

**Ministry of
Forests, Lands, Natural
Resource Operations
and Rural Development**

**2017/18
Annual Service Plan Report**



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and Rural Development

Minister's Message and Accountability Statement



The *2017/18 Annual Service Plan Report* closes out an historic year for our ministry and the Province of British Columbia. The 2017 wildfire season was record-breaking and unprecedented: 65,000 people were displaced, 1.2 million hectares were burned, the provincial state of emergency lasted 70 days, \$568 million was spent on direct fire costs, yet not a single life was lost. All the professionals, government staff, contractors, and volunteers are all to be commended.

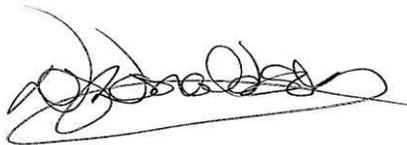
As a new government, we're committed to true, lasting reconciliation with Indigenous peoples and implementing the United Nations Declaration on the Rights of Indigenous Peoples and the Truth and Reconciliation

Commission's Calls to Action. The Ministry has established the First Nations Forestry Strategy Advisory Group that will incorporate an Indigenous lens in policy and decision-making to help support this commitment. The Forest Carbon Initiative looks at how we can reforest lands affected by the wildfires, rehabilitate forests affected by insects, and improve carbon sequestration as we respond to climate change. We have partnered with the federal government on its Low Carbon Economy Leadership Fund and together have allocated \$290 million over the next five years, beginning this reporting period, on projects that improve carbon sequestration in our vast forests.

We advocated for the interests of British Columbians through supporting the broader public sector and federal government in softwood lumber negotiations with the United States, and in pursuing new opportunities for our forestry sector in international markets. We also continue to seek out opportunities to support and work with value-added manufacturers in the forest industry. To this end, we have joined the Forest Bioeconomy Framework for Canada, and have engaged with industry partners through the Wood Secretariat to inform policy-making for value-added wood producers.

The function of Rural Development has been strengthened in the Ministry with the addition of 20 regional economic operations staff. During the winter we conducted a broad public engagement to help inform a framework for a new rural development strategy that is based on community economic development principles and the philosophy that those who are the most impacted should have the most say.

The *Ministry of Forests, Lands, Natural Resource Operations and Rural Development 2017/18 Annual Service Plan Report* compares the Ministry's actual results to the expected results identified in the *2017/18 - 2019/20 Service Plan* created in September, 2017. I am accountable for those results as reported.



Honourable Doug Donaldson
Minister of Forests, Lands, Natural Resource Operations and Rural Development
June 22, 2018

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Purpose of the Ministry

The Ministry of Forests, Lands, Natural Resource Operations and Rural Development is the province's land manager, responsible for stewardship of provincial crown land, cultural and natural resources. Operating on a provincial land base of over 94 million hectares, the Ministry ensures the sustainable management of forest, wildlife, water and other land-based resources, works with rural communities to strengthen and diversify their economies, and supports activities that provide benefits for all British Columbians both economically and environmentally. The Ministry protects public safety through wildfire prevention, mitigation and suppression strategies and facilitates safe public access to a wide range of recreational activities such as hunting, fishing and access to British Columbia's wilderness and backcountry. The Ministry also works with the Forest Enhancement Society of British Columbia (FESBC), a crown agency accountable to the Ministry, to deliver its mandate as described in the *FESBC 2017/18-2019/20 Service Plan*. The Ministry is responsible for policy development, operational management and implementation, and administers all or part of [62 statutes and associated regulations](#).

Strategic Direction

On July 18, 2017, the new government announced its priorities with three key commitments to British Columbians:

- To make life more affordable.
- To deliver the services people count on.
- To build a strong, sustainable, innovative economy that works for everyone.

Integrating with these priorities is government's commitment to true, lasting reconciliation with Indigenous peoples in British Columbia, as we move towards fully adopting and implementing the United Nations Declaration on the Rights of Indigenous Peoples and the Calls to Action of the Truth and Reconciliation Commission.

In the *2017/18 – 2019/20 Service Plan* the Ministry provided a series of objectives and performance targets from the Minister's [Mandate Letter](#) designed to further the key commitments of government.

Operating Environment

External events, including the wildfires, flooding and softwood lumber trade issues in the context of North American Free Trade Agreement negotiations, require us to review current practices and adopt new strategies. The Ministry continues to adapt to changing social, economic and environmental challenges and opportunities.

Aligned with government's commitment to achieving a shared vision of reconciliation, the Ministry works closely with the Ministry of Indigenous Relations and Reconciliation to seek out new and innovative ways to meaningfully engage, consult and collaborate with Indigenous

communities. Through this effort we will identify our shared priorities, informing the development of policy and delivery of our services.

British Columbia faced a challenging wildfire season resulting in the longest state of provincial emergency on record and displacing more than 65,000 British Columbians. Total costs as a result of these wildfires reached more than \$870 million in 2017/18.

In spring 2017, run-off from the mountains and a wetter-than-average spring caused flooding and landslides throughout the Interior, demanding vigilance in responding to these amidst the most significant wildfire season on record.

Following the events of this past year, our Ministry has focused efforts on identifying how to ensure we can better prepare in the coming years to better protect British Columbians and enhance delivery of our services. The Ministry remains responsive to a continuously evolving social, economic and environmental challenges and opportunities.

Report on Performance

The following table reports on the objectives and performance targets provided in the 2017/18 – 2019/20 Service Plan along with the Ministry's achievements.

Objective	Actions Taken Up to March 31, 2018
Objective 1 - Protect and create jobs by fighting for a fair deal for B.C. wood products in softwood lumber negotiations with the United States.	<ul style="list-style-type: none"> • Supported the Government of Canada in the appeals of the softwood lumber dispute. • Worked with the federal government to develop the <i>Softwood Lumber Action Plan</i> that will support forest workers and affected communities.
Objective 2 - Work with communities and industry to develop a fair, lasting strategy to create more jobs by processing more logs in B.C. and to renew our forests by expanding investments in reforestation.	<ul style="list-style-type: none"> • Engaged with public sector, industry and community partners to identify opportunities to fund reforestation and rehabilitation through operational activities in response to the 2017 wildfires. • Developed a timber salvage action plan in response to the 2017 wildfires to determine appropriate treatments and application processes in collaboration with Indigenous communities, impacted communities and sector stakeholders. • Reaffirmed government's commitment to fund the Forestry Enhancement Society of British Columbia to support ongoing rehabilitation and reforestation efforts. • Completed the Logging Contractor Sustainability Review in consultation with contractors and licensees. • Implemented the Forest Carbon Initiative to mitigate and adapt to climate change and support restoration of forest areas impacted by insects, disease and wildfires. • Participated in major forestry trade missions in Japan and China to promote growth opportunities for B.C. wood-based products. • Participated in the Government commissioned independent strategic review of flood and wildfire practices to

	<p>determine how the province can improve planning and response to flood and wildfire hazards and ultimately increase resiliency.</p>
<p>Objective 3 - Expand our innovative wood-products sector by addressing regulatory and capital barriers hampering the growth of engineered wood production and working with other ministers to ensure public projects prioritize the use of B.C. wood.</p>	<ul style="list-style-type: none"> • Established a Cross-Agency Working Group on Innovation in Wood to engage public sector partners in developing policy and identifying actions to expand the innovative wood-products sector. • Continued to partner with <i>FPInnovations</i> to enable research and development, and the demonstration of next-generation innovative wood products. • Engaged with industry partners in the value-added forestry sector to gain input in policy development in support of upstream wood-product manufacturers. • Established data inventory to track progress on priority projects in support of competitiveness and resilience of the forestry sector. • Supported the Ministry of Citizens' Services in its Strategic Cross-Government Procurement Review to promote the use of wood products in public capital projects. • Collaborated with industry on the <i>Coast Pulp and Fibre Working Group</i> to develop a set of business to business and policy proposals to increase the fibre supply to Coastal pulp and paper mills.
<p>Objective 4 - Work with the Minister of Indigenous Relations, First Nations and communities to modernize land-use planning and sustainably manage B.C.'s ecosystems, rivers, lakes, watersheds, forests and old growth.</p>	<ul style="list-style-type: none"> • Endorsed principles for modernized land-use planning including partnering with First Nation governments, providing flexibility to enable responsiveness to current issues, ensuring science and traditional knowledge work together, and strong coordination and integration with other key resource management priorities. • Allocated funding of \$16 million over three years for modernized land-use planning.

<p>Objective 5 - Improve wildlife management and habitat conservation, and collaborate with stakeholders to develop long and short term strategies to manage B.C.'s wildlife resources.</p>	<ul style="list-style-type: none"> • Collaborated with our internal and external partners to look at how we can improve wildlife management and habitat conservation, including planning for coordinated engagement with First Nations on the Caribou Recovery Program and Species at Risk legislation. • Amended Wildlife Act regulations to enforce the closure on the grizzly bear hunt throughout the province; except where permitted pursuant to Indigenous rights for food, social, or ceremonial purposes, or treaty rights. • Provided increased investments in moose inventory management. • Completed a preliminary inventory of projects that are linked to improving wildlife management and habitat conservation, including establishing new wildlife habitat areas for the Marbled Murrelet and Northern Goshawk.
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As committed to in the *2017/18 – 2019/20 Service Plan* tabled in September 2017, the Ministry released fully developed objectives and performance measures in the ministry’s *2018/19 – 2020/21 Service Plan*, tabled in February 2018.

Financial Report

Discussion of Results

The ministry's operating budget for 2017/18 was \$1,148.637M. Through the course of the year, the ministry obtained access to additional authorizations totalling \$190.100M. The breakdown of contingencies and other authorizations are as follows:

Ministry Operations:

- \$6.525M for Wildfire Resiliency program;
- \$4.471M in legal costs associated with Softwood Lumber litigation; and
- \$30.000 M in Contaminated Sites liabilities.

Fire Management:

- \$143.269M for fire suppression activities based on an active fire season.

BC Timber Sales:

- \$5.845M increase to the Special Account authorization to account for Silviculture liabilities.

Crown Land Special Account:

- (\$0.010M) reduction to the Special Account authorization in order to match actual spending.

The ministry's total expenditure of \$1,326.876 M is a combination of base budget and other authorizations.

The ministry's capital budget for 2017/18 was \$95.944M.

The ministry's total capital expenditure was \$81.687M which was primarily attributable to underspending in BC Timber Sales roads activity due to an extremely active fire season.

In addition to its expenditures, the ministry collected \$1.577 billion in revenue on behalf of Government.

Financial Report Summary Table

	Estimated	Other Authorizations ¹	Total Estimated	Actual	Variance
Operating Expenses (\$000)					
Integrated Resource Operations	60,658	6,525	67,183	72,979	5,796
Resource Stewardship	116,278	0	116,278	113,423	(2,855)
Tenures, Competitiveness and Innovation	44,357	30,000	74,357	59,014	(15,343)
Timber Operations, Pricing and First Nations	24,456	0	24,456	28,318	3,862
Regional Operations	139,847	0	139,847	141,767	1,920
Executive and Support Services	73,554	4,471	78,025	84,645	6,620
Sub-Total – Ministry Operations Vote	459,150	40,996	500,146	500,146	0
Fire Management	506,293	143,269	649,562	649,562	0
BC Timber Sales	183,174	5,845	189,019	189,019	0
Crown Land	20	(10)	10	10	0
Forest Stand Management Fund	0	0	0	0	0
Sub-Total – Other Appropriations	689,487	149,104	838,591	838,591	0
Sub-Total – All Appropriations	1,148,637	190,100	1,338,737	1,338,737	0
Adjustment of Prior Year Accrual ²	0	0	0	(11,861)	(11,861)
Total	1,148,637	190,100	1,338,737	1,326,876	(11,861)
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Executive and Support Services	52,852	0	52,852	47,115	(5,737)
Fire Management	525	0	525	3,678	3,153
BC Timber Sales	42,567	0	42,567	30,894	(11,673)
Total	95,944	0	95,944	81,687	(14,257)

Forests, Lands, Natural Resource Operations and Rural Development

	Estimated	Other Authorizations ¹	Total Estimated	Actual	Variance
Other Financing Transactions (\$000)					
BC Timber Sales Disbursements					
Receipts	0	0	0	0	0
Disbursements	94,876	0	94,876	86,341	(8,535)
Net Cash Source (Requirements)	94,876	0	94,876	86,341	(8,535)
Crown Land Administration					
Receipts	0	0	0	0	0
Disbursements	6,382	0	6,382	717	(5,665)
Net Cash Source (Requirements)	6,382	0	6,382	717	(5,665)
Crown Land Special Account					
Receipts	0	0	0	0	0
Disbursements	0	0	0	0	0
Net Cash Source (Requirements)	0	0	0	0	0
Tourism Development					
Receipts	0	0	0	0	0
Disbursements	600	0	600	183	(417)
Net Cash Source (Requirements)	600	0	600	183	(417)
Habitat Conservation Trust					
Receipts	(6,700)	0	(6,700)	(6,397)	(303)
Disbursements	6,700	0	6,700	6,397	303
Net Cash Source (Requirements)	0	0	0	0	0
Total Receipts	(6,700)	0	(6,700)	(6,397)	303
Total Disbursements	108,558	0	108,558	93,638	(14,920)
Total Net Cash Source (Requirements)	101,858	0	101,858	87,241	(14,617)

¹ "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies. The source of the Other Appropriations is referenced above. Amounts in this column are not related to the "estimated amount" under sections 5(1) and 6(1) of the *Balanced Budget and Ministerial Accountability Act* for ministerial accountability for operating expenses under the Act.

² The Adjustment of Prior Year Accrual of \$11.861 million is a reversal of accruals in the previous year.

Major Capital Projects

Major Capital Projects	Targeted Completion Date (Year)	Approved Anticipated Total Cost of Project (\$ millions)	Project Cost to March 31, 2018 *
Natural Resource Permitting Project (NRPP)	2018	77.9	76.1

* Project costs include \$4.778M that was transferred to the Ministry of Technology, Innovation and Citizens' Services

Natural Resource Permitting Project (NRPP)

Through the NRPP, the Province's natural resource ministries and agencies are aligning legislation, processes, people and technology, to allow for the integrated management of B.C.'s shared natural resources. The NRPP is a multi-year initiative aimed at reducing red tape, putting citizens and business first, improving services, streamlining processes, integrating government decision making and improving access to information.

NRPP is following the best practice of breaking down large IT projects into smaller, self-contained scope components that deliver value. Consistent with the Province's gated approach, any investment in new scope components will require review and approval by the appropriate governance bodies.

The Province committed to the foundational phase of NRPP in fiscal 2014/15 at a cost of \$57.2 million. An additional \$20.7 million of funding was subsequently approved for new scope components increasing the total funding committed to the project to \$77.9 million.

Appendix A: Ministry Contact Information

Headquarters

P.O. Box 9361 STN PROV GOVT,
Victoria, B.C., V8W 9M2
Phone: 250 387-1772
Fax: 250 387-3291
www.gov.bc.ca/for/contacts.html

BC Timber Sales – Headquarters

Website: www.for.gov.bc.ca/bcts/
Contacts: www.for.gov.bc.ca/bcts/contact/

Media

Government Communications and Public
Engagement
Phone: 250 356-5261

FrontCounter BC:

Call toll free: 1-877-855-3222
Call from outside North America at:
++1-604-586-4400
E-mail: FrontCounterBC@gov.bc.ca
To contact specific offices, please visit:
www.frontcounterbc.gov.bc.ca/

Regional Operations Offices:

Surrey

Suite 200 - 10428 153rd Street, V3R 1E1
Phone: 604 586-4400

Nanaimo

Suite 142, 2080 Labieux Road, V9T 6J9
Phone: 250 751-7220

Smithers

3726 Alfred Avenue, V0J 2N0
Phone: 250 847-7260

Prince George

Wood Innovation Design Centre
5th Floor – 499 George Street, V2L 1R5
Phone: 250 561-3479

Williams Lake

Suite 200 - 640 Borland Street, V2G 4T1
Phone: 250 398-4327

Kamloops

441 Columbia Street, V2C 2T3
Phone: 250 828-4131

Cranbrook

1902 Theatre Road, V1C 7G1
Phone: 250 426-1766

Fort St. John

Suite 400 -10003 110 Avenue, V1J 6M7
Phone: 250 787-3264

Appendix B: Hyperlinks to Additional Information

Ministry website: www.gov.bc.ca/for/

BC Timber Sales: www.for.gov.bc.ca/bcts/

EmergencyManagementBC: www.embc.gov.bc.ca/index.htm

FPInnovations: www.fpinnovations.ca/

GeoBC: <https://www2.gov.bc.ca/gov/content/data/about-data-management/geobc>

Integrated Land and Resource Registry: <https://www2.gov.bc.ca/gov/content/data/geographic-data-services/land-use/integrated-land-resource-registry>

Land Based Investment Strategy: <http://www2.gov.bc.ca/gov/content/environment/natural-resource-stewardship/land-based-investment>

Major Projects BC: <http://www2.gov.bc.ca/gov/content/industry/natural-resource-use/natural-resource-major-projects>

Wildfire Information: www.bcwildfire.ca

Crowns, Agencies, Boards and Commissions associated with the Ministry:

Crowns

[Creston Valley Wildlife Management Authority](#)

[Forest Enhancement Society of British Columbia](#)

Major Agencies, Boards and Commissions

[BC Timber Export Advisory Committee](#)

[Forest Practices Board](#)

[Muskwa-Kechika Advisory Board](#)