



## TERMS OF REFERENCE STRUCTURAL REVIEW OF BC TIMBER SALES

### **Purpose:**

To determine if the current organizational structure of BC Timber Sales (BCTS) most effectively addresses its mandate, and to recommend any needed changes to either the BCTS structure or delivery model.

### **Scope:**

The review will be co-chaired by Howard Saunders, an external consultant, and Dave Peterson, the Assistant Deputy Minister of BCTS.

The Co-chairs will make recommendations to the Minister of Forests and Range, through the Deputy Minister.

The review will be based on the current mandate of BCTS, as articulated by its Vision and Mission statements, and further refined in its Key Goals and Objectives.

The review will assume that the running of BCTS will remain a function of government for the foreseeable future.

The stakeholder groups represented on the Timber Sales Advisory Committee (TSAC) will be the primary external contacts for this review. As BCTS program participants, the TSAC members are highly familiar with the present BCTS model, and well positioned to provide input to this review.

Staff from BCTS and other Forest Service Divisions will be engaged in the review alongside the TSAC stakeholder groups.

Other interested parties are invited to provide written comments directly to the co-chairs. Documents will be posted on the BCTS public website, including the following key products:

- The Terms of Reference, and supporting documents
- The draft list of key structural characteristics affecting BCTS success
- The draft recommendations

## Project Steps:

### Step 1: Document the current BCTS Mandate.

Circulate a statement of the BCTS mandate, as documented in its existing statements of Vision and Mission, and further refined in its Key Goals and Objectives

- Mandate statement to be compiled by BCTS and posted on the website
- Completion: June 16, 2006

### Step 2: Identify the Critical Organizational Characteristics that would affect the attainment of the BCTS Mandate.

Based on the current BCTS mandate, identify those characteristics of the organizational structure and delivery model that have a significant influence, positive or negative, on the efficiency and effectiveness of the delivery of the mandate.

- The Co-chairs will discuss the potential key characteristics with BCTS and Forest Service staff, and with the Timber Sales Advisory Council member associations, using a workshop format.
- The Co-Chairs will compile a draft list of key characteristics, and post it on the BCTS website for public review and written comment.
- Completion: July 31, 2006

### Step 3: Evaluate potential BCTS structural and delivery models against these key characteristics.

Examine the current BCTS model, and potential alternative models, against the identified key characteristics affecting success.

Consider the implications, including financial, of moving to any alternative model.

Recommend any changes or improvements needed to the BCTS structural model.

Revisit the mandate, and recommend if any changes are needed to the Key Goals and Objectives to better align it with the recommended structural model.

The Co-chairs will:

- Review literature on alternative structural and delivery models, and evaluate these alternative models against the key characteristics.
- Solicit specific feedback on whether the BCTS function should be moved outside of government in the long term.
- Make recommendations on structural and delivery model, and mandate alignment.
- Take their initial recommendations back to the parties identified in Step 2 above prior to finalization, through a workshop and by posting a draft paper for comment on the BCTS website.
- Completion: September 30, 2006

## ATTACHMENT TO THE TERMS OF REFERENCE STRUCTURAL REVIEW OF BC TIMBER SALES

### Background:

In 1995, BC decided to revise the focus of the existing Small Business Program within the Ministry of Forests, and examined a number of alternative delivery structures that might accomplish that objective.

Over the next 11 years, the mandate of the Small Business Program evolved substantially into that of the current BC Timber Sales program. During this period, the delivery structure was examined and reviewed a number of times, and modified somewhat.

In 2006, the BC Competition Council presented to the Premier the reports from its Forest Industry Advisory Committees and made a number of recommendations to the Premier, including one regarding delivery models for BCTS.

- The Wood Products Industry Advisory Committee recommended that government *“carry out a third party independent review of BCTS in collaboration with the recently appointed new CEO .... (and) consider if a market responsive timber pricing system can be achieved through the BCTS, or a similar organization with a corporatized structure, or recommend if a form of privatization should be considered.”*
- In turn, the Competition Council recommended that government take *“steps to reduce and eventually eliminate its role as operator and seller of timber produced from the Crown timber supply.”*

Previous reviews of BCTS have focussed on examining one, or several, of the potential delivery models for BCTS, and identifying the positives and negatives of the models examined.

This review will build on all the information gathered previously, but apply a significantly different approach. This review starts from the identified mandate of the existing BC Timber Sales program, and then identifies the critical organizational characteristics that could affect the attainment of that mandate. Once those key characteristics have been identified, the potential delivery options would be evaluated in light of the characteristics and the implications of moving to any alternative.