



MINISTRY OF FORESTS

The mission of the Ministry of Forests is to protect and manage our public forests for the sustained benefit of all British Columbians.

MINISTRY SUMMARY

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	Estimates 2003/04 ¹	Estimates 2004/05
VOTED APPROPRIATION		
Vote 24 — Ministry Operations.....	422,197	393,292
STATUTORY APPROPRIATIONS		
BC Timber Sales Special Account	138,179	131,800
Forest Stand Management Fund Special Account.....	1,490	1,490
South Moresby Forest Replacement Special Account	3,000	3,000
OPERATING EXPENSE	<u>564,866</u>	<u>529,582</u>
PREPAID CAPITAL ADVANCES ²	—	—
CAPITAL EXPENDITURES ³	15,690	13,060
LOANS, INVESTMENTS AND OTHER REQUIREMENTS ⁴	34,610	72,491
REVENUE COLLECTED FOR, AND TRANSFERRED TO, OTHER ENTITIES ⁵	—	—
FULLTIME EQUIVALENT (FTE) EMPLOYMENT ⁶	3,069	2,942

NOTES

¹ For comparative purposes only, figures shown for 2003/04 expense, FTEs and capital expenditures have been restated to be consistent with the presentation of the 2004/05 *Estimates*. Schedule A presents a detailed reconciliation.

² Details of prepaid capital advances are presented in Schedule C.

³ Details of capital expenditures are presented in Schedule D.

⁴ Details of loans, investments and other requirements are presented in Schedule E.

⁵ Details of revenue collected for, and transferred to, other entities are presented in Schedule F.

⁶ Details of FTEs are presented in Schedule G.

CORE BUSINESS SUMMARY

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	2003/04	2004/05 ESTIMATES		
OPERATING EXPENSE	Net	Gross	External Recoveries	Net
Core Business				
Forest Protection	100,266	105,387	(13,851)	91,536
Stewardship of Forest Resources (includes special accounts)	50,882	45,162	(1,965)	43,197
Compliance and Enforcement	30,048	27,044	—	27,044
Forest Investment	110,000	89,600	(4,600)	85,000
Pricing and Selling Timber	85,600	101,990	(2,650)	99,340
Executive and Support Services	49,891	51,730	(65)	51,665
BC Timber Sales	138,179	131,800	—	131,800
TOTAL OPERATING EXPENSE	<u>564,866</u>	<u>552,713</u>	<u>(23,131)</u>	<u>529,582</u>
CAPITAL EXPENDITURES	Net	Disbursements	Receipts	Net
Core Business				
Forest Protection	2,430	2,430	—	2,430
Stewardship of Forest Resources	3,178	2,498	—	2,498
Compliance and Enforcement	2,366	1,911	—	1,911
Pricing and Selling Timber	4,933	3,848	—	3,848
Executive and Support Services	2,103	1,383	—	1,383
BC Timber Sales	680	990	—	990
TOTAL CAPITAL EXPENDITURES	<u>15,690</u>	<u>13,060</u>	<u>—</u>	<u>13,060</u>
LOANS, INVESTMENTS AND OTHER REQUIREMENTS	Net	Disbursements	Receipts	Net
Core Business				
BC Timber Sales	34,610	72,491	—	72,491
TOTAL LOANS, INVESTMENTS AND OTHER REQUIREMENTS	<u>34,610</u>	<u>72,491</u>	<u>—</u>	<u>72,491</u>

OPERATING EXPENSE BY CORE BUSINESS
\$000

Estimates 2003/04 Estimates 2004/05

VOTE 24 — MINISTRY OPERATIONS

This vote provides for ministry programs and operations described in the voted appropriations under the following six core businesses: Forest Protection, Stewardship of Forest Resources, Compliance and Enforcement, Forest Investment, Pricing and Selling Timber, and Executive and Support Services.

FOREST PROTECTION

Voted Appropriations

Direct Fire.....	55,380	55,380
Fire Preparedness.....	37,161	35,161
Forest Health.....	7,725	995
	<u>100,266</u>	<u>91,536</u>

Voted Appropriations Description: This sub-vote provides for forest protection, including fire prevention control in accordance with applicable legislation throughout the province, including: (a) Direct Fire - provides for control and suppression of wild fires and ex gratia payments related to these activities. Costs related to the provision of supplies and services are recovered from other agencies and levels of government, provinces, countries, companies, organizations, and individuals; (b) Fire Preparedness - provides for fire prevention; the infrastructure, personnel, equipment and supplies required to maintain a consistent state of readiness to control and suppress wild fires and associated research and development. Transfers are provided to promote fire safety and awareness. Costs of supplies and services may be recovered from other agencies and levels of government, provinces, countries, companies, organizations, and individuals, and from annual rents paid into the Consolidated Revenue Fund by timber licence holders; and (c) Forest Health - provides for forest health activities in parks and protected areas, some viewscapes, urban areas and other special sites.

STEWARDSHIP OF FOREST RESOURCES

Voted Appropriation

Stewardship of Forest Resources.....	<u>46,392</u>	<u>38,707</u>
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Statutory Appropriations

Forest Stand Management Fund Special Account.....	1,490	1,490
South Moresby Forest Replacement Special Account.....	3,000	3,000
	<u>50,882</u>	<u>43,197</u>

Voted Appropriation Description: This sub-vote provides for provincial forest and rangeland stewardship and management at provincial, regional and district levels including forest and range practices, timber supply planning and determination, range planning and management, control of invasive alien plants, recreation, forest health management, applied research and forest gene resource management. Costs of supplies and services may be recovered from other ministries, other levels of government, agencies, organizations and individuals.

Statutory Appropriations Description: This statutory appropriation provides for the Forest Stand Management Fund Special Account and for the South Moresby Forest Replacement Special Account.

COMPLIANCE AND ENFORCEMENT

Voted Appropriation

Compliance and Enforcement.....	<u>30,048</u>	<u>27,044</u>
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Voted Appropriation Description: This sub-vote provides for all activities related to upholding British Columbia laws to protect the province's forest and range resource under the jurisdiction of the Ministry of Forests including: enforcing environmental standards for forest and range management for government and forest and range tenure holders; enforcing revenue policies; combating forest crimes; enforcing regulations to minimize fires, pests, and other agents; and enforcing rules governing the use of forest service recreation sites and trails.

OPERATING EXPENSE BY CORE BUSINESS (Continued)
\$000

	Estimates 2003/04	Estimates 2004/05
FOREST INVESTMENT		
Voted Appropriation		
Forest Investment.....	110,000	85,000
<p>Voted Appropriation Description: This sub-vote provides for investments in enhanced forest management; resource planning; forest research; silviculture treatments of damaged forests; development and provision of reforestation material and conservation of forest gene resources; forest, range and recreation conservation and protection; the Crown portion of Woodlot licence and Community Forest Agreement areas; strategic land use and sustainable resource management planning; product development; development of markets for British Columbia forest products; and forest sector reform. Planning, administration and delivery is provided through ministries, licensees and third-party agreements. Costs of supplies and services may be recovered from other levels of government, agencies, organizations, and individuals.</p>		
PRICING AND SELLING TIMBER		
Voted Appropriations		
Pricing and Selling Timber	70,600	69,340
First Nations' Participation.....	15,000	30,000
	<u>85,600</u>	<u>99,340</u>
<p>Voted Appropriations Description: This sub-vote provides for headquarters, regional, and district activities related to timber tenure administration, timber pricing, and access to markets; meeting obligations with First Nations; First Nations' participation in the forest economy; and building and maintaining forest service road and bridge infrastructure to provide access to timber. Transfers are provided for the promotion of integrated management of forest and rangelands. Costs related to the provision of supplies and services may be recovered from other ministries, other levels of government, agencies, organizations, and individuals.</p>		
EXECUTIVE AND SUPPORT SERVICES		
Voted Appropriations		
Ministers' Office.....	618	968
Corporate Governance.....	49,273	50,697
	<u>49,891</u>	<u>51,665</u>
<p>Voted Appropriations Description: This sub-vote provides for executive direction and related support services to the ministry including the offices of the Minister of Forests and the Minister of State for Forestry Operations, including salaries, benefits, allowances, and operating expenses of the ministers and the ministers' staff; and corporate governance and service delivery activities for strategic policy, performance management, legislation development, finance, human resources, freedom of information, executive and executive support, regional and district management, continuous improvement, best practices initiatives, and information technology strategy and central infrastructure. Transfers are provided for the integrated management of forest and rangelands. Costs of supplies and services may be recovered from other ministries, other levels of governments, agencies, organizations, and individuals.</p>		
VOTE 24 — MINISTRY OPERATIONS	422,197	393,292
STATUTORY — FOREST STAND MANAGEMENT FUND SPECIAL ACCOUNT	1,490	1,490
STATUTORY — SOUTH MORESBY FOREST REPLACEMENT SPECIAL ACCOUNT	3,000	3,000

OPERATING EXPENSE BY CORE BUSINESS
\$000

Estimates
2003/04

Estimates
2004/05

STATUTORY — BC TIMBER SALES

This statutory account provides for programs and operations described in the statutory appropriation under the core business BC Timber Sales.

BC TIMBER SALES

Statutory Appropriation

BC Timber Sales Special Account	138,179	131,800
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Statutory Appropriation Description: This statutory appropriation provides for the BC Timber Sales Special Account.

STATUTORY — BC TIMBER SALES SPECIAL ACCOUNT	138,179	131,800
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MINISTRY GROUP ACCOUNT CLASSIFICATION SUMMARY

GROUP ACCOUNT CLASSIFICATION

Salaries and Benefits	167,888	173,128
Operating Costs	399,771	347,647
Government Transfers	17,836	32,855
Other Expenses.....	—	4,080
Internal Recoveries	(3,036)	(4,997)
External Recoveries	(17,593)	(23,131)
TOTAL OPERATING EXPENSE.....	564,866	529,582

SPECIAL ACCOUNT¹

\$000

BC TIMBER SALES

This account was established in 1988 through an amendment to section 109 of the *Forest Act*. The purpose of the account is to identify all revenues incidental to the operation of BC Timber Sales and to provide an ongoing source of funds to defray the costs of the program.

Revenue is collected from the following sources: upset stumpage, bonus stumpage, annual fees and billings (annual rent, trespass charges, scaling fees and registration fees) incidental to the operation of the program, and sales of logs.

Expenses are for: preparing forest development plans and logging plans; assessments required to formulate these plans for timber sales licences; costs of meeting requirements of applicable legislation; construction and maintenance of logging roads and bridges; costs of developing timber sales for auction; protection of forests; administration; costs of selling timber and logs; and other forest management requirements incidental to the program.

Revenue in excess of current expenses and outstanding obligations is transferred to the General Fund.

Disbursements reflect capitalizable costs incurred for development of timber for sale in future years. These costs are recovered from future sales revenue.

	Estimates 2003/04	Estimates 2004/05
SPENDING AUTHORITY AVAILABLE AT THE BEGINNING OF THE FISCAL YEAR³	<u>110,549</u>	<u>39,718</u>
OPERATING TRANSACTIONS		
Revenue	281,500	252,857
Expense.....	<u>(138,179)</u>	<u>(131,800)</u>
Net Revenue (Expense)	143,321	121,057
Difference Between 2003/04 Estimates and Projected Actual Net Revenue (Expense)	(72,129)	
Return to General Fund.....	(107,447)	(37,565)
FINANCING TRANSACTIONS		
Loans, Investments and Other Requirements		
Receipts.....	—	—
Disbursements - Capital	(680)	(990)
Disbursements - Other	<u>(34,610)</u>	<u>(72,491)</u>
Net Cash Source (Requirement)	<u>(35,290)</u>	<u>(73,481)</u>
Difference Between 2003/04 Estimates and Projected Actual Net Cash Source (Requirement)	561	
Working Capital Adjustments ²	153	366
PROJECTED SPENDING AUTHORITY AVAILABLE AT THE END OF THE FISCAL YEAR³	<u>39,718</u>	<u>50,095</u>

NOTES

¹ A Special Account is an account in the General Fund where the authorization to spend money from the account is located in an Act other than the *Supply Act*.

² Estimated adjustments include those adjustments that would change the cash balance of the Special Account. This includes amortization expense, changes in accounts receivable and payable, and recognition of deferred revenues.

³ The Projected Spending Authority Available represents the cash and temporary investments projected to be available at the end of the fiscal year. The Spending Authority Available at the beginning of the fiscal year 2003/04 is based on the 2002/03 Public Accounts.

SPECIAL ACCOUNT¹
\$000

FOREST STAND MANAGEMENT FUND

This account was originally established as a fund by the *Forest Stand Management Fund Act* in 1986, and was changed to a Special Account under the *Special Accounts Appropriation and Control Act* in 1988. Revenue is provided by contributions from municipalities, the forest industry, forest sector unions, and others through money collected in accordance with applicable legislation; penalties levied in accordance with applicable legislation; and from stumpage levies. Expenses provide for enhanced management of British Columbia's forest and rangelands, for silviculture work and costs related to environmental remediation performed in accordance with applicable legislation, for the costs of investigating contravention of applicable legislation, for fire suppression costs related to contraventions of applicable legislation where a penalty has been levied in respect of the contravention, and for reforestation and road deactivation in areas subject to stumpage levies.

No financing transactions are provided for under this account.

	Estimates 2003/04	Estimates 2004/05
SPENDING AUTHORITY AVAILABLE AT THE BEGINNING OF THE FISCAL YEAR²	<u>16,410</u>	<u>18,935</u>
OPERATING TRANSACTIONS		
Revenue	3,674	4,646
Expense	<u>(1,490)</u>	<u>(1,490)</u>
Net Revenue (Expense)	2,184	3,156
Difference Between 2003/04 Estimates and Projected Actual Net Revenue (Expense)	341	
FINANCING TRANSACTIONS		
Loans, Investments and Other Requirements		
Receipts	—	—
Disbursements - Capital	—	—
Disbursements - Other	—	—
Net Cash Source (Requirement)	<u>—</u>	<u>—</u>
PROJECTED SPENDING AUTHORITY AVAILABLE AT THE END OF THE FISCAL YEAR²	<u>18,935</u>	<u>22,091</u>

NOTES

- ¹ A Special Account is an account in the General Fund where the authorization to spend money from the account is located in an Act other than the *Supply Act*.
- ² The Projected Spending Authority Available represents the cash and temporary investments projected to be available at the end of the fiscal year. The Spending Authority Available at the beginning of the fiscal year 2003/04 is based on the 2002/03 Public Accounts.

SPECIAL ACCOUNT¹

\$000

SOUTH MORESBY FOREST REPLACEMENT

This account was established by the *South Moresby Implementation Act* in 1988. The purpose of this account is to offset the decrease in forest land available for harvest due to the creation of the South Moresby National Park by funding incremental silviculture and other activities on coastal forest lands. This account may receive contributions from the Consolidated Revenue Fund, the federal government and accrued interest. No financing transactions are provided for under this account.

	Estimates 2003/04	Estimates 2004/05
SPENDING AUTHORITY AVAILABLE AT THE BEGINNING OF THE FISCAL YEAR²	<u>25,364</u>	<u>25,975</u>
OPERATING TRANSACTIONS		
Revenue	711	711
Expense.....	<u>(3,000)</u>	<u>(3,000)</u>
Net Revenue (Expense)	(2,289)	(2,289)
Difference Between 2003/04 Estimates and Projected Actual Net Revenue (Expense)	2,900	
FINANCING TRANSACTIONS		
Loans, Investments and Other Requirements		
Receipts.....	—	—
Disbursements - Capital	—	—
Disbursements - Other	—	—
Net Cash Source (Requirement)	<u>—</u>	<u>—</u>
PROJECTED SPENDING AUTHORITY AVAILABLE AT THE END OF THE FISCAL YEAR²	<u>25,975</u>	<u>23,686</u>

NOTES

- ¹ A Special Account is an account in the General Fund where the authorization to spend money from the account is located in an Act other than the *Supply Act*.
- ² The Projected Spending Authority Available represents the cash and temporary investments projected to be available at the end of the fiscal year. The Spending Authority Available at the beginning of the fiscal year 2003/04 is based on the 2002/03 Public Accounts.