



# Campbell RIVER

## Economic Environment Scan

A consolidation of resources

Presented by:  
Campbell River EDC Rivercorp



## CAMPBELL RIVER ENVIRONMENTAL SCAN

As of April 2007

### Service Area

Incorporated in 1947, the District of Campbell River has a total area of 14,880 hectares, and a census 2001 population of 28,456, representing a decrease in population of -1.4% since 1996. In 2005, Campbell River secured its status as a City, leaving the old jurisdiction of "District" to history. Some areas outside Municipal boundaries have demonstrated a small increase in total population over the same period.

By highway, the Municipality is 264 kilometers north of Victoria and 44 kilometers north of Courtenay. Campbell River is in the Comox-Strathcona Regional District. Campbell River is characterized as a forest dependant community. However, its local and regional economy is diversified with major employment reflected in Retail Trade, Manufacturing, Accommodation and Food & Beverage industries.

Campbell River has three First Nations Bands within the municipal boundaries, those being the Campbell River First Nation, Homalco First Nation and the Cape Mudge First nation that maintain the Quinsam community within Municipal boundaries, with its band office on Quadra Island.

Changing population demographics, specifically population aging and the decline of school-aged children reflect national trends. The Government of British Columbia statistical profiles indicates that the elderly dependency rate is increasing in Campbell River. By the year 2010, it is estimated to increase 3% from 2001. The population, from 0-17 years, is estimated to drop 6%, 18-24 years, to remain relatively stable, and 2-64 years to increase 3%. Awareness and education towards the visible minorities, Aboriginal peoples, disabled people, youth and the elderly will be imperative.

### Highlights

In the past year, Campbell River has experienced the following changes to its economic portrait these include projects that have been completed and projects that have been confirmed:

\$7 Million Services and Utility Expansion to the **Campbell River Airport**

BC Aquatic Health Centre **Opened**

**Campbell River Common** Commercial Centre

Canadian Masters Badminton Championship **Host City**

**City of Campbell River** \$40 Million Infrastructure Improvements

**Forest Grove** Subdivision

Georgia Park Phases 3&4 **Sold Out**

Highway 19A Willow Point Upgrade **Completed**

Ironwood Mall **Sold** Now Campbell River Common

**London Drugs** at Mariner Square Opening

**Mariner Square** Commercial Centre

Maryland Estates Phases 1 to 4 **Sold Out**

Merecroft Landing 16 Units **Sold Out**

**Myra Falls** \$24.1 Million in Capital Expenditures

National Fly Fishing Championship **Host City**

Penfield West Phases 1 to 6 **Sold Out**

Quinsam Coal Sales **Sold Out for 2006**

Quinsam Community Centre **Opened**

Quinsam Crossing Highway 19 Shell Station **Opened**

**Real Canadian Superstore** 30,000 ft. Expansion

Ripple Rock Elementary School **Opened**

**Save-On Foods** at Mariner Square Opening  
**Sequoia Springs** West Development  
**Silversea** Condominiums 3<sup>rd</sup> Phase  
**Vancouver Island Health Authority** 134 Units Announced  
**Wei Wai Kum** Campbell River **Cruise Ship Terminal** Opening  
 Western Canadian Aerospace Alliance **Host City**  
 Western Canadian Junior B Hockey Championship **Host City**

Catalyst, Campbell River's **single largest employer** with **1,100 people**, signed a five year labour agreement [2002] that changed the climate in Campbell River by providing certainty and eliminating nuisance claims;

Population growth is **stable to increasing**, demonstrating the same characteristics as other Island communities with respect to ageing in place and declining enrollment due to low birth rates and a bias to the ageing profiles;

In-migration of population is primarily **linked to retiree's**, reported through the [www.retire.incampbellriver.com](http://www.retire.incampbellriver.com) group that is linked directly to the real estate community;

Major developments include Sequoia Gardens and Georgia Park. The Georgia Park Development reports that its 10 year roll out of single family homes will be completed in **4 years** which is an indication of the high demand for new homes in the market;

All three first nation communities are developing as well:

**Homalco First Nation** municipal infrastructure program **\$6 million** has been completed. It services the Campbell River Regional Airport, opening up new development opportunities for Aerospace Industries;

**Cape Mudge First Nation** Quinsam Community Infrastructure program that involves \$4.5 million and a new community centre, residential single family homes, neighbourhood retail centre and motel;

**Campbell River First Nation** working on a \$12 million dollar Cruise Ship Port Facility, residential development expansion. Big House retail and office space development scheduled for early 2007. Wal-Mart and Home Depot developments under negotiation;

Campbell River is the crossroads for 4 First Nation linguistic units including Salish, KwaKiutl, NuuChalNuth and LaichKwilTach speakers and so First Nation Community Reserves play an important role in the local and regional market;

Forest harvest industry **stable and consistent** looking forward to 2010;

Monitoring progress in resource industries, new developments such as offshore oil and gas;

Focusing efforts on small business, **98% of existing businesses are under 50 employees**;

Market survey indicates that of the 100 surveyed in the first quarter of 2005:

**52% have planned expansions** in the next three years representing a total of **\$36.4 million** in investment, **267 new jobs** which represents a **19% increase** in employment for those businesses;

Rivercorp has focused its efforts on building the manufacturing/processing, transportation/warehouse, professional/technical/ and recreation/accommodation sectors inside Campbell River.

### Primary Harvest and Resource Activity

Campbell River continues its role as the home base for primary industry workers who work in an area from the Oyster River to the mid and central coast. Much of the work is undertaken in remote locations and requires extended shifts away from home. The local scan indicates that Campbell River has a diversified primary harvest industrial profile with active mining, wood harvesting, ocean harvests and other resource activities.

## Major Employers

### Hillsborough Resources Ltd. Quinsam Coal

The market is strong for thermal coal. Production is stable. This is significant for the company. Primary market for the cement industry is in Vancouver and Washington State. Temporary permit to sell coal to local pulp mill has been successful and translated into a long-term agreement. Potential exists to service other customers in the region.

Currently assessing exploration data on its Quinsam North property. Creation of a mine plan will follow with decision potentially before the end of 2007. Options include expansion into a new mine or within existing infrastructure. Next round of exploration in 2007. The next round of drilling will be definitive.

Potential expansion provides opportunity for increased employment and/or investment. Investors may be customers interested in securing supply or foreign trade investors interested in securing supply. Potential expansion may provide opportunity to develop a Deep Sea Port.

### NVI Mining Ltd. Myra Falls Operation

The company continues to review its near-term and long-term plans for the Myra Falls operation. The near-term goal is to stabilize the operation by maintaining a steady flow of ore to the mill and to ensure that recoveries of all economic metals are maximized. The long-term goal is to define ore bodies lying adjacent to and west of the current mining areas.

Employment levels have increased from 360 in 2005 to 435 employees in 2006. Outlook continues to be positive due to a rapid rise in mineral prices. Record levels have been achieved in 2006 due to the rapid rise in price and increased consumption in China and India. Record levels are anticipated to continue for the next two years. Previous declines in prices and consumption led to a lack of resources for exploration. Increases in these areas have led to the re-structuring of the exploration department, which was originally disbanded in 2001.

Exploration has become a priority. Estimates indicate that Myra Falls has only been 40% explored. Exploration expenditures for 2006 are \$2.5 million Canadian for Myra Falls. Drilling will take place over the next three years at an estimated \$250-300,000 per month. The net result of the exploration contract will generate approximately 20 employees.

The goal is to ensure the long-term viability of Myra Falls. Forty major infrastructure projects have been identified to achieve near-term and long-term plans.

### Catalyst

Changes in the industry have led to the loss of 6,000 Canadian jobs permanently and 3,000 jobs have experienced temporary curtailment. This is not a cycle. This is a structural change due to increased competition internationally. The natural and competitive advantage of Canadian trees has decreased. A twenty-five year growth cycle for a tree in Canada now competes with a seven year growth cycle in Brazil. Combined with fewer government regulations, decreased transportation costs and lower human resource costs a country, such as Brazil, has a distinct competitive advantage. Cost reduction and conversion into other products is the only remaining option for Catalyst. Future investments will be determined on a site by site basis.

### **Secondary Processing and Manufacturing Activity**

The two largest industrial taxpayers supporting Campbell River are wood based. Catalyst employs 1,100 people and has a secure a five year labour agreement with its workers which will result in a stable work environment. The company has also announced plans to invest additional capital in its systems over the next few years. The two operations located in Duncan Bay include the newsprint paper and the pulp operations.

The second major influencer in the manufacturing economy is TimberWest Forest Corporation. The Elk Falls Lumber mill was one of 41 sawmills located on the BC Coast targeted and highlighted for anticipated closure in 2001. Through restructuring the workforce and an evaluation conducted in 2002, the company completed plans to invest \$10 million dollars in new processes, expand their production capabilities as well as putting on a third shift.

The majority of manufacturers and processors are comprised of small and medium enterprises employing less than 50 people. There is a core capacity for manufacturing that includes businesses such as Daigle Welding Eaglecraft Boats, Nikko's Foods Ltd., Campbell River Seafoods, Sealand Aviation, Seatech Structures and York machine Shop. There are specialty clusters of small businesses emerging in the Aerospace, Transportation and knowledge based Technologies emerging in the area.

The construction industry has been the subject of major change as market pressures for new home construction subsided in the past five years. There is a gap in trades available for construction, combined with indications that the demand for single family, multi-family and special serviced residential construction is about to increase. Major Industrial and Commercial construction has been maximized, with the exception of a 6-acre site on Dogwood Street which is being offered to the market by School District 72.

Contracting and Transportation businesses continue to grow in spite of decreases in local demands. Contractors have enlarged their areas of operation and have back filled the lack of local jobs by focusing on the Cowichan, Nanaimo and Comox Valley markets.

### **Tertiary Retail and Service Activity**

Retail sector performance consistent with 2005. Emerging big box and cruise ship environments produce opportunities and challenges that need to be identified and resolved. The future business environment in Campbell River requires a period of re-education and re-evaluation by retailers of the products, services, and level of service offered. Retailers need to know how to prosper in the new retail environment. The Campbell River Chamber of Commerce is committed to assisting with this process. The Chamber will provide workshops on "Prospering in the Big Box Environment" and "Cruise Ship Opportunities and Challenges". Education is key and timelines need to be identified to maximize effectiveness of Chamber workshops. Identification of opening dates for Wal-Mart and the cruise ship terminal is crucial.

Quinsam Crossing is a 60 acre parcel of First Nations land. Shell Service Station is complete and its operation is currently meeting expectations. A review after one year will indicate whether or not it is meeting anticipated projections. Discussions continue with the City and the Regional District related to the development of a new arena (Junior A Hockey and community use). This project is a 30 million dollar development. Priorities for the Cape Mudge Band include continued economic diversification. Adding another 25,000 sq ft to the Native Community Centre. Transportation is a key area for development with the Middlepoint Project which is a \$10-15 million dollar development of a Deep Sea Multi-User Port. Working with Transport Canada. Goal to secure ownership by January 2007.

Real estate purchases remain strong in 2006. The Vancouver Island Real Estate Board reports average sale prices across six zones, from October 2005 to October 2006 as follows: Campbell River increased 12 per cent (to \$264,422), the Comox Valley was up 12 per cent (at \$300,010), Nanaimo is up 6 per cent (to \$305,339), Parksville/Qualicum grew 6 per cent (to \$349,110), Port Alberni increased 50 per cent (to \$218,614) and Duncan's increased 21 per cent (to \$323,850).

The City of Campbell River Airport will enhance existing strengths and focus its operation on corporate aviation. General Aviation levels must be maintained in terms of passenger service. Daily scheduled flights arrive at the Campbell River Airport (YBL) from Vancouver International Airport with Central Mountain Air and Pacific Coastal. Kenmore Air has also started seasonal service to Seattle. Infrastructure for corporate services will be enhanced with the availability of water and sewer services. More than 17 businesses currently operate in or around the airport. There is growth potential in this area. A five year plan is under review to strategically develop the aerospace industrial capacity at the Campbell River Airport.

BC Ferries will be conducting a master planning process for each ferry terminal over the next twenty years. Campbell River's master planning process will commence in 2012. Large scale development can shift priorities within the master planning process and lead to an immediate review.

#### **Quaternary Government and Institutional Service Activity**

The City of Campbell River maintains its current operational standing as a result of restructuring in 1997 and maintains its on-plan status. It is the second largest City north of the Malahat on Vancouver Island, second to the City of Nanaimo. The Regional District of Comox Strathcona has evaluated its working relationship with the Municipality and is adjusting its operating plans to reflect a new relationship with its areas.

School District 72 has repositioned its approach to education in the region. Continued declining enrollment due in part to changes in the demographics have led to the planned closure of 3 elementary schools in the Campbell River area, two of which will be sold and the revenue reinvested into a new replacement school in the Cheviot Road neighborhood.

The Government of British Columbia has completed its restructuring of its operating resources. In addition to line Ministry operations of the Provincial Government, North Island College continues to play a significant role in the local and regional economy. The Campbell River Campus has developed new programs directly feeding the regional resource and manufacturing economy. High among the profile programs, North Island College's aerospace manufacturing program makes a contribution to the manufacture of aviation equipment in the area.

The Vancouver Island Health Authority has announced new facilities in Campbell River.

The Government of Canada has continued to grow its presence in Campbell River. Fisheries and Oceans Canada has consolidated a number of operations related to conservation using Campbell River as a coastal base. Coast Guard Canada is scheduled for equipment replacement in 2005 that will see the need for new land based operational capabilities. With the recent announcement of HeliJet International air service to Seattle, combined with plans for the Cruise Ship industry, Canada Customs operations are expected to change and improve.

#### **Quaternary Volunteer and Non-Profit activities**

The reduction of residents disposable incomes has become a challenge for all non-profit services provided in the community. The United Way Appeal, Campbell River Hospital and Yucalta Lodge Foundation, the North Island College Foundation and the Museum at Campbell River continue to be the highest profile beneficiaries in this area. Other services are reporting difficulty in accessing the declining

number of government grant programs and corporate philanthropy. This is an area that will continue to be challenged and may result in the closure of some community services.

### Conclusion

The Campbell River and North Island economy used to be one that was predictable and founded on a boom-bust basis. Growth in technology and the immediate effects of world events has changed the nature of the socio-economic environment. Environmental scanning is a technique that must be maintained twice annually as events require.

[www.rivercorp.ca](http://www.rivercorp.ca) | [www.retiree.incampbellriver.com](http://www.retiree.incampbellriver.com) | [www.visitorinfo.incampbellriver.com](http://www.visitorinfo.incampbellriver.com)

### Financial Post Markets

The Financial Post publishes an annual overview of Canadian Demographics by market area. For many businesses, it provides a higher level view of the dynamic that take place within markets and provides somewhat of a level playing field for assessment of economic conditions in an area. This section will present information compiled on the Campbell River, Courtenay and Nanaimo market areas over a period of time. These three markets are co-located on Vancouver Island and share a common trading area.

Campbell River as a market is defined as the Census Agglomeration [CA] or group as statistical areas that includes the District of Campbell River [DM], Comox Strathcona Subdivision B [SRD] plus several smaller areas within the Regional District. For business purposes, market area evaluation is preferred over other statistical approaches because it provides a wider view of the dynamics within an area.

Financial Post Canadian Demographics serves as a quick reference for businesses that rely on current statistics generated in a convenient form for comparison. This differs from the approach taken by local governments in that the evaluation of market areas is less dependent on inward looking numbers and more reliant on securing a general impression of the economic condition and performance from an outsiders view.

### Total Population

This indicator demonstrates the total market population estimated for a given year. While significantly smaller than the Courtenay and Nanaimo market areas, Campbell River has exhibited a gradual increase in population in the past 3 years. The downward trend shown for the Courtenay market has been identified as a data error and does not reflect the upward trends exhibited in other sources. The Financial Post estimates that Campbell River is on an increasing trend while the same cannot be concluded regarding the other markets.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1998	35,700	56,100	86,500
1999	36,900	57,200	88,300
2000	38,000	61,200	91,300
2001	36,629	63,083	92,927
2002	35,359	62,592	91,771
2003	36,226	N/A	91,499
2004	37,128	N/A	89,099
2005	36,737	49,620	92,303
2006	36,112	51,000	94,010
2007	37,177	52,687	97,967

Source: Financial Post Canadian Demographics

## Population PSYTE Profiles

This is a calculation developed by Mapinfo Canada that places every Canadian enumeration area and postal code into one of 60 predefined clusters or categories. In the case of each of these three markets, their profiles are substantially different. For the purposes of reviewing Campbell River's economic condition, only those categories shown for Campbell River are shown for Courtenay and Nanaimo for discussion purposes.

While detailed descriptions are available in the Financial Post Canadian Demographics, the following short forms will serve to illustrate the differences in the three market areas:

### Small City Elite

Small traditional families and older couples headed by middle aged, well educated managerial / executive maintainers. Children are over the age of 6, larger, single detached post-1971 dwellings

### Town Boomers

Comfortable. Relatively well-off, younger and middle aged families in towns and small urban areas. Education levels are modest but high for towns. Occupations are grey collar and white collar. Dwellings are typically newer, owned and single – detached. Most households have children.

### Nesters and Young Homesteaders

Old singles and couples, some younger couples and small families. Older neighbourhoods in towns. Dwellings are mixed row housing and low rise single detached. Mostly rented. High school and College education. Grey collar and service occupations, relatively low labour force participation.

### Young Grey Collars

A mix of singles, small families and empty nesters in older neighbourhoods of small cities and towns. Strong prairie representation. College and high school education. Ranks #1 on grey collar occupations. Mixture of rented, other dwellings and older, single detached.

### Big Country Families

More remote agriculture and resource areas with a western Canadian skew. Older, very poorly educated maintainers of large families. Farm, blue collar and white collar government occupations. Lots of children. Significant proportion of native Canadians [25% "ethnic" origin native, and 10% Band housing], Significant unemployment. Low mobility.

### Aged Pensioners

Largely very old singles, some couples, renting small apartments, flats and other dwellings in in-town areas of small and medium Canadian cities. Very low education levels. High unemployment and government transfer rates. Low status, grey collar occupations but very low labour force participation. High mobility.

Nanaimo demonstrates approximately 58% and Courtenay 73% of the same category attributes as Campbell River. The difference is demonstrated in the percentage attributed to each which may reflect the fact that Campbell River is the youngest of the settled three market areas.

Category Description for 2004 Estimates	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
Small City Elite	4.89	12.38	22.20
Town Boomers	53.42	9.86	0.87
Old Town's New Fringe	14.14	9.68	15.84
Nesters & Young Homesteaders	14.57	40.73	15.04
Young Grey Collars	9.23	0.55	N/A
Big Country Families	1.65	0.25	0.34
Aged Pensioners	2.09	N/A	4.04

Source: Financial Post Canadian Demographics

### Average Annual Growth Rate

Annual Growth rates are influenced by the scope of each market in terms births, deaths, out-migration and in-migration of people to the market. Sharp changes in the annual growth rate are not indicated in this profile as may be expected. High percentages shown how faster growth while lower and negative percentages demonstrate periods of slow growth. During this time series, Campbell River exhibited periods of slow and negative growth which would indicate influences such as lower birth rates, higher death rates, and a trend to out-migration. The indicators show periods of lower growth expected for both the Courtenay and Nanaimo market areas through the first part of this decade.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1998	2.41	3.95	3.24
1999	2.23	3.2	2.68
2000	2.31	3.61	2.76
2001	0.03	2.02	0.9
2002	-0.56	1.55	0.54
2003	1.57	1.87	1.5
2004	1.83	0.47	0.07
2005	1.02	0.31	0.85
2006	0.47	0.8	1.05
2007	0.88	1.21	1.57

Source: Financial Post Canadian Demographics

### Income compared to National Average

This series compares the income of household maintainers located in each market to that of the National average. Campbell River demonstrated a higher Income prior to 2000 and is demonstrating a reduction to less than the National average. Conversely, the Courtenay market has fluxuated at levels lower than the National average typically, which may reflect its rural character and shows a counterpoint to Campbell River's resource character. The other factor in evaluating this indicator is that the National average may have been driven upwards by the performance of other provincial markets during the time series.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1998	3	-16	-3
1999	7	-11	-3
2000	5	-9	-5
2001	-2	-9	-9
2002	-3	-11	-9
2003	-1	-12	-7
2004	-10	-9	-11
2005	-13	-12	-15
2006	-12	-11	-15
2007	-11	-10	-13

Source: Financial Post Canadian Demographics

### Per Capita Income

This factor is important as it is a reflection of the financial productivity of the market. Typically, per capita incomes have been higher in the Campbell River market. During this time series, we see per capita incomes rising in both the Courtenay and Nanaimo markets which may be reflective of both structural changes in the Campbell River market related to adjustments in the resource economy and new influences in the Courtenay and Nanaimo markets that are not resource dependant.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1998	\$21,700	\$18,000	\$19,700
1999	\$21,100	\$18,300	\$19,100
2000	\$20,700	\$19,100	\$19,200
2001	\$21,100	\$19,400	\$19,900
2002	\$22,200	\$19,700	\$20,800
2003	\$22,900	\$23,000	\$22,600
2004	\$22,600	\$23,200	\$22,100
2005	\$23,000	\$23,300	\$22,500
2006	\$23,025	\$23,344	\$22,466
2007	\$25,600	\$25,900	\$24,900

Source: Financial Post Canadian Demographics

### Disposable Income

This indicator is calculated by linking income, taxes and expenditures in one data set. It estimates the amount of income available to households for purchasing products depending on where they live, how much they spend on basic necessities and other required expenditures. This time series indicates that Campbell River has had, with some exceptions, consistently higher disposable income than the Courtenay and Nanaimo markets.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
2001	\$42,996	\$38,177	\$36,363
2002	\$41,477	\$42,818	\$39,401
2003	\$35,579	\$35,943	\$38,514
2004	\$46,247	\$44,350	\$43,601
2005	\$45,943	\$43,721	\$43,280
2006	\$42,697	\$39,922	\$38,875
2007	\$47,600	\$44,906	\$43,666

Source: Financial Post Canadian Demographics

### Average Family Income

This indicator shows the difference between markets in terms of a calculated average family income. Each year in this series from 1998 to 2003 Campbell River demonstrates a higher average family income than the other two markets. It is anticipated that in 2004, the Financial Post estimates that the Courtenay and Nanaimo markets will begin to have comparable figures to Campbell River. This may be attributed to restructuring that has taken place in the resource sectors which results in a reduction in the average Family income calculations.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1998	\$55,810	\$44,909	\$48,847
1999	\$64,704	\$53,685	\$56,202
2000	\$57,475	\$48,124	\$49,830

2001	\$58,112	\$51,195	\$52,723
2002	\$57,224	\$50,013	\$52,473
2003	\$58,650	\$51,039	\$54,474
2004	\$63,360	\$61,885	\$62,031
2005	\$62,869	\$60,927	\$61,323
2006	\$63,198	\$61,453	\$61,554
2007	\$69,791	\$68,162	\$68,826

Source: Financial Post Canadian Demographics

### Average Household Income

The Household Income estimates differ from the Family estimates as they are derived on the basis of the total number of households regardless of composition. The estimates reflect similar dynamics to the Family Income series in that decreases were identified for the 2000 and 2001 periods in the Campbell River market. At the beginning of the profile, Campbell River demonstrated significantly higher values than the other two markets. As is the case with other indicators, both the Courtenay and Nanaimo figures have begun to reach the same level as Campbell River.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1998	\$48,258	\$36,890	\$43,458
1999	\$56,994	\$44,620	\$48,273
2000	\$55,423	\$44,813	\$46,451
2001	\$52,693	\$46,177	\$46,814
2002	\$53,214	\$46,439	\$48,023
2003	\$54,883	\$47,035	\$50,120
2004	\$56,823	\$53,548	\$52,959
2005	\$56,544	\$52,791	\$52,569
2006	\$56,853	\$53,297	\$52,746
2007	\$62,786	\$59,136	\$58,953

Source: Financial Post Canadian Demographics

### Financial PSYTE Profiles

Similar to the Demographic PSYTE profiles demonstrated earlier, the Financial Profiles are developed as a cluster of information on the market combining Equifax data with Mapinfo data using disposable and discretionary income estimates and liquid assets into 19 categories. This description attempts to describe the market in terms of categories that could be applied across Canada and is very general. Some of the elements of a particular description may not apply to the area being described; however, the description of the most likely attribute of the demographic in the market will be applicable.

While this does appear to be a somewhat bias view of the market it is important to note that non-residents who use the Financial Post information do not have the mean to place the information in context. It is an important factor for Campbell River to understand how Financial Institutions may view the Campbell River market. There are five categories that have been used to characterize the Campbell River market including:

#### Canadian Comfort

Households in these mid to upscale neighbourhoods in small towns and cities live in Canadian Comfort. The average household income is approximately \$70K for these dual income families. Household disposable income has a tendency to be relatively high at around \$50K. These households rarely rent, they own, and their homes are nicer than average. They often have several

open lines of credit and they are less risky than the average Canadian. Both their dwelling values and their liquid assets are about 30% greater than average. They tend to be conservative investors and do not typically have a lot of money tied up in residential real estate.

### **Tractor and Tradelines**

Self employed blue-collar farmers and related agricultural occupations dominate this cluster. Household incomes are just below the Canadian average. Middle sized families with younger parents [25-44] and younger children predominate. Dwelling values are relatively low, despite the fact that a significant percentage of these values include farm land. These rural farmers are typically high credit risks. Their credit lines tend to be high, they usually carry an outstanding balance, and there is a tendency to default on retail credit cards. They also carry a personal balance on personal lines of credit. Below average balances in savings accounts and below average holdings of liquid assets is the norm. More emphasis is placed on savings balances than stocks or mutual funds. These people spend relatively large amounts of money on their children and transportation.

### **Revolving Renters**

Lower income urban and town apartment dwellers. The average household income in this cluster is \$44K. The primary concern for these people is paying the rent that tends to gobble up more than one-third of their income. Ages are split between young [15-24] and old age pensioners; many are singles but there are some couples. Although not everyone in this cluster is a credit risk, there is an above average tendency to be delinquent on payments. There is a greater than average appearance of bankruptcies, foreclosures and bad debt. What these households do manage to save is in the bank and not tied up "in the market". There is not a great deal here in material possessions, including real estate. The elderly in this cluster spend a lot on health care and long distance telephone bills.

### **Rural Family Blues**

Low educational levels and high unemployment is a theme of this rural cluster, where many Aboriginals and Francophones concentrate. The average household income in these neighbourhoods is approximately \$40K. While this average is the same as the Young Urban Struggle category, there is a larger income range in this cluster. The high unemployment rate among these 55+ maintainers is often coupled with the presence of many young mouths to feed. Their dwellings are typically owned, old and need major repairs. Average dwelling values are about half the Canadian average. Many of these households have either paid off their mortgages or have small monthly payments. Many people work in blue collar occupations including agriculture, logging or mining. They seek new lines of credit and often have trouble making payments. They are particularly likely to default on their retail card payments but are reasonably good at paying down their personal financing. These patterns affect credit card ratings. Overall are slightly higher than average. The balance in most of their savings accounts is typically quite low. Liquid assets, non-liquid assets, and net worth is also low.

### **Senior Survivors**

The average household income of these Senior Survivors neighbourhoods is the lowest of any cluster at approximately \$26K. They tend to be either retired or unemployed and typically live in rented apartments. A very high percentage of households spend more than 30% of their income on housing. Those people who do own their own homes have relatively small mortgages. There is a significant concentration of immigrants here, including Eastern Europeans and Asians. They are not apt to have active credit accounts but still tend to have more debt than they can handle. As a result, there is a propensity for bad credit records and a greater than average rate of bankruptcies and foreclosures. They typically haven't invested and typically do not have a lot of savings to fall back on. Although the savings rate is very low, it is not the lowest. Overall, investments are very low and demand deposits are the lowest of any cluster. Despite the years they have had to build up their savings, Senior Survivors have the third lowest accumulation of non-liquid assets.

The Courtenay and Nanaimo market profiles demonstrate 75% and 65% of the same cluster attributes as the Campbell River profile.

Category Description for 2006 Estimates	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
Canadian Comfort	59.43	24.56	27.67
Tractor and Tradelines	13.56	9.54	15.89
Revolving Renters	22.96	41.37	17.02
Rural Family Blues	2.13	0.23	0.49
Senior Survivors	1.92	N/A	4.01

Source: Financial Post Canadian Demographics

### Retail Sales compared to National Average

This indicator is a demonstration of the value of retail sales reported compared to the resident population total. It is important to remember that these figures are tied to the performance of the National economy, while at the same time, reflect the performance in the area markets illustrated.

This indicator may demonstrate the service and supply role that Campbell River plays in providing support to the resource industry, much of which is performed outside the market area. The strong figures for Nanaimo may also reflect its role as a consumer destination for national retail brands that are not located in the other two markets.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1998	31%	6%	8%
1999	37%	11%	21%
2000	42%	3%	19%
2001	12%	-7%	-5%
2002	26%	-28%	21%
2003	35%	-14%	22%
2004	30%	-14%	24%
2005	29%	-14%	20%
2006	57%	21%	34%
2007	21%	-11%	31%

Source: Financial Post Canadian Demographics

### Retail Sales per Capita

This indicator is simply a calculation that compares reported retail sales to the population total. It serves as an indicator of the dynamics of goods and services sold from within the market. In this profile, the Campbell River and Nanaimo values are consistently higher than the Courtenay profile.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1998	\$10,400	\$8,400	\$8,500
1999	\$11,700	\$9,500	\$10,400
2000	\$12,200	\$8,900	\$10,300
2001	\$10,000	\$8,300	\$8,500
2002	\$12,000	\$6,900	\$11,600
2003	\$13,600	\$8,600	\$12,300
2004	\$13,500	\$9,000	\$12,900
2005	\$14,100	\$9,300	\$13,100
2006	\$18,900	\$14,600	\$16,200
2007	\$14,900	\$10,900	\$16,200

Source: Financial Post Canadian Demographics

### Number of Retail Establishments

This indicator is important as it reflects the health of the retail market. Note that in 2003, the number of retail establishments declined in Campbell River after reaching a high of 362. The same trend is reflected in the Courtenay and Nanaimo markets in the same year.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1998	N/A	N/A	N/A
1999	287	418	637
2000	316	479	683
2001	336	483	715
2002	362	546	889
2003	354	492	843
2004	352	474	823
2005	317	465	866
2006	301	405	722
2007	324	474	782

Source: Financial Post Canadian Demographics

### Estimated Working Population

Defining the depth of the labour pool is important to evaluating market performance. This indicator illustrates the estimates for the Working population within the market taking into account the at-home population between the ages of 15 and 65, estimates of the daytime employees from geo coded business information, and a population at-work estimate for people who work outside the market.

Both the Courtenay and Nanaimo market profiles have larger resident populations that is reflected to some degree in this profile. However, it is useful to note that the Courtenay profile has been larger in past years than the Campbell River profile, yet estimates for 2004 show a comparable number for both market, which may indicate a growth in retirement population in the Courtenay market.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1998	17,962	17,765	34,884
1999	17,947	19,238	33,854
2000	18,258	18,616	34,214
2001	17,653	27,565	41,326
2002	18,291	28,154	43,240
2003	16,868	27,039	43,443
2004	20,254	21,077	44,556
2005	20,331	24,787	45,660
2006	20,160	25,754	46,886
2007	19,106	22,276	47,516

Source: Financial Post Canadian Demographics

### Unemployment Rate

This indicator expresses unemployment as a percentage of the total labour force. While National trend have tended to be reported at significantly less rates than illustrated for these markets, rates appear to be tracking on different trend lines beginning in 1998 and leading to similar positions in all three markets anticipated for 2004.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1998	10.40%	13.20%	12.60%
1999	11.00%	12.00%	12.40%
2000	8.00%	11.50%	11.20%
2001	9.40%	10.00%	10.40%
2002	9.00%	9.60%	10.00%
2003	8.90%	8.90%	9.60%
2004	12.50%	11.40%	11.70%
2005	11.95%	10.85%	11.15%
2006	11.20%	10.10%	10.35%
2007	9.90%	8.75%	9.05%

Source: Financial Post Canadian Demographics

### Trade Certificates

The existence of qualified trades people with certificates within a market has become a new a valued indicator of markets. In this time series, it is noted that there was a reduction in numbers experience in Campbell River in 1999/2000 and an increasing trend from 2001 forward. This occurrence did not register in the Courtenay and Nanaimo markets in the same way.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1998	1,154	2,006	2,697
1999	1,120	2,024	2,888
2000	1,036	2,204	3,560
2001	1,226	2,171	3,523
2002	1,211	2,200	3,575
2003	1,245	1,826	3,434
2004	4,576	N/A	N/A
2005	4,484	5,897	11,506
2006	4,450	6,114	11,797
2007	4,649	6,384	12,331

Source: Financial Post Canadian Demographics

### University Degrees

Similar in to the importance of people with Trade Certificates, people with University Degrees have become a measure of vibrancy in a market place. Unlike the fluctuations in Trade Certificates, this indicator appears to be growing consistently in all three markets.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1998	1,459	2,523	5,226
1999	1,731	2,882	4,814
2000	1,793	3,301	5,563
2001	1,877	4,801	7,262
2002	1,865	4,793	7,369
2003	2,076	4,021	7,122
2004	2,245	4,557	8,385
2005	2,212	4,599	8,828
2006	2,197	4,772	9,054
2007	2,263	4,987	9,522

Source: Financial Post Canadian Demographics

### Number of Private Households

This indicator illustrates the number of active households in a market. It appears that the number of households in the Campbell River market changed significantly from 2000 to 2002 while the Nanaimo market changed from 2001 and is expected to decrease slightly more in 2004. The reduction figures shown for the Courtenay market reflect the error in data identified earlier. Changes in household numbers generally indicate out-migration of residents that can be attributed to a combination of population factors such as births, deaths and migration related to work.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1998	13,196	21,944	33,601
1999	13,743	22,556	35,080
2000	14,500	24,939	37,586
2001	14,383	26,086	38,199
2002	14,046	26,189	38,015
2003	14,628	N/A	38,005
2004	14,925	N/A	38,047
2005	14,695	21,452	38,757
2006	14,625	22,338	40,042
2007	15,130	23,093	41,444

Source: Financial Post Canadian Demographics

### Owned Housing

Increases in owner occupied housing is an indicator of confidence in the market. All three markets have demonstrated growth in this indicator most likely due to record mortgage rates.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1998	9,562	15,503	24,300
1999	9,994	16,947	24,881
2000	10,589	18,053	27,406
2001	10,457	18,981	26,601
2002	10,206	18,999	26,544
2003	10,652	N/A	26,383
2004	10,879	N/A	26,714
2005	10,684	15,517	27,228
2006	10,649	16,131	28,079
2007	11,021	16,645	29,051

Source: Financial Post Canadian Demographics

### Rented Housing

Conversely fluctuations in rental activities may be attributed to unique circumstances in each market. A particularly large mill or infrastructure construction project may influence these numbers to some degree, while in other markets, the move to a new home with temporary rental accommodation may be a more likely factor.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1998	3,644	6,390	9,225
1999	3,478	5,512	9,831
2000	3,911	6,886	10,180
2001	3,916	7,105	11,532

2002	3,830	7,190	11,408
2003	3,960	N/A	11,549
2004	4,013	N/A	11,271
2005	3,979	5,935	11,465
2006	3,942	6,207	11,897
2007	4,073	6,448	12,326

Source: Financial Post Canadian Demographics

### Total Building Permit Values

Based on the relative population size of each market, Campbell River has had a higher building permit value in previous years. These values include residential, commercial, industrial and institutional construction. Residential construction in the Campbell River market has been reduced in the 1997 to 2002 years, while both Courtenay and Nanaimo markets appear to have been consistent. The influence of the completion of the Inland Island Highway to Campbell River in 2001 has yet to contribute to residential development in this market as it has done in both of the other cases. Current indicators from the municipality show new investment in single family residential subdivisions and the beginning of a new upward trend in construction for this type of dwelling.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1996	\$101,413,000	\$58,036,000	\$167,490,000
1997	\$87,760,000	\$47,878,000	\$97,873,000
1998	\$26,205,000	\$52,774,000	\$112,271,000
1999	\$33,800,000	\$43,293,000	\$133,903,000
2000	\$22,513,000	\$38,429,000	\$116,987,000
2001	\$19,728,000	\$49,985,000	\$97,967,000
2002	\$15,681,000	\$66,746,000	\$120,473,000
2003	\$21,427,000	\$94,895,000	\$168,945,000
2004	\$34,509,000	\$123,772,000	\$216,062,000
2005	\$74,682,000	\$146,196,000	\$266,272,000

Source: Financial Post Canadian Demographics

### New Home Construction Starts

The Campbell River market recorded strong growth in this area through the early part of the nineties. New Home starts in the area fell off during the later part of the decade while the Courtenay and Nanaimo markets surged forward. Late indicators in 2003 and early 2004 are pointing to an increase in new home starts for the Campbell River market.

	Campbell River [CA]	Courtenay [CA]	Nanaimo [CA]
1996	336	492	801
1997	313	591	971
1998	291	267	734
1999	87	208	414
2000	44	113	329
2001	41	187	328
2002	69	356	487
2003	97	452	605
2004	170	678	947
2005	339	713	905

Source: Financial Post Canadian Demographics

## **Economic Dependencies**

The latest report in a series developed by Garry Horne, Province of British Columbia, was released in January of this year. Entitled, "British Columbia's Heartland at the dawn of the 21<sup>st</sup> Century" is a detailed analysis that utilizes Census and other economic data to "focus on local areas throughout the Province of British Columbia". Similar reports were completed following the 1991 and 1996 Censuses. These reports do not focus on the Greater Vancouver Regional District as some of the assumptions are not deemed to be appropriate for a major metro area like Vancouver.

Throughout the politically charge nineties, the earlier reports were used in many ways to demonstrate political issues related to change in the resource economy. Some conclusions were not communicated effectively which led to misinterpretation and the characterization of the Campbell River market as a challenged economy. This latest version will assist in illustrating the baseline understanding of economic dependencies of the local and regional economy as a context for industry targeting.

The author of the report describes the results of the work as both "descriptive" and "operational".

*"The descriptive measures use the statistics available to describe each community in terms of its dependence on various basic sectors, its diversity, its vulnerability to downturns..."*

*"...the operational results are numbers for each community that can be used to estimate the impacts of anticipated or proposed changes in the basic sectors."*

The report outlines very clear lines demarking the areas between basic and non-basic income that flows into a community or market area. Basic employment income is defined as income that "flows into a community in the form of wages and salaries or self employed income from " jobs that produce goods and services that are exported elsewhere, from the tourist sector and from jobs that receive their employment income from senior governments and not directly from the local residents. Basic non-employment income also includes transfer payments from senior governments such as welfare, pensions, as well as investment income, retirement pensions and other non-employment income.

Non basic Income refers to "employment income generated from jobs in the community that provide goods and services to individuals who live in the community. These jobs are often referred to as non-basic jobs or induced employment."

The bottom line to all of this is that it is understood that the non basic income is dependent on having a healthy and diversified basic sector income such that when individual sectors or industries are in stages of development or cycling, the entire system does not collapse.

## **Campbell River Area**

For the purpose of this report Campbell River has been grouped with Gold River, Tahsis, Zeballos and Sayward and the communities on Quadra Island, Cortes Island and the Desolation Sound have been excluded. Campbell River is one of four communities in the Vancouver Island Coast Region whose local economy is strongly influenced by one common major employer, Catalyst. For the purposes of this report, the area of Duncan, Alberni and Powell River will be illustrated where possible, in addition to the Courtenay-Comox area. The table references shown correspond to the source tables illustrated in the report and bear no meaning for this report.

## **Percent Income Dependencies [After Tax Incomes 2001]**

Recording a high dependency rating for any one sector is not a positive position to be in. This table was derived from the main table in the report and illustrates the characteristics and attributes of Campbell River's local economic dependencies. Clearly, Forestry is still a major influence on the Campbell River area economy, with major influences from the remaining Pulp and Paper operation, which also happens to be the largest of Norske Canada's operating divisions in BC.

Area	Forestry	Mining & Min Proc	Fishing	Agric. & Food	Tourism	High Tech	Public Sector	Const	Film Prod	Other	Trans Pay	Other Non basic
4 Duncan	18	1	0	2	4	1	26	5	0	5	19	18
9 Alberni	31	0	2	2	8	0	22	3	0	2	18	12
10 Courtenay-Comox	11	1	2	3	6	0	30	5	0	3	20	18
<b>11 Campbell River</b>	<b>29</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>7</b>	<b>0</b>	<b>20</b>	<b>5</b>	<b>0</b>	<b>2</b>	<b>16</b>	<b>11</b>
13 Powell River	27	2	1	1	4	0	19	4	0	2	21	17
Campbell River Ranks	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	N/A	3 <sup>rd</sup>	1 <sup>st</sup>	N/A	3 <sup>rd</sup>	5 <sup>th</sup>	5 <sup>th</sup>

Source: 2001 Economic Dependencies and Impact Ratios for 63 Local Areas, Table 2.1, January 2004

### Diversity Indices

The highest ranking in the BC profile is assigned to areas such as Bute Inlet [75], Spallumcheen [75], Kelowna [73], Cranbrook-Kimberley [74], Kitimat-Terrace [70], Dawson Creek [74] and Fort St. John [70]. The Campbell River area was rated at [70]. Least diversified areas included such areas on the Island as Victoria [58] and Port Hardy [52]

Area	DI Rating
4 Duncan	69
9 Alberni	65
10 Courtenay-Comox	68
<b>11 Campbell River</b>	<b>70</b>
13 Powell River	67
Campbell River Ranks	1 <sup>st</sup>

Source: 2001 Economic Dependencies and Impact Ratios for 63 Local Areas, Table 2.3, January 2004

### Forest Vulnerability

To test these models, the author developed a "Forest Vulnerability Indices" as many of the areas are particularly dependant on incomes from the Forest Sector. The next table illustrates the Campbell River area position, given that Port Hardy was rated at 100.

Area	Forest Vulnerability Rating
4 Duncan	22
9 Alberni	45
10 Courtenay-Comox	13
<b>11 Campbell River</b>	<b>36</b>
13 Powell River	36
Campbell River Ranks	2 <sup>nd</sup>

Source: 2001 Economic Dependencies and Impact Ratios for 63 Local Areas, Table 2.4, January 2004

### Direct Tourism Ratios

One of the challenging areas for the report was to determine how best to represent the impacts associated with Tourism spending. The author identified that counting the tourism operating jobs without considering all the other influences on non-operating jobs is misleading. The final analysis demonstrates a total local employment generated by the Tourism spending from an estimate of the accommodation employment.

Area	Direct Tourism Ratios
4 Duncan	4.80
9 Alberni	3.36
10 Courtenay- Comox	4.50
<b>11 Campbell River</b>	<b>4.39</b>
13 Powell River	4.37
Campbell River Ranks	3 <sup>rd</sup>

Source: 2001 Economic Dependencies and Impact Ratios for 63 Local Areas, Table 2.5, January 2004

### Indirect Employment Ratios [(Direct + Indirect)/ Direct]

Employment impact ratios are used in this report rather than income ratios because most people can relate more easily to a community's change in employment levels than to compare them with changes to income levels.

Area	Logging	Pulp & Paper	Wood Mfg.	Mining	High Tech	Agr.	Tourism	Public Sector	Const.
4 Duncan	1.19	1.60	1.27	1.32	1.07	1.15	1.06	1.14	1.28
9 Alberni	1.17	1.49	1.24	1.27	1.25	1.13	1.07	1.13	1.24
10 Courtenay- Comox	1.20	1.73	1.32	1.33	1.25	1.15	1.07	1.14	1.29
<b>11 Campbell River</b>	<b>1.21</b>	<b>1.64</b>	<b>1.30</b>	<b>1.31</b>	<b>1.28</b>	<b>1.14</b>	<b>1.07</b>	<b>1.14</b>	<b>1.27</b>
13 Powell River	1.19	1.60	1.29	1.29	1.24	1.14	1.07	1.11	1.26
Campbell River Ranks	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	3 <sup>rd</sup>

Source: 2001 Economic Dependencies and Impact Ratios for 63 Local Areas, Table 3.1, January 2004

### Campbell River Impact Scenarios

When considering what sector to focus targeted efforts for economic development it is important to recognize that the "multiplier" approach is used differently in different scenarios and it is not easily applied as every area has different influences and each non basic sector has a different impact value.

In evaluating employment impacts a simple application of the multiplier for the higher valued sector of Pulp and Paper would look like this:

- 100 New Employment Positions at Catalyst's Elk Falls Mill
- Indirect Multiplier for Campbell River: 1.64
- Indirect plus induced [Safety Net]: 1.88
- Indirect plus Induced [No Safety Net] 2.12
- The application of the indirect Multiplier for Campbell River tells us that there will be an additional  $0.64 \times 100 = 64$  employment positions supported in the Campbell River area in non basic employment.
- If we know that the new employment positions were filled by people who were laid off in another sector and resident in the community  $1.88 - 1.64 = 0.24 \times 100 = 24$  new additional positions in the non basic sector.
- If the new workers come to the new positions from outside the area, the report shows us the effects are larger  $2.12 - 1.64 = 0.48 \times 100 = 48$  new additional positions in the non basic sector.
- In many cases, the impacts will be a blend as some will take positions from within the area and the remainder will be newly located in the area which lies somewhere between the 24 and 48 position impacts.

11 Campbell River Area	Logging	Pulp & Paper	Wood Mfg.	Mining	High Tech	Agr.	Tourism	Public Sector	Const.
<b>Employment Impact</b>	<b>1.21</b>	<b>1.64</b>	<b>1.30</b>	<b>1.31</b>	<b>1.28</b>	<b>1.14</b>	<b>1.07</b>	<b>1.14</b>	<b>1.27</b>
No Migration With SafetyNet	1.38	1.88	1.41	1.52	1.30	1.22	1.12	1.23	1.36
Migration No Safety Net	1.56	2.12	1.58	1.72	1.34	1.36	1.20	1.38	1.51

Source: 2001 Economic Dependencies and Impact Ratios for 63 Local Areas, Table 3.1, 3.2 and 3.3, January 2004

Conversely, when employment is lost in an area, the calculations can also be used to determine potential impacts on the viability of the non basic employment in other sectors. The report goes into greater detail on an array of conditions or impact scenario from calculating how many Tourism basic jobs it would take to replace jobs lost in the logging industry, right through to how many retirees would be required to relocate into an area to replace the non basic after tax income of those same jobs lost in the logging sector.

Multipliers are a valuable tool when evaluating the economic condition of a community and when used appropriately.

### Changes in Diversity over time

The report outlines a comparative position change in the subject areas through the 1991, 1996 and 2001 Census periods. Using Table 4.3 for the Campbell River peer group in this report, we find some changes:

Area	1991 Rating	1996 Rating	2001 Rating
4 Duncan	75	70	69
9 Alberni	71	63	65
10 Courtenay- Comox	74	70	68
<b>11 Campbell River</b>	<b>71</b>	<b>66</b>	<b>70</b>
13 Powell River	67	65	67
Campbell River Ranks	Ranked 3 <sup>rd</sup>	Ranked 2 <sup>nd</sup>	Ranked 1 <sup>st</sup>

Source: 2001 Economic Dependencies and Impact Ratios for 63 Local Areas, Table 4.3, January 2004

During the 10 year period that the Indices represent, Campbell River has strengthened its position from being ranked 3 out of the 4 ratings [tied with Alberni] to being ranked 1<sup>st</sup> out of the five areas demonstrating that has achieved a higher Diversity rating in its peer group of areas.

### Changes in Forest Vulnerability over time

Given all of the changes in the Provincial and Global economies it comes as some surprise that Campbell River's position with respect to vulnerability to changes in the Forest economy has not changed overall in the peer group of areas, but rather, decreased somewhat in ratings. This may have been influenced by the restructuring of the forest economy as well as growing diversity in the regional economy with the onset of new basic employment from other sectors.

Area	1991 Rating	1996 Rating	2001 Rating
4 Duncan	19	25	22
9 Alberni	37	57	45
10 Courtenay- Comox	11	14	13
<b>11 Campbell River</b>	<b>40</b>	<b>50</b>	<b>36</b>
13 Powell River	48	49	36
Campbell River Ranks	Ranked 2 <sup>nd</sup>	Ranked 2 <sup>nd</sup>	Ranked 2 <sup>nd</sup>

Source: 2001 Economic Dependencies and Impact Ratios for 63 Local Areas, Table 4.4, January 2004

### Sub-Areas Detail Within the Local Area Defined for Income Dependencies

As was referred to in the beginning of this section, Campbell River has been structured a part of an agglomeration of communities. The appendices to report provides a breakdown of these sub areas as it relates to Percent Income Dependencies – After-tax incomes, 2001

Area	Forestry	Mining & Min Proc	Fishing	Agric. & Food	Tourism	High Tech	Public Sector	Const	Other	Trans Pay	Other Non basic
10 Courtenay-Comox	11	1	2	3	6	0	30	5	3	20	18
Courtenay	15	1	2	3	7	0	27	5	3	21	16
Comox	7	1	2	1	5	0	35	4	3	19	21
Denman/Hornby	1	0	2	6	11	1	22	9	2	22	24
11 Campbell River	29	4	2	2	7	0	20	5	2	16	11
Gold River	38	1	3	2	1	0	20	8	0	13	13
Tahis/Zeballos	44	0	2	0	2	0	28	2	0	17	5
<b>Campbell River</b>	<b>28</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>8</b>	<b>0</b>	<b>20</b>	<b>5</b>	<b>2</b>	<b>17</b>	<b>11</b>
15 Port Hardy	49	1	4	2	8	0	19	1	0	10	5
Port McNeill	59	0	3	4	8	0	14	1	0	7	4
Port Alice	72	0	1	0	3	1	12	0	0	7	5
Port Hardy	29	0	7	2	8	0	29	2	2	14	6
<b>Campbell River Ranks</b>	<b>7<sup>th</sup></b>	<b>1<sup>st</sup></b>	<b>4<sup>th</sup></b>	<b>4<sup>th</sup></b>	<b>2<sup>nd</sup></b>	<b>NA</b>	<b>7<sup>th</sup></b>	<b>3<sup>rd</sup></b>	<b>2<sup>nd</sup></b>	<b>4<sup>th</sup></b>	<b>6<sup>th</sup></b>

Source: 2001 Economic Dependencies and Impact Ratios for 63 Local Areas, Table B.1, January 2004

### Sub Area Details Within the Area for both Diversity and Forest Vulnerability Indices

As was discussed earlier, the actual Campbell River details within the Campbell River Area identified are shown to not as poor as had been illustrated.

Area	Diversity Index	Forest Vulnerability Index
10 Courtenay-Comox	68	13
Courtenay	70	17
Comox	63	9
Denman/Hornby	68	-1
11 Campbell River	70	36
Gold River	61	62
Tahis/Zeballos	53	90
<b>Campbell River</b>	<b>70</b>	<b>34</b>
15 Port Hardy	53	100
Port McNeill	43	145
Port Alice	30	215
Port Hardy	65	42
<b>Campbell River Ranks</b>	<b>1<sup>st</sup></b>	<b>6<sup>th</sup></b>

Source: 2001 Economic Dependencies and Impact Ratios for 63 Local Areas, Table B.1, January 2004

### Dependency Changes during the Nineties

Clearly, the Campbell River area registered interesting dynamics during the nineties. Decreases in dependency on the first four sector and increases in the last five sources of income including other non-basic sector employment, public sector employment, Transfer payments from governments and Other non-employment Incomes create a challenging scenario.

<b>Campbell River</b>	<b>Forestry</b>	<b>Mining &amp; Min Proc</b>	<b>Fishing</b>	<b>Agric. &amp; Food</b>	<b>Tourism</b>	<b>Public Sector</b>	<b>Other</b>	<b>Trans Pay</b>	<b>Other Non basic</b>
1991	33	6	4	0	5	15	13	13	15
1996	36	6	3	1	7	17	13	13	7
2001	29	4	2	2	7	20	16	16	11
Position	-	-	-	-	+	+	+	+	+

Source: 2001 Economic Dependencies and Impact Ratios for 63 Local Areas, Table D, January 2004

British Columbia's Heartland at the Dawn of the 21<sup>st</sup> Century

2001 Economic Dependencies and Impact Ratios for 63 Local Areas January 2004

Garry Horne, Ministry of Management Services

Province of British Columbia