HFN Economic Development Plan

Triple sustainability" is the key approach to the Huu-ay-aht's economic development.

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HUU-AY-AHT FIRST NATIONS
A Rich History, A Bright Future

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Comprehensive Communications Plan

The Economic Development Committee is committed to keeping Huu-ay-aht citizens informed on the processes, decisions and initiatives in economic development. Our activities in the realm of economic development will be reported through the communications processes developed by the organization as part of the strategic plan for 2014-15, in which the first priority is improved communications with citizens and stakeholders. These processes will include information sent out by mail and electronically, and will also include presentations, forums and consultations through larger meetings of citizens in the major population clusters including but not limited to Anacla, Port Alberni and the Lower Mainland. The economic development committee will report either through the chair, or through the economic development officer, to the community on the bimonthly community rounds, as well as through the newsletters prepared by the HFN and by the HDC

The notion of "triple sustainability" is key to the Huu-ay-aht's overall approach to economic development.

Strategic Plan

The Huu-ay-aht First Nations pursued self-government in order to made decisions that would result in achieving a better life for its people in a faster and more effective way than had been experienced under the federal system of First Nations governance. How we make decisions is a key aspect of success as it will lead to making decisions that will impact the standard of living for Huu-ay-aht people. One central pillar of a good life is an economically productive life. This means that we need to do things that generate value from raw resources, labour, knowledge and time. In our current experience, what we must do is create businesses to do that in a way that both generates wealth and creates employment opportunities for our people.

Economic development is but one pillar of rebuilding our community, our nation. It is a very important one, however, because nearly all efforts in other areas will need resources to do them. The job of government in economic development is provide the opportunity to benefit from the successful generation of value from natural resources, labour and knowledge and to provide an environment where those efforts can operate free from unlawful and unethical interference. Government is not required to operate their own businesses, however, but it may. Other communities' governments, such as Osoyoos, Westbank, and Tsawassen have been successful in their involvement in business. As such, the Huu-ay-aht First Nations has gotten involved in business.

The aims of business are often at odds with the aims of government. Decisions being made from one perspective may have an adverse impact on the other, and thus there is a need for a well thought-out and balanced approach. The Economic Development Act, and by extension, the Economic Development Plan for which it calls, is a method by which our community attempts to create and maintain that balance.

The following is a statement of the mission of economic development for the Huu-ay-aht First Nations and what follows that is a list of values that reside within Huu-ay-aht law.

Economic Development Mission

The stated mission of Huu-ay-aht Economic Development is to achieve the following:

(a) Develop diverse, sustainable and profitable businesses for Huu-ay-aht First Nations and Huu-ay-aht citizens that respect the history, culture and traditions of the Huu-ay-aht First Nations and the environment in which we live; and
(b) Actively seek, secure and promote economic initiatives that will enhance the prosperity of Huu-ay-aht First Nations and the quality of life and employment of Huu-ay-aht citizens; and
(c) Assist in building the capacity of Huu-ay-aht citizens to be successful entrepreneurs.

Economic Development Values

Huu-ay-aht business enterprises will, to the greatest extent possible, be self-sufficient and independent of the financial resources of the Huu-ay-aht First Nations in their operation.

Our Huu-ay-aht businesses under treaty and the Economic Development Act were created to be self-sufficient and independent from the Huu-ay-aht First Nations (HFN) government. New businesses are required by law and policy to be profitable as soon as possible, and current businesses are expected to be sustainable sources of income for its owners, the HFN government.

Previous to the Treaty, and previous to the passing of the Economic Development Act, our Huu-ay-aht businesses were financially integrated with the HFN government. This created many challenges in a financial and commercial sense. While it allowed for direct input from its owners (the HFN government itself), it lead to intermixing of HFN government and Huu-ay-aht business enterprise moneys. This had led to problems where moneys meant for the sustenance of our businesses were used for non-commercial (i.e. governmental) purposes and threatened the self-sufficiency and independence of our businesses.

The Economic Development Act, and the regime therein, helps to rectify that situation by holding politics at arms-length from our commercial activities. It remains true and proper that the HFN government is still the owner and sole shareholder, but it also remains true and proper that eyes and minds independent from solely political interests more directly guide those businesses into sustainable operations and reliable revenue for its shareholder.

Huu-ay-aht business enterprises will, to the greatest extent possible having regard to the values stated in this section, operate profitably and in a manner that provides reasonable return on the investment the Huu-ay-aht has made in those Huu-ay-aht business enterprises.

Our Huu-ay-aht businesses are primarily a source of reliable income for the HFN government. The general and universal expectation of all involved is that our businesses will operate to make profit because profit is what justifies the existence of that business. Only through reliable profit can our nation

make its way in providing the programs and services necessary for our community's average standard of living to reach parity with that of our neighbours. Only through reliable profit can a business expand and create reliable, sustainable jobs for Huu-ay-aht citizens to make a living free of government dependence.

As such, our businesses have been structured to turn a profit or change in order to turn a profit as soon as is considered reasonable by its overseeing Board of Directors, which is separate from government. What is considered a reasonable rate of return on investment is subject to local, national and international economic factors which need to be identified at the time of evaluation. Before the economic downturn of 2008, it was reasonable to expect a larger rate of return than it is now, especially from small businesses. This needs to be kept in mind as we move into the future.

Huu-ay-aht business enterprises will be allowed to operate free from political interference.

The freedom from political interference is a key aspect of the long term success of our Huu-ay-aht businesses. The aims of politics tend to be non-complementary at best and counterproductive at worst in relation to the profit motive and the need to run a business so it makes money and continues to make money. While there have been, there are, and there will be political voices in government that work in concert with the notion of the profit motive and long-term economic sustainability, it is the weight of law that is required to secure our need of reliable, effective and efficient economic engines from being threatened by short-term political desires.

Huu-ay-aht business enterprises will operate transparently and be held accountable to their owners, the Huu-ay-aht First Nations.

In order for any shareholder or owner to make good strategic decisions, there is a need for timely, accurate and transparent reporting of a business' performance. It must be stressed, however, that some of this information is of a sensitive or confidential nature, and thus, only the direct owners (the HFN government itself) might be able to see all of the information in the full context. This is a delicate balance, but one that must be maintained. All proper businesses are subject to competition, and in competing those businesses will develop their strategies and methods in secret. Losing those confidential strategies and methods will seriously impact the viability of the business.

Huu-ay-aht business enterprises will operate within and comply with the governance and fiscal agreement, the applicable annual plan and all applicable laws.

In order for a business to thrive, there must be a fertile bed of the rule of law. In order to be successful, businesses require certainty of law and policy, and it relies on fair and equitable enforcement of those laws. In order for business to be extended the protections of the law and the enforcement of the law, it must abide by the laws of the communities within which it operates. Our Huu-ay-aht businesses are committed to following the laws and abiding by the enforcement of those laws by the proper officials.

Huu-ay-aht business enterprises will engage in economic development that is socially, economically and environmentally sustainable that respects our history and the heritage, culture and traditions of our people, our Ha'houlthee (traditional territory) and the environment within which we live.

The notion of "triple sustainability" is key to the Huu-ay-aht's overall approach to economic development.

All successful and independent businesses are required to be economically sustainable. In order to continue to survive as a businesses, they must make money and they must create value from the resources it consumes. This is not so much a legal requirement as it is a natural requirement of all businesses in a competitive environment. Our best protection from a lack of economic sustainability is a good set of laws, good strategic mindsets, effective and efficient management and productive use of resources and labour. All of these things are required by the Economic Development Act or its related regulations and agreements.

Many of the problems identified with free-market (capitalist) economic development can be boiled down to a lack of environmental sustainability, which should be self-explanatory and can lead to environmental degradation that affects all aspects of life in a given area. Poor environmental sustainability leads to negative impacts on our scarce natural resources where it is degraded, denied, exhausted or otherwise eliminated from valuable use. The body of Huu-ay-aht law allows for our government, ha'wiih, citizens and public officers to define our standards of environmental sustainability. The challenge, however, is coming to an agreement on what those standards should be when balanced with the needs of our community in regards to income, jobs and the like.

Huu-ay-aht business enterprises will use commercially reasonable efforts to maximize the employment and contracting opportunities of other Huu-ay-aht business enterprises, businesses owned or operated by Huu-ay-aht citizens.

Our Huu-ay-aht businesses have been practicing this in the past years of operation and will continue to do so as opportunities arise. An example of this is engaging with employees in other businesses under the Huu-ay-aht umbrella and using their skills to provide another business a service, more specifically the use of workers in the Shake and Shingle Crew for brushing an area more related to tourism operations. Thus far, not many businesses owned or operated by citizens have been engaged in this way, but this may be more due to the lack of businesses or services being offered rather than an unwillingness to engage.

Huu-ay-aht business enterprises will use commercially reasonable efforts to access training opportunities for Huu-ay-aht citizens in order that they be qualified to accept such employment and obtain practical economic benefits for the Huu-ay-aht First Nations and Huu-ay-aht citizens.

Thus far, our Huu-ay-aht businesses have accessed training opportunities for employees, seasonal employees or contracted workers. Current and future plans for expansion into more labour-intensive, tourism-based operations will create a need for more skilled workers and managers. The CEO and Chair

of our business operations continues to monitor opportunities, needs and options moving into the future.

Huu-ay-aht business enterprises will institute and maintain an employment policy governed by the principle of preferential hiring of Huu-ay-aht citizens, subject to demonstrable levels of adequate skills and capabilities, to the greatest extent reasonably possible, but consistent with all applicable laws and with the optimum efficiency in the operation of those Huu-ay-aht business enterprises.

Our Huu-ay-aht businesses have such policies in place and will continue to do so.

Without limiting the previous statements, each Huu-ay-aht business enterprise will, if the Huu-ay-aht business enterprise is contracting for work or services, engage other Huu-ay-aht business enterprises or other businesses owned or operated by Huu-ay-aht citizens, to provide such work or services, subject to demonstrable levels of adequate skills and capabilities and the provision of that work or those services on commercially reasonable terms.

Our Huu-ay-aht businesses have done so in the past and will continue to do so in the future.

Without limiting the previous statements, each Huu-ay-aht business enterprise will work closely with its clients, contractors and suppliers to maximize employment and economic opportunities for Huu-ay-aht business enterprises, businesses owned or operated by Huu-ay-aht citizens and Huu-ay-aht citizens who are tradespersons and contractors with demonstrable levels of adequate skills and capabilities.

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Without limiting the previous statements, each Huu-ay-aht business enterprise will, to the extent that there are training programs sponsored directly or indirectly by a Huu-ay-aht business enterprise or in which the Huu-ay-aht business enterprise is participating in some manner and which might be of benefit to other Huu-ay-aht business enterprises, businesses owned or operated by Huu-ay-aht citizens, attempt to secure such trainee spaces for suitably qualified Huu-ay-aht citizens as may be available.

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Goals, Objectives, Financial Performance and Employment Targets to be achieved by HFN and HBEs…

One of the primary economic goals of the Huu-ay-aht First Nations as a whole is to “unlock the value of the land” in an economically, socially and environmentally sustainable manner. As such, there are aspects of economic development that hinge upon initiatives that fall outside the generally-accepted mandate of economic development and into Land and Natural Resources, Fisheries, Intergovernmental Relations, Communications and certain aspects of Citizen Development. For our Huu-ay-aht businesses,

it is of great importance that interests in land such as the Pachena Bay Campground be granted in a long-term format to allow for the certainty our business needs to make the necessary investments to improve the facilities and increase the productivity of the campground as a whole.

Another strategic goal of the Huu-ay-aht First Nations is to secure reliable income from our businesses to further support the provision of government programs and services. To do this, our businesses need to be run in an effective and efficient manner where the profit motive is the primary motivating factor in both day-to-day and strategic decision-making. The Huu-ay-aht First Nations and our Huu-ay-aht businesses will continue to preferentially hire Huu-ay-aht citizens when it is merited and reasonable as well as continue to support training and skills-development programs run by, accessed by either the HFN government, by the businesses themselves or through other means.

Financial performance will be judged primarily by profit or proportionate improvement in losses from previous evaluation periods. Some businesses will break even or continue to break even and some may see no change in overall profitability. In some cases, these businesses will be evaluated based on strategic positioning within an industry through means such as asset acquisition, securing contracts or other means of increasing potential profitability.

The pursuit of employment increases must be done in tandem with the HFN government and seen as such. While there is a distinct social and political need for job creation, many jobs require skills and education that must and can only be provided through government programs (either Huu-ay-aht or Crown). The primary purpose of our Huu-ay-aht businesses is to create wealth for government programs and services, however defined. Employment targets should be set in a way that balances profitability with employment, and that balance needs to be determined politically by the HFN government. When such a decision is set by the government, Huu-ay-aht businesses will work in cooperation in achieving those goals.

Report and Plan from each Limited Partnership

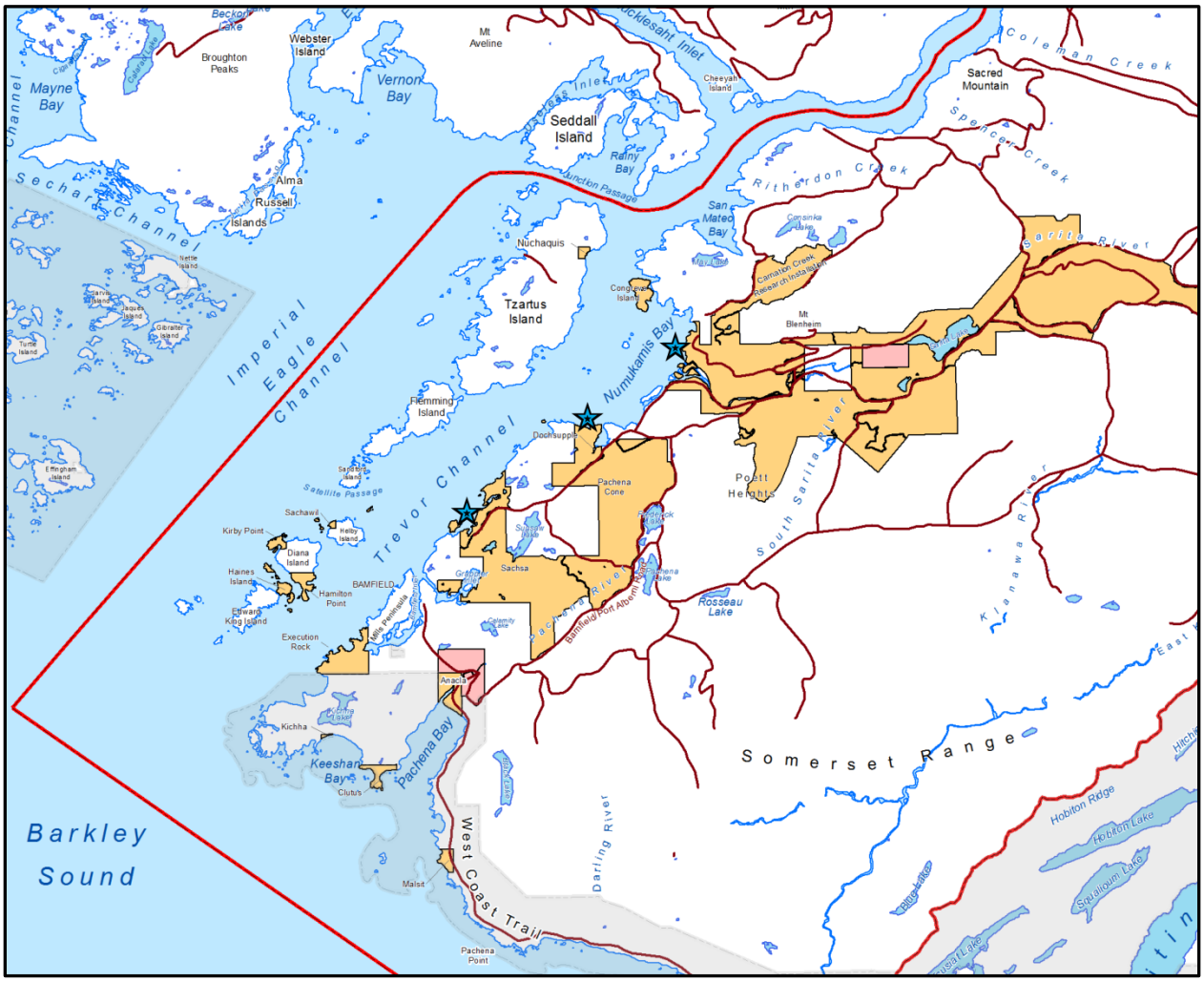
Please see attached Appendix A

New Business Opportunities

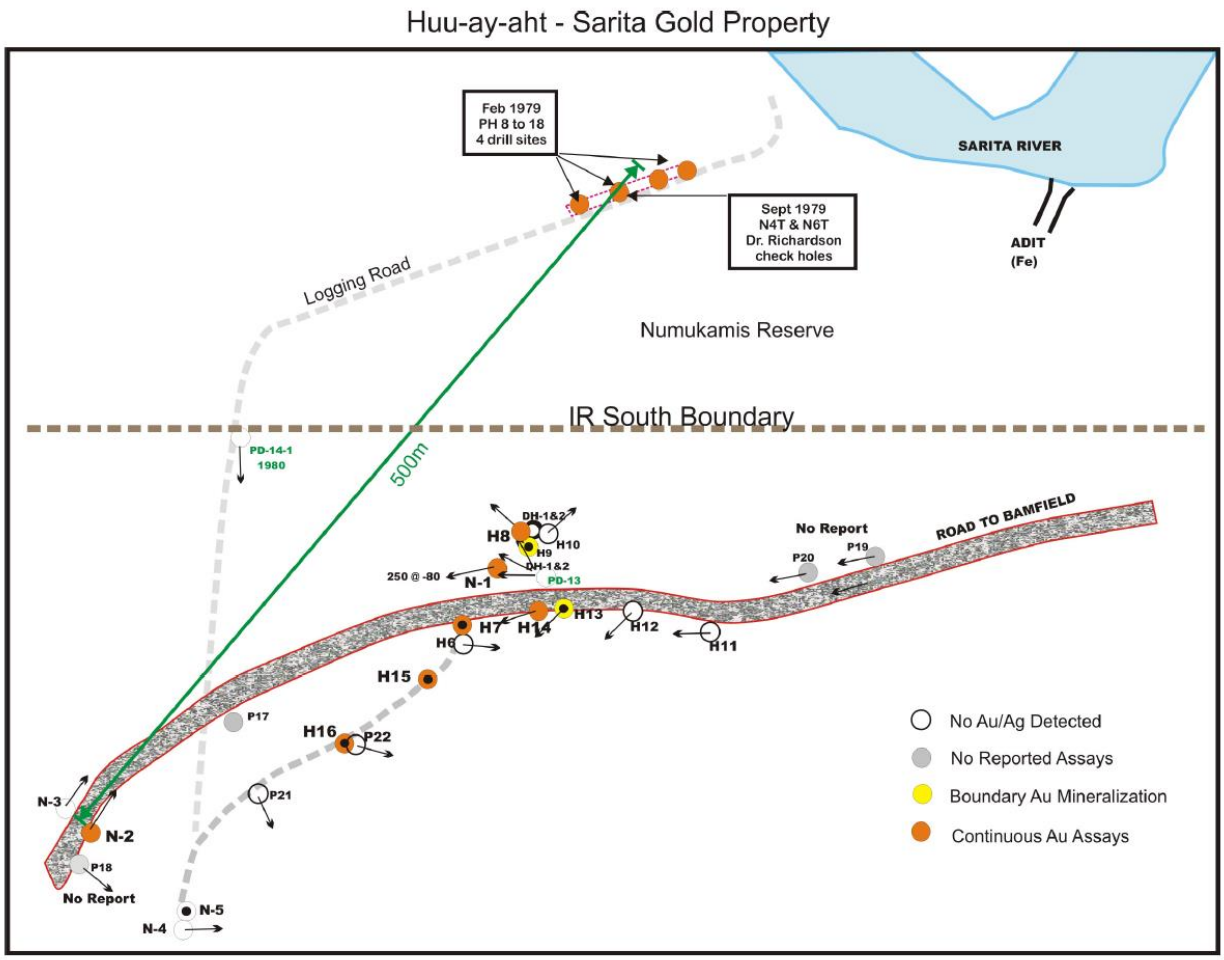
There is only one business for which a feasibility study has been prepared. Due to agreed upon non-disclosure and confidentiality, the terms of the feasibility cannot be provided until the Business Plan has been approved and the business implemented or terminated. As an approved feasibility study this new business opportunity is being evaluated as a high priority.

However, there are several new business opportunities for which research is being conducted. These are:

Deep Sea Port Development, which may include Container Transshipment, LNG/LPG Export Facilities, Bulk Terminals or other commodity exports. Any deep sea port development would require the investment of multi-billion dollar capital and may include a combination of industry and government as a public private partnership. Such a development would be bring unprecedented growth and opportunity to the region. A map of potential marine terminal locations is below.



Another potential business opportunity being researched is the potential for Treaty Settlement Land to sustain mining and mineral extraction. A potential precious metal zone has been identified and research is being conducted to determine the extent of mineralization and what other potential may exist on Treaty Settlement Lands.



Another potential Business is the development of Independent Power Projects, or run of river micro-hydro, at Sarita River and the Bam 400 site. Preliminary engineering will soon be complete at Sarita and a water license application, leading to a HFN Feasibility Study and Business Plan may soon be developed.

Other potential business projects being researched may include additional tourism, including cultural tourism, opportunities, real estate development and property management, shellfish, finfish and other seafood opportunities, and internet and telecommunications opportunities.