Overview

Company performance

Western Forest Products Inc. (WFP) reported significant quarterly losses in 2009. The Company’s operating results were impacted by a global economy that experienced one of the worst downturns in decades. Depressed pricing on most of the Company’s products as a result of weak demand and product oversupply negatively impacted the Company’s performance resulting in a harvest of 47% of its AAC. The Company made significant changes in corporate leadership and developed a three year plan that will focus on producing world class cedar and fir products and growing the hemlock business.

Port Alberni Forest Operation performance

Port Alberni Forest Operation (PAFO) was curtailed indefinitely at the beginning of 2009 triggering personnel reductions and significant changes to operations. Final harvest for PAFO was 193,886 m³ which represents about 32% of the allowable annual cut (AAC). During 2009 PAFO continued to refine business processes to reduce cost, improve value, and generate revenue.

Report on Indicators

PAFO successfully met the targets on 38 of the 45 indicators. Results for three of the indicators with unsuccessful targets are tied to low harvest levels and poor financial performance.

The 2009-2011 Plan has four new indicators relating to water quality, historical/physical environments/features, local hiring/purchasing, and First Nation assessments.
Audit Results

The annual audit took place in April 2009 utilizing the CSA Z809 2002 standard. WIWAG members are invited to be present during the field portion of the audit or to be interviewed. In 2009 two WIWAG members participated in the field audit and interviews occurred with three advisory group members. Audit results were shared with WIWAG at the first meeting after the audit and results were posted on the website.

The 2009 Re-registration audit did not raise any non-conformances to the CSA Z809-2002 standard. There were 2 Areas of Concern, 17 Opportunities for Improvement identified as well as 6 positive aspects of the management system. WFP is continuing to correct deficiencies identified in the audit.

Special Features

As one of the longest standing advisory groups, this outstanding group of volunteers has spent a more than 4000 volunteer hours at the meeting table providing thoughtful input that is as broad as its representation. The advisory group belief is that the future economic health of the West Island DFA is dependent on, not just the commercial value, but also towards its societal values, biological diversity, whole forest ecosystem, soil and water and countless outdoor recreation experiences. In early 2009 WIWAG received a CSA User Group 1 Chairman’s Award. The award was established to recognize the outstanding effort of a local public advisory group. WIWAG was acknowledged for the selflessness of the volunteers, their leadership, the longevity, and the mutual respect for each other.

Information Sharing and Education

The foundation for change often comes from understanding long-term trends. WIWAG has helped to further develop the SFM performance framework for the DFA through education and information exchange. WFP provides for guest speakers that provide broad scale guidance and expertise in disciplines such as climate change, ecology, stand

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1 The CSA User Group is a voluntary group that represents almost 90% of the CSA forest certifications in Canada.
development modelling, wildlife habitat, treaty negotiation and so on, which help guide the capacity required in SFM planning. In light of the complexity of Coastal forests the advisory group theme is continual improvement. Over the past 14 months the following presentations have taken place:

- An overview of Climate Change and its anticipated impacts on BC's forests and BC's efforts to respond, including the *Future Forest Ecosystems Initiative*, which aims to increase the resilience of BC's forests and improve their adaptation to future climate regimes.
- Carbon budgets and the role of forests, land use change and forest management.
- Variable retention providing a scenario of where the future is to be, representing ecosystem diversity in reserves across the landscape, maintaining stand structural attributes and habitat to support species diversity.
- Watershed inventory, which includes; why landslides happen, pre and post code, road stability, sediment delivery from roads to streams, stream channel types and riparian condition.
- Maa-Nulth Treaty Presentation Collaborative Presentation by Ministry of Aboriginal Relations and Reconciliation and the Government of Canada. The Maa-nulth Treaty has enormous impacts on the DFA and a greater understanding of the process was required. The main communities are comprised of 5 Nations; Huu-ay-aht, Kyuquot, Toquaht, Uchucklesaht and Ucluelet. Approximately 2000 people involved with this treaty, the largest treaty negotiated yet. The Maa-nulth First Nations Final Agreement will provide a capital transfer of $73.1 million, annual resource revenue payments projected to be $1.2 million for 25 years and a land package totaling approximately 24,550 hectares to the five First Nations.

**Member/Representative Changes**

The greatest membership change came this fall when the Operations Forester who has worked through all company changes retired. Steve Chambers, Operations Forester led the initial development of the public advisory process and SFM planning. The public advisory want a forest industry that is environmentally and economically sustainable and expect industry to function in a transparent, consistent and
efficient way. These expectations require a close working relationship, patience and understanding, one that is mutually beneficial. The longevity and success of WIWAG has been about this close working relationship.

WIWAG has had three new members which include; the community of Bamfield and the Environment as well as new contractor membership. Members of the public attend frequently and are welcome to attend to raise issues and listen to guest speakers and presentations.

First Nation representatives are welcomed to the advisory group highlighting the importance of representation to help provide advice on the development, monitoring, and ongoing improvement of sustainable forest management practices. FN continue to express concern that participation on an advisory group may prejudice treaty negotiations or other rights and title based processes. WIWAG sends an invitation annually in a letter stating CSA determination related to FN and the advisory groups:

“…Any Aboriginal participation in a public participation process that is conducted by an organization for the purpose of meeting the (CSA) requirements is not to be construed as meeting the Crown’s legal duty to consult with Aboriginal peoples.” And further, “that nothing arising from the participation of Aboriginal peoples in such processes shall diminish their constitutionally protected Aboriginal and treaty rights.”