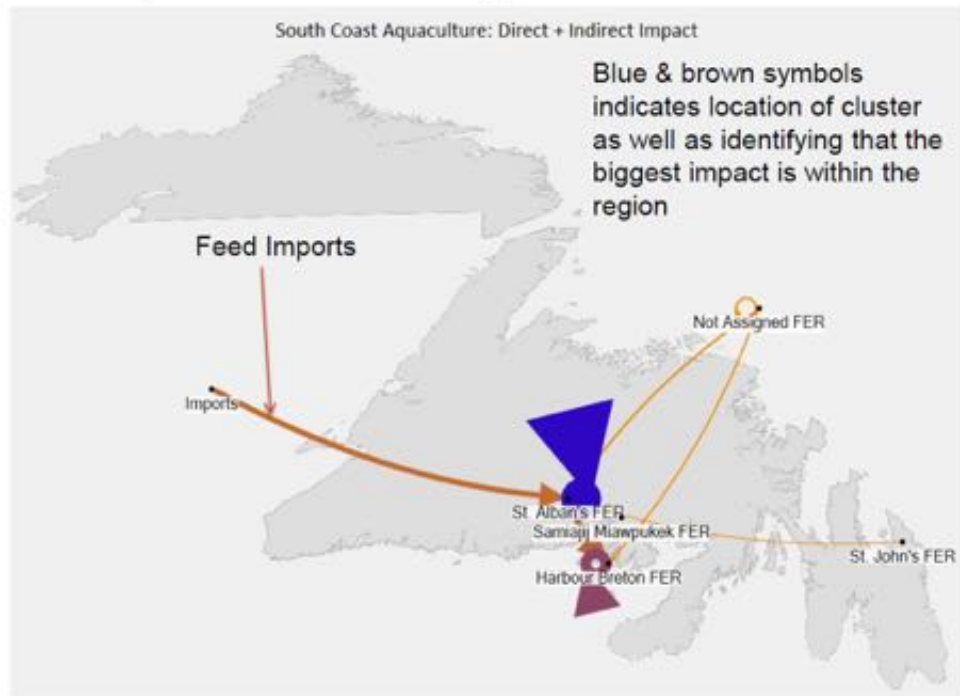
Note: Values rounded to nearest number



Industry supply chain analysis and local spillover effects



Example: South Coast Aquaculture Direct + Indirect

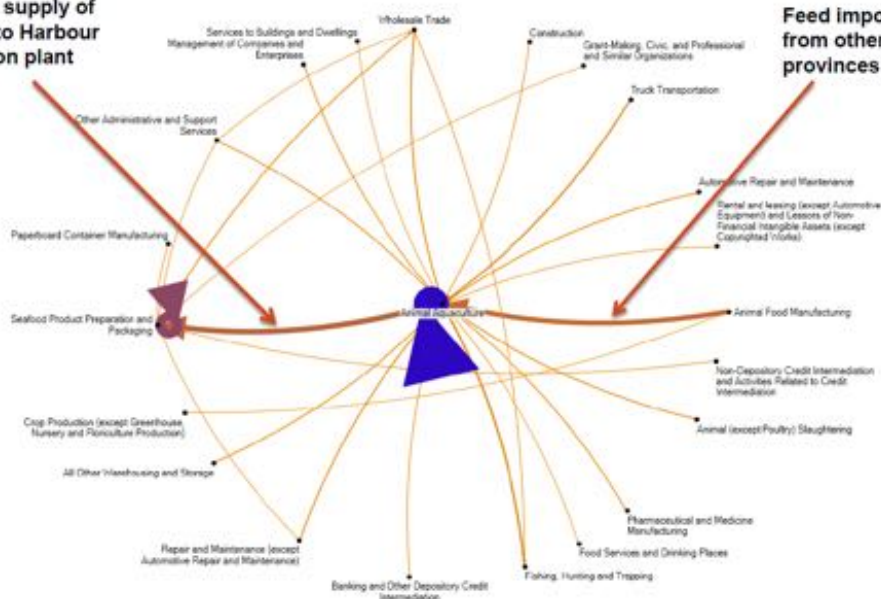


South Coast Aquaculture Direct + Indirect

South Coast Aquaculture: Direct + Indirect Impact

Note supply of fish to Harbour Breton plant

Feed imported from other provinces



Gaps and impacts example: Leontief Multipliers Supply chains converted to local input-output tables

FER	St. Alban's FER	Corner Brook FER
Industry	Aquaculture	Pulp, paper and paperboard mills
Total Leontief-Inverse Multiplier	1.55	1.42
Local Leontief-Inverse Multiplier	1.10	1.19

Imported to region from other parts of the province or other provinces

Note the multiplier for aquaculture is 1.55 but only 1.10 of that is realized locally... for example the -0.31 for animal food manufacturing indicates that the region does not benefit from this intermediate input.

Corner Brook FER	Corner Brook FER
Industry	Pulp, paper and paperboard mills
Forestry and logging	-0.08
Sawmills and wood preservation	-0.05
Conventional oil and gas extraction	-0.05
Petroleum refineries	-0.01
Basic chemical manufacturing	-0.01
Support activities for forestry	-0.01

St. Alban's FER	St. Alban's FER
Industry	Aquaculture
Animal food manufacturing	-0.31
Truck transportation	-0.04
Petroleum refineries	-0.03
Other provincial and territorial government services	-0.02
Support activities for crop and animal production	-0.02
Animal production (except aquaculture)	-0.01
Food, beverage and tobacco wholesaler-distributors	-0.01

Supply chain analytics can inform on

- The level of efficiencies in a specific industry
- Costs for intermediate inputs
- Costs for transportation
- Factors of production (use supply chain to construct local input-output tables and multipliers)
- Identification of industries that share common inputs from the supply chain (imports versus local/regional/provincial suppliers)
- Gaps & opportunities → requirements for production viability
- "Scale of production" required to take advantage of gaps related to imports
- Economic impact and "geographical footprint" of an industry and its supply chain

Thank You!
Questions?

Appendix I – Presentation by Tom Cooper

Best Practices in Community/Industry Benefit Agreements - Regulation and Taxation

Tom Cooper PhD
Associate Professor

Email – tcooper@mun.ca Tel – 709 728 8643



FACULTY OF BUSINESS ADMINISTRATION
WWW.BUSINESS.MUN.CA



Community/Industry Benefit Agreements



- The term “benefit agreements” is very broadly applied. It can mean:
 - ❖ **Agreement with Aboriginal nations** with asserted land claims
 - ❖ **Industrial benefit agreements** with countries, regions, companies, municipalities as well as a broad range of stakeholders
 - ❖ **Local content requirements** – specifically internationally
 - ❖ **Community benefit agreements** – ex. land development/ good neighbour agreements
 - ❖ Some are legally binding – some are not - can be applied across a wide range of industries

FACULTY OF BUSINESS ADMINISTRATION

WWW.BUSINESS.MUN.CA

Community/Industry Benefit Agreements



- As there is no clear definition of what a benefit agreement is – **it is uncertain for a small community/municipality in deciding what to consider** in impact and scope including:
- Should regulation just be at a **community level** or should it be done **regionally**?
- What would be an **appropriate taxation model**?
- **Should community/industry benefit agreements differ** from a regulation and tax perspective especially when looking at **specific projects and/or industries**?

FACULTY OF BUSINESS ADMINISTRATION

WWW.BUSINESS.MUN.CA

Community/Industry Benefit Agreements



- **At its core – a benefit agreement is what it says:**
 - There is some sort of benefit that accrues to both sides – the what, why, who, where and when are left to be negotiated
 - It is an agreement – the negotiations are captured in a legally or non-legally binding agreement – negotiated both by gov. and industry
 - There is the legal concept of offset agreement yet each country, province, or even community is unique

FACULTY OF BUSINESS ADMINISTRATION

WWW.BUSINESS.MUN.CA

Community/Industry Benefit Agreements



- Regulation and taxation have to benefit both sides but also have to be negotiated.
- How the agreement is to negotiated needs to be considered by both government and industry.
- Questions emerge as to what level(s) of government should be involved in the negotiation and how the agreement will be regulated?

Benefit Agreements



- Questions emerging from a regulatory and taxation perspective that may emerge in developing community/industry benefit agreements include:
- Who should be part of the agreement?
- How should administration and implementation costs be addressed?
- What will be the process of communications – information requirements, reporting, contact persons, protocols?

Community/Industry Benefit Agreements



- What is the best approach to address financial accommodations, revenue sharing and taxes?
- How should business, employment as well as community benefits be addressed and managed?
- What is the best process around regulation, enforcement and dispute resolution in developing community/industry benefit agreements?

FACULTY OF BUSINESS ADMINISTRATION

WWW.BUSINESS.MUN.CA

Community/Industry Benefit Agreements



- Good practices to include Community/Industry Benefit Agreements:
 - Community Access to Information
 - Right to Inspect Facility
 - Accident Preparation
 - Environmental Performance
 - Good jobs and local jobs
 - Local economic needs
 - Transportation of waste
 - Changing operating conditions

FACULTY OF BUSINESS ADMINISTRATION

WWW.BUSINESS.MUN.CA

Community/Industry Benefit Agreements - Implications



- Implications for local municipalities and other government organizations:
 - Can the agreement be enforced?
 - Cost of negotiation and time
 - Implications of doing nothing
 - Better manage risk
 - Gain the most amount of value throughout the life of a project

FACULTY OF BUSINESS ADMINISTRATION

WWW.BUSINESS.MUN.CA

Thank you for the opportunity to speak

Questions/Comments

Dr. Tom Cooper

Associate Professor

Faculty of Business Administration

Memorial University

tcooper@mun.ca 709 864 2302



FACULTY OF BUSINESS ADMINISTRATION
WWW.BUSINESS.MUN.CA



Appendix J – Presentation by Marilyn Butland

Strategic Theme 5

Engagement with Industry

November 16, 2016



What to talk about – Lessons Learned

Understanding / Misunderstanding Industry:

Who's leading the charge? Who comes first?
What are they trying to do? What's the plan?



What to talk about – Lessons Learned

Managing Expectations:

What does a community want? Need? Why should industry care?



What to talk about – Lessons Learned

Impact and Benefit Agreements:

What to ask for? Jobs? Contracts? Investment? Royalties? Why they work, and when they fail.



What to talk about – Lessons Learned

Real Engagement:

Who's talking? Who's listening? How to make and keep good conversations and connections.



What to talk about – Lessons Learned

Real Engagement:

Who's talking? Who's listening? How to make and keep good conversations and connections.



What to talk about – Lessons Learned

Real Engagement:

Who's talking? Who's listening? How to make and keep good conversations and connections.



What to talk about – Lessons Learned

Real Engagement:

Who's talking? Who's listening? How to make and keep good conversations and connections.



What to talk about – Lessons Learned

Real Engagement:

Who's talking? Who's listening? How to make and keep good conversations and connections.



Industry in Common

Foreign investors and control

Tied to global consumer and user demand

Tied to global commodity markets

Local engagement varies widely by country



Industry in Common

Senior leaders have steep learning curve
Not all senior leaders are locally focused
They may face uncertainty in their career
Their support system may not be here
Some do like to live here



Industry Expectations

Mature development jurisdiction
Attractive natural resource regimes
Certainty and clarity in regulations
Balance in government priorities, give and take
Timely, straightforward, informed negotiations
Ready workforce
Business appreciation and respect



Community Demands



Community Expectations

Environmental protection, including special concerns about wildlife

Protection of social and cultural values eg. Aboriginal

Education, training and employment

Health and safety



Community Expectations

Business opportunities and procurement
Access to the project site e.g. Aboriginal
Financial arrangements (royalty, grants in lieu,
pay for service / provide service)
Dispute resolution mechanism



IBAs & Development Agreements



IBAs & Development Agreements



butland
communications

STBBi 
Small Towns - Big Business Initiative

IBAs & Development Agreements

Labrador Iron Ore Project	Newfoundland and Labrador	Development	Participation Agreement	2004	Nisga'a Nation of British Columbia	Tata Steel Minerals Canada Joint Venture Between New Millennium Iron Corp. and Tata Steel
Labrador Iron Project	Newfoundland and Labrador	Advanced Exploration	IBA	2008	Innu Nation	Labrador Iron Mines Holdings Limited
Vale's Bay Project	Newfoundland and Labrador	Producing	IBA	2002	Innu Nation	Vale Inc.
Vale's Bay Project	Newfoundland and Labrador	Producing	IBA	2002	Labrador Inuit	Vale Inc.
Schefferville Area Iron Ore Project	Newfoundland and Labrador	Development	IBA	2011	Innu Nation of Labrador (Sheshatshiu Innu Nation and Muhiaku Innu First Nation)	Tata Steel Minerals Canada Joint Venture Between New Millennium Iron Corp. and Tata Steel
Schefferville Area Iron Ore Project	Newfoundland and Labrador	Producing	IBA	2012	Innu from Uashat, Mak-Mak-Utenam	Labrador Iron Mines Holdings Limited
Schefferville Area Iron Ore Project	Newfoundland and Labrador	Producing	IBA	2011	Nation Innu Matimekushiac John	Labrador Iron Mines Holdings Limited
Top of Page						

IBAs & Development Agreements

Employment and Training (E&T)

Research and Development (R&D)

Economic and Business Development (QBAs)

Social, Cultural and Community Support

Environmental Protection



IBAs & Development Agreements

Feb 2015 Vale approved to export 94,000 more tonnes of nickel concentrate from Voisey's Bay

Delays in commissioning \$4.25 billion processing plant in Long Harbour.

Vale to pay \$200 million over 4 years in

Vale will contribute another \$30 million to a community fund.



IBAs & Development Agreements

\$12 million housing and health supports for vulnerable people

\$11 million new wellness centre in Happy Valley-Goose Bay

\$4.5 million for a new pool in Placentia

\$2.5 million for a cardiovascular hybrid operating room at the Health Sciences Centre.



What is Real Engagement?

Corporate Social Opportunity

Benevolence

Connection to Care

By Force or By Choice

By Corporation or People



Engagement

Labrador West Regional Task Force



Engagement

Aurora Energy
Vale in Labrador
IOC



Engagement

Supply chain

Municipality

Workforce

Institutions

Community organizations



Let's Discuss

How can an industry / company be better understood?

How can a community make its case?

What are some of the best agreements that instilled engagement?

What are some of the best engagement experiences?



STBBi

Small Towns - Big Business Initiative

PARTNERS



SPONSORS

Overall Roundtable Sponsor



CAP Management Services

Event Sponsors



Arnold's Cove Area Chamber of Commerce

