

An Analysis of Municipal Readiness for Socio-Economic Development Opportunities in the Isthmus of Avalon Region

Final Report
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Michelle Porter, PhD candidate
Dr. Kelly Vodden, Assistant Professor
Department of Geography,
Memorial University

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Executive Summary

Background

Five communities in the Isthmus region collaborated on this community-based research project which has focused on providing a snapshot of regional readiness with regards to Industrial Benefits Planning (IBP) and local/regional gaps in well-being to be considered and addressed through IBP.

Project participants formed an advisory committee made up of representatives of each participating municipality (Sunnyside, Come by Chance, Southern Harbour, Arnold's Cove and Clarendville), the provincial Rural Secretariat and the Discovery Regional Development Board. The committee met monthly with researchers to plan and direct the research and share knowledge.

Project actions have included: 1. industrial benefits planning literature review; 2. review of relevant studies, plans and reports to support the identification of strengths and weakness with regard to municipal capacity; 3. interviews with community members, benefits experts and industry representatives; 4. an assessment of the potential of IBP regional collaboration for the participating towns; 4. a public meeting during which public input was collected; and 5. this discussion paper, which includes suggested next steps.

Limitations of This Project

This project has been a community-based and driven project which identified socio-economic issues of concern expressed by research participants through interviews and meetings. Wilson (2004) noted the importance of local interviews as a tool to better understand the particular and variable experiences of local benefits and impacts.

This study does not represent an

economic analysis. For detailed socio-economic analyses of the province and region in relation to impacts of industrial development, see articles and reports completed by Storey and Shrimpton and others listed in the references section.

Further, this study does not represent a comprehensive analysis of benefits planning or of impacts and benefits from various kinds of industrial activities in the region--that is outside the scope of this project. Rather, this project represents a first-step, literature and interview-based exploratory study intended to provide support for future community planning and collaboration on IBP.

Overview of Literature

Because we know that the costs and benefits which result from industrial activity respond to context and the particularities of community, geography and industry interactions (Storey and Shrimpton 2010, 2008, 1989, Coumans 2005, Stedman 2004, Wilson 2004), the literature does not provide one overall blueprint which will bring benefits and remediate impacts.

However, the literature does suggest that communities can have a clear and effective role in shaping their experiences with benefits and impacts from industrial activity (Storey and Shrimpton 2008, Wells 2005, Fuchs 1986). The size and complexity of an industrial project has less influence upon a community's positive or negative experience than variables in the community itself, particularly a community's (1) experience with previous change, (2) its attitude toward further change and (3) the extent to which that community feels empowered to act on their own behalf and manage change to their own benefit (Fuchs 1986).

The selected case studies further cite collaboration and cooperation between

municipalities impacted by an industry as having been key to successful benefits planning. Storey and Shrimpton's (2008) conclusion supports the focus upon the role of collaboration and cooperation.

The literature also suggests that communities need trusted professional advisors to assist in achieving accommodations from/with oil companies (Sinclair 2011). Without this, communities risk becoming divided and threatening their long-term sustainability.

Results

Based upon the data gathered during the course of this project (March 2011-February 2012), this report finds that the communities in this region do not meet all three of Fuchs' (1986) requirements for a positive experience with industrial-related change. The communities of the region have had experience with previous change and have a positive attitude toward more change, but interviews suggest there is a feeling that the people in the region/ community have limited power to act on their own behalf and manage change to their own benefit. This project is a part of an attempt to remedy this because people expressed recognition that they have little municipal power but may gain power through collaborative efforts. Although people in the region express a desire for increased regional collaboration and cooperation, actual regional capacity for collaboration and cooperation is relatively low. For these reasons the suggested next steps which result from this project focus upon building collaboration and cooperation around regional readiness planning and industrial benefits planning/benefits plan proposal development.

Gibson and O'Faircheallaigh (2010)'s Industrial Benefits Agreement toolkit provides expertise about a range of benefit agreement issues, from reaching

agreements to building trust and serves as a useful resource and/or guide to accompany this report.

Suggested Next Steps

For the advisory committee

- Decide upon the future role of the advisory committee
- Decide upon the geographic boundaries of the region as the focus of the committee
- Hire/appoint a facilitator to guide the committee through early decision-making processes, set regional priorities, and decide how to make decisions
- Consider forming a regional development corporation or other desired form of regional development entity
- Request funding from industry or the province to support ongoing role

To support benefits planning

- Hire/appoint a professional to initiate and support steps toward regional collaboration/cooperation and advance IBP
- Maximize the role of underutilized organizations, such as the Newfoundland and Labrador Oil & Gas Industries Association (NOIA) and existing joint towns committee(s)
- Investigate the potential for a continued presence of the Eastern Suppliers Development Alliance (ESDA), in its current or an expanded capacity
- Hire/appoint professional to represent the region's interests to industry, under the umbrella of the committee, joint towns committee, DRDB or a new organization

Introduction

In response to goals communicated during ongoing discussions with the Regional Readiness and Benefits Planning Advisory Committee (made up of representatives from each participating municipality, the Discovery Regional Development Board and the provincial Rural Secretariat), this final report focuses upon sharing knowledge and study data that supports municipal and regional planning processes, with particular regard to four areas: 1. Good Practices: focused through a literature scan of relevant work related to benefits planning with previous projects in Newfoundland and Labrador (NL) and in other jurisdictions, and interviews with benefits planning experts; 2. Regional Profile and SWOT Analysis: Organizing existing data and municipal/regional documents and interview data into an analysis that can inform municipal and regional socio-economic planning, including an assessment of “regional readiness” to engage in benefits planning and negotiations; 3. Benefits Plan and Legacy Project: Using data collected through interviews and scans of industry and expert reports to inform future benefits planning; 4. Next Steps: Possibilities for moving forward based upon data collected.

How the Project Came to Be

This project is a joint initiative of the Towns of Sunnyside, Southern Harbour, Come by Chance, Arnold’s Cove, and Clarendville, The Discovery Regional Development Board, the Rural Secretariat and Memorial University of Newfoundland. It was funded through contributions from ACOA, the provincial Rural Secretariat, the Department of Innovation, Business and Rural

Development and each participating municipality. The idea for this study originated with the Isthmus region itself through discussions between the DRDB, Rural Secretariat and local municipalities. The study partners listed above were then brought on board and partnered with the authors, researchers from Memorial University Department of Geography. In this sense, this has been a true regional and community-based research project.

Methods

Data was collected through literature and relevant document analyses, semi-structured interviews with 19 community members/leaders, 5 benefits planning experts, and 5 industry stakeholders, feedback from a public meeting and ongoing consultation with the project advisory committee. Three lists of interview questions were drafted for the purposes of collecting the required data from the three different types of interviewees (see appendix A). The majority of interviews were conducted throughout the summer of 2011. However, because of difficulties with arranging interviews with industry representatives, these interviews were not completed until November 2011.

Interview questions written for community members focused upon previous and ongoing experiences with municipal and regional economic planning and development, prioritizing community needs and wants and potential legacy projects. Interview questions for benefits experts focused upon good practices, potential case studies, industry-community relationships and suggestions for ongoing research. Interview questions for industry stakeholders focused upon industry-community relationships, consultation

practices and expectations/requirements from communities with which they engage in projects and/or relationships. The majority of the interviewees were identified by the advisory committee and others were identified by interviewees.

Data collection also included a review of industrial benefits planning literature and a review of the municipal plans and other related documents. Data was also collected during meetings with the project advisory committee and during a public meeting on Jan. 18, 2012.

Terminology

It is important to note here that although there is a difference between benefits agreements and benefits strategies, the data collected in this report can be used to support cooperation, negotiations and planning for both goals. In this report benefits agreements refer to formal contractual agreements reached between communities and industry. Legacy projects are projects which industry funds to benefit host/adjacent communities--these can be contracted or not. In this report, Benefit planning refers to the process communities use to decide upon goals and priorities with relation to obtaining benefits and the resulting plan may be called a benefits plan or benefits strategy. This differs from a benefits agreement, which refers to a contract signed between industry and any community, however community is defined. The Hebron Benefits Agreement (2008) refers to a contractual agreement reached between the government of Newfoundland and Labrador and industry which lays out how industry will ensure benefit to the province. The Hebron Benefits Plan (2011) is a report which outlines how Hebron plans to fulfill the

obligations taken on when the agreement was signed.

Why are Communities Entitled to Benefits?

One question emerged from the discussions that did occur with industrial representatives: why are adjacent communities entitled to any benefits at all? This question will be briefly answered here.

From the perspective of the academic literature, industry is increasingly required to earn what is called a social license to operate, meaning that the needs, contexts, voices and concerns of the nearby community members are considered in a way that provides benefits to the community as a whole (Howard-Grenfell et al. 2007, Gunningham et al. 2002). This is usually over and above contractual obligations.

From a regional perspective, first, although industry has worked to lighten impacts, the communities nearest the industrial activity are bearing the largest burden of this activity. These communities, most of which have limited budgets, are being asked to bear the cost of the wear and tear on infrastructure which is the direct result of industrial activity. Housing costs have soared in Isthmus region. Anyone unable or uninterested in working within the oil industry is struggling to be able to afford to live in the area. These are small communities which do not have the diverse and robust economies that can withstand this kind of pressure without some negative results. Those working outside of the oil industry--teachers, fish plant workers, childcare workers, store clerks, the kind of people communities need to survive and thrive--are struggling to be able to keep up with the rising costs

of living and it is harder to attract new workers to fill these positions when the wage is no longer enough to pay for housing. The environmental impact cannot be ignored either. Although industry has been continuously improving its environmental record, these communities have lost one of the main features which attracted and kept people in the community: a pristine and untouched environment. For example, emissions impact the smell of the air in these communities. This is not to say these communities do not recognize that they have benefitted too. They have, largely through jobs. But they have also shouldered the largest burden and believe that as a result they are indeed entitled to work with industry to find ways to receive benefits which can offset some of these and other impacts.

A part of the reason these host/adjacent communities have not seen as many benefits as they would like is that benefits are defined on a provincial level: there is no particular obligation within the Benefits Agreement to provide specific benefits at a local level to host/adjacent communities.

In the words of one community member:

“...if I were talking to a government official now, they would say 'Well Newfoundland is getting it back and you're part of Newfoundland', that's what they would say. But the fact is that if you are being most impacted. If your way of life has been impacted most, you should at least get more than everybody else is getting.”

Another reason these communities in particular are entitled to benefits is simple. It is simply good to engage in

corporate social responsibility. It is good business in that positive relationships with the nearby communities is an exchange for what is being lost and what is being contributed. This makes supporters out of nearby communities.

Industry-Community Relationships

People in the communities are eager to establish positive and productive relationships with industry in the area.

There is a sense that this time around there is potential for real engagement with industry and that industry today recognizes that it has a responsibility to engage with communities:

“I think in the past industries have said, 'Were going to do this, we know we have some hurdles to cross in terms of getting approval from government and so we know we have to engage you.' And I think what you're seeing now is that industry is saying that we need to move towards more meaningful engagement because we see that there are benefits from both sides: community can win something, we can win something. But that's a change. I think that's a change for industry and that might be a change within their Board of Directors and their corporate consciousness. I mean I don't know because I don't sit around those tables but I do see that there's a change.”

The only question is, how to engage with industry? It can be difficult to experience real engagement with industry and the following quote expresses concern about industry resistance to a benefits culture.

“...one of the biggest things is that there has to be some kind of

openings for community leaders to get to the table with the company, especially for projects that already have their environmental assessment permits. There may not be an opening for them to really get together and sit down and be able to talk about what exactly they want so I'm not really sure how that's created but I think that's one of the barriers that's preventing communities from being able to talk to companies and also there still seems to be this mentality that the companies are... that the communities need to convince the companies to give them benefits so it becomes this pitch process rather than a responsibility of the companies. I still think it's perceived as the communities, if they can get to the table, it's perceived they're perceived as being asking for handouts that's a different mentality thinking of it, that it is benefits that the companies are responsible for giving to the communities.”

One of the strongest indicators that industry is willing to engage in meaningful benefits dialogue with host/adjacent communities is the creation of a full-time paid position of benefits coordinator in the region. While there has been some consternation as a result of a silence on the part of industry during the course of this project, it is generally believed that this may be due to a focus upon getting all the right approvals and a benefits coordinator in place.

On the part of communities, they realize that they need to organize as a region in order to present a regional proposal, with a united front and a compelling voice. This project, the Isthmus Regional Readiness and

Benefits Planning Study, is a large piece toward this. One of the main concerns is the orchestration of a free-flow of information:

“if you set up the right process where there can be meaningful dialogue between residents and community leaders.... that process will be successful when the information from that average resident gets to the industrial player. And that's the one thing that needs to be set up is that kind of process where people feel that they can have meaningful opportunity to participate in the discussion.”

For small and medium-sized businesses in the region, communication is vital for owners to be able to create business plans that are adaptable and able to compete successfully even as conditions and demands change into the future. One business owner spoke of the learning curve he went through in order to understand how to work with industry:

“I've been involved in the project for every project that's been out there and I own companies and each one I understand a bit better.... now I'm much more educated and understanding how the industry works, now there's no more knocking on doors saying 'Hi do you want to buy a pan?' But I understand how to create awareness, how to create brand and to get in there. So I think I'm better positioned.... the ESDA has done a great job of that. So there is much more awareness around the region that you know what there's money to be made, there's money to be had.”

The positive impact of the ESDA was noted in many of the interviews. Many people expressed a desire for a continued role for the ESDA into the future.

Discussed in more detail in the Industrial Benefits Planning section of this report is the fact that when positive industry-community relationships are present, rural adjacent/host communities report their experiences with industrial development as positive (Fuchs 1980). One of the factors in a positive relationship between industry and community is that the communities have a sense of being able to be their own advocates and impact conditions to their own advantage. Part of the reason for this is that on a provincial level the interests of small and rural adjacent/host communities often become secondary to those of major urban areas.

Potential Costs and Benefits of Industrial Development

Three important benefits emerge from the literature and from the interviews: tax revenues, jobs and contributions to overall economy. The strength of these impacts is reflected in their frequent mention during interviews over the course of this project. Their strength is also reflected in the fact that industrial activity continues to be welcome and anticipated by residents in the Isthmus area.

Storey and Jones (2003) note that there can be a gap between anticipated and actual benefits. Their study of the anticipated and actual impacts of the Hibernia project, the first of East Coast's offshore oilfields found that anticipated

negative impacts were avoided through effective planning. They wrote that "while by the completion of the project the economic benefits to these communities may not have been all that some residents had hoped for, virtually all the anticipated negative social impacts were avoided," (2003, 100). This observation was repeatedly voiced by residents in the Isthmus: the negatives were not as bad as feared and the benefits had not been as good.

There are various literatures which explore impacts across various contexts. Shrimpton and Storey (2001) document the impacts and benefits of offshore employment in the petroleum industry. Sinclair (2011) discusses the impacts on inshore fishers of the construction of the Hibernia gravity-based platform at Bull Arm. Storey (2010) documents the specific impacts of the fly-in/fly-out context, pointing to different impacts for both the adjacent/host areas and the communities from which the workers originate. Storey notes that it is still too early to gauge the impacts on community sustainability for communities like Marystown, from which many workers commute to Alberta because of an absence of local employment opportunities.

Wilson (2004) and Stedman (2004) document a variety of general impacts which can and have occurred in various areas as a result of industrial activity. These include: mental stress, depression, post-industry lay-offs, road fatalities during commutes, addiction and high risk behavior to cope with stress, changing family roles, increasing partner conflict including family violence, minorities and women unable to get jobs, loss of culture, growing inequality, increasing poverty, housing pressures, environmental degradation, health impacts from

industry-related pollution, risk to fishers' livelihoods, post-oil finances.

Notwithstanding the resource curse concept which argues that although there may be short-term gains from industry, the long term gains are low or adverse, Storey and Jones (2003) and Storey (2010), assert that a community's experience with impacts is contextual and that negative effects can be minimized and/or avoided if industry, governments and communities work together to mitigate these potential impacts.

Local vs. Provincial Benefits

A part of the reason these host/adjacent communities have not seen as many benefits as they would like is that benefits are defined on a provincial level: there is no particular obligation to provide specific benefits at a local level to host/adjacent communities.

In the words of one community member:

"...if I were talking to a government official now, they would say 'Well Newfoundland is getting it back and you're part of Newfoundland', that's what they would say. But the fact is that if you are being most impacted. If your way of life has been impacted most, you should at least get more than everybody else is getting."

Storey and Jones note that some "communities and groups may be dependent on government, acting on their behalf, to broker arrangements with the resource companies" (2003, 1175). When this occurs, communities can feel they are dependent upon the provincial

government to allocate benefits specifically to them.

Industry-Community Relationships

People in the communities are eager to establish positive and productive relationships with industry in the area. There is a sense that this time around there is potential for real engagement with industry and that industry today recognizes that it has a responsibility to engage with communities:

"I think in the past industries have said, 'Were going to do this, we know we have some hurdles to cross in terms of getting approval from government and so we know we have to engage you.' And I think what you're seeing now is that industry is saying that we need to move towards more meaningful engagement because we see that there are benefits from both sides: community can win something, we can win something. But that's a change. I think that's a change for industry and that might be a change within their Board of Directors and their corporate consciousness. I mean I don't know because I don't sit around those tables but I do see that there's a change."

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On the part of communities, they realize that they need to organize as a region in order to present a regional proposal, with a united front and a compelling voice. This project, the Isthmus Regional Readiness and

Benefits Planning Study, is a large piece toward this. One of the main concerns is the orchestration of a free-flow of information:

"If you set up the right process where there can be meaningful dialogue between residents and community leaders.... that process will be successful when the information from that average resident gets to the industrial player. And that's the one thing that needs to be set up is that kind of process where people feel that they can have meaningful opportunity to participate in the discussion."

For small and medium-sized businesses in the region, communication is vital for owners to be able to create business plans that are adaptable and able to compete successfully even as conditions and demands change into the future. One business owner spoke of the learning curve he went through in order to understand how to work with industry:

"I've been involved in the project for every project that's been out there and I own companies and each one I understand a bit better.... now I'm much more educated and understanding how the industry works, now there's no more knocking on doors saying 'Hi do you want to buy a pan?' But I understand how to create awareness, how to create brand and to get in there. So I think I'm better positioned.... the ESDA has done a great job of that. So there is much more awareness around the region that you know what there's money to be made, there's money to be had."

The positive impact of the ESDA was noted in many of the interviews. Many people expressed a desire for a continued role for the ESDA into the future, either as continuing support for businesses or in a different role as a champion for the region as a whole.

Discussed in more detail in the Industrial Benefits Planning section of this report is the fact that when positive industry-community relationships are present, rural adjacent/host communities report their experiences as positive (Fuchs 1980). One of the factors in a positive relationship between industry and community is that the communities have a sense of being able to be their own advocates and impact conditions to their own advantage. This is a welcome change when, on a provincial level, the interests of small and rural adjacent/host communities often become secondary to those of major urban areas.

Industrial Benefits Planning

What is Benefits Planning?

A 2005 report examining the impacts of resource development upon adjacent communities noted that while social, economic, demographic, geographic and physical impacts upon environments can be profound, the benefits can outweigh the stresses “if the communities are adequately prepared to take advantage of opportunities” (Wells 2005, 3).

Industrial benefits planning is the process through which a community can prepare itself to capture the benefits of nearby industrial development. Industrial benefits planning operates within a general framework which “seeks to

understand local and regional (not solely national) aspirations regarding the benefits of specific proposed projects, and manage them in ways that will deliver sustainable economic and social development at the local level” (Storey and Shrimpton 2008, 2).

The costs and benefits that result from industrial activity respond to context and the particularities of community, geography and industry interactions (Storey and Shrimpton 2008, Coumans 2005, Stedman 2004, Wilson 2004). The literature does not provide one overall blueprint which will bring benefits and remediate impacts.

However, the literature does suggest that communities can have a clear and effective role in shaping their experiences with benefits and impacts from industrial activity (Storey and Shrimpton 2008, Wells 2005, Fuchs 1986). The size and complexity of an industrial project has less influence upon a community’s positive or negative experience than variables in the community itself, particularly a community’s (1) experience with previous change, (2) its attitude toward further change and (3) the extent to which that community felt empowered to act on their own behalf and manage change to their own benefit (Fuchs 1986).

The selected case studies described below cite collaboration and cooperation between municipalities impacted by an industry as having been key to successful benefits planning. Storey and Shrimpton’s (2008) conclusion further supports the focus upon the role of collaboration and cooperation.

The literature also suggests that communities need trusted professional advisors to assist in achieving accommodations from/with oil companies (Sinclair 2011). If they do not,

communities risk becoming divided and threatening their long-term sustainability.

As the communities participating in this project prepare for their own benefits plan, it will be motivating to note that “there is increasing evidence, as the above case studies illustrate, that industrial benefits planning can be an important and effective regional development tool” (Storey and Shrimpton 2008, 17).

Regional benefits planning is a tool which can aid a community in learning from previous experiences, and inform future planning in response to industrial activity. Benefits planning also has the potential to positively influence a community or region’s perception of industrial impact by providing the tools required to manage aspects of change to their own benefit, as mentioned in the quote by Fuchs (1986) above.

What if, like the rural and small communities in the Isthmus, there is an overall positive evaluation of impacts of industry and an expectation of overall positive impacts to come from continued industrial activity, but little capacity to influence conditions to their own benefit? Fuchs predictions in this case mirror a pattern of responses which emerged from some of the people interviewed for this project about previous experiences with industrial activity in the area: without the three factors in place, he predicted “an impact that ‘was good while it lasted but could have been a lot better’” (Fuchs 1986, 40). In interviews in the Isthmus region during the summer of 2011 those very sentiments were expressed by some of the community members interviewed (this will be discussed more in a later section).

In Fuchs’ opinion, rural communities who lack the ability to respond to changes brought by industrial activity--to

either enhance the benefits or to offset the negative impacts--will in the long term feel that benefits have passed them by or were short lived.

Successful Benefits Plans

It is important to note that there are no templates for a successful industrial benefits plan: each benefits plan is as individual as the community or region involved. In one report, Storey and Shrimpton concluded that “[w]hile there are common tools available to develop an industrial benefits plan, any final product is one that will need to be ‘fit-for-purpose’; custom-designed to meet local needs and capabilities” (Storey and Shrimpton 2008, 18).

However, there are a number of key elements which should be present in an industrial benefits plan. Based upon their experience, Storey and Shrimpton (2008) identified these elements as:

- The role of cooperation, collaboration and education
- Building on existing strengths and capabilities
- Targeting a diversified and sustainable economy
- Emphasizing quality
- Fostering research and development

In interviews with industrial benefits planning specialists, successful benefits plans were defined as plans with defined long-term and short-term benefits on a community and regional level and a local structure to manage the planning process. One interviewee explained:

“...that would translate into working with the community for not only the lifespan of the project but also for the long-term impacts. So [the plan]

would be involved with...creating some kind of structure for the planning process itself rather than just one-off individual negotiations. So there is actually participatory components on the community side meaning that there's different stakeholders and structures like a committee...”

The inclusion of measures for ensuring accountability and reporting during implementation was also considered important to a successful benefits plan, as described below:

“I think another successful part of the process would be the development of some type of accountability framework so that the benefits are actually reported on: how they're being used, where the money is coming from, where it's going to. And not just on the industry side but on the community side because industry often will report through their annual reports, their corporate social responsibility practices, which usually involves contributions and stuff. But I haven't really seen a lot of reporting on the community side saying how much they've received. Because it can't just be assumed that the benefits are being equitably distributed within the community. There is kind of a lot of anecdotal information out there about money that just kind of disappears. So I think that will be another successful component.”

It was also considered important to be detailed and specific about desired goals and outcomes. One interviewee said, “the community has to put [answer] what

exactly do they want? It's a really tough question to answer sometimes.”

One way to increase credibility and accountability is to have the benefits plan and strategy negotiations occur through an organization that acts on behalf of local communities and develops the capacity required. It is beneficial to hire someone, according to more than one person interviewed, especially if there are contracts involved:

“...a lot of it is just negotiations. So it's about having somebody who is a good negotiator... because depending on the company it could just be their PR person or it could be their PR person supported by their lawyers. So it's just about making sure that the community has kind of someone who can communicate what they want and lay out their terms because these are private negotiations. And that's how I think the communities have to look at them: they're commercial contracts essentially. They are not covered under administrative law they're covered under contract law, so this is like negotiating with any other business..... that's a mentality that municipal governments or regional governments are not-- perhaps it's not a perspective they're used to taking in this kind of context. Because most of the community development type funding that they would get were grants for charity donations this is not charity donations.”

Political leverage is important to negotiations and, while it can be a matter of timing and public relations, it was believed that non-aboriginal communities can develop the political leverage to

support their benefits negotiations. One benefits planning expert said, “there’s a real role for local governments to play.” Early on in a development project municipalities have easier access to leverage, particularly during the environmental assessment stage.

One interviewee mentioned measures taken by people in the Tahltan Territory in Northern British Columbia which enhanced their political leverage and ability to negotiate to their advantage. The territory created the Tahltan Nation Development Corporation¹ (TNDC) which “is dedicated to balancing long term resource sustainability with the immediate needs of their community” (TNDC website). The corporation increased their political leverage, accountability and credibility. The benefits they negotiated for themselves included short and long term benefits and included varied projects. Said the interviewee:

“They’re really good. There is a lot that local governments can learn from what they’ve done because they’ve done all sorts of things from cash benefits all the way to partnership developments and stuff like that.”

According to the interviewee, one of the best ways to create political leverage is to connect a benefit to an impact industry is having on the community.

“So for example, creating a connection between the need for enhanced medical facilities in the community to help address the potential increased demand that may be created by their project. So I

think there has to be a certain logic to their request, that links the benefits request to the presence of the company for that project in the region. There needs to be a connection between them.”

Overall negotiations: within the community, between municipalities in a region and with industry are key to benefits planning. It is important to avoid competition. Previous experiences clearly indicate that a successful benefits plan must be fair in its distribution of benefits across the impacted region. To this end, it was suggested that each community choose a different focus. The Mt Milligan mine in British Columbia, discussed further below, is an example in which four communities and two aboriginal groups came to a benefits agreement which ensured each community could pursue different development goals:

“they each kind of...specialized in different components. So for example one community focused on trying to create local procurement by the mines so they focused on trying to build up their commercial sector so that the mine would buy local basically. And then another one focused on housing, available housing that they had in the community because Mount Milligan isn’t a fly-in, fly-out so they’re using existing housing in the communities. So I think that’s how they’ve kind of avoided the competition aspect of it, distributing the benefits that way.”

¹ http://www.companylisting.ca/Tahltan_Nation_Development_Corporation/default.aspx

Rural Communities, Government and Industry: Changing Relationships

Changes in government and in industrial relationships with small communities are the conditions which have led, in part, to a call for regional cooperation and regional planning. Both government and industry have withdrawn from previous roles and responsibilities to rural communities which support and/or host the industry from which provincial and federal government collect tax revenues (Markey and Heisler 2010). It is because of these changes--and the fact that these changes have left small, rural communities with more responsibility but little capacity to influence conditions to their benefit--that Markey and Heisler recommend regional cooperation and planning as one way to gain some power while maintaining focus on the rural community needs that are often overlooked.

According to Markey and Heisler “post-war patterns of (re)investment and responsibility for directing economic and social development and mitigating market cycles and failure” (2010, 51) which ensured inter-provincial and inter-community equity have been largely abandoned. This move away from direct involvement with economic development has left communities, particularly small, rural communities with few supports while they attempt to develop the capacity to withstand changes brought on by larger economic forces and fluctuations in industrial activity.

At one time government measures ensured that communities adjacent or close to the resource at the focus of industrial activity would receive direct financial and employment benefits. But today communities may be completely severed from realising a share of the wealth associated with the resources that

surround them while continuing to absorb negative social, economic, and/or environmental externalities associated with the activity. Provincial governments define the scope of local powers and limit local control to secure direct economic benefit from resource development. Senior levels of government retain the power to determine control over resource development approvals, royalty revenues and set policies governing industry relationships with communities. Operating under the auspice of ‘provincial interest’, the development of the resource industry occurs extra-territorially from local communities (Markey and Heisler 2010, 51).

Relationships between industry and communities have also changed. As described above, government once attempted to structure economic activities to ensure adjacent resource and rural communities received some direct benefit. Now, “the contribution of industrial sectors to communities has become increasingly variable” (Markey and Heisler 2010, 51). Pointing to labour shedding, increased labour mobility and economic restructuring, Markey and Heisler say that industry has fewer ties to--and fewer responsibilities to--the communities which host the industry or are adjacent: “Indirectly, industries are less spatially beholden to the labour capacity within certain areas,” (2010, 51). As well, they point to the fact that municipalities have little power with which to enter benefit discussions with industry or make decisions as to how industry operates in their area. Despite these shifts counterbalancing pressures exist in the marketplace and even among investors for corporate social and environmental responsibility.

The changes described above, with the relationships between rural places

and government and rural places and industry, describe in part conditions which are present in the Isthmus region. The region has for decades been host to multiple industrial projects and will continue to do so into the future. The municipalities in the region most impacted (positive and negative) have little or no input into decisions about industry such as regulations, hiring practices and tax boundaries; industry draws upon municipal services and infrastructure; the region is host to a large influx of temporary workers from away; and many in the region feel that previous industrial activity has not lived up to the promises of the prosperity it would bring the region.

What can the municipalities in the region do? Markey and Heisler (2010) describe one agreement reached in a region in British Columbia that serves as an example of what is possible. Other communities have found ways to come to agreements which ensure some of their needs are met and that benefits reach them specifically. These examples will be discussed in more detail in the section Benefits Planning Case Studies below .

What Regional Cooperation Has to Offer

Collaborative negotiating (through regional cooperation) is one strategy communities can use to gain some power and receive benefits. Markey and Heisler observe that

...the economic benefits of regionalism serve as the main drivers of regionalist efforts. A focus on the region enables communities to exert more control over the use of surrounding resources and to exploit niche markets and the diversification opportunities

associated with improved transportation and communication infrastructure.... Second, the emphasis on social process in regional development holds significance to both the economic development of regions and their governance. Regionalism...also presents an opportunity for rural and small towns to negotiate benefits from resource activities occurring in adjacent areas, and to mitigate some of the challenges presented by the strict territorial boundaries that govern jurisdictional powers. (Markey and Heisler 2010, 53)

The Fair Share Agreement (discussed in more detail in the Case Studies section) is an example of how municipalities in a region can work together to make a unique agreement that benefits everyone in the region.

Interviews with community members and benefits planning experts in the region back this up: the majority of people we talked to emphasized the importance of finding a way for the municipalities region to work together to their mutual benefit. Thus the willingness and ability to work together as a region to develop and put into action an IBP is a key aspect of “regional readiness.” Part of the purpose of this project is to provide case studies that show how other communities and regions have approached benefits planning.

Defining the Region

When discussing regional cooperation and regional planning one question that inevitably arises is – what is the region? In addressing this question the functional region is a concept gaining traction that may be useful in continuing Isthmus

regional planning efforts as an organizing concept for regional cooperation. The functional region is based on current social and economic activities – on flows, relations and patterns of daily living rather than by administrative or historic boundaries (Feldman et al. 2006). They are “internally integrated with respect to some characteristic or interest”, with more interaction internal to the region than with outside areas (Hoover et al 1985:9.1). They are fluid, changing depending on the issue or type of activity or relationship at hand and changing interactions.

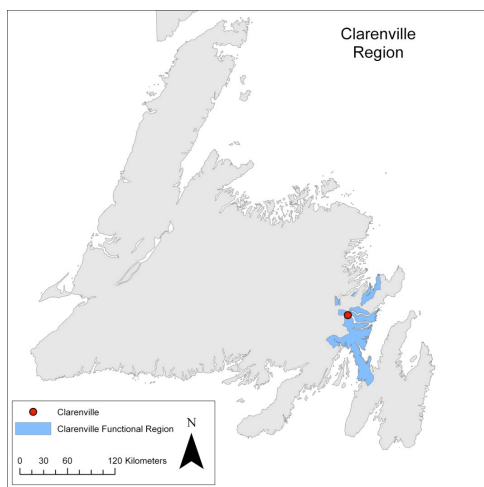


Figure 1. Clarenville Functional Region

Source: Simms, A. and J. Ward "Clarenville Functional Region: a Regional Socio-economic Summary," Report prepared for the Harris Centre and Social Foundations of Innovation Project Advisory Team, 2011.

One municipality may be part of one functional region area with respect to one issue and part of another functional region when it comes to another (e.g. commuting versus health care services). Functional regions may vary for differing issues or types of flows, but they may overlap (e.g. retail/shopping and commuting patterns). While their boundaries may differ, functional regions

can and do operate together with existing administrative organizations and structures.

Commuting patterns are most commonly used to delineate functional regions. From a labour market perspective the Isthmus communities, according to Simms et al (2012) and based on 2006 census data, are part of a functional region that extends beyond the communities participating in this project (see Figure 1).

One benefit of considering the functional region when defining the geographic scope for IBP efforts is that municipalities can enter into cooperation where relationships already exist and where benefits of cooperation are apparent, for example by providing more political leverage, to share service costs or to engage in planning for development and addressing the needs of a common labour force. For Freshwater et al. (2011, 12):

“The main advantage of the choice is that regional boundaries reflect the actual behavior of people. If an objective of defining a region is to encourage collaboration within it, then the chances of this happening are higher with a functional region approach because there is already a degree of interaction among the people in the region. In addition, as conditions change and behaviors patterns adjust, the boundaries of the region evolve to follow new patterns of interaction. In particular, if the objective of the policy is economic development, then functional regions based on worker commuting flows maps onto the local labour market.”

The Clarendville Functional Region above differs from, and covers a smaller geographic area than, existing economic zone or Rural Secretariat regional boundaries but is larger than the five communities participating in this project. It also extends north of the Isthmus Local Area used for statistical analysis by NL Statistics. Given the Hebron development, together with Vale in Long Harbour, the functional region is likely to have changed since 2006 and should be revisited as 2011 statistics become available.

While existing economic and especially commuting flows help to define regional relationships so does a history of working together. Patterns of social and political integration also warrant consideration, particularly when cooperation is emerging and may be vulnerable. The communities of what might be referred to as the northern Isthmus region have already formed regions of their own. The decision to build a regional school, Tricentia Academy, and the decision to form a joint towns committee and now work together on benefits planning are three examples. It is within these self-defined regions where the beginnings of an ethic of municipal cooperation can be seen. Similarly, there is some history of collaboration among the towns of the southern Isthmus. There are potential benefits from extending municipal collaboration in planning and development of an industrial cluster to both the northern and southern parts of the Isthmus of the Avalon.

Careful consideration must given, however, to the readiness of these two regions (or sub-regions) to further extend their municipal relationships and the impacts this could have on existing emergent collaborations. The geographic area that experiences the most

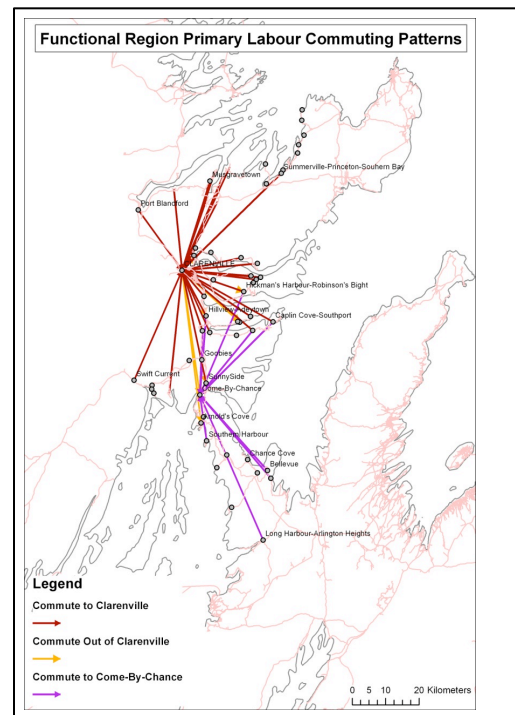


Figure 2. 2006 Commuting Flows to Clarendville and Come-by-Chance

Source: Simms, A. and J. Ward "Clarendville Functional Region: a Regional Socio-economic Summary," Report prepared for the Harris Centre and Social Foundations of Innovation Project Advisory Team, 2011

Simms and Ward (2011) suggest that local commuters typically travel up 35-40 km daily to and from their places of work and regional commuters up to 65 km, with a regional limit of approximately 85 km.

immediate and varied types of impacts must also be considered.

For the purposes of the benefits plan, while efforts have started with five communities that are working to develop cooperative relationships if the goal is to take functional regions into account, current collaborations can be understood to be fluid and can respond as conditions change such as more municipalities wanting to be involved and/or greater confidence within the current project partners in a collaborative approach.. The findings of this study suggest that building this confidence will be critical to maximizing industrial benefits.

Benefits Planning Case Studies

For the purposes of this report, relevant case studies discussed will be divided into three main categories. These case studies offer insight which can guide the current benefits planning process in the Isthmus, using these examples as a starting point for discussions about the possibilities which exist for regional cooperation. The three categories involve communities working with: the Province (focus upon agreements between non-aboriginal communities and the provincial government); Industry (focus upon agreements between non-aboriginal communities and industry); and Aboriginal groups (focus upon agreements between aboriginal communities and industry).

Drawing from these case studies it is possible that the Isthmus region can develop their own hybrid approach to benefits strategies and cooperative negotiations.

Working with the Province

Fair Share Agreement, British Columbia

Dr. Sean Markey and Karen Heisler's study of The Fair Share Agreement (FSA) in the Peace River Regional District in British Columbia shows how the process of benefits planning itself can build capacity. The FSA is an example of a benefits agreement in which stakeholders organized to demand more from the province and industry, in the end providing "a particularly unique solution to the predicament of rural regional development" (Markey and Heisler 2010, 49). Markey and Heisler explain that:

The creation of the Fair Share Agreement represents an example

of regional collaboration and planning that led to accommodation by senior government. The FSA represents a precedent of provincial revenue sharing of non-property tax revenues. It is a formalised re-investment of provincial revenues from the industrial sector back to the rural region from which the revenues are sourced. The precedent-setting nature of the agreement was a point of resistance for the Province during the early negotiation phases. (Markey and Heisler 2010, 59)

In the 1990's the communities mobilised a campaign to receive a greater share of the benefits from industry because it was recognised that communities faced direct impact even though the economic activity was taking place outside of municipal lands. "Essentially, there is no system in place that prevents industry from being "free riders" on municipal services" (Markey and Heisler 2010, 52).

The multi-year FSA agreement reached "reallocates provincial royalties from the oil and gas sector back to the Peace region from which the resources flow. The funds top-up municipal budgets and are intended to support infrastructure developments and to help mitigate the social and infrastructure impacts associated with the activities of the oil and gas sector." (Markey and Heisler 2010, 49). The agreement provided \$4 million to the region, half from a tax on industry and half as a provincial grant.

One unexpected outcome from the negotiations was the increased regional planning capacity. In fact, Markey and Heisler say that in interviews people stated that negotiations were turned over to the region with the expectation that

regional cooperation would fail, and so too the possibility of a regional benefits agreement. Markey and Heisler predict that “Transferring their collaborative negotiating capacity towards a capacity for regional planning will only strengthen their position with the Province when the existing FSA3 agreement expires in 2020 (Markey and Heisler 2010, 62).

Working with Industry

Mt. Milligan Mine, British Columbia

When a new mine opened in Northern British Columbia, four municipalities and two aboriginal groups came together to form a sustainability committee. The organizational structure provided the communities access to leverage in their dealings with industry. The committee was able to negotiate a multi-dimensional benefits strategy between the mine and the municipalities and aboriginal groups. On their own, the municipalities, according to the interviewee who spoke about this example, “almost seemed timid to ask for any because they don't want to do anything that might prohibit the development of the project”. There was no contract signed with the municipalities involved, but an impact agreement was signed with one of the aboriginal groups. The sustainability committee avoided competition between communities by encouraging each municipality to specialize in different areas of economic development. A contractual agreement will ensure that, should the industry be sold, the benefits agreement continues to be honored. However, the interviewee suggested that companies involved with benefits strategies can and do look for buyers who will continue with the work even without such a contract in place.

The Newfoundland Offshore Oil Industry

The submission of a Benefits Plan by project proponents is the main benefits tool required in Newfoundland and Labrador through the regulatory framework created by the 1985 Atlantic Accord (Storey and Shrimpton 2008). The plans must lay out how provincial businesses and labour will benefit, with emphasis on education, training and research and development. According to Storey and Shrimpton (2008), these benefits plans have been successful. In 2008:

Newfoundland and Labrador residents held the great majority of all oil-activity related construction and operations employment, including substantial amounts of design, administration and management work. As has been described above, it appears that involvement in the oil industry is having a transformative effect on the business sector, including with respect to infrastructure, equipment, business practices and entrepreneurship. There has also been a very significant growth in the Province's education, training and R&D capabilities and activity, including export of the latter. (Storey and Shrimpton 2008, 10)

Storey and Shrimpton point to a number of lessons learned about benefits plans, which include: the importance of a ‘benefits culture’ within industry; those doing engineering and project design work must be fully aware of local capabilities and aspirations; benefits requirements should be outcome oriented; and monitoring must focus on actions which need to be taken.

However, interviews with community members for this project report pointed to the fact that benefits are defined at a provincial level and benefits are not guaranteed for adjacent/host communities. Because of this, some people in the municipalities in the Isthmus region are not satisfied with the level of benefits obtained by industry-host communities in the province's oil and gas industry. Municipalities are attempting to cooperate on benefits planning at a regional level to address these shortcomings.

The Confederation Bridge

Some tourism-related benefits may arise by exploiting interest in large-scale construction. When the Confederation Bridge in Prince Edward Island, Canada, was being built, its potential as a tourist draw was maximized (Storey and Shrimpton 2008, 10). There were widely publicized site tours, a major visitor centre and a café, and the sale of a wide range of souvenirs.

Working with Aboriginal Communities

While the legal and cultural contexts of aboriginal communities differ from those which exist in the Isthmus region, a knowledge of key agreements can inform benefits planning processes there. Aspects of industry agreements with aboriginal communities can demonstrate possibilities which had not before been possible. Additionally, Heisler (interview, 2011) stated that although aboriginal communities today wield a political power that non-aboriginal communities do not have, non-aboriginal communities can strategically increase and use their own political power to their advantage. There is no reason cultural and community well-

being need be a concern only of aboriginal communities. Finally, as the Mt. Milligan case study illustrates, while this may not be relevant for Isthmus communities, in a growing number of cases across the country aboriginal and non-aboriginal communities are coming together to plan for the region as a whole, combining their collective power and resources.

Tahltan Territory, Northern British Columbia

The territory created the Tahltan Nation Development Corporation² (TNDC) to increase their political leverage, accountability and credibility. The benefits the development corporation negotiated included short and long term benefits and included varied projects which represented significant financial investments. The corporation was staffed by paid employees whose job it was to obtain benefits.

The Ekati Diamond Mine, Northwest Territories

In an area accessed only by air, the Ekati mine opened in October 1998 amid skepticism regarding the probability of obtaining benefits for the community. This was in part due to previous negative experiences with mining industry in the territory. However, an agreement between the government and BHP Diamonds (1996) was signed, stating support of ongoing reporting and communication, collaborative planning, availability of training and employment opportunities to all northerners regardless of structural impediments (such as low levels of literacy), support to the development of local businesses and to the participation of such businesses in

² http://www.companylisting.ca/Tahltan_Nation_Development_Corporation/default.aspx

the project, and a commitment to a culturally sensitive workplace (Storey and Shrimpton 2008). Additionally, separate industrial benefits agreements (IBAs) were signed between BHP Diamonds and four aboriginal groups in the area. These agreements provided measures such as employment targets, training, community involvement and annual payments to each of the four groups in recognition of the shared use of Lac de Gras area. Storey and Shrimpton wrote of the success of the agreement outcomes, with 42% of the mine employees of aboriginal origin and more than 60% northerners. They cite this agreement as an example of a positive outcome despite previous negative experiences with industry.

Diavik Diamond Mine, Northwest Territories

The benefits agreement between the government, several aboriginal groups and the mine outlined commitments to training, employment (40% aboriginal workforce) and business opportunities specifically to Indigenous northerners, purchasing the majority of its annual requirements from northern companies, and community consultation regarding environmental and social principals. Also mentioned are the importance of cultural and community well-being and the provision of health and wellness related services for employees.

Benefits Agreement Planning: Lessons Learned

The literature (Storey and Shrimpton 2008, Stedman 2004, Wilson 2004) shows that successful benefits plans are as individual as the communities who make them. Storey and Shrimpton wrote:

“While there is increasing experience with the industrial benefits planning process to draw upon, transfer of that experience must be exercised with caution – context is vitally important, whether in terms of the differences in goals and aspirations of those seeking to benefit from development, the jurisdiction and power of the groups involved, or local capacities.” (1989, 17)

Key observations drawn from literature and interviews:

- include short-term and long-term benefits
- negotiate as a functional region, not individually
- develop a proposal with specific goals and outcomes
- connect benefit projects to impacts from industry, where possible
- develop your political leverage
- have benefits strategy occur through an existing or new organization which represents participants
- consider hiring a negotiator
- avoid competition, consider how each region can specialize its economic development plan with a different focus
- consider your overall goal(s) and link potential projects to this
- consider hiring a negotiator
- avoid competition, consider how each region can specialize its economic development plan with a different focus
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Regional Assessment: Summary

Full details of the Regional Profile, Summary of Issues Raised in Integrated Community Sustainability Planning (ICSPs) and the SWOT Analysis are found in appendices B-D.

The regional SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis was developed in a draft form and discussed at committee meetings during the course of the project. The analysis was developed based upon ICSPs (Arnold's Cove, Clarendville, Come By Chance, Southern Harbour and Sunnyside), Socio-economic Impact Statement and Sustainable Development Report (Storey 2011), Community Accounts Local Area Analysis, Regional Economic Capacity Index (RECI) data and interviews.

From these sources, eleven key themes related to regional gaps and aspects of well-being were identified:

- Demographic
- Economic
- Recreation
- Housing
- Infrastructure
- Health
- Small Business
- Education
- Tourism
- Environmental
- Regional Cooperation

Strengths, Weaknesses, Opportunities, and Threats were considered for each of these themes and potential future directions for addressing these Strengths, Weaknesses, Opportunities, and Threats then identified.

Demographic issues include current and anticipated future population and labour force decline. Potential future

directions include ensuring jobs for regional residents, the stimulation of non-oil economic and small business activity to provide long-term stable employment even after oil leaves, encouraging and maximizing the time of older residents as community volunteers, engaging younger residents to benefit from their more regional perspective, and initiatives to attract and retain youth, young workers and families.

Potential strategies for addressing **economic** issues included ensuring full regional/local participation in oil-related business opportunities, ensuring women's access to oil-related jobs, the creation of a working group with a focus upon building local industry supplier/support businesses, creation of a working group to investigate non-oil business wage competitiveness, potential for a regional sharing of industrial revenue agreement, strengthening the role of under-utilized agencies, such as NOIA.

Recreational strategies include opening communication with industry about recreational facilities as possible legacy pieces and building upon and expanding the small program planning which already exists.

Potential measures to address **housing** issues include the negotiation of housing legacy opportunities for each municipality, some of which may originate as new accommodations to house temporary workers and the creation of a working group to address the increasing lack of affordable housing.

Infrastructure issues identified may be addressed through further investigation of industry wear and tear of major roads and the overall aging of infrastructure.

Health-related measures identified include regional measures to attract local/regional health professionals and

addressing the need for financial support for some people to travel to access medical care.

Measures to support **small business** identified include planning regional support for small businesses, discussion of wage disparity which makes it difficult for small businesses to attract workers and the creation of a regional daycare strategy.

Education-related initiatives might include upgrades to Tricentia Academy and discussion about the quality of trades education in the region.

Tourism ideas include the possible creation of an industrial tourism plan and the continued work upon regional tourism initiatives.

Environmental strategies identified include the ongoing monitoring of industrial activity.

Regional Cooperation/Local capacity/Governance can be enhanced through the inclusion of under-utilized groups to support community/benefits planning.

Key Themes for Future Projects and Industrial Benefits Planning Interviews

Nineteen members of one of the five participating communities were interviewed, along with five people working in benefits planning with the government or agencies or as academic scholars and five individuals working directly with industry. In total twenty-two interviews with 29 people were conducted. We attempted to interview a variety of people with a variety of occupations and experiences.

Community members interviewed from each municipality in the region described visions for the future that almost always included **regional cooperation** to some degree. Some community members

indicated a desire for some sort of support for regional cooperation. This support was imagined in various forms and included training in regional planning and regional decision making, hiring a regional economic development coordinator, and regional facilitation. It was suggested that the ESDA might play a continuing role, not only to continue to support and lobby for local businesses, but to support regional planning. Barriers to regional planning were discussed. These included a lack of capacity to organize on a regional basis, an inability to hire a regional coordinator, not enough volunteers, a lack of regional political power, lingering distrust between municipalities due to previous events, a variance to the degree to which different municipalities are willing to cooperate on a regional basis and economic inequality between municipalities which puts municipalities on an unequal footing.

The key to encouraging successful regional cooperation, according to one interview participant, is to find one or two things municipalities in the region will easily agree up and begin with those. Several people pointed to the impact the regional school, Tricentia Academy, has had upon encouraging young people to think regionally.

Jobs were frequently identified as a benefit of industry. However, several communities indicated that not very many people in the community actually had jobs with large industry and so the positive impact was relatively small. Some people expressed concern that because local was defined on a provincial level, workers from the immediate area would not receive priority in hiring with the Hebron project. This had occurred with previous projects. Several people blamed union control of hiring for this. But there was hope that due to the large

amount of retirement among union members, more local people would be able to join the union. It was generally stated that more young people had been trained in trades in expectation of getting jobs with industry and that some local people were returning from work in Alberta and able to settle back in the region.

There was a general feeling that benefits had not been as large as expected. In general people felt that industry had not lived up to its promise of prosperity for the region. This was not uniform, however. Members of certain communities were more satisfied than others. This reflects the differing economic conditions of the municipalities in the Isthmus. Some communities were able to **benefit from taxing** industry, while others were not. This was listed as a reason for some of the divisions between municipalities.

There were criticisms of the impact of industry. There was talk about damage and wear of local/municipal **infrastructure** that, in some communities, industry did not contribute to upkeep. Both availability and cost of **housing** were cited as problems. There was a general, though not urgent, call for industry and the region to address the housing situation. Housing was listed as one area which would be easy for industry to leave something to the community by building housing in each community to accommodate the workers and leave it to the municipalities as affordable housing.

Few people were satisfied with **industry-community relationships**. There was indication that initial relationships with industry players related to the Hebron project were positive. But there had been a drop off in communication which left people

wondering what was going on and skeptical that promised benefits would actually occur. However, people were committed to trying to improve community-industry relationships, if they could.

There was a call from a couple of people to find a way to distribute industry **tax/benefits on a regional rather than municipal basis**. It was suggested that ensuring all municipalities in the region received money from industry would benefit the region as a whole.

One measure suggested which would support **small businesses** is the creation of a database of all the businesses in the region and/or province which also describes their work capacity. Small businesses not industry-related were struggling to find employees because the cost of living has risen and they could not compete with industry wages. There are not enough services in the area, from stores to **doctors**, to attract new residents to the area and keep existing residents. A lack of recreational opportunities was also cited as a reason fewer people settle and stay in the region.

While some people interviewed listed specific municipal and/or regional projects as priorities for potential legacy projects, others imagined a multi-level **legacy proposal** which addressed more than one regional gap and allowed flexibility into the long term as the best way to go.

The Public Meeting

A public meeting was held at Tricentia Academy in Arnold's Cove, NL on the evening of January 18, 2012.

About 20 people attended, most from local municipal councils in the region. Using Turning Point Technology provided by the provincial Rural Secretariat,

people attending discussed and voted upon priorities for future regional planning and projects. Before the public meeting, key themes and potential initiatives were identified through interviews, discussion at advisory committee meetings, the SWOT analysis and key documents. Identified as key project themes and related initiatives for inclusion in future benefits plans or strategies were: recreation, school, health, daycare, housing, legacy fund/money, economic development and infrastructure.

In planning for the public meeting the project advisory committee identified upgrades and programming opportunities for Tricentia School as the top theme around which the region could organize. This decision was made for two main reasons: it fit the criteria chosen for making priority decisions, and upgrades for the school would benefit all the children in the area, making it very easy to get community agreement, excitement and buy-in. The school can also function as a community centre, addressing some of the region's recreational needs.

The majority present at the public meeting voted that housing was most important priority for themselves personally (followed by recreation and economic development). But when asked about what their municipal council's top priority should be, the majority identified economic development (followed by recreation and health). Economic development was also a key theme identified through the SWOT Analysis and in various key planning documents.

The recreational initiative chosen was funding to support small programming and facilities. The health initiative chose as top priority was physician support/ attracting a range of professionals. The top legacy fund initiative chosen was community development funds. After

discussion regarding an ongoing proposal spearheaded by the Come By Chance municipality, the top economic development initiative chosen was a regional Centre of Excellence. The top infrastructure project identified was the provision of storage.

Interviews and consultation with the advisory committee had previously identified the school as the top priority for key planning and projects because it was seen as the one topic which the majority of residents in the region would want to commit to and would become excited about. That school was not identified as a priority during the public meeting may indicate that more collaboration work will be needed in ongoing planning efforts.

When asked to vote on whether municipal councils should continue to work with nearby communities in pursuing industrial benefit opportunities, everyone voted yes. This indicates strong support for the collaboration that must happen in order for a successful end to the regional readiness and benefits planning processes.

Key Project Ideas and Themes

Economic Development

Municipalities in the region are committed to continuing economic development and are aware the diversification is important. The focus was on attracting new businesses and/or developing the capacity to become the centre for excellence in an area. The role of the ESDA was emphasized and it was felt that perhaps the ESDA or something like it could continue in a role of support for small business and/or regional economic development.

Specific suggestions raised:

- alternative energy
- fund supporting economic diversification

- centre for excellence
- incubation/small business support

Recreation

The most frequent projects identified involved recreation. However, frequency does not necessarily mean that it is the highest priority. While virtually everyone talked about the need for recreational outlets, recreation was often not the top priority identified in interviews, but as one of the top priorities. Additionally, many people talked of a recreational facility in terms of an ideal world project and also spoke of concerns regarding its sustainability--one of the criteria for a regional project.

Specific suggestions raised:

- a recreational complex (skating, swimming, perhaps housing medical needs and a community room as well)
- museum
- marina
- funding to support small programming (hiring of a coordinator, uniforms, etc)
- programming for young people
- industrial workforce as recreation volunteers

School

The regional school, Tricentia Academy, was talked about at the highest frequency (see graph in section on interviews), although not often as a potential legacy project. However, ongoing consultation with the regional committee identified upgrades to the school as a development project the region would easily organize around as it met most of the criteria, in particular that of being easy to agree upon.

Specific suggestions raised:

- wellness room
- skills and trades facility

- cafeteria expansion
- recreational facility
- scholarships

Housing

There was agreement that housing costs are rising to a degree detrimental to economic development because workers in non-oil related work cannot make enough money to pay the rent so businesses are struggling to attract workers.

Specific suggestions raised:

- housing built for workers in each municipality which could be left as a legacy to offer affordable housing

Health

Access to healthcare was frequently discussed as priorities for keeping people in the region and attracting new people.

Specific suggestions raised:

- hospital wing
- hospital equipment (CT scanner, MRI)
- physician support (housing, facilities)

Daycare

Daycare for young children is in high demand and access to daycare is key to attracting working families to the region. Some interviewees felt that a daycare in the region was important because it was felt that driving to Clarendville with young children was unsafe in bad weather.

Specific suggestions raised:

- a regional daycare facility
- provide funding to train local daycare employees

Funds/Money

A community development fund was a possible legacy which some interviewees thought would provide flexibility over the

long-term, allowing the region to continue to invest in small/medium economic development projects after industry is gone. There was concern about how the funds would be administered. However, the case studies section offers examples as to how others did this. A research fund dedicated to fund researchers working in the region could ensure that future economic development efforts are informed by up-to-date research.

Specific suggestions raised:

- Community Development fund
- Research Fund for specific kinds of research in Isthmus area

Infrastructure - other

There is a large need for infrastructure projects in the region. However, only a few projects were identified as being likely candidates for a legacy project. Two could be of benefit to industry: storage for businesses/industry and residential and commercial development. Community centres would provide space for events, clubs and small recreational programs.

Specific suggestions raised:

- community centres
- storage
- residential and commercial development

Decision Criteria

How to Decide

Input received during ongoing consultation throughout the course of this project made it clear that the regional benefits planning committee needed to agree upon and establish a list of criteria which would be applied to potential project ideas to decide on their viability for the region. The criteria were generated in consultation with the committee. These criteria can be flexible

and applied in other economic development collaborations. Criteria checklists can be found in the appendix.

Criteria

Potential projects should have:

- Widespread regional support
- Is it easy to obtain a consensus among participating parties?
- Does the project have regional impact?
- How does the project support the principals of fairness and equity in the region?
- Does it benefit all communities?
- Does it provide an economic impact to the region?
- Does the project build on assets of the region?
- Does the project address a major challenge or a need?
- Does the project support industry needs or priorities?
- Does it support the Benefits Plan objectives?
- Is the project sustainable in the long-term?
- Does the project avoid conflict between participating parties?
- Does the project meet multiple needs?
- Does the project demonstrate partnership and collaboration?
- Does the project support municipal priorities?

Results

Based upon the data gathered during the course of this project (March 2011-February 2012), this report finds that the communities in this region do not meet all three of Fuchs' (1986) criteria for a positive experience with industrial-related change. The communities of the region

have had experience with previous change and have a positive attitude toward more change, but interviews suggest there is a feeling that the people in the region/ community have limited power to act on their own behalf and manage change to their own benefit. This project is a part of an attempt to remedy this as community leaders expressed a recognition that they have little municipal power but may gain power through collaborative efforts. The following quote from the interviews demonstrates an expression of this sentiment: “We’ve learned that if we try to do things on our own, we’ll get nowhere.” Although people in the region express a desire for increased regional collaboration and cooperation, actual regional capacity for collaboration and cooperation is relatively low. For these reasons the suggested next steps which result from this project focus upon building collaboration and cooperation around regional readiness planning and industrial benefits planning/ benefits plan proposal development.

Suggested Next Steps

For the advisory committee

- Decide upon the future role of the advisory committee
- Decide upon the geographic boundaries of the region at the focus of the committee
- Hire/appoint a facilitator to guide committee through early decision-making processes, set regional priorities, and decide how to make decisions
- Consider forming an organization or community development corporation
- Request funding from industry or province to support ongoing role

To support benefits planning

- Hire/appoint a professional to initiate and support early steps toward regional collaboration/ cooperation
- Maximize the role of underutilized organizations, such as the Newfoundland and Labrador Oil & Gas Industries Association (NOIA) and existing joint towns committee(s)
- Investigate the potential for a continued presence of the Eastern Suppliers Development Alliance (ESDA), in its current or an expanded capacity
- Hire/appoint professional to represent the region’s interests to industry, perhaps under the umbrella of the committee, joint towns committee, DRDB or a new organization.

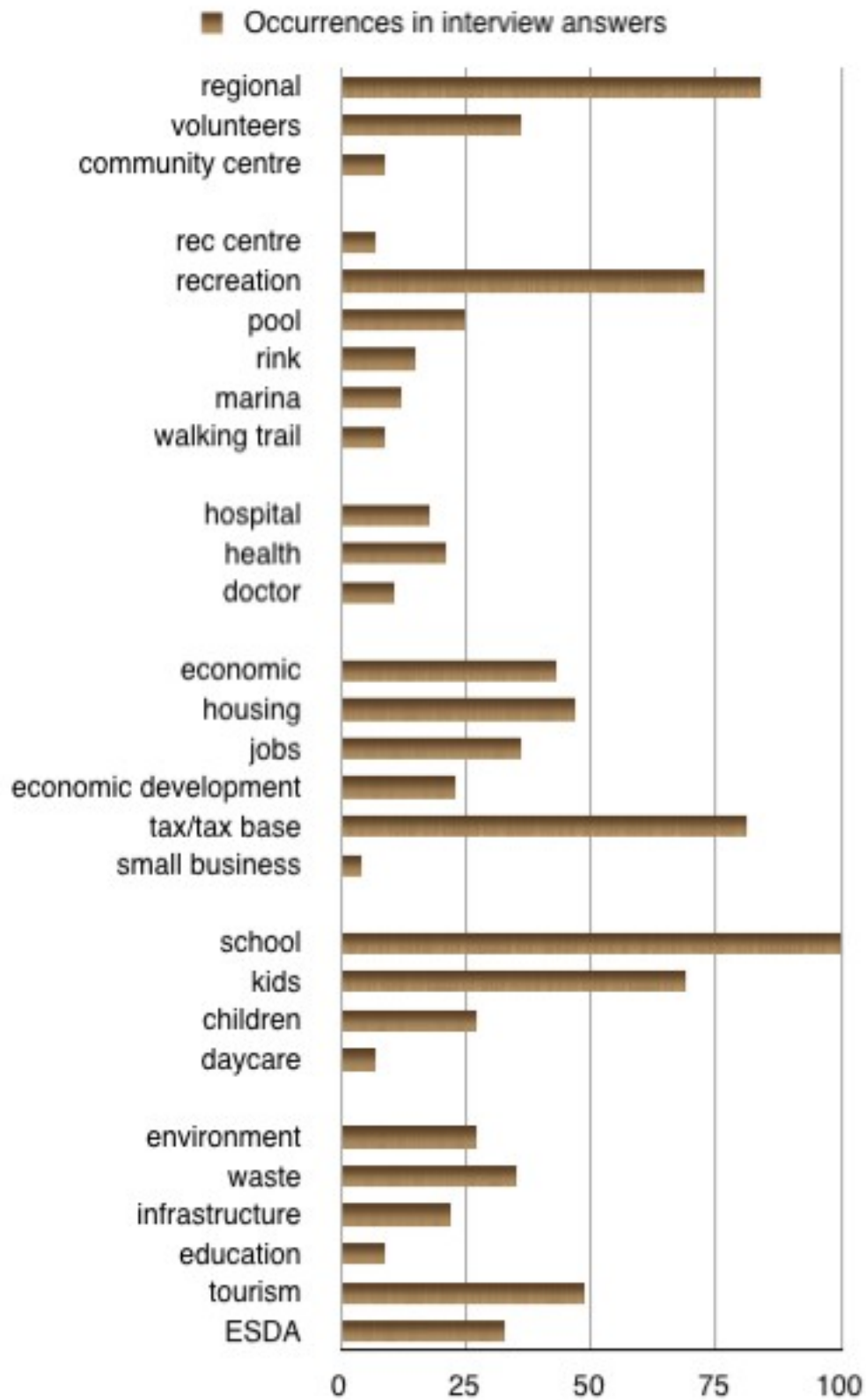
Appendices

- A. Frequency of Key Terms in Interviews
- B. Regional Profile
- C. Summary of Issues Raised in ICSP Planning
- D. SWOT Analysis
- E. Public Presentation Slides

A. Frequency of Key Terms in Interviews

Figure 3 indicates the number of times certain words occurred during interviews. This cannot tell us in what context the word came up, only that it came up. As you will see, school appeared more times than any other word on the list. Regional, tax/tax base and recreation frequently occurred as well.

Figure 3. Occurrences of key terms in interview responses



B. Regional Profile

Regional Overview

The Isthmus area has hosted the construction of the Bull Arm facility and its use for the Hibernia, Terra Nova and White Rose projects. The Isthmus has also hosted the construction and subsequent expansion of the Newfoundland Transshipment Terminal, at Whiffen Head. In the southern portion of the Isthmus, construction is now underway of the Vale nickel processing plant at Long Harbour which will provide several thousand jobs during construction and a permanent workforce of 450 during operations. Construction of the processing plant began in April 2009 and is expected to be completed in February 2013 (www.vbnc.com/ProjectOverview.asp, 2012).

Fishing, which dominated in the area historically, continues to have an economic impact. Icewater Seafoods in Arnold's Cove processes fish, employing about 300 people. Fish plants also still operate in Clarenville and Southern Harbour.

Oil and Gas

Skeard et al. (2011) provide a summary of the oil and gas sector which points to its importance in the region, starting in the 1990's. Growth in this sector will continue as the Hebron project moves forward and Hibernia continues its development. Contributing to the strong role of oil and gas in the region are the Bull Arm dry-dock facility, Whiffen Head, a transshipment terminal for offshore oil, and the province's only oil refinery. The benefits of the offshore petroleum industry have been said to have sheltered the economy in the region from declines in other sectors, particularly the fishery (Shrimpton 2011). Skeard et al. note that there will be increased employment potential in this area in the coming years. Current strengths include the Come By Chance oil refinery, which employs 600 people, and the Oil Transshipment site at Whiffen Head. The Hibernia construction and fabrication site at Bull Arm is a major industrial site and much of the optimism in the business service sector revolves around the construction of the Hebron gravity-based platform at Bull Arm which will employ a peak of 3000 personnel in 2014. Other major firms developing on the edge of the Clarenville region include the new smelter at Long Harbour being built by Vale.

Projects in the region, such as Hibernia, Hebron and Whiffen Head, are growing the residential base but have not attracted new supplier and support industries. This is also a factor of being close to St. John's and firms there readily supplying major project needs. The business service sector is keenly aware that growth in their industry depends upon growth in local industrial supply companies. Interviews suggest that not enough local spin-off and growth occurred during the Hibernia project at Bull Arm in the early 1990's, and local municipalities and the area Chamber of Commerce want to ensure more benefits accrue to the area during this new round of development and that they be more permanent.

Regional Labour Force

Local employment is an important component of industrial benefits. However, the ability to capitalize on industrial opportunities is dependent on both labour demand and labour

force characteristics (supply), as well as the services and processes put in place to match supply and demand. The region's workforce is following the general provincial trend: with increasing older workers and fewer young people entering the workforce Skeard et al. (2011) note that:

[t]hese demographic issues combined with new employment opportunities have led to concerns about labour shortages despite high rates of unemployment, particularly in some industries, occupations and skill-types. A high rate of technological advancement also means that workers will need to acquire the necessary skills, as well as adapt to more diverse duties and tasks. Primary industries are not excluded from the trends. In rural communities, the predominant employer is often rooted in primary industries (fishery, forestry, agriculture, oil and gas, and mining). Nearly 50% (48.5%) of the province's workforce reside in rural and small town communities (HRLE, 2007). These provincial trends can also be seen in the study region. (2011, 2)

Skeard et al. further note that commuting is a way of life for a majority of the labour force participants in the study region and that commuting flows tend to be connected to primary-sector driven industries (Including related manufacturing) (2011, 5).

Infrastructure

According to Skeard et. al. (2011), infrastructure is critical to economic development and diversification in the region. For the fishing industry, fish processing facilities, more recently fish farming infrastructure (including wastewater treatment), and roadways are all required. The oil and gas sector requires extensive infrastructure for extracting, process and transporting these resources, including platforms, drill rigs, roadways, processing plants and shipping terminals. The Clarenville-Bonavista region is home to the province's only oil refinery, located in Come By Chance along with a shipping terminal located at Whiffen Head that provides docking and other related services and a large fabrication site at Bull Arm that provides a site for offshore oil infrastructure construction. Further research will explore current and future infrastructure needs of industries but also other community infrastructure needs that might be met through industrial benefits planning arrangements (see Table 1 below).

Governance

All five communities included in this review are governed by a town council. Four of the towns have a history of working together through a regional committee. They have identified four priorities for their collective efforts: developing a joint tourism plan; developing a joint emergency plan; recreation; and communication (e.g. a newsletter).

In the southern portion of the Isthmus another set of communities has worked together through the Isthmus Joints Towns committee. This group, formed in 2005, includes communities from Whitbourne to Bellevue (5 towns and 5 local service districts). The committee has met to discuss regional issues such as economic development, out-

migration, the need for long-term employment, and regional service issues such as fire and roads.

Local businesses are represented by the Arnold's Cove Area Chamber of Commerce. The communities are also part of both the Clarenville-Bonavista Rural Secretariat region and Discovery economic zone, and therefore part of the Discovery Board Strategic Economic Plan and planning area. The towns, together with Rural Secretariat and Discovery Board regional planners, have met with industry stakeholders to begin to discuss the strengths and weaknesses of current services, infrastructure and capacity.

To avoid the pitfalls of one industry towns, the town councils have begun to work through the Economic Crisis Response Program (ECRP Toolkit), in partnership with Municipalities Newfoundland Labrador to provide local councils with the information, tools and techniques required to better prepare and plan for economic transition. Through discussions to date questions have been raised about whether the region is really ready for a large project like Hebron. From this, the Discovery Regional Development Board proposed that a "regional readiness analysis" be conducted to identify the strengths and weaknesses of the Clarenville-Bonavista Rural Secretariat region and to help provide stakeholders with direction on how they could prepare for and capitalize on the opportunities of a large project in the region.

Community Snapshots:

Arnold's Cove

Arnold's Cove is considered the gateway to Placentia Bay. The population in Arnold's Cove was just over 1000 in 2006. This is a decline of 2.4 per cent since 2001. Statistics Canada figures suggest the town's population fell to 990 in 2011. The gross income in 2006 was \$24,200 and the after tax income was \$15,600, which is higher than the provincial averages of \$22, 900 and \$14,900 respectively. Many people living in Arnold's Cove commute elsewhere for work.

Strengths: Proximity to industrial work sites, such as Bull Arm Facility, Come By Chance Refinery, Whiffen's Head Transshipment Site, Hebron project.

Challenges: Declining population, infrastructure, revenue sources.

Clarenville

Clarenville is located 190 km away from the capital city of St. John's and is the region's major service centre. The town's population grew from approximately 5,275 people in 2006 to 6,036 in 2011 (14% growth).

Strengths: More than 40% of businesses and 50% of workers in the functional region are located in the town of Clarenville, many regional services and a diverse economic base

Challenges: Planning for growth and increased service demands

Come By Chance

According to Community Accounts the population was 390 in 2006, including the Local Service District of Goobies. Statistics Canada suggests that the municipality's population was 260 in 2006 and fell to 247 in 2011 (5% decline). The tax base includes Whiffen Head Transshipment terminal and the Come By Chance Refinery.

Strengths: Proximity to industrial work sites inside and outside of the town, such as Bull Arm Facility, Come By Chance Refinery, Whiffen's Head Transshipment Site, Hebron project. Population is not declining.

Challenges: Infrastructure upgrades needed.

Southern Harbour

The fishing industry continues to play a very important role in Southern Harbour. The community is within a 30 minutes driving distance of the Bull Arm Fabrication Site, North Atlantic Refining, Whiffen's Head Transshipment site. Some residents commute to work at these sites. Others commute to Clarenville to work. The current population is 534 people, an increase of 13% since 2006.

Strengths: Proximity to industrial work sites, such as Bull Arm Facility, Come By Chance Refinery, Whiffen's Head Transshipment Site, Hebron project.

Challenges: Declining population, infrastructure, loss of revenue from landfill site.

Sunnyside

The population in Sunnyside fell from 470 in 2006 to 452 in 2011. The average income is \$26,000 – higher than the provincial average. Sunnyside is 6 km from NALCOR's Bull Arm Fabrication Site and 10 km from North Atlantic Refining Ltd (oil refinery) and Newfoundland Transshipment Terminal.

Universal Environmental Services Inc, a prosperous soil remediation company, and the Sunnyside Waste Management Site (which makes up 40 per cent of the town's income), a modern waste management facility, are located within the town boundaries.

Strengths: Proximity to industrial work sites, such as Bull Arm Facility, Come By Chance Refinery, Whiffen's Head Transshipment Site, Hebron project.

Challenges: Declining population, infrastructure, loss of revenue from potential loss of waste management site.

C. Summary of Issues Raised in ICSP Planning

| | Sunnyside | Come By Chance | Southern Harbour | Arnold's Cove | Overall |
|-----------------|--|---|--|--|--|
| Economic | waste site may be closed goal to find other revenue sources | oil refinery goal to attract new residents, business and tourism | goal to attract business and tourism | business and housing development goal to increase tourism | All benefit from proximity to industrial sites, particularly oil related |
| Infra-structure | sewage treatment roads | water sewage roads | upgrade infrastructure - water, sewer, roads | access to housing | difficult to get revenue to cover costs |
| Social | activities for all ages | reduce water consumption | recreational activities | healthier lifestyles | recreational opportunities needed |
| Human Resources | population is aging | population is aging | population is aging | population is aging | retention of youth: population is aging |
| Environment | recycling and composting | sewage treatment | waste management issues | protection of bird habitat | identify as caring for environment |
| Governance | develop economic development plan | develop economic development plan | find new revenue base | none identified | feeling that things are going well in the area overall |

*Based upon the Integrated Community Sustainability Plans created by each community in 2010.

D. SWOT Analysis

Overview and Objectives

The SWOT Analysis is technique intended to increase a business, organization, community or region's responsiveness to ongoing and/or changing conditions. It aids in the understanding within the context of strengths, weaknesses, opportunities and threats. Strengths and weaknesses are considered to be internal and subject to local control, while opportunities and threats identify external categories and/or environmental factors over which the organization, or in this case regional leaders and organizations have little to no control. Action items are then generated in response to the data gathered in the analysis.

The objective of any SWOT Analysis shapes the focus and outcome of the analysis. Within the scope of this project the objective of this analysis is to uncover ways regional cooperation can lead to the capture of sustainable economic benefits from industry in the Isthmus area and to minimize costs of large-scale industry.

For the Isthmus Regional Readiness and Benefits Planning Study, the SWOT Analysis helped identify targeted areas where regional cooperation may be required and/or successful in addressing these issues through industrial benefits planning. It is important to recognize that this SWOT Analysis is not intended to be comprehensive or static as the results of any SWOT Analysis will change in response to changing conditions and/or objectives.

The SWOT Analysis which follows is intended to be used as a tool to support and inform regional and municipal economic plans and decision-making processes. As such, it is intended to be interpreted with flexibility so that it will stimulate discussion and act as an aid in the identification of priorities. Although action items are suggested and briefly considered with regard to each topic in the main body of this report, the analysis is intended as a catalyst for ongoing discussions which generate new actions in response to changing conditions.

This SWOT Analysis is based upon information obtained through interviews with community members and leaders, benefits experts and industry representatives together with a range of academic, industry and community/regional reports. The topics chosen as areas of focus represent the topics which emerged as areas of concern from interviews conducted over the summer and fall of 2011.

Topics

The topics considered in this analysis emerged as topics of concern during interviews and throughout the consultation process. They are:

- Demographic
- Economic
- Recreation
- Housing
- Infrastructure
- Health
- Small Business
- Education
- Tourism
- Environment
- Regional Cooperation

Demographics - Clarenville and Isthmus of Avalon Local Area

| Strengths | Weaknesses |
|--|---|
| <ul style="list-style-type: none"> · Clarenville had 3.0 % population increase between 2001-2006 · Youth in region: 975 (19 years of age or younger, 2006) · Increase in births in region 30 births in Isthmus of Avalon in 2009 – 20% increase over 2008 - Dominance of workers in their productive working years means the region is economically well positioned for the next 15 years · There is a commitment to remain in communities if possible, and those who have moved away for work are often eager to return if continuous long-term work is offered. · Legally married in region: 54.4% (2,670) | <ul style="list-style-type: none"> · In the Isthmus there was a 6% population loss between 2001-2006 · Area population decrease: 11% (1996-2001) · Three of five communities lost population 2006-2011 · Aging Population: regional median age is higher than province – 46 yrs vs. 41.7 years · Projected that in 2021 the median age of the working population in Canada will be 42.2 years old, 49.3 for the province and 50.4 for the Clarenville- Bonavista region · Clarenville functional region cannot sustain its current population without an increase in either fertility rate or immigration (or both) - Arnold's Cove age structure suggests population decline (i.e. too few people in younger cohorts to sustain the population at its current level); Clarenville, Comeby-Chance, Sunnyside and Southern Harbour in a 'low growth' situation (i.e. just enough people in younger cohorts to sustain the population for now but population is aging and labour force replacement will be a concern in the future without commuters, immigration and/or changes in fertility rates) |

| Opportunities | Threats |
|--|--|
| <ul style="list-style-type: none"> Industrial activity in area may bring more workers Increased population may support development of non-oil economic activity Youth and older residents may have more time to provide to support community planning Provincial support for immigration as a strategy for addressing demographic challenges | <ul style="list-style-type: none"> Local' is defined as provincial rather than regional so regional people may not get as many jobs as expected Once oil leaves, jobs – and people - may disappear Regional human capital capacity is limited (see education for example) |

Economic - Clarenville and Isthmus of Avalon Local Area

| Strengths | Weaknesses |
|--|---|
| <ul style="list-style-type: none"> · Average market income of men similar to provincial level- \$29,000 vs. \$29,300 · Regional market income: \$86,050,000 (2007): 90.4% is from employment · E.I. collection dropped to 1,440 in 2010; down from 2,380 in 1992 · Income support reduced from 865 in 1991 to 305 in 2010 · Strong service sector Strong fishery presence (Arnold's Cove, Clarenville, Southern Harbour) · Some industry supplier/support businesses growing in region but could be more · Positive income structure in all five participating communities · The overall industrial mix of the Clarenville functional region is competitive for its size | <ul style="list-style-type: none"> · Self-reliance ratio for Isthmus of Avalon lower than province – 73.4% vs. 79.4% (2007) · Lower employment rate in Isthmus than province · Average family income in Isthmus of Avalon lower than province - \$69,100 vs. \$74,900 (2007) · Women not benefiting from higher wages: gross income slightly lower than province. · More women in education, health, office related and sales/service jobs; males in management, primary industries and construction (2006). · After tax personal income lower than province · Large inequalities in benefits from industry across region · Negative RECI economic structure in all participating communities except Clarenville · Above average regional concentration in the manufacturing introduces vulnerability to closures · Competition for available labour for fish plants and small business |

| Opportunities | Threats |
|---|--|
| <ul style="list-style-type: none"> Positive developments in the recovery of the fishing industry (despite lower quotas, higher Canadian dollar and lower quotas) Proximity to other mega projects such as the \$2 Billion Voisey's Bay Nickel Processing Plant at Long Hr. (proposed to increase employment from 2009-2013; 450 permanent employees in 2013). | <ul style="list-style-type: none"> Non-oil jobs can't pay similar wages, trouble hiring/keeping workers Projects in the region have not attracted new supplier and support industries-- St. John's firms are readily supplying major project needs. Loss of revenue from landfill site at Southern Harbour Value of crude oil production (decreased by 48% as a result of reduced production and lower crude prices) Increased value of the Canadian Dollar |

Recreation - Clarenville and Isthmus of Avalon Local Area

| Strengths | Weaknesses |
|---|--|
| <ul style="list-style-type: none"> Clarenville supplies regional access to pool and skating/ hockey rink Come By Chance offers summer camp for regional children and has a small gym/recreational area Smaller local programs include low-cost recreation for kids Regional school offers a variety of programming for kids All the communities are working toward increasing recreational opportunities at a local level Recreational Facilities (Each town has varying levels from a rec centre to a stadium) | <ul style="list-style-type: none"> Driving to Clarenville in winter for recreation can be dangerous No large recreational facilities in four Isthmus communities Most communities lack community centres large enough for multiple small-scale recreational activities Some communities have a small recreational budget |

| Opportunities | Threats |
|---|---|
| <ul style="list-style-type: none"> Industrial workers will need recreational facilities and programs Potential to inherit a recreational facility built for workers Potential to create recreational opportunities for workers at a cost, the revenue of which can be used to offset and/or pay for local recreational programming | <ul style="list-style-type: none"> Long-term financial burden of a large recreational facility in Isthmus communities Young families prefer to live in communities in close proximity to large recreational facilities for children |

Housing - Clarenville and Isthmus of Avalon Local Area

| Strengths | Weaknesses |
|---|---|
| <ul style="list-style-type: none"> Home ownership rate is higher than provincial average: 90.4% vs. 78.7% 1935 houses/dwellings in Isthmus of Avalon; higher than provincial rate for ownership 44.0% of housing stock constructed after 1971 New housing is being built in some municipalities | <ul style="list-style-type: none"> Not enough housing to accommodate industrial workers Inadequate local housing for immigrants |

| Opportunities | Threats |
|--|--|
| <ul style="list-style-type: none"> Potential for housing built for industrial workers use to be left as low-income housing as legacy in each municipality Rental revenue potential for home owners | <ul style="list-style-type: none"> Rising housing costs make it difficult for low-income and non-industry workers to afford housing People leave and/or do not settle if housing cost is too high Non-oil businesses and occupations cannot recruit workers because they cannot pay wage high enough to cover cost of housing |

Infrastructure - Clarenville and Isthmus of Avalon Local Area

| Strengths | Weaknesses |
|--|--|
| <ul style="list-style-type: none"> Province's only oil refinery (Come By Chance) – recent retrofit projects Trans-shipment terminal at Whiffen Head – recent expansions; employs 49 people and spends \$9.5 million annually. Bull Arm Fabrication Facility - \$470 Million Fabrication Site Dock-Yard (Clarenville) Municipal buildings Marinas/ wharves (Arnold's Cove, Clarenville, Southern Harbour); good harbours (all municipalities) New investment in roads & water/ sewer systems (all municipalities) Fish plants (Arnold's Cove, Clarenville) Local waste management sites (Sunnyside and Southern Hr.) Sunnyside - Universal Environmental Services Inc, a prosperous soil remediation company, a modern waste management facility located within town boundaries. | <ul style="list-style-type: none"> Aging municipal infrastructure (buildings, roads, equipment, etc) Poor cell phone coverage in some areas of the Isthmus region. Inadequate local infrastructure: business development centres, industrial parks, wharves and roads |

| Opportunities | Threats |
|---|---|
| <ul style="list-style-type: none"> · Infrastructure can support ongoing presence of industry · Industry has obligation to contribute to upkeep of infrastructure, including roads | <ul style="list-style-type: none"> · Increased pressure upon infrastructure as a result of industrial activity · Major damage to refinery (fire, explosion) could lead to its closure · Road safety · Higher volume of construction waste could exceed capacity at local waste management site · Declining municipal revenues and possible closure of waste management sites (e.g. Sunnyside, Southern Harbour)* |

Health - Clarenville and Isthmus of Avalon Local Area

| Strengths | Weaknesses |
|--|--|
| <ul style="list-style-type: none">• Lower number of average days in hospital for Isthmus of Avalon than provincially – 8.7 days vs. 10.3 days• Clarenville hospital | <ul style="list-style-type: none">• Little local medical care in Isthmus municipalities• Most residents must drive to Clarenville to see a doctor |

| Opportunities | Threats |
|--|---|
| <ul style="list-style-type: none">• Industry workers may require health care locally--potential to cooperate to attract regional doctor• Potential that legacy project may include enhancements of hospital | <ul style="list-style-type: none">• Difficult to recruit doctors to practice locally due to lack of local amenities including stores and recreational opportunities for physicians and their families |

Small Business - Clarendville and Isthmus of Avalon Local Area

| Strengths | Weaknesses |
|--|---|
| <ul style="list-style-type: none"> Local support for small business Some key businesses are doing well because they have been proactive and involved in community discussions--these have centred around finding ways to supply industry | <ul style="list-style-type: none"> Small businesses cannot pay high wage Many people shop in Clarendville |

| Opportunities | Threats |
|---|---|
| <ul style="list-style-type: none"> Businesses which supply industry/workers There is demand for daycare | <ul style="list-style-type: none"> Metro areas' (St. John's / Mount Pearl / Paradise / CBS) proximity to large scale projects Metro area already the headquarters for the oil & gas industry in the Province Metro area has strong industrial areas (i.e. Donovan's Industrial Park) Long term: how will businesses which rely on industry survive after industry leave |

Education - Clarendville and Isthmus of Avalon Local Area

| Strengths | Weaknesses |
|--|--|
| <ul style="list-style-type: none"> · 414 K-12 students enrolled in the Isthmus of Avalon region (2010-2011); 34 full-time teachers · Provision of professional and technical training by private training institutions · Clarendville contains higher than average numbers of workers with university degrees and college diplomas, while the rest of the region contains high numbers of workers with trades diplomas · More people getting a trades education · Regional school promotes regional thinking among younger generation | <ul style="list-style-type: none"> · 28.7 % of Labour Force in Isthmus of Avalon do not have a high school diploma; higher than province at 25.1% · regional school needs bigger cafeteria and recreational centre |

| Opportunities | Threats |
|--|--|
| <ul style="list-style-type: none"> · School represents one of the few regional centres and so has the potential to generate regional cooperation in planning, particularly with regards to legacy project | <ul style="list-style-type: none"> · Some indication that the trades schools are not offering good enough education for workers to get jobs in industry · Industry is looking for workers with competency in more than one trade |

Tourism - Clarenville and Isthmus of Avalon Local Area

| Strengths | Weaknesses |
|--|--|
| <ul style="list-style-type: none"> Recreation in Clarenville Resettlement story in Placentia Bay Hiking, boating and other outdoor recreation opportunities | <ul style="list-style-type: none"> Lack of amenities for tourists Not many people stay and tend to pass through Air quality impacted by various industries Little access to water for boat tourists little support infrastructure for water-based tourism activities |

| Opportunities | Threats |
|---|--|
| <ul style="list-style-type: none"> Archeological site at Sunnyside potential for more industrial tourism More industry in area may potentially bring more people Development of tourism activity for workers Industrial tourism around the Bull Arm Site | <ul style="list-style-type: none"> Increased industry may squeeze out some tourism activities Slowdown in economy is reducing travel overall |

Environmental - Clarendville and Isthmus of Avalon Local Area

| Strengths | Weaknesses |
|--|---|
| <ul style="list-style-type: none"> Region retains its appeal for its beauty and incredible views Communities continue to work with industry to discuss issues related to reducing environmental impact of refinery | <ul style="list-style-type: none"> Environmental impact of refinery makes area somewhat less appealing to live and/or visit Environment not a high priority |

| Opportunities | Threats |
|--|---|
| <ul style="list-style-type: none"> New industry can have lighter impact | <ul style="list-style-type: none"> Oil spill in Placentia Bay Reduction in level of public concern over oil-related environmental issues (strength for industrial attraction) |

Regional Cooperation/Local capacity/Governance - Clarenville and Isthmus of Avalon Local Area

| Strengths | Weaknesses |
|---|--|
| <ul style="list-style-type: none"> • Youth are able to think regionally because of the one school for all kids in the area • A desire to work regionally to benefit entire region • Ability of local leaders and business suppliers to assess sustainable development • Key regional business leaders have knowledge and experience about how to increase business capacity through planning processes • Previous experience with oil industry • Some history of towns working together • ESDA: played a key role in strengthening ability of businesses to provide service to business and lobbying industry to keep local businesses a priority. • Capacity within municipal governments to deal with offshore-related projects • Capacity by local residents to avail of supplier and employer requirements, especially engineer and some trades categories. • 4 of 5 participating communities score positively on RECI governance indicators | <ul style="list-style-type: none"> • Community leaders are already overburdened • Not enough volunteers/ leaders • No power on a regional level • Uncertain about the process of working together regionally |

| Opportunities | Threats |
|--|---|
| <ul style="list-style-type: none"> Can ESDA play a continued role in region? Legacy project may create more energy as volunteers/ leaders see concrete results of their work | <ul style="list-style-type: none"> Economic inequality between municipalities is a barrier to regional cooperation Fatigue among current leaders and volunteers Municipalities may decide to attempt to 'go it alone' and negotiate their own benefits with industry, which may have a divisive effect |

Sources: Community Accounts Local Area Analysis: Isthmus of Avalon and Clarenville; ICSPs (Arnold's Cove, Clarenville, Come By Chance, Southern Harbour and Sunnyside); Storey -Socio-economic Impact Statement and Sustainable Development Report, April 2011, RECI and Simms and Ward 2011, interviews

Note: The regional economic capacity index (RECI) is a tool, available at the Harris Centre website, www.mun.ca/harriscentre, communities can use in conjunction with Community Accounts and other planning and data analyzing tools to continue to assess past and current demographic and labour market trends in order to improve their regional and local readiness.



REGIONAL READINESS AND INDUSTRIAL BENEFIT PLANNING PROJECT

JANUARY 18th, 2012

Town of
Southern
Harbour



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique



**Department of
Innovation, Business
and Rural Development**

Tricentia Academy
Arnold's Cove, NL

January 18th, 2012



Rural Secretariat



AGENDA

Welcome and Introductions

Introduction to Turning Point Technology and Demographic Profiling

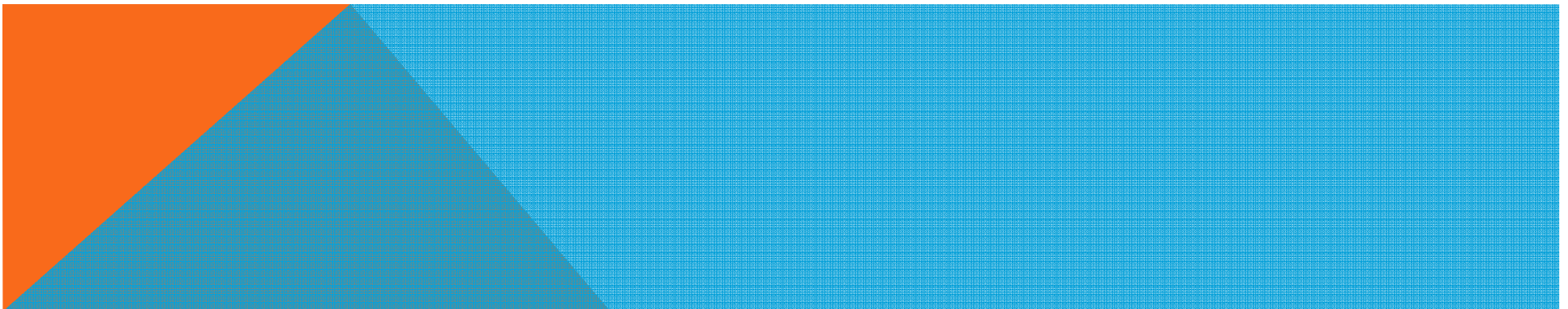
Presentation on Regional Readiness Project

Identification of Key Themes

Feedback / Adjustment of Priorities

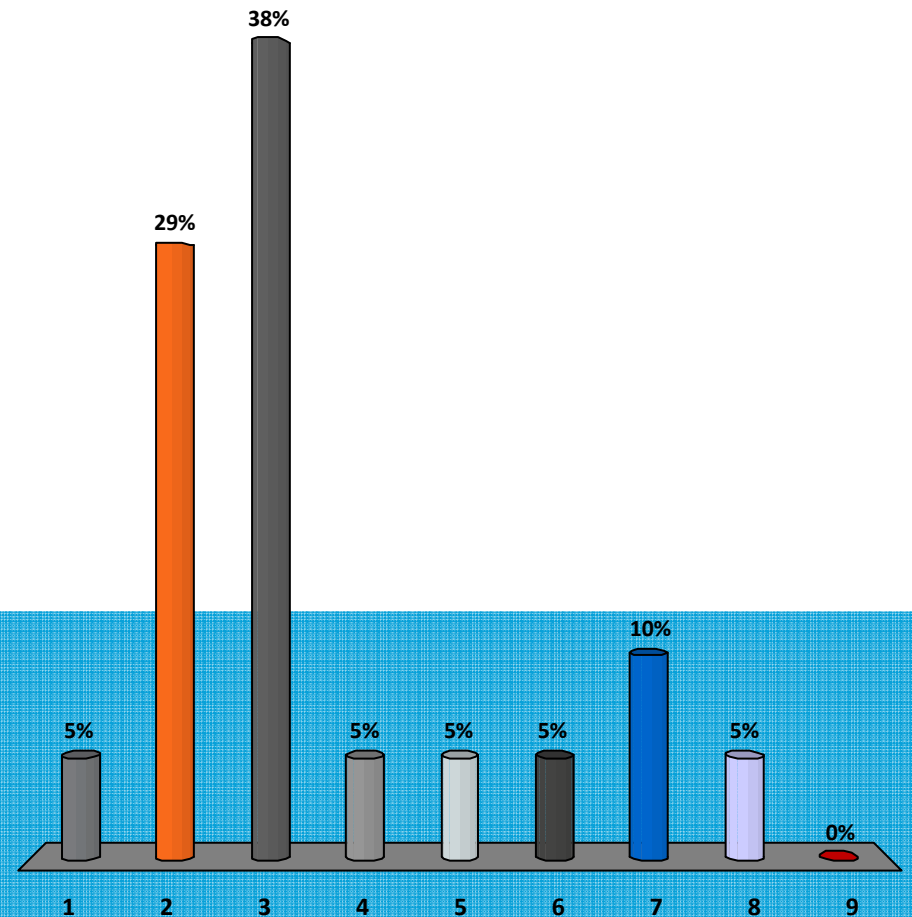
Moving Forward

Open Discussion and Questions



THE NHL TEAM MOST LIKELY TO WIN THE 2011-2012 STANLEY CUP IS..... PICK ONE

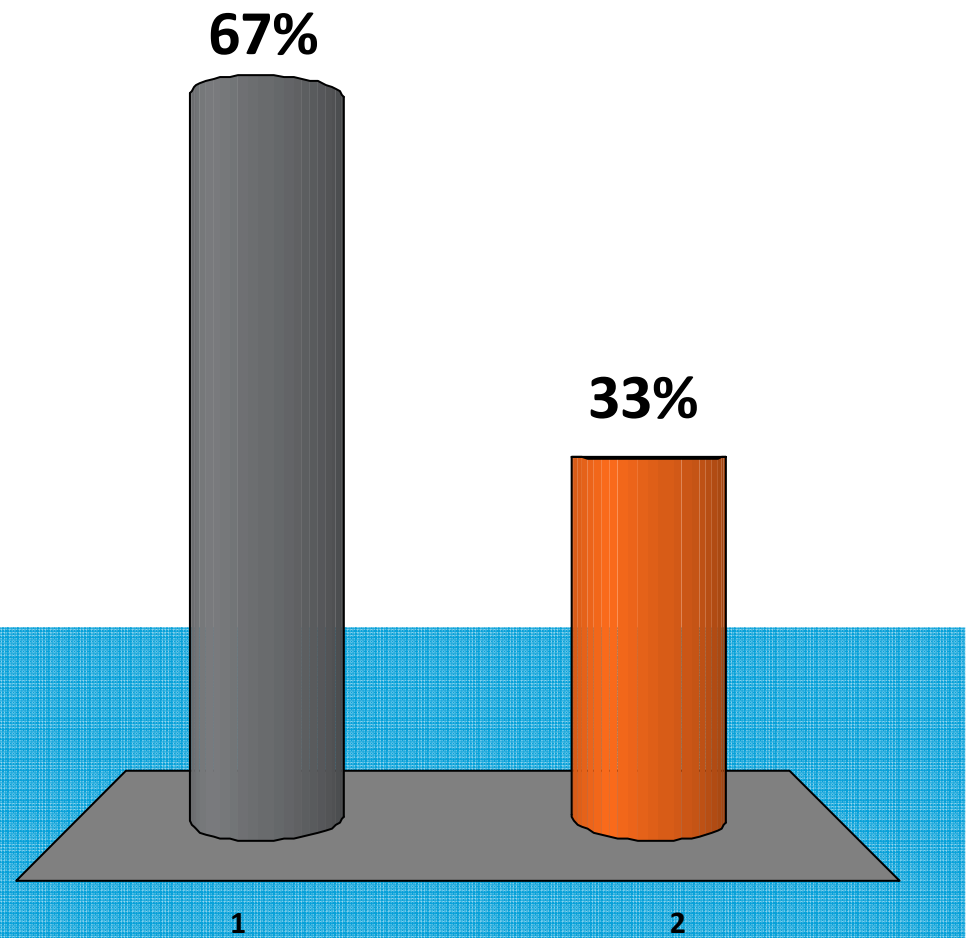
- 1.Chicago Blackhawks
- 2.Vancouver Canucks
- 3.Montreal Canadiens
- 4.Toronto Maple Leafs
- 5.Detroit Red Wings
- 6.Pittsburg Penguins
- 7.New York Rangers
- 8.Ottawa Senators
- 9.St. Louis Blues



I AM ... PICK ONE.

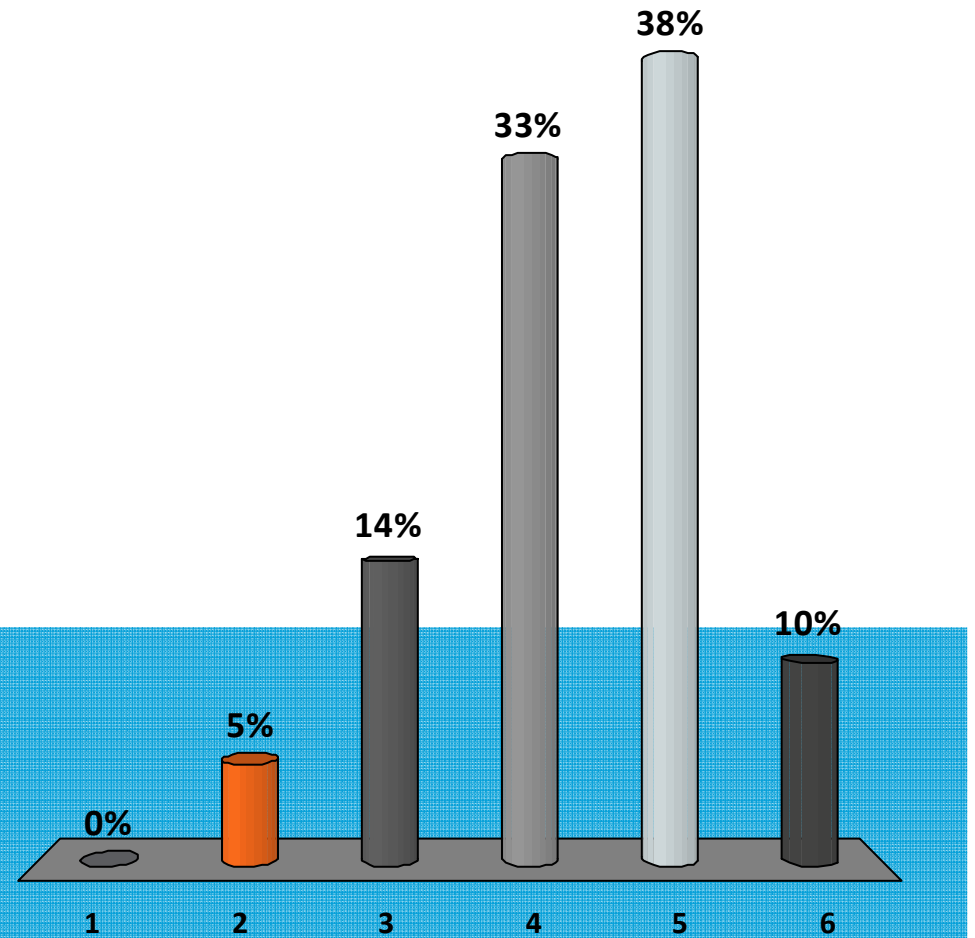
1. Male

2. Female



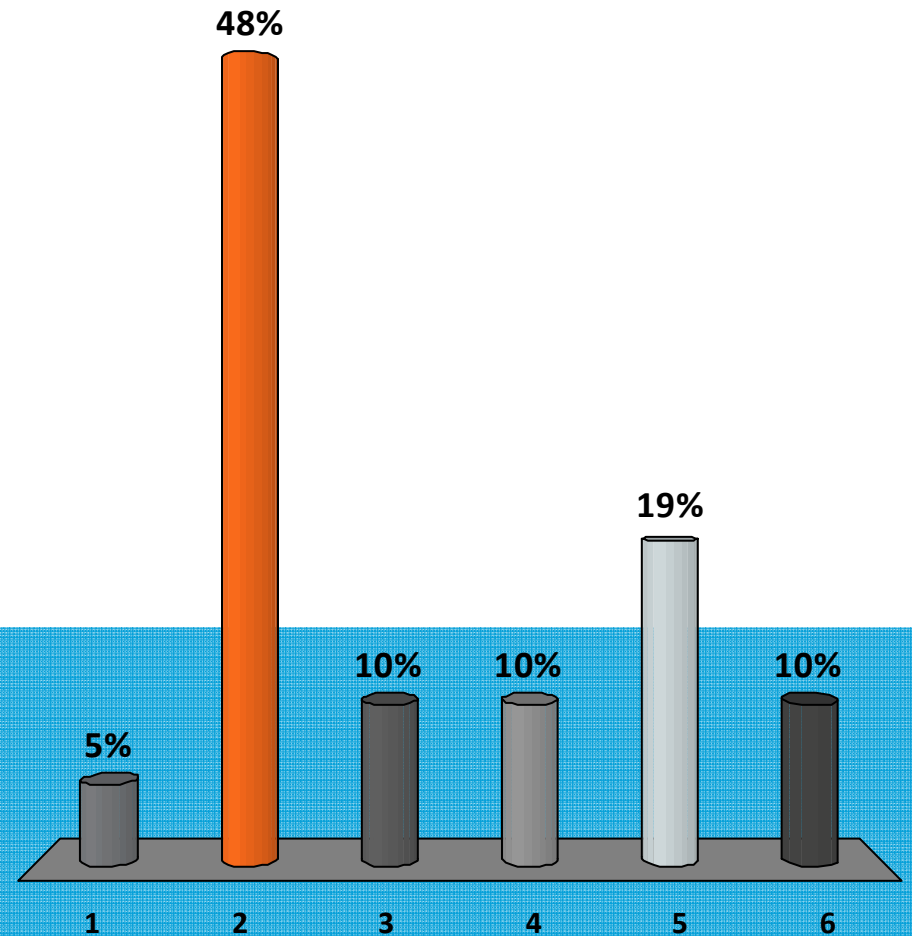
I FIT INTO THE FOLLOWING AGE GROUP...PICK ONE.

1. 0-19
2. 20-29
3. 30-39
4. 40-49
5. 50-59
6. 60+



I LIVE IN.... PICK ONE.

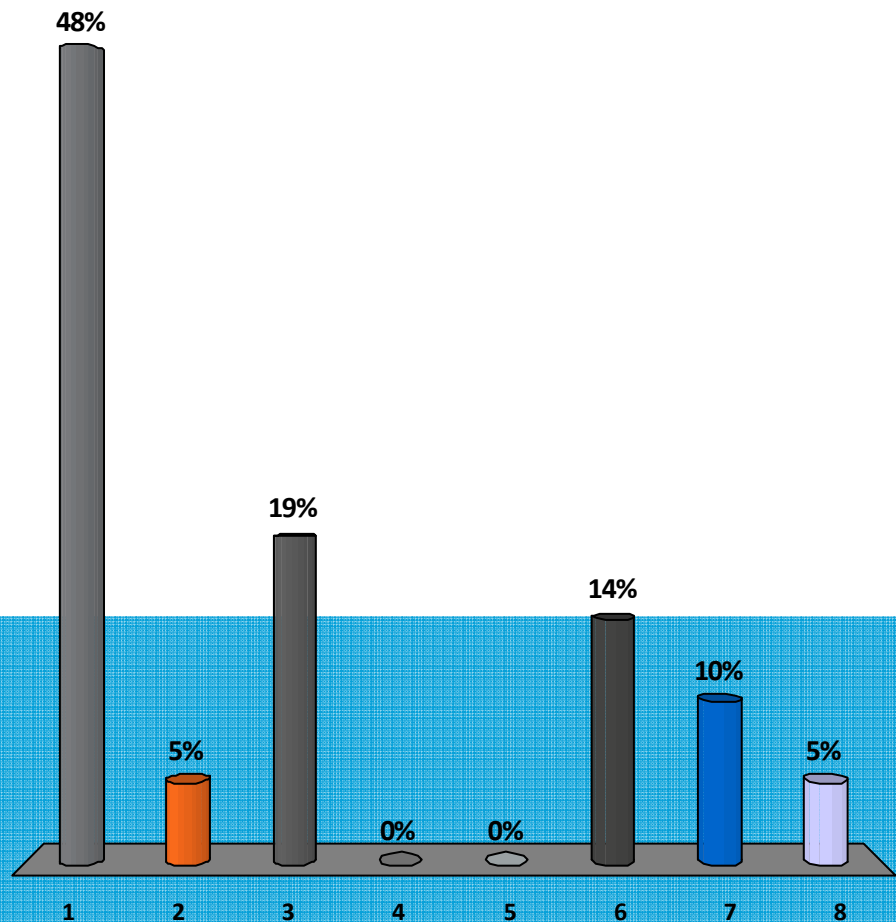
1. Southern Harbour
2. Arnold's Cove
3. Come-By-Chance
4. Sunnyside
5. Clarenville
6. Other



I AM MOST AFFILIATED WITH...

PICK ONE.

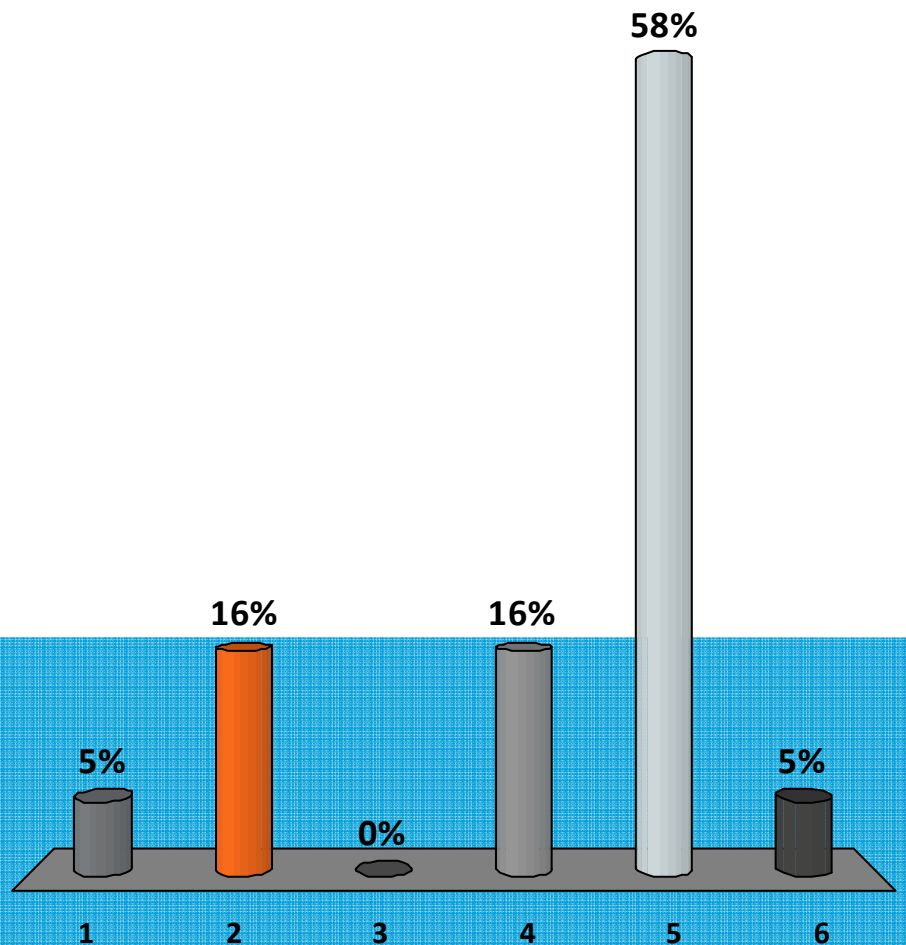
1. Local Municipal Government
2. Education Sector
3. Industry
4. Not-for-Profit Organization
5. Economic Development Organization
6. Private Citizen
7. Provincial Government
8. Other




I HAVE LIVED IN THE STUDY REGION...PICK ONE.

1. Less than 2 years
2. Between 2-5 years
3. Between 6-10 years
4. More than 10 years, but less than 20

5. Most of my life
6. Not applicable





ISTHMUS REGIONAL READINESS AND INDUSTRIAL BENEFIT PLANNING STUDY

PRESENTATION: MICHELLE PORTER & DR. KELLY VODDEN



QUESTIONS?

The background of the slide is composed of large, overlapping geometric shapes. On the left, there is a blue triangle with a fine grid pattern. To its right is a large, solid orange triangle. The text is positioned in the white space between these two colored areas.

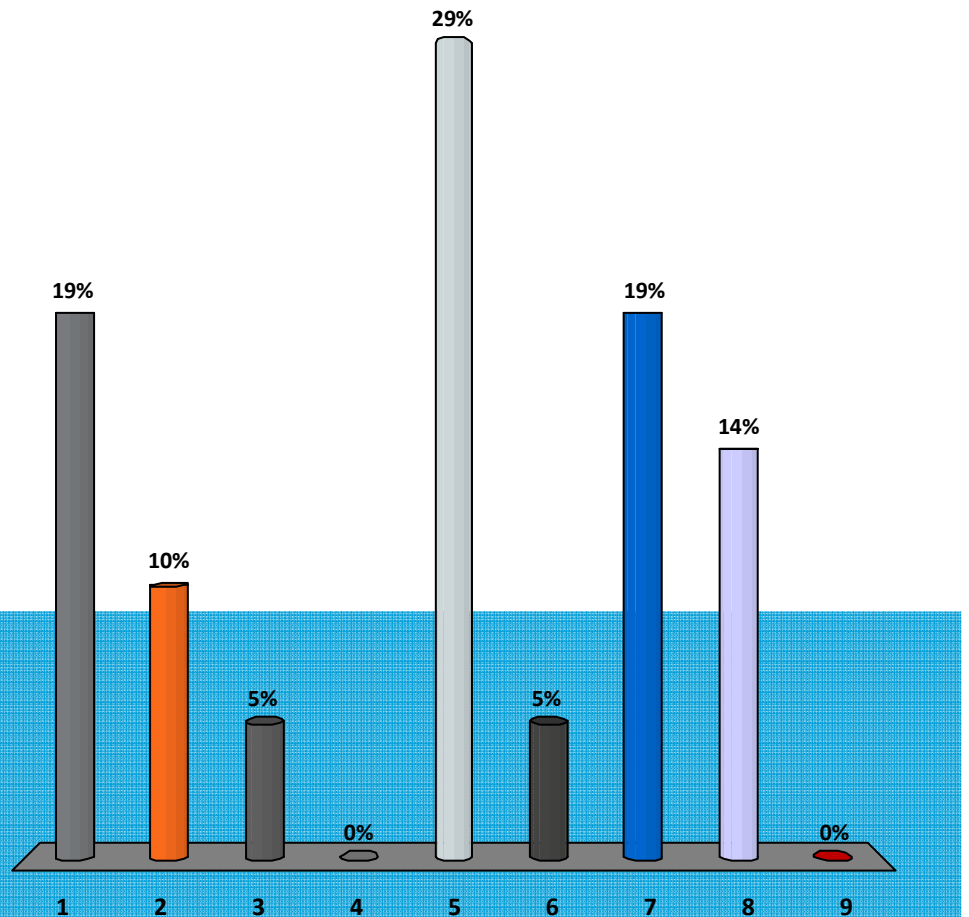
IDENTIFICATION OF KEY THEMES

KEY PROJECT THEMES AND INITIATIVES

- ☐ **Recreation** (Recreation Complex, Museum, Marina, Youth Programs)
- ☐ **School** (Wellness Room, Skills Trades Facility, Cafeteria, Recreation Facility)
- ☐ **Health** (Hospital Wing, Hospital Equipment, Physician Support)
- ☐ **Daycare** (Regional Daycare Facility, Training \$\$\$)
- ☐ **Housing** (Affordable Housing)
- ☐ **Legacy Fund/Money** (Community Development Fund, Research Fund)
- ☐ **Economic Development** (Centre for Excellence, Jobs, Alternative Energy, Entrepreneurship Incubation, Small Business Support)
- ☐ **Infrastructure** (Community Centres, Storage, Residential/Commercial Development)

WHICH OF THESE THEMES ARE MOST IMPORTANT TO YOU? PLEASE SELECT TOP THREE.

1. Recreation
2. School
3. Health
4. Daycare
5. Housing
6. Legacy Fund/Money
7. Economic Development
8. Infrastructure
9. Other



THE PRIORITY AREA FOR MY MUNICIPAL COUNCIL IN SEEKING FUTURE CORPORATE CONTRIBUTIONS IS? PICK ONE.

1. Recreation

2. School

3. Health

4. Daycare

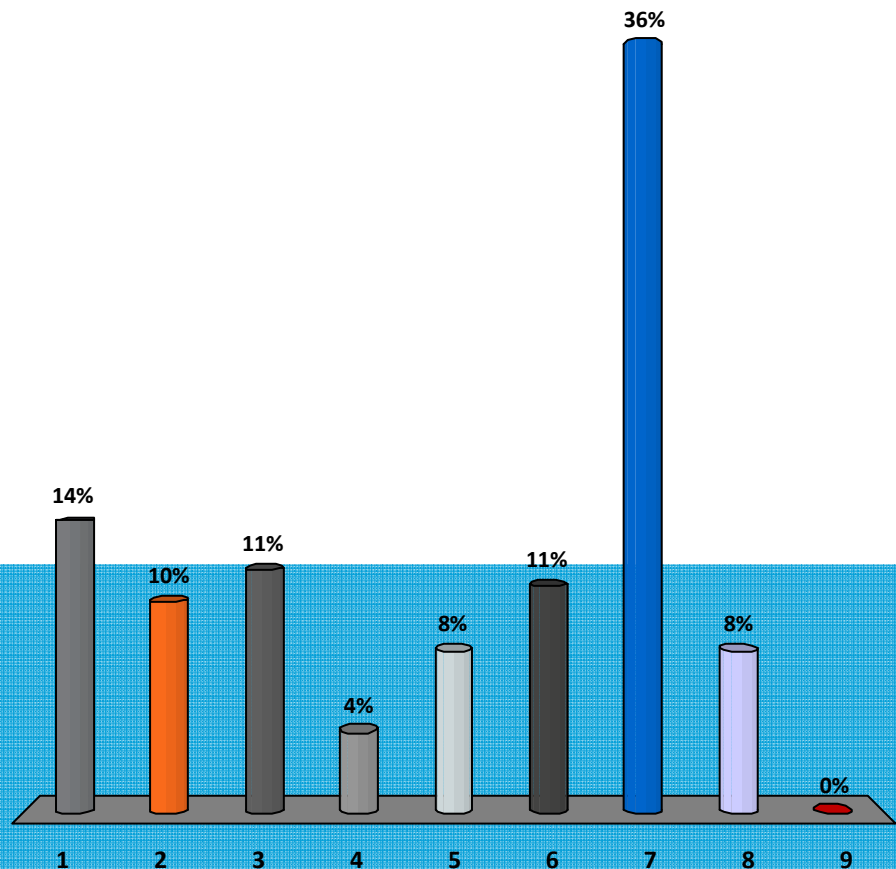
5. Housing

6. Legacy Funds

7. Economic Development

8. Infrastructure

9. Other

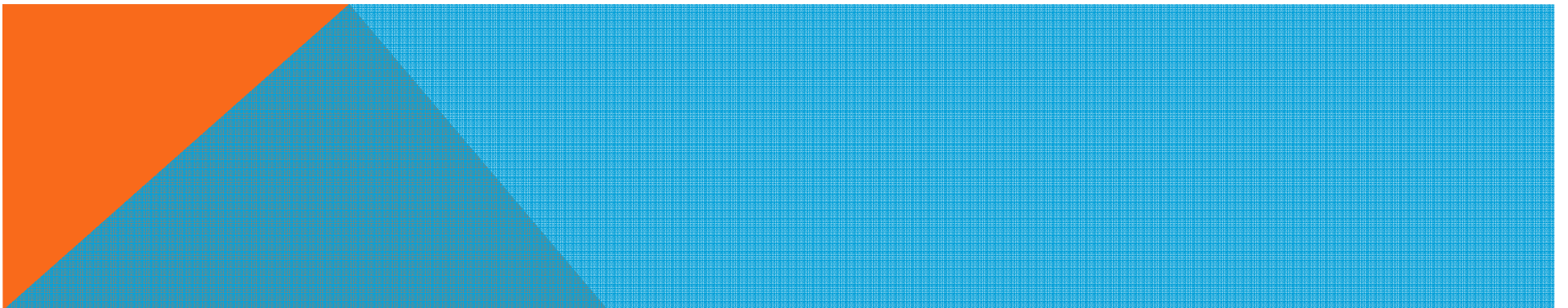




IDENTIFICATION OF TOP OPTIONS UNDER KEY THEMES

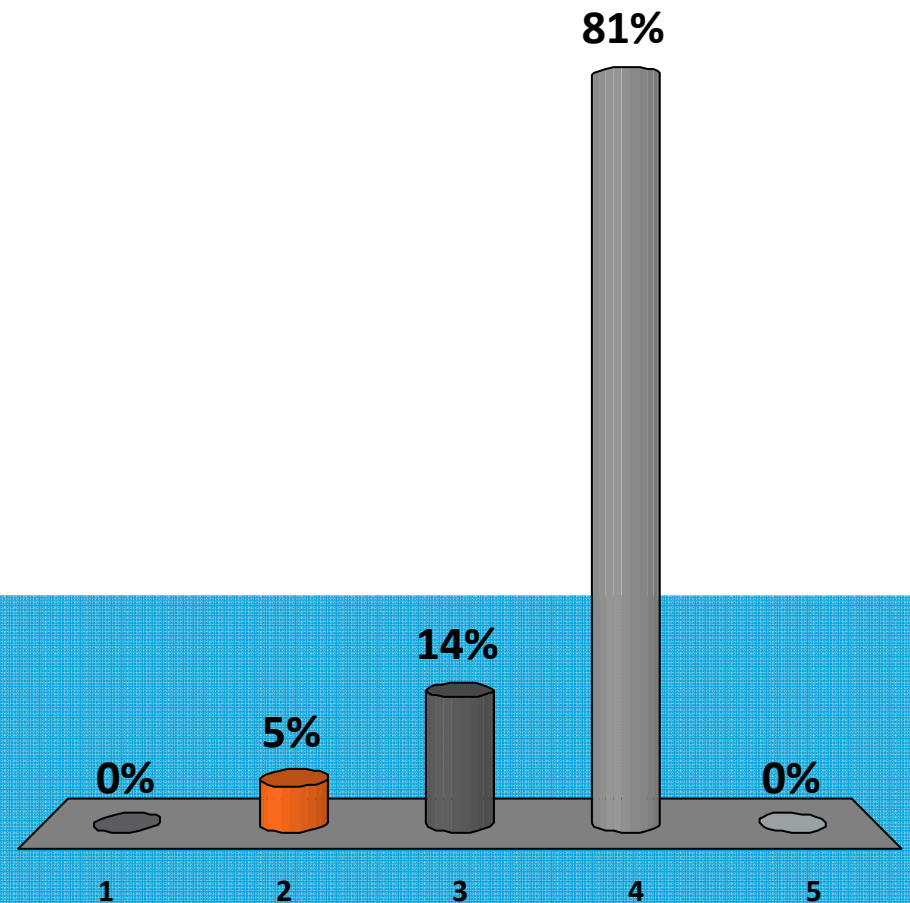
RECREATION

- ☐ Recreation Complex
- ☐ Walking Trails
- ☐ Marina
- ☐ Funding to support small recreational programming and facilities (coordinator, community programming)



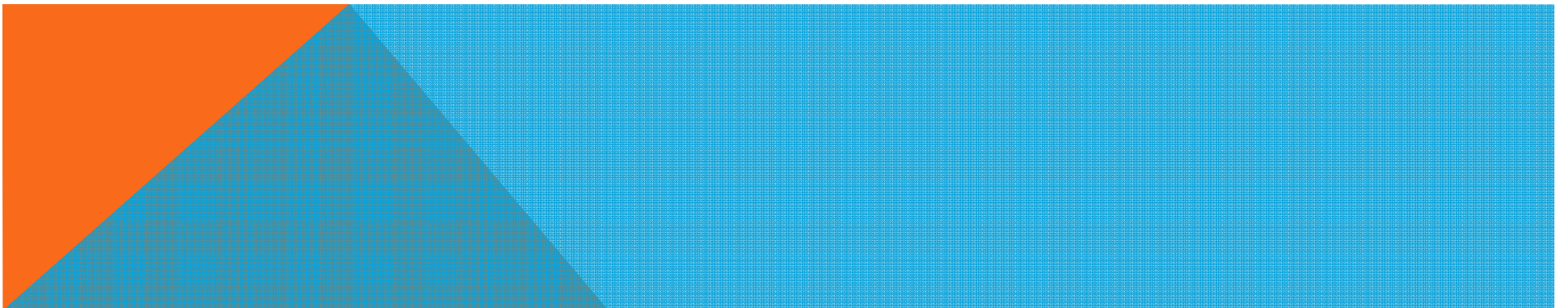
THE TOP RECREATION PROJECT INITIATIVE IS ... PLEASE PICK TOP ONE.

1. Recreation Complex
2. Walking Trails
3. Marina
4. Funding to support small recreational programming and facilities (coordinator, community programming.)
5. Other



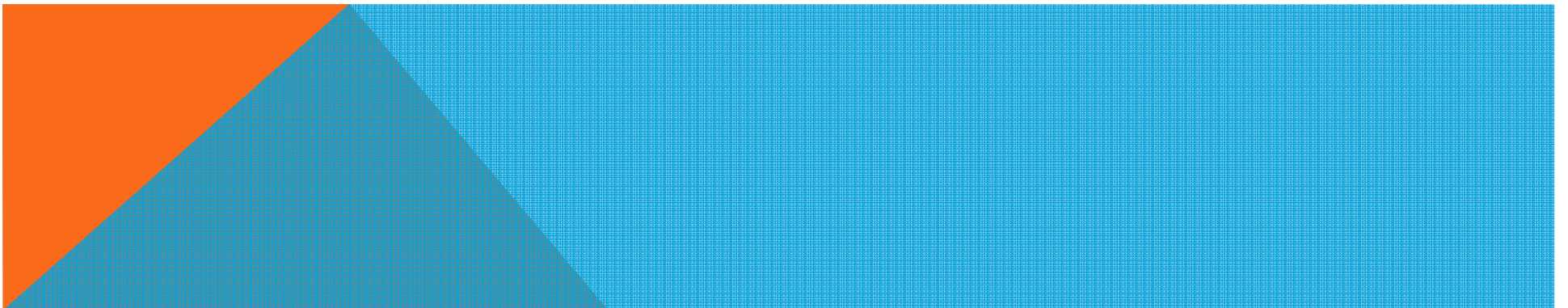
SCHOOL

- ☐ Wellness Room
- ☐ Skills/Traces Facility
- ☐ Cafeteria
- ☐ Recreation Facility
- ☐ Scholarships



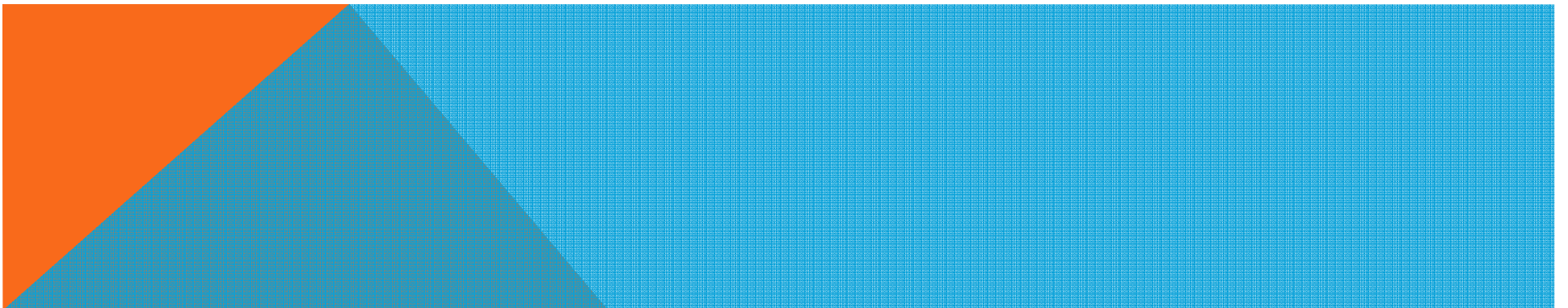
THE TOP SCHOOL PROJECT INITIATIVE IS ... PICK TOP ONE.

1. Wellness Room
2. Skills/Trades Facility
3. Cafeteria
4. Recreation Facility
5. Scholarships



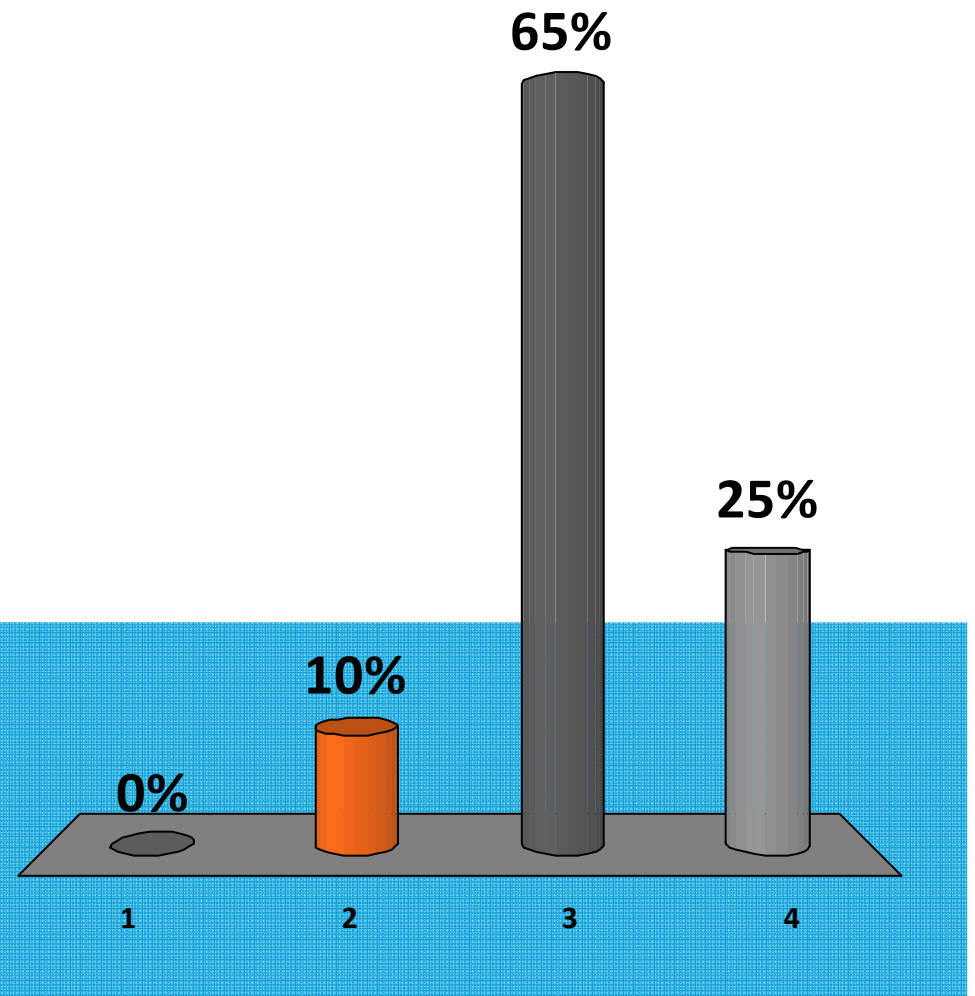
HEALTH

- ☐ Hospital Wing
- ☐ Hospital Equipment
- ☐ Physician Support
- ☐ Attracting Health Professionals



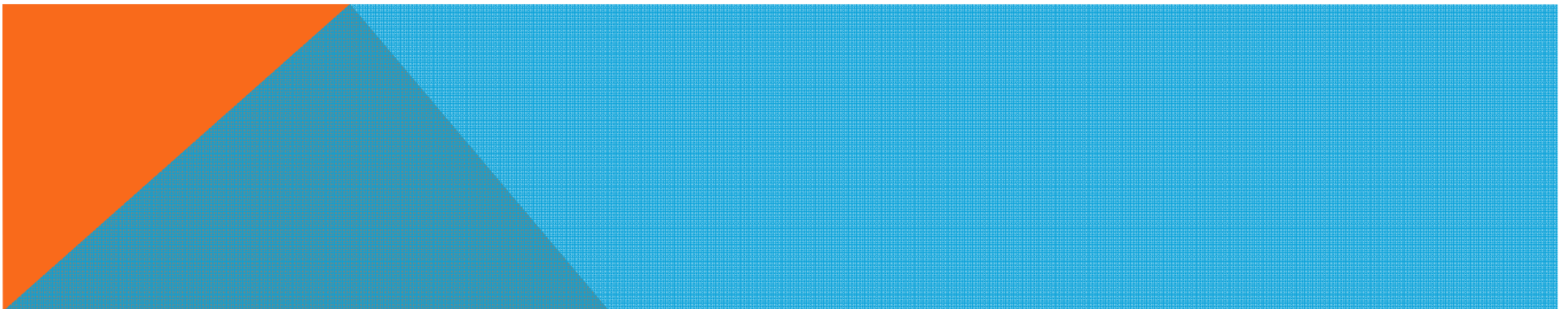
THE TOP HEALTH PROJECT INITIATIVE IS ... PICK TOP ONE.

1. Hospital Wing
2. Hospital Equipment as
Decided by Eastern
Health
3. Physician Support /
Attracting Range of
Health Professionals
4. Health and Wellness
Programming



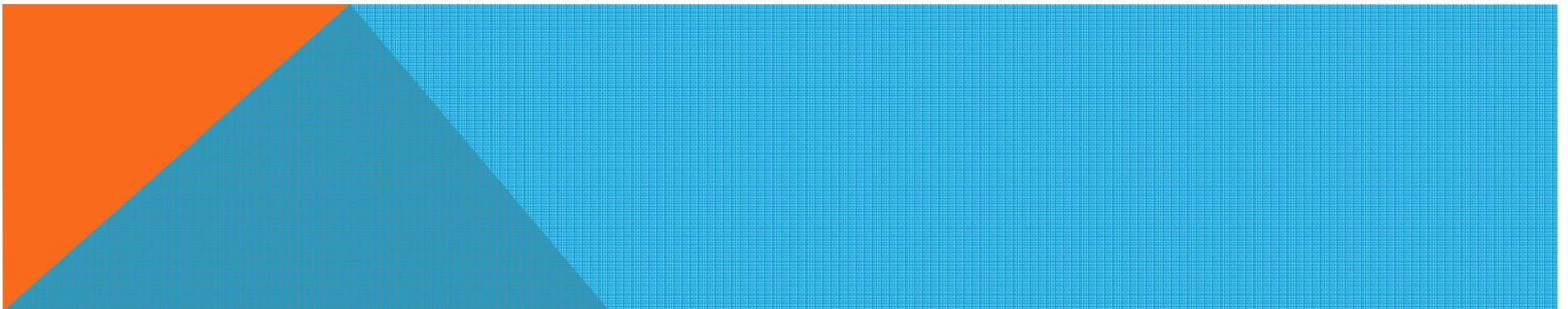
DAYCARE

- ☐ Regional Daycare Facility
- ☐ Funding to train local daycare employees



THE TOP DAYCARE PROJECT INITIATIVE IS ... PICK TOP ONE.

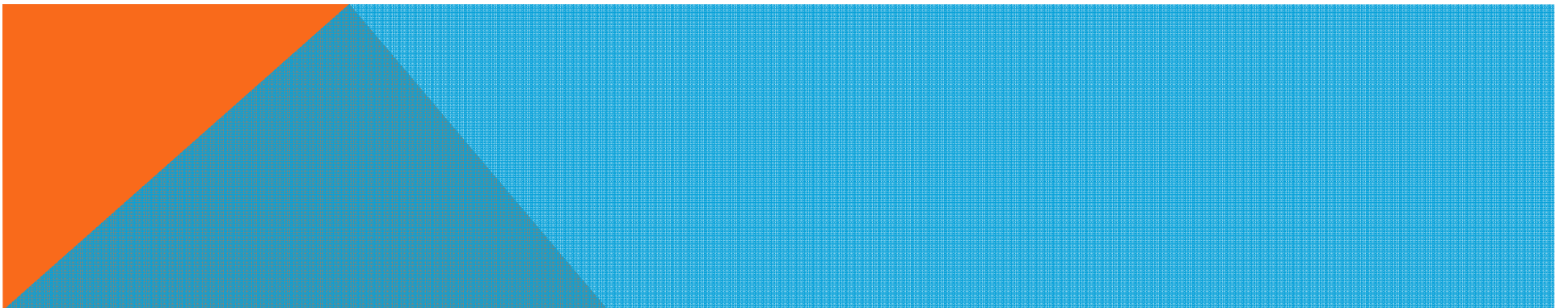
1. Regional Daycare Facility
2. Daycare Staff Training Support
3. Other



HOUSING

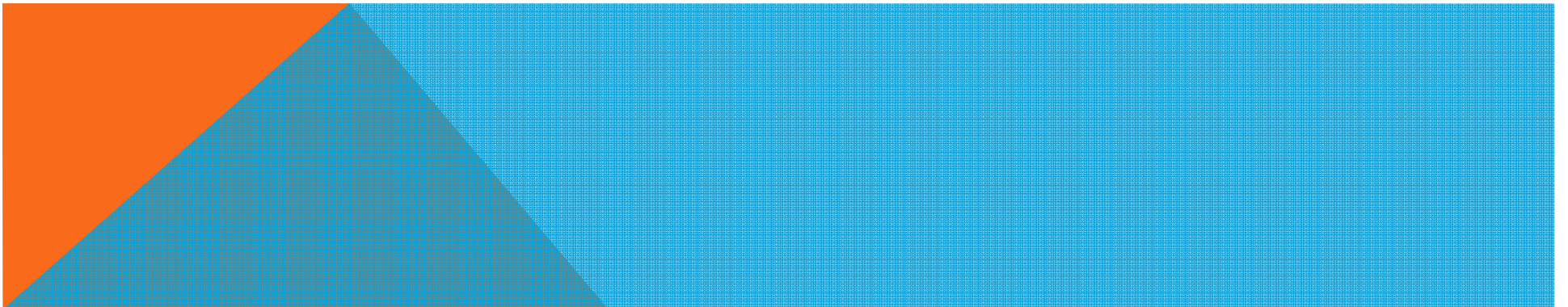
☐ Affordable Housing

☐ Other



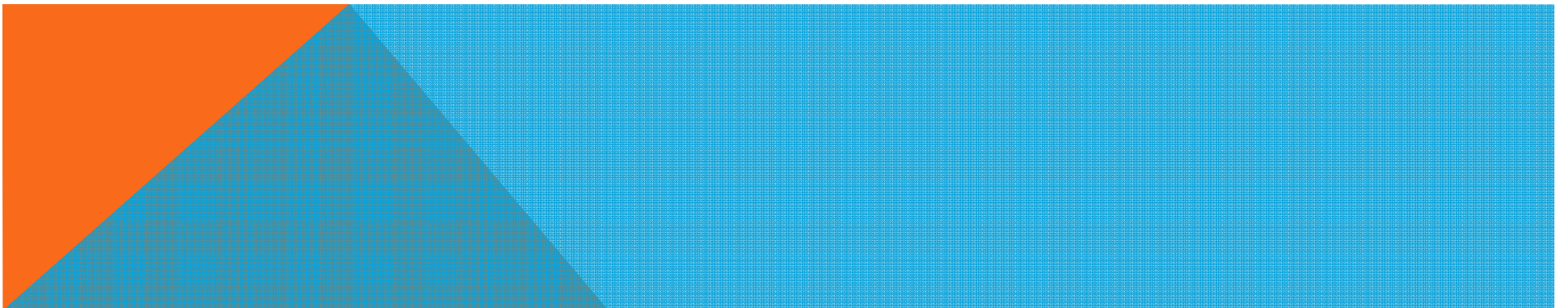
THE TOP HOUSING PROJECT INITIATIVE IS ... PICK TOP ONE.

1. Affordable Housing
2. Other



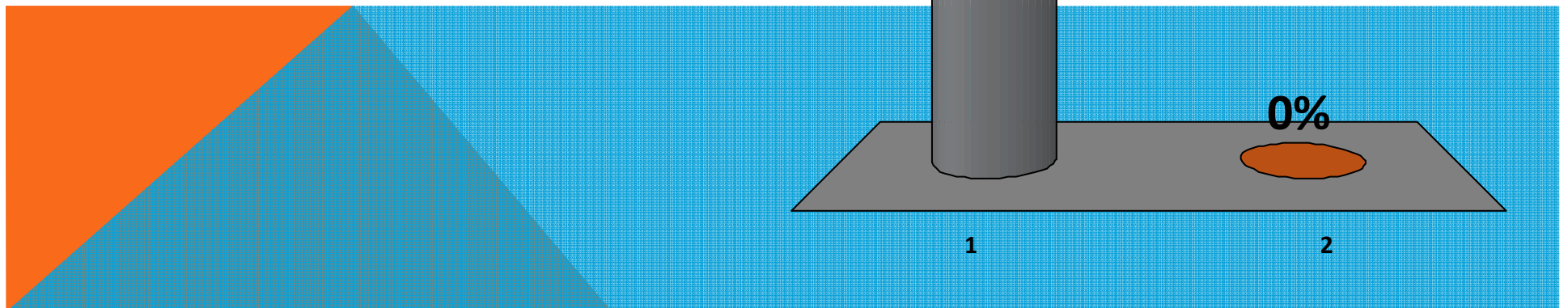
LEGACY FUNDS/MONEY

- ☐ Community Development Fund
- ☐ Research Fund



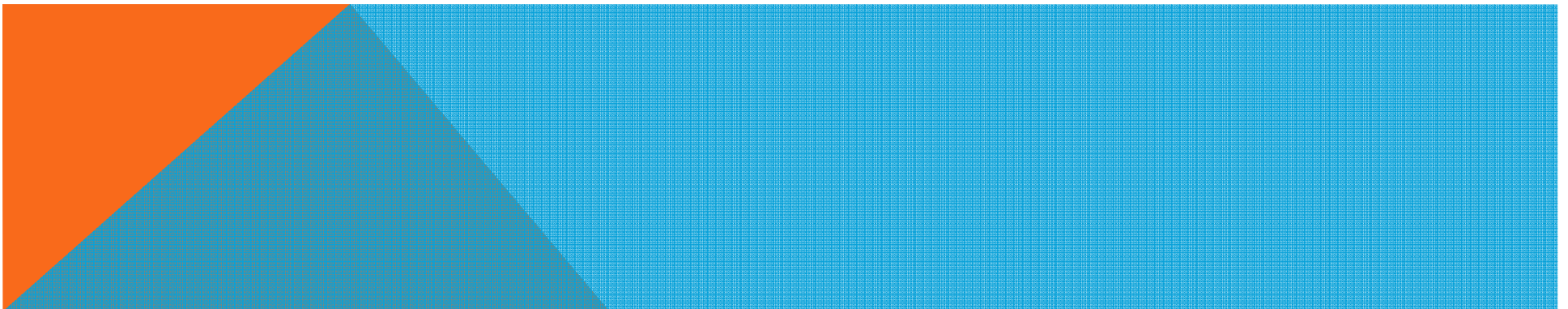
THE TOP LEGACY FUND PROJECT INITIATIVE IS ... PICK TOP ONE.

1. Community Development Fund
2. Research Fund



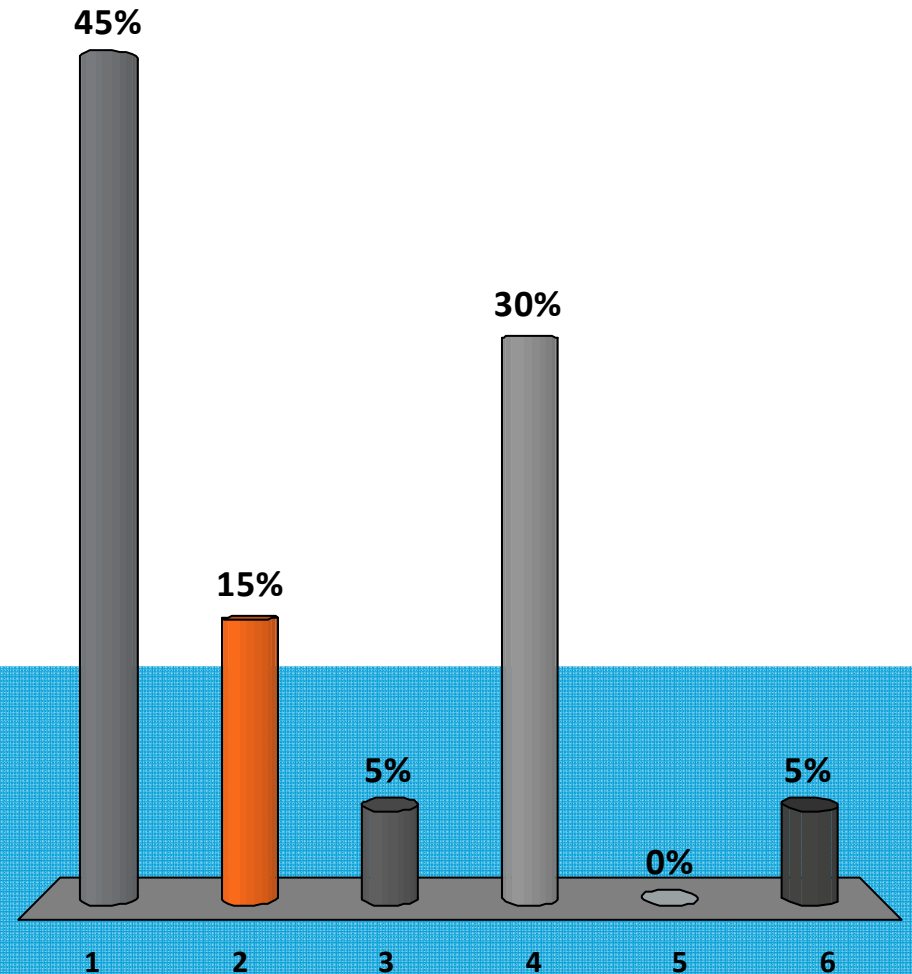
ECONOMIC DEVELOPMENT

- ☐ Centre for Excellence
- ☐ Economic Diversification
- ☐ Alternative Energy
- ☐ Jobs (training, job matching)
- ☐ Entrepreneurship Incubation
- ☐ Small Business Support



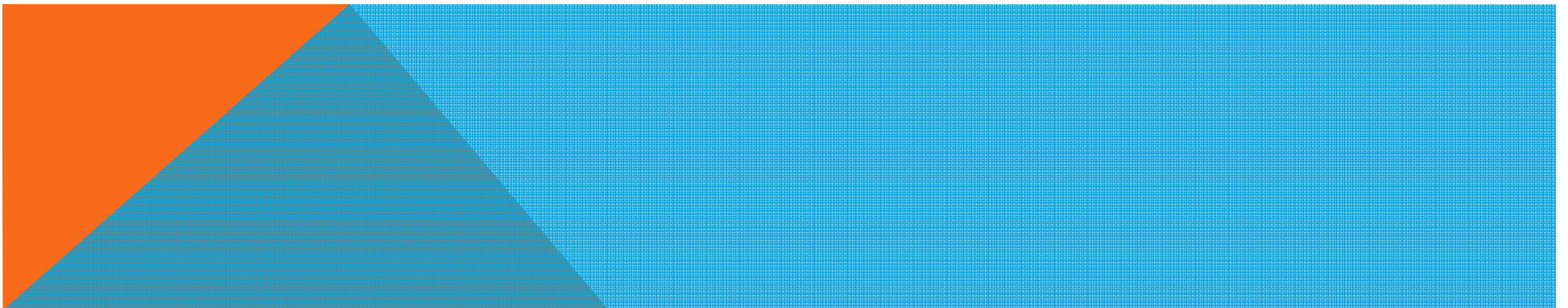
THE TOP ECONOMIC DEVELOPMENT PROJECT INITIATIVE IS ... PICK TOP ONE.

1. Centre for Excellence
2. Economic Diversification
3. Alternative Energy
4. Jobs
5. Entrepreneurship Incubation
6. Small Business Incubation



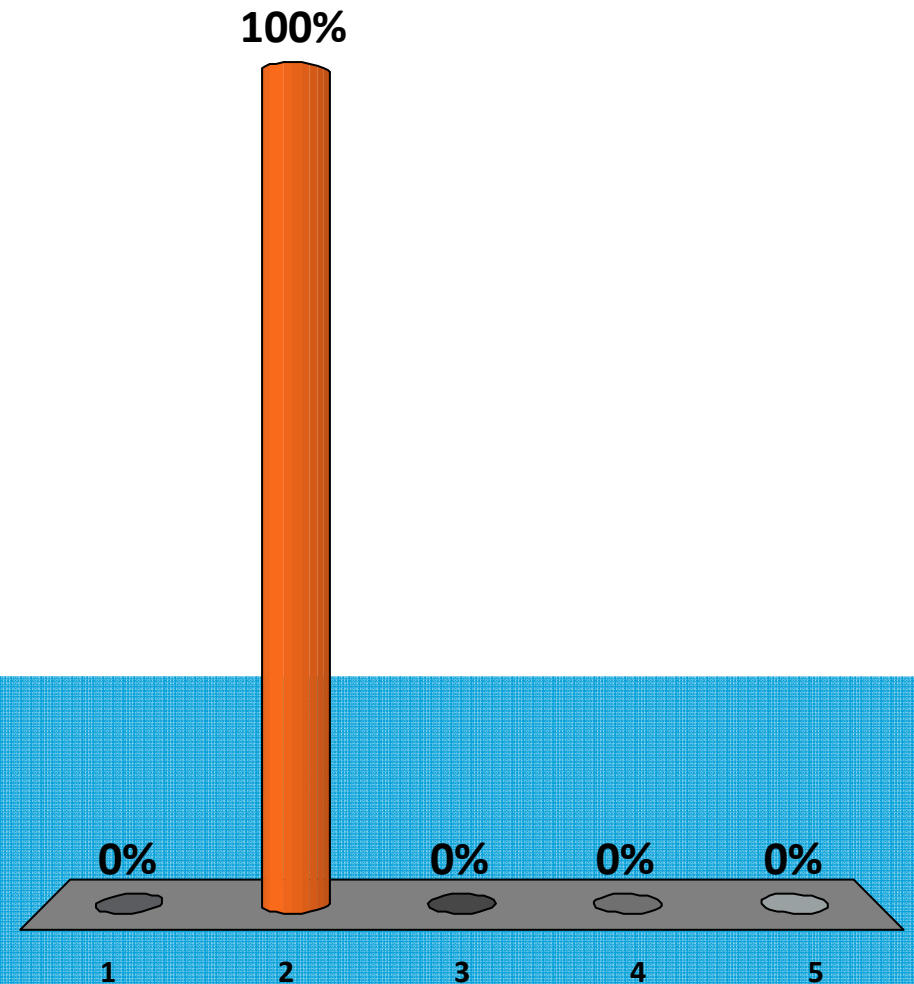
INFRASTRUCTURE

- ☐ Community Centres
- ☐ Storage
- ☐ Residential and Commercial Development
- ☐ Roads
- ☐ Water and Sewer



THE TOP INFRASTRUCTURE PROJECT INITIATIVE IS ... PICK TOP ONE.

1. Community Centres
2. Storage
3. Residential and Commercial Development
4. Roads
5. Water and Sewer

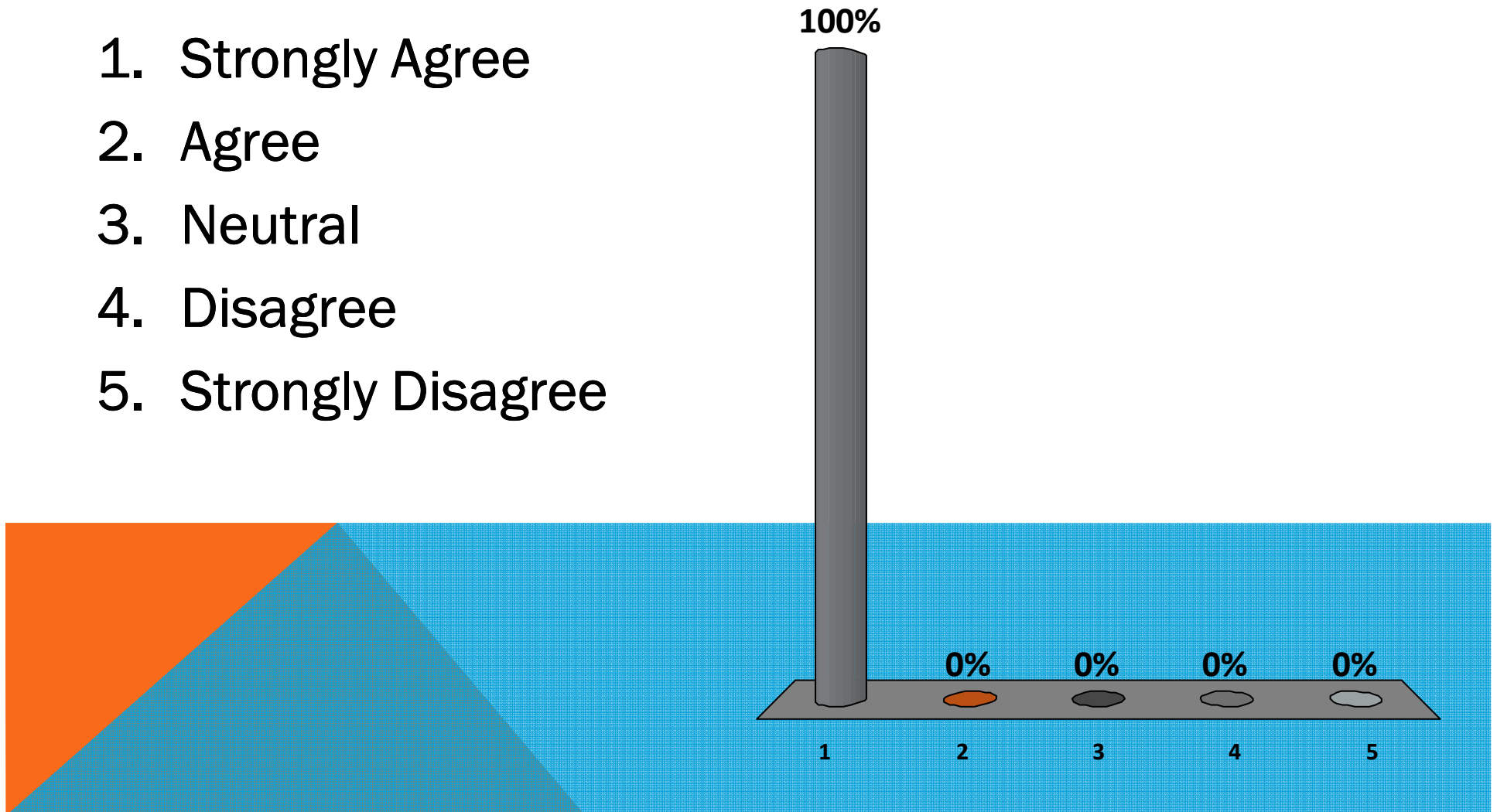


An abstract graphic design featuring a large orange triangle on the right and a blue triangle on the left. The blue triangle has a fine grid pattern. The two triangles meet at a diagonal line that runs from the bottom left towards the top right. The text "MOVING FORWARD" is written in a bold, black, sans-serif font, positioned diagonally across the white space between the two triangles.

MOVING FORWARD

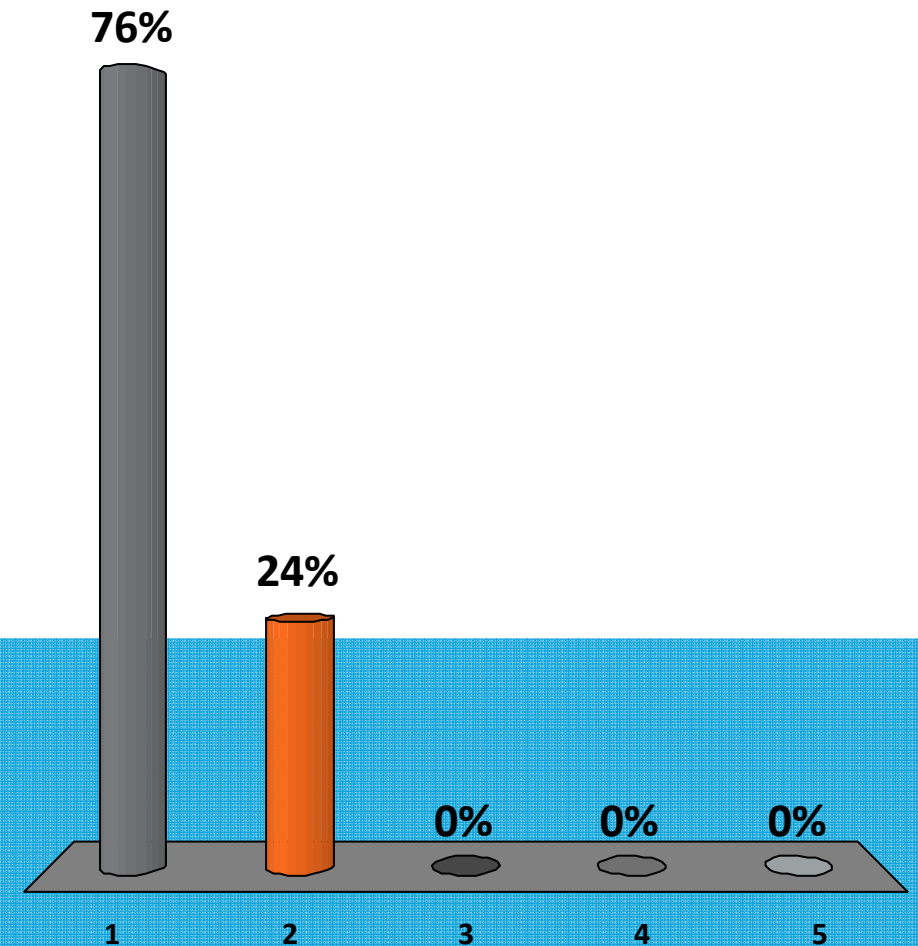
“MY MUNICIPAL COUNCIL SHOULD CONTINUE TO WORK WITH NEARBY COMMUNITIES IN PURSUING INDUSTRIAL BENEFIT OPPORTUNITIES”

1. Strongly Agree
2. Agree
3. Neutral
4. Disagree
5. Strongly Disagree



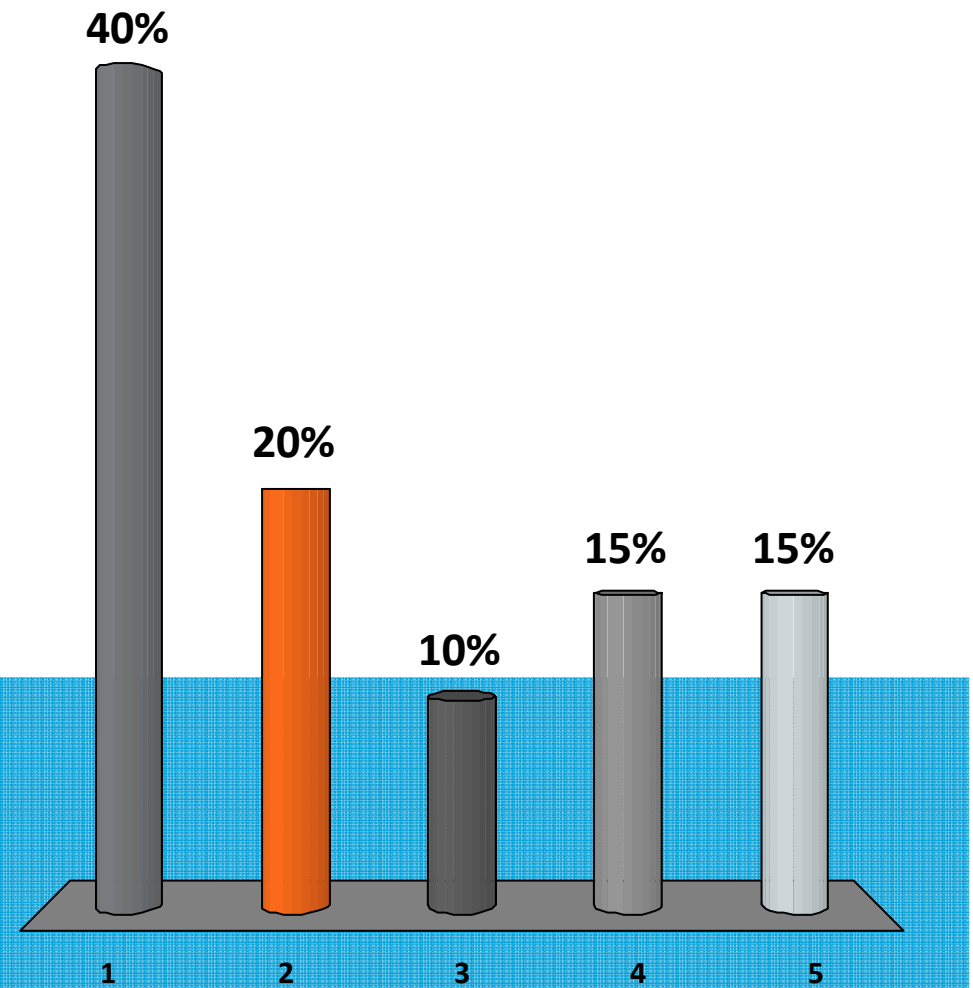
“I WOULD LIKE TO BE KEPT INFORMED ABOUT THE PROGRESS OF MY MUNICIPAL COUNCIL’S EFFORTS ON THESE INITIATIVES”

1. Strongly Agree
2. Agree
3. Neutral
4. Disagree
5. Strongly Disagree



THE BEST WAY TO KEEP ME INFORMED ABOUT THE PROGRESS MY MUNICIPAL COUNCIL IS MAKING IS THROUGH....

1. Town Newsletter
2. Public Meetings
3. Local Newspaper
4. Mailbox Flyers
5. Other



The background features a large orange trapezoid on the right side and a blue triangle on the left side. The blue triangle has a fine grid pattern. The text 'GENERAL DISCUSSION' is written in black, bold, uppercase letters, rotated diagonally, and positioned in the white space between the blue and orange shapes.

GENERAL DISCUSSION

CONTACT INFORMATION

If you have additional comments or you would like more information about the [Regional Readiness and Industrial Benefits Planning Project](#), please contact anyone of the following:

Michelle Porter – michelleeliseporter@yahoo.ca

Dr. Kelly Vodden – kvodden@mun.ca

Chad Holloway – cholloway@discoveryzone.nf.ca

Colin Holloway – colinholloway@gov.nl.ca



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