

# Dialogues on Readiness

## Preparing for Industrial Development in Northern BC Communities: Executive Summary



Prepared by the Community Development Institute  
University of Northern British Columbia  
July 2014

## Acknowledgements

The Community Development Institute would like to thank all of the leaders, educators, industry representatives, residents, business owners, service providers, and others who took part in the *Dialogues on Readiness* project. Your observations, vision, and innovative solutions make up the body of this report.

Our sincere thanks to Heather Evans, who conducted the community interviews for this project. We would also like to thank the members of our advisory committee: Linda Movold, Trish Parsons, Dave Pernarowski, Philippe Reicher, Finlay Sinclair, Trevor Williams, and Cathe Wishart, who helped guide the project, provided contacts, and offered valuable insight.

The Community Development Institute also wishes to thank our student research assistant team, Erin MacQuarrie, Devon Roy, and Gerald Pinchbeck for their assistance in transcribing the interviews.

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July 2014

## Availability

Copies of this project report may be accessed through the UNBC Community Development Institute's website at:

<http://unbc.ca/community-development-institute/research-projects>

### *Project Reports*

1. **Dialogues on Readiness:** Executive Summary
2. **Dialogues on Readiness:** Kitimat
3. **Dialogues on Readiness:** Prince George
4. **Dialogues on Readiness:** Prince Rupert
5. **Dialogues on Readiness:** Terrace

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**Report: 13-02-02**

# Executive Summary

## Introduction

Northern BC is on the cusp of a period of growth not seen since the 1950s-1970s era of province building. Communities and regions are experiencing transformational change as the industrial, manufacturing, and natural resource sectors – including oil and gas, mining, forestry, energy, aluminum smelting – expand and renew.

Over the past several months, a broad consensus and common interest has emerged among government, community, business, and industry for a better understanding of the opportunities, pressure points, and processes associated with the development of large industrial projects. People have also expressed the need for all parties to better understand each other's roles throughout the project lifecycle, including proposal development, review, construction, and operation.

The **Dialogues on Readiness** project was designed to develop a better understanding of these issues. The project explored the following themes:

- The level of understanding of the process and timing associated with the development of large projects in the community.
  - Information about the phasing and staging of large industrial projects.
- Community factors that need to be considered in order to be prepared and ready for large industrial projects.
  - Capacity in areas including local workforce, housing, education, health, community services, community amenities, the voluntary sector, transportation networks, and local economic and business development.
- Community processes and mechanisms for enhancing readiness, building community capacity, and engaging government, industry, business, and the community.

The research in this phase of the **Dialogues on Readiness** project was conducted in Prince George, Terrace, Kitimat, and Prince Rupert and focused on the oil and gas sector.

## Methods

The Community Development Institute (CDI) interviewed between 13 and 16 key informants from each of four communities (Kitimat, Prince George, Prince Rupert, and Terrace) during the summer of 2013. Participants came from a range of sectors including local government, education, industry, not-for-profit organizations, health care, economic development, cultural organizations, emergency services, social services, and the local business community. These individuals received a copy of the interview questions in advance of the interviews to allow them to reflect on the questions being

asked. The answers to the interview questions were compiled into four databases, which were used to construct one report for each community. The reports represent the views and recommendations of the participants, but to protect the identities of the participants, no direct quotes or other identifying information is included.

## **Key Themes Regarding Community Readiness**

Analysis of participants' responses revealed five overarching themes that were common to all four communities:

### ***Lack of Knowledge about the Oil and Gas Sector***

The first is that residents lack knowledge and understanding about the oil and gas industry, and the approval and regulatory processes attached to it. Most interviewees are familiar with the forest industry due to its long presence in their regions of British Columbia, but they believe that the newness and perceived inaccessibility of information about the oil and gas industry leads residents to be cautious of present and future activity. Moreover, participants are not sure how much of the information they receive is factual and reliable, and they are not sure how to approach industry to have a dialogue. Overall, participants think communities would benefit from knowing more.

### ***Focus on the Short-Term***

The second overarching theme is that most of the planning that is taking place addresses the construction phases of the proposed oil and gas projects (2-5 years), but fails to look forward to the operations phases (5-25 years). Participants stressed the importance of being strategic, rather than reactive, and of creating a vision for what their community could look like in the longer term. Interviewees felt that the time to act is now in order to realize the potential benefits of these projects. It is felt that once the projects are underway, it will be too late to negotiate with industry.

### ***Need for Social Development Focus***

The third theme that emerged from the interviews is that residents feel that community readiness has focused more on economic development than social development. The economic development efforts include: plans for workforce development and job creation; forging relationships between post-secondary institutions, industry, and suppliers; and collaboration at community and regional levels. In contrast, it is felt that while social development agencies must cope with the social pressures that accompany major industrial development, there have been few efforts to help these groups prepare, either individually or collectively. It was reported that, in general, these groups struggle to meet current needs, and lack the information and capacity required to begin readying themselves and the community for the potential impacts of proposed oil and gas projects. Unlike in

the economic development sector, there is no natural lead agency charged with the overall task of developing plans and there has been little support from the provincial government.

### ***Need for Collaboration between Economic and Social Development***

A fourth and related theme to come out of the interviews is that economic and social development agencies have not been brought together to think about and plan for the future of the community. It was recognized that in the short term, these two sectors must work together to both cope with and take advantage of the population increase that will accompany the construction phase of these projects. In the long term, it was noted that these two sectors must work together in order to create the high quality employment, services, and amenities that will attract and retain operations and other workers who will be required by these communities and industries. To fully realize the opportunities associated with the anticipated oil and gas investment, there needs to be better integrated and coordinated planning between the two sectors, yet there has been little action on this front.

### ***Community-Wide Dialogue***

The final theme is that there is concern that community-wide dialogue on vision is missing. Interviewees spoke to the need for organizations and individuals to come together to discuss and plan for possible opportunities and challenges that may result if these oil and gas projects proceed. In addition, communities need to create a vision to leverage opportunities for long-term benefit. Participants identified leadership and funding in this area as a significant gap.

### ***Specific Issues in Community Readiness***

The interviews also explored a number of specific issues in community readiness, including housing, labour force, post-secondary education and skilled trades training, health care, community and social services, economic development, public safety, cultural facilities and programs, transportation, and the environment. There were many similarities between the communities, each of which is discussed below.

Housing was identified as an issue in every community. During the construction phase of these projects, a large number of workers move into the community, causing vacancy rates to decrease and rents to increase. Renovations are underway on many multi-family units, with property owners evicting current tenants and subsequently increasing rents once renovations are complete. This reduces the stock of affordable housing for those with low incomes. It was also noted that much of the single-family housing stock in these communities is old and in need of repair and renovation.

In terms of labour force, many participants pointed to a lack of skilled tradespersons in northern BC and the fact that communities have established some momentum in organizing and planning for these pressures. Specifically, post-secondary institutions have formed good relationships with both industry and the Kindergarten to Grade 12 education system, which has allowed for collaboration in a dual-credit high school/college trades program, among other projects. However, there was concern that there is insufficient attention being paid to preparing the workforce for the jobs that will be available during the operations phase of these projects. Training and professional development for those who are already in the workforce was also identified as an issue that needs greater attention.

Participants expect that the health care system will face pressures in response to increased populations that may result from the proposed oil and gas projects. It was, however, difficult to differentiate day-to-day pressures from those arising from industry development. In general, health care in Prince George is seen as better equipped to handle increased pressures than the other three communities, and this is due to recent investments.

As discussed in the Key Themes section above, it was suggested that community and social services will come under more pressure than any other sector during the construction phase of these projects. Participants felt that social agencies have little information about what to expect, lack the resources to plan for and accommodate additional service needs, and lack the support needed to come together to develop integrated community strategies. By contrast, economic development agencies are preparing for the construction phase by establishing relations with industry proponents and by supporting local businesses to take advantage of opportunities in industrial procurement. While participants noted that there is some coordination between communities in northwest BC, more could be done to enhance these relationships. In addition, economic development agencies have not yet looked at how the sector or a group of businesses could benefit during the operations phase of these projects by offering a cluster of services to industry.

Concerns around public safety include fears that the construction phase of the proposed oil and gas projects will bring social disruption caused by the general stress of change and a rise in the number of transient workers in the community. People spoke about other resource communities that had experienced this. In response, communities are looking to increase capacity in the policing sector. Additional impacts may be seen on fire and other protective services due to the specialized training needed to respond to oil and gas emergencies. This was reported as more of a challenge in Kitimat and Prince Rupert than in Prince George and Terrace.

In general, interviewees observed that cultural facilities and programs have been left out of the conversation with industry. These facilities are seen as being vital in business and worker recruitment and retention. Cultural facilities link communities with the past and their surroundings. They can also feature programming that helps newcomers to Canada feel welcome in the community.

Transportation and infrastructure was identified as the area where local government wants to see action. It was felt that communities need to leverage investments made by industry during the construction phase of these projects to update and improve the condition of community infrastructure. There are reportedly many projects on the table in all four communities that seek to do this.

Finally, interviewees observed that residents are uneasy about the potential for damage that these proposed projects may cause to the environment. There is also concern about the accuracy of information and the differences of opinion between those who want to protect the environment and those who want jobs at any price. There has been no opportunity to create middle ground between these groups.

## **Recommendations**

Taken together, the *Dialogues on Readiness* work suggests that the following actions would help improve community readiness:

### ***Provide Information About the Oil and Gas Sector***

People in northwest British Columbia are not familiar with the oil and gas sector. The sector is new to the region, and as a result, people do not know how the industry works, what kind of career opportunities there might be, and how the companies deal with communities. People in the region would benefit from information sessions and materials that help them understand and interact with the industry and the plans for investment in the region.

### ***Establish Social Development Strategies***

Social development agencies should be supported to collaborate in the establishment of social development strategies for each of the four communities. These plans should anticipate the social opportunities and needs associated with both the construction and operations phases of the proposed oil and gas projects. Dialogue and planning should be based on information from industry on projected workforce and population increases. It should also consider lessons learned and best practices from other communities. Ideally, industry would be at the table as these plans are developed.

### ***Establish Integrated Economic and Social Development Strategies***

Economic and social development agencies should be supported to collaborate in the establishment of comprehensive strategies that will ensure the community is prepared for and ready to take advantage of projected oil and gas sector projects. This plan should consider how to deal with the



anticipated disruptions and potential opportunities created by the large construction workforce that is projected to live in or near the community. These agencies should also look forward to the operational phase of these projects and how the community will create the high quality employment, services, amenities, and infrastructure that will attract and retain operations workers and others. The potential oil and gas investments will present a significant opportunity for communities to diversify their economies and increase their capacity to make them more prosperous and resilient over the long term, but they need to plan and be ready.

### ***Develop a Community Vision for the Future***

Communities and regions should be supported to establish a long-term vision that will leverage the potential oil and gas investment to realize long-term sustainability. Communities and regions can accomplish this through using their strengths and assets in new ways. As part of this, they need to prepare for ongoing change by being innovative, flexible, forward-looking, and globally-aware. They will have to constantly invest in people, physical infrastructure, services and amenities. All facets of the community - local government, industry, business, the public service, education, health, and the non-profit sector - have a role to play in creating this future vision and must be included in the planning.