

**JOINT MEETING OF THE
VANCOUVER ISLAND NORTH WOODLANDS ADVISORY GROUP
(VINWAG)
AND
NIMPKISH WOODLANDS ADVISORY COMMITTEE
(NWAC)
Western Forest Products Inc.
Community Advisory Group
At Black Bear Resort
Minutes of Meeting October 23, 2014**

Attendance:

VINWAG

Jon Flintoft, WFP
Dave Trebett, Tourism and Recreation
Ray Harper, Labour
Janet Dorward, Local Government
Jeff Houle, Small Contractors
Ione Brown, NICFLP
Tom Doak-Dunelly, General Public
Steve Lacasse, Environment

NWAC

Kelly McMahon, WFP
Pat English, Local Government
Steve Lacasse, Environment
Stu Ellis, NICFLP
Jon Lok, Small Contractors

Presenter: Shannon Janzen, Chief Forester, WFP

Regrets: Patrick Donaghy, Local Government, Gaby Wickstrom, Port McNeill Chamber, Paul Barolet, MOFLNRO Advisor, Ben Trerise, Fish and Wildlife, Trevor Egly, WFP, Fred Robertson, Education

Observers: Jessica Kessinger, Intern, WFP, Clint Cadwallader, Operations Manager North Island Forest Operation, WFP, Ralph Wallas, Kindry Mercer, Regional Engagement Coordinator, WFP, Chrissy Chen, Fisheries Manager, Kwakiutl First Nation

Advisors: Christina Mardell, MOFLNRO

Chairperson and Facilitator: Annemarie Koch

Minutes taken by: Jon Flintoft, Kelly McMahon and Annemarie Koch

1.0 SAFETY AND INTRODUCTIONS

Annemarie welcomed everyone to the meeting, stressed the importance of safety in WFP's operations, and reviewed the procedures to follow in the event of an emergency. Annemarie reviewed the objectives of the meeting, namely to give VINWAG and NWAC members a chance to meet one another and talk about issues of common interest, hear a presentation by chief forester Shannon Janzen on WFP's strategy to recruit and retain talented employees over the next decade to remain globally competitive into the future (Criterion 5, economic and social benefits), and confirm the dates and potential topics of the November 13th VINWAG meeting and the November 27th NWAC meeting.

Annemarie invited everyone to introduce themselves for the benefit of the presenter, and all public advisory group members attending the meeting.

2.0 THE WAY FORWARD: WFP'S STRATEGY TO ATTRACT AND MAINTAIN A TALENTED WORKFORCE TO ENSURE A SUCCESSFUL, GLOBALLY COMPETITIVE COMPANY IN FUTURE : SHANNON JANZEN, CHIEF FORESTER, WFP

Shannon noted she would talk about the company's approach to being globally competitive and then move into talking about WFP's plan to engage workers to achieve that goal. Shannon provided some background on herself, noting that she started in WFP's Holberg operation in the 1990's. She noted she had worked in strategic planning for WFP and worked with First Nations prior to becoming chief forester about a year ago.

Shannon opened with WFP's mission statement, noting a key element was working with the communities in which the company operates. She noted that there have been a few changes on the North Island recently and invited Clint to address these changes.

Clint noted that WFP recently announced a consolidation of the Port McNeill, Holberg and Jeune Landing operations, into one North Island Forest Operation, effective January 1, 2015. He noted there would be no immediate impacts on the union workforce members, and he anticipated there might be positive effects in future. He noted that the Port Hardy office would be closed and the footprint of the Port McNeill office would be enlarged. Underutilized space in the existing shop in Port McNeill will be used as rebuild facility and warehouse. Clint added that the new organizational structure would reduce inefficiencies and allow the company to compete globally and provide stability for employees and the communities in which they operate.

He invited questions from the advisory group. Jon Lok noted that it sounded like a net benefit to Port McNeill and asked what the impacts would be for other communities. Clint noted that it could be a net benefit to Port Hardy, as many of the planning staff from Holberg would likely move to Port Hardy.

Dave asked about the impact on small businesses in Holberg right now. Clint noted that workers would still be going to Holberg on a daily basis. Ray asked about the infrastructure in Holberg, the houses for example. Clint noted that the longterm plan was to move to bunkhouse style accommodations for locations like Holberg. He noted that maintenance on single family homes was cost prohibitive in the long run.

Pat asked about Clint's reference that Port McNeill would be a regional service centre for equipment maintenance. Clint explained that there is a lot of equipment in the field operating every day on the DFA. He noted that each year much of this equipment has been shipped away for repair and overhaul/rebuilding, and noted that having the work done here will result in better service and keep the business on the North Island. Pat asked if there were a sufficient number of heavy duty mechanics on staff to fill this need. Clint acknowledged the shortage in this field, but noted that the company would find a way to fill the positions, especially in light of recent reductions of employment opportunities in the oil patch, and a desire of workers to be in safer occupations and live more desirable lifestyles.

Jon Lok asked about the vision for local contractors. Clint said he saw a win-win relationship, with the investment of funds and more opportunities for local contractors.

Steve asked what the timeline was for these changes and how long the commitment to the North Island would be there. Clint said that, to his knowledge, he saw this move as a longterm measure to maintain the company's stability.

Shannon noted the company was in a better position now than it has been for a while to manage toward stable operations.

Christina asked if some of the regional positions currently in Campbell River would end up on the North Island. Shannon noted that these positions would remain in Campbell River, to retain continuity of development and implementation of policies and operations. She added, for example, that the GIS people in Campbell River would remain there, also to retain continuity in standards.

Tom asked if there were other changes throughout WFP's business or just on the North Island. Shannon noted the company was looking at other operations, but there are no other announcements at this time, other than closure of the Nanaimo mill announced a few weeks ago.

Shannon noted that the company needed to look at its manufacturing operations in order to remain competitive on a global scale.

Shannon referred to the different species and sorts and the need to send the right logs to the right place to ensure manufacturing is most efficient and profitable. She noted she had not seen a business case for a new mill on the North Island, and that there was a tendency to look at better utilizing existing facilities.

There was a discussion of the movement of TFL 39 Block 4 into TFL 6.

Ray asked about the undercut on TFL 39. Shannon noted that she was not aware of a decision at this stage. She explained that there was a sustainability question and an access question for this particular undercut.

Clint noted the workforce is very positive generally about the change. Shannon noted that, under one operations manager, there is an incentive to maximize the benefit for everyone.

Shannon reviewed the company's values, including safety, environmental sustainability and continuous improvement.

Shannon reviewed WFP's operations across the coast. She referenced two remanufacturing facilities and seven sawmills, and the Saanich Forestry Centre in the coastal operations. She noted that each of the operations are unique. Shannon noted that WFP deals with 45 First Nations across the coast. She noted that there were many opportunities to work with First Nations communities, for example, to source employees.

Shannon reviewed the company's safety record, noting that the chance of being hurt was trending lower and lower, and the Medical Incident Rate was now about 0.5 for WFP. She noted that the focus now was to ensure this same trend for contractors.

Shannon reviewed the metrics for log sales within the company, noting there was about 18% in log exports, but that 60% of the wood is consumed internally, while still maintaining a maximum return.

Shannon reviewed the demographic of the workforce, noting that there is a large skew toward people who will be retiring in five to ten years. She noted that labour shortages were already happening.

Tom noted that VINWAG members had made this observation during the annual woods tours. He added that members of VINWAG could see that labour shortages were looming and that machinery was standing idle more than it would have been, had there been more operators available to keep them going.

Clint noted efforts were being made to support on the job training in the field. He added that efforts were being made to engage more training for hand fallers within operations. He noted that the company had its work cut out for it on this front. Jon Lok agreed that training should remain a priority to support the industry in future.

Dave pointed to big challenges filling log scaling positions. He supported efforts to train these people on the job. Clint agreed with the need to populate the scaling positions. He noted that the company had identified a number of positions that needed to be filled over the next decade.

Dave noted his appreciation that efforts were finally underway to fill these positions. Shannon noted that there is not enough margin in the business to keep mentors around to train new people. She noted that the company had to figure out ways to get this training done in a cost effective way and in a shorter period of time. She added that recruitment was a major challenge and that there was a need to introduce more young people to the industry. She pointed to the need to get people interested in the profession, and noted that high school programs were making a difference in communities like Campbell River.

Shannon referred to the Loggers Fundamentals Training Program and how it has successfully brought new people into the industry. It was noted that efforts were being made to bring on more people and keep them in incremental positions while training them for positions such as hooktenders.

Dave asked how the loggers training program is funded. Shannon noted that the Englewood program was funded 50% by WFP and 50% by Coast Sustainability Trust. Shannon noted that in the absence of CST funds by the end of the year, the company was looking at alternate ways of funding the training, including user pay.

Shannon noted that WFP had a partnership with the 'Namgis First Nation that provides training for First Nations.

There was a discussion of the Coast Sustainability Trust funding source.

Shannon reviewed the positions where there are key gaps in the industry, including heavy duty mechanics, truck drivers, hand fallers and scalers.

It was noted that there are some entry level jobs in the forestry and manufacturing sectors, but that most of the jobs now require considerable training and expertise.

Tom asked how many employees the company was looking to replace in future. Shannon noted that industry as a whole was looking at 30% to be replaced over the next five years. She noted that this might vary, depending on the nature of the future fibre supply and technological changes. She added that investment in new equipment needed to be made, and that this would dictate the number and type of positions and nature of the training. She noted that the industry replacement level was probably representative for WFP.

Ray asked about retention of employees. Shannon noted that training was being done all across the sector and that efforts were being made to keep people with the industry, preferably within WFP.

Clint noted that if the company continues to offer safe and sustainable employment, people would tend to stay. Jon Lok noted that there needed to be a critical mass of local employers in the industry to work together with the communities to create amenities and keep people in the area.

Ione asked about efforts to attract women to the industry. She noted that one of the benefits of this is that couples tend to stay in the area longer than single workers. Shannon noted that women are seen as a 'non-traditional' target for the labour for the industry. There was a discussion of some of the challenges and opportunities of bringing women into the industry. Shannon pointed to programs in the construction industry that bring women into the workforce, and she pointed to major opportunities with First Nations.

It was noted that bringing women into the workforce can create a lot of stability in communities.

Shannon noted that an economic forum was being held in Vancouver to discuss the role and value of women at senior levels of management. She noted that B.C. is one of the Provinces that doesn't require women on boards. She noted she felt that it should be a merit-driven process, but that non traditional parts of the population, like women, need to be at least targeted for board positions.

Ione noted that it was important to engage with young people at the schools to educate people generally about the opportunities in forestry.

Shannon invited Kindry to talk about what she does as regional engagement coordinator. Kindry provided some background on herself. She noted she had worked in Holberg and Port McNeill and that she obtained her RPF at UBC. She noted she had also worked at Port Alice, and in Port Alberni. She noted that her duties included acknowledging that communities are an important part of WFP's business and that it is important to keep them engaged. She noted the importance of advisory groups such as NWAC and VINWAG as sources of community information. She added that the schools are also very important places through which to engage the community, and she pointed to the high school forestry programs in Campbell River and Port Alberni. She added that education is a very important part of WFP's efforts to move forward.

Kindry noted that one of the great things that the industry can offer to prospective employees is the great communities that the company operates in. She added that one of her roles is to develop a strategy for engaging communities, and improving relationships and ensuring open lines of communication with local government by providing a point of contact. She noted that she would be soliciting information from different elements of the communities in the near future.

Shannon noted that successful high school programs elsewhere in the company's operational areas could be a template for similar initiatives on the North Island. There was concern expressed that the educational system is not providing vocational training as it once did. Shannon noted that funding for post secondary training was going to be targeted more to areas where there are gaps in the economy. Steve pointed out how efforts are being made in Port McNeill to introduce younger students to opportunities in the workforce.

Shannon noted that Robin Williams does elementary school courses in forestry on the South Island, to raise interest in young people.

Christina noted that there were forestry course programs offered in the schools in Prince George when she was up there, and that this had been a successful way to introduce young people to the sector. She noted that funding formulas are now driven by numbers and that this offers less resources for initiatives such as forestry in small places like the North Island.

Shannon noted that the teachers in the school developed the programs in Campbell River and Port Alberni.

Kindry noted that many programs are teacher-driven and that they seek out the funding opportunities to support the initiative.

There was a discussion of the how forestry programs might be introduced to the schools on the North Island. Annemarie noted that members of VINWAG had been meeting with School District 85 representatives about this. Pat described some of the other programs that had been ongoing at the regional level to encourage greater awareness of training needs and opportunities in the forest sector.

Shannon noted that WFP was using social media to engage the public more and to reach the next generation.

Jon Lok noted that Holbrook Dyson was all over Twitter and was using it to inform people about what is happening in the industry and in their business.

Kindry added that WFP has a lot to share with the public and that social media is a way to do that effectively and to reach young people.

Shannon noted that social media is a good way to support safety.

Tom asked if WFP has a five or six point master plan with respect to recruiting and maintaining a globally competitive workforce into the future. Shannon noted that the company does not have a specific plan, per se, but that there was an industry-wide initiative to attract and retain a competitive forestry workforce across the board, for all companies to access. She noted that all of the companies need safe, productive, happy workers. She acknowledged that WFP does not yet have its own clear, documented strategy to attract and retain a workforce into the future.

Tom asked whether the industry was going to compete head-on with the oilpatch, or move in a different direction and seek a group of people who choose to live and work here on the coast, over a higher wage in the short term. Shannon noted that company was taking the latter approach and taking advantage of the competitive advantage it has with superior lifestyle options here on the coast of B.C. Shannon noted that this was where the company would consider working more closely with the communities.

Tom asked whether WFP has taken the pulse of the communities to see, for example, what their view of forestry, the industry and the company are. Shannon noted that the company had done some of this informally, and was working on this further.

It was noted that there were many opportunities in future on the coast for forestry. Shannon noted that the company has all the tools to make it work, and that it is just a matter of implementing and carrying out these opportunities.

Ray noted that the current state of signage for WFP was not projecting a good image for the company. He added that it was time to get out from under a rock and shine a light on the company's presence and good works.

Shannon noted that WFP is in a better position financially and organizationally now to define its own strategy. She acknowledged that the company's visibility was something they had to consider and develop. Ray noted that the company should act more like it is proud of what it does. Tom noted that the company had to move from 'stealth' mode to winning the hearts and minds of communities in which they operate. Tom noted that companies in the oil patch were investing in infrastructure in communities in order to build relationships with communities in which they operate.

Jon Lok asked for the long term outlook on the log market. Clint noted that moderate climate on the North Island allows for operations to continue for eleven and a half months per year, and that this helps to make the area more profitable.

Shannon noted that the intent was to make all operations profit centres, maximizing the values of the logs, getting paid more and consistently through the market cycle. She noted that there had to be flexibility to allow this to happen, but that this needed to be the target for the operation as a whole. Shannon noted that a stabilization of the market would benefit the coast as a whole.

Steve asked if there was any benefit to the company to set up a training school based, for example, on a business model like that used for the company's tree nursery. Shannon said she wasn't aware of such a prototype, but she agreed that it was important to develop programs and share practical knowledge, and a job at the end of the line.

Shannon noted that much of the training is within the operations, and she welcomed any new approaches to awareness and education for the sector.

Annemarie thanked Shannon for her presentation.

3.0 NEXT MEETING AND CONCLUDING REMARKS: ANNEMARIE KOCH

It was agreed that the next VINWAG meeting would take place on Thursday, November 13th at WFP's marshalling yard. Annemarie noted that Paul Barolet was making arrangements for Andy MacKinnon or his colleagues to address adaptations to climate change in the forest sector. Annemarie added that action items and minutes from the September 11th meeting, a preliminary discussion of the 2015 meeting schedule and associated presentations, distribution of the participant satisfaction survey and recommendation of a new representative for large contractors (now that Lisa Lenarduzzi is working for WFP) would be dealt with also at the November 13th meeting.

It was agreed that the next NWAC meeting would take place on November 27th at Black Bear Resort.

Annemarie, Jon, and Kelly thanked everyone for coming.

When:	NOVEMBER 13TH, 2014 (VINWAG) and NOVEMBER 27TH, 2014 (NWAC)
Dinner:	6:30 p.m.
Meeting:	7:00 p.m.