FOREST SECTOR FACTS: CAMPBELL RIVER AREA

ON THE NORTH ISLAND, THOUSANDS OF GOOD FOREST SECTOR JOBS HAVE DISAPPEARED.

- The loss of forest industry jobs is particularly hard on BC communities because these jobs provide high value for the economy and good incomes for families\(^1\). The average income for workers in forest-based industries is 12% higher than the average for all other industries\(^2\).

- The North Island has been especially hard hit because of its dependence on the forest industry. In 2006, almost one-quarter of all income in the Campbell River area came from the forest sector. Communities north of Campbell River rely even more heavily on forestry, with the industry accounting for nearly one-third of all local income in 2006\(^3\).

- A decade ago, 24,600 people were employed in the forest sector in the Vancouver Island/ Coast region. By 2009, the number of people employed had declined to just 8,900. Overall, more than 15,000 jobs have disappeared, representing a 65% decrease in the number of people working in the industry.

- The sector has declined as a major employer on the Island. Forestry accounted for 7.5% of total employment in the region in 2000, but represented just 2.3% of all jobs in 2009\(^4\).

ALONG WITH JOB LOSSES, REVENUE TO GOVERNMENTS (BOTH PROVINCIAL AND MUNICIPAL) IS DOWN, REDUCING THE RESOURCES AVAILABLE TO PROVIDE IMPORTANT PUBLIC SERVICES.

- Several local municipalities have been hit with an industrial tax revolt and intense pressure to reduce property taxes for major industry. For example, in 2009 Catalyst Paper did not pay its taxes in four coastal BC communities (Campbell River, Port Alberni, North Cowichan, and Powell River). Eventually these tax bills were paid, but in the meantime, all the municipalities agreed to reduce taxes for major industry. In Campbell River in 2010, taxes for major industry were reduced by $500,000\(^5\).

- In addition to reducing taxes for industry players that are still operating, other mills have permanently closed, leaving local governments on the North Island facing a seriously eroded industrial tax base. For example, in Campbell River, if tax rates remain the same as 2010, the closure of Catalyst's Elk Falls operation will leave a $1.4 million shortfall in the city's 2011 budget\(^6\). As a result, communities must make tough choices between service reductions and tax increases for residents and/or small businesses.

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\(^6\) City of Campbell River, *Financial Plan Frequently Asked Questions*, 2011,
With the collapse of the forest industry, stumpage revenues to the provincial government from the use of our forests have similarly collapsed. In 2000-01, forests generated $1.34 billion in revenue for the provincial government. In 2009-10, however, the government collected just $387 million.

**Provincial Revenue from Forests, 2000-01 to 2009-10, in $ billions**


**ON THE NORTH ISLAND, MANY RESIDENTS ARE CONCERNED ABOUT PROTECTING REMAINING OLD GROWTH FORESTs AND SENSITIVE ECOSYSTEMS.**

- Significant proportions of productive and accessible old growth forests on Vancouver Island have already been logged. According to the Western Canada Wilderness Committee, more than 70% of the Island's original productive old growth forests have been logged.⁷

- The Coastal Douglas-fir biogeoclimatic zone is particularly vulnerable. In Coastal Douglas-fir zones logging, agriculture and urban development have reduced the proportion of old-growth forests (over 250 years old) to just 4% of these zones⁸, and very little (1%) of Vancouver Island's original Coastal Douglas-fir forests are protected in parks.⁹

- Overall, there is a lack of good regional and provincial information to support a clear understanding of the state of the Island’s ecosystems. A recent Ministry of Forests report acknowledges that “threatened plant communities and sensitive ecosystems, including forests, are not well documented.”¹⁰

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Since 2001, significant cuts have been made to BC’s Forest Service across the province and in the Campbell River area, reducing the organization’s capacity to effectively manage the area’s forest resources.

- Between 2001 and 2004, over 1,000 positions have been eliminated from the Ministry of Forests and Range, including an additional 245 layoffs last year. Key areas like inventory, research, and compliance and enforcement have seen significant reductions in staffing levels. Layoffs of administrative workers have added to workloads for professional staff.

- On October 25th, 2010, the government announced a massive reorganization of the ‘dirt’ ministries, and created a new agency called the Ministry of Natural Resource Operations. In the Ministry of Forests, policy and operations have been separated, with operations being moved to the MNRO. Public servants are working hard to manage this ongoing organizational change, and a number of commentators have questioned the wisdom of separating the ministry’s policy and operational functions.

- Locally, in 2003 the full service Mid-Coast district office in Hagensborg (Bella Coola) was reduced to a bare bones field office, employing just two people, and staff cuts were made in Port McNeill's district office at the same time. The Mid-Coast and North Coast forest districts were amalgamated, with fewer staff to cover the vast area of the new district.

- In 2010, another eight positions were cut from the Campbell River and North Island-Central Coast districts. Just as the industry is beginning to recover, these layoffs have reduced Ministry staff in the area by an additional seven percent.

### Table 1: Ministry of Forests & Range Offices* and Job Losses in the Campbell River Area

<table>
<thead>
<tr>
<th>Forest District</th>
<th>Location</th>
<th>Forest Service Offices</th>
<th>Jobs Lost**</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2001-04 2009-10 Total</td>
</tr>
<tr>
<td>Campbell River</td>
<td>Campbell River</td>
<td>District office North Island/ Mid Coast Fire Zone (Quinsam base) Provincial Air Tanker Centre</td>
<td>13 3 16</td>
</tr>
<tr>
<td>North Island-Central Coast</td>
<td>Port McNeill</td>
<td>District Office</td>
<td>9 5 14</td>
</tr>
<tr>
<td></td>
<td>Bella Coola</td>
<td>Field Office (former district office) Fire Zone Forward Attack Base</td>
<td>18 18</td>
</tr>
<tr>
<td><strong>Total Staff Cuts</strong></td>
<td></td>
<td></td>
<td>40/800 (5%) 8/245 (3%) 48/1,006 (5%)</td>
</tr>
</tbody>
</table>

*The offices listed are of the former Ministry of Forests & Range, and are thus only current to October, 2010. Changes have occurred since the reorganization, although no additional offices have been closed or jobs lost as of yet.

**Jobs lost reflect the number individuals that were laid off and unable to find work elsewhere in the Forest Service or government. Thus, the number of positions that were eliminated in each community may actually be higher.

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13 Ben Parfitt, Axed (Author’s unpublished calculations).
**WHAT THE CUTS MEAN:**

**Fewer ‘eyes and ears’ in the forest.**
- Fewer staff, smaller budgets, and office closures mean public servants can’t spend as much time out in the field.

**Reduced capacity for effective compliance and enforcement.**
- Between 2000-01 and 2003-04, the number of field inspections conducted by the Ministry’s C&E staff declined by almost one-half.
- Despite legislation in 2004 that placed more emphasis on compliance and enforcement, the number of inspections and actions have not increased. Rather, 2008-09 saw the smallest number of inspections by C&E staff in a decade.
- The elimination of 22 more C&E positions in the last round of cuts will further erode the ability of the MOF to conduct inspections and ensure that forest companies are complying with regulations.

**Reduced confidence that we are getting fair value for our forest resources.**
- Since the 1980s, the government has relied on industry to measure their own timber for the purpose of calculating the stumpage fees due to the province, and used government scalers to conduct regular checks to keep forest companies honest.
- Since 2001, cuts to scaling staff have reduced the Forest Service’s capacity to verify industry scales, increasing the likelihood that the public could be shortchanged, and much needed public revenue lost.

**Lack of timely and reliable data for critical forest management decisions.**
- Information from forest inventories provides the base for all planning and forest management decisions (including setting the annual allowable cut and determining reforestation needs), and supports sustainable forest management practices.
- However, cuts to the MOF’s forest inventory program, which began in the 1990s and accelerated since 2001, have meant that forest inventories are missing, inadequate, or badly out-of-date in many areas of the province.

**Limited ability to respond effectively to critical forest management challenges.**
- BC faces the challenge of addressing the impacts of climate change (including the mountain pine beetle attack, changing ecosystems and increased forest fire risk), and the need to reforest large areas of damaged or previously logged forests.
- Given significant staff and budget cuts, the current Forest Service may not be capable of formulating and implementing effective responses to these challenges.

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