

BUSINESS PLAN

1997/98



FOREST RENEWAL BC'S

# mandate

Forest Renewal BC's mandate is to plan and implement a program of investments to renew the forest economy of British Columbia by enhancing the productive capacity and environmental values of forest lands, creating jobs, providing training for forest workers, and strengthening local communities that depend on the forest industry.

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MESSAGE FROM THE

# minister

## MEETING THE CHALLENGES, RENEWING THE FOREST SECTOR

British Columbia's history has been one of abundance based on our land and forests. They have provided us with jobs and healthy communities in a bountiful environment. As long as people have lived and worked in our province, British Columbia's forest lands have been the key to prosperity.



Today, British Columbia's forest resources are still the heart of this great province. The health and sustainability of the forests—the industry, workers and communities that rely on them—remain central to our economic and social well-being. But the forest sector is not static. As a province, we must continue to invest in our forest resources, so that as the forest sector changes, we are well positioned to ensure that our forest wealth continues to be available to support key public services and a high quality of life throughout British Columbia.

This new approach to forest sustainability requires careful balancing of competing interests. Forest Renewal BC is committed to achieving this balance in an open way, so that all stakeholders in the province's forests and all British Columbians can see and understand how the corporation is meeting its mandate.

In 1994, the government responded to the need to renew the forest sector of British Columbia by establishing Forest Renewal BC and providing it with funding from stumpage and royalties, to help smooth the transition to a new era of sustainability. All Forest Renewal BC partners—industry, labour, First Nations, environmental groups, communities and government—will benefit from the corporation's 1997/98 investments.

During 1997/98, Forest Renewal BC will invest \$625 million in the forests of British Columbia and in the people and communities that rely on them. This is an increase of \$228 million over the corporation's 1996/97 investments of \$397 million, and by far exceeds the \$400 million average annual investment level originally planned for Forest Renewal BC. The government's commitment to renewing the forest sector of British Columbia will be substantiated through the results of these investments.

Investments during 1997/98 will result in enhancements to the productivity and environmental values of the forests. Value-added enterprises, both existing and new, will receive assistance to establish and become more competitive. Forest workers will benefit from employment and training. Communities that depend on the forest sector will be strengthened by undertaking economic development activities. Most importantly, the corporation's investments are expected to result in the creation of 9,800 person-years of direct employment.

Forest Renewal BC is meeting the challenges of renewing the British Columbia forest sector by helping industry, workers and communities make the transition to a healthier, sustainable, more productive forest economy.



Honourable David Zirnhelt,  
MINISTER OF FORESTS

MESSAGE FROM THE

# chair of the board



## FOREST RENEWAL BC BENEFITS SEEN THROUGHOUT BRITISH COLUMBIA

Forest Renewal BC is a provincial Crown corporation with an important mandate: to plan and implement a program of investments to renew the forest economy of British Columbia by enhancing the productive capacity and environmental values of forest lands, creating jobs, providing training for forest workers, and strengthening local communities that depend on the forest sector.

Since it was established in 1994, Forest Renewal BC has been working to meet its mandate by taking some of the wealth that the forests generate and reinvesting it in the land, forests, forest workers, and forest-reliant communities.

Between June 1994 and March 31, 1997, the corporation invested \$575 million in a wide range of forest-sector projects and programs. In 1997/98, Forest Renewal BC has established a target of \$625 million for investment in projects throughout the province—more than the total of the previous three years combined. By the end of 1997/98, it is anticipated that Forest Renewal BC will have invested more than \$1.2 billion.

The priorities and initiatives outlined in this year's business plan build on, and benefit from, a solid base of programs that are being delivered fairly and effectively. The corporation's board of directors has focused 1997/98 investments on three key investment themes: 69 per cent of this year's investments will enhance the productive capacity and environmental values of the forest; 15 per cent of investments will help forest-reliant workers and communities adapt to transition; and 5 per cent of investments will encourage industry competitiveness and create incremental forest-sector business and employment opportunities. The balance of 11 per cent of funds has been earmarked to deal with other anticipated needs. Underpinning and linking them all is the key corporate objective of providing employment opportunities for forest-sector workers.

These investments will directly benefit thousands of British Columbians who work in the forest sector, and scores of communities that depend on it. Indirectly, the investments will benefit all British Columbians by supporting economic sustainability in the forest sector.

The benefits of the work supported by Forest Renewal BC are evident in every region of the province. Enhanced forestry projects are improving the supply and quality of wood. Damaged watersheds are being restored. Workers are being trained in the skills they need for new types of forestry work. Value-added firms are growing and succeeding. Communities are dealing with changes in the forest sector from new positions of strength.

Expectations are high for Forest Renewal BC. In fact, British Columbians in every region of the province have risen to Forest Renewal BC's challenge to develop ideas for new and innovative work that will enhance the forest sector and assist workers and communities in transition. However, even with the substantial increase in investment planned for 1997/98, not all requests will be met. Demand for Forest Renewal BC funding far exceeds the maximum level of funding to which the corporation feels it can responsibly commit, while still ensuring wise spending and avoiding over-funding core programs that could create future employment and transition problems.

Forest Renewal BC is committed to making sound investments that provide employment opportunities for forest workers today, and have excellent prospects of paying dividends far into the future. This business plan demonstrates the commitment of Forest Renewal BC to renewing the forest sector of British Columbia.



Roger Stanyer,  
CHAIR OF THE BOARD

# chief executive officer

## MAJOR EMPHASIS ON EMPLOYMENT

This business plan is the third for Forest Renewal BC. It describes how the corporation will allocate resources to meet its mandate, and outlines priorities for investment in each region of the province. The business plan also describes established and developing programs, and identifies the needs they are designed to address.



Forest Renewal BC has established itself as a major participant in the forest sector of this province. The corporation's 1997/98 investment target of \$625 million will make a positive difference in the forest sector.

Forest Renewal BC will increase funding for land-based investments by 37 per cent over last year. Investment will also increase in areas that are critically important to British Columbians today: funding for workforce programs will increase significantly; value-added investments will more than double; and support for programs that help communities that depend on the forest industry will be maintained. These investments will result in treatment of more than 320,000 hectares and planning and surveying of over 300,000 hectares of forest land; work on more than 500 watersheds; assistance to more than 200 communities; and training and assistance for more than 7,000 workers.

This year, the corporation will also place a special emphasis on supporting employment. The corporation's investments in 1997/98 will result in an estimated 9,800 person-years of direct employment. In addition, the new Forest Worker Employment Agency will mean more concentrated effort in providing employment opportunities for forest workers.

As a result of this increased level of investment, more funding will be available in all but one of the corporation's existing programs, and funding levels will increase for every region in the province.

The corporation is poised to successfully deliver the ambitious business plan identified for it by the board. In addition, the corporation will also undertake a series of improvements to the way it does business.

In 1997/98, Forest Renewal BC will work with all forest-sector stakeholders to introduce a more integrated and coordinated multi-year investment planning and approval process. This approach is important for two reasons: to ensure that the high investment level planned by the corporation is aimed at projects of highest priority, and to facilitate the creation of sustainable employment opportunities for British Columbia's forest workers, First Nations, and youth.

In addition, the corporation will introduce new programs, improve its information reporting systems, introduce a new human resources strategy, and continue to ensure that stakeholders of the corporation understand its programs and how to access funding.

The notable success of Forest Renewal BC to date and the achievement of this year's ambitious business plan is due to the dedication of the people who work within the corporation and those who assist the corporation in the delivery of its programs. The contribution of individuals within the corporation and within the Ministries of Forests and Environment, Lands and Parks, and other agencies such as the Science Council of B.C. and B.C. Wood Specialties Group is sincerely appreciated.



Colin E. Smith,  
CHIEF EXECUTIVE OFFICER



# organizational structure

Forest Renewal BC has an important mandate: to plan and implement a program of investments to renew the forest economy of British Columbia by enhancing the productive capacity and environmental values of forest lands, creating jobs, providing training for forest workers, and strengthening local communities that depend on the forest sector.

As a British Columbia Crown corporation, Forest Renewal BC reports to the Minister of Forests, who, in turn, reports to the Legislature, making Forest Renewal BC ultimately accountable to the people of British Columbia. Each year, the Minister of Forests presents the corporation's business plan and annual report to the Legislature. The business plan is reviewed by the select standing committee with responsibility for forests.

The legal framework under which the corporation operates—including its method of accounting, staffing procedures, and reporting requirements—is defined by the *BC Forest Renewal Act*, the *BC Forest Renewal Amendment Act*, the *Public Service Act*, the *Public Service Labour Relations Act*, the *Financial Information Act*, and the *Financial Administration Act*.

Forest Renewal BC is governed by an 18-member, government-appointed board of directors made up of 12 non-government and six government members. Board members represent forestry workers, First Nations, environmental groups, industry, communities and government. The board is responsible for ensuring that the activities of the corporation are in keeping with its mandate, and that the mandate is met by establishing the strategic priorities for the corporation, and reviewing and approving its investment and operational plans.

Forest Renewal BC ensures that all of its contracts are monitored, so that their terms and conditions are met. The corporation's accounts are audited by the Auditor General of British Columbia, and the corporation has established an evaluation framework to assess the success of its investments in meeting its mandate.

## ACTIVITIES OF THE BOARD'S ADVISORY COMMITTEES

Each advisory committee undertook a planning process in 1995/96 to identify opportunities for Forest Renewal BC investments and to guide program development. In 1996/97, each committee reviewed its plan to ensure programs that had been developed, or were under development, continued to meet forest-sector needs. Committees continue to advise on program development, requests for funding, and program implementation.

## COMMITTEES OF THE BOARD

As required by the *BC Forest Renewal Act*, the board of directors has set up five activity-area committees to advise the corporation on programs and investments. The committees, each chaired by a Forest Renewal BC board member, are: Land and Resources, Environment, Workforce, Communities, and Value-added. The committees are all made up of individuals qualified to advise on the particular activity area.

Committee members represent all geographic regions of the province, and are appointed by the Minister of Forests on the recommendation of the public, members of the board, and government. Membership is reviewed each year. As with the board of directors, committee members reflect the interests of environmental groups, First Nations, labour, industry, the provincial government and communities.

In addition to these committees, Forest Renewal BC has established a Research working group to advise the corporation on research priorities, and implementation of research and development programming.

Finally, the board of directors has charged the following committees to deal with matters referred to them by the board:

- Executive - to assist the chief executive officer in dealing with human resources and other issues identified by the board;
- Finance - to advise staff on financial policy issues, and review expenditures, forecasts and financial statements;
- Audit - to review corporate account audits and the annual management letter from the auditor general; and
- Communications - to advise the corporation on content of communications material and communications activities.



## STAFF

The corporation's objective is to ensure that it achieves its mandate with the lowest possible level of staffing. Wherever opportunities exist, the corporation has programs administered by qualified external agencies.

Regional offices have been established in Williams Lake, Prince George, Kamloops, Smithers, Cranbrook and Campbell River.

The main responsibilities of regional staff are to:

- identify regional priorities for funding, with consideration of advice from individuals, industry, other government agencies, and stakeholders;
- develop regional investment plans;
- provide information to interested project proponents about Forest Renewal BC programs, and help them develop funding proposals;
- review proposals; and
- administer project funding agreements and monitor project implementation.

Forest Renewal BC also has executive and corporate support staff based in Victoria.



### **REGIONAL ADVISORY PROCESS**

In developing regional investment plans, input from Forest Renewal BC's partners is essential to ensure that regional needs and priorities can be identified and met. To encourage that input, the corporation has set up regional advisory processes.

Partner feedback helps the corporation gauge the effectiveness of its investments in responding to regional issues, and identifies potential new areas for Forest Renewal BC investment at the regional or provincial level. Through the regional advisory process, the corporation also maintains links with local communities and partner organizations.

# investment themes

FOR 1997/98

## 1997/98 LAND AND ENVIRONMENT OUTPUT HIGHLIGHTS

- planning and surveying on more than 300,000 hectares of forest land
- silvicultural treatment of more than 320,000 hectares of forest land
- treatment of more than 500 watersheds throughout British Columbia
- 6,661 person-years of direct employment

Forest Renewal BC is charged with investing in the province's forests, and in the people and communities that rely on them. These investments are made through programs within five activity areas: Land and Resources, Environment, Workforce, Communities, and Value-added.

The corporation has assessed the current challenges and opportunities facing the forest sector, and its board of directors has identified three themes for Forest Renewal BC investments in 1997/98—Land and Environment, Worker and Community Transition, and Diversification—which reflect the purpose of programs in each of the five activity areas.

In addition, the board has a key corporate objective of providing employment opportunities for forest-sector workers.

This year, in keeping with both the board's investment themes and statutory reporting requirements, investments in, and the outputs of, the corporation's programs will be reported by theme and by activity area.

## INVESTMENTS IN LAND AND ENVIRONMENT

One of Forest Renewal BC's fundamental objectives is to enhance the productive capacity and environmental values of forest lands. Investment in activities consistent with this objective will maintain and enhance the ability of the province's forests to generate economic and social benefits for all British Columbians. Since the inception of Forest Renewal BC, forest-sector stakeholders have been encouraging the corporation to increase investments in the forests and their environmental attributes.

The corporation will allocate \$431.5 million, or 69 per cent of program investments, to these activities in 1997/98.

These activities include the following core land-based programs:

- enhanced forestry;
- watershed restoration;
- resource inventory;
- research; and
- recreation.

In addition to these core programs, the corporation will fund a number of activities on a time-limited basis. These are:

- backlog silviculture;
- woodlot expansion;
- forest health activities;
- road and bridge maintenance; and
- recreation infrastructure maintenance.

#### 1997/98 WORKER AND COMMUNITY TRANSITION OUTPUT HIGHLIGHTS

- training for more than 7,000 workers
- transition assistance for more than 1,100 displaced forest workers
  - assistance for more than 200 forest-dependent communities
- 275 person-years of direct employment

#### INVESTMENTS IN WORKER AND COMMUNITY TRANSITION

The forest sector and its historic employment practices are changing. Hundreds of forest workers will require training and assistance to maintain their existing jobs, or find new ones. For many forest-based communities, these changes mean new challenges and opportunities. An important part of Forest Renewal BC's mandate is helping workers and their communities through this transition.

Forest Renewal BC's investment target for worker and community transition activities is \$98.3 million, or 15 per cent of program funding in 1997/98.

1997/98

## DIVERSIFICATION

### OUTPUT

#### HIGHLIGHTS

- providing more than 200 loans to forest-sector businesses through:
  - 25 *Community Futures Development Corporations*
  - 7 *Native Development Corporations and Aboriginal Capital Corporations*
- *Credit Union Central of BC and its member credit unions*
- *British Columbia branches of the Business Development Bank of Canada*
- presentation of 15 Forest Excellence Awards
  - investment of \$6.2 million in value-added marketing proposals
- development of at least 5 new forestry innovations
  - 1,170 person-years of direct employment

These investments will give the people working in, and the communities that depend on, the forest sector the tools and assistance they need through the following programs:

- forest worker transition;
- forest worker employment and training;
- sectoral training initiatives;
- land-based training;
- value-added training;
- forest and resource technology;
- community renewal;
- forest community economic development;
- research; and
- bursary.

Regional advisory processes will also assist the corporation to ensure its investments meet partner needs.

#### INVESTMENTS IN DIVERSIFICATION

The third key component of Forest Renewal BC's mandate is supporting forest industry diversification, further processing of the wood supply, and increased manufacturing of wood products. This kind of activity encourages industry competitiveness and creates new forest-sector business and employment opportunities.

For 1997/98, the corporation's investment target for diversification is \$29.2 million, or 5 per cent of total program funding, which will be provided through the following programs:

- value-added finance;
- forest community business;
- wood supply;
- value-added marketing;
- forestry innovation development;
- forest excellence awards;
- research; and
- value-added industry diversification.

## CONTINGENCY

In assessing forest-sector needs for 1997/98, Forest Renewal BC has identified several areas for which it believes contingency funds are required so that the corporation can be ready to meet transition and employment needs.

First, it is probable that there will be additional priority opportunities during the year to create more new jobs through the land-based programs, which will require additional funding.

Second, the corporation plans to introduce some new programs during 1997/98. Because these programs are still in development, their funding requirements cannot yet be identified. If the board approves the programs currently in development, a funding allocation for each will be identified from contingency funds.

Third, Forest Renewal BC anticipates that several companies—and, by extension, associated workers and communities—may face difficulties in 1997/98 as a result of transition in the forest sector. The corporation will likely increase its transition funding in areas where problems arise. It is difficult for Forest Renewal BC to plan for these eventualities, but the corporation does expect that contingency funds will be required.

Fourth, the provincial government has negotiated a Jobs and Timber Accord with the forest industry to encourage the creation of jobs in the sector. Since that is also a key Forest Renewal BC objective, the corporation anticipates having a role to play in implementing the accord, and contingency funds will be used to support Forest Renewal BC's participation.

The corporation has established a contingency fund of \$66.0 million, or 11 per cent of its investment target for 1997/98. In addition, the corporation expects an estimated 1,694 person-years of direct employment to be generated through the use of contingency funds.



**INVESTMENT  
BY ACTIVITY AREA**  
(EXCLUDES FOREST RENEWAL BC  
ADMINISTRATION)



### ALLOCATION OF FUNDS TO INVESTMENT THEMES

The corporation has allocated funding to its three investment themes based on the following key criteria:

- maintain aggregate funding and employment opportunities under land and environment programs at least at 1996/97 levels;
- accommodate foreseeable worker and community transition issues;
- provide for growth in diversification programs; and
- ensure that contingency funds are available for evolving issues.

### 1997/98 INVESTMENT TARGETS

	(\$ MILLIONS)	
Land and environment	\$431.5	69%
Worker and community transition	98.3	15%
Diversification	29.2	5%
Contingency	66.0	11%
<b>Total program investments</b>	<b>\$625.0</b>	<b>100%</b>
Corporate overhead costs	26.4	
<b>TOTAL</b>	<b>\$651.4</b>	

## ACTIVITY AREAS

Forest Renewal BC reports its investments on the basis of five activity areas that reflect the objectives of the corporation:

### LAND AND RESOURCES

to invest in the forest resources and the forest land base;

### ENVIRONMENT

to invest in the environmental values of the forest;

### WORKFORCE

to foster forest employment opportunities and job training, and other related initiatives to assist forest workers and to expand the forest workforce;

### COMMUNITIES

to support forest-based community development and adjustment; and

### VALUE-ADDED

to assist forest industry diversification, further processing of the wood supply, and increased manufacturing of wood products.

The Corporation's 1997/98 investments are expected to result in the following allocations by activity area:

	(\$ MILLIONS)	
Land and resources	\$324.1	52%
Environment	107.6	17%
Workforce	83.7	13%
Communities	20.1	3%
Value-added	23.5	4%
Contingency	66.0	11%
Total program investments	\$625.0	100%
Corporate administration	26.4	
TOTAL	\$651.4	

Over the long term, the corporation expects to invest an average of \$400 million annually and to achieve a distribution of investments across activity areas roughly as follows:

Land and resources	50.0%
Environment	15.0%
Workforce	20.0%
Communities	7.5%
Value-added	7.5%
TOTAL	100.0%

The corporation reviews its investment priorities annually, and therefore, in any given year, the distribution of funding among activity areas may not exactly reflect these proportions. For example, in 1997/98, the corporation will increase its allocation of funds to land and resources, and environment, to meet land-based investment goals and create employment.

The corporation has previously reported investments in several of its programs wholly under one activity area, on the basis of the main objective of that program. Recently, the board directed that investments made by the corporation, which address the objectives of more than one activity area, be proportionately allocated to those activity areas.

For example, the Watershed Restoration Program is designed to accelerate the recovery of watersheds that have been adversely affected by past timber harvesting or natural causes. Activities under the program include stream restoration, road repair or deactivation and regeneration of roads, landings

and slopes. In the past, investments through this program have been accounted for under the Environment activity area only, as the objective of the program is to accelerate the recovery of watersheds. In the future, investments made to repair streams and waterways will be charged to the environment activity area, whereas investments to repair or regenerate forest lands will be accounted for under the land and resources activity area.

Similarly, in the past, investments made through the Value-added Training Program have been accounted for in the workforce activity area as the program provides training. Since this type of training is targeted to benefit value-added producers and workers, in future, investments through the program will be accounted for proportionately under the Workforce and Value-added activity areas.

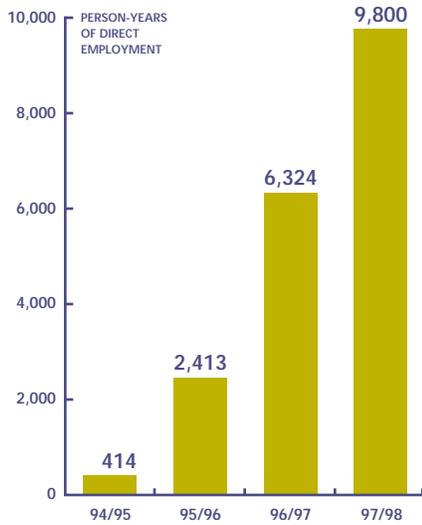
The table below demonstrates the effect of this change in accounting for investments.

**1996/97 PROGRAM INVESTMENTS  
USING PRIOR ALLOCATION METHOD**

	(\$ MILLIONS)	
Land and resources	\$140.9	35%
Environment	177.9	45%
Workforce	50.2	13%
Communities	22.5	6%
Value-added	5.2	1%
<b>TOTAL</b>	<b>\$396.7</b>	<b>100%</b>

**1996/97 PROGRAM INVESTMENTS  
USING NEW ALLOCATION METHOD**

	(\$ MILLIONS)	
Land and resources	\$206.6	52%
Environment	107.7	27%
Workforce	50.8	13%
Communities	20.9	5%
Value-added	10.7	3%
<b>TOTAL</b>	<b>\$396.7</b>	<b>100%</b>



**FOREST RENEWAL BC**  
ESTIMATED EMPLOYMENT 1994 - 1998

### EMPLOYMENT

An important objective for Forest Renewal BC is to create jobs. Land and environment programs are the corporation’s chief means of providing direct forest-related employment. Transition programs teach workers new skills that equip them for change in their existing jobs, or prepare them for new forestry jobs or new types of work altogether. Transition programs also provide communities with the tools they need to adapt to the economic changes brought on by disruptions in forest-sector employment. Diversification programs broaden the types of employment opportunities available, and increase overall employment levels.

The corporation’s 1997/98 investments in programs under these three investment themes will create more than 9,800 person-years of direct employment.

### EMPLOYMENT PROJECTIONS

An attempt has been made in this business plan to estimate the level of job creation that the corporation’s investments will stimulate in 1997/98. The estimates are based on a survey of all proponents who received funding from the corporation in 1996/97, and on information provided by the Ministry of Forests and the Ministry of Environment, Lands and Parks from projects they administered for the corporation in the same year.

For most Forest Renewal BC investments, job creation is measured in terms of person-days of employment, as opposed to full-time jobs or years of employment. For the purposes of estimating job creation, however, the corporation uses a consistent measure of person-years of employment. Since many jobs are of shorter duration, the estimates understate the number of individuals who will work on Forest Renewal BC projects.



In addition to direct employment, Forest Renewal BC investments generate indirect and induced employment. Indirect employment occurs in businesses supplying goods and services in support of program activities; induced employment is generated through the spending, by employed persons, directly or indirectly on consumer goods and services. Indirect employment is estimated to be 970 person-years. Induced employment is estimated to be 4,230 person-years. Total person-years of employment generated as a result of Forest Renewal BC investments is therefore estimated at 15,000.

Forest Renewal BC investments will also generate employment in the future, through improved productivity, environmental enhancement, increased value-added capability, and stable communities. No attempt has been made to quantify these future benefits in this business plan, but they will be estimated as part of the corporation's evaluation activities.

#### **FIRST NATIONS' PARTICIPATION**

Forest Renewal BC recognizes that the forest sector benefits when aboriginal people and their communities are involved in the forest economy. In 1996/97, First Nations benefited from approximately 25 per cent of investments, either by being involved in implementing projects submitted by others, or through proposals submitted by First Nations themselves. In the 1997/98 fiscal year, the corporation will continue involving First Nations in its investment activities, and expects that First Nations will benefit from a similar percentage of investments.



Forest Renewal BC has not identified funds specifically for First Nations. Rather, the corporation has established a framework under its mandate to support increased aboriginal participation in the forest sector. This framework is based on key principles such as:

- All Forest Renewal BC programs will be accessible to First Nations people. The corporation will not establish separate programs for First Nations' people, but will encourage partnerships throughout all activity areas. This will contribute to increased First Nations' participation in the forest sector as a whole.
- Forest Renewal BC programs will recognize the unique circumstances faced by First Nations today and will be flexible to adapt to new circumstances that may emerge as treaties are settled.
- The work of Forest Renewal BC will focus on practical initiatives that support meaningful participation by First Nations people, while contributing to the corporation's broader objective of facilitating the transition to a new forest economy in British Columbia.

Forest Renewal BC encourages proponents to work with First Nations in planning and implementing all Forest Renewal BC projects.

In 1997/98, the corporation will undertake a review of its First Nations funding and related policies to ensure that First Nations' participation in forestry is in fact being effectively assisted by Forest Renewal BC funding.

# fiscal plan

## AND MANAGEMENT

1997/98

### FISCAL PLAN OVERVIEW

#### TARGET REVENUE AND EXPENDITURES (\$ MILLIONS)

##### Revenue

Stumpage revenue	\$495.0
Investment income	\$27.5
<b>TOTAL</b>	<b>\$522.5</b>

##### Expenditures

Program investments	\$625.0
Corporate administration	\$26.4
<b>TOTAL</b>	<b>\$651.4</b>

Unappropriated equity <sup>1</sup>	\$332.4
Reserve for	
program continuity	\$400.0
<b>TOTAL FUNDS AVAILABLE<sup>1</sup></b>	<b>\$732.4</b>

Forest Renewal BC's originally proposed annual investment level was \$400.0 million. The fiscal year 1997/98 will be the first year for which Forest Renewal BC has set an achievable annual expenditure target in excess of that amount.

The corporation's board of directors has established three key principles for the development of its investment plans:

- Investment targets will be achievable from the perspectives of available finances and the availability of people to carry out the activities proposed.
- Targets will retain overall financial flexibility, so that the corporation can respond to unforeseen events affecting revenue, or situations that may require new investments.
- The corporation will avoid driving-up market prices or creating boom-and-bust cycles in employment and activity by creating delivery capacity and demand for core programs beyond the levels that it intends to maintain over time.

<sup>1</sup> Forecast to March 31, 1998.

## REVENUE SENSITIVITY

On a total harvest of 58 million cubic metres, a change of one million cubic metres affects revenue by approximately \$7.5 million.

An increase or decrease of one cent in the exchange rate would accordingly increase or decrease projected revenue by approximately \$7.0 million.

An increase in lumber prices of \$10 per thousand board feet from the projected \$365 (SPF 2x4 #2) per thousand board feet would increase revenue to the corporation by \$11.5 million.

## REVENUE

Total revenue for 1997/98 is projected at \$522.5 million, of which \$495.0 million is stumpage revenue, and \$27.5 million is investment income.

### Stumpage revenue

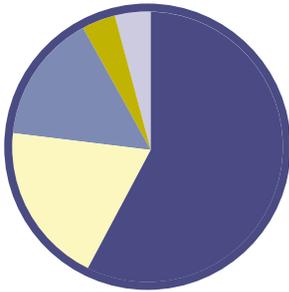
Stumpage revenue for the corporation is dependent on harvest levels, lumber prices, and Canada/U.S. currency exchange rates that prevail throughout the year. In 1997/98, stumpage revenue is expected to approximate 1996/97 levels, since lumber prices and exchange rates are expected to hover at or near the levels of the latter half of 1996/97. Harvest levels are expected to decline slightly.

Revenue forecasts for 1997/98 are based on assumptions of:

- average lumber prices of \$365 per thousand board feet for SPF (spruce/pine/fir) 2x4 #2-and-better grade, and \$864 for hemlock baby squares;
- a Canada/U.S. exchange rate of \$0.74; and
- harvests, subject to stumpage payments, of 58.37 million cubic metres.

### Investment income

Under the *BC Forest Renewal Act*, the provincial treasury of the Ministry of Finance and Corporate Relations acts as Forest Renewal BC's fiscal agent and is responsible for investing unexpended funds—for which it has full discretion. The corporation does not make investment decisions and receives no information about specific investments. Effectively, the investment portfolio operates as a blind trust, which is designed to avoid any actual or perceived conflict of interest over investments. Income generated from these investments is credited to Forest Renewal BC to help sustain long-term program funding.

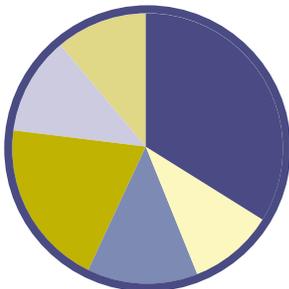


PROGRAM INVESTMENT TARGETS BY ACTIVITY AREA

1997/98

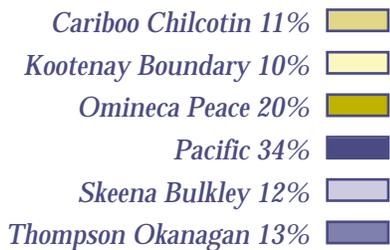


\$559 MILLION



PROGRAM INVESTMENT TARGETS BY REGION

1997/98



\$559 MILLION

Forest Renewal BC has adopted a conservative investment philosophy in order to preserve capital while still maximizing growth and minimizing risk. A targeted asset mix has been set at 70 per cent money markets, 20 per cent short-term bonds, and 10 per cent Canadian equities to meet the following objectives:

- capital preservation rather than income maximization;
- assured liquidity to cover annual program expenditures; and
- maximizing the return on investment within conservative risk parameters for a publicly funded enterprise.

This investment strategy has been reviewed and validated by an external consultant.

As of March 31, 1997, the balance invested with the provincial treasury was \$861.4 million. The annualized rate of return on these investments was 7.2 per cent as of March 31, 1997.

It is expected that these funds will be drawn down somewhat as a result of the corporation's increased investment target in 1997/98.

#### EXPENDITURES

Forest Renewal BC plans to expend \$651.4 million in 1997/98:

	\$ MILLIONS
Investments	\$559.0
Contingency	66.0
Corporate administration	26.4
<b>TOTAL</b>	<b>\$651.4</b>

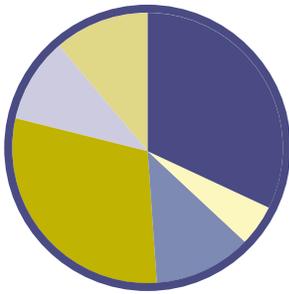
## 1997/98 PROGRAM INVESTMENT TARGETS AND CORPORATE ADMINISTRATION

**\$651.44 MILLION TARGET (\$000s)**

	Cariboo Chilcotin	Kootenay Boundary	Omineca Peace	Pacific	Skeena Bulkley	Thompson Okanagan	Province- wide	Total
<b>LAND AND ENVIRONMENT</b>								
Enhanced Forestry	\$11,957	\$8,312	\$25,330	\$25,350	\$16,248	\$12,208	\$1,620	\$101,025
Backlog Silviculture	7,660	6,730	12,340	8,080	9,190	10,770	5,230	60,000
Resource Inventory	9,512	6,712	32,625	14,750	8,569	8,882	20,950	102,000
Watershed Restoration	7,950	10,070	7,640	47,480	8,320	10,650	11,390	103,500
Recreation	1,413	1,500	3,132	13,361	1,684	1,815	70	22,975
Woodlot Expansion	870	910	2,140	950	280	1,590	260	7,000
Research	1,307	2,129	3,783	21,000	1,860	4,921		35,000
*Private Forest Lands								
*Tree Improvement								
*Ecosystem Restoration								
*Crown Land-Use Planning								
*Endowment								
<b>SUBTOTAL</b>	<b>\$40,669</b>	<b>\$36,363</b>	<b>\$86,990</b>	<b>\$130,971</b>	<b>\$46,151</b>	<b>\$50,836</b>	<b>\$39,520</b>	<b>\$431,500</b>
<b>WORKER AND COMMUNITY TRANSITION</b>								
Forest Worker Transition	\$1,401	\$2,199	\$1,401	\$21,000	\$2,001	\$1,998		\$30,000
Land-based Training	835	931	267	11,219	373	671	\$705	15,000
Value-added Training	2,437	569	491	3,168	948	1,511	577	9,700
Forest Worker Employment and Training	1,578	392	342	1,035	108	169	1,176	4,800
Sectoral Training Initiatives	333	333	333	333	333	333	12,000	14,000
Forest and Resource Technology		750		1,000	750		500	3,000
Forest Community Economic Development	857	857	857	857	857	857	857	6,000
Community Renewal	667	667	667	667	667	667	1,000	5,000
Forest Worker Employment Agency							7,500	7,500
Bursary	30	30	30	150	30	30		300
Research	276	283	490	903	333	215		2,500
Regional Advisory Process	83	83	83	85	83	83		500
*Endowment								
*Foundation Skills Training								
<b>SUBTOTAL</b>	<b>\$8,497</b>	<b>\$7,094</b>	<b>\$4,961</b>	<b>\$40,417</b>	<b>\$6,483</b>	<b>\$6,534</b>	<b>\$24,315</b>	<b>\$98,300</b>
<b>DIVERSIFICATION</b>								
Forest Community Business	\$500	\$500	\$500	\$500	\$500	\$500	\$4,000	\$7,000
Value-added Finance	666	667	667	667	666	667		4,000
Wood Supply	200	200	200	200	200	200		1,200
Value-added Marketing	150	200	150	150	150	150	5,250	6,200
Value-added Industry Diversification	417	13		298		272		1,000
Forest Excellence Awards	50	50	50	50	50	50		300
Forestry Innovation Development	1,166	1,167	1,167	1,167	1,166	1,167		7,000
Research	65	108	154	1,739	161	273		2,500
*Technology Transfer								
*Endowment								
<b>SUBTOTAL</b>	<b>\$3,214</b>	<b>\$2,905</b>	<b>\$2,888</b>	<b>\$4,771</b>	<b>\$2,893</b>	<b>\$3,279</b>	<b>\$9,250</b>	<b>\$29,200</b>
<b>SUBTOTAL</b>	<b>\$52,380</b>	<b>\$46,362</b>	<b>\$94,839</b>	<b>\$176,159</b>	<b>\$55,527</b>	<b>\$60,649</b>	<b>\$73,085</b>	<b>\$559,000</b>
Province-wide allocation <sup>1</sup>	11,095	11,041	16,109	12,659	11,093	11,089		
<b>TOTAL REGION</b>	<b>\$63,475</b>	<b>\$57,403</b>	<b>\$110,948</b>	<b>\$188,818</b>	<b>\$66,620</b>	<b>\$71,738</b>		
% of total 1997/98 investment	11%	10%	20%	34%	12%	13%		
% of 1994-1998 historical stumpage	11%	5%	30%	32%	10%	12%		
Contingency								\$66,000
<b>Total program investment</b>								<b>\$625,000</b>
Corporate administration								26,440
<b>OVERALL TARGET</b>								<b>\$651,440</b>

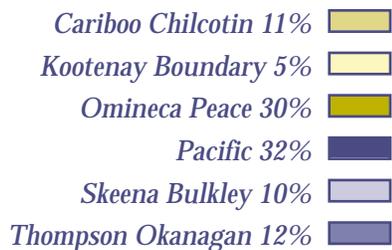
<sup>1</sup> Province-wide investments have broad multi-regional benefits, regardless of the location of the proponent. Province-wide investments have therefore been allocated across regions.

\* Programs in development/not yet implemented. Funding for these programs will be identified from contingency funds once they are approved and/or ready for implementation.

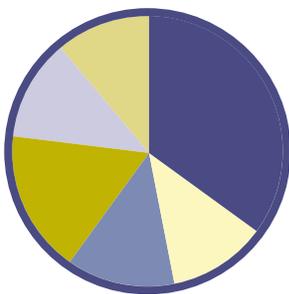


**HISTORICAL STUMPAGE AND ROYALTY CONTRIBUTIONS**

1994 - 1998

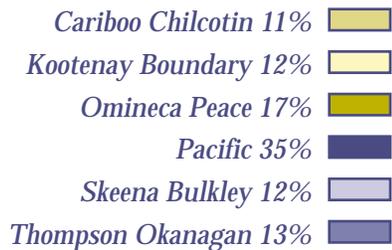


\$1.9 BILLION



**CUMULATIVE INVESTMENTS BY REGION**

1994 - 1998



\$1.2 BILLION

**Program investment overhead**

To report on overhead costs in a manner consistent with industry standards, Forest Renewal BC commissioned Price Waterhouse, recognized leaders in financial analysis in the forest industry, to establish broad principles as to what types of activities, functions and services are and are not components of overhead. The study establishes supportable principles for overhead calculations, to enable true overhead percentages. Based on the study, the program overhead rate for Forest Renewal BC for 1995/96 was 15.5 per cent. It is expected to be between 10 and 12 per cent for 1996/97.

**Corporate administration**

For 1997/98, Forest Renewal BC is budgeting corporate administration expenses at \$26.4 million. These expenses are as follows:

	\$ MILLIONS
Chair, board, communities and executive offices	1.4
Regional operations	11.0
Operations - Victoria	1.0
Communities, workforce and value-added	0.9
Corporate services	7.1
Policy and planning	1.7
Communications	3.3
<b>TOTAL</b>	<b>26.4</b>

The 1997/98 corporate administration budget will maintain Victoria expenses at 1996/97 levels, and will almost double expenses in the regions, from \$6.5 million to \$11.0 million.

**ASSURANCE OF LONG-TERM FUNDING**

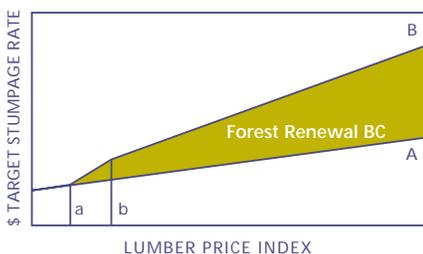
Forest Renewal BC has adopted a long-term vision in managing its budget to prevent a start-and-stop approach to program support, despite the ups and downs of the forest industry. Consistent, multi-year commitments for projects will provide ongoing funding, create stable employment, and help stabilize industry activity and community well-being during downturns in the forest sector. The corporation can make this long-term commitment because it has a source of funding that is not restricted to a process of annual legislative approval.

Fluctuations in factors affecting stumpage can create volatility in the corporation's revenue, and a series of years with low revenue could put Forest Renewal BC's program funding at risk. The corporation is also prohibited by the *BC Forest Renewal Act* from borrowing funds. For those reasons, the board of directors has established a program continuity fund to ensure that the corporation has funds available to honour multi-year funding commitments during periods when the corporation's revenues may be less than its anticipated investments. The board of directors has allocated \$400 million to the program continuity fund.

Forest Renewal BC also wants to ensure that adequate funds are available to respond to new initiatives and priorities each year. Therefore, the board has created a policy that limits the funding committed to long-term proposals in any program to 60 per cent.

## FOREST RENEWAL BC REVENUE

Forest Renewal BC derives its revenue from stumpage paid by industry for the right to harvest timber on Crown lands. When Forest Renewal BC was established, a revenue formula was put in place that is sensitive to fluctuations in lumber prices.



The total area under Line B illustrates the aggregate amount of stumpage revenue collected by the provincial government.

The area under Line A illustrates the proportion of stumpage revenue placed in the consolidated revenue fund and used by the provincial government to fund its many government-delivered public goods and services. The majority of the area between Line A and Line B represents the revenue available to Forest Renewal BC to fund its programs and activities.<sup>1</sup>

Forest Renewal BC's proportion of the total revenue is relatively constant, unless forest-product prices fall sufficiently to cause the lumber price index to drop below a certain level (Point b). Once that point is reached, Forest Renewal BC's proportional revenue drops quickly and can fall to zero (Point a).

The actual lumber prices associated with these points vary, depending on exchange rates.

<sup>1</sup> The actual proportion is 80 per cent of this amount, less \$50 million.

## UNAPPROPRIATED EQUITY

The corporation has accumulated funds beyond the program continuity fund (unappropriated equity) against which no funding commitments have been made. At the end of 1997/98, the unappropriated equity is forecast to be \$332.4 million.

## REGIONAL EQUITABILITY

The *BC Forest Renewal Act* requires Forest Renewal BC to develop and implement a program of expenditures to help renew the forest sector in a way that is regionally equitable. On the face of it, the principle of regional equity may seem simple—all regions should receive their “fair share” of Forest Renewal BC investments—but putting the principle into practice poses a number of challenges. Determining what a “fair share” is poses its own challenging set of considerations.

One line of reasoning is that Forest Renewal BC funding should be directed to the regions in the same proportion as the Crown derives revenue from those regions. While this thinking is easy to understand, it fails to consider the overall, province-wide objectives established for Forest Renewal BC, which include assisting forest workers and forest-based communities that are affected by changes in the forest industry. These regions may not be contributing as much in stumpage as other regions, because harvest levels may have decreased.

The corporation may deliberately choose to invest more in regions contributing less revenue, because these regions have greater immediate need for watershed restoration, enhanced forestry, or inventories. Because of the complexity of the equity issue, and the desire for Forest Renewal BC investments to serve multiple objectives, a number of factors—in addition to the origin of stumpage revenue—are considered by the corporation in establishing a regionally equitable investment plan. In this way, Forest Renewal BC can be confident that its program of investments will be balanced and can be adjusted over time to address both types of equity concerns: equity based on derivation of revenue, and equity in achieving overall Forest Renewal BC objectives.



## AUDIT

The Auditor General of British Columbia issued an unqualified opinion on Forest Renewal BC's March 31, 1996 financial statements, and noted that improvements had been made in a number of administrative areas over the previous fiscal year.

The corporation also maintains an internal audit function, and several reviews were conducted throughout the year. The resulting recommendations continue to be implemented to improve administrative efficiencies.

## RISK MANAGEMENT

Effective risk management is an important part of managing the corporation's investments. Forest Renewal BC balances the objectives of increasing investment in the forest sector and encouraging new forest-sector activity where it might not otherwise occur, by taking risks in two key ways.

First, the corporation recognizes that planned investments are not always delivered as expected. This is particularly true for investments on the land base. For example, projects approved for funding may not occur because of inclement weather, a biological window of opportunity is missed, proponents are unable to find qualified persons to carry out the work, and in some instances, other business priorities may take precedence over planned Forest Renewal BC investments.

Therefore, to ensure that investment targets are met, the corporation enters into contractual commitments for amounts greater than those identified in its business plans. During the fiscal year, the corporation will closely monitor performance and make adjustments, as necessary, to prevent significant variances from the business plan targets.



Second, the corporation strategically assumes a risk in some programs, in order to best achieve its mandate. For example, Forest Renewal BC makes contributions to local financial institutions in support of their loans to foster new forest-sector businesses through the Forest Community Business Program, with the objective of stabilizing communities in transition. The corporation also supports the development of new innovations through the Forestry Innovation Development Program—this, in turn, encourages new ways of doing business that generate a healthy climate of forest-sector business competition. The corporation expects a reasonable level of default on loans provided through these programs, since a perfect repayment rate would indicate that access to the programs is not as extensive as it should be.

Corporate ethics are an important value for the Forest Renewal BC board. During 1996/97, as part of an audit review of corporate ethics in government, the office of the Auditor General complimented Forest Renewal BC on its corporate governance as a result of its Code of Conduct for Directors and Standard of Conduct for Employees. Forest Renewal BC will strive to maintain these high standards.

## EVALUATION

The corporation has established an evaluation framework to ensure that the investments it makes contribute to identified needs in an effective and efficient manner and are consistent with Forest Renewal BC's mandate. Evaluation results are being used for two key purposes:

- 1) to provide ongoing feedback on how well Forest Renewal BC programs are achieving their objectives, and provide direction for correction and improvement.
- 2) to report to the board of directors, the Legislature, stakeholders, and the public as a measure of the corporation's performance in meeting its mandate.

# programs

AND ANTICIPATED RESULTS

Forest Renewal BC invests in the province's forests, forest workers, and forest-dependent communities under a variety of programs. The objectives of those programs, the corporation's 1997/98 investments in them, and their projected results are described in this section.

## GUIDING PRINCIPLES FOR FUNDING

*Consistency with corporate mandate:* Forest Renewal BC will fund only those proposals that are consistent with its mandate to renew the forest economy of British Columbia by enhancing the productive capacity and environmental values of forest lands, creating jobs, providing training for forest workers, and strengthening local communities that depend on the forest industry.

*Incrementality:* Forest Renewal BC investments must be above and beyond what project proponents or government are already doing or are obligated to do to renew or protect forest resources.

*Wise spending:* Projects funded by Forest Renewal BC should demonstrate economy of delivery, efficiency of operation, and effectiveness in achieving desired results.

*Regional equity and sensitivity:* Forest Renewal BC-funded projects should contribute to the corporation's goals of obtaining regional input into decision making and delivering regionally equitable programming.

*First Nations' participation:* To the greatest extent possible, projects funded by Forest Renewal BC should encourage the participation of First Nations.

*Community stability:* Forest Renewal BC-funded projects should help enhance long-term community stability and emphasize local employment.

*Jobs:* Forest Renewal BC investments should sustain or create jobs, or help create conditions that support permanent jobs.

*Sustainability:* Forest Renewal BC investments should promote sustainability by integrating environmental, economic and social objectives and benefits.

*Environmental values:* Projects funded by Forest Renewal BC should contribute to restoring and maintaining the ecological integrity and environmental sustainability of the forests.

## LAND AND ENVIRONMENT

### Enhanced Forestry Program

**\$101.0 million**

The objective of this program is to increase the productivity of the province's forests. Planned management treatments are designed to maximize the full commercial value of forest lands, while recognizing a range of ecological values.

The productive capacity of forest lands is enhanced by investments in stand tending, including stand improvement, spacing, pruning, fertilizing, forest health activities, and monitoring of operational-scale trials of these activities.

Investments in the Enhanced Forestry Program are expected to result in:

- planning work for 83,890 hectares of forest treatments, and stand management activities on 100,075 hectares;
- forest health treatments on 215,800 hectares; and
- 2,520 person-years of direct employment.

*"In our short growing season, trees need all the help they can get, so we clean up the blocks and help grow bigger and better trees."*

Mike Joles, who runs North Fork Forestry, about a pruning and spacing project near Prince George

### Backlog Silviculture Program

**\$60.0 million**

Backlog Silviculture Program activities are part of a province-wide initiative to reforest approximately 250,000 hectares of Crown forest land harvested before 1987 and not sufficiently restocked. The objective of this program is to ensure the reforestation of all Crown forest lands that do not currently support sufficient volumes of tree species suitable for harvesting. Work undertaken in this program is expected to increase the province's productive forest land base and, eventually, the timber supply.

During 1997/98, investments in the Backlog Silviculture Program are expected to result in:

- planning work for 326,000 hectares of forest treatments;
- reforestation, brushing and weeding activities on 75,220 hectares of backlog lands; and
- 1,505 person-years of direct employment.

**Resource Inventory Program** **\$102.0 million**

The objective of the Resource Inventory Program is to increase the quantity and improve the quality of resource inventory information available for forest management purposes in British Columbia. Activities funded through the program are designed to improve forest resource planning and decision making, and improve the integration of non-timber resource values into decision-making processes. The program has three main components: infrastructure development, information gathering, and to program support (the planning and management function).

*Infrastructure development* provides central storage of resource data, converts existing data to digital format, provides base maps for use in all operational inventory work, and provides curriculum and delivers training to carry out inventories.

*Information gathering* involves acquiring inventory data needed for Forest Practices Code compliance and sustainable forest management, in vegetation resources, terrain stability and terrestrial ecosystem mapping, growth and yield, fish and fish habitat, wildlife and wildlife habitat, water quality and quantity, traditional use by First Nations, archaeology, recreation, and forest health.

Investments in the Resource Inventory Program in 1997/98 are expected to result in:

- 475 inventory projects throughout the province; and
- 1,110 person-years of direct employment.

*“Watershed restoration aims to take corrective action to improve the productivity of salmonid habitats. Before government started work here, long stretches of river were devoid of fish habitat.”*

Les Molnar, district habitat officer for the Ministry of Environment, Lands and Parks in Grand Forks, about the watershed restoration work Forest Renewal BC funded at West Kettle River

### **Watershed Restoration Program** **\$103.5 million**

The objective of the Watershed Restoration Program is to accelerate the recovery of watersheds that have been adversely affected by past timber harvesting or natural causes. Activities funded under the program include assessments and detailed restoration prescriptions, road deactivation and rehabilitation, bridge repair, and rehabilitation of slopes, gullies, streams and riparian zones.

Investments in the Watershed Restoration Program in 1997/98 are expected to result in:

- treatment of 10,000 kilometres and planning of work for another 173,600 kilometres of road and hill slope rehabilitation projects;
- treatment of 4,600 kilometres of streams, and planning of work for another 79,500 kilometres;
- Fisheries Renewal BC watershed work, including treatment of 1,500 kilometres of streams, and planning work for 26,700 kilometres;
- replacement of 30 bridges; and
- 880 person-years of direct employment.

*“It’s been an extremely difficult trail to build, not least because we wanted to minimize environmental impacts. But we came up with some really innovative solutions—for example, we discovered that just under the forest floor is a layer of black ash that makes an ideal natural trail surface—and I’m really proud of what we’ve accomplished.”*

**Rob Seaton**, project manager, about the construction of a trail to the volcanic cone in Nisga’a Memorial Lava Bed Park that is protecting the fragile landscape and providing facilities for tourists

### **Recreation Program**

**\$22.9 million**

The objectives of this program are to enhance forest-based recreation and tourism opportunities in British Columbia, increase public awareness and appreciation of the values of the province’s forests, improve forest recreation management, and increase public awareness of Forest Renewal BC’s mandate.

Activities funded through the Recreation Program include improving and developing forest recreation opportunities, such as access trails and campgrounds that contribute to recreational use of the resource.

In 1997/98, investments in the Recreation Program are expected to result in:

- 345 new recreation projects around the province; and
- 565 person-years of direct employment.

### **Woodlot Expansion Program**

**\$7.0 million**

The objective of this program is to double the number of woodlot licences in the province and provide technical assistance to licence holders. Increasing the allowable annual cut available for woodlot licences is expected to expand opportunities for individual involvement in small-scale forest management. It will also increase the amount of private land under forest management.

Investments in this program during 1997/98 are expected to result in:

- advertisement of an additional 40 woodlots;
- extension services for all woodlot licence holders; and
- 81 person-years of direct employment.

## LAND AND ENVIRONMENT PROGRAMS IN DEVELOPMENT/NOT YET IMPLEMENTED

### **Private Forest Lands Program**

The objectives of this program are to invest in private lands in order to conserve biodiversity and to increase the area of productive forest. Extension services, investments in small-scale forestry, and business assistance are some of the options under consideration for bringing more unmanaged forest land into sustainable timber production.

### **Tree Improvement Program**

Tree improvement results in a stronger, healthier gene pool from which to grow trees in British Columbia, ultimately improving the quality of the harvest. The British Columbia Tree Improvement Council, a multi-stakeholder agency that addresses province-wide tree-improvement issues, was asked by Forest Renewal BC to recommend priorities for tree-improvement funding. The corporation expects to begin implementing a Tree Improvement Program in 1997 based on these recommendations.

### **Ecosystem Restoration Program**

This program is expected to expand the activities of the Watershed Restoration Program, to address a broader range of forest productivity, biodiversity and wetland restoration needs. Pilot projects will be a key component of the Ecosystem Restoration Program. This “learning by doing” approach will provide the technical tools, knowledge and expertise necessary to carry out a wider range of land and aquatic restoration activities effectively, efficiently, and in coordination with other watershed or landscape-unit management activities.

The Ecosystem Restoration Program will also evaluate the ecological and economic effectiveness of alternative ecosystem restoration strategies, and the potential benefits of ecosystem restoration to workers, local economies, and the long-term productivity of the forest land base.

### **Crown Land-Use Planning Program**

This program supports the development of information, data and planning tools to improve land-use planning. The program is expected to enhance land-use planning in the province through Land and Resource Management Plans, to further educate those who participate in the planning process, and to help monitor the implementation of land-use plans.

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*“The benefits of the program will come back tenfold, not just to the individuals participating, but to the province as a whole.”*

**Dawna LeDrew**, a line worker in a Williams Lake wood-products mill, about the Forest Worker Employment and Training Program that is helping forest workers upgrade their education and develop new skills to help them adjust to changes in the forest sector

### **WORKER AND COMMUNITY TRANSITION**

#### **Forest Worker Transition Program                      \$30.0 million**

This program helps unemployed forest workers obtain new jobs, either within or outside the forest industry. Eligible forest workers may access career counselling, funding for training, wage support during training, and self-employment assistance. Each eligible worker can receive as much as \$7,000 in tuition grants and \$20,000 in income support.

In the Pacific Region, the program is being delivered by the Forest Jobs Commissioner and two locals of the IWA Canada. Delivery in Golden began in November 1996 in response to local employment conditions. Program delivery is expected to begin in the Thompson Okanagan, Kootenay Boundary, and Cariboo Chilcotin regions in 1997.

Over the next three years (1997/98 to 1999/2000), the Forest Worker Transition Program is expected to help as many as 6,500 displaced forest workers find new employment.

Investments in the Forest Worker Transition Program in 1997/98 are expected to result in:

- training or support for at least 1,110 workers.

*"I'm going all the way for the best certificate I can get because I know it'll give me a better chance of getting a job."*

Karen Taylor, a student, about the Value-added Skills Centre in Abbotsford, the first school of its kind in North America, which is helping forest workers upgrade their skills and move into the value-added sector

### **Land-based Training Program**

**\$15.0 million**

Forest Renewal BC funds training in land-based activities, including new forest practices, and retraining for unemployed British Columbia forest workers and those facing work reductions. To ensure forest workers have the skills they need to carry out land-based projects, the corporation supports training—from entry-level to advanced technical skills—in activities such as silviculture, resource inventories, and environmental restoration.

Investments in the Land-based Training Program in 1997/98 are expected to result in:

- training for 2,140 workers in land-based projects.

### **Value-added Training Program**

**\$9.7 million**

According to value-added producers in B.C., difficulties in training new employees and finding skilled employees are impeding the development of the value-added sector in the province. To help correct the problem, the Value-added Training Program funds skills training—from entry-level to the highly technical—for value-added workers and employers.

Investments in this program in 1997/98 are expected to result in:

- training for 1,385 workers in value-added skills.

### **Forest Worker Employment and Training Program**

**\$4.8 million**

The purpose of this program is to help unemployed workers, or those facing work shortages, to identify new work opportunities and to obtain short-term training and job placement assistance. Training and adjustment consultants work with companies and employees to provide skills assessments, career counselling and training. Over a three-year period (1997/98 to 1999/2000), the Forest Worker Employment and Training Program is projected to help 6,800 at-risk forest workers retain existing jobs, or find new employment.

During 1997/98, investments are expected to result in:

- training and other assistance to 740 forest workers.

**Sectoral Training Initiatives Program      \$14.0 million**

Over a three-year period (1997/98 to 1999/2000), the Sectoral Training Initiatives Program will support human resource planning, training and adjustment by sectoral groups. Forest Renewal BC has already approved a sectoral training initiative for the pulp and paper industry, with funding of \$36.6 million over four years. Other sectoral groups may request funding during the year.

Investments through this program in 1997/98 are expected to result in:

- assistance and training for at least 2,000 forest workers.

**Forest and Resource Technology Program      \$3.0 million**

Forest Renewal BC investments and other new initiatives in the forest sector, such as the Forest Practices Code, are creating demand for trained forest workers. Colleges offering Forest Technician/Technologist training programs have waiting lists that exceed their annual enrollment capacity tenfold, and graduates of these programs are readily able to find employment in the forest sector.

To ensure that British Columbians can benefit from undertaking the increased level of forest-related work in the province, Forest Renewal BC has developed a time-limited program to increase the number of seats available in two-year forest and resource technology diploma programs across the province.

It is expected that 1997/98 investments in this program will result in:

- 100 additional seats for displaced forest workers in college programs.

### **Forest Community Economic**

#### **Development Program**

**\$6.0 million**

This program supports the capacity of forest-dependent communities to develop more diversified forest-sector opportunities, through economic development and transition planning, feasibility studies, and an immediate-response fund for sudden major forest job losses. It provides planning support to local governments and First Nations through three funds: a forest-sector planning fund, a project feasibility fund, and an immediate-response fund.

Investments in this program in 1997/98 are expected to result in:

- assistance for 168 communities; and
- 100 person-years of direct employment.

#### **Community Renewal Program**

**\$5.0 million**

This program will help communities implement plans and projects identified by the forest sector planning fund of the Forest Community Economic Development Program, and increase community stability and the capacity of communities to diversify within the forest sector.

During 1997/98, investments in this program are expected to result in:

- at least 50 planning projects throughout the province; and
- 50 person-years of direct employment.

#### **Forest Worker Employment Agency**

**\$7.5 million**

In 1997/98, Forest Renewal BC is developing and expects to launch a Forest Worker Employment Agency, as required by the *BC Forest Renewal Amendment Act* of 1996. Ongoing stakeholder consultation will determine the guidelines under which the agency will operate.

Once operating, it is expected that the agency will create 125 person-years of direct employment in 1997/98.

**Bursary Program****\$0.3 million**

Through this program, a graduating Grade 12 student in each high school, regional correspondence school and band school throughout the province can receive a \$500 bursary toward further education. In addition, two first- or second-year students in each post-secondary institution in British Columbia will be eligible for \$1,000 bursaries toward further education.

In 1997/98, investments in this program should:

- provide bursaries to one qualified applicant from every high school, and two qualified applicants from every post-secondary institution in British Columbia.

**Regional Advisory Process****\$0.5 million**

Forest Renewal BC will continue its regional advisory process in 1997/98, to collect advice and feedback on its regional investments to help the corporation plan for future investments.

**TRANSITION PROGRAMS IN DEVELOPMENT/  
NOT YET IMPLEMENTED****Foundation Skills Training Program**

Training in foundation skills such as numeracy, literacy and communication for employed and displaced forest workers, as well as new entrants, is particularly important to forest workers who have not completed high school and who may be facing changes in their employment. Over a three-year period (1997/98 to 1999/2000), the Foundation Skills Training Program will help forest workers who want to complete Grade 12.

If approved, investment in this program will increase access to foundation skills training for forest workers.

## DIVERSIFICATION

### **Forest Community Business Program**      **\$7.0 million**

This program is designed to diversify, stabilize and expand the economic and employment opportunities of forest-based communities by providing increased access to financing, business planning support, and training for small businesses in the forest sector. The financing segment of the program has been operational since June 1996, through community-based lenders such as Community Futures and Native Development Corporations for loans up to \$75,000, and through credit unions for loans of up to \$250,000. In February 1997, the corporation added the Business Development Bank of Canada as a lender in this program, for loans from \$75,000 to \$250,000. In the summer of 1997, a loan-client business management skills component will be introduced.

Investments in this program during 1997/98 are expected to result in:

- 200 new loans to small- and medium-sized forest-sector businesses; and
- 875 person-years of direct employment.

### **Value-added Finance Program**      **\$4.0 million**

Forest Renewal BC recently developed a Value-added Finance Program. Financing for value-added firms will be available through existing commercial lending institutions, at arm's length from the corporation. Lending agencies for the program will be identified in the summer of 1997.

During 1997/98, this investment is expected to create:

- 65 person-years of direct employment.

### **Wood Supply Program**

**\$1.2 million**

The Wood Supply Program provides funding for initiatives to improve the value-added sector's access to a stable supply of wood. The most significant initiative to date is the BC Wood Fibre Network, an electronic bulletin board with more than 650 subscribers, through which buyers and sellers of logs and lumber can access information about wood supply easily and effectively.

In 1997/98, the BC Wood Fibre Network is expected to post information relating to the sale of 50 million board feet of lumber, and more than one million cubic metres of logs.

This investment is expected to create:

- 20 person-years of direct employment.

### **Value-added Marketing Program**

**\$6.2 million**

The objective of the Value-added Marketing Program is to help B.C.'s value-added producers jointly market their products.

The program is designed to provide associations or groups of producers with funds for market information, development, or access projects. These investments will increase the domestic and international demand for existing or new products manufactured by B.C.'s value-added sector.

This investment is expected to create:

- 80 person-years of direct employment.

### **Value-added Industry**

#### **Diversification Program**

**\$1.0 million**

This program assists value-added industry efforts to diversify and grow. Needs analyses, member surveys, wood forums and conferences, association development activities, and other industry initiatives are some of the projects that Forest Renewal BC funds through this program.

This investment is expected to create:

- 15 person-years of direct employment.

**Forest Excellence Awards Program** **\$0.3 million**

Forest Renewal BC's Forest Excellence Awards recognize accomplishments in new approaches to forest-sector issues. Each year, the corporation solicits nominations of individuals who have made significant contributions in areas such as forest management, environment, value-added, labour, community, education, and communications/media.

In 1997/98, Forest Renewal BC expects to provide:

- 15 Forest Excellence Awards.

**Forestry Innovation**

**Development Program** **\$7.0 million**

This program offers support to proponents who are developing innovative products and processes. Development counselling and financial support of as much as \$500,000 will be made available for approved projects that will develop or adapt innovative proprietary forestry products or processes.

Financial support under this program will be repayable, and royalties in lieu of interest on the support will be required. The Advanced Systems Institute is delivering the Forestry Innovation Development Program in association with Forest Renewal BC.

Investments in this program in 1997/98 are expected to result in:

- the development of at least five innovations; and
- 115 person-years of direct employment.

**DIVERSIFICATION PROGRAMS IN DEVELOPMENT/  
NOT YET IMPLEMENTED**

**Technology Transfer Program**

The objective of this program is to provide technical assistance and information in areas critical to the value-added sector, such as lumber drying, wood machining, gluing, wood properties, industrial process engineering, materials handling, and quality control. Access to this assistance and information will be at a regional level. Development of this program is being carried out jointly by the corporation, Forintek Canada Corporation, and University College of the Cariboo.

## PROGRAMS COMMON TO ALL INVESTMENT THEMES

### Research Program

**\$40.0 million**

By adding to the knowledge base essential for achieving the goals in the corporation's five activity areas, the Research Program helps ensure maximum return on Forest Renewal BC's investments. For example:

- Information from growth and yield work is being used to increase the benefits of silvicultural investments and improve timber supply predictions.
- With the aid of research, sound and cost-effective watershed restoration techniques are being developed.
- Research is enhancing manufacturing processes, such as drying, to reduce operating costs and improve product quality.
- Research and extension are providing better tools for community economic development.
- Information from labour studies is being used to improve workforce transition planning.

Without the benefits of research, investments can only maintain the status quo, rather than enhance the long-term benefits to British Columbia's forest sector.

Investments in this program in 1997/98 are expected to result in:

- approval and funding of 385 research proposals; and
- 480 person-years of direct employment.

### Endowment Program

The Endowment Program will help build teaching, research and extension capacity at degree-granting post-secondary institutions around the province, so that they are better able to address key issues facing the forest sector now and in the future. Forest Renewal BC's board of directors has identified several key needs in the forest sector to which endowment funds will be directed.

*"What research gives us is a clear idea of what happens when a forest is disturbed—by big things like fire, or smaller things like root rot—how long it takes to regenerate, and how it changes as it grows back."*

Dr. André Arsenault, plant ecologist, about a five-year research project in Wells Gray Provincial Park and the Upper Adams and Seymour River watersheds

# corporate directions

FOR 1997/98

## CORPORATE-WIDE

The corporation has identified the following goals for the 1997/98 fiscal year.

### Operations

In 1997/98, the Operations Division's key objectives are to deliver business plan goals for all programs as effectively and cost-efficiently as possible.

The division will:

- deliver 1997/98 planned investments.

The 1997/98 business plan estimates a 60 per cent, or \$228.3 million, increase in investments over 1996/97. This increase in investment will be evidenced across all programs.

The division will deliver programs aimed at growing more and better trees, repairing watersheds, developing sufficient land-based data to make intelligent resource management decisions, creating jobs, supporting communities and assisting First Nations. The division will also deliver non-land-based programs that cover workforce training requirements, value-added, and community-related initiatives.

Staff of the corporation will take on this additional delivery responsibility by continuing to work cooperatively with stakeholders and agencies involved in delivering programs.

- implement a new planning-based delivery model for land-based programs.

In response to concerns that Forest Renewal BC's land-based programs delivery has been slow and overly administrative, the corporation is now making fundamental changes to the way it delivers its land-based programs. A new, multi-year land-based delivery system will be in place for the 1998/99 field season.

Under this new system, Forest Renewal BC will negotiate and enter into in a series of multi-year agreements directly with forest licensees. Line ministries will maintain statutory approval authority through prescriptions, where these are required, and provide input on resource management objectives to guide higher levels of planning, and where prescriptions are required.

More cost-effective and efficient than the current proponent-driven system of project management and delivery, this new approach will shift more of the responsibility for land-based programs and project delivery to licensees. It is expected that it will take all of 1997/98 to fully develop the new delivery model.

#### **Communities, Workforce and Value-added**

The priority of the Communities, Workforce and Value-added Division is to be proactive and responsive to clients' needs. To achieve this objective in 1997/98, the division will:

- facilitate the regional advisory process.

Forest Renewal BC's regional advisory process ensures that communities, industry, labour, First Nations, environmental groups, and other stakeholders have an opportunity to review the corporation's regional-level progress and to make the corporation aware of their needs. The division will provide regional staff with the necessary tools and support to implement this process.

- 
- encourage the full participation of communities, workers and the value-added sector.

Special emphasis will be placed on ensuring that the value-added sector, workers and forest-based communities understand the corporation's programs, activities and funding priorities.

- be responsive to emerging situations in the forest sector.

The corporation anticipates that several forest-sector companies—and, by extension, associated workers and communities—may face difficulties in 1997/98 as a result of transition in the sector. The division will establish a visible and positive presence in affected communities, get projects off the ground rapidly, and develop responsive plans appropriate to each situation.

### Corporate Services

The strategic objectives set for Corporate Services in 1997/98 focus on delivering better service to clients at the corporate, regional and stakeholder levels. This year, the division will:

- improve financial systems to reflect the changing needs of the corporation.

Financial systems are evolving to provide a balance between service to the corporation, proponents and partners, while ensuring that appropriate controls are in place. Changes to the land-based programs in 1998/99 will be the catalyst for establishing regionally based budget forecasting and accounting procedures. This new system will accommodate large, multi-year funding agreements, ranging from aggregated accounts to electronic commerce. Because of these changes, a new financial system will be implemented in 1997/98.

- improve information access and management.

The ability to provide timely, accurate information is a key component of managing and reporting on corporate investments. In 1997/98, new software to integrate the project tracking system with the new financial system will improve information access and management. The 1997/98 progress reporting strategy will improve techniques for forecasting employment, activity accomplishments and expenditures.

- develop and implement a human resources strategic plan.

The corporation will have a shift in staffing requirements in 1997/98, particularly as they relate to the new land-based programs delivery system. Implementation of the human resources strategic plan will significantly improve the corporation's efficiency and effectiveness. A fundamental cornerstone of the plan is aligning "people practices" with business requirements as Forest Renewal BC continues to grow. This initiative is based on best-practices research from the public and private sectors. Development, implementation and maintenance of the plan will be accomplished in consultation with the representative bargaining agent—B.C. Government and Service Employees' Union (BCGEU)—and with all staff of the corporation. Its success will be determined through an evaluation process consisting of employee and partner feedback.

### **Policy and Planning**

Over the past two years, the Policy and Planning Division has developed the corporation's programs, coordinated major initiatives and assisted in the review of hundreds of proposals. In 1997/98, the division will continue work on the few remaining programs still in the developmental stage that the activity area committees have identified to meet the needs of forest-sector stakeholders. The division will also continue to assist in the review of proposals.

As all planned programs become operational during 1997/98, the division's work focus will change from program development to program modifications, as and where needs are identified by users of the programs, or as a result of evaluations.



The division will increase its work on corporate and program evaluations by completing evaluation frameworks, undertaking evaluations, and analyzing results. Program results will help fine-tune Forest Renewal BC's programs, and corporate evaluation results will help improve the effectiveness and efficiency of the corporation's activities.

The division will also work with the board of directors to complete a review of the corporation's strategic plan. The revised strategic plan will form the basis for future business and operational planning.

### **Communications**

In 1997/98, Forest Renewal BC's Communications Division will begin implementing a long-term communications strategy that emphasizes the corporation's leadership role in the renewal of British Columbia's forest sector. This strategy will build on existing corporate and regional communications activities.

The central goal of this strategy is to build a higher level of public and stakeholder understanding of Forest Renewal BC's programs, projects and accomplishments. Achieving this goal will involve a wide range of communications activities, including:

- developing and fine-tuning materials such as corporate/regional newsletters, stakeholder updates, information kits, videos, editorials, and a redesigned Internet site;

- 
- continuing proactive media relations work in all areas of the province, with a particular focus on major urban media, and developing and executing more effective tactics for issues management;
  - advertising in a variety of media (e.g., implementing a strategy dovetailing print advertising with editorials in stakeholder publications); and
  - public outreach through community cable television, the Forest Excellence Awards, the Bursary Program, media interviews, editorial boards, and presentations to stakeholder groups and the public.

#### **Forest Worker employment Agency**

The objective for the agency, as defined in the *BC Forest Renewal Amendment Act* of 1996, is to give priority to eligible B.C. forest workers who have lost their jobs or are facing work reductions, when hiring for Forest Renewal BC-funded projects.

During 1997/98, the agency will continue to consult with all forest-sector stakeholders to establish a process for matching eligible forest workers with jobs—a process the agency expects to implement this year.

# regional

## INVESTMENT PLANS



## REGIONAL INVESTMENT PLANS AND CORPORATE INVESTMENT TARGETS

Forest Renewal BC's six regional offices develop annual regional investment plans for review by the corporation's board of directors. Regional investment plans establish the subsequent year's annual corporate investment targets.

Regional investment plans identify priorities for funding in all of the corporation's programs. In the first two full years of Forest Renewal BC's activities, those regional investment plans identified the highest level of investment a region could anticipate, given the corporation's investment criteria and principles, proposals received or anticipated, and proponents' and delivery agents' capacity to implement approved projects. This method of identifying proposed regional investments worked well initially, given that the corporation had not met its anticipated long-term sustainable investment levels (\$400 million annually), was seeking to increase them to that level, and had funds available to do so.

For 1997/98, the potential investments greatly exceed the level of funding that the board feels it can reasonably invest this year. This has led to some disappointments for those who were anticipating that Forest Renewal BC would fund more proposals—especially if those proposals are consistent with program funding guidelines.

Now that the corporation will succeed in surpassing an investment level of \$400 million annually, and given that the demand for Forest Renewal BC funding on an annual basis will likely continue to greatly exceed what the corporation can expect to invest in a sustainable manner, the corporation will be changing its method of establishing regional investment plans. In 1997/98, the board will establish regional target investment levels for planning purposes before regional investment plans are compiled, to ensure that funding expectations are more closely aligned to what the corporation intends to fund.

The following summaries identify the anticipated 1997/98 investments in each Forest Renewal BC region.

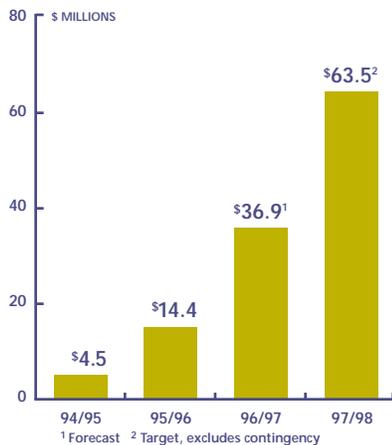
**CARIBOO CHILCOTIN  
REGION**



**INVESTMENT TARGETS 1997/98  
(\$ MILLIONS)**

Land and environment	\$40.7
Worker and community transition	\$8.5
Diversification	\$3.2
<b>Subtotal</b>	<b>\$52.4</b>
Province-wide allocation	\$11.1
<b>TOTAL</b>	<b>\$63.5</b>

These investments will create an estimated 1,440 person-years of direct employment throughout the Cariboo Chilcotin Region in 1997/98.



**CARIBOO CHILCOTIN  
INVESTMENTS 1994 - 1998**

**LAND AND ENVIRONMENT**

**Enhanced forestry**

In 1997/98, the Cariboo Chilcotin Region will survey, plan or treat a total of 47,000 hectares of land under the Enhanced Forestry Program. Activities will include site preparation, planting, brushing, spacing, pruning and fertilizing.

The region plans to reforest, brush and weed an additional 11,125 hectares of forest land under the Backlog Silviculture Program.

**Watershed restoration**

A number of high-priority watersheds have been examined in the region to assess the impact of past logging practices. In five of the watersheds—Clearwater Lake, Bidwell Creek, Cariboo River, Quesnel Lake, and Horsefly River—the assessments determined that:

- logging roads and landslide areas require treatment to mitigate possible damage to fish-bearing streams; and
- in-stream work may be required to enhance the productivity of fish habitat.

Watershed restoration projects to respond to these findings—as well as assessments on at least 13 more watersheds—will be completed in 1997/98.

**Resource inventory**

Under the Resource Inventory Program, the Cariboo Chilcotin Region will invest in a variety of projects to improve the forest sector’s ability to manage forest resources in a sustainable manner. The projects will include:

- landscape and inventory analysis;
- visual quality objectives in the Williams Lake Forest District;
- terrain stability mapping in the Chilcotin and Horsefly areas;

- biophysical inventory of Tree Farm Licence 52; and
- baseline inventory and detailed classification of Cariboo fish streams.

#### **Recreation**

The region will fund 20 recreation projects in 1997/98, including projects to rehabilitate the MacKill Lake recreation area, and to develop and deliver an interpretive program for 10 Mile Lake Provincial Park.

#### **Research**

The Cariboo Chilcotin Region will fund 10 research projects, including a study of the rehabilitation of forest soils in the Interior, and a project studying the effect of thinning on the growth and yield of young lodgepole pine stands.

### **WORKER AND COMMUNITY TRANSITION**

#### **Economic development**

The Cariboo Chilcotin Region will assist 11 communities in developing economic transition plans and/or conducting feasibility studies under the Forest Community Economic Development Program. The Esketemc First Nation will complete a plan to deal with forest-sector adjustment in their community, and the City of Williams Lake will examine the feasibility of updating the forest-sector component of its economic development strategy.



### **Workforce training**

In 1997/98, the Cariboo Chilcotin Region will invest 50 per cent more than last year in workforce training initiatives.

Through the Land-based Training Program, the region will continue to fund training projects that ensure workers are trained and ready to work on land-based initiatives—including one on-site project that will train six people in new inventory assembly, road status, field checking, agency/public consulting, analysis, and report preparation. The region will continue to provide skills training, upgrading and support to forest workers through the Forest Worker Transition Program, and to finance projects that help prepare workers for jobs in the growing value-added sector.

In all, investments in training will help an estimated 900 workers in the Cariboo Chilcotin Region.

### **Regional advisory process**

Cariboo Chilcotin's regional advisory process is essential to ensuring that the Forest Renewal BC investment plan meets the needs of the region's forest-sector stakeholders. In addition to a number of public open houses and round-table discussions throughout the region, seven subregional groups will hold two meetings each during 1997/98.

### **Research**

One research project addressing transition issues in 1997/98 will examine the potential for community-based, shared-use manufacturing facilities.

## DIVERSIFICATION

### Value-added

The Cariboo Chilcotin Region's investment target of \$3.2 million for diversification includes \$2.5 million specifically for value-added initiatives—a substantial increase from the \$400,000 spent on the same activity area in 1996/97.

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*“I see the expansion of the value-added sector as a key to the continued prosperity of communities like Quesnel. We need to diversify our economy if we're going to ensure that my son and other young people in our community will be able to get jobs that will allow them to stay in the area.”*

Chris Hartridge, wood products issue coordinator, about the development of the Wood Enterprise Centre, a unique, one-stop resource centre designed to help Cariboo wood-products manufacturers start or expand innovative businesses

Value-added initiatives for this year include support for the Wood Enterprise Centre, and for such associations as the Cariboo Value-added Society, and the Cariboo Chilcotin Coast Wood Products Association.

In addition, the Forest Community Business Program will help 11 value-added businesses start-up or expand, while:

- the new Value-added Finance Program will make it easier for value-added businesses to obtain financing;
- the Value-added Marketing Program will help local producers find ways to improve their market share; and
- the proposed Technology Transfer Program, once implemented, will help local value-added firms improve their productivity.

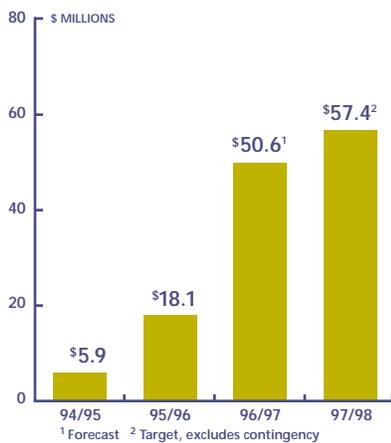
**KOOTENAY BOUNDARY  
REGION**



**INVESTMENT TARGETS 1997/98  
(\$ MILLIONS)**

Land and environment	\$36.4
Worker and community transition	\$7.1
Diversification	\$2.9
<b>Subtotal</b>	<b>\$46.4</b>
Province-wide allocation	\$11.0
<b>TOTAL</b>	<b>\$57.4</b>

These investments will create an estimated 1,360 person-years of direct employment throughout the Kootenay Boundary Region in 1997/98.



**KOOTENAY BOUNDARY  
INVESTMENTS 1994 - 1998**

**LAND AND ENVIRONMENT**

**Enhanced forestry**

Under the Enhanced Forestry Program, the Kootenay Boundary Region will survey, plan treatment on, or treat more than 43,000 hectares of land in 1997/98. This work will include activities such as site preparation, planting, brushing, spacing, pruning and fertilizing.

Combined with projects to reforest, brush and weed an additional 50,000 hectares of land under the Backlog Silviculture Program, the region's silviculture initiatives will result in an estimated 230 person-years of direct employment.

**Watershed restoration**

The Kootenay Boundary Region has completed assessments of a number of local watersheds, including St. Mary's watershed in the Clearbrook Forest District, the Fraser Creek watershed, and the Blueberry Creek watershed near Golden. These and other assessments in the West Kootenays reveal that there has been at least some damage from past logging practices. These assessments will enable development of new watershed restoration projects in 1997/98.

Assessments on 20 more watersheds will be completed this year.

**Resource inventory**

In 1997/98, the Kootenay Boundary Region will invest in a number of projects, including terrain stability mapping, under the Resource Inventory Program.

*“It’s surprising how challenging it is to come up with designs that are unique enough to catch someone’s eye, but also marketable and practical in terms of price and mass production. I was surprised at how much is involved.”*

Jeff Sterling, a second-year student, about the Wood Products Design Program at the Kootenay School of the Arts in Nelson

### **Recreation**

Recreation projects help ensure that the public is able to enjoy forest resources. The region will fund approximately 36 recreation projects in 1997/98, including the building of the Wasa Trail.

### **Research**

The region will also fund at least 30 research projects over the next year. One study will ensure that silviculturalists in the region have up-to-date information about the feasibility of new techniques.

## **WORKER AND COMMUNITY TRANSITION**

### **Economic development**

Under the Forest Community Economic Development Program, the Kootenay Boundary Region will help nine communities develop economic transition plans and/or conduct feasibility studies this year.

The community of Nakusp, for example, will study the feasibility of value-added manufacturing in their local area, while Salmo will complete an economic development plan to help the people in their community deal with changes in the forest sector.

### **Workforce training**

The region will continue to fund a variety of innovative and progressive new training projects under the Land-based Training Program, including a project to train as many as 40 Atco Lumber Ltd. workers in spacing and other forestry skills.

The region will also continue to help workers learn new skills and find new jobs through the Forest Worker Transition Program, and to finance projects to train workers for value-added manufacturing.

Investments in training will help an estimated 650 workers in the Kootenay Boundary Region over the next year.

### **Regional advisory process**

The region held a forum in March 1997 to gather ideas and information from the public and communities on investment directions and goals. The region has also put together a group of individuals with expertise and experience in all aspects of the forest sector to advise regional staff on specific issues and concerns.

### **Research**

In order to address transition issues, the region will fund research to study best practices in secondary wood manufacturing processes, to help understand the effect of job-creation policies.

## **DIVERSIFICATION**

### **Value-added**

To promote diversification, the Kootenay Boundary Region intends to nearly triple its investments in the value-added sector over the next year.

The region plans to fund the development of a value-added strategy that will identify where the best opportunities are for future investment in the value-added sector. It will also provide funding to:

- the Kootenay Woodvine;
- conferences such as the Value-added Wood Forum;
- a variety of projects under the Value-added Marketing Program, including a project in which the Kootenay Woodvine will provide workshops for small value-added producers and entrepreneurs in the region to network and increase their marketing knowledge; and
- projects under the Value-added Finance Program and the proposed Technology Transfer Program.

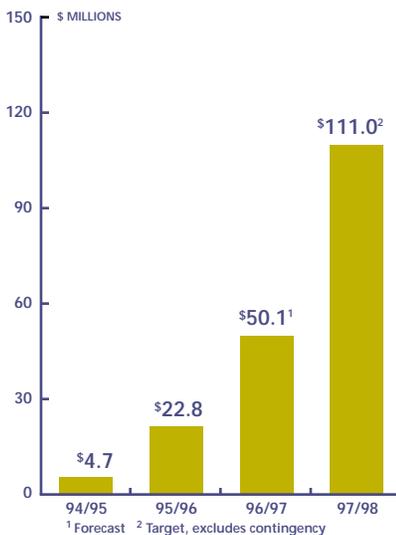
**OMINECA PEACE  
REGION**



**INVESTMENT TARGETS 1997/98  
(\$ MILLIONS)**

Land and environment	\$87.0
Worker and community transition	\$5.0
Diversification	\$2.9
<b>Subtotal</b>	<b>\$94.9</b>
Province-wide allocation	\$16.1
<b>TOTAL</b>	<b>\$111.0</b>

These investments will create an estimated 1,955 person-years of direct employment throughout the Omineca Peace Region in 1997/98.



**OMINECA PEACE  
INVESTMENTS 1994 - 1998**

**LAND AND ENVIRONMENT**

In 1997/98, Forest Renewal BC plans to allocate 25 per cent of its Enhanced Forestry investments and 32 per cent of its Operational Inventory Program investments to the Omineca Peace Region.

**Enhanced forestry**

The Omineca Peace Region will spend over 80 per cent more than it did last year in Enhanced Forestry Program projects to survey, plan or treat more than 25,000 hectares of land throughout the region.

Under the Backlog Silviculture Program, the region will also reforest, brush and weed, or develop plans for these treatments, on an additional 40,000 hectares of land.

**Watershed restoration**

Watershed assessments already completed on the Peace, Snake and Smith rivers show that logging roads and landslide areas now require treatment to mitigate possible damage to fish-bearing streams and fish habitats.

A variety of projects to restore those watersheds—including work to deactivate logging roads and rehabilitate slopes—will begin in 1997/98, along with an estimated six more watershed assessments.

**Resource inventory**

The Omineca Peace Region will triple the funding available to the Resource Inventory Program over the next year, and will invest in a wide range of projects to produce essential forest resource information. These are expected to include:

- terrain stability mapping;
- terrestrial ecosystem mapping; and
- fish and fish habitat inventories.



### **Recreation**

The 20 recreation projects planned for the Omineca Peace Region in 1997/98 will include the Prince George Community Greenway, enhancing recreation trails on Bell Mountain, and widening and expanding cross-country ski trails for wheelchair access in Fort St. John.

### **Research**

The region will also fund at least 35 research projects over the next year, including one study that will examine the habitat needs of the harlequin duck in the northeast, and another study to develop better tools for predicting bark beetle hazard.

*"We've developed good relationships here, and that's given us the confidence to pursue larger contracts. With the help of Forest Renewal BC, we've proven that remoteness as an obstacle to business can be overcome—what we build, we can sell. The Tl'azt'en should feel the socioeconomic impact of this program for years to come."*

Heinz Dube, cabinet shop manager/instructor and journeyman cabinetmaker, about the Tl'azt'en Cabinet Shop in Fort St. James

## **WORKER AND COMMUNITY TRANSITION**

### **Economic development**

This year, investments to help the communities of Omineca Peace are expected to increase by 60 per cent. The region plans to assist 13 communities to create economic development strategies and/or conduct feasibility studies. The Peace Value-added Association, for example, will be funded to determine the feasibility of building a dry kiln.

### **Workforce training**

Investments will almost double in 1997/98 to help Omineca Peace Region's workforce train and develop new skills.

For example, under the Value-added Training Program, the region will fund a project to train nine workers in cabinetmaking at the Cabinet Shop, operated by the Tl'azt'en First Nation. It will also continue to train and support workers through the Forest Worker Transition Program.

Investments in training will assist an estimated 400 workers in the Omineca Peace Region over the next year.

### **Regional advisory process**

To help determine the region's overall forest investment direction, the Omineca Peace Region will hold two meetings during the year in each community, from which representatives will be drawn to represent those communities at regional round-table discussions. The regional advisory process will also include public open houses and round-table discussions to collect as many viewpoints and as much information as possible from across the region.



## **Research**

Research examining transition issues in the Omineca Peace Region will include one project that will identify the factors affecting the success and sustainability of small forest-sector businesses in northern B.C.

## **DIVERSIFICATION**

### **Value-added**

Because diversifying the forest industry is a crucial way to achieve and maintain sustainability, the Omineca Peace Region will increase its investments in the value-added sector fourfold in 1997/98.

Through the Forest Community Business Program, the region will help eight to 10 forest-sector businesses start up or expand. It will also provide value-added businesses with working capital and debt financing for fixed assets, through the new Value-added Finance Program.

In addition, the region expects to provide funding to organizations or events that help expand the value-added sector (including the B.C. Pellet Fuel Manufacturers Association, the Central Interior Wood Processors, and the Northern Wood Forum); for projects that help local producers improve the sale of their goods through the Value-added Marketing Program; and for activities that help local firms, through the proposed Technology Transfer Program.

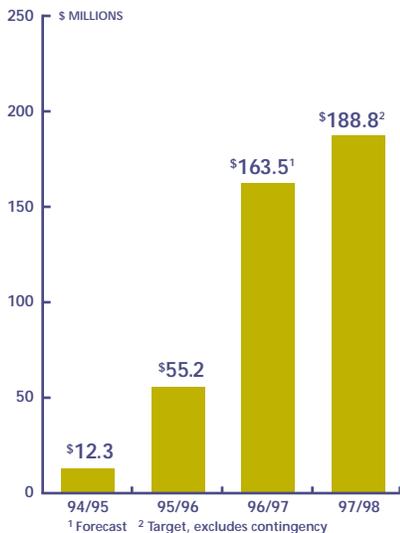
**PACIFIC  
REGION**



**INVESTMENT TARGETS 1997/98  
(\$ MILLIONS)**

Land and environment	\$131.0
Worker and community transition	\$40.4
Diversification	\$4.8
<b>Subtotal</b>	<b>\$176.2</b>
Province-wide allocation	\$12.6
<b>TOTAL</b>	<b>\$188.8</b>

These investments will create an estimated 2,395 person-years of direct employment throughout the Pacific Region in 1997/98.



**PACIFIC  
INVESTMENTS 1994 - 1998**

**LAND AND ENVIRONMENT**

**Enhanced forestry**

Both the Enhanced Forestry Program and the Backlog Silviculture Program work to increase the health and productivity of our forests. Under the Enhanced Forestry Program, the Pacific Region will survey, plan and treat 54,000 hectares of land. Under the Backlog Silviculture Program, the region will reforest, brush and weed a further 7,200 hectares. The two programs together will result in an estimated 540 person-years of direct employment.

**Watershed restoration**

More than 164 watershed restoration projects—based on the results of high-priority watershed assessments completed in 1996/97—are planned for the Pacific Region over the next year. Projects are expected to include slope and in-stream work along the San Juan, Nimpkish and Cheakamus rivers, as well as 33 in-stream projects to enhance the productive capacity of fish habitats.

The region will complete 67 more watershed assessments in 1997/98.

**Resource inventory**

The Resource Inventory Program has already provided the Pacific Region’s forest sector with important information on forest resources. Over the next year, the region will continue to fund a variety of inventory projects, including the Fraser Timber Supply Area vegetation inventory, and MacMillan Bloedel’s terrestrial ecosystem mapping on Tree Farm Licence 39.

*“About three-quarters of the channel now has gravel on the bottom, used by spawning salmon and trout, and one-quarter has deep pools with rocks and boulders—important for coho and steelhead juvenile rearing.”*

Matt Foy, a restoration biologist, about the Chilliwack River restoration project that is creating new channels near creeks damaged by flooding and erosion

### Recreation

The Pacific Region will fund more than 160 recreation projects in 1997/98. Projects to increase public access to and pleasure in the forest resource will include enhancing the Beaver Lodge trail in Campbell River and building the Golden Ears Trail, an all-weather, wheelchair-accessible trail.

### Research

The region will also fund at least 200 research projects over the next year. One study will examine methods of increasing efficiency and lowering costs of producing seed orchard crops. Another will adapt airborne remote sensing techniques to streams, increasing the understanding of watershed processes.

## WORKER AND COMMUNITY TRANSITION

### Economic development

The Pacific Region will help approximately 35 communities develop economic transition plans or complete feasibility studies for economic development opportunities.

Examples include:

- communities in the Squamish Forest District cooperating to develop an economic plan to deal with forest-sector adjustment along the Sea to Sky corridor; and
- a partnership between the Comox Valley Forest Society and local governments to study the feasibility of establishing a value-added village and forest resource centre in the Comox Valley.

### Workforce training

The region anticipates that projects funded under the Land-based Training Program in 1997/98 will provide 5,000 workers with training assistance, including 80 displaced loggers in Campbell River and Port Hardy who will be trained in new forest management and harvesting techniques. The region also estimates that it will provide training and support to at least 400 workers through the Forest Worker Transition Program.



### **Regional advisory process**

The Pacific Region will hold one regional and 12 subregional forums to gather ideas for forest-sector investment from both individuals and communities in 1997/98.

### **Research**

Research in transition will focus on issues affecting worker and community transition, including one study that will examine employment and layoff factors in the sawmill industry.

### **DIVERSIFICATION**

Under the Forest Community Business Program, the Pacific Region expects to help 20 forest-sector businesses start up or expand. In addition, the region will help value-added businesses find stable financing through the new Value-added Finance Program. The region will also support the development of a diversified forest industry through such value-added organizations as the B.C. Coast Kiln Association, and such events as the Vancouver Island Association of Wood Processors' Wood Conference 1997.

Once the proposed Technology Transfer Program is fully in place, the Pacific Region will also fund projects to help local firms increase their productivity, and will use the already established Value-added Marketing Program to invest in projects that will help local businesses increase their share of the value-added market. Projects under this latter program will include funding for the Coast Forest and Lumber Association to expand the use of coastal lumber in traditional Japanese-style housing.

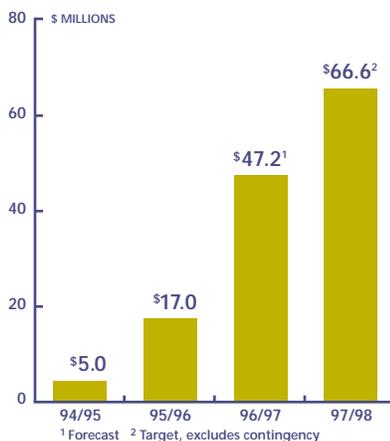
**SKEENA BULKLEY  
REGION**



**INVESTMENT TARGETS 1997/98  
(\$ MILLIONS)**

Land and environment	\$46.1
Worker and community transition	\$6.5
Diversification	\$2.9
<b>Subtotal</b>	<b>\$55.5</b>
Province-wide allocation	\$11.1
<b>TOTAL</b>	<b>\$66.6</b>

These investments will create an estimated 1,475 person-years of direct employment throughout the Skeena Bulkley Region in 1997/98.



**SKEENA BULKLEY  
INVESTMENTS 1994 - 1998**

**LAND AND ENVIRONMENT**

**Enhanced forestry**

The Skeena Bulkley Region will survey or improve approximately 41,000 hectares of land through an estimated 75 Enhanced Forestry Program projects this year.

Projects will encompass a variety of enhanced forestry activities, including site preparation, surveys and prescriptions, as well as planting, pruning and spacing—all of which will create significant employment opportunities for silviculture workers.

**Watershed restoration**

Over the past few years, the Skeena Bulkley Region has completed assessments on many of the watersheds in the northwest to determine the effects of past logging. These include assessments of sub-basins within the Nass Valley, as well as the Kispiox, Babine, Copper, Laesle, Hot Springs Cove, and other high-priority watersheds.

The region will begin an estimated 70 watershed restoration projects in 1997/98 to respond to problems or concerns identified in these assessments, and to complete a number of further assessments on priority watersheds.

**Resource inventory**

The region will invest in a total of 87 Resource Inventory Program projects this year, including:

- 10 terrain stability mapping projects;
- 14 fish and fish habitat inventories; and
- 29 wildlife inventory projects.

Together, these projects will help to ensure that the forest sector receives the information it needs for environmentally sound management of the northwest's many diverse forest resources.

### **Recreation**

Some examples of recreation projects to be funded include completion of a visitor reception centre at the Nisga'a Memorial Lava Bed Park, as well as bridge, boardwalk and parking facilities for the Volcanic Cone trail in the same park.

### **Research**

At least 14 land and environment research projects will be funded, including a study to develop and test native grass and legume seeds for use in Interior ecosystem restoration work.

## **WORKER AND COMMUNITY TRANSITION**

### **Economic development**

The Skeena Bulkley Region will help approximately 25 communities develop economic transition plans or conduct feasibility studies. Under the Forest Community Economic Development Program, for example, the region will provide funds for Anspayaxw Development Ltd. to complete an economic plan for dealing with forest-sector adjustment, and for the District of Houston to complete a study on the feasibility of developing Irrigation Lake.

### **Workforce training**

The region will increase its workforce investments in 1997/98, and help provide job training for an estimated 550 local workers.

Through the Land-based Training Program, Skeena Bulkley will continue to support a range of projects designed to ensure that workers are trained, ready and available to work on land-based projects—including a project to train 30 people in new enhanced forestry skills at West Fraser Mills Ltd.

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*“When you send lumber to the States, you might get \$250 per thousand, but by upgrading that lumber through Kyahwood the value goes up to \$350—and we keep jobs in the area.”*

Lowell Johnson, general manager of Northwood Pulp & Timber, about Kyahwood, the new value-added lumber manufacturing plant in Moricetown

The region will also continue to train workers whose skills will help enhance and develop the northwest’s value-added sector, and, through the Forest Worker Transition Program, provide training and support for workers adjusting to changes in the forest industry.

#### **Regional advisory process**

The Skeena Bulkley Region held a Regional Advisory Forum from April 29 to 31, 1997. The region will also hold a number of open houses and round-table discussions across the region over the course of the year.

#### **Research**

Transition research will include a study to examine the involvement of First Nations in the forest industry in the Tsimshian Territories, and how it may change in a post-treaty environment.

#### **DIVERSIFICATION**

##### **Value-added**

The Skeena Bulkley Region completed a Value-added Opportunities Study in 1996/97. In 1997/98, regional staff will work to promote 10 to 15 of the opportunities for value-added projects identified in that study. The region also hopes to contribute to the effort by local value-added processors to create a Northwest Value-added Association.

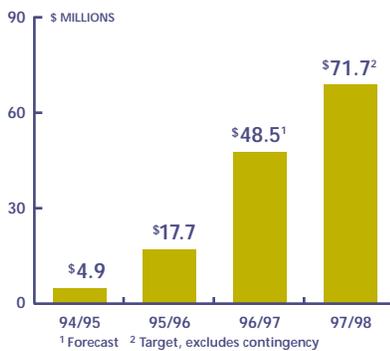
**THOMPSON OKANAGAN  
REGION**



**INVESTMENT TARGETS 1997/98  
(\$ MILLIONS)**

Land and environment	\$50.8
Worker and community transition	\$6.5
Diversification	\$3.3
<b>Subtotal</b>	<b>\$60.6</b>
Province-wide allocation	\$11.1
<b>TOTAL</b>	<b>\$71.7</b>

These investments will create an estimated 1,175 person-years of direct employment throughout the Thompson Okanagan Region in 1997/98.



**THOMPSON OKANAGAN  
INVESTMENTS 1994 - 1998**

**LAND AND ENVIRONMENT**

**Enhanced forestry**

The Thompson Okanagan Region will support projects to survey, plan or treat an estimated 58,800 hectares of land in 1997/98: 28,600 hectares of that under the Enhanced Forestry Program, and 30,200 hectares under the Backlog Silviculture Program.

These projects alone will result in approximately 340 person-years of direct employment for Thompson Okanagan Region workers in site preparation, planting, pruning, brushing, weeding, spacing, and other silviculture activities.

**Watershed restoration**

The region has completed, or is in the process of completing, watershed assessments on more than 1.1 million hectares of land, including the Upper Adams, Gold, Campbell, Cadwallader, and Coldwater drainages.

Together with district-wide watershed assessments in the Clearwater, Merritt and Salmon Arm forest districts, these assessments have helped the Thompson Okanagan Region identify which watersheds are in greatest need of additional detailed assessments and prescriptions, or remedial treatment.

The region's watershed restoration projects will prescribe treatments, deactivate roads, stabilize slopes and complete in-stream work to enhance fish habitats.

### **Resource inventory**

In 1997/98, projects under the Resource Inventory Program will include:

- wildlife surveys of mountain goat populations in the Cayoose drainage near Lillooet;
- inventories of mountain caribou populations in the Raft River area near Wells Gray Park and California Bighorn sheep herds near Vaseaux Lake;
- a fisheries assessment of critical bull trout habitat in the Upper North Thompson area (encompassing Lampriere, Canvas and Allan creeks) and in areas in which forest development is planned; and
- fisheries inventories of Adams Lake, Kingfisher Creek and the Bruer/Gunnar watersheds, and stream classification in the Salmon Arm Forest District.

Investments in these projects will provide the information that forest companies need to operate under the Forest Practices Code. Consequently, it will also support forest companies in maintaining existing jobs.

*“The Forest Renewal BC funding allows us to invest more aggressively in training more staff. It will help our company sustain its growth, while providing additional skilled jobs within the Lumby community.”*

Steve Curtis, general manager, about the training his staff received at Unique Timber Corporation to meet the demand for its high-quality, handcrafted log homes

### **Recreation**

Late in 1996/97, the region issued a call for proposals for recreation projects to be done in 1997/98. Proposals are being assessed, and some will be approved in 1997.

### **Research**

Thompson Okanagan expects to fund at least 60 research projects within the land and environment theme. For example, one study will examine snow accumulation and melt under various harvesting systems, to better understand the hydrology of a watershed and to improve predictions of the timing and amount of runoff.

## **WORKER AND COMMUNITY TRANSITION**

### **Economic development**

Under the Forest Community Economic Development Program, the Thompson Okanagan Region will assist six economic subregions—and a total of 50 communities—that depend on the forest industry. Each subregion will develop an economic development plan for forest-sector adjustment, and may also be involved in conducting feasibility studies into some aspect of economic transition. All six subregions are interested in value-added opportunities, as well as watershed restoration and recreation projects.

### **Workforce training**

Through the Land-based Training Program, and programs under the Workforce activity area, the region will continue its efforts to ensure that workers are trained and ready to work on land-based projects. In addition, it will continue to support projects that train workers for jobs in the value-added sector. The region also anticipates that some 600 displaced forest workers will receive skills training through the Forest Worker Transition Program.



### **Regional advisory process**

The Thompson Okanagan Region will hold eight subregional meetings this year to gather community thoughts and ideas on the development of a regional strategic plan.

### **Research**

Transition research will include a study to assess the unique skills required by forest workers operating in partial harvests.

## **DIVERSIFICATION**

### **Value-added**

The region will triple its investments in the value-added sector in 1997/98, both to help support the goal of diversification and to encourage new business and employment opportunities.

Loans to help value-added businesses to expand may be provided as part of the Forest Community Business Program.

The region will also provide industry diversification funding to such value-added associations as the Interior Value-added Wood Association, and begin to implement two new programs—the Value-added Finance Program and the proposed Technology Transfer Program—established to provide additional support to local value-added businesses.

# five-year revenue & investment

FORECAST  
(\$000s)

	1996/97 <sup>2</sup>	1997/98	1998/99	1999/2000	2000/01	2001/02
<b>REVENUE</b>						
Total stumpage revenue	\$496,831	\$495,000	\$485,000	\$470,000	\$460,000	\$460,000
Investment income	35,569	27,453	24,420	25,050	26,668	28,103
<b>TOTAL REVENUE</b>	<b>\$532,400</b>	<b>\$522,453</b>	<b>\$509,420</b>	<b>\$495,050</b>	<b>\$486,668</b>	<b>\$488,103</b>
<b>PROGRAM INVESTMENTS BY ACTIVITY<sup>1,3</sup></b>						
Land and Resources	\$206,601	\$324,120	Specific investment projections for years subsequent to 1997/98 will be established in each annual business plan.			
Environment	107,719	107,620				
Workforce	50,843	83,670				
Communities	20,927	20,120				
Value-added	10,649	23,470				
Contingency	0	66,000				
<b>TOTAL PROGRAM INVESTMENTS</b>	<b>\$396,739</b>	<b>\$625,000</b>	<b>\$500,000</b>	<b>\$425,000</b>	<b>\$425,000</b>	<b>\$425,000</b>
Corporate administration	20,045	26,440	26,440	26,440	26,440	26,440
<b>TOTAL INVESTMENTS</b>	<b>\$416,784</b>	<b>\$651,440</b>	<b>\$526,440</b>	<b>\$451,440</b>	<b>\$451,440</b>	<b>\$451,440</b>
<b>FUNDS AVAILABLE FROM OPERATIONS</b>						
	\$115,616	(\$128,987)	(\$17,020)	\$43,610	\$35,228	\$36,663
Unappropriated equity	461,363	332,376	315,356	358,966	394,194	430,857
Reserve for program continuity	400,000	400,000	400,000	400,000	400,000	400,000
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$861,363</b>	<b>\$732,376</b>	<b>\$715,356</b>	<b>\$758,966</b>	<b>\$794,194</b>	<b>\$830,857</b>

**PROGRAM INVESTMENTS BY ACTIVITY AREA PRIOR TO PROGRAM RE-ALLOCATION**

(Based on former method of investment allocation.)

Land and Resources	\$140,911	\$229,485	Specific investment projections for years subsequent to 1997/98 will be established in each annual business plan.			
Environment	177,861	204,015				
Workforce	50,184	86,300				
Communities	22,519	21,300				
Value-added	5,264	17,900				
Contingency	0	66,000				
<b>TOTAL PROGRAM INVESTMENTS</b>	<b>\$396,739</b>	<b>\$625,000</b>	<b>\$500,000</b>	<b>\$425,000</b>	<b>\$425,000</b>	<b>\$425,000</b>

<sup>1</sup> The corporation reviewed its method of program allocation for fiscal 1996/97 and determined that programs previously reported under one activity area should be proportionately allocated when benefits are attributed to more than one activity area. (Refer to page 19 for further details.)

<sup>2</sup> 1996/97 figures are unaudited.

<sup>3</sup> 1996/97 figures have been restated for consistency and comparison to 1997/98.

# balance sheet

AS AT MARCH 31, 1997

(UNAUDITED)

	1997	(\$000's)	1996
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and short-term investments	\$431,574		\$213,049
Due from Province of BC	203,692		196,319
Accounts receivable	3,069		9
Prepaid expenses	188		169
	<u>\$638,523</u>		<u>\$409,546</u>
<b>PROGRAM CONTINUITY FUND INVESTMENTS</b>			
	\$400,000		\$400,000
<b>CAPITAL ASSETS</b>			
	920		221
	<u>\$1,039,443</u>		<u>\$809,767</u>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	\$23,132		\$2,745
Project expenditures payable	154,948		61,276
	<u>\$178,080</u>		<u>\$64,021</u>
<b>EQUITY</b>			
Reserve for program continuity	\$400,000		\$400,000
Unappropriated equity	461,363		345,746
	<u>861,363</u>		<u>745,746</u>
	<u>\$1,039,443</u>		<u>\$809,767</u>

NOTE: Balance sheet is still interim and is subject to year-end adjustment.

# appendices

## FOREST RENEWAL BC ADVISORY COMMITTEE MEMBERS

### LAND AND RESOURCES COMMITTEE

**David McInnes** - CHAIR  
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**Don Laishley**, Vancouver - INDUSTRY  
**Graham Lea**, Vancouver - INDUSTRY  
**Loni Parker**, Revelstoke - COMMUNITY  
**Paul Senez**, Victoria - ENVIRONMENT  
**Greg Utzig**, Nelson - ENVIRONMENT  
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**Betty Davies**, Smithers - COMMUNITY  
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**Kevin Kelly**, Kamloops - LABOUR  
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