

Mariner Resource Opportunities Network Inc.

**Strategic Economic Plan
Zone 17, 2008 - 2011**

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Executive Summary

Mariner Resource Opportunities Network Inc. (M-RON Inc.) has been engaged with developing a three to five year economic development plan for the Baccalieu Trail Region. The intention was to develop an economic development plan that is derived from the strengths of the Baccalieu Trail Region, highlights the specific needs and opportunities of various sectors, and outlines a blueprint for realizing the full social and economic potential of our local industries. More specifically, the intention is to identify key opportunities for advancement in each of the major sectors and to develop concrete initiatives, complete with work plans and annual targets. The identified initiatives are intended to provide a systematic and collective approach to the project of promoting economic development in the Baccalieu Trail Region.

In recent years, the economy of Newfoundland and Labrador has experienced significant and unprecedented rates of growth, due predominantly to the successful development of the non-renewable resource sectors. While the province, as a whole, is currently experiencing a positive economic growth rate, the benefits of this growth have been unevenly distributed, with many rural areas, including the Baccalieu Trail Region, continuing to experience the effects of declining industries, lack of year-round employment, substandard wages, outdated services and infrastructure and high rates of out-migration. Indeed, for many regions, again including the Baccalieu Trail Region, local economic growth and improvements in social stability are more closely related to the influx of money from Alberta than to positive developments in the provincial economy. This influx of money from Alberta presents a significant challenge to the development of rural economies, as local businesses are being pressed to compete with the salaries and benefits that are offered in Alberta.

In the Baccalieu Trail Region, this differential experience of economic growth is particularly evident. Within this region there is a substantial degree of diversity among communities. Some areas are predominantly rural in nature and lack a number of essential services while other areas act as central distribution hubs for the region, such as Old Perlican, Carbonear, Bay Roberts and Whitbourne. In some of the more urban areas, i.e., those larger centres located in close proximity to the St. John's Metropolitan Area, the benefits related to the expansion of the provincial oil and gas industries have been realized, while other areas of the region continue to experience a decline both in economic growth and in social stability.

If the Baccalieu Trail Region is to realize the goal of sustainable social and economic development, it is imperative that the issues identified in this strategic plan be addressed. In particular, there are a number of concerns regarding the potential for economic and social development that need to be considered. These include:

- There are a wide range of assets present within this region. These assets are dispersed quite widely, with the assets in one town not present in another. In general, residents are very aware of the location of the required resources and are willing to travel within the region in order to access specific services. The assets

- that were identified include: facilities, human resources, natural resources, quality of life, and services.
- The Baccalieu Trail Region is being shaped by a number of political issues which originate from all three levels of government. With regard to the Municipal level, declining population, lack of support for regional resource sharing, changes to federal and provincial funding arrangements, and modifications to relative authority for pursuing economic development. Provincially, the primary issue is the continued reliance on non-renewable resources to foster economic growth. There is a perceived lack of support for rural development and a comparable lack of understanding of the issues and conditions that prevail. With regard to the federal level of government, the Baccalieu Trail Region is influenced by the continuing tensions between the federal and provincial governments.
 - The social climate in the Baccalieu Trail Region is characterized by an aging population. The social dynamics of the region remain largely the same, although social changes are occurring as a result of technological advancements and the improvements to physical infrastructure, i.e., Veterans' Memorial Highway.
 - Technological advances in the province have been unevenly applied with the majority of benefits being realized in the St. John's Metro Area. While the Baccalieu Trail Region has access to some of the same advantages, this infrastructure is not available in all areas of the region, nor has it been systematically employed in areas where it is available.
 - There are four primary economic sectors in this region. These sectors are fishery, agriculture, tourism, and manufacturing. While there are a number of challenges associated with each of these sectors, there are a comparable number of opportunities. A significant number of these opportunities cross sectors and require an intersectoral approach.
 - Currently, there is a critical shortage of labour in the primary industries. This shortage has prevented some businesses from expanding or, in some cases, even maintaining their current level of operations. While the shortage of labour crosses sectors, this issue is most evident in the renewable resource sectors.
 - The majority of the region's social and economic life is informed by the seasonality of the renewable resource sectors. Unfortunately, these sectors have remained unchanged for a number of years and have not necessarily kept pace with social change. There is a need to update the approach to renewable resources and to realize the full value and potential that these sectors have to the region as a whole. Central to any strategy is the recognition of the stewardship roles and responsibilities of local residents.

The findings outlined in this document represent the culmination of a six-month process of consultations with community, industry and social organizations operating in the Baccalieu Trail Region. Central to this process, has been the need to encourage a collaborative dialogue among stakeholders in this region and, in doing so, ensure that the

resulting plan for economic and social development in this region is reflective of the needs, strengths and desires of all residents.

In order to accomplish the goals outlined in this Strategic Economic Plan, M-RON Inc. is exploring restructuring the organization in ways that are compatible with the Ministerial Report 2006. This restructuring will involve modifications to the board size, committee structure, meeting schedules, and so on. In addition, a comprehensive communications and marketing strategy will be developed and employed. This strategy is intended to provide a systematic approach to publicize the achievements of M-RON Inc. and the region as a whole. The intention of this restructuring is to ensure that the composition of the organization is effective in promoting the social and economic development objectives that are derived from this plan.

1. Introduction

Mariner Resource Opportunities Network Inc. (M-RON Inc.) is the Regional Economic Development Board for Zone 17 and is a not-for-profit corporation. In collaboration with other government and not-for-profit economic development organizations, M-RON Inc. acts as the facilitator of the Zonal Process for the Bay de Verde Peninsula.

As part of this mandate, M-RON Inc. has been engaged with developing a three to five year economic development plan for the Baccalieu Trail Region. The intention was to develop an economic development plan that is derived from the strengths of the Baccalieu Trail Region, highlights the specific needs and opportunities of various sectors, and outlines a blueprint for realizing the full social and economic potential of our local industries. More specifically, the intention is to identify key opportunities for advancement in each of the major sectors and to develop concrete initiatives, complete with work plans and annual targets. The identified initiatives are intended to provide a systematic and collective approach to the project of promoting economic development in the Baccalieu Trail Region.

This document represents the culmination of M-RON Inc.'s strategic planning process and details M-RON Inc.'s efforts to assess, analyze and capture the current state of the zone as it pertains to demographics, labour market issues, development opportunities and projections regarding the future economic wellbeing of the region, its families, residents, business community and services. The development issues that have been identified through the course of this planning process and the associated research cover a wide range of topics and highlight concerns and opportunities within each of the major sectors in the region, namely: tourism, agriculture, fisheries, and manufacturing. These development issues have, in turn, been linked with concrete initiatives and recommendations related to economic, and in some cases, social development within each of the targeted sectors. While some of the proposed initiatives are within the purview of M-RON Inc., many of these initiatives and issues will require the active support of individuals, organizations and institutions from the public, private and voluntary sectors. As such, the development of effective and responsive intersectoral collaborations and partnerships will be central to the expectations for success of the initiatives that are proposed in this document.

This document contains five sections. The first section provides an overview of the goals and objectives of the planning process and the subsequent plan for economic development in the Baccalieu Trail Region. The second section details the methodologies that were employed through the course of the planning process. The third section details the findings that were derived through the research component of the planning process. This section includes an overview of the findings related to the Assets Mapping, PEST Analysis, SWOT Analysis, Environmental Scan, and Labour Market Analysis. The fourth section highlights the issues and opportunities related to the region's renewable resource industries. The final section of the document will provide an overall summary of the findings, recommendations and related initiatives.

1.1 Overview – What is Strategic Planning?

Strategic Planning is the process of defining the scope and direction of an organization, community and/or region's development. This process identifies internal and external stressors and/or opportunities and provides a framework from which to develop and evaluate alternative strategies. The intention of a strategic planning process is to provide a systematic approach to decisions regarding the allocation of capital and non-capital resources. More specifically, the intention of the process is to ensure that the organization, community or region is able to anticipate and respond to a variety of likely internal and external factors and, in doing so, sustain or even improve its relative position. As such, a successful plan will address a minimum of three key questions:

1. "What do we do?"
2. "For whom do we do it?"
3. "How do we excel?"

For the purposes of this planning process, however, an additional question was incorporated into the research, namely: "How do we attract funding and human investment?" This question demands an honest evaluation of the relative strengths and weaknesses of the organization and the region. Moreover, it requires a willingness to challenge existing or 'taken for granted' approaches to organizational practices and strategies for regional economic development.

Strategic planning is most often viewed as a process for defining the direction of an organization over the course of a three to five year span.¹ Incorporated within the established plan, however, are a number of concrete tasks that the organization, region, and/or community intend to pursue or support. One of the primary challenges of developing a strategic plan is the identification of priority projects, the development of reasonable trajectories for these projects, and the subsequent allocation of both human and financial resources. Finally, a strategic plan must provide an honest assessment of the organization, region and/or community's capacity to meet the projected targets. The strategic plan detailed in this document represents a collaborative work completed by our Strategic Planning and Analysis Coordinator who was appointed at the outset of this project and a resource committee comprised of both volunteers and staff members.

1.2 Statement of Purpose

The purpose of this document is to provide a detailed discussion of the strategic planning process that M-RON Inc. employed in 2008. The plan highlights key elements necessary for successful economic development, provides a detailed discussion of the internal and external factors that are likely to impact upon our expectations of success and proposes a responsive and detailed three-year agenda. This plan will include an environmental scan, assets mapping and an evaluation of organizational fitness.

¹ Some extend this plan to encompass as many as 10 years.

1.3 Rationale

M-RON Inc. is currently in the final year of a three-year funding arrangement and is nearing the successful completion of a three-year strategic economic plan. The strategic plan outlined in this document, represents both a continuation of and an expansion on the previous work plan. The intention is to build upon these achievements while simultaneously recognizing that there are new stressors and opportunities that will need to be addressed in the following years if we are to realize the goal of building a thriving and diverse economy within the Baccalieu Trail Region.

1.4 Goals and Objectives

Since its inception in 1996, M-RON Inc. (formally known as the Baccalieu Board of Economic Development) has been a multi-tasked organization and typically has several operational goals at any one time. While M-RON Inc. has become accomplished in pursuing multiple goals, it is imperative that these goals exhibit at least some measure of compatibility. The notion of "goal congruency" refers to how well the goals combine with each other. Does goal A appear compatible with goal B? Do they fit together to form a unified strategy? "Goal hierarchy" consists of the nesting of one or more goals within other goal(s).

One approach that we have utilized successfully in the past is the development of a continuum of goals ranging from short-term to long-term goals. Also known as a "goal stairway," this continuum allows for long-term or far-reaching goals to be divided into smaller, more attainable goals and, in doing so, provides a 'road map' from which to direct and evaluate the organization or division's progress. Moreover, this process allows for the development of goals which are attainable and compatible with each other and the organization in its entirety.

The objective of this plan is to re-evaluate the existing goals and develop new goals for both the organization and the region. These goals are to be related to contemporary issues in the region and are intended to provide clear trajectories for the initiatives that have been identified through consultation, research and other projects dedicated to the development of this strategic economic plan.

1.5 Mission Statement and Vision Statement

Organizations sometimes summarize goals and objectives into a mission statement and/or vision statement. While M-RON Inc. does not address an overall vision, these are more or less defined in its five original core functions.

Our mission is focused on resource development, capacity building and the generation of employment or expanded labour market through maximizing the opportunities in resource development.

2. Methodology

The planning process that was utilized for the development of this strategic plan was designed to incorporate a variety of different data collection methods and was intended to ensure that all of the stakeholders and sectors were engaged with the process. The specific methods used for each of the areas of inquiry will be discussed in more detail in later sections. This section will simply provide an overview of the whole project and discuss some of the concerns that were addressed through the research design.

As stated, the overall goal of this planning process was to identify a number of initiatives that could be employed or supported by M-RON Inc. to promote economic and social development in the Baccalieu Trail Region. The subsequent need for future partnerships and collaborations helped to inform the initial research design and careful attention was paid to the need to ensure that participants were actively engaged throughout the process. In addition, care was taken to ensure that the methods of data collection were consistent with the specific needs of operators in each of the sectors. In the Baccalieu Trail Region, the fishery, agriculture and tourism sectors are seasonal in nature. With these sectors, it was imperative that the methods of data collection were structured in such a way as to be compatible with the demands of their industry. For example, with the tourism sector, an evening focus group was scheduled outside of the regular hours of operation of most of the tourism operators, while with the fishery and agriculture sectors data collection was done through one-on-one interviews either over the phone or at the individual's place of business. The primary concern here was to develop a strategy of data collection that would allow for a wide range of input from stakeholders in the region, while simultaneously ensuring that the data collection was not an imposition to the operator.

More specifically, the development of this strategic plan utilized the following process. On February 15, 2008, a Planning and Analysis Coordinator was appointed to oversee the data collection, the public consultations and the subsequent analysis. A planning committee was subsequently established and a project charter was developed. During this phase of the analysis, an assessment of M-RON Inc.'s organizational capacity and ability to realize the goals outlined through the planning sessions was conducted. In addition, key stakeholders and potential supporters both internal and external to the region were identified, and care was taken to ensure that these individuals and groups were involved in the planning process.

Following this phase of the planning process, an inclusive assessment of the Baccalieu Trail's resources and needs was conducted. The intention, here, was to develop a detailed assessment of the current social and economic situation in the region, to identify the resources that are currently present and/or accessible within the region and to relate these resources to potential opportunities for and barriers to the future economic and social development of the region. In addition, one of the primary concerns during this phase of the research was to identify the current situational factors that are likely to influence the region's expectations of sustainable development. To this end, a number of methodologies were employed, namely:

- Zonal Assets Mapping
- PEST Analysis

- SWOT Analysis
- Environmental Scan
- Regional Consultations
- Organizational Review
- Labour Market Analysis

These methods are described below. A more detailed discussion of the techniques employed for the sampling and facilitation of each aspect of the research process will be included in the related findings section.

Asset Mapping is a method designed to fulfill two objectives. First, it provides a framework from which to collect detailed information regarding the positive attributes of a community. This framework allows for a list to be generated of all of the tangible and intangible resources that are valued by members of the community. Second, and perhaps more importantly, it facilitates a dialogue surrounding the values and practices that underlie the community's positive definition of the identified attributes. This method is particularly useful in the context of regional development planning as it explicitly requires respondents to take a positive approach to the resources present within their community.

A *Situational Analysis* is an evaluation of the dynamics of the organization and its environment as it is currently articulated and an assessment of the possible directions it may take in its future development. In the context of this planning process, the situational analysis involved an assessment of both internal and external factors and was intended to identify the opportunities and threats related to the organization and the expectations of realizing the development goals outlined during the planning process.

A *PEST Analysis* is a framework for assessing macro-environmental factors, that is the political, economic, social and technological factors, that the organization and region is likely to encounter in the following years. This analysis is intended to provide a means of ensuring that the subsequent plan is responsive to changes in the macro-environment and is able to maintain its ability to define organizational and regional development despite potential shifts in the parameters defined by broader environmental forces.

A *SWOT Analysis* is a strategic planning tool designed to evaluate the strengths, weaknesses, opportunities, and threats that are likely to influence the organization or economic zone in the near future. This style of analysis involved defining the goals and objectives of both the organization and economic and social development of the region in general. Internal and external factors were then identified and assessed in relation to their likeliness of having a positive or negative influence over M-RON Inc.'s expectations of realizing these objectives.

An *Environmental Scan* is similar to both the PEST and SWOT analyses, in that it provides a framework from which to gather and organize information related to the environment context which the organization and region must negotiate. The intention is to identify changes in the broader environmental context and to develop strategies to respond effectively to the challenges or opportunities that are likely to emerge as a result of these changes. In the context of this planning process, the environmental scan was

utilized as a tool to ensure that final plan will be responsive to changes in the environmental context and, in doing so, allow the organization to avoid reactive responses to events and circumstantial changes over which the organization has little or no control.

Regional Consultations define a process of generating discussion and commitment from the individual's, groups and sectors which have a vested interest in ensuring the positive outcome of the region's development. This process involves identifying all of the parties that are engaged with the region's economic and social life, providing a forum or forums in which to share information regarding their individual experiences relating to their involvement in the region and to use this information to define collective approaches to regional development.

An *Organizational Review* is a process involving the critical assessment of the totality of an organization's operations. This process involves assessing the organizational and management structures of the firm as well as the overall distribution of financial, human and other resources within the organization. The concern here is to ensure that the organization is structured in such a way as to be compatible with the requirements of the goals and objectives outlined in the strategic plan. In the context of this planning process, the organizational review had the added role of ensuring that M-RON Inc.'s organizational and management structures are compatible with the recommendations outlined in the Ministerial Report on Regional Economic Development Boards Process, and the overall need to operate as the lead agency for the social and economic development of the Baccalieu Trail Region.

The methodologies employed in this study were complimented by the results of the Avalon Renewable Resource Conference that was held in April 2008 through the combined efforts of M-RON Inc., Irish Loop Development Board, Capital Coast Development Alliance, Avalon Gateway Development Board, Leslie Harris Centre of Regional Policy and Development, College of the North Atlantic, FINALLY and the Rural Secretariat Avalon Region. This conference addressed the opportunities and challenges associated with the renewable resource sectors on the Avalon Peninsula and provided a forum in which to articulate a collective and sustainable approach to the development of these resources. As the primary industries in the Baccalieu Trail Region are closely related to the renewable resource sectors, the findings from this conference warrant particular attention in the context of this planning process.²

² See *Avalon Renewable Resources Conference (ARRC), April 10-11, 2008: Conference Report*, Appendix A

3. Findings

As stated, the intention of this planning process is to outline a three to five year strategic plan for the economic and social development of the Baccalieu Trail Region. In keeping with this mandate, the findings presented in this section are the cumulative result of an in-depth process of consultation and collaboration with residents, business leaders and other stakeholders in the Baccalieu Trail Region. A more detailed discussion of the findings of the research as they relate to each of the targeted sectors will be addressed in a later section of this report.

3.1 Assets Mapping

Assets mapping describes a process designed to collect information of the positive aspects of the organization, community, sector and region. This information includes not only a listing of the entity's positive attributes but also an indication of the beliefs and values that are embedded within the positive valuation. In the context of this planning process, the process of assets mapping provided the initial starting point for the analysis, and served to ensure that a positive assessment of the region's resources and prospects for development were preserved throughout the planning process.

Furthermore, the Baccalieu Trail Region is very diverse, and there are substantial differences between the Conception Bay and Trinity Bay areas of the region. In addition, the region is divided between rural and urban areas. The technique employed during this phase of the research, ensured that the inherent diversity of the region was recognized. This recognition of difference is critical in addressing the needs of population groups that reside in rural communities. Each group has a different way of appreciating and bringing strength to the peninsula. The recognition that different populations perceive different assets as intrinsically valuable or fundamental to their world view is critical when developing sustainable and inclusive social and economic development strategies.

The process of asset mapping differentiates between the valuations of individual groups and the combined community assets. In addition, it has the potential to be inclusive of all community dimensions, features and interests while simultaneously providing a forum in which to develop collective and collaborative strategies to develop the region's assets without compromising the qualities that allow them to be defined as assets to the community.

The process that was employed to assist the identification of assets within the region was structured around a whole assets approach. Participants were recruited from six organizations operating within the Baccalieu Trail Region including representatives from M-RON Inc.'s board of directors, committees and staff. This process allowed for in access of 40 participants in three separate sessions. The intention, here, was to ensure that participants were representative of the diversity of interests within the region. The round-table discussions followed a process which is often referred to as a "nominal group technique." During the facilitated discussions, each participant was encouraged to identify what they saw as the six primary assets in their community and region. Each participant was asked to record these assets on three separate note-cards and to post the

cards under predefined categories in the spaces provided on the walls of the room. The predefined categories that were employed for this session included: facilities, human resources, natural resources, quality of life, and services available. The participants were then asked to discuss the rationale for identifying these particular assets as beneficial to their community and the region as a whole. During this discussion, what was of particular concern was to determine whether or not there was any contention among participants regarding the relative benefit of the identified assets. Following this discussion, each participant was asked to identify, through the placement of a ‘dot,’ what they felt was the most important or beneficial asset within each category. The item containing the most dots becomes the most important asset for the group.

Following this process, the participants were divided into smaller groups of five members and asked to select the asset category that they wished to work with. The participants were then asked to discuss factors that were both supportive and threatening to the long-term integrity of the asset and to identify potential strategies to ensure the preservation of these assets for future generations. The summary of these discussions is outlined in Table 3.1. It is important to note that these assets are dispersed quite widely throughout the region, and ‘assets’ or resources that are present within one town or area may not be present within another. That said, in general, residents in the Baccalieu Trail Region are very aware of the location of the required resources and are willing to travel within the region in order to access specific services and resources.

Facilities	Human Resources	Natural Resources	Quality of Life	Services
Marinas	Good Skill Sets	Deep Harbours	Clean Water	Access Road
Schools	Young Families	Bogs	Clean Air	Legal Services
Hospitals	Trades people	Trout Ponds	Low Crime Rate	Service Centres
Churches	Professionals	Fish	Land base	Consumer Malls
Restaurants	Artists	Wildlife	Weather	Air Strip
Accommodations	Seniors	Land Mass	Pace	Marine Services
Fish Plants	Volunteers	Coast Line	Services	Strong Voluntary Sector
RV Parks	Fishers	Beaches	Culture	Municipalities
Information Centres	Entrepreneurs	Forests		Government Services
		Harbours		Recreation Facilities

3.2 PEST Analysis

A PEST analysis describes a process whereby the political, economic, social and technological factors that are likely to influence the relative success of the organizational or development plan are systematically interrogated to determine their likely effect. The

intention, here, is to provide a systematic analysis of the myriad of external factors that are currently and potentially influencing the social and economic interactions in the region, and the overall likeliness of realizing the goals of sustainable social and economic development. For the purposes of this planning process, the situational factors that are of interest are defined as follows:

- *Political factors:* tax policy, employment legislations, environmental regulations, trade restrictions and tariffs, political stability and overall policy objectives
- *Economic factors:* economic growth rates, interest rates, inflation, growth of target markets, changes in disposable income and overall business climate
- *Social factors:* cultural aspects, health consciousness, population growth rate, age distribution, career attitudes and safety
- *Technological factors:* ecological and environmental aspects, research and development activity, automation, technological adaptations, incentives and the rate of technological change

Political Climate

This review of the political climate for the zone is based on an examination of all three levels of government and an identification of the key issues emerging at each level which are likely to influence the current and future social and economic development of this region. This is not an attempt to evaluate the operation of the government or their ability to function effectively. Rather, the intention is to provide an analysis of the political factors that this region will need to negotiate in ensuing years. This analysis is supplemented by commentary provided by stakeholders in the region during both formal and informal consultations.

Municipal

Through the course of this analysis, it has become apparent that the primary issue at the municipal level is the precarious financial position of many small towns. There are a number of aspects related to this. While some of these aspects may be more relevant to urban settings, it is important to recognize that Baccalieu Trail Region encompasses both urban and rural areas. Thus, both urban and rural issues must be addressed for the resulting analysis to be reflective of the totality of interests in the region.

First, the majority of small towns in this region are experiencing a continual decline in their population. Many communities, especially the coastal fishing communities, are experiencing serious levels of out-migration of year round residents and in-migration of seasonal residents. This decline is particularly evident with regard to the small rural communities in this region, although a number of the larger centres have also experienced a comparable decline in population. The decline in population in these towns has generated considerable concern with respect to the overall integrity of the tax base and the ability of the towns to maintain the level of services that their residents have come to expect without increasing the tax burden placed on the remaining residents. This shortfall is further compounded by the rising cost of providing many of the essential services due to the ever increasing cost of oil. In addition, this decline in the number of year-round residents also has a negative effect on the ability of the municipalities to

engage volunteers and foster community spirit, in turn, requiring additional paid staff persons to offset the shortage of volunteer personnel.

Second, there continues to be an overall lack of support for the establishment of regional resource sharing. Attempts to organize regional municipal co-operatives have not proved successful and for the most part we are still in the mind set that “they got one, so we want one,” regardless of need. Of the 68 communities in this region, there are only 34 registered municipalities and a dozen or so Local Service Districts. The remaining balance is comprised of unincorporated towns which receive most of their services from either incorporated towns or government. As long as this is the policy, there are few incentives to incorporate or to think regional. An example of this failure to develop regional strategies can be seen in the presence of twenty-one (21) fire halls in this region. Under the current conditions of reduced tax revenues, and population base, the region can neither sustain this quantity of fire-halls nor equip them with up-to-date equipment and sufficient human resources. Despite these concerns, however, any attempts to amalgamate these services into more centralized venues have met with continued resistance.

Third, in recent years the funding arrangements for municipalities defined through the federal/provincial agreements have been reduced dramatically. This has resulted in the deterioration of existing infrastructure due to the inability of the towns to finance costs associated with maintenance. In addition, it has provided a significant deterrent to the development of new infrastructure. While there have been some improvements to this situation, most notably, the gas tax awards and the expanded categories of utilization under the 2009 regulations, it remains to be seen whether or not these changes will significantly improve the ability of small towns to maintain and expand their infrastructure. It is important to note that the lack of quality municipal infrastructure may be a significant factor in the continued decline in the population of many small towns in this region and, indeed, throughout the province.

Finally, in 2000, the province gave municipalities the authority to engage in economic development. They did not, however, provide them with any of the required resources.

If rural Newfoundland and Labrador is to sustain itself and prosper, there are a number of factors which will need to be taken into consideration. These factors include:

- a recognition of the importance of establishing supported economic development partnerships,
- more recognition of the specific needs of the rural sector at Municipalities Newfoundland and Labrador,
- a recognition of the importance of municipal identity to rural communities,
- a recognition of the need to disperse costs and resources throughout a region,
- a recognition of the need to develop development strategies that are specific to the strengths and needs of the region,
- a recognition of the need to support targeted sectors within the region including: tourism, agriculture, and secondary processing,
- a recognition of the need to develop innovative approaches to the challenges experienced by rural communities, i.e., “thinking outside the boat,” and

- a recognition of the need to develop ‘clusters’ of similar industries, services and so on.

Recommendation # 1

Provisions should be made to grant development money to municipalities based on their economic development plan. Zone Boards should take on the coordination role with the municipalities acting as implementers for economic initiatives. Effort should be made to encourage cluster development and resource sharing.

Provincial Government

At present, we have few members in opposition, and the House of Assembly has only opened for a very brief period. This is not an ordinary situation, and it remains to be seen what the long term impact might be. Budget consultations were conducted again in 2008 and, while it was a worthwhile exercise, it is unclear as to the degree of change that can be expected to occur as a result of these consultations.

There are several issues at the provincial level which warrant consideration in relation to the future social and economic development of the Baccalieu Trail Region. In general, these issues are related to the continued reliance on revenues generated through the development of the province’s non-renewable resources. It is important to recognize that the major economic benefits from the non-renewable resource industries are most apparent in the more urban areas of the province while rural communities retain much of their traditional involvement in the renewable resource sectors of fishery and agriculture. More specifically, there are four primary issues at the provincial level which may influence the potential for realizing positive social and economic development in the Baccalieu Trail Region. These concerns are as follows:

1. Local residents, while fully supportive of the provinces position on resource and revenue management, do have concerns with the ongoing conflict between the province and the federal government. That is not to say that there isn’t support for the current government, it is simply to suggest that in the long-term this may not be in the best interest of the province and in particular rural Newfoundland and Labrador.
2. There is a perceived lack of support for rural development and a lack of understanding of the issues and conditions that prevail. Government services are being reduced in many sectors, yet provincial revenues have never been higher. Contemporary understanding of economic growth would suggest that this is the period to invest money in the development of our resources and growing our rural sector through social and economic development.
3. Government continues to maintain a singular focus on oil production to the detriment of the renewable resource sectors. At the Avalon Renewable Resources Conference entitled “Life after Oil” held in April 2008, there is a need to develop and concentrate on a strategy directed toward renewable resources. Many residents believe that these industries have taken a back seat. In particular, the

farming and fishing communities believe that employment and development in these sectors is all but disappearing.

4. Government support for community and regional development groups is lacking as are the human and financial resources necessary for these groups to function effectively. Moreover, the collaboration between government departments has not been realized, thereby, significantly hampering the ability of the remaining entities to engage in rural, economic and social development. Support in these areas will maximize social and economic potential.

Recommendation # 2

Government should, based on the Ministerial Committee Report (2006), recognize the value of the zonal process and make provision for Regional Economic Development Boards (REDBs) to have input to the economic committee of Cabinet. Government should work with the boards and offer support and resource across departments to give the boards the resources requisite for realizing the goals outlined in their Strategic Plans. This would include field staff that are knowledgeable and skilled in socio-economic development at both the community and regional level.

Federal Government

There are a number of issues at the federal level which are currently influencing events in the Baccalieu Trail Region. There is the perception among many of those polled in this region, as part of this planning process, that minority governments are more accountable than majority governments. While the veracity of this statement remains to be tested, it is reasonable to assume that the operation of a minority government will be different than that of a majority government. In relation to the social and economic development in the Baccalieu Trail Region, it is reasonable to anticipate that many of the federal responses that M-RON Inc. has encountered in the past may be different under a minority government.

The presence of a significant amount of tension between the provincial and federal governments is, in large part, related to the operation of a minority government and is likely to influence the potential for success of local development initiatives. A prime example of this can be seen in the political positioning revolving around the Atlantic Accord, the terms of reference and the agreement on profit sharing. While there have been many promises made to residents of the province by both provincial and federal governments, there has been little movement made toward the development of a constructive agreement regarding these issues. This situation is further compounded by the needs of the federal governing and opposition parties to maintain a favourable position for a coming election (with the result being an ineffective opposition party and a collective resistance to addressing issues that may be seen by some as contentious).

Furthermore, there has been an apparent lack of social conscience displayed in the development of programmes at the federal level. This current government continues to download the provision of social programmes and services to the provinces, this despite

the reduced ability of the provinces to generate the revenues necessary to properly finance these programmes and services. In addition, the federal presence within the province is localized with regional departments lacking resources, personnel and authority.

Finally, there has been an apparent lack of federal support for Atlantic Canada as a whole and ACOA programme delivery more specifically. Regional Economic Development Zone Boards are not adequately resourced and are thus unable to recruit and retain qualified personnel. In addition, operational funding does not reflect the content of the Zone Boards strategic plans or their level of activity.

Recommendation # 3

The Federal Government should improve its support, knowledge and commitment to “Regional Development.” This will necessitate the recognition of the diversity of communities contained within a region, the geographic distribution of populations within a region, and the presence of ‘urban’/‘rural’ divisions within regions which have previously been defined as wholly rural.

Recommendation # 4

Develop and establish a program to fit the zonal process and allocate funds based on the level of activity of boards, and the depth and complexity of strategic plans. Other considerations should include: geographic remoteness, rural focus or at least a rural/urban focus and should recognize the presence of diversity both within and between regions.

Economic Climate

This review of the economic climate for the zone is based on a comparison of the region’s employment and economic growth rates with those of the province. The intention is to provide an overview of the economic position of the Baccalieu Trail Region in relation to that of the province as a whole.

In general, the economy of Newfoundland and Labrador is experiencing an unprecedented rate of economic growth due primarily to the successful development of the province’s mineral, oil and gas reserves. With some exceptions, the majority of the economic benefits of these developments have been restricted to certain regions and industries of the province, with many rural communities receiving few, if any, tangible benefits. In the Baccalieu Trail Region, the majority of year-round residents continue to rely heavily on the renewable resource industries associated with the fishery, agriculture and, to a lesser extent, forestry. Thus, the Baccalieu Trail Region is not currently exhibiting the high rates of economic growth that are being displayed in other areas of the province.

Income

As illustrated in Table 3.1, the economic indicators in the Baccalieu Trail Region have either remained static or indicated a marginal improvement since 1996. It is apparent, however, that while the economic indicators in this region are fairly stable there appears to be a widening gap between this region and the province overall.

During the period between 1996 and 2006, the rate of economic self-reliance in the Baccalieu Trail Region improved 5.2%, and the rate of employment has improved 3.3%. During this period, the percentage of the labour force receiving Employment Insurance (EI) remained fairly static. Overall, the largest demographic segment which received EI during this period was males between the ages of 25-54 who had a lower than grade 11 education. Between, 1996 and 2004, there has been a steady increase in both the per capita personal income and real disposable income (See Table 3.2). While both these indicators have improved in the Baccalieu Trail Region, they have done so at a slower rate than that of the province. Indeed, during this period there has been a widening gap between this region and the provincial average in the growth rates of per capita personal income and real disposable income (See Table 3.2).

In general, the labour force in the Baccalieu Trail Region remains characterized by seasonal employment. In 1995, 66% of the total labour force was employed for less than 49 weeks with 41% employed for less than 20 weeks. In 2001, 64.8% of the total labour force was employed for less than 49 weeks with 35.9% employed for less than 20 weeks. The seasonal nature of employment in this region is most pronounced in the primary industry and manufacturing sectors (See Table 3.1).

Recommendation # 5

Explore opportunities for increasing the availability of year round employment in Zone 17. For example, the expansion of the non-peak season services and events in the tourism sector should be examined.

**Table #3.1
Economic Indicators – Rates of Employment
Baccalieu Trail Region – Economic Zone 17**

Derived from the Community Accounts (2008)

Economic Self Reliance Ratio								
Year		Zone 17			Province			
1996		63.6%			-			
2004		68.8%			78.1%			
Employment Rate – Age 15+								
Year		Zone 17			Province		Difference	
1995		51.1%			58.0%		-6.9%	
2001		54.4%			61.0%		-6.6%	
Percentage of Labour Force Receiving Employment Insurance Minimum 1 Week/Year								
Year		Zone 17			Province		Difference	
1996		48.1%			-		-	
2001		46.4%			36.2%		-10.2%	
2002		46.6%			36.2%		-10.4%	
2003		48.0%			36.5%		-11.5%	
2004		48.4%			36.6%		-11.8%	
Weeks Worked by Industry								
Year	All Industry		Primary		Manufacturing & Construction		Service	
	Weeks	% of Labour	Weeks	% of Labour	Weeks	% of Labour	Weeks	% of Labour
1995	>12:	14%	>12:	15.7%	>12:	19.1%	>12:	11.9%
	12-20:	27%	12-20:	51.6%	12-20:	40.2%	12-20:	17.7%
	21-49:	25%	21-49:	22.6%	21-49:	25.1%	21-49:	24.6%
	50+:	34%	50+:	9.9%	50+:	15.4%	50+:	45.6%
2001	>12:	10.9%	>12:	14.6%	>12:	9.5%	>12:	10.9%
	12-20:	25.0%	12-20:	45.4%	12-20:	38.1%	12-20:	15.3%
	21-49:	28.9%	21-49:	33.1%	21-49:	34.7%	21-49:	25.5%
	50+:	35.3%	50+:	6.9%	50+:	17.7%	50+:	48.3%

**Table 3.2
Economic Indicators - Income
Baccalieu Trail Region – Economic Zone 17**

Derived from the Community Accounts (2008)

Personal Income Per Capita

Year	Zone 17	Province	Difference (\$)	Difference (%)	Change (%)
1996	\$12,100.00	\$14,300.00	-\$2,200.00	-15.4%	n/a
1999	\$13,500.00	\$16,000.00	-\$2,500.00	-15.6%	-0.2%
2002	\$15,900.00	\$18,800.00	-\$2,900.00	-15.4%	+0.2%
2004	\$17,300.00	\$20,600.00	-\$3,300.00	-16.0%	-0.6%

Real Disposable Income Per Capita (in 1992 Dollars)

Year	Zone 17	Province	Difference (\$)	Difference (%)	Change (%)
1996	\$ 9,500.00	\$10,800.00	-\$1,300.00	-12.0%	n/a
1999	\$10,100.00	\$11,600.00	-\$1,500.00	-12.9%	-0.9%
2002	\$11,300.00	\$12,900.00	-\$1,600.00	-12.4%	+0.5%
2004	\$11,700.00	\$13,400.00	-\$1,700.00	-12.7%	-0.2%

Real Estate

The changing demographic characteristics of rural Newfoundland and Labrador and on the Bay de Verde Peninsula have generated considerable interest during the 1990s, especially in the coastal regions. One of the consistently noted themes in this research is the growing division between coastal, accessible or environmentally attractive rural areas experiencing seasonal population growth, and those mainly inland communities experiencing decline.

This trend toward purchasing real estate in rural coastal communities as a seasonal residence is particularly relevant for the Baccalieu Trail Region. In many small communities, seasonal residents far outnumber the numbers of year round residents. The practice has a number of positive effects on the economy of rural communities. While the majority of rural communities would prefer that new residents become year-round members of the community, part-time residents provide a valuable source of revenue for the town, both through the payment of property taxes and through the purchase of goods and services within the region. In general, these residents have a significantly higher disposable income than do year-round residents.

While the trend in real-estate sales continues to demonstrate buyers seeking seasonal residences, there are a number of positive economic offshoots; namely, those who are purchasing properties have disposable income. Also, infrastructure that it utilized will

remain as assets within the community, while those that are not being utilized will become liabilities in a very short period of time.

Labour Shortages

The labour shortage appears to be worsening for Newfoundland and Labrador according to a report released from the Canadian Federation of Independent Business in March 2008. In 2007, long-term vacancies increased in almost all of the provinces. Newfoundland and Labrador jumped from 2.6 per cent in 2006 to 5.1 in 2007 (Canadian Federation of Independent Business). Long-term vacancy rates are growing and the inability to fulfill hiring needs affects businesses across the country. In Newfoundland and Labrador the estimated total job vacancies was 7000.

Social Climate

This review of the social climate for the zone is based on a comparison of the region's population and rates of demographic change with those of the province. The intention is to provide an overview of the social aspects of the Baccalieu Trail Region in relation to that of the province as a whole.

Population

In recent years, the province of Newfoundland and Labrador has witnessed a number of significant changes in its demographics. Most notably, the population of the province has experienced a continual decline. Currently, the total provincial population is slightly greater than 500,000 which represents a 1.5% decrease in population since the 2001 census. As illustrated in Table 3.2, the Baccalieu Trail Region has also witnessed a decrease in population. In this region, since 2001 the population decrease has occurred at the rate of 3.81%; a rate which is slightly greater than twice the rate of the provincial average. This decline in the region's population is projected to continue through 2012. It is interesting to note, that while, overall, the region experienced a significant decline in population, a number of the larger centres in the region, namely, Bay Roberts, Cupids, Hopeall, Northern Bay, Whiteway and Whitbourne, saw a relative increase in their population, with Bay Roberts possessing the highest growth rate of 10.6% since 2006.

As illustrated in Table 3.4, the province of Newfoundland and Labrador has one of the lowest birth rates in the country and one of the highest death rates. Currently, the death rate in the province outweighs the birth rate (See Tables 3.3 and 3.4). According to the Economic Research and Analysis Division of the Government of Newfoundland and Labrador, the total number of deaths, 1,139, in the province from July to October 2007 outweighed the births, 1099. This spread is likely to increase in future years due to an aging population. It should be noted that, at that rate, it is highly probable that Newfoundland and Labrador will become the oldest province in Canada within a few years.

**Table 3.2
Demographic Characteristics - Population
Baccalieu Trail Region – Economic Zone 17**

Derived from the Community Accounts (2008)

Population			
Year	Total Population		%Increase
1996	44,195		n/a
2001	40,940		-7.4%
2006	39,850		-2.7%
2012 (projected)	39,186		-1.7%
Population Distribution by Age (%)			
Year	Under 20 Years	20-64 Years	Over 65 Years
1996	27.3	59.1	13.7
2001	24.3	61.1	14.6
2006	21.3	62.6	16.0
2012 (projected)	18.8	62.1	19.1

**Table 3.3
Zone 17 – Birth Rates Versus Death Rates**

Derived from the Community Accounts (2008)

Year	Births	Deaths
2000	375	420
2001	360	365
2002	345	455
2003	350	415
2004	335	410
2005	335	445

Rural Services

The traditional rural institutions such as churches, schools and medical services have been affected not only by technology and urbanization but also by internal regionalization. While the status of the church has declined in numbers and significance, in both the Protestant and Roman Catholic populations, it still plays a somewhat important role in family life.

Rural education has changed rapidly since the mid-1980s. The basic shifts in attendance, curriculum and location, particularly from the local school system, have required a more centralized approach to education. There are fewer schools within the region, and there

has been an emphasis placed on new teaching methods requiring new technology and teaching skills. These changes to the educational system in the region have had a two-fold effect on the social dynamics of the region. First, they have provided students with equal educational opportunities by providing a standardized curriculum throughout the region. Second, they have distanced young people from their local community, thereby, increasing the likelihood that young people will continue to leave the region and province after graduation.

The most enduring institution on the Baccalieu Trail is our rural family unit, a unit of socio-economic organization that has persisted from the early settlements and, in particular, the smaller communities. Although the number of fisherperson families has decreased considerably, the importance of maintaining strong familial relations has remained despite significant shifts in the types and styles of family units. That is not to say that out-migration has not had its impact on the family unit. Since the early 1990s, patterns of out-migration have resulted in many well-educated young people leaving the region and province to pursue careers elsewhere. As a result, many older people living in the region were bereft of the family networks which they had depended upon for both emotional and financial support. This trend toward the out-migration of young families has stabilized to some degree in recent years, and the region is now witnessing a limited return of those families which had previously left.

Finally, it is important to note that, while the region as a whole contains a full compliment of commercial and social services, these services are unevenly distributed throughout the region. Towns such as Carbonear, Bay Roberts and Whitbourne have a fairly inclusive repertoire of services, while areas such as Brownsdale, New Melbourne and New Chelsea have very few services local to the town. Furthermore, it is interesting to note that, with some exceptions, the majority of those towns lacking such services are located in the Trinity Bay area. In particular, service stations, supermarkets and financial institutions are unavailable in this area. In the current context of rising fuel and transportation costs, this geographic distribution of services places these towns at a particular disadvantage.

Recommendation # 6

Due to the increasing cost of transportation, an aging population, and lack of existing services in the rural sectors of the zone, it is recommended that we explore the feasibility of establishing a consumers' cooperative and/or a registered credit union. This may be a very practical approach based on recent closures of supermarkets and financial institutions in certain areas.

Contemporary Issues

Some emerging trends illustrate the changing social relations of rural society. Women have become more active in the labour market and are an accepted part of the decision-making process in our rural economy. We have documented extensive labour market research in the Labour Market segment of this strategy. Not surprising, the economy of Alberta is, and will continue to have, a major influence on our local labour market.

Roles and responsibilities in the rural household have changed. A demand for day care, better transportation, more and better resident services and job opportunities for women reflect a changing work ethic and an acceptance of these occupational changes.

One contemporary issue relates to business organizations and entrepreneurs. There appears to be a lack of understanding and appreciation of economic opportunities as it relates to investment and partnership development and an awareness of services that are available. In 2008, M-RON Inc., along with a number of partners, scheduled and facilitated business information sessions, entitled, "Business Development Road Show." Findings indicated very low levels of participation from the business community. When questioned, respondents indicated that they were unable to leave their businesses during regular operational hours and recommended that these events be scheduled in the evening or more flexible arrangements be made.

Recommendation # 7

Mechanisms to increase levels of cooperation among business operators should be developed and promoted. This initiative should be facilitated by the Baccalieu Trail Board of Trade in collaboration with local business operators.

Recommendation # 8

Establish a web page dedicated to business development awareness, a business oriented help line with links to the various business service agencies including CBDC, NLOWE, FBDB, CBDC-TC, M-RON Inc., Service Canada, ACOA, and HRLE.

Another important feature is our aging population. Demographically, the Baccalieu Trail Region is already a mature society. While often viewed as a negative demographic attribute, the growing number of seniors can be viewed as an emerging strength in rural/urban region of the province. Many seniors are active and join volunteer services; they often can pay for their own needs and bring vitality to rural communities. It is interesting to note that the average age on M-RON Inc.'s board of directors is 52 years, a clear indication of the commitment that many seniors possess regarding their stewardship role in their community and region. Inevitably, however, seniors have special needs, for instance, access to medical care and support, which will need to be met through the development of social programming both provincially and nationally.

The development in the rise of the new labour market and economy in rural Newfoundland and Labrador has generated new service jobs derived from direct consumption in tourism, direct marketing, niche products and services for the aged. The restructuring of manufacturing operations, the downsizing of primary sector jobs and the increased rates of utilization of information technology services has produced a labour market which is substantially different from what it was in the past.

Technological Climate

This review of the technological climate for the zone is based on an evaluation of the types and accessibility of technology within the region. The intention is to provide an

overview of the technology that is currently being utilized within the region and to relate this usage to social and economic trends.

Information Technology

Technological advancement and the resulting urbanization of rural areas have dramatically affected established communities. The accessibility of information has created the need for these communities to compete with more urban areas and can be related to the continuing migration of young people to other areas and other provinces. Likewise, the uneven availability of these services has placed many local operations in jeopardy due their inability to access the types of communications technology that is now a prerequisite for developing successful operations.

While the zone has enjoyed reasonable success with incorporating technology into local schools, hospitals, and churches, etc., the cost of establishing an inclusive grid is prohibitive and, as a result, technology, high-speed internet connection and cell phone service has been unevenly implemented. Approximately fifty percent of the region is still without cellular service, and high-speed internet access is not guaranteed in every area. Compared to our urban neighbours in the greater St. John's area of the Avalon Peninsula, our rural society and based on our small population, we have not kept pace with technology. It is difficult to get governments or private enterprise to invest in small towns and rural regions simply based on the mathematics of cost benefits. In 2007-08, M-RON Inc. has digitally mapped businesses, municipal buildings, hospitals, churches and schools to name a few. Phase 1 has been completed and is temporarily available to the public. In the coming year, M-RON Inc. will be negotiating a partnership with the Irish Loop Development Board and Avalon Gateway Regional Economic Development Inc. to facilitate the development of comparable databases in the respective regions.

M-RON Inc. has continued to offer Information Technology Services to municipalities, not-for-profits and small businesses that, under normal circumstances, would not otherwise be in a position to have a home page, content management systems or the necessary training to effectively operate and update their systems. This service was provided on a cost recovery basis over the past number of years and initially, the corporation had the support of the federal and provincial governments. At this point in time, our board is struggling with the decision to curtail this operation as cash flow and overall revenue does not meet the salary and equipment costs. We have attempted to have private investors consider a take over of this operation but, as yet we, are unsuccessful. It should be noted that this activity has served to provide valuable work experience for a number of IT graduates from postsecondary institutions.

Technological Change and Out-Migration

As stated, technological change has profoundly affected the composition of towns and communities within this region. In addition to the effects experienced as a result of the new information technology, changes in technology have had significant impacts on the social and economic fabric of rural communities. Mechanization in the primary industries has reduced the need for manual labour while increasing the demand for technologically skilled operators. An example can be seen in the fishery sector, with the fishery becoming more of a "big" business. Moreover, the change in terminology from

“fishers” to “harvesters and producers” reflects the adoption of technical or professional designations to describe the specialization in species and methodology. Similarly, the number of fish plants and the duration of the fishing season have decreased.

The reduce labour requirements that have occurred as a result of technological change, has resulted in many residents whose livelihoods were dependent upon the water or in the plant have left the area to seek employment elsewhere. In turn, the amalgamation of fish plants and the subsequent loss of residents have caused severe economic viability problems for areas which had been envisioned as local growth centres. Likewise, small towns have also suffered from technological change because modern equipment and materials tend to be produced and distributed from cities and the processing of foodstuffs now takes place in major urban centres.

Recommendation # 9

Advocate that current cell phone service providers and determine their interest and plans for service provision in the lower section of Trinity and Conception Bay. Information should be requested from CRTC regarding license requirements with respect to provision of service.

Recommendation # 10

Include a section in the Labour Market Study detailing training required to off-set technological change, especially in the fish processing industry. Specialized training will be essential for labour adjustment especially in support of secondary processing.

3.3 Environmental Scan - SWOT Analysis

A SWOT Analysis is a strategic planning tool that is used to evaluate the relative strengths, weaknesses, opportunities, and threats related to the operation of an organization, or zone. The style of analysis involves defining the overall objective of the organization or zonal project and identifying the internal and external factors that are favorable and unfavorable to achieving that objective. The intention is to develop a textured analysis of the factors that are likely to support or impede the implementation of a specific programme or policy and, in doing so, provide the organization or zone with the information needed to ensure that it is able to capitalize on potential strengths or opportunities, while simultaneously, responding to potential threats. Furthermore, this style of analysis provides a framework from which to evaluate the overall likeliness of successfully accomplishing the tasks outlined within the stated objective.

In the context of this planning process, this analysis is intended to provide an assessment of the relative strengths, weaknesses, opportunities and threats that are influencing the social and economic development of the Baccalieu Trail Region. To this end, this SWOT analysis focuses upon three key features of the region, namely: the differing experiences of towns, the development of the four primary economic sectors and the issues associated with the local labour market.

Regional Consultations: Profiles of Four Towns in the Baccalieu Trail Region

As part of this planning process, in-depth consultations were conducted with community leaders in each of four towns in the Baccalieu Trail Region. The intention of these consultations was to identify and examine the various circumstances and composition of communities. More specifically, these consultations were intended to provide insight into the differing needs of the urban and rural areas housed within the Baccalieu Trail Region.

Four towns, namely: Bay Roberts, New Perlican, Old Perlican and Whitbourne, were chosen to participate in these in-depth consultations. These towns are dispersed throughout the region and collectively encompass the range of community's social and economic experiences. Bay Roberts, for instance, is located within commuting distance from St. John's and as such, has a large number of residents who are employed outside of the town. Conversely, Old Perlican, located at the Northern tip of the region, contains a number of large fish plants which employ residents of the community and surrounding area. In addition, Old Perlican acts as a central distribution hub for the surrounding communities. New Perlican can be characterized as a community which is becoming increasingly seasonal, with many of the residents being recent additions. Finally, Whitbourne can be characterized by a large amount of public sector employment and little primary industry. These towns differ substantially from each other and are representative of the diversity of communities present within this region. Furthermore, when taken collectively, they provide an accurate representation of community life in both the rural and urban areas within the region. This section will provide an overview of the issues and concerns that were raised by community leaders during these consultations.

Bay Roberts

Bay Roberts currently has a population of 5450 people which represents a 3.2% increase from the previous census. Many of the newer residents are young people and many of whom have growing families. As such, it is likely that the population growth that has been experienced in Bay Roberts will continue in the following years. This growth in population has been attributed to the availability of services and the close proximity of St. John's.

In Bay Roberts, the major employer is Atlantic Grocery which currently employs approximately 300 workers. Many residents of the town work in St. John's and commute daily. Due to the development of the Veterans Memorial Highway, Bay Roberts is less than a one hour drive from St. John's, and there is a well-established car pool system in place for those who work in St. John's.

Within the town boundaries, there is both commercial and residential land available for future development. Property values in Bay Roberts are among the highest in the region, and there is a shortage of executive homes when compared with the demand for high-end property. This demand is largely the result of new residents relocating to the area. This town has a well-established tax base with 70% of the taxes coming from residential properties and 30% coming from commercial properties. There are a large number of

services available within Bay Roberts. These services range from access to financial institutions and retail outlets to schools, social programming and recreation facilities.

The town of Bay Roberts has created a strategic plan for future development within the town. The major challenge with future development has been the difficulties associated with establishing capital works projects. In addition, the town is currently contending with issues related to aging infrastructure and raising the capital needed to maintain and replace the existing infrastructure.

Whitbourne

The town of Whitbourne currently has a population of 950 residents which represents a marginal decrease from the previous census. This decrease in population has been attributed to the continued out-migration of young people from the region to obtain employment in Alberta. A large percentage of residents in the community work outside of the town and commute daily to areas such as Come by Chance, St. John's, Bay Roberts and Carbonear. This town is located in a fairly central location, and residents are within close proximity to other major centres.

Whitbourne is currently experiencing a large amount of residential development. Forty-four residential lots have been developed, and there are plans to develop more (a total of 200 residential properties). These lots are serviced and some have sold for \$30-\$40,000.00. In general, incoming residents are fairly affluent retirees and have a significant amount of disposable income. There are currently few finished houses for sale in the area, and those that have been listed have been sold quickly and at market value. The tax base within this town is stable and is adequate for the town's needs.

Within Whitbourne, there are a wide range of services available. These include youth programmes, organized sports, church groups, seniors' club and stewardship association. In addition, the town houses a local RCMP detachment, dental clinic, bank, grocery store, mall, health care clinic, post office, café and school. There are two broiler farms within the town. Finally, the town has a well-established park which is well used by residents.

The primary challenge with regard to Whitbourne is the need to encourage the establishment of more service oriented businesses within the township, including retail outlets, restaurants and cafés. While Whitbourne, like many communities, is contending with aging infrastructure, upgrades have been completed on a regular basis, and there is no concern with the lack of town services. Rather it is the lack of consumer services that has been identified as the primary barrier to increasing development and encouraging new residents.

The town of Whitbourne does not have a Strategic Plan in place to direct and/or encourage future development.

Old Perlican

The town of Old Perlican has a population of 700, indicating a decrease of approximately 2% from the previous census. The average age of residents is 42. The decline in

population has been attributed to out-migration to Alberta and overall reductions in family size. While Old Perlican has experienced a population decline, the tax base overall has remained stable due to the large industrial operations present within the town.

In Old Perlican the major employers are Quinsea and Quinlan's fish plants, with Quinsea employing over 500 workers. These plants are seasonal productions which run from April to November and are focused on processing shrimp, crab whelk, ground fish and pelagics. It is interesting to note that only 20% of the staff is comprised of local residents while the remaining 80% of employees commute from as far away as Cupids. These plants have experienced significant difficulty in recruiting and retaining workers and additional staff has been brought in from Nippers Harbour. There are both management and general labour positions, with the majority of management positions being staffed by residents of Old Perlican. The average age of employees in the plants is greater than 50 years. Very few residents in the community commute to work outside of the town.

There are a number of programmes available in Old Perlican. These programmes include a seniors' group, cadets and recreational programmes for young people. In 2007, the town hired a recreational director. Unfortunately there did not appear to be much interest on the part of residents and the programmes were mainly used by small children. In addition to the social programming, there are also a wide range of services available within the community. These services include a school, a supermarket, a health clinic, a gas station, a personal care home, efficiency units, low income housing for seniors, bed and breakfasts, a pharmacy, an ambulance service, a trucking company and a funeral home.

The town of Old Perlican is currently contending with a number of barriers to future development. One of the primary concerns is the lack of land which is available for commercial and residential development. While there are small sections of land available, this lack is a definite barrier to new development. Building outside of the town boundaries is possible; however, there are no services available for these properties. Furthermore, there is little turnover with real estate in the town and there are currently no properties for sale. Another critical barrier to development is the lack of services and infrastructure. Old Perlican currently lacks financial institutions and cellular coverage. In addition, there is a need to upgrade the wharf as there is currently not enough space available to meet all of the demands during the peak season.

One of the largest issues currently being faced by the town is in relation to waste management. Old Perlican will be forced to close their local incinerator which serves a number of communities in the area, and there is concern regarding how to treat the industrial waste in the area after the closure of this facility. The town is now in the process of examining the potential for developing a recycling programme and awareness campaign. In addition, they are looking at alternative (commercial) uses for the waste products that are currently present within the town.

Another issue that is of concern to the town is the operation of an ambulance service. While the town does receive some money to cover this service, it is not enough to cover the costs associated with employing the required number of full-time staff. This service currently only has one full-time, year-round staff person, and three full-time employees

who are only employed for 16-20 weeks of the year. The remaining positions are staffed by volunteers. This ambulance service covers twenty communities from Grates Cove to New Chelsea and Job's Cove.

While there are a number of challenges to future development there are also a comparable number of opportunities present within Old Perlican. These opportunities are focused primarily on tourism initiatives and include the development of the Dorset Eskimo Site Plantation, the development of Baccalieu Island. In addition, there are a number of opportunities related to marketing the existing tourist attractions including the town's walking trails and historical role in the development of the province as a whole. In addition to the opportunities associated with the tourism industry, there are also opportunities related to the expansion of the town to include residential areas that fall outside of the existing boundaries. Old Perlican is currently operating as a service centre for the surrounding communities; and while it is unlikely that the town itself will experience a considerable increase in development, it is likely that it can expand its repertoire of services.

Old Perlican is currently in the process of defining a Strategic Plan to direct future development.

New Perlican

The town of New Perlican has a population of 188, indicating a decline of 16% since the previous census. This decline in population has been attributed to a continuing trend of out-migration of young people, a decrease in birth rates and an increase in death rates. There are a large number of seasonal residents who pay property tax to the town and this has helped to stabilize the tax base, despite the out-migration of year-round residents. In addition, the influx of seasonal residents has helped to maintain the stability of property values in the town and outgoing residents have not experienced any difficulties in selling their homes. There is currently no major employer in the town and the majority of residents commute to work at the fish plants in Hant's Harbour and Winterton.

There is a substantial amount of land available within the town boundaries which could be used for future residential and commercial development. In addition, there are definite opportunities associated with the tourism industry, as illustrated by the number of seasonal residents. In order to capitalize on these opportunities, however, it is necessary for additional services and accommodations to be established within the town. In addition, there is a need for upgrades to be made to the existing roads.

There are a number of programmes available within New Perlican. These programmes include: seniors' clubs, church groups, recreation programmes, and Boys and Girls Club. In addition, there are a number of services available within the town, including: a gas bar, post office, town council, development association and two churches.

New Perlican has developed a municipal plan to direct future development in the town.

An Assessment of the Primary Economic Sectors: Fishery, Agriculture, Tourism and Manufacturing

Within the Baccalieu Trail Region, there are four primary economic sectors, namely: fishery, agriculture, tourism and manufacturing. With the exception of the manufacturing sector, all of these sectors are seasonal in nature and comprise the majority of economic activity within the region. While these sectors share a number of issues and concerns, these sectors operate fairly independently of each other. The intention of this section is to highlight the relative strengths and weaknesses of each sector and to discuss potential opportunities and treats associated with their development.

Fishery

The fishery sector remains an intrinsic sector in not only the economic life of this region but also of the social and culture fabric of many rural communities. According to the Department of Fisheries and Aquaculture, in 2007 there were twenty processing plants in operation in this region, constituting approximately 14% of the total processing plants in the province.

Table 3.4 Comparison of Fishery Production Zone 17 versus Province Source Department of Fisheries and Aquaculture		
Statistic	Economic Zone 17	Total Province
Number of Workers	2,200	11,800
Hours Worked	1,409,000	7,583,000
Species Group	Economic Zone 17	Total Province
Ground fish³	1,500	30,200
Pelagics⁴	8,200	84,500
Snow Crab	11,500	34,200
Other⁵	5,800	42,900
Total	27,000	191,800
Landed Value and Landed Volume Zone 17 versus Province		
	Economic Zone 17⁶	Total Province
Total Landed Value	\$88 million (preliminary)	\$478.7 million (preliminary)
Total Landed Volume	44,460.4 tonnes (preliminary)	332,592 tonnes (preliminary)

³ Ground fish (1) that are produced includes Catfish, Cod, Cusk, Flounder, Grenadier, Hake, Halibut, Haddock,

⁴ Pelagics (2) that are produced include Capelin, Herring, Mackerel and Squid

⁵ Other (3) includes Shrimp, Clam, Cockle, Rock Crab, Toad Crab, Eel, Lobster, Mussels, and Salmonids,

⁶ Based on Fisher Home Port – Economic Zone 17

Strengths: As argued, the fishery sector remains an intrinsic component of the economic, social and cultural life of the Baccalieu Trail Region. It is also a sector which provides a valuable source of revenue for the region as a whole. With some limited exceptions, the majority of fish processed in the region is exported to national and international markets. In addition, the combination of plants and harvesters positions this sector as one of the largest workforces in the region. The processing facilities associated with the fishery sector are dispersed throughout the region and help to ensure that revenues are not concentrated in only the more urban areas of the region. Furthermore, these operations utilize a fairly wide range of local products in the processing, including sawdust and salt, to name a few. The utilization of local products has the added benefit of supporting the commercial efforts of operators in other sectors.

Weaknesses: While the fishery sector remains an intrinsic component of life in rural Newfoundland and Labrador, it remains a seasonal industry. The majority of facilities operating in this sector are only in production from April to November. While some operations have incorporated some secondary processing into their operations, none of the fish plants operating within the Baccalieu Trail Region are in operation year-round. The seasonality of these operations has had a significant and troubling influence on the ability of operators within this sector to recruit and retain the appropriate number of employees. In addition to the seasonality of the operations, there has been a collective inability within this sector to compete with the wages being offered in other sectors such as the oil, gas and mining industries, while still being able to offer a competitively priced product. It is important to note that the fishery products currently being produced in this region are also being produced in other areas of the world, many of which have substantially lower labour costs and environmental regulations. This collective inability to attract and retain employees has extended to all job categories within the sector and includes general labour, skilled trades-people and professionals. In particular, it has become increasingly difficult for operators to recruit and retain young people. As such, this sector is compromised by a continually declining and aging labour force.

Opportunities: There are a number of opportunities for growth that were identified through the course of this planning process. These opportunities fall into one of three categories: (i) education, (ii) development of new markets and products and (iii) reorganization of the fishery sector.

The first opportunity that was identified was the need to educate young people on the opportunities present within the sector and the benefits, both in relation to income and quality of life, of pursuing a career in the fishing industry. In the past, kinship ties provided the primary strategy for recruiting young people as employees. In recent years, this practice has lost its effectiveness, with many of the older generation encouraging their children and grandchildren to pursue opportunities in industries that are unrelated to the fishery. Unfortunately, the recruitment strategy employed by operators in the fishery sector has not been up-dated to reflect these social changes. As a result, the workforce in the fishery sector is now characterized by an overall aging workforce and a chronic lack of new entrants. Educational strategies which focus on the current and future opportunities present within this sector should be developed and used to encourage young people to envision roles for themselves within this sector which are more rewarding than those of their parents or grandparents.

The second opportunity that was identified in relation to the development of the fishery sector was the development of new products for new markets. As argued, the majority of fish products that are currently being produced in this region are also being produced in other areas of the world, many of which have substantially lower input costs, fewer environmental regulations and lower labour standards. The influx of large quantities of these products into the international markets has lowered the commercial value of these products and eroded the profitability of fishing operations in this region. For this sector to remain profitable while simultaneously meeting the demands of the local labour market, it is imperative that the fishery sector begin to integrate new products into their repertoire. These products should be directed toward specific high-end niche markets and should capitalize of the more unique aspects of the local industry. One area where the increased value of local fish products is clearly higher than those being harvested and processed in the developing world, is in the compliance of local harvesters and processors with exacting environmental and labour standards. The 'green' feature of local fish products has not been capitalized on by local producers, yet it is clearly a valuable and marketable aspect of local fish products and an effective means of differentiating local fish products from those competitors. Secondary processing would have the added benefit of extending the production season of the fishery sector and may, in turn, improve the ability of local operators to recruit and retain qualified labour.

In addition to secondary processing and new product and market development, there are a number of opportunities related to aspects of the fishery sector. For instance, the commercial potential of aquaculture and 'seed the wild' operations has yet to be fully exploited. Similarly, the commercial potential of fishery waste products is only now being recognized and with the exception of the production of chitin and chitosan, these products are not being used to their full potential.

The benefits associated with reorganizing the fishery sector in congruence with the principles of longevity and sustainability were also identified as opportunities to improve the profitability of fishery. Potential aspects of the fishery that could be effectively reorganized include: removing vessel size restrictions for all fleets, allow combining and corporate ownership of harvesting licenses, eliminate non-viable plants through consolidation with viable plants, and extending the work season through disciplined harvesting and processing. These changes would require the active support of both provincial and federal governments as well as stakeholders within the industry. That said, the effective reorganization of the sector has the potential to reduce the overlap and gaps that characterize the current operation of the sector and would allow for existing resources to be used more effectively and efficiently.

Threats: There are a number of clear threats to the continued viability of the fishery sector in this region. What is perhaps the foremost threat are issues associated with the long-term sustainability of the fish stocks. Despite the development of a substantial knowledge base regarding the environmental issues related to sustaining and improving fish stocks, there remain significant research gaps. These gaps are further exacerbated by the time required to translate research findings into policy and legislation. Subsequently, there is a significant time lapse between commissioning a study and realizing concrete and positive changes to commercial harvesting and processing operations. The effects of

this time lapse are particularly acute when viewed in relation to an environment which is as sensitive to change as that of the fish populations.

Rising fuel and transportation costs have also been identified as a clear threat to the profitability of the fishery sector. These increases affect not only the cost of shipping products to market but also the costs associated with the initial harvesting. Combined with the rising costs associated with recruiting and retaining a full personnel roster, the increases in fuel and transportation costs pose a definite threat to the commercial viability of the fishery.

Finally, the continuing controversy associated with the seal harvest has also been identified as a threat to the fishery sector. While the seal harvest is well-regulated and sustainable, it has been the focus of a very vocal international protest. These protests have compromised markets for local seal meat and fur in many areas of the world.

Recommendation # 11

Educational strategies which focus on the current and future opportunities present within this sector should be developed and used to encourage young people to envision roles for themselves within the fishery sector. Alternate points of entry into the fishery sector, i.e., points of entry which are not related to kinship ties, should be established and promoted to young people.

Recommendation # 12

Marketing strategies designed to differentiate local fishery products from others should be developed and implemented. These marketing strategies should focus on the 'green' or sustainable aspects of the Newfoundland fishery in relation to fishery products originating from developing economies.

Recommendation # 13

The overall organization of the fishery should be evaluated from the dual perspectives of sustainability and longevity.

Agriculture

Like the fishery, the agriculture sector is a valuable component of both the economic and social life of the Baccalieu Trail Region and the province as a whole. In the Province of Newfoundland and Labrador there are 558 registered farms, the Baccalieu Trail makes up 14% of the total. While the total farm cash receipts on the Baccalieu Trail represented 13% or approximately \$14 million of the provincial total.

**Table 3.5
Comparison of Agriculture Production, 2006**

(Source: Statistics Canada, Census of Agriculture)

Agriculture Production	Baccalieu Trail	Province
Registered Farms	80 (14%)	558
Farm Cash Receipts	\$ 14,259,931.00	\$ 106,965, 108.00
Weeks of Paid Employment	5,137 (14%)	35,905
Farms Reporting Cattle	10 (11%)	92
Farms Reporting Poultry	8 (32%)	25
Farms Reporting Sheep and Goat	2 (7%)	29
Farms Reporting Vegetables	13 (14%)	94
Farms Reporting Fruit & Berries	5 (14%)	36
Farms Reporting Greenhouse	12 (14%)	88
Farms Reporting Other Crops	17 (16%)	107

Strengths: In the Baccalieu Trail Region, the agriculture sector is well-established and diversified. Farmers in this area exhibit a wide skill base and there are a large number of diverse initiatives currently underway in this region. These include: research and development, educational programmes for youth, and cooperative ventures.

With regard to research and development, Salmon Cove Futures Development Association is currently researching the commercial viability of establishing beach pea, sea buckthorn, rose root and edible honeysuckle. The station operates on a seasonal basis. On an annual basis the association usually employs 11 individuals anywhere from 16 to 22 weeks. Production last year was over 3000 lbs with the hopes that this year's production will double. Markets have been established for sea buckthorn and identified for rose root. The association has developed a training manual regarding seeds, planting and harvesting sea buckthorn.

A number of educational programmes have also been established in this region. These programmes are directed toward young people and have been designed to expose young people to opportunities associated with agriculture. Lower Trinity South Regional Development Association, in partnership with Eastern Health and Eastern School District, is working with students and teaching them about the various aspects of healthy living. These programmes teach students how to grow, care for and harvest horticultural products including: lettuce, zucchini, peas, tomatoes and a variety of peppers.

There are also a number of cooperative ventures that have been established among producers in this region. These ventures have come a long way increasing levels of cooperation among farmers. In recent years, a number of initiatives have led to identification of and exploration of collective opportunities such as a commercial berry dehydrating facility and a farmer's market to name a few.

In 2007-08, M-RON Inc. undertook a feasibility study and market analysis to examine the commercial and social potential of establishing a Homestead Agri-centre for the Baccalieu Trail. This Homestead has been envisioned as a community-focused, self-reliant agricultural facility that would be located on the Baccalieu Trail. This facility would aim to capitalize on the emerging trend of agri-tourism and the consumer demand for local food products. The end deliverable would be a community-based agricultural facility that is focused on supporting and augmenting the agricultural capital in the region while simultaneously providing a valuable source of revenue for the region. The end product will combine a heritage farm, with a farmers' market, tourist attraction, group accommodations and conference facilities and educational workshop space. In addition to its commercial endeavors, the Homestead also intends to provide a number of social programmes related to the development and expansion of agriculture in the region. The intention is to raise the profile of agriculture and provide the human and technical resources requisite for expanding agriculture production and raising the value of the food stuffs produced in the region.

Weaknesses: There are a number of weaknesses related to the agriculture sector in this region. There is currently an acute shortage of local markets. The large-scale grocery chains (Loblaws and Sobeys) purchase their produce from distributors and local producers do not produce a large enough quantity to be attractive to these distributors. In the beef cattle industry in the region, the lack of local markets has resulted in high-end, grass-fed cattle being sold at auction in Nova Scotia alongside the low-end, grain-fed cattle. As a result, the full economic potential of the local high-end product is not being realized by local producers.

The current financial position of local horticulturalists in the region is not sustainable. The rising cost of farm inputs combined with the static price of vegetables has substantially reduced profit margins in the industry. These businesses do not have the scale to weather this situation for an extended period of time. In addition, a lack of information and coordination in the supply of equipment and materials related to secondary production has prevented local producers from realizing cost savings associated with larger scale purchases. This situation has been compounded by a large amount of confusion on the part of local farmers regarding the operation of provincial and federal agriculture programmes and regulations.

While there has been some move toward building cooperative networks among berry producers, there remains a large amount of competition between producers operating in this region. This lack of cooperation and regulation in the berry industry has resulted in a reduction in the overall quality of the berries that are being sold from this region. Nationally, this is reducing the 'good will' toward the berries produced in the region.

Opportunities: While there are a number of acute issues that need to be addressed in order to ensure the continued viability of the agriculture sector, there are a comparable number of opportunities.

First, there are substantial opportunities related to the development of local markets for agricultural products. Despite consumer and producer demand, there is currently no local farmers' market operating in this region. This market would be supported through and

augmented by creative marketing strategies, educational workshops and related ventures, and would serve to diversify the sources of revenue for agriculture operations.

Second, there are distinct opportunities related to marketing local products. For instance, while the majority of cattle that is raised in this region are grass-fed (a high-end product), it is not differentiated from the grain-fed cattle raised in other areas of the country. The inability of local cattle producers to differentiate their cattle from those that are grain-fed has prevented local producers from realizing the full commercial potential of their operations.

Third, there are a number of opportunities related to expanding the farming of mink in this region. Viking Fur Inc. was the only commercial mink farm on the Baccalieu Trail when it commenced operations on September 30, 2003. The company is a joint partnership between two Mink Farmers from Denmark. Viking Fur Inc. began with 4,500 breeder females and approximately 10 employees. This company has experienced substantial growth over the past four years and now 15,000 breeder females and employs approximately fifty individuals; thirty-five full-time year round and fifteen seasonal from October to January. Viking Fur Inc has also established its own pelting operation in which the skins from the animals are processed and packaged. The processed pelts are shipped to an auction house in Ontario where they are sold to outside markets in China, Japan, Germany, Russia, and so on. Today there are seven small mink farms on the Avalon Peninsula not including Viking Fur Inc. While Viking Fur Inc. will not be expanding on their ranch this year, as they have reached their capacity of 15,000 breeder females, there is ample opportunity for farmers to set up mink farms on the Avalon. The fur industry has grown tremendously over the past few years and, as illustrated by auctions that have already taken place in Denmark and Seattle, the demand for mink has increased substantially.

Threats: There are a number of clear threats to the continued viability of the agriculture sector in this region. Like many industries in this region, the agriculture sector can be characterized by an aging workforce and a chronic shortage of new entrants. By and large, local farmers do not have succession plans in place and there is currently very few educational resources directed toward providing young people with the skills needed to enter the sector. In this sector, labour has been increasing hard to recruit and retain. In addition, this sector has been hampered by the rising cost of inputs and the static consumer pricing of food stuffs. As a result, local farmers have been forced to contend with continuing decreases in their profit margins. Finally, with some exceptions, there has been a collective lack of attention directed toward expanding this sector and supporting the work of local farmers.

Recommendation # 14

Local markets for local agriculture products should be developed and marketing campaigns related to the social, economic and health benefits of purchasing local food products should be implemented.

Recommendation # 15

Marketing campaigns focused on the beneficial qualities of local agricultural products, i.e., grass-fed versus grain-fed cattle, should be developed and should be used to target specific high-end niche markets.

Recommendation # 16

Phase I of the Homestead Project has been defined as a Farmers' Market. In order to initiate Phase I of this project, it is necessary to seek the support of the farm community, government programming and, where possible, private investment.

Tourism

In recent years, the tourism sector has become an increasingly diverse and profitable component of the economic life of the Baccalieu Trail Region.

Strengths: The tourism industry in this region includes a wide variety of operations, including golf courses, bed and breakfasts, motels, boat tours, archeological digs and heritage sites, to name a few. In addition, the cultural and environmental features of this region including the hospitality, scenery and proximity to St. John's all provide valuable assets to operators within this sector. Likewise, the provincial tourism marketing strategy has had a positive influence on the overall value of this sector and has reduced the marketing costs of individual operators. The Province of Newfoundland and Labrador has a well laid out travel guide that details events and destinations. The provincial tourism website is well-designed and informative.

Weaknesses: While the tourism sector has grown substantially in recent years, there remain a number of issues that need to be addressed. First, while the provincial government has taken a very active role in marketing the tourism sector, local operators have become overly reliant on these resources to market their own operations. The provincial tourism resources are not reflective of the precise services and features present within the Baccalieu Trail Region. As a result, some tourists come to this area expecting to be able to find certain products, such as fresh fish, which are not readily available to consumers. The resulting misconception may, in turn, provide a disincentive to return to the area or refer this area as a good destination.

Another issue which has a significant impact on the tourism industry in this region is the shortage of rental cars and the refusal of many rental companies to offer 'unlimited mileage' packages. The Baccalieu Trail Region does not have a commercial airport or direct ferry access. As a result, visitors to this region are dependent upon access to a reliable and affordable vehicle. In addition, the chronic shortage of rental cars has prevented tourism operators from including car rental as part of their own promotional packages.

The ferry service to and from the island has also been identified as a significant impediment for tourism operators in this region and, indeed, across the province. Ferry

bookings must be made months in advance, thus preventing spontaneous decisions to visit the province. In addition, the cost of this service may be prohibitive to many potential visitors and, at the very least, increases the costs associated with visiting the province. Finally, customer service personnel on the ferries have little or no information on the particular attractions, events, or regions in Newfoundland and Labrador and are, thus, unable to direct visitors.

Finally, like many industries in this region, the tourism sector is predominantly a seasonal industry. The majority of ventures in this sector operate only during the summer months and there are currently no operations which target winter visitors.

Opportunities: There are a number of significant opportunities related to the expansion of the tourism industry in the Baccalieu Trail Region. In particular, the development of collaborative marketing strategies among operators indicates a significant potential for improving the profitability of this sector. Sharing information regarding the specific location and services available through each operator's business would allow local operators to direct tourists to the desired activities, thereby improving the experience of tourists without adding significant costs to the operator. In effect, this would allow local operators to offer tourists an experience which is tailored to their own needs without the operator being required to offer all of the services through their own business. Furthermore, the direction of visitors to additional attractions would serve to increase the duration of time the visitor spends within the region, in turn, increasing the overall revenues generated in the sector.

Threats: There are a number of threats to the continued growth of the tourism sector. Most notably is the likely effect of rising fuel costs. As stated, visitors to the region must drive - the majority of whom are driving from the St. John's area. With the rising cost of fuel, however, it is likely that fewer visitors will be inclined to make the trip, and those that do will have less money to spend on other goods and services. Another threat to the continued growth of the local tourism industry is the lack of municipal by-laws related to the protection of the natural scenery and historic aesthetics of the communities. As argued, the primary strengths of the tourism sector in this region are related to the natural environment and small communities. Unfortunately, there are few by-laws designed to protect these assets, and there is the potential for future development to compromise the commercial value of the local scenery and community aesthetics.

Recommendation # 17

The causes underlying the lack of affordable rental cars available during the peak tourism season should be examined.

Recommendation # 18

Opportunities for developing networks and partnerships between tourism operators should be identified and pursued. These opportunities should include both formal and informal gatherings and should be intended to build the foundation for future partnerships and collaborations among tourism operators.

Recommendation # 19

Municipalities should evaluate their current zoning regulations and ensure that new development does not compromise the integrity of community assets such as scenery, community aesthetics and so on.

Manufacturing

The manufacturing sector is a growing component of the economic life of the Baccalieu Trail Region. This sector ranges from small-scale, cottage-style operations, to large-scale production facilities. According to the Canadian Manufacturing Association of Newfoundland, there are 17 manufacturers in Zone 17. When the number of micro-operations is taken into account, however, the overall scale of the manufacturing sector is substantially larger.

Strengths: The primary strength of the manufacturing sector is the diversity of ventures that are currently operating within the region. Many of the larger operations are well-established and have been in operation for a fairly long period of time. Restwell Mattresses has been in operation for seventeen years, employs ten full-time staff persons, and produces approximately 5,000 mattresses per week. Similarly, Rebuilt Pumps and Motors has been in operation for eleven years, employs six full-time staff persons and has expanded their operations by 100% within the past five years. In general, the large manufacturing operations in this region, have directed their efforts toward providing a high-quality product to a specific niche market. In addition, there has been a tendency within this sector to develop products and services that are unique to their operations, thereby, reducing the amount of effort being directed toward competing with other operations in the region and the province. This practice has allowed these operators to maintain a consistent profit margin and has improved their collective ability to offer competitive salaries and benefits packages. Subsequently, these operators have been able to maintain a fairly consistent personnel roster, including highly-skilled tradespersons.

In addition to the large manufacturing operations, there are a substantially large number of small-scale, cottage-style productions underway in this region. In general, these cottage-style enterprises are focused on the production of craft and artisan products and secondary food products such as jams, jellies, jerky and so on. These operations are largely owner operated and do not employ a significant number of support staff. In addition, many of these productions are dependent upon institutional resources, such as the College of the North Atlantic's commercial kitchens, for their production.

The operations within this sector have direct benefits for other enterprises within this region and normally support a full-spectrum of service and retail oriented ventures.

Weaknesses: While the manufacturing sector is a strong component of the economic life of this region, there are a number of weaknesses that need to be addressed. First, there is an expressed tendency to undervalue the products that are currently being manufactured in the region. This has resulted in a collective tendency to undercharge customers and to neglect potential high-end markets. Second, these operations are exceptionally time

consuming for operators, and there is little time available for networking, upgrading skills or accessing the variety of public support services and programmes. While relevant for both the large and small scale operations, these weaknesses are particularly acute for the small, owner-operated businesses. In these ventures, the operator is normally the only individual who is engaged with the production of the product. In addition, the owner is also responsible for new product development, marketing, distribution, bookkeeping and so on, all of which require a significant investment of time on the part of the operator. When the time devoted to the business' operation is compared to the sale price of the product, it becomes apparent that many operators are working for incomes that are significantly below minimum wage. Finally, there is concern regarding the lack of affordable industrial properties in this region. Many municipalities have no land available for commercial/industrial purposes and those that do are outside of the price-range of many local manufactures - particularly those who are hoping to expand their cottage-style production.

Opportunities: There are a number of distinct opportunities to grow in the manufacturing sector in this region. Most notably, perhaps, are the opportunities associated with building strong networks and sharing resources and skill sets among operators in this sector. As argued, many operators (both large and small scale) express a collective shortage of time that can be allocated to non-immediate tasks, including conducting market research, upgrading skill sets and so on. If provided collectively, however, the individual time commitment is correspondingly lower, thereby, allowing the operator to take advantage of particular skill sets without having to incorporate their development into their regular work day. Second, there are number of opportunities related to streamlining employee recruitment and training. For instance, a database of prospective employees and their related skill sets would substantially decrease the time required to hire and train staff and may help to ensure a better match between employees and employers, in turn, reducing the turnover rates of employees. This database should also include semi-retirees who are interested in working on a part-time or casual basis. Third, there are a number of opportunities related to industrial land development in many municipalities. There are currently a large number of towns in this region which do not have any available industrial land and, as such, are unlikely to be able to recruit new manufactures to their region. The development of industrial land within these towns, would not only increase the amount of local employment opportunities, but also increase the town's tax base.

Threats: The primary threat to the continued viability of the manufacturing sector in this region is the reduction in sale prices that have occurred as a result of the influx of large quantities of cheaply produced items from developing economies. Like all of the economic sectors operating within this region, the manufacturing sector is contending with rising costs of inputs due to high transportation and fuel costs. At the same time, the commercial value of their products is being lowered by the availability of cheaper products that are manufactured in countries which do not have the same labour costs and environmental standards. As with the fishery sector, this sector has yet to use the 'green' or 'humanitarian' aspects of their production to differentiate their products from those being imported from developing economies.

Recommendation # 20

Opportunities for developing collaborative networks and partnerships between operators should be identified and pursued. Possible areas for collaboration may include: joint marketing ventures, sharing shipping or transportation costs, and so on.

Recommendation # 21

A database of potential employees including credentials should be established and made available to operators. This database should include semi-retirees and young people.

Issues Associated with the Local Labour Market

The preliminary findings from this study indicate that shortages of labour, both skilled and unskilled, are having an increasingly negative impact upon the ability of local commercial operators to maintain and expand their businesses.

The area in which this labour shortage is perhaps most acute is in the fishery sector. As of May 2008, there were a total of 88 vacant positions in the larger fish plants in this region. These shortages were spread between three operations with the largest shortage located in the plant in Harbour Grace. With the Harbour Grace plant, the shortage of labour has been a chronic and, perhaps, crippling problem. Last season, they had hoped to be able to staff two full shifts during the peak of the capelin season. Unfortunately, their labour shortage prevented them from staffing even one full shift. In addition, they have been hampered by excessive turnover rates, with many of their employees being either unwilling or unable to complete the full season. This plant has expressed an interest in expanding their operations to include different species; however, their chronic inability to maintain a stable complement of labour has prevented them from realizing the full-production potential of their current species. While less extreme in other plants, these labour shortages appear to be a common issue among operators. In the past, local residents formed the majority of the labour pool for these operations. Current trends in out-migration, retirement of older workers and re-training programmes for younger workers has resulted in a significant decrease in the quantity of locally available labour.

Similar issues appear to be present within other sectors as well. For instance, a number of the larger operators within the manufacturing sector have also expressed some serious concerns with their ability to recruit new workers and retain existing employees. This is particularly problematic for those firms which require employees to develop certain competencies regarding the use of different machines or techniques. High turnover rates result in these companies investing a fair amount of money into the training of employees without having a comparable return on their investment. Similarly, the agriculture sector has also been significantly hampered by shortages in labour. In particular, the larger wild berry and horticultural producers have been experiencing distinct challenges with regard to accessing the required amounts of labour. Wild berry production requires a large amount of labour power as all of the harvesting needs to be done by hand. The whole of this workforce is quickly approaching retirement, and there is not a readily available

source of labour from which to replace retiring workers. In addition, due to the financial marginality of these operations, operators within the agriculture sector are unable to pay higher wages or offer other benefits to entice new workers. It is important to note that the wholesale price offered for most of the horticultural products that are currently being grown in this region have not increased in any way over the past two decades. At the same time, the costs of inputs such as fertilizers have risen almost exponentially.

With the smaller manufacturing operations, i.e., the cottage industry, shortages of labour appear to have taken a different direction. As these operations can best be described as 'owner-operator' situations, they do not have the same need for large quantities of labour as do the larger manufactures or fish plants. That said, these operations do appear to be hampered by the lack of specific, professional skill sets. These skill sets include: marketing, business development, financial/management accounting and so on. While individually, these operations would not require or be able to afford a 'full-time' marketing director, for instance, they all require some degree of access to these and other professional skill sets. This lack of access has resulted in the inability of these cottage industry operations to reach their full potential, target new markets or otherwise expand their operations. In some cases, these shortages have resulted in business failure.

The shortage of specific skill sets has also had an impact on the tourism industry in this region. While many of the operations do not require formal credentials or huge quantities of labour, operations such as boat tours require at least one staff person to have a specific license or other credentials. The inability to quickly replace these individuals can result in interruptions in the business' operations. Depending on the length of time required to recruit a new employee with the required credentials, these interruptions may have a serious impact on the ability of the business to maintain its operations.

The issues associated with the chronic shortages of labour in this region, have been thrown in sharp relief with the closure of ICT in Carbonear at the beginning of June 2008. With this closure, approximately 150 people were laid off from their work at the call centre. At the same time, among the larger employers recruiting in the region, there were a total of 163 vacant positions. Interestingly, despite the group layoffs associated with the closure of ICT, these firms had not received much in the way of interest from the displaced workers.

Assumptions Related to the Shortage of Labour

The chronic shortage of skilled and unskilled labour in this region is not a new phenomenon. Rather, it is an issue that has been steadily increasing in severity for some time. Since this issue began to emerge as a significant impediment to local businesses, there have been a number of assumptions developed in relation to the causes underlying the current labour shortages. At this point, I would like to mention that none of these assumptions are grounded in research and many of them rely on commonly held stereotypes and beliefs regarding the labour market in general and unskilled labourers more specifically. These assumptions are as follows:

- Out-migration (some statistical analysis have been completed which detail the exact numbers of people leaving the province for other areas in Canada – what is

- missing is an analysis of why? The current assumption is that it is due to the higher wages that are available in other parts of Canada, namely, Alberta)
- Lack of interest in entering renewable resource sectors
 - Poor work ethic
 - Seasonality of many local jobs
 - Lack of training for locally available jobs
 - Low wages
 - Reliance on EI programmes (due to poor work ethics)
 - Aging population
 - Inability to 'match' employees with employers (recruitment issues, lack of knowledge regarding how to recruit new employees and how to identify particular areas/demographic segments to target for recruitment strategies, etc.)

As stated, none of these assumptions are grounded in research. Unfortunately they have been assessed as a 'common-sense' approach to understanding why there is such an acute shortage of labour in this region and, as such, have been used to inform policy and programme development.

Questions to be Addressed in Future Research

1. Why is there little interest being expressed by locally available in the positions that are currently available in the region?
2. Are the currently available jobs inherently undesirable? If so, why?
3. Why are the current rates of out-migration so high?
4. What demographic segments are being targeted by recruiters from outside of the region? From outside of the province?
5. What is the primary motivation for relocation to different areas outside of the region or province?
6. Is the local labour force essentially lazy or are there other issues associated with the currently available positions that make them undesirable? Issues may include, lack of control over workplace, cost associated with day care, transportation costs, lack of ownership over work, poor treatment of employees, undesirable working conditions, etc.
7. What is the experience of those commuting to and from work (both to St. John's and to Alberta)? Are these experiences consistent with the commonly held beliefs regarding the types and quality of work available in other regions and other provinces?
8. Are the locally available training programmes consistent with the needs of both labour and employers?
9. Are the locally available training programmes high quality programmes that develop skill sets that are transferable to other professions?

This list is by no means exhaustive of the questions that need to be raised with regard to the local labour market. In the past, common-sense approaches, often derived from

commonly held beliefs and stereotypes, have been used to assess the current labour market situation and develop strategies to counteract the prevailing shortages and/or mismatches between labour and employment.

3.4 Internal Organizational Review

As part of our organizational review, a board operations survey was developed and one-on-one interviews were conducted with sixteen of the eighteen directors⁷. As a result of these interviews and discussions with the Strategic Planning Committee and the Executive Committee, it is recommended that the current board remain in effect for one additional year to serve as a transition team for possible board changes. This approach will also assist in a smooth and seamless transition in support of the following recommendation:

Recommendation # 22

- a) *Approval be requested at the AGM that the current Board of Directors remain in place for an additional year to serve as a transition team for board restructuring.*
- b) *The number and type of committees be reduced and/or modified to reflect four standing committees; namely, (i) executive, (ii) policy and finance, (iii) proposal assessment, and (iv) communications and public relations. Ad-hoc committees will be established as required and will be focused on the initiatives identified in our Strategic Economic Plan (SEP) and Integrated Business Plan (IBP).*
- c) *Consideration will be given to the establishment of two super committees; namely, (i) socio-economic development and (ii) renewable resources. The make up of these committees would be based on the attached outline. This would require the restructuring of the board to reflect a two stream system with dual Vice-Chairs. Each committee would have a support staff person and two directors - one of whom would serve as Vice-Chair for that stream⁸.*
- d) *A Communication and Public Relations strategy will be developed and implemented to increase awareness and support for the Corporation and assist in providing good communication both internally and externally.*
- e) *Enforce our current policy that requires all directors to chair or serve on at least one committee of the Corporation. Also enforce the policy that every director must attend the annual orientation to become familiar with their role and the initiatives outlined in our IBP.*
- f) *It is recommended that we retain our current policy limiting directors to serving a maximum of two consecutive two-year terms.*

⁷ See Survey Instrument, Appendix B

⁸ See Board Restructuring Document, Appendix C

- g) Executive positions should be elected for two-year terms instead of one-year terms, with the provision that a director can only serve one term in any executive position but may serve another term in another executive position. A director, who is in good standing, may return to the Executive Committee after absence of one year. Where a director has only one year left in his/her second term of office he/she may sit as an executive member but only for the period remaining as a director of the board.*
- h) Board meetings, as a pilot, will be held once a month with a set date and time. Super Committees will meet every month between board meetings as a means to report at every board meeting or receive direction based on board decisions and issues needing research for future board meetings. This will be a ninety-day pilot and, in the event it is determined that this approach is not working, the board will revert to bi-weekly meetings.*

It should be noted that the above recommendations are closely related. Subsequently, all aspects were presented under the banner of one recommendation and should be addressed as such. Additional information is included regarding the results of the survey interviews, additional rationale and an in-depth review of board operations history over the past twelve years.

Communications and Marketing Strategy

Currently, M-RON Inc. does not employ a formal communications and marketing strategy. During the internal organizational review, this lack of a formal communications and marketing strategy was identified by the Board of Directors as a significant barrier to increasing public awareness of and commitment to regional economic development in general and M-RON Inc.'s role in promoting economic development in Zone 17 more specifically.

In response, M-RON Inc. will develop and implement a formal communications and marketing strategy in 2008-09. The overall goal of this strategy will be to raise the profile of M-RON Inc. within Zone 17 and to increase the level of community recognition and support. The communications and marketing strategy will be comprehensive in nature and will address the following topics:

- the scope of communications,
- key goals and objectives,
- target audience,
- key themes and messages, and
- Communications principles.

In addition, this strategy will consider the influence of external factors and will seek to identify specific opportunities and challenges that the organization can address through marketing and communications. To this end, this strategy will involve developing a concise communications operational plan, including the coordination of events and the regular evaluation of the plan's progress⁹.

⁹ See *Communications and Marketing Strategy Template*, Appendix D

4. Economic Development

Throughout this planning process, care has been taken to ensure that there is little duplication in efforts between M-RON Inc. and the other development agencies operating within the region.

These agencies include: regional development associations, community development groups such as tourism and heritage associations, the Canadian Business Development Corporation (CBDC) and the Department of Innovation, Trade and Rural Development (INTRD). In order to ensure that there would be little overlap in efforts, these and other similar groups were consulted during this planning process resulting in the identification of five shared goals related to the economic development of this region. These goals are as follows:

1. stabilizing and increasing the utilization of regional services
2. promoting and building employment opportunities and business initiatives
3. enhancing regional infrastructure, particularly communications technology
4. improving family and community quality of life
5. achieving environmental supports and sustainability

Initiatives directed toward the realization of these goals will be collaborative efforts on the part of the development agencies operating in the Baccalieu Trail Region.

4.1 Renewable Resources

In recent years, the economy of Newfoundland and Labrador has experienced phenomenal and unprecedented growth. Due primarily to the success of the oil, gas and mining industries, this economic boom has had a significant impact on the relative prosperity of the province and has allowed Newfoundland and Labrador to approach membership in the 'have' provinces of Canada.

While it is likely that this experience of economic prosperity will continue well into the foreseeable future, the proceeds from the development of these non-renewable resources have yet to be felt by the more rural areas of the province, and many of these areas continue to experience the effects of declining industries, lack of year round employment, substandard wages, outdated services and infrastructure and substantial out-migration of residents. For these communities, the successful development of the provincial oil, gas and mineral reserves has had little impact on either the prosperity or sustainability of their community.

The reason for this differential experience of prosperity is quite clear. While the development of non-renewable resources has had a substantial impact on the prosperity of urban areas of the province, rural areas continue to be defined by their close relationship with the renewable resource sectors, namely, fishery, forestry and

agriculture. For these areas, the stewardship and development responsibilities related to the province's renewable resources continue to inform the seasonal patterns of community life much as they had in the past.

Unfortunately, the collective focus on developing the non-renewable resource sectors as the primary vehicle for the economic development of the province has prevented the formation of inclusive and sustainable approaches to the development of the renewable resource sectors. This failure has severe long-term implications not only for the potential viability of rural communities but for the collective expectations of the sustainability of the current levels of economic development. Non-renewable resources, in the form of oil, gas and mineral deposits are just that – non-renewable. There are finite quantities of these resources and their development has a definite ceiling. The eventual exhaustion of these resources is an absolute certainty, and unless the proceeds from their development are re-invested back into the local economy, it is likely that Newfoundland and Labrador will, as a province, be faced with an eventual financial crisis. Conversely, the renewable resource sectors, if approached with a stewardship mentality, have the potential to sustain rural economies and provincial economic growth indefinitely.

In April 2008, the Avalon Renewable Resource Conference was hosted by the Regional Economic Development Boards working on the Avalon Peninsula. The intention of this conference was to provide a forum for individuals, groups, industry organizations, trades schools and government department to discuss the challenges and opportunities related to the sustainable development of the renewable resources on Avalon Peninsula and to begin the process of building the intersectoral partnerships and alliances requisite for realizing the full economic, social and cultural potential of these resources.

This conference brought together one hundred and sixty-one (161) individuals representing the full-spectrum of organizations, departments and commercial operations working within the renewable resource industries on the Avalon Peninsula. Through the course of the two days, these individuals established a creative, constructive and open dialogue on the opportunities present within these sectors and began the process of building a collective vision of the future role of the renewable resource sectors in the economic and social life of this province.

Through the course of this conference, it became apparent that there are a number of key features which must be present within any successful plan to develop sustainable approaches to the development of the region's renewable resources. First, it is imperative that we expand our repertoire of local products in such a way as to take advantage of specific high-end niche markets. The current process of shipping raw or unprocessed materials is becoming increasingly less profitable due to the ease of international shipping and the influx of large quantities of these products from developing economies. Second, we need to develop sophisticated marketing and product development strategies which are based on up-to-date market research. Third, it is imperative that we establish local markets for local products, thereby reducing the effect of fluctuations in the international markets on the profit margins of local operations. Fourth, it is imperative that we simplify the transportation of goods to, from and within the province. The rising cost of fuel is adding substantial input and shipping costs to local products and is further diminishing the returns on local operations within the renewable resource sectors. The

current practices associated with shipping are not efficient and the infrastructure requires significant upgrading in order to meet today's standards. Finally, it is imperative that operators within the renewable resource sectors develop products that provide innovative applications for waste products. The utilization of waste products is imperative both from a stewardship and a financial perspective.

It was also made apparent that there are a number of issues which are shared among the three sectors and which require a collective response if we are to realize the full potential of these resources. To this end, five key initiatives have been developed which cross sectors and topic areas and which indicate a fair amount of potential in improving the sustainability of the renewable resource sectors as a whole. These initiatives include: (i) knowledge development and distribution, (ii) skill development, (iii) coordination of resources, and (iv) education. These initiatives, both individually and collectively, have the potential to provide operators in the renewable resource sectors with the information, skills and human and financial resources that are requisite for maintaining the integrity and profitability of their operations, while at the same time, ensuring that these sectors remain valuable components of the cultural, social and economic life of rural Newfoundland and Labrador for future generations.

Finally, it was made apparent during the conference that there are a number of issues in relation to the renewable resource sectors which will require additional research prior to the development of concrete initiatives or recommendations. The discussions surrounding these issues indicate the presence of a fair amount of confusion or conflict. These issues include: (i) access to capital and other financial investments, (ii) role of government involvement in the renewable resource sectors, (iii) causal factors related to labour market shortages, and (iv) costs and benefits associated with import substitution policies.

While the Avalon Renewable Resource Conference was successful in initiating a dialogue surrounding the renewable resource sectors on the Avalon Peninsula, it is only the first step toward developing an inclusive strategy for realizing the full economic, social and cultural potential of these resources. The development of an innovative and realistic strategy to ensure the sustainability of these resources and the sectors and communities which depend upon them for their livelihoods will require a firm and long-term commitment on the part of industry, government and development agencies to building collaborative processes and strong partnerships.

M-RON Inc.'s involvement in the implementation of sustainable approaches to the development of the Baccalieu Trail Region's renewable resources is detailed in M-RON Inc.'s Integrated Business Plan 2008.

4.2 Monitoring and Evaluation

The strategic economic development plan which is outlined in this document will be subject to regular monitoring and evaluation practices. These practices will follow the

criteria delineated in the Organization Capacity Assessment Tool (OCAT)¹⁰ methodology and will be intended to provide a framework from which to assess the progress made in realizing the objectives outlined in M-RON Inc.'s social and economic development plan for the Baccalieu Trail Region. Projects which do not display a reasonable amount of progress will be modified as needed.

¹⁰ This framework for monitoring and evaluation is outlined in College of the North Atlantic (2002), Monitoring and Evaluation Handbook: Regional Economic Development in Newfoundland and Labrador.

5. Conclusion

The findings outlined in this document represent the culmination of a six-month process of consultations with community, industry and social organizations operating in the Baccalieu Trail Region. Central to this process has been the need to encourage a collaborative dialogue among stakeholders in this region and, in doing so, ensure that the resulting plan for economic and social development in this region is reflective of the needs, strengths and desires of all residents.

Through the course of these consultations, it has become apparent that, while there is substantial diversity among communities within this region and considerable opportunity to economic development, there are a fair number of issues which cross sector and community boundaries. For instance, chronic shortages of labour, aging populations and seasonal industries are shared concerns throughout the majority of communities and industries. Similarly, the physical, social, cultural and natural assets present within this region are frequently shared by a wide range of communities and stakeholders, each of whom often has a different perception of the relative value and uses of the identified assets.

The approach to sustainable economic and social development will require recognition of the diversity present within this region, opportunities for sustainable development that are common and promote cluster development. These factors will necessitate the active involvement on the part of industry, government and development agencies to building collaborative processes and strong partnerships.

As the lead agency in Zone 17, we are committed to partnership development, resource identification and advanced programming in building the capacity of our residents, organizations and communities.

These recommendations will form the basis for our IBP and, following a period of transition, the restructuring and resizing of our organization, Board of Directors and working committees.

5.1 Recommendations

Recommendation # 1

Provision should be made to grant development money to municipalities based on their economic development plan. Zone Boards should take on the coordination role with the municipalities acting as implementers for economic initiatives. Effort should be made to encourage cluster development and resource sharing.

Recommendation # 2

Government should, based on the Ministerial Committee Report (2006), recognize the value of the zonal process and make provision for Regional Economic Development Boards (REDBs) to have input to the economic committee of Cabinet. Government should work with the boards and offer support and resource across departments to give the boards the resources requisite for realizing the goals outlined in their Strategic Plans. This would include field staff that are knowledgeable and skilled in socio-economic development at the both the community and regional level.

Recommendation # 3

The Federal Government should improve its support, knowledge and commitment to “Regional Development.” This will necessitate the recognition of the diversity of communities contained within a region, the geographic distribution of populations within a region, and the presence of ‘urban’/‘rural’ divisions within regions which have previously been defined as wholly rural.

Recommendation # 4

Develop and establish a program to fit the zonal process and allocate funds based on the level of activity of boards, and the depth and complexity of strategic plans. Other considerations should include: geographic remoteness, rural focus or at least a rural/urban focus and should recognize the presence of diversity both within and between regions.

Recommendation # 5

Explore opportunities for increasing the availability of year round employment in Zone 17. For example, the expansion of the non-peak season services and events in the tourism sector should be examined.

Recommendation # 6

Due to the increasing cost of transportation, an aging population, and lack of existing services in the rural sectors of the zone, it is recommended that we explore the feasibility of establishing a consumers’ cooperative and/or a registered credit union. This may be a very practical approach based on recent closures of supermarkets and financial institutions in certain areas.

Recommendation # 7

Mechanisms to increase levels of cooperation among business operators should be developed and promoted. This initiative should be facilitated by the Baccalieu Trail Board of Trade in collaboration with local business operators.

Recommendation # 8

Establish a web page dedicated to business development awareness, a business oriented help line with links to the various business service agencies including CBDC, NLOWE, FBDB, CBDC-TC, M-RON Inc., Services Canada, ACOA, and HRLE.

Recommendation # 9

Advocate that current cell phone service providers and determine their interest and plans for service provision in the lower section of Trinity and Conception Bay. Information should be requested from CRTC regarding license requirements with respect to provision of service.

Recommendation # 10

Include a section in the Labour Market Study detailing training required to off-set technological change, especially in the fish processing industry. Specialized training will be essential for labour adjustment especially in support of secondary processing

Recommendation # 11

Educational strategies which focus on the current and future opportunities present within this sector should be developed and used to encourage young people to envision roles for themselves within the fishery sector. Alternate points of entry into the fishery sector, i.e., points of entry which are not related to kinship ties, should be established and promoted to young people.

Recommendation # 12

Marketing strategies designed to differentiate local fishery products from others should be developed and implemented. These marketing strategies should focus on the 'green' or sustainable aspects of the Newfoundland fishery in relation to fishery products originating from developing economies.

Recommendation # 13

The overall organization of the fishery should be evaluated from the dual perspectives of sustainability and longevity.

Recommendation # 14

Local markets for local agriculture products should be developed and marketing campaigns related to the social, economic and health benefits of purchasing local food products should be implemented.

Recommendation # 15

Marketing campaigns focused on the beneficial qualities of local agricultural products, i.e., grass-fed versus grain-fed cattle, should be developed and should be used to target specific high-end niche markets.

Recommendation # 16

Phase I of the Homestead Project has been defined as a Farmers' Market. In order to initiate Phase I of this project, it is necessary to seek the support of the farm community, government programming, and, where possible, private investment.

Recommendation # 17

The causes underlying the lack of affordable rental cars available during the peak tourism season should be examined.

Recommendation # 18

Opportunities for developing networks and partnerships between tourism operators should be identified and pursued. These opportunities should include both formal and informal gatherings and should be intended to build the foundation for future partnerships and collaborations among tourism operators.

Recommendation # 19

Municipalities should evaluate their current zoning regulations and ensure that new development does not compromise the integrity of community assets such as scenery, community aesthetics and so on.

Recommendation # 20

Opportunities for developing collaborative networks and partnerships between operators should be identified and pursued. Possible areas for collaboration may include: joint marketing ventures, sharing shipping or transportation costs, and so on.

Recommendation # 21

A database of potential employees including credentials should be established and made available to operators. This database should include semi-retirees and young people.

Recommendation # 22

- a) *Approval be requested at the AGM that the current Board of Directors remain in place for an additional year to serve as a transition team for board restructuring.*
- b) *The number and type of committees be reduced and/or modified to reflect four standing committees; namely, (i) executive, (ii) policy and finance, (iii) proposal assessment, and (iv) communications and public relations. Ad-hoc committees will be established as required and will be focused on the initiatives identified in our Strategic Economic Plan (SEP) and Integrated Business Plan (IBP).*
- c) *Consideration will be given to the establishment of two super committees; namely, (i) socio-economic development and (ii) renewable resources. The make up of these committees would be based on the attached outline. This would require the restructuring of the board to reflect a two stream system with dual Vice-Chairs. Each committee would have a support staff person and two directors - one of whom would serve as Vice-Chair for that stream⁸.*
- d) *A Communication and Public Relations strategy will be developed and implemented to increase awareness and support for the Corporation and assist in providing good communication both internally and externally.*
- e) *Enforce our current policy that requires all directors to chair or serve on at least one committee of the Corporation. Also enforce the policy that every director must attend the annual orientation to become familiar with their role and the initiatives outlined in our IBP.*
- f) *It is recommended that we retain our current policy limiting directors to serving a maximum of two consecutive two-year terms.*
- g) *Executive positions should be elected for two-year terms instead of one-year terms, with the provision that a director can only serve one term in any executive position but may serve another term in another executive position. A director, who is in good standing, may return to the Executive Committee after absence of one year. Where a director has only one year left in his/her second term of office he/she may sit as an executive member but only for the period remaining as a director of the board.*
- h) *Board meetings, as a pilot, will be held once a month with a set date and time. Super Committees will meet every month between board meetings as a means to report at every board meeting or receive direction based on board decisions and issues needing research for future board meetings. This will be a ninety-day pilot and, in the event it is determined that this approach is not working, the board will revert to bi-weekly meetings.*

⁸ See Board Restructuring Document, Appendix C

APPENDIX A

APPENDIX B

APPENDIX C

APPENDIX D

APPENDIX E

APPENDIX F