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***Socio-economic Impact Of Netune
Resources Colomac Project - Project Report
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Project Report



Stevenson Kellogg Ernst & Whinney
Management Consultants

Project Report

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**SOCIO-ECONOMIC IMPACT OF
NEPNNE RESOURCES CORP.'S
COLOMAC PROJECT**

Prepared for

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July 22, 1988
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EXECUTIVE SUMMARY

Neptune Resources Corp. is proposing to develop and operate a gold mine - The Colomac Project - to be located approximately 137 miles northwest of Yellowknife. The project will generate significant socio-economic benefits for local Dogrib communities in the area, the capital city of Yellowknife, and the Northwest Territories in general throughout the project's estimated six-year duration.

The initial economic impacts are derived during capital construction (1988-1989) of: the mine, milling and storage facilities, camp, offices and airstrip. Extended socio-economic impact will be realized upon commencing mining and milling late in 1989. The employment of N.W.T. labour, targeted to natives in the area, and the purchasing of supplies, services and materials in the north is expected. Additional economic benefits will include tax revenues and royalty revenues realized by the government of the Northwest Territories and the Canadian federal government.

We have estimated the project's direct economic impact to exceed \$24 million during the 20 month construction phase and to exceed \$14 million/year during production, representing 25% of overall operating costs during production.

Employment of native and northern labour may be arranged creating opportunities estimated at 40 of the 200 jobs required during construction and 70 jobs of the 344 required for production.

Approximately twice as much employment and income will be created (the multiplier effect) within N.W.T. through employee spending and the spending of northern firms with which Neptune deals in the purchasing of its supplies, services and materials.

Other impacts realized through the project will be advancement of the education, the skill upgrading of un- and under-employed residents in the area's Dogrib communities.

Finally, during the period of the project, the high level of unemployment (up to 40%) and social assistance payments (est. \$2.5 million) may be reduced in the affected Dogrib communities with associated savings to the Territorial government.

Neptune is actively pursuing measures to help natives and northern suppliers realize the business opportunities associated with this project. The residual socio-economic benefits of the Colomac Project will be an enrichment of experienced northern labour and enhanced preparedness of area communities to realize economic opportunities in the future.

SUMMARY ANALYSES

Estimated impact of Colomac Project on N.W.T. employment

PHASE: YEARS:	CONSTRUCTION 1988-1989	PRODUCTION 1989-1994
On-site PYs Required	200	344
Northern Hiring	40	70
Add 2.0 Employment Multiplier	80	140
Total Northern Hire Estimate	120	210

Estimated impact of Colomac Project on N.W.T. economy

CONSTRUCTION PHASE (total 1988-1989)	(\$ Million)	
	Direct	Indirect & Induced
Operational Costs:		
- Labour	6.0	12.0
- Purchasing	<u>18.2</u>	36.4
Sub-totals	24.2	48.4
 Total		 <u>72.6</u>

PRODUCTION PHASE (avg. per year)	(\$ Million/Year)	
	Direct	Indirect & Induced
Operational Costs:		
- Labour	2.5	5.0
- Purchasing	<u>11.5</u>	<u>23.0</u>
Sub-Totals	14.0	28.0
 Total		 <u>42.0/year</u>

SOCIO-ECONOMIC IMPACT

1.0 INTRODUCTION

The **socio-economic** impact of the **Colomac** Project proposed by Neptune Resources Corp. has been estimated on the basis of:

- Our experience in researching strategies to improve business opportunities in **N.W.T.** related to mining and exploration.
- Our knowledge of the economy and communities of the MacKenzie Valley applicable to the area affected by this project.
- Review of documentation made available regarding the project by Neptune Resources Corp..

We have conducted interviews with a number of individuals familiar with the project and special initiatives underway to enhance the **socio-economic** impact of the project.

The components of this impact analysis include the identification of the prevailing corporate ethic of Neptune Resources Corp. regarding the **Colomac** Project, the initial and extended **socio-economic** impact of the project on the Northwest Territories with particular reference to employment and spending and identification of additional revenues which may be realized by the Territories. The assessment concludes with a general review of the impact of the project expected on communities which may be affected .

2.0 CORPORATE ETHIC

Neptune understands the high priority given by the Government of the Northwest Territories to ensure that economic activity within the region is of benefit to the Territorial economy and its people.

- An agreement has been prepared with the Dogrib Tribal Council identifying means for enhancing business opportunities, employment and training, and a positive working relationship between Neptune and people in the Dogrib communities located in the vicinity of the project.
- Northern suppliers have been engaged in the development of the project to date. Neptune is seeking housing for locating its purchasing agent in **Yellowknife.**
- Northern suppliers are being sought for managing the mine's overall

construction, and management of the operating camp (e.g. the Dogrib Nation Holdings Corp.).

- Neptune is cooperating with public education authorities regarding the training and apprenticeship opportunities for northern **labour**.

The views of the President of Neptune Resources Corp. and the activities of the corporation's representatives reflect an ethic consistent with views expressed by suppliers in Yellowknife that Neptune Resources Corp. be responsive to the interests of the Northwest Territories.

3.0 INITIAL SOCIO-ECONOMIC IMPACTS

Neptune has nearly completed its exploration and development program. Spending during development has been \$18 million to date of which 20% (\$3.6 M) is estimated to have been spent in the Northwest Territories.

3.1 Capital construction phase

Capital expenditures of more than \$121 million are expected in the initial construction phase through 1989 including **labour** (\$30 M), subcontracts! and the purchase of material and equipment. Even with a tight timeframe for construction and skilled **labour** requirements for aspects of construction, it is consistent with Neptune's operation to date to assume that 20% of the **labour** (\$6.0 M) and a similar proportion of materials, equipment and **subcontracts** (\$18.2 M) will involve direct purchases in the Northwest Territories.

3.2 Employment created

As noted above, approximately \$30 million during capital construction will be devoted to labour. The total number of jobs is expected to be 200 of which we estimate 20% or 40 would involve N.W.T. hiring. Much of this **labour** is short term and specialized. Experienced labour in the Northwest Territories, engagement of PCL's contracted labour force in Yellowknife and advanced preparation of unskilled **labour** should offer reasonable opportunity for northern **labour** to participate in the Colomac Project during the capital construction phase.

The negotiated agreement with representatives of the Dogrib communities in the area and advance notice in Yellowknife should be more than adequate to ensure that the conservative projections of 20% are realized.

4.0 EXTENDED SOCIO-ECONOMIC IMPACTS

4.1 Production phase

Mining and milling are to commence in early 1989 with production sustained through at least 1993- a minimum of five intense years of mining and milling with annual operating costs of approximately \$55 million.

The project is only accessible by ground transportation over an ice road during the months of January - April (6 - 8 weeks). Otherwise the Colomac site is isolated. The two unit workforce will be flown in and out every two weeks. The construction camp will be converted to an operating camp (for 180 persons) accommodating the on-site operation's work force (154), a catering crew (18), visitors (8).

4.2 Employment created

The Colomac Project will create 344 jobs for working on-site with another 7 of an administrative nature to be located in Yellowknife - or Edmonton - depending upon the availability of housing.

We estimate that 20% of the on-site jobs needed for production -- equivalent to 70 jobs -- will be occupied by northern labour including natives.

The basis for this estimate is:

- Northern manpower suited for open pit mining having experience in heavy equipment operation.
- Neptune has targetted that 25% of all the jobs will be for northern residents.
- The closure of the Pine Point mine may have left a residual of un-or under-employed mining manpower.

Total economic impact in the form of wages including benefits for the north for the N.W.T. economy will be approximately \$2.5 million/year or 20% of the average labour costs/year during production.

4.3 Direct purchasing

Our study of mining and exploration in the Northwest Territories ¹⁾ indicated that of six operating mines studied, an average of 22% of goods and

(1) "Strategies to Improve Northwest Territories' Business Opportunities Related to Mining and Exploration. Prepared for - N. W.T.: Energy Mines and Resources Secretariat and the Department of Economic Development and Tourism (October 1987)

services purchased were from N.W.T. suppliers. This average increases to 30% for the four mines within a 300 mile radius of Yellowknife. The greatest sales potential for N. W. T.-based suppliers included ground transportation, fuels, drilling contracts, ore hauling, and the purchase of small vehicles, tires, tools and sundry purchases.

Considering the experience of Neptune's counterparts, its purchasing practices during development, and its expressed intent to purchase goods and services in the north, we have estimated that 28% of their annual operating costs (\$45 M) for purchased goods and services is reasonable equating to approximately \$11.5 million per year of N. W.T.-based purchases.

4.4 Indirect and induced impact

Indirect spending is created when employees of the projects spend money on supplies and services with other companies. Induced spending occurs when employees of the supply and service companies spend their income. The total household income effect (direct, indirect and induced) created in the N.W.T. by the \$2.5 million in wages amounts to another \$5 million. We have applied an Income Multiplier of 2.0 which is considered conservative. The 70 jobs will effect additional indirect and induced employment of 140 person-years using a conservative Employment Multiplier of 2.0.

The induced spending by N.W.T. supply and service companies with whom Neptune deals will have additional multiplier effect on employment and income equivalent to another \$23 million/year again using a conservative multiplier of 2.0.

4.5 Tax revenues

The following table illustrates the estimated income tax on corporate profits to be paid by Neptune to the federal and Northwest Territorial governments through the course of the project's schedule. (Income tax collected on employees of the Colomac Project have not been estimated).

Year	1988	1989	1990	1991	1992	1993	1994	1995	TOTAL
	(\$000,000)								
<u>G.N.W.T.</u>	00	00	00	1.58	1.27	3.04	-0.20	00	5.69
<u>FEDERAL</u>	00	00	00	2.73	3.68	8.75	-0.57	00	14.60

The preceding and following estimates are based on a gold price of \$450, and a U.S. exchange rate of \$.80.

4.6 Royalty revenues

The following table identifies the estimated royalties to be realized by the federal ~~and N.W.T.~~ government.

Year	1988	1989	1990	1991	1992	1993	1994	1995	TOTAL
					(\$000,000)				
G.N.					80	80	00	00	9.60
<u>FEDERAL</u>	00	00	00	00	0.22	2.86	00	00	3.08

5.0 COMMUNITY IMPACT

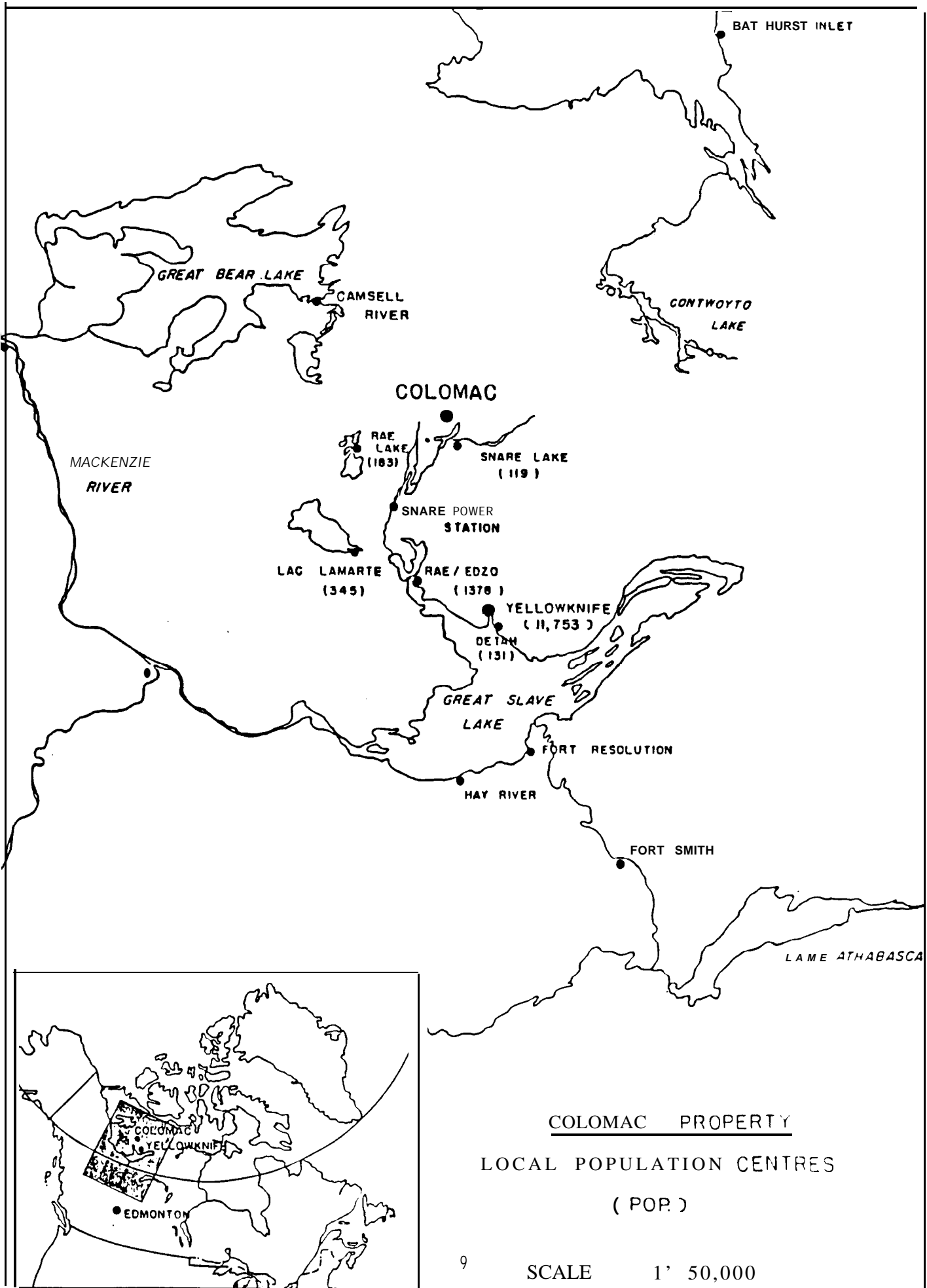
The **Colomac** Project is a relatively self-contained project. We have illustrated the considerable impact of project-related purchasing and **N.W.T.** hiring on the **N.W.T.** economy. This input will be focused in the Yellowknife area. The agreement proposed between Neptune **Resources** Corp. and the Dogrib Tribal Council will amplify social and economic input of the **Colomac** Project on quite small and isolated communities in the project area.

5.1 Communities affected

There are approximately 14,000 persons (1986 census) residing in the area affected by the **Colomac** Project (see next page): **Yellowknife** pop. (1 1,753) and the following Dogrib communities with a population total of about 2,000 - Snare Lake (1 19), Rae Lakes (183), Lac La Marte (345), Rae/Edzo (1 378), Detah (131). With the exception of **Yellowknife** each community has an economy heavily dependent upon seasonal hunting, trapping, fishing and public expenditures in the form of social assistance and government work. There have been few opportunities for stimulating local enterprise or initiative.

Employment opportunities and business enterprise along with training and upgrading of potential employees is the most direct contribution of the **Colomac** Project to the communities in the area.

As for **Yellowknife** and possibly Hay River and Fort Resolution, there may be former employees of the Pine Point mine under-employed for whom the **Colomac** Project will allow them to **re-enter** mining or mining related work. Clearly the most significant impact on **Yellowknife** will be the impact of the project's direct purchasing on local suppliers.



5.2 Housing and health care

The operating camp, site airstrip and associated catering service supplemented by recreational opportunities and first aid and health support have been designed to meet the needs of those accommodated at the camp.

The airstrip used for flying manpower in and out of the camp and for delivering supplies other than when the ice road is operational will be adequate to access urgent health care services. There may be some increased demand for health care on Yellowknife and support which the project is able to provide to local communities through increased air transport.

5.3 Social services

Through the hiring of a liaison officer and arrangements proposed in the agreement with the Dogrib Tribal Council, Neptune has recognized the importance of not only good local community relationships but the advantage of prompting local enterprise, employment and training.

Many of the Dogrib communities in the area have a high level of unemployment. The stimulation of employment opportunities and business enterprise by the Colomac Project will have a short-term and social and economic impact on each of these local communities.

Figures from Statistics Canada indicate a high level of unemployment (40%) within the Dogrib communities. The level is considerably lower in Yellowknife. Employment opportunities will effect some relocation, hiring of the underemployed, training and hiring of the unemployed. This will have economic benefit to the federal government through the reduction of Unemployment Insurance Benefits (est. \$7 million/year for the overall area) and to the Government of the Northwest Territories by reducing the number of welfare recipients thereby achieving a further savings in the territories in the form of reduced financial assistance. From very limited information available, we have calculated that approximately \$3.0 million/year is spent in the form of social assistance for approximately 250 households or 650 people in the affected area. The average annual social assistance payment is approximately \$1,700. Very considerable savings would be realized in the area through any employment opportunities afforded to these communities.

5.4 Education

Neptune is prepared to offer scholarships and work closely with the Territories' education system to promote the training and training strategies for people in the area to enter careers in the mining industry.

Neptune has approached representatives of the Dogrib communities and government officials in the interest of initiating the steps and planning necessary for training, upgrading, and apprenticeship for natives to benefit from the employment opportunities which the Colomac Project will generate. Neptune

is willing to meet the non-governmental costs and expenses associated with the organization, implementation, and ongoing operation of committees, structures and programs relative to the training, upgrading, and ~~operation~~ of associated materials.

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5.5 Residual impact

The Colomac Project is projected to enter the phase of "abandonment" in 1994 though there are prospects in any mining situation such as this for extending production. Wrap-up of the project will be done to minimize any negative residual impact.

The training and upgrading, enhanced business experience for the area, and broadened base of supply prompted in Yellowknife will contribute greatly to improving business opportunities related to mining and exploration further strengthening this sector in general for the Territories.

APPENDIX A
OUR QUALIFICATIONS

Stevenson Kellogg Ernst & Whinney

Appendix A

OUR QUALIFICATIONS AND EXPERIENCE

MINING INDUSTRY ASSIGNMENTS

1. **The Energy Mines and Resources Secretariat, N.W.T.**

We were retained to undertake a study that would identify opportunities for northern businesses to supply a larger proportion of the exploration, development and production needs of the mining industry in the N.W.T. We were to outline the constraints on the northern business community in supplying a larger portion of the required goods and services, and make appropriate recommendations/strategies to overcome these problems.

2. **Mines**

Feasibility of exploiting mineral deposits. The computer program developed for this study calculated future cash flow for a variety of mining operations with ranges of values for any or all of the parameters.

Determined the economic feasibility of using underground storage in a mountain in the Canadian Rockies for valuable papers and corporate information.

Development of a computer-based simulation model of the uranium industry to show the economic and social impacts of alternative stockpiling decisions.

3. **Structured and installed a measured maintenance system in an open pit iron mining complex**

Included in the scope of the study was mobile equipment, mine roads and process equipment. Preventative maintenance routines, increased scheduled maintenance, detailed planning, measured work and accurate reporting all contributed to increased equipment availability, reduced maintenance costs and improved service levels. Improved truck service-ability was equivalent to a capital investment of \$500,000. Process mill turn-arounds cut by 50% equivalent to annual savings of \$50,000.

4. **Iron mine maintenance program**

The purpose of this study was to develop a managed maintenance program which would reduce maintenance costs and improve equipment availability. These results were achieved by;

- ▶ Setting work standards for work done by the maintenance department.
- ▶ Refining the work order **system** into a basic document to organize, plan, schedule and distribute costs for maintenance work completed.
- ▶ Development of preventative maintenance procedures and equipment records.
- ▶ Developing control reports to help supervisors **become** more effective and to permit objective evaluation of results.

5. **Long range planning system for the Blackfoot Band**

The **Blackfoot** Band is one of the largest in Alberta. It has one of the west's major deposits of thermal coal. Major energy resource corporations were bidding on the right to strip mine these.

The Band's ability to identify and realize the long-term social and human development objectives to be served by **this** mega project (capital costs over **\$200** million) was hindered by the absence of a band-wide planning system.

We worked closely with the elected representatives and Band staff to design a system to choose and enforce developmental priorities. This project included an inventory of existing planning documents, an analysis of present planning capacity, and a recommended operational planning process.

Working directly with Band members, we helped them create a permanent planning capacity controlled by Chief and Council.

6. **Three year social development plan for the Bigstone Cree**

The Bigstone Cree have five reserves, located in the **Wabasca** oil sands region of northern Alberta. Gulf Canada Resources Inc., among others, is developing the area's deep bitumen deposits on a pilot basis.

This experimental activity could reach mega-project scale in a few years. It creates the opportunity for the Band to address its long-standing social development problems in an environment of significant economic growth.

The three year social development plan identifies feasible human resource objectives which would increase Band **memberss'** ability to participate in the economic expansion. A strategy for revising social assistance to improve the financial benefit of being employed. Ways to convert social assistance dollars to economic development tasks are discussed.

The plan also addresses the issues of:

- ▶ Integrated social service delivery mechanisms.
- ▶ Regional social development planning and community participation.
- ▶ Local staff recruitment and training.
- ▶ Specific social service needs.
- ▶ Funding and management.
- ▶ Social policies with respect to relationship between Band and non-Band area residents.

Below are samples of some of the assignments we have carried out in the Northwest Territories.

EXPERIENCE IN THE N.W.T.

1. Conducted a distribution network analysis for the Fishermen's Federation of the NWT in conjunction with the Economic Development Department of the government of the NWT.

The project involved the examination of alternate means to reduce the cost of freighting fish caught on the Great Slave Lake. The current network consists of three remote fish receiving stations located near prime fishing areas. Twice weekly, a large packer boat made a round trip from the main plant in Hay River to these three stations to pick-up the catch and transport the fish to Hay River. Although the fishermen paid a small amount per pound for this service, falling annual volumes and increasing costs resulted in increased deficit funding by the government of the Northwest Territories.

We identified twelve alternate distribution networks all of which either maintained or increased the freshness of fish delivered to the Hay River plant. Some of the options included replacing the current packer boat with a smaller boat, others included relocation of one or more of the fish receiving stations while other options featured combinations of both.

For each option, annual operating costs were determined and compared to the current costs. The capital costs associated with each option were identified. We determined the return on investment, payback period and net present value of each option.

The results were presented to the major parties involved in the study and we assisted them in determining which option best met the diverse interests of the parties involved.

2. Feasibility study for the expansion of a northern cooperative

A financially stable 300 member cooperative had been asked by its members to introduce the lines of fresh meat and gasoline and to expand their dry goods and hardware lines. Before undertaking the investment the Board asked us to determine the size of the market and the viability of the project. We conducted a telephone survey of members and non-members to determine the level of interest. We also calculated the costs of the required expansion and the contribution to be provided from the new lines. A result of the assignment was a decision to add fresh meat and gasoline to service provided to members, but not to expand other lines since these were already being adequately provided from other traders in the town.

3. Loan equity for the N.W.T. Metis Development Corporation

We are currently conducting an assignment for the N.W.T. Metis Development Corporation to establish a loan/equity fund for metis in the communities of west central N.W.T. This study involves the identification and assessment of business initiatives for loan/equity investment.

The project involves the preparation of a proposal for establishing the business support services and the development of policy and organizational components necessary to ensure the financial institution's success. The work involves interviews with metis businessmen and women in Yellowknife, Fort Smith, Fort Providence, Hay River, Fort Resolution, Fort Norman, Norman Wells, Fort Good Hope, Aklavik, Inuvik, Arctic Redriver, and Fort McPherson.

4. Loan equity fund for the Mackenzie Delta Regional Development Corporation

Conducted an assignment for the Mackenzie Delta Regional Development Corporation to establish a loan equity fund for natives. Project includes establishment of business support services and development of policy and organizational components necessary to ensure its success, and to provide the greatest economic benefit to the northern community as a whole. The work involved interviews with businessmen in Arctic Red River, Fort McPherson, Aklavik, and Inuvik. Business ideas were assessed as input to possible funding.

5. Review of the the performance of an inn, Inuvik, N.W.T.

We were retained to evaluate the past performance of this inn in the areas of operations, financing and profitability and then estimate future expected performance and the ability of the Inn to support new financing charges. In addition, we were asked to give recommendations for actions that the present owners could take which would encourage the best performance of the inn.

6. **The Energy Mines and Resources Secretariat, N.W.T.**

We were retained to undertake a study that would identify opportunities for northern businesses to supply a larger proportion of the exploration, development and production needs of the mining industry in the N.W.T. We were to outline the constraints on the northern business community in supplying a larger portion of the required goods and services, and make appropriate recommendations/strategies to overcome these problems.

7. **Privatization of the Fort McPherson Canvas Shop**

The Fort McPherson Canvas Shop is a manufacturing business operated by the Government of the N.W.T. to provide employment to natives in Fort McPherson. The business has been operating for 10 years and has not shown a profit. The Government feels that the business may be viable if operated privately. Stevenson Kellogg Ernst & Whinney were retained to:

- ▶ Determine a fair purchase price for the business.
- ▶ Determine the level of subsidies, if any, to be provided by the seller in order to operate the business.
- ▶ Identify the maximum period through which these subsidies, if necessary, would have to be paid.

8. **Financial projections for a Cambridge Bay office building.**

A development corporation owned and operated by Inuit sought to construct an office building in Cambridge Bay. The major tenant would be the Government of the Northwest Territories but provision would also be made for other local businesses. We carried out a survey of the level of interest from local business and other semi-government bodies. We prepared microcomputer projections of revenues and costs at different interest rates with various financing formulae. The building was constructed in 1985.

9. **Survey of the viability of northern cooperatives.**

The Territorial and Federal Governments formed in early 1986 a northern cooperative business development fund to provide stable, low interest financing to northern cooperatives. Before advancing the money the fund wished to determine the viability of the cooperatives and their potential for servicing the loans. Stevenson Kellogg Ernst & Whinney was one member of a consulting task force which visited virtually every northern cooperative served by Arctic Cooperatives Limited in Winnipeg. The analysis covered an evaluation of management, the Boards of Directors, inventory management, pricing policy and personnel matters.

10. A feasibility study for the Hay River Dene Band.

The Hay River Dene Band was offered an opportunity to buy wood working equipment. Before government assistance could be obtained they required a study of the feasibility of a wood working plant in the Northwest Territories. This involved a three stage assignment, to determine the size of the market, to determine whether the market could profitably be served by a plant in Hay River, and to prepare detailed financial and implementation plans. Stevenson Kellogg Ernst & Whinney determined that viable markets existed for windows and window frames, pallets, core boxes, and roof trusses. The equipment offered to the Band was unsuitable for the volume of production required but adequate equipment could be bought at reasonable cost. The result of the assignment was a detailed analysis of product specifications, product costs, equipment and layout, together with an implementation plan for obtaining finance and establishing the business.

11. Cost Reduction of Transportation Costs for a Co-operative in the N.W.T.

Assisted on an assignment for a major co-operative in the Northwest Territories to identify options to reduce annual transportation costs. We analyzed data on yearly transportation movements by source, by type of product and by month. This data was reviewed and options developed including consolidation with other freight for a private fleet operation. Annual costs for each option were developed and compared to current methods to identify savings potential. The results were presented to our client.

12. Evaluation of a funding request from ARISE to the Native Economic Development Program

At the request of the NEDP, an evaluation of the funding needed to expand this Indian-owned business loan fund was completed. It included an investigation of management practices, loan policies, commercial viability, risks and benefits. The report recommended specific steps to increase the strength of the organization.

13. Feasibility Evaluation of Development Opportunities in Cambridge Bay, NWT

For the Enokhok Development Corporation, an Inuit-owned for profit firm, a series of business opportunities are being evaluated. These include a major office/commercial complex and hotel/restaurant in Cambridge Bay and a patient residence in Yellowknife. The assessment includes potential market share, capital and operating costs, revenue and potential return on investment.

14. NWT, Department of Economic Development

The N.W.T. Department of Economic Development was interested in preparing a directory of businesses in the Territories. As part of this project,

conducted by summer students, the Department was concerned about the computer support required to make the system work. We conducted a small project to examine the computer systems within the Department and to make recommendations for changes required to support the new business directory.

15. Organizational review for the NWT, Department of Economic Development

For the Kitikmeot region, we conducted an organizational review. The responsibilities of the staff had changed since the most recent review. We were asked to interview employees, update job descriptions, and make recommendations for a revised organizational structure.

16. Systems review for a NWT-based carrier.

For this N. W. T.-based air carrier, we conducted several projects including a review of computer systems, specification of computer systems required, tendering and assistance with installation. As well, we conducted executive search work and assisted with accounting issues.

17. Socio-economic impact of the Polar Gas project in the Northern Territories

We were asked to prepare a socio-economic impact statement for inclusion in a pipeline application to the National Energy Board. Of particular concern was the impact on native communities.

Our study included on-site surveys for development of community profiles. We also made a comprehensive survey of the literature to ensure a full appreciation of the "state-of-the-art" in multiplier development and forecasting techniques.

18. A review of Antarctic Co-operatives Ltd.

We conducted a review of Antarctic Co-operatives for Northwest Territories Co-operatives Business Development Fund

Kissarvik Co-operative Ltd., Rankin Inlet, 1986.

Sanavik Co-operative Ltd., Baker Lake, 1986.

APPENDIX B
OUR RESUMES

Stevenson Kellogg Ernst & Whinney

PERRY S. KINKAIDE, B. A., M.Sc., Ph.D.

Mr. Kinkaide is a principal in the Edmonton office of Stevenson Kellogg Ernst & Whinney. He practices in the areas of general management, program evaluation, productivity reviews, strategic planning, and organization development.

Prior to joining Stevenson Kellogg Ernst & Whinney, Mr. Kinkaide operated his own management consulting firm providing assistance to public sector organizations in policy and management issues associated with contracting out, development of monitoring systems, researching **public policy**, developing measures and standards for increased productivity, designing and developing community-based services, and mediating inter-organizational and inter-personal conflicts.

Prior to 1985 Mr. Kinkaide served as: Assistant Deputy Minister and Director of Operations Support, Director of Corporate Development, and Edmonton Regional Director for Alberta Social Services and Community Health. As **well**, he was the deputy team leader on the Eric Neilsen Task Force on contracting out of government services.

Typical of the projects conducted by Mr. Kinkaide are:

- Conducted an assignment for the **N.W.T.** Metis Development Corporation to establish a loan/equity fund for metis in the communities of west central **N.W.T.** This study involves the identification and assessment of business initiatives for loan/equity investment.

The project involves the preparation of a proposal for establishing the business support services and the development of **policy** and organizational components necessary to ensure the financial institution's success. The work involves interviews with metis businessmen and women in Yellowknife, Fort Smith, Fort Providence, Hay River, Fort Resolution, Fort Norman, Norman Wells, Fort Good Hope, Aklavik, Inuvik, Arctic Redriver, and Fort McPherson.

- Conducted a transportation economics assignment for Alberta Economic Development. A number of transportation and tourism projects had been identified, none of which were being taken up by the private sector. The purpose of our assignment was to identify what role government could play in moving these transportation projects forward. We identified parallels, other jurisdictions in which government had played a successful role in making similar projects happen. Based upon these parallels, we developed a government process, and an evaluation mechanism, that allowed for ongoing assessment of the proper role as new projects came along.

- ▶ Conducting a project for Alberta Advanced Education defining the mandate, goals and organization structure for a new Policy and Planning Division of the Department.
- ▶ Designed an implementation strategy and framework for the development of standards and measures for Alberta's district social services.
- ▶ Assistance in increasing the service efficiency and effectiveness of select public social services, administrative support and consultation services.
- ▶ Project **manager** for developing strategic options and planning for the impact of changing values, social, technological and economic forces on the supply and demand for social services.
- ▶ Project manager for assembling of long-term strategic direction for the Department of Social Services & Community Health for the Government of Alberta.

The project dealt with implications of the welfare "safety net", the feasibility of contracting out social services, and the changing roles of the public, voluntary and commercial sectors.

- ▶ Prepared strategic direction for assessing the value of further involving financial institutions in the administration of social services' programmes of financial assistance.
- ▶ Conducted an operational review for Alberta Social Services and Community Health leading to the re-organization of administrative support functions, development of **standards**, revised resource allocations, and functional relationships.
- ▶ For Alberta Social Services and Community Health, revised all administrative policies, conducted a staffing review of headquarters and functional re-organization of office space to accommodate de-centralized resource management.
- ▶ **For the same** department, coordinated downsizing, designed a performance pay compensation plan, standards and measures of productivity, and implemented measures of fiscal restraint.
- ▶ As Edmonton Regional Director for Alberta Social Services and Community Health, was the senior director for a team of six regional directors which reviewed the Department's programs, revised its organizational structure, and subsequently de-centralized the authority and staff of service delivery.

- ▶ As Edmonton Co-ordinator of Rehabilitation Services, Mr. Kinkaide managed the development of voluntary community agencies for the handicapped, case management, and residential-treatment services.
- ▶ Dr. Kinkaide has addressed a number of public and private sector organizations regarding privatization, contracting-out, and our changing future. These organizations have included:

- The Family & Community Supports Services Association.
- The Alberta Urban Municipalities Association.
- The Edmonton Chamber of Commerce.
- The Institute of Public Administration Council.
- The Western Forum of 4-H Councils.
- The Alberta Association of Rehabilitation Centres.
- The Alberta Psychologists Association.
- The Alberta Association of Social Workers.

Mr. Kinkaide is a member of the Edmonton Chamber of Commerce, Institute of Management Consultants in Alberta, The Psychologists' Association of Alberta, and founder of the Alberta Futures Network (AFN). He is presently on the Board of Directors of the Goodwill Rehabilitation Society of Alberta, the Alberta Association of Human Services, and the St. Albert Association for the Handicapped.