Ontario’s Forest Sector and its Relevance to the Province: The Good, the Bad and the Uncertain

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Overview

• Role of forest sector in Ontario's economy (sharing the benefits)
  • Specific indicators
  • Commitment to balance

• Current challenges (sharing the forest?)
  • Paradigm shift
  • Has the pendulum swung too far?

• Next steps, what do we need to do (sharing the message)
  • Public outreach, including Southern Ontario
  • Reaching young minds
Benefits to communities

- Over 260 forestry dependent communities in the province
- Benefits across the province, including S. Ontario
- Majority of very high and high dependency communities in the north, where other opportunities may be limited
Employment

- Tens of thousands of jobs
- Above average wages
- Often in areas with few alternative options

Source: NRCAN, August 2015
Royalties, Taxes and Other Benefits

- Royalties as high as $130 million per year
- Billions of dollars in taxes to all three levels of government per year
- Historically, one of the largest contributors to the balance of trade
- New money that supports our social programs (e.g. education and health care)
Benefits to Aboriginal Communities

• Comprehensive information not available
• Recognition that Aboriginal peoples are the business partners and the workforce of the future
• Aboriginal peoples represent one of the youngest and fastest growing segments of Ontario’s populations
• Significant opportunity to share in the economic benefits associated with forestry
Future potential

- Increases in U.S. housing starts
- Increasing exports to other countries
- Diversification of products
- Global demand expected to increase
- Potential for domestic demand to increase as a result of climate change policies
- Competing jurisdictions focussing on other markets (less competition)
Sound and enviable track record

• Recognition of balanced approach (sharing the forest)

• Numerous studies rank Ontario as a global/national leader in sustainable forest management
  • Yale University
  • Indufor Oy/Forestry Innovation Investment
  • Canadian Boreal Forest Agreement

• Supported by other metrics
  • 7% of the world's certified forests

"Within the Canadian context, Ontario has developed one of the most comprehensive and prescriptive forest management planning systems in the country."

"In general, Ontario has developed a highly evolved regulatory system under the CFSA"

Are we losing the balance?

• Recent evidence that government policy and certain ENGO efforts are focusing on environmental values at the expense of social and economic interests

• Concern expressed by majority of industrial sectors on key policies
Electricity

- Highest electricity costs in North America
- Expected to increase due to various factors, including replacement of coal with high cost green power

See: Dewees, Donald. 2012. What is happening to Ontario electricity prices? Department of Economics, University of Toronto.

Wood Costs

- One of the highest delivered wood costs in North America
- Concern that new policies will compound the issue

“Overall, the Act adds $1.50 to $2.00/m³ to the cost of producing forest products”.

*Improving the Endangered Species Act – Impacts on Renfrew County, 2014*
Wood Supply

- Anticipated reduction in wood supply
- Due primarily to age class imbalance, but compounded by other factors including environmental policy (e.g. Endangered Species Act)

“The dip in total harvest volume can be attributed to the current age class distribution of the Pic River Ojibway Forest and new constraints related to the woodland caribou habitat management.”

Need for socio-economic assessment

• Concern raised by a broad range of sectors

• ESA Panel recommended that socio-economic impact assessment be conducted on all species at risk policy as well as the legislation itself
ENGO campaigns

• Public and market based campaigns
• Targeting the broader sector, specific regions or individual companies
• Very well coordinated within elements of the ENGO sector, well funded

Government programs

• Various programs in place to counter concerns, generally well received
• Address both economics and consumer awareness

Source: Ontario Wood website
What is driving this trend?

• Increase in public awareness of environmental issues/greater consideration of environmental issues in policy development
• Disconnect between majority of population and what goes on in the forest
• Natural inclinations and/or exposure to anti-logging messaging, particularly among younger people
• ENGO campaigns
  • Well established
  • Well organized
• All of these are compounded by the fact that the majority of population is S. Ontario
Environmental influence on policy

- Observed paradigm shift from industrial values to environmental protection
- Inevitable, but going too far?

Source: Table 6.1 of Koven dissertation, Policy Networks and Paradigm Change in Ontario Forest Policy 1988-2014 (circle/emphasis added)
Public disconnect

- Consumers are generally unaware of Ontario’s forest management practices, although sustainability is an important issue.
- While consumers believe that the forest sector is important, there is a general lack of awareness about forest management processes and practices in the province, which may lead to negative views:
  - Only 15% say they are familiar with how Ontario’s forests are managed;
  - Almost half (47%) are either neutral or disagree with the statement “Ontario’s crown forests are well-managed.” Another 25% responded that they simply ‘don’t know’;
- Misperceptions and misinformation (some of which may be reinforced by messaging from special interest and advocacy groups), as well as a basic lack of awareness of the current state of Ontario’s forests, will require significant efforts to counter.

Findings from the Ontario Wood Benchmark Awareness Survey (A Report to the Ministry of Natural Resources), March 2015
Youth perspective

“Canadian kids aged 8 to 11 rate ‘animals becoming extinct’ as the environmental issue that is most important to them. Specifically, 69% of kids surveyed rated ‘animals becoming extinct’ as being ‘very important’ to them, placing it ahead of other issues such as litter (63%), air pollution (61%), water pollution (61%), forests being cut down (56%), animal habitat loss (56%).”

Ipsos, April 2015 (emphasis added)
Youth perspective

“Did you know that the **boreal forest** covers about 58% of Canada, making it the country’s largest ecosystem? This means the forest is home to tons of plants and animals, like the over 3 billion birds that rely on this forest every year. Unfortunately, like many forests, it is threatened because of logging and development.”

http://www.earthrangers.com/wildwire/take-action/the-woodland-caribou-needs-your-help/
Population trends

- 94% of population lives in S. Ontario
- 7 out of 11 (64%) N. Ontario census regions saw a drop in population from 2006 to 2011
- Only 6 out of 38 (16%) census regions in S. Ontario saw a drop in population (2006-2011)
- Overall northern populations dropped by almost 1.5%
- Southern populations increased by over 6%
Population – political ridings

- Currently 107 electoral ridings (provincial level)
- 11 ridings in the north
- 2018 – additional ridings responding to population growth in Southern Ontario
Big picture

• Both government policy and ENGO campaigns are going to be influenced by broader public sentiment

• Policy battles will be largely won or lost based on public support

• Southern Ontario is key

“For modern man, absolute right and absolute wrong are a matter of what the majority is doing.”

Martin Luther King Jr.
So what can be done?

- There is a very good news story in Ontario
- There is a need to get the message out in a way that resonates with the public
- We are good at telling it too each other, but there is a need to reach the broader population
- Challenges exist, but can be overcome with the right strategy
Lots of excellent initiatives in place

- Ontario Wood
- Forestry in the Classroom (Forests Ontario)
- WoodWORKS!
- Ottawa Valley Wood
- Trade Associations (e.g. FPAC)
- Companies (e.g. Boreal Forum)
How to move forward

• Be positive
• Don’t try to win the day on economics
• Don’t simply counter accusations, be proactive and create your own narrative
• Keep it simple
• Be consistent and have continuous messaging (culture shift)
• Collaborate, build on what’s in place
• Start early (e.g. youth)
You Tube Video

• https://www.youtube.com/watch?v=PHoMsmJt4QE
Thank you!