

Modernizing Ontario's Forest Sector

McGuinty Government Making Forest Industry More Competitive, Creating Jobs

NEWS

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Ontario is re-energizing the forest sector to create new jobs and attract investment while ensuring forests continue to be managed sustainably.

The Ontario Forest Tenure Modernization Act was passed in the legislature today, changing the forest tenure system and providing a more competitive market environment in the allocation and pricing of Crown timber.

Under the new system, Ontario will introduce two new forest management models for harvesting wood from Ontario's forests:

- Local Forest Management Corporations (LFMCs) - will now manage Crown forests and oversee the competitive sale of the timber in a given area
- Enhanced Shareholder Sustainable Forest Licences (SFLs) - a group of mills and/or harvesters that collectively form a new company to manage Crown forests under the Sustainable Forest Licence that is issued to them.

These two new models will help make Ontario's timber supply and prices more responsive to market demand, make it easier for entrepreneurs to participate in the forest economy, and facilitate greater Aboriginal and local involvement in the forest sector.

Helping build a stronger forest industry is a key component of the plan laid out in [Ontario's 2011 Budget – Turning the Corner](#), to create and support [10,000 new and existing jobs](#) for Ontario families, and to strengthen local economies.

QUOTES

“We've worked hard on this legislation to address concerns about change, as well as the desire for change. Now it's time for action to balance private interests with the overriding public interest in putting Ontario's wood and people back to work.”

- Michael Gravelle, Minister of Northern Development, Mines and Forestry

“Northern Ontario relies on a sustainable forest management system. A modernized system will help this industry remain competitive while at the same time help regulate this critical public resource.”

- Linda Jeffrey, Minister of Natural Resources

QUICK FACTS

- Ontario's forest sector supports almost 200,000 direct and indirect jobs in over 260 communities.
- Ontario's forests represent two per cent of the world's total.
- Eighty per cent of the 71 million hectares of forested land in Ontario is publicly owned and overseen by the Province.
- Since 2005, the McGuinty government has committed to the largest-ever investment in the forest sector in Ontario's history by making \$1.1 billion available through various past and present programs to assist the forest sector.
- Ontario has announced 25 accepted wood supply offers to date that will put to use a total of 3,380,700 cubic metres per year of wood and create or protect 1,549 new and existing jobs.
- The Province will continue to consult and seek input on implementation plans and criteria to test and evaluate both the two new governance models.

LEARN MORE

Find out about Ontario's [forest tenure and licensing system](#)

Learn more about the Ontario government's [wood supply competition](#)