

New Forestry Leaders

SUSAN YURKOVICH:

COMING HOME TO THE FOREST INDUSTRY



The Council of Forest Industries is a trade association representing forest companies operating in communities throughout the Interior of the province of British Columbia.

What attracted you to this role and what do you bring to it?

Joining COFI feels like coming home for me. I spent twelve years previously working in the forest industry, ten of those years with Canfor where I was a vice-president until 2004. For the last nine years I've been working with BC Hydro, where I led the Site C hydro-electric project through the development phase, regulatory and financial approval to start of construction. Over the twenty plus years I've spent working in senior executive roles in resource industries, I've learned a lot about developing resources in our province. I look forward to bringing those skills and experiences back to the forest sector and to working with the provincial government and our members on the challenges and opportunities facing the industry today.

Based on your experience from outside the industry, how do you view BC's forestry supply chain?

I know the relationships between the harvesting and manufacturing sectors have had some challenges. But I also know that when we work together toward a common goal the whole industry benefits. I'm going to take some time in the coming months to look at those relationships and see what can be done to work productively together, company to company and association to association.

The BC government is working hard on a Competitiveness Agenda for the forest industry. How do you see your organization being a part of that strategy?

COFI works with all three levels of government on a regular basis. Competitiveness is one—if not the—most important issue we deal with. BC's forest industry has historically enjoyed a competitive advantage in the global marketplace. I want to see that continue. There are three things we need to maintain our competitive advantage: fibre security and operating certainty on the land base; competitive cost structures that foster investment; and policies that support free and open market access.

Forestry is an important part of the backbone of BC's economy and contributes to the strength and stability of many communities around our province. I believe Premier Clark and her government recognize this and are doing many of the right things to keep the industry competitive on the world stage. I look forward to working with the provincial government and our members to ensure the competitiveness agenda remains top of mind.

What are the top three things you'd change in BC's forest industry?

I'm not sure change is the right term. There are a lot of good things going on in the industry today. What I'd like to do is see a continued focus from Victoria on creating a policy environment that leads to a safe, sustainable

and competitive forest industry. As an industry, I think we need to be putting effort into workforce recruitment and retention. We're the greenest resource industry, we have a really good story to tell, and we need to reach out to new as well as traditional demographics to tell that story and remind people why this industry is so great to work in. And finally, as an organization, I think COFI needs to continue the work we are doing with government, First Nations, our members and other partners on creating the conditions that support sustainable communities.

What's your message for BC's forest contractors?

As I said before, we need to work together as licensees and contractors for our mutual benefit. I think our common challenge and our common goal in the coming years will be finding ways to make the industry more competitive, while at the same time ensuring our contractors share in the benefits of a more stable and sustainable industry.

Where do you see BC's forest industry going over the next three years?

In the Interior, which is where COFI's members primarily operate, we've just come through the largest salvage operation in the history of this province. The mountain pine beetle has transformed the industry—from the way we harvest and truck, to manufacturing processes, to safety, not to mention the profound impacts it's had on fibre supply. But I have to say, I think the industry has come through the disaster in pretty good shape, all things considered. We have an industry that's learned to be nimble and innovative, that's diversified its product base and its markets, and that will continue to do so. Will it be business as usual? No. But the forest industry in this province has always been the economic engine that could. I wouldn't be here if I didn't think this industry had a bright future ahead.▲

JEFFERY ZWEIG: BACK IN CANADA AND LEADING FORESTRY



TimberWest is Western Canada's largest private timberland company with 325,400 hectares / 804,200 acres on Vancouver Island.

What attracted you to this role and what do you bring to it?

There were a few aspects about the opportunity at TimberWest that really set it apart. Firstly, I was immediately impressed with the capability and depth of the several thousand people who work with and for TimberWest. The company has been operating in British Columbia for over a century. The employees and contractors at TimberWest are part of the fabric of the community and many of the families have been involved in forestry for generations. This sense of tradition underpins a set of values and organizational culture that is quite unique. It was a privilege to be asked to join the family and lead the company forward.

Secondly, the core of any timber company is its land position and TimberWest has a great forest endowment. With over 90 per cent of the production from second growth, there is a clear focus on sustainability and renewal that has been passed down over decades.

Finally, the ownership of TimberWest by the BC provincial employee pension plan (bcIMC) and the Federal employee pension plan (PSPIB) is a clear advantage. As a result, we have very broad Canadian ownership. Importantly, our owners' long-term investment horizon is aligned with the nature of the 50+ year growing cycles of our business.

From a personal perspective, I am very pleased to be back in Canada. In

my previous role, I had global responsibilities with operations in many different countries. I can say unequivocally, British Columbia ranks as one of the best places in the world to live and work.

Based on your experience from outside the industry, how do you view BC's forestry supply chain?

My first observation relates to safety. While there has been significant improvement over the last several years, far too many people get injured every year. We can and must do a lot better. The singular objective is that every person gets home safely every day.

Regarding the BC forestry supply chain, this is an area of significant opportunity. The level of integration is relatively low within and between companies. The equipment is often dated and inefficient relative to the state of the art. Overall, our productivity is modest compared to best practice. Having worked in operations across a variety of commodities, I can say unequivocally that we have a lot of scope to improve.

On the global cost curve, BC is a high cost producer. Given that the majority of BC wood products are exported in one form or another (logs, lumber, plywood, paper, etc...), we need to take a major step up in productivity or risk becoming permanently uncompetitive. To achieve this requires a combination of a motivated, skilled workforce; an appropriate regulatory environment; and the right investment in equipment, technology, and infrastructure. In a world where investment capital is highly mobile, we need to be able to demonstrate attractive returns.

With the quality and scope of the working forests in BC, there is an excellent foundation. This is necessary, but not sufficient on its own to ensure our future success. We all have a role to play in ensuring that BC remains competitive going forward.

The BC government is working hard on a Competitiveness Agenda for the forest industry. How do you see your organization being a part of that strategy?

Business, labour and government all have a role to play in making BC more competitive. I applaud the provincial government for taking the initiative. We are highly supportive and are working with government and our industry peers to provide input on a number of levels.

What are the top three things you'd change in BC's forest industry?

1. Improve safety: Zero fatalities, zero serious injuries must be the goal.
2. Eliminate log export restrictions: The current export process negatively impacts the international competitiveness of the BC forest sector, and is a significant issue with our key trading partners (US, Japan, China, etc.).
3. Remove regulatory barriers to innovation: Permit the deployment of new technologies and equipment (e.g., more efficient truck configurations, scanner scaling, etc.).

What's your message for BC's forest contractors?

We see a major opportunity to work with the contractors to dramatically improve safety and productivity. On safety, "zero fatalities, zero serious injuries" is possible. It's cultural. When it comes to safety, we are what we tolerate. We need to move from compliance to true commitment.

On productivity, there are major gains to be had by standardizing on the right equipment, and making smart investments in technology and infrastructure. In other places in the world, there have been major advances that are not yet deployed in BC. The prize is more saleable wood at lower unit cost from the same timberland, with the benefits to be enjoyed across the sector. However, it will require new ways of working together and a higher degree of coordination up and down the supply chain. We have started working with our contractor partners on a model that provides the appropriate support, incentives and risk-sharing to achieve this objective.

The future is bright. There is a clear opportunity to substantially improve the overall competitiveness of the sector. ♣