



# Strategic Plan

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March 31, 2009



The Island Coastal Economic Trust's primary  
objective is to be a catalyst to build a diverse and  
sustainable Island and Coastal Economy

*North Island-Coast Development Initiative Trust*

*Island Coastal Economic Trust*

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## 1. About the North Island-Coast Development Initiative Trust

### 1.1 Background to the Trust

On October 19th, 2005, the provincial government passed third reading of the North Island-Coast Development Initiative Trust Act creating the \$50 million North Island-Coast Development Initiative Trust. The objective of the Trust is to help diversify the economy of the North Island-Coast region (including the Sunshine Coast) by leveraging new investment and for expanding regional economic opportunities.

The intent of the Trust is to provide communities, not for profit societies, First Nations, and other organizations with the funding and mechanisms to support strategic investments in the regional economy of the north Island and Sunshine Coast.

The Trust uses its funds to leverage partnerships and other investments with local governments and authorities, non-profit societies and other organizations.

The Trust provides funding to create new and sustainable economic growth and jobs through strategic investment in targeted sectors within the regional economy.

Elected representatives of the region's communities control the Trust and make the decisions regarding the most prudent approach to realize economic benefits. This unique initiative benefits communities north of the Malahat on Vancouver Island and on the Sunshine Coast. The specific region where the Trust may invest is shown on the map below and can be viewed in detail on the Trust's web page at [www.islandcoastaltrust.ca](http://www.islandcoastaltrust.ca)

As required under the Act, the Directors of the Trust have established a Regional Account in which the one-time \$50-million allocation from the Province was deposited.

The 2007-2010 Strategic Plan and Application Guidelines was published and made public on February 27, 2007. The 2008-2010 Strategic Plan – the second one that the Trust published as required – was made public on March 31, 2008.

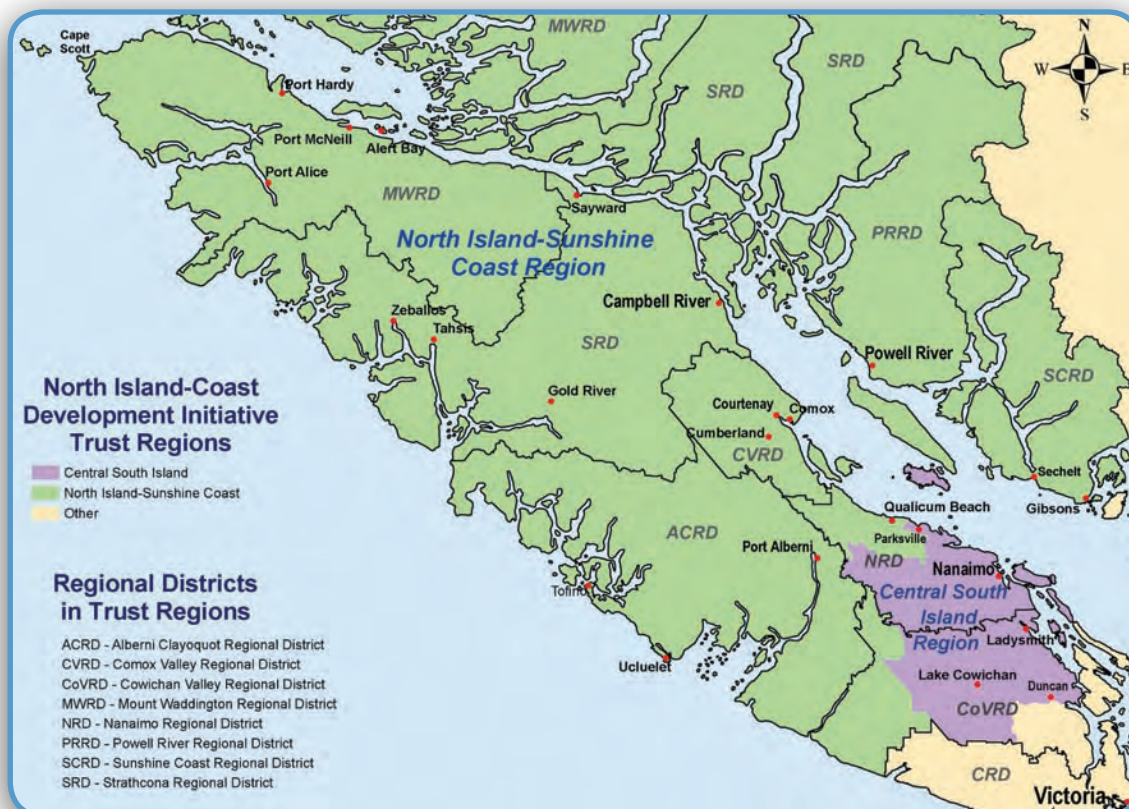
The 2009-2011 Strategic Plan provides some updates and refinements and complies with the legislated mandate to produce a three year Strategic Plan every year on or about the end of February.



## 1.2 Strategic Sectors

Bill 7 sets out that the purpose of the Regional Account is to support investment within the following sectors in the Trust area:

- Forestry
- Transportation
- Tourism
- Mining
- Olympic Opportunities
- Small Business
- Economic Development
- Agriculture and Aquaculture
- Energy



### 1.3 Trust Governance

The legislation also established the North Island-Coast Development Initiative Trust Board consisting of 13 Directors, 8 of whom are appointed by two Regional Advisory Committees (RACs) representing the Central South Island Region and the North Island-Sunshine Coast Region. The remaining 5 Directors are appointed by the provincial government.

The RACs are comprised of the mayors within the regions, the chairs of each regional district and the Members of the Legislative Assembly from the region. MLAs cannot be members of the Trust Board.

The regional advisory chair representing the Central South Island RAC is Gerry Giles, Chair of the Cowichan Valley Regional District.

The North Island-Sunshine Coast RAC is chaired and represented by Mayor Greg Phelps of Courtenay.



### 1.4 Board of Directors

The following directors were elected by the regional advisory committees for a two year term ending July 14, 2010:

Barry Janyk – Mayor of Gibsons (Board Chair)  
 Phil Kent – Mayor of Duncan (Board Vice-Chair)  
 Gerry Furney – Mayor of Port McNeill, (Board Treasurer)  
 Charlie Cornfield – Mayor of Campbell River  
 Rob Hutchins – Mayor of Ladysmith  
 Ken McRae – Mayor of Port Alberni  
 John Ruttan – Mayor of Nanaimo  
 Joe Stanhope – Director, Electoral Area G and Chair, Nanaimo Regional District

As well, on July 20, 2006, the Province of British Columbia by order-in-council appointed the following five directors to the Board for a term of three years ending August 27, 2009:

Camela Tang (Board Secretary)  
 Bob Bennie  
 Dave Formosa  
 Dave Mannix  
 Dallas Smith

### 1.5 Regional Advisory Committee Members

The North Island-Coast Development Initiative Trust Act, as the enabling legislation, established two regional advisory committees. These are made up of mayors, chairs of regional districts, and provincial Members of the Legislative Assembly.

The membership of each of the two regional advisory committees are set out below.



### 1.5.1 CENTRAL SOUTH ISLAND REGIONAL ADVISORY COMMITTEE MEMBERS

Gerry Giles, Chair, Cowichan Valley Regional District (RAC Chair)  
 Joe Stanhope, Chair, Nanaimo Regional District (RAC Vice-Chair)  
 Honourable Ron Cantelon, MLA, Nanaimo-Parksville  
 Mayor Ross Forrest, Lake Cowichan  
 Mayor Colin Haime, Lantzville  
 George Holme, Director, Nanaimo Regional District, District E  
 John Horgan, MLA, Malahat-Juan de Fuca  
 Mayor Rob Hutchins, Ladysmith  
 Mayor Phil Kent, Duncan  
 Leonard Krog, MLA, Nanaimo  
 Mayor Ed Mayne, Parksville  
 Doug Routley, MLA, Cowichan-Ladysmith  
 Mayor John Ruttan, Nanaimo  
 Mayor Tom Walker, North Cowichan



### 1.5.2 NORTH ISLAND-SUNSHINE COAST REGIONAL ADVISORY COMMITTEE MEMBERS

Mayor Greg Phelps, Courtenay (RAC Chair)  
 Mayor Barry Janyk, Gibsons (RAC Vice-Chair)  
 Mayor Stewart Alsgard, Powell River  
 Mayor Craig Anderson, Gold River  
 Mayor Fred Bates, Cumberland  
 Mayor Michael Berry, Alert Bay  
 Lou Biggemann, Director, Area "F" Regional District of Nanaimo  
 Hira Chopra, Chair, Alberni-Clayoquot Regional District  
 Mayor Charlie Cornfield, Campbell River  
 Mayor Corrine Dahling, Tahsis  
 Gary Feschuk, Chief Councillor, Sechelt Indian Government District  
 Mayor John Fraser, Tofino  
 Scott Fraser, MLA, Alberni-Qualicum  
 Mayor Gerry Furney, Port McNeill  
 Al Huddleston, Chair, Mt. Waddington Regional District  
 Mayor Paul Ives, Comox  
 Mayor Darren Inkster, District of Sechelt  
 Mayor Edward Lewis, Zeballos  
 Mayor John MacDonald, Sayward  
 Mayor Ken McRae, Port Alberni  
 Mayor Gail Neely, Port Alice  
 Colin Palmer, Chair, Powell River Regional District

Mayor Bev Parnham, Port Hardy  
Mayor Eric Russcher, Ucluelet  
Donna Shugar, Chair, Sunshine Coast Regional District  
Nicholas Simons, MLA, Powell River-Sunshine Coast  
Claire Trevena, MLA, North Island  
Mayor Teunis Westbroek, Qualicum Beach



## 1.6 Development of the Strategic Plan

Prior to the Trust commencing to make investments, the Board of Directors was required to establish a three year Strategic Plan with goals for each year of the plan relating to the fulfillment of the purposes identified in the Act as follows:

Section 14(1)a governing the Trust requires that the directors must:

*“each year establish a three-year strategic plan for the North Island-Coast Development Initiative Trust including goals for each year of the strategic plan relating to the fulfillment of the purposes identified in section 20 in relation to the Regional Account.”*

- To meet this requirement, in the last half of 2006 and early part of 2007, the Board undertook a Strategic Planning process and published its first Strategic Plan on February 27, 2007.
- After approximately two years of operations, the Board used its experience in dealing with many projects and applicants as well as a survey method of its key stakeholders, namely all the members of the regional advisory committees, to obtain advice on amendments to the Strategic Plan and Application Guidelines. This has been incorporated into this Strategic Plan – and the on-line Application Guidelines; the latter is updated on an ongoing basis.

## 1.7 Key Sector Themes

Based on the initial Round Table discussions in the winter of 2006 at the Mount Washington Strategic Planning Conference, consensus was reached around the following key themes:

- Economic recovery, while very strong, has been variable for sub-regions
- There is significant support for economic diversification and strategic regional alliances and regional cooperation and partnerships to maximize opportunities
- Trust funding needs to be strategically directed at projects and programs that result in increased economic activity and wealth creation for targeted sectors
- The opportunity for economic development to proceed in a sustainable manner will be a significant competitive advantage for the region
- Greater regional cooperation is required to develop a broad-based integrated regional economic development strategy to ensure sound sector investments
- Table One below outlines an overview of the Constraints and Opportunities summarized from the Round Table Strategic Planning Conference.



**TABLE ONE**  
**Summary of Constraints and Opportunities from Round Table Planning Conference**

CONSTRAINTS	OPPORTUNITIES
Skills/labour shortages	Developing a skilled workforce
	Access to high quality post-secondary educational facilities
Transportation	Expansion of port, airport and rail infrastructure
Lack of working relationships between First Nations and local governments	New opportunities for First Nations private sector joint-venture business partnerships
Historic and geographic barriers to work regionally targeting investment and development in key sectors/clusters (community and sub-regional competition)	Significant sector and regional development/ investment opportunities include: <ul style="list-style-type: none"> <li>– Value-added forestry</li> <li>– Transportation (airport, port and rail expansion)</li> <li>– Tourism</li> <li>– Aquaculture</li> <li>– Energy production</li> <li>– Agriculture</li> <li>– Minerals/aggregates</li> </ul>
Resource sectors affected by policy and regulatory (both provincial and federal) limitations that need to be addressed to maximize sector development (particularly shellfish, agriculture and log supply)	Develop critical mass across sectors and regions to influence public policy
Limited capacity funding (particularly in small communities)	Access to Trust capacity funding
Affordable housing	Quality of life Renowned retirement destination





## 1.8 Sector Constraints and Opportunities

The Planning Conference format also provided key stakeholder “sector” representatives with an opportunity to provide their advice regarding strategic constraints and opportunities to help guide the development of the Strategic Plan. These presenters were also requested to provide the planning conference with suggested areas for the Trust to invest its funds.

## 1.9 Summary of Key Constraints and Strategies

A common theme of the Round Table discussions and sector presentations was the need for greater regional cooperation. Meeting participants expressed optimism about the future for our communities and saw evidence that Island/Coast communities are committed to developing new partnerships important to maximize wealth creation.

Participants identified significant opportunities for improvement and expect the Trust to play a major role as a catalyst for diversified economic development. There was also strong recognition that leadership and accountability for the Trust must come from within the region. It must be guided and supported by community leaders who are prepared and motivated to work collaboratively to make things happen.

**TABLE TWO**

**Consolidated Summary of Key Constraints and Strategies**

KEY CONSTRAINTS	KEY STRATEGIES
<b>Need to improve regional and sectoral strategic planning</b>	<p>Trust could play a pro-active leadership role to support and develop the strategic regional and cross-sector alliances and partnerships needed to maximize opportunities</p> <p>Assist in developing and implementing community and sectoral strategic plans</p> <p>Direct funding to projects and programs that deliver development outcomes for targeted sectors/programs</p> <p>Provide capacity funding (particularly in small communities)</p> <p>Provide funding support for initiatives that improve working relationships between communities, local governments and First Nations</p> <p>Support information sharing and network development</p>



KEY CONSTRAINTS	KEY STRATEGIES
<b>Need for Sector/Cluster Development Strategies</b>	<p>Ensure that all Trust investments are consistent with community and sector development strategies</p> <p>Support the development of integrated regional and sectoral/cluster economic development strategies where they do not exist or need to be updated</p> <p>Support activities that advance sector/cluster development including:</p> <ul style="list-style-type: none"> <li>• Market development programs and marketing intelligence</li> <li>• Business planning and entrepreneurial management skills</li> <li>• New product development</li> <li>• Establishing a stable policy environment</li> <li>• Joint-venture partnership opportunities with First Nations</li> <li>• Build local knowledge for the financial, regulatory and environmental services that support the industry</li> <li>• Development of innovative technologies</li> <li>• Business succession planning</li> <li>• Fast tracking accreditation</li> <li>• Improving public transportation</li> <li>• Energy infrastructure upgrades</li> </ul>
<b>Labour Market</b>	Support for the development of a longer-term human resource strategy to address regional labour recruitment and skills training
<b>Leveraging Olympic Opportunities Legacy</b>	Develop and support a pro-active cross-regional Trust initiative to secure trade and investment opportunities associated with the Olympic Legacy initiative
<b>Transportation</b>	Support for infrastructure development with particular emphasis on initiatives that result in improvements to regional port, airport, rail, corridor and trail infrastructure





## 2. TRUST MISSION, OBJECTIVE AND GOALS

### 2.1 Mission

*The Trust is a partner and catalyst to build a diverse and sustainable Island and Coastal economy*

### 2.2 Objective

*The Island Coastal Economic Trust's primary objective is to be a catalyst to build a diverse and sustainable Island/Coastal economy*

### 2.3 Long-Range Vision

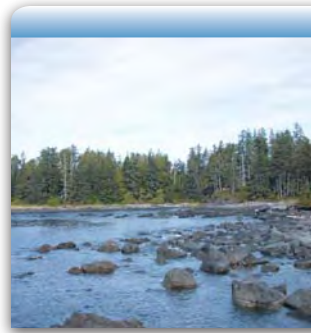
*The North Island and Sunshine Coast successfully transition to a more diversified, globally competitive resource and knowledge based regional economy*

### 2.4 Goals

- The investment goal of the Trust is to leverage economic development and diversification investments in the economies of the regions. For every dollar the Trust invests, it expects that an additional \$3.00 will be invested. To date, projects approved have exceeded that goal substantially.
- The Trust will be managed judiciously, consistent with the intent of the Act, Mission and Goals with an emphasis on sound strategic and operational planning and will be responsive to changing circumstances and opportunities.
- Preference will be given to partnerships and leveraged investments that achieve the projected economic and diversification impacts for the broader region, with a bias for projects which have a broad regional impact while recognizing that local benefits of projects are also valuable.

### Year Three Goals

- Continue to implement the Strategic Plan.
- To respond to the international and national economic downturn, advocate for matching funds from senior levels of government and for quicker processes to expedite the approval of projects that can be implemented during the next 6 to 12 months.
- Consider adjusting Application Guidelines to place a priority on projects that can be approved expeditiously and can start implementation within 12 months in the target region, without adversely affecting the goals of the Strategic Plan.
- Refine and fine tune the on line Application Guidelines incorporating new policies established by the Board.
- Continue the development of partnerships with other funding organizations.
- Continue the administration of approved projects.
- Develop evaluation framework for approved projects.
- Continue to work directly with communities and project applicants to provide technical assistance.
- Publish a regular newsletter on projects.
- Seek additional financial resources.



### Goals for 2010 and 2011

- Refine and amend 2009-2011 Strategic Plan and the on line Application Guidelines where necessary to address emerging shorter term conditions.
- Refine and update ICET's website.
- Seek additional financial resources and effective, strategic partnerships.



### 3. INVESTMENT GOALS FOR TRUST FUNDS

The Trust Board is required to establish a three-year investment plan as part of the Strategic Plan.

The Board has approved an investment strategy for the \$50 million Regional Fund which is secure, flexible and provides the Trust with the liquidity it requires to respond to investment opportunities in key sectors and projects in short to medium term funds (5 to 10 year term).

Funds are invested through the Municipal Finance Authority pooled money market funds. These funds are managed by the investment firm of Phillips, Hager and North. Currently funds are held in the Money Market fund. The actual amount of funding required annually will depend on the project opportunities and the Board's decision on proposals. The Board will develop and modify its initial three-year investment projections as it annually revises the Strategic Plan.

The Trust's investment goal for the next three years is to respond to high quality economic development opportunities without setting specific investment or cash flow targets on an annual basis.





## 4. STRATEGIC ECONOMIC PROJECT INVESTMENT PROGRAM

### 4.1 Proposed Project Investment Mechanisms

All funding applications will ask applicants to demonstrate specific measurable returns on investment to the economy of the Trust region. Funding will be available for projects that will spur and trigger incremental regional economic development. During the next year, the Board will establish procedures to provide for fast-track approvals for projects that can start implementation within the next 12 months.

### 4.2 Grants

Funds will be granted to support eligible projects. There will be no direct financial return to the Trust from these investments. Grant size will be limited by the established on line Application Guidelines found on [www.islandcoastaltrust.ca](http://www.islandcoastaltrust.ca).

### 4.3 Loans

The Trust will not develop a specific program of loans. It is still open to receive proposals for loans and will assess such proposals on a case by case basis.



## 5. APPLICATION PROCESS

The *Application Guidelines* for the Island Coastal Economic Trust outline the guidelines and policies for making funding applications. The Trust's Strategic Plan, *Application Guidelines*, downloadable Stage 1 Application Form and other Trust materials are available online at [www.islandcoastaltrust.ca](http://www.islandcoastaltrust.ca)







## APPENDIX A

### Overview of Economic Conditions in ICET Region

The Island Coastal Economic Trust (ICET) covers a vast geographic area spanning Vancouver Island, large coastal areas on the British Columbia mainland, and numerous islands in the Strait of Georgia and Johnstone Strait. With the exception of the Capital Regional District in the south, it includes all regional districts on Vancouver Island – Cowichan Valley, Nanaimo, Alberni-Clayoquot, Mount Waddington, Comox Valley and Strathcona – plus the Sunshine Coast and Powell River Regional Districts on the mainland. The Mount Waddington and Strathcona RDs encompass land on both Vancouver Island and the mainland. In total, the ICET area includes 26 incorporated municipalities, numerous smaller unincorporated settlements, and many First Nations communities and reserves.

Most of the region is characterized by very rugged, mountainous topography. The majority of the population is concentrated in a relatively narrow plain along the southeastern coast of Vancouver Island. This area is known around the world for its mild climate, scenic beauty, and close proximity to the major cities of Vancouver, Victoria, and Seattle. As a whole, the region has historically been reliant on wealth created from resource extraction, primarily forestry, but also mining, fishing and agriculture. More recently, tourism and services industries have grown in importance to the region's economy.

The eight Regional Districts covered by the Island Coastal Economic Trust have each felt the impact of the global economic downturn that took hold in the fall of 2008. The Canadian economy shrunk by 0.8% in the fourth quarter (equivalent to a 3.4% decline over a full year) and many of Canada's and BC's major trading partners experienced an even greater decline in economic output.

While data on gross domestic product (GDP) is not available on a regional basis, there are some preliminary indicators of the challenges facing the ICET area.





The value of building permits issued in the ICET areas was down 15% in 2008, but looking only at the final three months of the year permit values were down 51% compared to the final three months of 2007. The decline was widespread across the region as only the Alberni-Clayoquot Regional District had higher permit values in the last quarter of 2008 compared to the previous year. Every other Regional District was down at least 30%.

The most recent monthly room revenue figures from November 2008 show a downturn in tourism activity in the region. Room revenue was down 3.7% compared to November 2007, similar to the 3.4% decline experienced by BC overall. The RD of Nanaimo is the exception to this trend with growth of nearly 15% in November room revenue compared to the previous year and the Sunshine Coast RD was also up slightly. Every other regional district in the ICET area had declines.

Both business and commercial bankruptcies in the region were higher in the last quarter of 2008 compared to the previous two years. But even more notable is the steady stream of news stories of sawmills, pulp and paper mills, and logging contractors either curtailing production or going out of business. The global downturn has compounded the challenging conditions that were already facing the coastal forest sector, but as noted above it has also affected stronger sectors like tourism and construction.

## IN THE FUTURE

Looking to the future, there are both short-run and long-run trends that will affect the economy of the ICET region. In the short run, continued weakness in the global economy will affect all sectors and all parts of the region to some degree. Projects will be delayed, growth will be slower, and a greater number of companies will go out of business. The parts of the region that are least diversified and rely most heavily on struggling sectors, especially forestry, are likely to be hit the hardest.

Over the longer term, however, the regional economy will continue to be shaped by the trends and forces that have been observed over the last several decades. These include the transition away from goods production toward services production, the continued aging of the population, impacts of climate change and government initiatives to address it, further advances in technology, and the ever-increasing need for highly-skilled and adaptable workers. These forces are unlikely to affect the region in the same way as those areas that have so far shown the most success at diversifying their economies, retaining and attracting residents, and maintaining a positive business climate will be best suited for future success.

## DIFFERENCES WITHIN THE REGION

The region covered by ICET is very diverse. While the 8 regional districts have many things in common, including a strong historic connection to resource industries like forestry and mining, the more populated and urbanized areas in the south of the region have more successfully diversified their economies into non-resource sectors. What follows are a series of indicators that compare the economic condition and growth performance of the individual Regional Districts in the ICET area.



### Population Growth

Population growth is a strong indicator of economic performance. Growing populations create demand for more local goods and services, which supports existing businesses and spurs new businesses into existence. The number and quality of employment opportunities in an area also determines whether it will attract working residents or lose residents to other areas with greater opportunity.

The most current population data available is the annual estimates from BC Stats. The table highlights estimated growth over the 10 years from 1998 to 2008 and ranks each RD according to their growth rate in each five-year period. The more remote and resource-dependent parts of the region have consistently shown slower growth.

Estimated Population				1998-2003		2003-2008	
Regional District	1998	2003	2008	Growth	Rank	Growth	Rank
Comox Valley	57,683	57,169	63,335	-1%	4	11%	1
Sunshine Coast	26,201	26,400	29,195	1%	3	11%	2
Nanaimo	128,912	133,502	145,870	4%	1	9%	3
Cowichan Valley	74,462	75,029	80,936	1%	2	8%	4
Strathcona	44,144	41,716	43,769	-6%	7	5%	5
Alberni-Clayoquot	32,168	30,501	31,280	-5%	6	3%	6
Powell River	20,644	19,650	20,108	-5%	5	2%	7
Mount Waddington	14,558	12,760	11,739	-12%	8	-8%	8
<b>ICET Total</b>	398,772	396,727	426,232	-1%		7%	
<b>British Columbia</b>	3,983,113	4,122,396	4,381,603	3%		6%	

Source: BC Stats

### Median Age

The median age of the population (the age at which half the population is older and half younger) shows the overall aging of the regional population over the last 20+ years. The median age of each Regional District increased by more than 10 years from 1986 to 2007 and further aging is expected in coming decades.

Year	CowVRD	ACRD	RDN	CmxVRD	SRD	RDMW	PRRD	SCRD
1986 (estimate)	33.7	31.3	35.3	33.6	30.1	27.6	34.1	37.4
2007 (estimate)	43.9	42.6	45.8	44.6	42.5	39.6	47.2	48
<b>Change 1986-2007</b>	<b>10.2</b>	<b>11.3</b>	<b>10.5</b>	<b>11.0</b>	<b>12.3</b>	<b>12.0</b>	<b>13.1</b>	<b>10.6</b>
2036 (projected)	47.8	45.9	49.3	47.1	46.8	47.8	49.8	48.7
<b>Change 2007-2036</b>	<b>3.9</b>	<b>3.3</b>	<b>3.5</b>	<b>2.5</b>	<b>4.4</b>	<b>8.2</b>	<b>2.6</b>	<b>0.7</b>

Source: BC Stats

### Employment (by place of residence)

Employment growth varies significantly within the region over the period from 1986 to 2006. The number of jobs more than doubled in the Sunshine Coast and Nanaimo Regional Districts, while Mount Waddington has lost jobs. It should be noted that substantial numbers of Sunshine Coast residents work in Metro Vancouver so this table does not show growth in the actual number of jobs located in the Sunshine Coast Regional District.



Regional District	1986-1991		1991-1996		1996-2001		2001-2006		1986-2006	
	Growth Rate	Rank	Growth Rate	Rank	Growth Rate	Rank	Growth Rate	Rank	Growth Rate	Rank
SCRD	39%	1	20%	3	5%	1	19%	1	109%	1
RDN	37%	2	23%	2	2%	3	17%	2	102%	2
CmxVRD	30%	3	23%	1	1%	4	13%	3	83%	3
CowVRD	29%	4	17%	4	4%	2	13%	4	77%	4
RDS	24%	5	13%	5	-8%	7	7%	6	38%	5
PRRD	12%	7	11%	6	-2%	5	2%	7	24%	6
ACRD	16%	6	0%	8	-5%	6	9%	5	21%	7
RDMW	-1%	8	10%	7	-10%	8	-13%	8	-13%	8

Source: Statistics Canada Census

### Unemployment Rates

Unemployment rates for small geographic areas can only be calculated using Census data, so this table shows the unemployment rate in each Regional District from 1986 to 2006. Unemployment rates have fallen precipitously in all parts of the region except the RD of Mount Waddington. The familiar pattern of better economic performance in the more population southern areas is repeated in this table, with the minor exception of the low unemployment rate in the Powell River RD (it is usually clustered more closely with Mount Waddington and Alberni-Clayoquot).

Regional District	1986		1991		1996		2001		2006	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
SCRD	13.2	1	12.0	3	8.2	1	7.2	1	4.4	1
CowVRD	15.1	3	9.9	1	10.3	2	9.7	3	6.4	2
PRRD	15.4	4	13.5	6	10.7	3	8.5	2	6.4	2
RDN	17.6	7	12.5	5	11.9	6	11.2	5	7.0	4
CmxVRD/SRD	16.1	5	11.6	2	11.0	4	12.0	6	7.4	5
ACRD	16.3	6	13.6	7	12.1	7	13.8	7	8.0	6
RDMW	14.1	2	12.3	4	11.1	5	10.7	4	11.0	7

Source: Statistics Canada Census





### Post-Secondary Education

As the region's economy continues to transition toward higher-value services jobs, and even the remaining manufacturing and industrial jobs demand greater technical skills, the importance of post-secondary education becomes ever more important. The table below shows the percentage of the labour force population (age 15+) that has completed some type of post-secondary program, such as a university degree, a college diploma or a trades certificate.

Regional District	1986		1991		1996		2001		2006	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
SCRD	28	1	33	1	44	1	48	1	56	1
RDN	28	1	33	1	43	2	46	2	55	2
PRRD	23	6	29	6	37	5	40	5	55	2
CmxVRD/SRD	26	3	30	4	40	4	43	4	54	4
CowVRD	25	4	31	3	41	3	45	3	53	5
ACRD	23	6	27	7	34	7	36	7	48	6
RDMW	25	4	30	4	37	5	38	6	46	7

Source: Statistics Canada Census

### Employment Income

The change in average employment incomes since the 1980s is one of the most striking illustrations of the changing nature of the regional economy. In the mid 1980s the highest average incomes were found in areas that were most dependent on resource industries – the Mount Waddington, Alberni-Clayoquot, Strathcona and Powell River Regional Districts. Growth in average incomes has been slowest in those four areas. The Comox Valley, on the other hand, had the lowest average income in 1986 but over the next 20 years had the greatest increase in average income.

Regional District	1985		1995		2005		Change 1985 -2005	
	Avg Income	Rank	Avg Income	Rank	Avg Income	Rank	Income Growth	Rank
CmxVRD	17,642	8	25,386	7	34,473	3	16,831	1
SCRD	17,970	7	25,371	8	34,563	2	16,593	2
CowVRD	18,841	5	27,200	5	34,822	1	15,981	3
RDN	18,495	6	26,106	6	32,833	7	14,338	4
SRD	21,080	3	29,385	2	34,171	4	13,091	5
PRRD	20,521	4	27,961	4	33,468	5	12,947	6
RDMW	22,606	1	30,960	1	33,045	6	10,439	7
ACRD	21,850	2	28,783	3	31,869	8	10,019	8

Source: Statistics Canada Census, BC Stats



### Income Dependencies

BC Stats calculates the percentage of total income in communities through BC that is reliant on the main economic base sectors and other income sources like government transfer payments and non-employment income (e.g., pensions, personal investments). The data is calculated not for Regional Districts but for individual communities or groups of nearby communities that function as a single local market. The income dependencies, based on 2006 after-tax incomes, are shown below.

The Port Hardy area is most reliant on the forest sector, from which 32% of community income was derived in 2006. Parksville-Qualicum was least reliant, at 5% of community income. Those two areas switch places for the “Other non-employment income” category, which includes retiree pensions and investments that are the largest source of community income in Parksville-Qualicum and are much less important in the North Island. The public sector is one of the most important sources of employment income in every community, along with government transfer payments to individuals.

	Forest	Mining	Fishing	Ag & Food	Tourism	High Tech	Public Sector	Constr-uction	Film	Other	Trans. Pymts	Other non-emp income
Duncan	14	1	1	2	4	1	27	9	0	4	18	20
Lake Cowichan	23	0	0	1	4	0	20	11	0	3	22	15
Ladysmith	14	0	1	1	4	0	26	7	0	7	18	22
Nanaimo	8	1	1	1	3	1	28	8	0	8	19	21
Parksville-Qualicum	5	1	1	1	7	2	17	10	0	5	22	30
Alberni	21	0	3	2	9	0	22	5	0	3	18	16
Courtenay-Comox	9	2	2	3	6	0	30	7	0	3	18	21
Campbell River	23	5	2	2	7	0	21	6	0	3	17	14
Powell River	22	3	2	1	3	0	22	6	0	2	19	19
Alert Bay	13	0	9	1	5	4	32	4	0	2	19	11
Port Hardy	32	2	7	2	5	1	22	4	0	2	14	9
Sunshine Coast	14	2	1	1	3	2	20	10	1	4	18	22

Source: BC Stats

### SOURCES OF FUTURE GROWTH

Despite the challenges currently facing the global and regional economies, growth is occurring in some sectors and will occur in the future in most sectors. In the short term, industries like high technology and professional services are likely to show the fastest growth, as they have in recent years. Tourism continues to have strong growth potential over the long run, but may be slowed for a period of time while the United States and other key visitor markets struggle through recession.

The region will continue to attract new retirees seeking an affordable place to live that meets their recreational, social and services needs. Agriculture and food has strong growth potential, particularly with recent increases in consumer demand for quality, locally-grown food. Aquaculture has similar potential, but faces greater regulatory and environmental challenges that must be overcome before substantial growth can be realized.

Transportation investments are underway or planned at airports and harbours throughout the region. These projects will enhance tourism and also create the potential for growth in the transportation and warehousing sector. There is significant interest among many parties in the region to develop new sources of “green” power. Even though the viability of many of these projects has yet to be proven, the potential exists for green power to help meet Vancouver Island’s growing demand for electricity while also generating employment opportunities.

And even the beleaguered forest sector still has potential given the quality of the wood resources in the region and continued efforts by government and industry stakeholders to find the right conditions to allow for a profitable renewal of the coastal sector. While the days of multiple large mills employing thousands of people in large and small communities throughout the region is probably over, the forest sector can remain an integral part of the regional economy indefinitely.





## Appendix B

### Summary of Sectoral Constraints, Opportunities and Key Strategies

SECTOR	CONSTRAINTS	OPPORTUNITIES	KEY STRATEGIES
<b>Forestry Panel</b>	<ul style="list-style-type: none"> <li>• Access to timber (functioning log market)</li> <li>• Labour recruitment</li> <li>• Land claims settlement</li> <li>• Implementation of ecosystem based management</li> <li>• Financial policy to support industry recovery</li> <li>• Product development</li> <li>• Capital to expand manufacturing</li> <li>• New competition in traditional markets</li> <li>• Utilization of discarded waste wood</li> <li>• Struggling local primary and secondary manufacturing firms (high cost producers)</li> <li>• Pulp mill viability</li> </ul>	<ul style="list-style-type: none"> <li>• Excellent quality of wood supply</li> <li>• Significant job opportunities</li> <li>• Specialty wood product development</li> <li>• Opportunity to expand domestic log supply</li> <li>• Export of innovative technologies</li> </ul>	<p>Support:</p> <ul style="list-style-type: none"> <li>• Market development programs and marketing intelligence</li> <li>• Labour recruitment and skills training</li> <li>• Business planning and entrepreneurial management skills</li> <li>• New product development and innovative technologies</li> <li>• Industry awareness programs</li> <li>• Funding a specialty woods product specialist advisor for the region</li> <li>• Expanding log market supports</li> <li>• Improved access to capital</li> <li>• Development of the regional wood market</li> </ul>





SECTOR	CONSTRAINTS	OPPORTUNITIES	KEY STRATEGIES
<b>Mining and Energy Panel</b>	<ul style="list-style-type: none"> <li>• Remote locations with limited infrastructure (i.e. northern Island )</li> <li>• Limited opportunities for large hydro projects</li> <li>• Fuel price/supply uncertainty</li> <li>• Community opposition</li> <li>• Need to protect the environment and advance sustainability</li> <li>• Projects face challenges of being of suitable size and potential to off-set significant capital requirement associated with cost of development</li> <li>• Scientific knowledge to support coal bed gas extraction</li> <li>• Moratorium on offshore oil and gas</li> <li>• Alternative energy constraints affected by cost, availability of technology, reliability, commercial acceptance and financing</li> <li>• Very difficult to make and develop a mineral discovery into an operating mine</li> <li>• Significant labour shortages/requirements</li> <li>• Require a stable policy environment</li> <li>• Relationships with First Nations need improvement</li> <li>• Significant investments in rural and remote infrastructure are required</li> </ul>	<ul style="list-style-type: none"> <li>• Geographic market location which provides a significant competitive advantage</li> <li>• Northern Island has significant potential for wind energy development</li> <li>• Northern Island and Sunshine Coast have numerous areas well suited to run-of-the-river hydro</li> <li>• Coastal areas have opportunities for tidal and wave power</li> </ul> <p>Opportunity for:</p> <ul style="list-style-type: none"> <li>• community and regionally based energy projects (micro hydro development)</li> <li>• coal bed gas and offshore oil and gas</li> <li>• To build financial, regulatory and environmental services support industry</li> <li>• Joint-ventures with First Nations</li> <li>• Aggregate export market</li> <li>• Industrial mineral for export</li> </ul>	<p>Support:</p> <ul style="list-style-type: none"> <li>• Development of a sectoral and regional plan to address significant labour shortages and skill requirements</li> <li>• Establishing a stable policy environment</li> <li>• Improving joint-venture partnership opportunities with First Nations</li> <li>• Investments in rural and remote infrastructure</li> <li>• Development of community strategies to pursue alternative energy opportunities</li> <li>• Development of a regional strategy to harvest opportunities for coal bed gas and offshore oil and gas</li> <li>• A pro-active role to “prospect” suitable energy development sites</li> <li>• Build local knowledge for financial, regulatory and environmental services that support the industry</li> <li>• Financing to support energy prospecting</li> <li>• Development of opportunities for aggregate export market</li> <li>• Industrial mineral development for export</li> </ul>



SECTOR	CONSTRAINTS	OPPORTUNITIES	KEY STRATEGIES
<b>Agriculture and Aquaculture Panel</b>	<ul style="list-style-type: none"> <li>Restrictive regulations and policies (i.e. new federal regulations limiting meat/livestock processing)</li> <li>High agriculture potential of the land base is largely unknown to outside investors</li> <li>Food sector lacks the critical mass required to effectively market and grow the industry</li> <li>Access to aquaculture growing sites</li> <li>Poor public perception of the industry</li> <li>Need to expand public support for industry</li> <li>Challenging profitability and efficiency of operations</li> <li>Human resources shortages</li> <li>Multi-jurisdictional zoning and regulations</li> <li>Access to investment and long-term financing</li> <li>Business certainty (supportive political climate)</li> <li>Adequate research funding</li> <li>Community opposition</li> <li>Need to address environment impacts and advance sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Very productive and favourable agricultural and aquaculture growing season</li> <li>Replacing imported inputs with regional alternatives (expand competitive niche markets and develop regionally focused marketing)</li> </ul> <p>Opportunity to expand economic activity by:</p> <ul style="list-style-type: none"> <li>Increasing the profile for regional food products</li> <li>Expanding agri-tourism</li> <li>Developing value-added products/products/processing</li> <li>Expanding vineyards</li> <li>Expansion of farmers markets</li> <li>New species development</li> </ul> <p>The aquaculture sector has significant potential for:</p> <ul style="list-style-type: none"> <li>Sustainable wealth creation for rural and remote communities (market demand is strong)</li> <li>Significant employment and wealth creation (joint-venture) potential for First Nations</li> <li>Excellent opportunities for product development and innovative technologies</li> </ul>	<p>Support for:</p> <ul style="list-style-type: none"> <li>Initiatives that raise the profile of Vancouver Island food products</li> <li>Direct marketing and agri-tourism activities</li> <li>Value added and regional processing developments</li> <li>Development of a comprehensive regional aquaculture sector development strategy addressing the key issues facing the industry: access to new sites, improving business certainty and funding for research</li> <li>Expanding market development programs and marketing intelligence</li> <li>Improving public awareness of aquaculture industry</li> <li>Skills training</li> <li>Business planning and entrepreneurial management skills</li> </ul>



SECTOR	CONSTRAINTS	OPPORTUNITIES	KEY STRATEGIES
<b>Olympic Legacy Opportunities Panel</b>	<ul style="list-style-type: none"> <li>Absence of broad regional partnerships and cross community organization</li> </ul>	<ul style="list-style-type: none"> <li>Leverage the hosting of the 2010 Olympic and Paralympic Winter Games</li> <li>Regional trade and investment opportunities</li> <li>Beijing 2008</li> <li>Vancouver 2010 Commerce Centre</li> <li>London 2012 Olympics</li> </ul>	<p>Support and if necessary sponsor the development of a pro-active cross regional Trust partnership initiative to secure trade and investment opportunities associated with the Olympic Legacy initiative</p>
<b>Tourism Panel</b>	<ul style="list-style-type: none"> <li>Availability of skilled labour (aging population, unaffordable housing, growing demand)</li> <li>Transportation</li> <li>Access to the land base for recreational activities</li> <li>Maintaining the natural character of the region</li> <li>Understanding the social, economic and environmental value of tourism</li> <li>Financing for small business start-ups</li> <li>Investment in marketing</li> <li>Limited research</li> </ul>	<p>The extensive and diverse tourism amenities and outstanding natural and cultural resources provide considerable opportunity to capture new and expanding visitor interest and demand trends, including:</p> <ul style="list-style-type: none"> <li>Adventure tourism (experiential and authentic)</li> <li>Wellness tourism</li> <li>Destination marine</li> <li>Marine/waterfront tourism</li> <li>Events and festivals tourism</li> <li>Agri-tourism (wine and cuisine)</li> <li>Authentic Aboriginal tourism</li> <li>Expanded accommodations</li> <li>New attractions</li> <li>Expanding tour operators</li> <li>Trail and corridor development</li> </ul>	<p>Support specific investment activities including:</p> <ul style="list-style-type: none"> <li>Assistance developing community tourism plans</li> <li>Education and new product development</li> <li>Trail and corridor development</li> <li>Transportation linkages and infrastructure</li> <li>Improving signage</li> <li>Research</li> <li>Development of alliances and partnerships</li> <li>Marketing</li> </ul>



SECTOR	CONSTRAINTS	OPPORTUNITIES	KEY STRATEGIES
<b>Economic Development and Small Business Panel</b>	<ul style="list-style-type: none"> <li>• Challenge to established businesses to maintain what we have grown</li> <li>• Hot economy coupled with significant labour shortages</li> <li>• An older demographic that will require more service support from a shrinking labour supply (particularly young people)</li> <li>• 70% of businesses are in transition</li> <li>• Migration of talent and brain power</li> <li>• Significant market adjustments</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunity to revise community plans to adjust to new demographic realities</li> <li>• Growth in regional technology services</li> <li>• Small business start-ups in high technology</li> <li>• Opportunity to embrace growth management strategies that are strategic and sustainable</li> </ul>	<p>Business retention and attraction investment opportunities require support for activities that expand:</p> <ul style="list-style-type: none"> <li>• Marketing incentives</li> <li>• Support for innovative technologies</li> <li>• Support for business succession planning</li> <li>• Fast tracking accreditation</li> </ul> <p>Infrastructure opportunities include:</p> <ul style="list-style-type: none"> <li>• Improved public transit</li> <li>• Energy infrastructure upgrades</li> </ul>
<b>Transportation Panel</b>	<ul style="list-style-type: none"> <li>• Limited funding</li> <li>• Competition with other capital projects</li> <li>• Economic viability of potential projects</li> <li>• Absence of effective regional partnerships that has dampened interest in pursuing partnership investments</li> <li>• Need to develop compelling business case</li> </ul>	<ul style="list-style-type: none"> <li>• Leveraging off existing provincial transportation initiatives (Transportation Partnership Program, BC Ports Strategy, Pacific Gateway Action Plan, Cycling Infrastructure Partnerships)</li> <li>• Improving transportation transfer points</li> <li>• Reorganization of the Vancouver Island rail service</li> <li>• Improving local and community operated airports</li> <li>• Port infrastructure improvements</li> </ul>	<p>Support for</p> <ul style="list-style-type: none"> <li>• Broad regional airport infrastructure planning and development</li> <li>• Developing a regional rail, port, airport infrastructure plan</li> <li>• Leveraging transportation (private and community owned airports) opportunities with the Pacific Gateway provincial initiative</li> <li>• Maximizing the multi-modal and integrated transportation opportunities (transfer points) associated with the Vancouver Island Highway</li> <li>• Sound business and regional support to secure new capital for infrastructure investment</li> <li>• Funding incentives to leverage new partnerships and secure regional support for new capital for infrastructure</li> </ul>





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