

One Home at a Time, One Business at a Time: Aboriginal HBBs the Foundation to Aboriginal Community Economic Development

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Home is where many Aboriginal communities begin and where many Aboriginal entrepreneurs step from to an office, retail front, mall, or manufacturing plant. Home is also where many Aboriginal communities begin building their economies... *One Home at a Time, One Business at a Time.*

Aboriginal people are in a wide range of home-based business. They are lawyers, accountants, management consultants, tour and guide outfitters, multimedia producers, interior designers, insurance brokers, fashion designers, manufacturers, consultants, and livestock breeders and marketers. They operate beds and breakfasts, day cares, tour and guide outfitting, retail ventures, and delivery services. Aboriginal people are also in some businesses, which many of us are not 'dying' to get into.

Pierre Bouvier owner of the **Ashcroft Lillooet Funeral Home**, finds that the funeral home business is where being at home makes a lot of sense and being a 'home body' certainly helps. This is a business where operating out of home is usual; in fact it is quite common in small communities. Pierre bought the business he worked at as the Funeral Director when his partner decided to retire. Pierre explains that as an HBB, *"The home image is very important. The expectations of consumers are even stronger for a funeral home. You have to look professional and be professional all the time."* Hospitality is number one in both his homes -- there is always someone visiting, but if he suggests you help yourself to anything in the fridge... beware.

Buying existing home-based businesses can help the entrepreneur get a head start. These opportunities don't always arise, and are even fewer in Aboriginal communities. So, the Aboriginal entrepreneur must take their

ideas, and turn their ideas into reality, which isn't easy if they are located on-reserve. The majority of Aboriginal communities in Canada are Indian Bands (605 Bands) located on Indian Reserves, which vary in size, resources, amenities, infrastructures, and governance. Essentially, Indian reserves are 'lands held in trust by the federal government for the use of Indians'. As this is the case, the question of jurisdiction adds to the complexity of business. For the on-reserve home-based business some of the most prevalent challenges are jurisdiction, bylaws and zoning, taxes, the Indian Act, finance, and social and infrastructure.

Being an HBB lawyer at the **Musquem Indian Band** in Vancouver, BC, **Grant Christoff**, needs to know jurisdiction, legal and insurance requirements. The Law Society places a lot of requirements on how lawyers practice. *"You must be accountable in every aspect to your client - administrative, maintaining files, etc."* This applies to all law practices regardless of where they operate. Often on-reserve businesses are confused with jurisdiction issues as they apply to reserve. As such, many HBBs operate void of legal, jurisdictional, and safety knowledge. Grant comments *"On-reserve business is becoming very complex. People should consult an accountant or lawyer who specializes in these areas."* He further suggests, *"You also need to consider insurance such as property, casual, and business interruption insurance."* Being on-reserve doesn't shelter the Indian entrepreneur from accidents.

As in any municipality, the local government creates bylaws and zoning. This is the same for Indian Reserves except there are more steps to reserve development. Environmental assessments, studies, Band

Council Resolutions (BCR), and Band votes are required. As a result, of the steps and questions of jurisdiction and control are left unanswered, many reserves do not have zoning or business bylaws. This is both an advantage and a challenge. The advantage is the flexibility the entrepreneur has in starting almost any business from home with few development restrictions. On the other hand, challenges of maintaining quality of life and a positive business image exist when controls do not.

The **Kamloops** and **Westbank Indian Bands** in British Columbia are two Bands, however, that have bylaws for taxation, land use, and business. *“The Kamloops Indian Band began issuing business licenses,”* states **Chief Manny Jules**, *“to regulate the types of business located on-reserve. It also means the Band can provide better service to the community, and create a mechanism that encourages Aboriginal economic development and employment.”* With the business license, an Aboriginal owned business could also clearly prove to Revenue Canada the on-reserve situs of the business and thereby strengthen any tax benefits.

Tax benefits exist for registered Indians only under specific circumstances defined by the Indian Act, and interpreted by the law and Revenue Canada. It is not a clear cut and dry case. The 1995 case of **Glen Williams vs Queen**, redefined how Indian personal tax would be evaluated and this is still being clarified. Using ‘connecting factors’ to reserve, Revenue Canada evaluates case-by-case on the basis of ‘connecting factors’ and the amount of work done. **Mr. Yi** an Income Tax Specialist for **Revenue Canada Vancouver** explains, *“Every time there is a court case, interpretation is affected. A Ruling is the only way to be certain if there is any doubt. Rulings are binding.”*

Interpretation continues to change as the **Indian Act** (which governs Canadian Indians, their lands, and their resources) is being

reviewed with amendments pending. Two key sections of the Act, which will certainly change, are Section 87, which outlines tax exemption, and Section 89, which restricts mortgages, seizure, etc., of on-reserve properties. Some may see these sections as beneficial to Indians, but the Indian who discovers their home and business on-reserve is not available as collateral or has little value because non-Band members cannot own but only lease property, doesn’t see it as such.

Not only do these two sections affect doing business on-reserve, but also S.89 more specifically deters financing of on-reserve businesses for reasons of security. The instrument lenders use to gain access to security on-reserve is the BCR. It is the only legal instrument the federal government recognizes and banks can use to secure loans on-reserve. However, acquiring a BCR may present a barrier to a perspective entrepreneur that is not from the Band they live on, or if the Band Council’s next meeting doesn’t coincide with the business planning schedule.

Aboriginal Capital Corporations (ACC) such as the **All Nations Trust Company** of Kamloops, BC, and the **Two Rivers Community Development Centre (TRCDC)** of Ohsweken, ON, are lenders for Aboriginals. Owned by Aboriginals, they are designed to better understand the needs and challenges of the Aboriginal client. **Louis Staats**, President of TRCDC, comments *“We don’t consider S.89 as a barrier. We know it exists. Instead, we analyze the loan from a business perspective.”*

In the meantime, many chartered banks are seeking ways to remove the security barrier and other systemic barriers. The **Royal Bank of Canada**, the **CIBC**, **Bank of Montreal**, **TD Bank**, and **Bank of Nova Scotia** have developed programming for doing business with Aboriginals. The **Royal Bank** and **CIBC** launched internal cross-cultural awareness training and are both preparing form packages for Indian loans. The **CIBC**

also recently launched the **Small Business Job Creation Loan Fund** to *'reduce the cost of borrowing for small business in the crucial first year of the loan.'*

Aboriginal HBBs welcome chartered banks' participation in on-reserve financing. Without their assistance, **Dale Larry**, owner of **Dale's Bridal & Supplies** of Eel Ground Reserve near Miramichi, NB may not have opened her business in time for the high season of the wedding industry. Once she decided she was going to start the boutique, her husband was right behind her. Dale applied for a personal loan with the support of her husband, and a year later, her business is expanding and includes customers from the Miramichi, Fredericton, and Moncton regions.

Social, infrastructure, and cultural issues also pose challenges to the on-reserve business. Many Aboriginal communities are remote or isolated, with limited resources and infrastructure. A limited number of telephone lines or party lines may mean the home-based business is unable to have an answering machine, or access to the Internet. Transportation to the community may also be limited. The community of **Bella Bella / Waglisla** in the Queen Charlotte Islands of BC has two modes of transportation in - boat and

plane. This means, markets are limited and so are the resources. **Frank and Kathy Brown**, owners of **See-Quest Adventures** an outdoor cultural interpretive adventure, recognize and respect the culture and sharing of resources. In the business planning stage, an archaeological assessment was conducted. Therefore, sharing resources, planning ahead, and creative solutions are needed. Frank expressed, *"Much is shared in the community, especially interpretive resources."* The community's VHF radio is for community messages and also acts an advertising vehicle for entrepreneurs. During my telephone interview you could hear someone selling Chinese food over the VHF. *"There were barriers at the beginning,"* Frank mentioned, *"but, we have been able to overcome them by showing commitment and practising due diligence."*

Despite the facts there are many issues, which afflict Aboriginal communities in their achievement of economic, political and social goals, many Aboriginal entrepreneurs have found ways to overcome these challenges and help Aboriginal communities build their economies. These communities are being built... *One home at a time, One business at a time.*

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