

## COMMUNITY PERSPECTIVES ON THE BC COASTAL FOREST INDUSTRY

TLA Editorial

Most of BC's coastal communities feel the forest industry is in worse shape today than it was a decade ago. And community leaders are less optimistic about the future. They are concerned about job loss and the economic impact that it's having on coastal towns and cities.

Those and other key findings are from an innovative study the TLA recently undertook to explore our coastal leaders' perspective on forestry and measure the pulse of our coastal communities. A follow up to our 2004 survey, which

was the first of its kind, to gather opinions related to the changing forest industry from leaders in the communities where TLA members live and work. The two surveys have enabled us to benchmark changes in attitude and expectation from over a decade ago in a report, *Community Perspectives on the BC Coastal Forest Industry*.

When we conducted our 2004 survey, there was a strong sense of optimism about the future. The community leaders we reached out to at that time hoped changes in forest practices and

policy would help transform a flagging forest industry. However, our current survey found optimism has faded in our coastal communities. Eighty-eight per cent of community leaders surveyed were optimistic about the future of forestry in 2004 compared to only 56 per cent today.

About a dozen years ago, the BC forest industry was about to undergo a massive restructuring, detailed in the province's 2003 Forestry Revitalization Plan, which came about following the industry's steady decline that began in the

1980s. The forest industry had reached a crisis point, blamed on a number of challenges—some of which are still in play today. These include the softwood lumber's countervailing and anti-dumping duties, loss of market share in Japan, the continued decline of the allowable annual cut, increases in the cost of production, pressure from environmental groups, lack of capital investment and uncertainty created by unresolved land claims with First Nations. Many were optimistic the industry restructuring would bring solutions and opportunities for coastal communities.

Since then, the world weathered one of the worst global financial crises in history, which the BC forest sector continues to recover from. And the industry has faced new challenges from the collapse of the US housing market to the mountain pine beetle epidemic and a landmark conservation agreement affecting land use in the Great Bear Rainforest. At the same time, the industry has benefited from market diversification over the last decade with the stellar rise of China as a dominant new market. But BC's shrinking forest industry has seen a transformation resulting in tenure consolidations, mill closures, and timber harvesting contractors and forestry-related businesses closing their doors. Through this period of unprecedented change, the provincial economy diversified yet many small rural coastal communities remain heavily dependent on the forest industry and are vulnerable to its downturns.

In 2004, the number one concern voiced by community leaders was job loss in their communities and today this remains a major concern. The leaders who responded to our survey are quick to acknowledge the importance of forestry to their local economies and some see a recent market recovery in the coastal forest industry bringing hope back to their communities.

Communities such as Campbell River are seeing the beginning of a renewal of the coastal forest industry, aided by newfound certainty created by land use decisions that determine allowable annual cuts and provide clarity for planning and harvesting activities. As opportunity shifts in industries outside of the province, people who were once commuting long distance are returning home to work. Optimism is

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emerging here because there is an underlying sense that the forest industry “is on the right track.”

“We are the centre of the coastal forest sector, so Campbell River certainly has been adversely impacted by the [decline of] the forest industry over the past decade—severely, with the loss of the TimberWest sawmill and the Catalyst pulp mill,” explained Andy Adams, Mayor of Campbell River. “We see that starting to come back and we’re certainly welcoming it.”

Nevertheless, it’s clear policy changes from 2003 have not, for the most part, yielded as much of a positive impact on our coastal communities as expected. The TLA’s study found that 62 per cent of community leaders surveyed feel that the forest industry is in worse shape today than it was a decade ago. This finding is virtually unchanged from our last survey when 60 per cent of community leaders felt the forest industry was in worse shape.

“We’ve seen contractors go out of business in Powell River,” said Mayor Dave Formosa. “First, you see job loss. These contractors are huge, great community supporters. When they’re gone

you don’t see that support for your hockey teams, your baseball teams, your cultural events, your political events, your drives that you’re doing to help community members. It leaves a big hole in the community.”

The TLA agrees that tenure consolidation has impacted the coastal forest industry negatively. However, the gradual erosion of Bill 13 is another serious culprit that has caused many contractors to go out of business at the expense of the communities they support.

The solution lies in leveling the playing field by updating Bill 13 so that forestry companies will have a secure, stable and safety trained contractor workforce to support their supply chain. With this, communities could feel confident that local timber harvesting contractors—who support the community and employ local people—will have security of work to sustain a stable economy. Furthermore, a review of forest tenure and its narrow control should be examined.

One of the biggest concerns community leaders had when we talked to them over a decade ago was the lack of local manufacturing in their communities and, regrettably, this hasn’t changed.

Mayors continue to be frustrated by BC’s inability to compete with other regions and other countries in manufacturing and with the lack of local mills capable of efficiently utilizing the harvest while recognizing the true value of our fibre.

As in the past, log exports remain a hot topic in British Columbia. The community leaders we surveyed show guarded support for log exports with 62 per cent supporting them today as compared to 60 per cent in 2004. Many see the logs leaving their communities as a missed opportunity.

Even though only a small number of community leaders surveyed specifically oppose log exports, it remains a complicated and sensitive issue. Many mayors reluctantly recognize that log exports bring greater employment stability to the extremely cyclical, commodity-based forest products industry and contribute to community stability through these difficult cycles. For the majority of mayors the goal is to ensure an appropriate balance between domestic manufacturing and log exports.

Campbell River identifies a significant difference between rural and urban communities in their understanding of

## Advertiser Index:

	Page #		Page #		Page #
A&A Trading Ltd.	4	Kineshanko Logging Ltd.	51	Woodland Equipment Ltd.	
BC Forest Safety Council	16	Langley Excavator Parts Exchange	52	- Peterson	12
Benwest Logging	15	Marine Link Transportation Group	41	Woodland Equipment Ltd.	
Brandt Tractor Ltd.	9	Miller Thomson, LLP	39	- Tractionline	30
Brutus Truck Bodies	45	Nootka Sound Timber Co. Ltd.	47	WorkSafeBC	21
Canadian Western Bank	39	North Island Communications	20		
Cannon Bar Works Ltd.	44	Pacific Blue Cross	4		
Catalys Lubricants	40	Petro-Canada / Coastal Mountain Fuels	35		
CIBC Wood Gundy	45	Pierce Pacific Manufacturing	51		
Coastal Camp Solutions /		Probyn Log Ltd.	40		
Ole’s Hakai Pass	38	Sladey Timber Ltd.	52		
Demo International /		V.I. Equipment Ltd.	52		
Canadian Woodlands Forum	25	Vernon Atrium Hotel And			
Finning	6&52	Conference Centre	52		
Globalstar Canada	52&55	W.D. Moore Logging Co. Ltd.	52		
Inland Group -Tigercat	2	Wajax Equipment -Hitachi	32		
International Machinery Sales	38	Waratah Distribution	56		
IOS Enterprises	43	West Coast Tug & Barge	20		
Island Pacific Equipment Ltd.		Westcoast Resorts / Taan Forest	49		
-Remote Operated Bulldozer	29	Westerra Equipment - Doosan	11		
Island Spring Ltd.	47	Westerra Equipment - Vermeer	48		
Jardine Lloyd Thompson	14&52	Woodland Equipment Ltd. - Gehl	27		
Johnstone’s Benefits	41	Woodland Equipment Ltd. - Hyundai	19		

the importance of the forest industry to our province. Mayor Adams pointed out, “The larger urban centres are indirectly benefiting from the resource around the province, but they don’t live it, feel it, breathe it, on an everyday basis like we do in Campbell River and other forest sector related communities.” On the other hand, not all urban communities are alike; as a port, The Corporation of Delta is quick to recognize the value of the forest industry on both a local and provincial level.

Interestingly, there is even stronger support now for the working forest with 86 per cent of community leaders supporting the concept compared to 80 per cent in 2004. In a province rich in natural resources this support from community leaders acknowledges the important role forestry plays in our communities, but also recognizes that the multi-use of our forests “leads to a more diversified economy.”

There is also strong support for First Nations involvement in the coastal forest sector, which has generated new opportunity in business and employment. Since our 2004 survey, the province has

redistributed approximately 10 per cent of the allowable annual cut to First Nations communities as a step towards economic integration and development in the forest industry. Mayor Hank Bood of Port Hardy remarked, “First Nations manage the resource and hire locally, which is a big plus.”

Additionally, community leaders continue to recognize the need to improve the image of the forest industry in order to attract young people to fill the projected 4,700 job openings in the coastal industry between now and 2022.

“Most young people believe there is no career in forestry,” commented Mayor Bill McKay of Nanaimo, “but those who have joined the industry are astonished at what a good life they can create for their families and themselves. That story needs to get out!”

There is consensus that more needs to be done. People in coastal communities, both rural and urban, need to have a better understanding of the sustainability of the coastal forest industry, stewardship practices and the benefits it offers to all British Columbians.

Our survey indicates community

leaders are frequently unsure of the province’s efforts to improve forest practices and policies and even when they are aware they often have difficulty being heard. With community prosperity and that of TLA member companies’ often going hand-in-hand, the TLA believes these voices should be heard and are committed to fostering dialogue on the critical issues that face communities and threaten the sustainability of the timber harvesting sector.

By acting as a vital link between communities and the province and providing hands-on advice to government, industry and community leaders, the TLA is helping to create workable solutions that address the challenges facing today’s forest industry.▲

To view the full report, visit our website at [www.tla.ca/Perspectives](http://www.tla.ca/Perspectives).

## Response from Minister Thomson: Community Perspectives on the BC Coastal Forest Industry

I read with interest the results of the TLA’s survey, *Community Perspectives on the BC Coastal Forest Industry*. I want to thank the TLA for undertaking this important work and I also want to thank the 27 communities that participated in the survey and shared their views.

Overall, the survey results provide valuable insights. However, it is disappointing to read that only 56% of community leaders are optimistic about the future of the forestry industry, compared to 88% in 2004. I think this finding reflects the challenges the industry has faced since then, including the US housing market crash, the global economic depression and, unfortunately, many mill closures.

There is no doubt that the forest sector is smaller today than it was in 2004, but BC’s economy is more diversified today and experiencing growth in other sectors. We have seen a gradual recovery from the 2007-09 economic downturn and the forest sector has continued to grow each year.

I was disappointed to read that confidence in BC’s forest stewardship has dropped, which indicates that we need to do a better job of sharing our strong environmental record with TLA members. Since 2004, as the survey noted, the number of protected areas has increased. The most significant changes on the coast are related to parks, conservancies and biodiversity, mining and tourism areas in

the Great Bear Rainforest. The landmark agreement now clearly differentiates between protected area and working forest in that region.

Forest Practices Board audits and investigations consistently show compliance rates of over 95%. As well, 52 million hectares of BC’s landbase are certified to one of the three independent and internationally recognized standards for sustainable forest management. The ministry’s Forest and Range Evaluation Program monitors and conducts effectiveness evaluations of how forestry operators are meeting government’s objectives for each of the 11 different resource values identified under the *Forest and Range Practices Act* and regulations.

I believe that BC’s coastal forest sector has a bright future. We’re currently working on a forest competitiveness agenda that highlights the importance of healthy, resilient forests and a diverse, globally competitive industry that supports communities and First Nations. I look forward to discussing all these important topics with you at the UBCM convention.

BC produces great products that the world clamours to buy. A strong forest economy supports strong coastal communities, so we sustainably manage our forests to ensure that current and future generations can enjoy all the benefits they bring.