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Nunavut Wildlife Management Board



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QIKIQTAAALUK CORPORATION
& Group of Companies

Nunavut Birthright Corporation

A Success Story for the Inuit of the Qikiqtani Region

Presented to:
Nunavut Wildlife Management Board

September 11, 2017



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 - Giving back to member communities
 - Working with the communities
6. Moving Forward



Why are we here today

PURPOSE OF THE THIS PRESENTATION

- a) Demonstrate that QC plays an important role in the Nunavut Fisheries, and furthermore in the economic development of Nunavut.
- b) Present the investments that QC has been making within the fishery industry but also in other economic areas that benefit all Inuit.
- c) Persuade the Nunavut Wildlife Management Board (NWMB) that QC's request for higher fishery quota/allocations is justified and beneficial to all.



Qikiqtaaluk Corporation (QC)

HIGHLIGHTS

- Inuit birthright corporation established in 1983
- 100% owned by the Qikiqtani Inuit Association (QIA)
- 30 companies (subsidiaries, joint-ventures, partnership and affiliated)
- More than 81% of the employees are Beneficiaries
- Represents 13 Communities across the Qikiqtani Region and over 14,000 Qikiqtanimuit

MISSION

- To create meaningful economic, employment and career development opportunities for Inuit.



Qikiqtaaluk Corporation (QC)

OUR CORPORATE VALUES

- To own and operate sound businesses that generate profit for today and wealth for tomorrow
- To develop people, create employment and career opportunities
- To contribute to community well-being and wealth generation
- To uphold Inuit values and protect the earth, air and water
- To participate successfully in the emerging global economy
- To foster a strong sense of pride in our businesses and our people



- ➡ **Subsidiaries 100% owned by QC**
- ➡ **Joint-Ventures Majority owned by QC**
- ➡ **Joint-Ventures < 51% owned by QC**
- ➡ **Affiliated**

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QC's Fisheries Division

HISTORY OF QC'S INVOLVEMENT IN THE FISHERY

- **1987:** Northern shrimp licence issued to the Baffin Region Inuit Association Licence - *now held by QC*
- Another licence was issued to Unaaq Fisheries and same year – *the licence is shared equally between QC and Makivik Corporation of Nunavik.*
- **TODAY:**
 - There are 17 northern shrimp licenses in the Canadian Northern Shrimp Fishery.
 - QC has 1.5 of these licenses or almost 9% of all the offshore shrimp in Canada.



QC's Fisheries Division

INITIAL USE OF ROYALTY CHARTER ARRANGEMENTS

- Common in the early inception of the fishery because access to capital and expertise was a barrier for many licence holders, including QC
- Royalties from offshore licences were invested in building QC's other lines of business and increase Inuit employment



QC's Fisheries Division

TAKING OWNERSHIP

- As its royalty charter arrangement was ending, QC decided to participate directly in the northern shrimp fishery and in 2004 purchased a 64 metre vessel and created the company Qikiqtaaluk Fisheries Corporation (QFC)
- In addition to its shrimp licences, QC also has 0A/0B turbot and shrimp allocations which it receives through the NWMB Access and Allocation process
- QFC fishes all of its fishable fish quotas, including shrimp and turbot, **secured by QC from Nunavut and Non-Nunavut allocation holders**



QC's Fisheries Division

MV Saputi

- Multi species mobile gear vessel; turbot and shrimp
- Built in 1987, and extended in 2012 from 64 metres to 76 metres
- Carrying capacity: turbot 900t or shrimp 600t
- Average daily production: turbot 35t or shrimp 50t

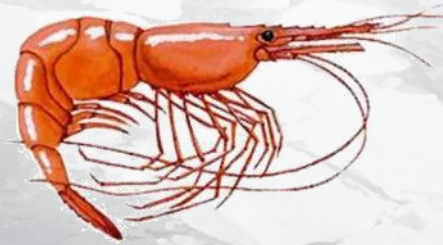




Commercial Fishery

QC participates in two distinctive commercial offshore fisheries:

- Northern Shrimp Fishery



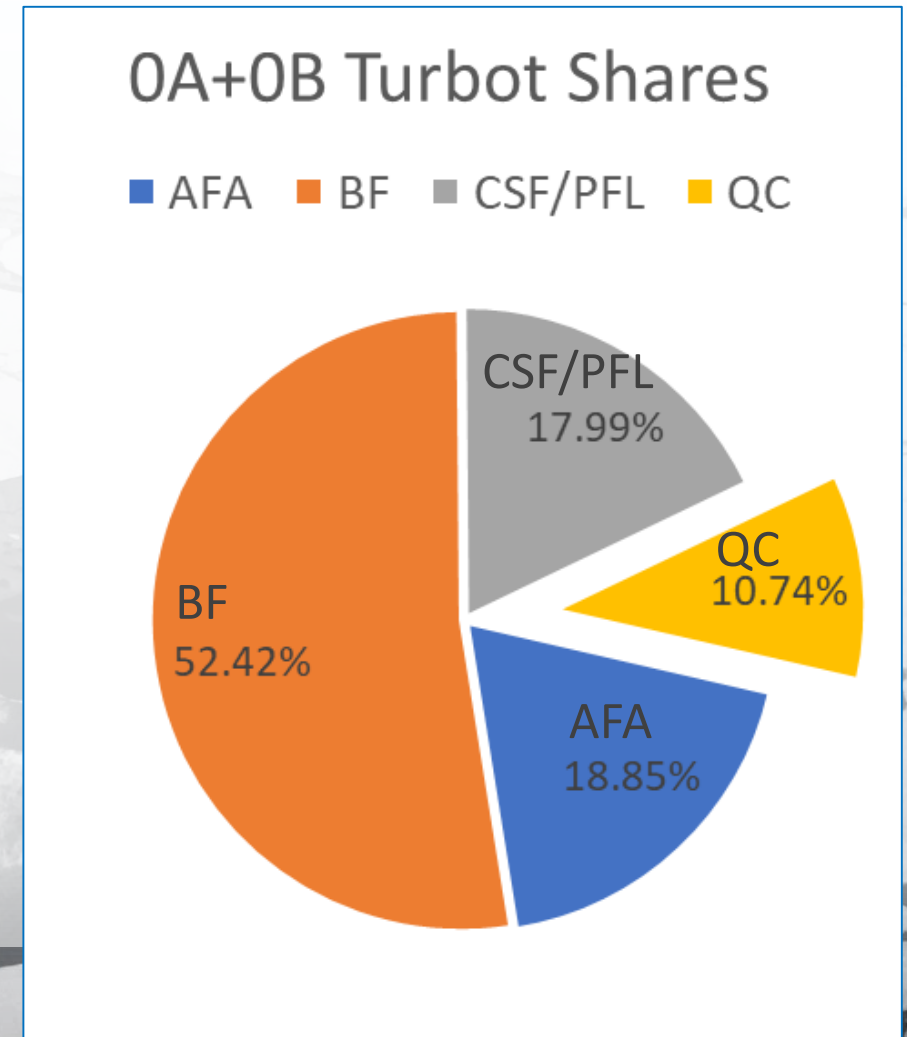
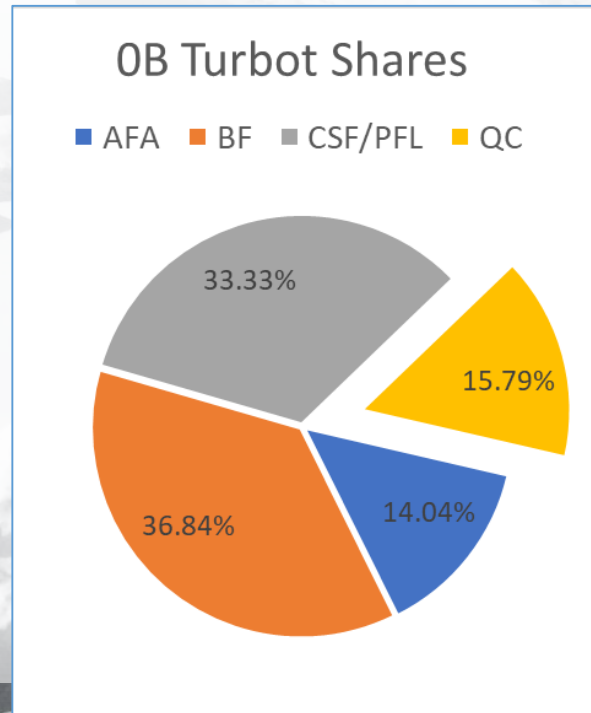
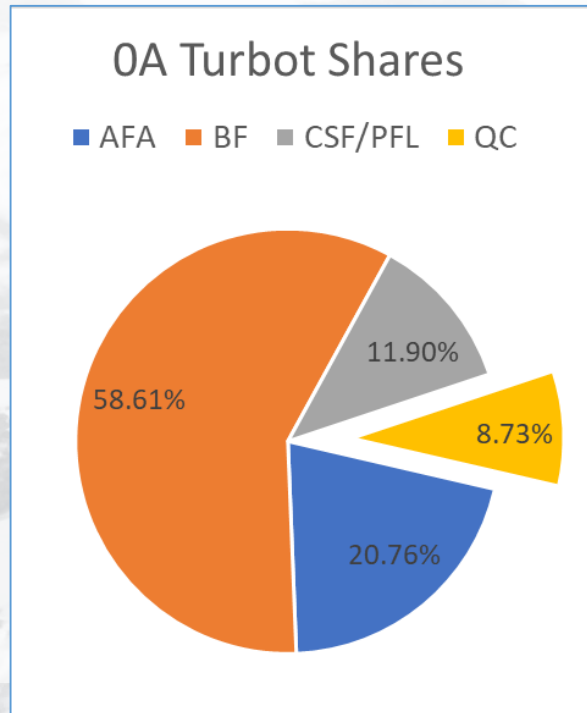
- Greenland Halibut (Turbot) Fishery





QC's Share of NU Allocations

GREENLAND HALIBUT (TURBOT):



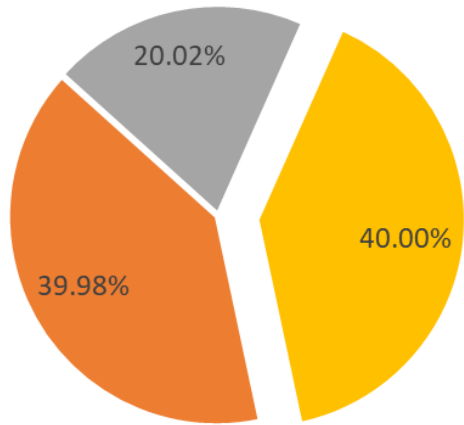


QC's Share of NU Allocations

SHRIMP:

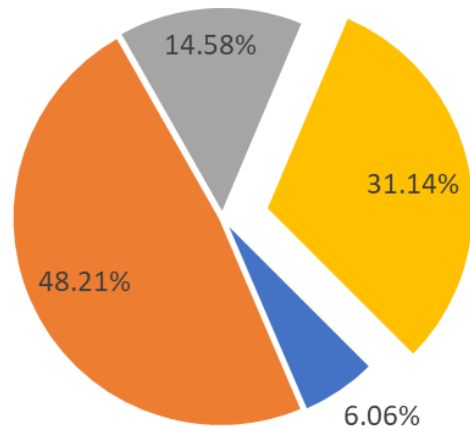
SFA 1 Shrimp Shares

■ AFA ■ BF ■ CSF/PFL ■ QC



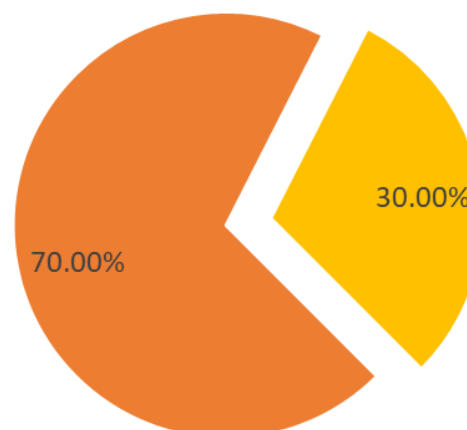
Davis Strait Shrimp Shares

■ AFA ■ BF ■ CSF/PFL ■ QC



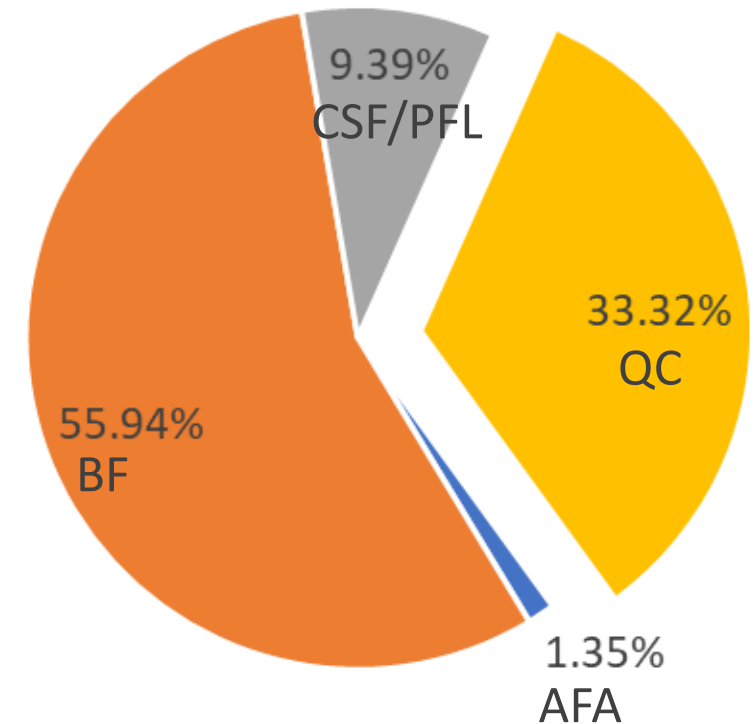
EAZ/WAZ Shrimp Shares

■ AFA ■ BF ■ CSF/PFL ■ QC



NU Shrimp Shares

■ AFA ■ BF ■ CSF/PFL ■ QC





QC's Share of NU Allocations

CHALLENGES

- Combined, QC has only 22.16% of Nunavut's total Greenland Halibut (Turbot) and Shrimp allocations as provided by the NWMB.
- Due to low NU allocations, especially for turbot, QC has had to lease quota from other NU and non-NU allocation holders to keep its vessel operational at its capacity
 - An average of over 50% of the turbot harvested by Saputi had to be leased
 - Prior to 2016, 25% of the shrimp harvested by Saputi had to be leased

CONSEQUENCES: Direct impact on

- QC's royalties and profitability
- Vessel viability; and
- QC's ability to meet its goal of maximizing benefits for Inuit from fishery



Use of QC's Fishery Returns

INVESTING WITHIN THE FISHERY

- Invested in the Saputi to maintain the vessel and improve its capacity and productivity
- Optimized Inuit employment on the vessel – highest share of Inuit employees of any NU operator
- Invested in training, science and research, MSC certification, and participation in industry organizations, either individually or with other NU operators, based on current share of allocations
- Plan future investments in vessel ownership/modernization and inshore fishery development for member communities



Use of QC's Fishery Returns

- **INVESTING WITHIN THE FISHERY (Cont'd)**

- Investment opportunities and benefits available to Inuit from the fishery industry are limited due to;

- Training and experience requirements

- *Less than 50% of vessel crew are Inuit*

- Lack of Maritime Infrastructure

- *With no landing ports in NU, unable to obtain other benefits from offloading, crew changes, resupply, and vessel servicing*

- Status of Research and Development

- *Inshore fisheries at an early stage of development, more science/research needed to confirm sustainability and potential*

- **Further to investing within the fishery, QC is investing in other areas, through its Group of Companies, to maximise benefits available to Inuit and local communities**



Use of QC's Fishery Returns

INVESTING IN OTHER AREAS TO MAXIMIZE BENEFITS

- Growing QC to a diversified company with investments in four major sectors:
 - Fisheries and Marine
 - Retail, Trades and Services
 - Transportation and Communication
 - Constructions and Major Projects
- Maximizing Inuit Employment
 - 360 of 443 employees (81%) are Inuit, earning \$7.5 M in salaries. Compared to 50% Inuit employment in the GN (March 2017) and even less in the fishery industry

Use of QC's Fishery Returns



BUILDING PARTNERSHIPS



Met Tower Installation, Sanikiluaq



Nunavut Media Arts Centre



Iqaluit – Wind Study



Sanikiluaq – Wind Study



Cape Dorset – Metal Clean Up



Use of QC's Fishery Returns

MAJOR PROJECTS UNDER DEVELOPMENT

DEVELOPMENT OF INUIT OWNED LAND PARCEL E (IQALUIT)



Nunavut Heritage Centre



Hotel and Conference Centre



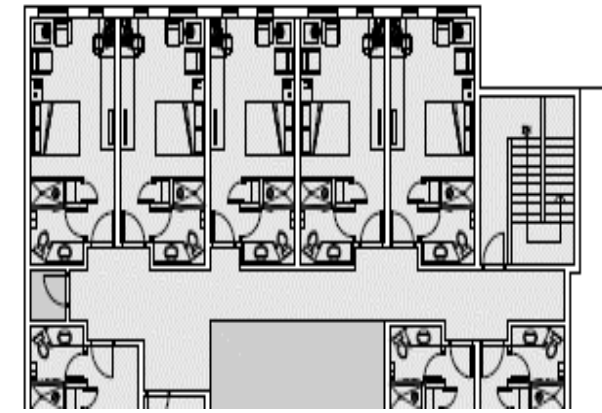
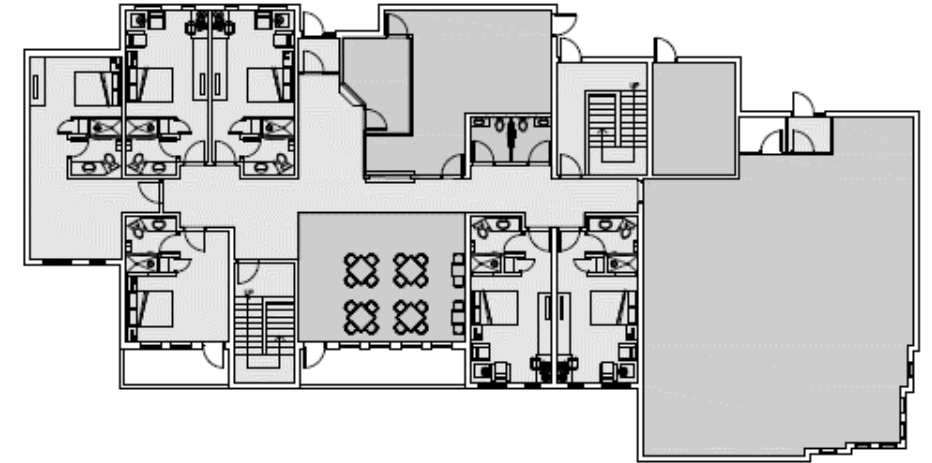
Emergency Services Building





Use of QC's Fishery Returns

GRISE FIORD LODGE & CULTURAL CENTER





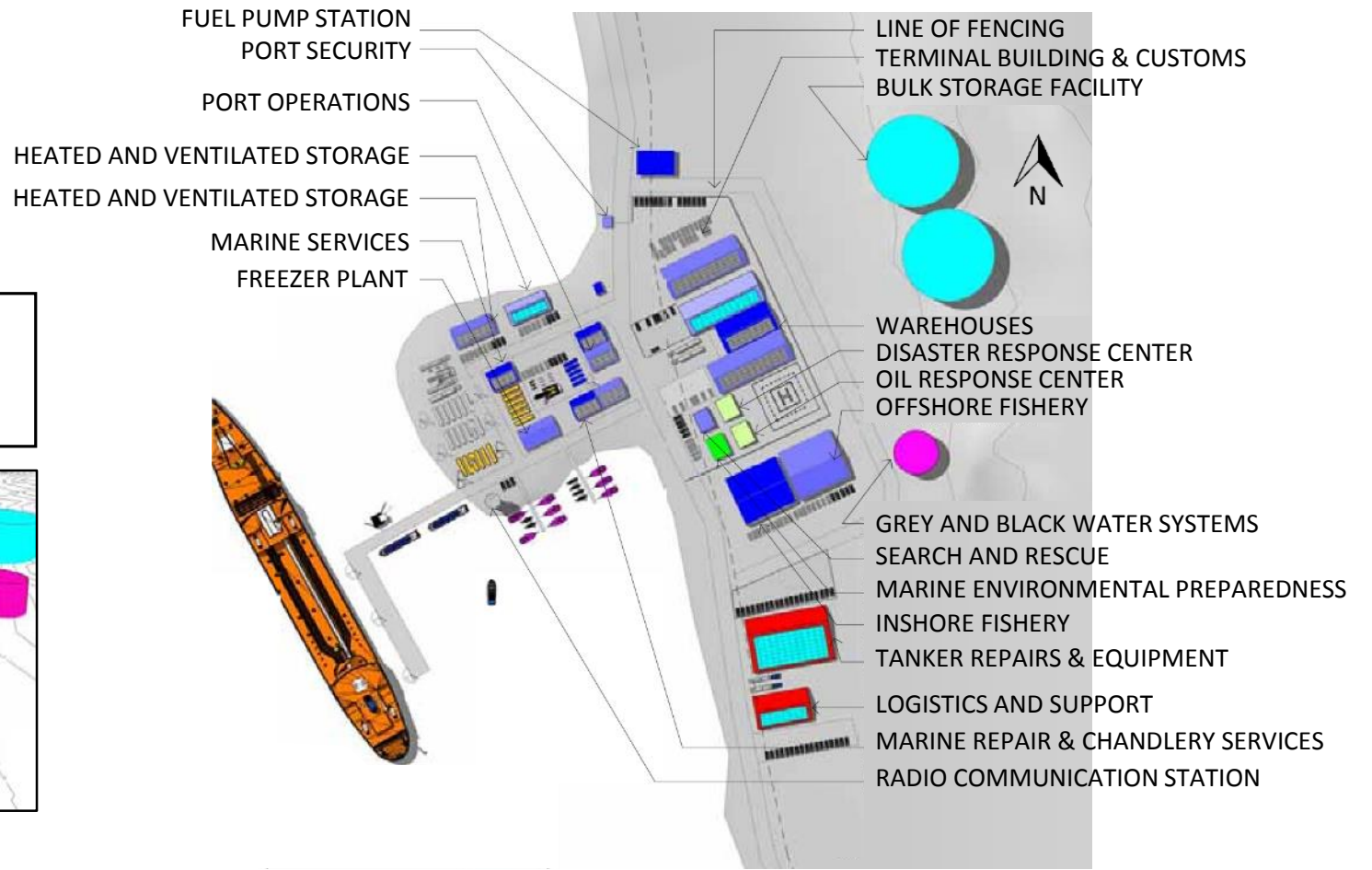
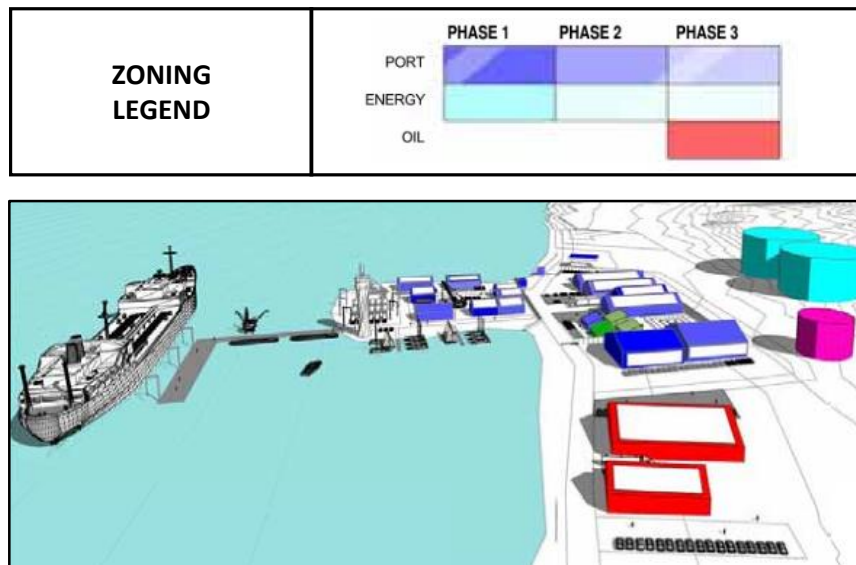
A DEEP WATER PORT IN QIKIQTARJUAQ, NU





Use of QC's Fishery Returns

QIKIQTARJUAQ DEEP WATER PORT





Use of QC's Fishery Returns

GIVING BACK TO MEMBER COMMUNITIES

- Annual dividends to QIA: **\$1,063,157** in 2016-2017 fiscal year.
- Sponsorships and charitable contributions to three key areas:
 - Cultural Development
 - Community Development
 - Youth Development

✓ Over \$600,000 contributed over last five years



Use of QC's Fishery Returns

MOVING FORWARD – FOCUS ON THE COMMUNITIES

Work with the communities to:

- Create Community Economic and Career Development Opportunities – Partnership, Investment and Innovation
- Economic Infrastructure – Land Development, Transportation, Communications & Renewable Energy
- Social Infrastructure – Cultural Facilities, Daycares, Medical Care Facilities
- Environmental Remediation – Legacy Contaminated Sites, Landfills, Solid Waste



QC's Concerns with the NWMB Process

- **The FAC and NWMB should recognize and take into consideration the contributions made by QC to the Nunavut economy overall, from the profit generated from its fishery quotas/allocations**
- **Majority of all past and current allocations is going to one allocation holder**
 - NWMB proclaimed from the start that it wanted four strong, economically viable entities in the Nunavut fishery.
 - Its recent decisions on allocations are in fact making it less viable for the other Nunavut allocation holders.
- **Emphasis on 100% vessel ownership – not at any cost**
- **Policies not being applied properly and creating overcapacity in the fishing industry**
 - Largest allocation holder being rewarded for adding capacity – not consistent with past policy implementation for QC



Conclusion

- QC is requesting a higher quota allocation, in line with the capacity of its vessel
- QC represents 13 communities and over 14,000 Qikiqtanimiut
- An increase of QC's share on NWMB administered quotas/allocations will be directly beneficial to Nunavut's economy and fishing industry



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QIKIQTAALUK CORPORATION

**NAKURMIK
THANK YOU**

**HARRY FLAHERTY
PRESIDENT, QIKIQTAALUK CORPORATION**