

Development of a Comprehensive Forestry Strategy for Haida Gwaii

Summary of 2013 Discussion Paper

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1. Introduction

In 2013, the Haida Gwaii Management Council (HGMC) commissioned a Background Discussion Paper entitled “Development of a Comprehensive Forestry Strategy for Haida Gwaii”. That Paper identifies significant challenges facing island communities, including declining populations, shrinking businesses, reduced local employment and fewer opportunities for island youth. There are significant challenges ahead in our forests. The Paper also points out that Haida Gwaii has many strengths and the forest resources are high quality. There are opportunities to address the challenges, to implement actions and changes to improve local economic development, diversity the use of the forest and benefit island communities and residents.

The Paper recommends the development of a comprehensive strategy that will deliver more economic and social benefits on the islands from the forests. A strategy requires collaboration, and participation of local stakeholders. No single player acting alone – company, community or government – is big enough to address the challenges we face or to implement actions. We need to work together in a focused, collaborative “one-Island” or “Haida Gwaii Inc.” approach to developing a forestry strategy.

This short version of that Discussion Paper is presented to generate discussion and stimulate ideas.

2. Background

Managing forests requires both protecting environmental and cultural values and providing economic and social benefits to the communities that depend on the forests. On Haida Gwaii, much has been accomplished in recent years to protect the environmental and cultural values in the forests for future generations. However, much remains to be done to provide economic benefits and employment, to sustain stable and healthy communities, to diversify use of forest resources, and to create a future for Islands’ youth. The social and economic targets that local communities established in past planning exercises are still far from realization, and may now be even more distant than they were decades ago. There is little to suggest that the current operational forestry model will actually deliver the desired benefits from the forests to the Islands communities. In order to meet these economic and social objectives, it will be necessary to generate more local employment and more local economic benefits from the use of fewer timber resources, to develop new and innovative ways to use a wider variety of the forest resources, and to plan now for major changes that are coming.

A Comprehensive Forestry Strategy for Haida Gwaii will address the various reasons that forestry activities have not supported local economic growth or local employment in recent years, and will identify short-term and long-term actions that can be implemented to support a

healthy forest-based economy that sustains successful businesses and delivers ample social and economic benefits to the communities of Haida Gwaii.

3. Challenges

The challenges facing the communities and the forests of Haida Gwaii are numerous and diverse; some are seemingly insurmountable right now, while others may appear to have simple solutions that have not been implemented for one reason or another. The following is a short summary of short-term and long-term challenges.

3.1 Short-term Challenges

3.1.1 Declining Population and Changing Demographics.

There has been a dramatic decline in the population on Haida Gwaii over the last 20 years. In 1996, the population on the Islands was determined to be 5,829; in 2014, the population was estimated to be 4,342, a decline of 25.5% (almost 1500 people) in 18 years.

These population decline is magnified in the youth and working-age groups. From 1996 to 2014 the population in the 0-18 age group fell from 1716 to 945, a decline of 45% over 18 years. Haida Gwaii's core labour pool of people aged 25-54 also saw a decrease from 3003 to 1747 over the same time period, a decline of 42%. Conversely, the number of residents aged 60 or older has more than doubled since 1996, growing from 458 to 1026 in 2014.

These significant declines in the young and working-age populations represent a loss of families from the Islands communities, and a loss of many services, support businesses and organizations that support local facilities, the tax base and island life in many ways.

The population changes are most noticeable in school enrollments. Enrollment in SD 50 has declined by about 40% in the last 10 years from about 1000 to only 600 students. This rate of decline is much higher than the province as a whole, and SD 50 has been one of the five fastest declining districts in the province over the last 10 years. The decline is greatest in the elementary school and kindergarten age groups.

3.1.2 Changes in Local Employment

Many of the working age people who left Haida Gwaii over this period with their families were skilled workers who used to be employed in the forest industry – layout engineers, scalers, silviculture workers, mechanics, fallers, truck drivers, and equipment operators. As the industry continues to change, local contractors report that it has become very difficult to find local skilled workers to work in the forest, which constrains their ability to complete jobs. Local workers report it is difficult to find employment with the off-island contractors and consultants who have replaced the former locally-based employees. The off-island contractors and consultants come with existing employees already living elsewhere.

A key component of this problem is that Haida Gwaii has a relatively unskilled workforce. The Haida Gwaii Labour Market Project states that, “while expansion of employment is expected in the forestry and tourism industries, the jobs that will be available will be of the higher skilled

variety such as machine operators, mechanics and those that require strong customer service skills”. This sourcing of employees from off-island locations has been a strong pattern for the last several years in many aspects of forestry, from layout staff, silviculture workers to machine operators, and supervisors. Providing training and skills in the communities is important to generate local employment but remains a big challenge.

A second component is that some licensees began structuring their contracting opportunities in ways that are more appealing to the larger off-island businesses that have access to a larger workforce and much more work over a larger geographical area. Thus, contracts are being provided as larger jobs completed over shorter time frames to make the movement of people and equipment to the Islands from elsewhere on a temporary basis more efficient. This further disadvantages local businesses, who would prefer to work over a longer time in secure contracts to allow them to rebuild the capacity that they have lost and create a stable base of local employment. Without some assurance of job stability and security over a period of years, contractors and workers who left the Islands are unwilling to return to work for local businesses, and newcomers are reluctant to move here.

These population and workforce trends are a major concern for all communities, governments, businesses, and individuals in the forestry sector. The demographic changes can become a dangerous spiral; as jobs are lost and communities shrink, businesses struggle, and more jobs disappear, causing further population decline. With the loss of local services and amenities, and decreasing school enrolments, it becomes increasingly difficult to maintain skilled workers and to attract new workers to relocate to Haida Gwaii with their families, and the spiral of population decline continues to gain momentum.

It is essential to address the root causes of population decline and demographic changes; to provide appropriate skills training for local people; create stable, long-term local employment for residents; and to recruit people and families to permanently relocate to Haida Gwaii. These are major challenges which demand serious attention from the communities, and require the cooperation of a broad variety of stakeholders to develop effective solutions.

3.1.3 A Need to Diversify and Collaborate

For many years, forestry employment on Haida Gwaii meant logging jobs. As the industry has shrunk, and become more mechanized, the number of employment opportunities has shrunk and will not return. However, the forest provides many other opportunities for businesses and employment. These include opportunities for local manufacturing, and value-added and craft-based businesses selling high value products to distant markets. There are opportunities for an expanded tourism and outdoor recreation sector, and for the development of non-timber products, including botanicals, mushrooms or conifer oils. The Haida Gwaii Higher Education Society has had recent success developing educational opportunities built around forest resources. The challenge is that all of these opportunities have been recognized for years, but have mostly not developed. Increasingly these alternative forestry uses will be needed to diversify the economy and provide employment and benefits in local communities.

Opportunities still exist in the traditional forest sector. The AAC on Haida Gwaii is large enough to support a sizable local work force of logging contractors and employees, mechanics,

independent businesses, supporting supervisory, administrative staff and professional support staff. For example, it is estimated that the current harvest could support 40 to 50 logging layout engineers, timber cruisers, silvicultural staff, scalers, mapping technicians and planners in the local community. These positions used to be based in island communities, but now many of these types of positions are held by off-island employees, managers, contractors and consultants who work here on a periodic basis for each of the individual tenure holders. The challenge is to re-establish the needed infrastructure of contractors and services that is required to manage the island timber harvest, and to bring this employment back to local communities. The relatively small scale of each individual tenure, and the inherent independence of each, presents a big challenge in taking the necessary steps to generate locally-based employment for a resident population. Working collaboratively would expand those opportunities.

3.1.4 History of Conflict

A final short-term challenge is a long history of conflict and competition between forest tenure holders and between different forestry businesses on the Islands. There has also been a long history of division, even animosity, between “the north end” and “the south end” communities. The Misty Islands Economic Development (MIEDS) Strategy identifies the “political climate and lack of collaboration”, the “Islands infighting and history”, and “lack of cohesion, co-operation among stakeholders” as major weaknesses on the Islands.

There are several exceptions, but in general the Islands history has been one of internal conflict, discord, division and a lack of collaboration on strategic Islands-wide initiatives. This may present the biggest challenge that will need to be overcome in the collaborative development of a comprehensive forest management strategy. An all-island approach, involving all sectors is needed. None of the stakeholders is powerful enough to address the challenges alone.

3.2 Long- term Challenges

3.2.1 High Operating Costs

Haida Gwaii has always been a high cost area for forest companies to operate, but the cost disadvantages have increased dramatically in the last 10 years. The reduction of the AAC in 2012, the smaller scale of each individual tenure and the remote locations of available harvesting areas have compounded these issues. Current efforts by government and licensees are directed at reducing local cost structures and disadvantages for the tenure holders. In the long term, two areas of significant cost will need to be addressed – the cost of barge transportation of round logs and manufactured products, and the cost associated with handling waste, both waste in logging operations and waste in manufacturing operations (which have no offsetting revenues). The challenge for Haida Gwaii is to find ways to reduce these costs, or increase revenues through using the waste and finding niche markets for products.

3.2.2 Management of Cedar and Transition to Second-Growth Spruce and Hemlock

Red cedar and yellow cedar are iconic species on Haida Gwaii, with high economic values and are critically important to the viability of the forest industry on the islands. The return from cedar has supported the harvest of the lower-value species, notably hemlock. Cedar also offers the best

opportunities for increasing small-scale local sawmilling and developing local value-added wood product manufacturing. Accordingly, the management of cedar is complicated and challenging.

Cedar is a finite and diminishing resource on Haida Gwaii. It has been significantly over-harvested in the last 20 years and there are difficult questions about how much old-growth cedar remains, how much of the fire-origin second-growth cedar remains, what the annual harvest of cedar should be, how the harvest should be limited, and what management strategies should be in place. There are concerns for the silviculture systems and logging methods being used in the fire origin second-grown cedar stand. All cedar management is complicated by the introduced deer population which limits regeneration of natural cedar.

As cedar becomes less and less available for industrial harvest, forestry operations on Haida Gwaii will become more and more dependent on the logging-origin second-growth forests dominated by Western hemlock and Sitka spruce, which make up almost half of the long-term Timber Harvesting Land Base (THLB), approximately 80,000 ha. Harvest of the second-growth resource is underway in stands that are easily accessible and of relatively high value. Many of these are spruce-leading stands that were spaced in the 1970's and 1980's. In the near future, the viability of industrial forestry operations on Haida Gwaii will depend heavily on the viability of more remote, lower-value hemlock-leading stands that have not been spaced and are more expensive to log. Addressing this impending shift to hemlock dominated second-growth stands will require strategies for local value-addition, as well as extensive product and market research and development.

3.2.3 Deteriorating Infrastructure of Roads, Bridges, and Trails

An infrastructure of passable roads and safe bridges and culverts is critical for future silviculture and logging operations and log salvage, as well as for many forest users – recreationists and tourists, firewood cutters, hunters and fishermen, mushroom pickers, forest researchers, cultural cedar users, medicinal plant collectors, mineral prospectors, joggers and cross-country skiers, among others. Over the last 20 years, many roads, bridges and culverts have been deactivated or left without maintenance, and are in significant disrepair to the point of not being safe or passable. The loss of road access into the remote areas of second-growth has significant cost implications for future harvest opportunities in these areas, as re-establishing access requires a large investment that may make re-opening operations uneconomic. Furthermore, as the Haida Gwaii economy diversifies, and as communities focus on providing amenities and services that appeal to residents, the maintenance of a road infrastructure to access the forest for multiple users will be increasingly important. Access to the forest is an important aspect of the lifestyle on Haida Gwaii.

3.2.4 Lack of Critical Infrastructure

Any investigation of the potential to expand the capacity to process and manufacture logs into lumber or other wood products on any significant scale on Haida Gwaii raises three infrastructure issues. First, manufacturing creates a lot of waste in the form of bark, sawdust, broken wood, trim ends, etc. In most places these by-products have some value and can be sold to other users. On Haida Gwaii every by-product represents a cost for disposal, rather than a source of additional revenue. Second, manufacturing requires a lot of energy – either in the form

of heat or electricity to run drying kilns and mill equipment. This energy is not available at present on Haida Gwaii and has been cited as a barrier to development of sawmills for years. Third, manufacturing requires facilities that efficiently transport products to markets. The lack of facilities where products can be loaded directly onto ships or barges has limited the development of mills to date.

These three issues – use of waste, energy, and transportation – have been and continue to be major challenges that significantly influence future logging and manufacturing opportunities on Haida Gwaii. Addressing them may be absolutely essential to addressing the questions of how the second-growth forests dominated by Western hemlock can be economically viable.

As with other issues on Haida Gwaii, they cannot be addressed or resolved individually or in isolation from other challenges. They require a coordinated approach with multiple players so that waste, energy and shipping are addressed collectively as part of a long-term forest industrial strategy.

4.0 Strengths and Opportunities

Despite the challenges, there are significant opportunities to build on the strengths on Haida Gwaii and to generate more employment, more economic return, and more benefit from the forests for the Islands communities. Haida Gwaii continues to have an extensive and valuable forest environment, capable of supporting a healthy forest industry, a wood products sector and a diversity of other forest uses.

3.1 Changes in the Forest Sector

With the recent changes in tenure, the majority of the cut on Haida Gwaii is locally controlled. Taan Forest controls 49% of the AAC, and is owned by the CHN. BC Timber Sales has signed a Co-operative Management Agreement with Taan and has agreed to co-ordinate operational planning with Taan and to support Taan’s corporate objectives in regards to creating local employment. BCTS controls 18% of the cut, with almost half of that allocated to the Misty Islands Economic Development Society (MIEDS). Additionally, Husby Forest Products, with an additional 21% of the AAC, has local roots and operates primarily on Haida Gwaii. Husby is a “market logger” with relative freedom to sell wood to interested mills. Teal Cedar, with 10% of the AAC, is the only tenure holder with a direct connection to an off-island mill, but also owns a small mill in Masset.

With the much more secure situation on Haida Gwaii and the improvement of global lumber markets, it is expected that the level of harvest will increase and stabilize in the coming years. The relative quality, volume, and accessibility of the wood on Haida Gwaii, including second-growth, is a valuable asset. An expanded harvest provides opportunities for direct local employment in the logging sector as well as in the many supporting sectors. With the shift to local control of tenures, there are significant opportunities to develop local processing and manufacturing sectors, adding value to the wood resource and delivering more economic and social benefits to local communities.

3.2 The Haida Gwaii Brand

With the big trees, mossy forests, peaceful streams, rocky beaches, unspoiled coastal waters, and the powerful Haida culture, Haida Gwaii is becoming a recognizable name around the world. The Islands are emerging as a world-class tourism destination, with high profile recognition from media in recent years encouraging development in the tourism sectors. The establishment of the Haida Gwaii “brand” is beneficial to the Islands economy.

The Islands are also well known in many forestry sectors around the world, with a reputation for high-quality wood and superior forest management under the co-management structure, the Land Use Orders, the protected areas, and the certification of Taan Forest by the Forest Stewardship Council. Continued development of the Haida Gwaii brand, as both a tourism destination and a well-managed forest resource, will benefit timber harvest and processing operations, create greater opportunities for manufacturing and non-timber forest products, strengthen the tourism sector, and potentially attract people to relocate to the Islands.

3.3 Attractive Living

The communities of Haida Gwaii can offer a comfortable lifestyle in safe communities surrounded by a rich outdoor environment and a rich cultural heritage. These amenities are potential attraction to a particular group of people seeking this type of lifestyle. Housing is affordable. Despite the recent emigration from the Islands, our communities remain attractive and safe places to live. However, in order to fully benefit from this strength, to retain residents and to recruit new ones, communities will have to provide additional services - broadband internet, recreational facilities and strong school programs, for example. If some of these can be provided, the specific lifestyle opportunities on Haida Gwaii are a potential strength when more long-term employment opportunities become available. Communities have a key role to play in addressing the population declines, and supporting new uses and new opportunities in the forest.

4.0 A Collaborative Approach

The challenges are substantial and the stakes are high. No individual forest company is large enough to address the forest management and local employment challenges alone. They need to work together and they require the assistance of the communities to provide and promote attractive living situations and community amenities to attract workers. Similarly, no community alone can address the population decline or unilaterally create the local employment opportunities that all would like. They need support from the tenure holders in the form of long-term commitments to attractive jobs with stable futures and the provision of work in ways that sustains and grows local populations. We need to find new ways to use the forest and diversify the economy through value-added, tourism and outdoor recreation, craft and artisanal work and non-timber products.

The scale, depth and complexity of the challenges and opportunities facing Haida Gwaii require a collaborative process to bring together the diverse forestry interests on Haida Gwaii – forest companies, community leaders, governments, local businesses and others – in a single process with a “one-Island focus” to develop a comprehensive forestry strategy. All have strong incentives to work together to address the challenges faced by the Islands and to develop a long-

term comprehensive forestry strategy. By working together, companies, communities and governments are more likely to increase economic benefits for the communities, provide employment for Islands residents and ensure a healthy economic future for young people and families in stable, economically diversified communities while also protecting the environment.

5.0 The Components of a Forestry Strategy

The full 2013 Discussion Paper proposes 12 areas where detailed strategies could be developed. These individual areas include a mix of short-term areas where immediate actions could be implemented, and long-term priority areas that need to be addressed as part of a comprehensive strategy. Specific ideas and proposals for strategies are presented in each of the following 12 areas:

- A Local Employment Strategy
- A Local Manufacturing Strategy
- A Skills, Training, Education and Employment Readiness Strategy
- A Cedar Management Strategy
- A Second-Growth Strategy
- A Critical Infrastructure Strategy
- A Forest Access Strategy
- A Forest-based Tourism Strategy
- A Value-Added Strategy
- A Non-Timber Products Strategy
- An Introduced Species Management Strategy
- An Information, Research, Product Development and Market Place Initiatives Strategy

The full 2013 Discussion Paper was commissioned by the Haida Gwaii Management Council. The content is the responsibility of the author, Keith Moore.

The full Discussion Paper is available on the website of the Haida Gwaii Management Council <http://www.haidagwaiimanagementcouncil.ca>.

Comments and questions are welcome. They can be directed to Keith Moore at mrm@qcislands.net or by phone at 250-559-8700, or to the Haida Gwaii Management Council at admin@haidagwaiimanagementcouncil.ca