



## MINISTRY OF FORESTS

The mission of the Ministry of Forests is to protect, manage and conserve forest and range values through a high performing organization.

### MINISTRY SUMMARY

(\$000)

	Estimates 2004/05 <sup>1</sup>	Estimates 2005/06
<b>VOTED APPROPRIATION</b>		
Vote 25 — Ministry Operations.....	387,978	452,868
<b>STATUTORY APPROPRIATIONS</b>		
BC Timber Sales Special Account.....	131,800	166,108
Forest Stand Management Fund Special Account.....	1,490	—
South Moresby Forest Replacement Special Account.....	3,000	25,500
<b>OPERATING EXPENSE</b>	<u>524,268</u>	<u>644,476</u>
<b>PREPAID CAPITAL ADVANCES<sup>2</sup></b>	—	—
<b>CAPITAL EXPENDITURES<sup>3</sup></b>	13,060	24,130
<b>LOANS, INVESTMENTS AND OTHER REQUIREMENTS<sup>4</sup></b>	72,491	66,392
<b>REVENUE COLLECTED FOR, AND TRANSFERRED TO, OTHER ENTITIES<sup>5</sup></b>	—	—
<b>FULLTIME EQUIVALENT (FTE) EMPLOYMENT<sup>6</sup></b>	2,942	3,245

#### NOTES

<sup>1</sup> For comparative purposes only, figures shown for 2004/05 expense, FTEs and capital expenditures have been restated to be consistent with the presentation of the 2005/06 Estimates. Schedule A presents a detailed reconciliation.

<sup>2</sup> Details of prepaid capital advances are presented in Schedule C.

<sup>3</sup> Details of capital expenditures are presented in Schedule D.

<sup>4</sup> Details of loans, investments and other requirements are presented in Schedule E.

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

<sup>6</sup> Details of FTEs are presented in Schedule G.

## MINISTRY OF FORESTS

## CORE BUSINESS SUMMARY

\$000

	2004/05	2005/06 ESTIMATES		
	Net	Gross	External Recoveries	Net
<b>OPERATING EXPENSE</b>				
<b>Core Business</b>				
Forest Protection.....	96,638	122,889	(13,851)	109,038
Stewardship of Forest Resources (includes special accounts).....	41,078	97,161	(7,583)	89,578
Compliance and Enforcement.....	25,609	25,609	—	25,609
Forest Investment.....	85,000	93,250	(4,250)	89,000
Pricing and Selling Timber.....	96,155	124,132	(6,977)	117,155
Executive and Support Services.....	47,988	48,053	(65)	47,988
BC Timber Sales.....	131,800	166,415	(307)	166,108
<b>TOTAL OPERATING EXPENSES .....</b>	<b>524,268</b>	<b>677,509</b>	<b>(33,033)</b>	<b>644,476</b>
<b>CAPITAL EXPENDITURES</b>				
	Net	Disbursements	Receipts	Net
<b>Core Business</b>				
Forest Protection.....	2,430	3,360	—	3,360
Stewardship of Forest Resources.....	2,498	6,323	—	6,323
Compliance and Enforcement.....	1,911	1,911	—	1,911
Pricing and Selling Timber.....	3,848	3,848	—	3,848
Executive and Support Services.....	1,383	7,698	—	7,698
BC Timber Sales.....	990	990	—	990
<b>TOTAL CAPITAL EXPENDITURES .....</b>	<b>13,060</b>	<b>24,130</b>	<b>—</b>	<b>24,130</b>
<b>LOANS, INVESTMENTS AND OTHER REQUIREMENTS</b>				
	Net	Disbursements	Receipts	Net
<b>Core Business</b>				
BC Timber Sales.....	72,491	66,392	—	66,392
<b>TOTAL LOANS, INVESTMENTS AND OTHER REQUIREMENTS.....</b>	<b>72,491</b>	<b>66,392</b>	<b>—</b>	<b>66,392</b>

## MINISTRY OF FORESTS

### OPERATING EXPENSE BY CORE BUSINESS

\$000

Estimates  
2004/05

Estimates  
2005/06

#### VOTE 25 — 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.....	40,263	52,663
Forest Health.....	995	995
	96,638	109,038

**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, *ex gratia* payments related to these activities and rehabilitation costs. Costs related to the provision of supplies and services are recovered from agencies and other 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, crown land and other special sites.

#### STEWARDSHIP OF FOREST RESOURCES

##### Voted Appropriation

Stewardship of Forest Resources.....	36,588	64,078
--------------------------------------	--------	--------

##### Statutory Appropriations

Forest Stand Management Fund Special Account.....	1,490	—
South Moresby Forest Replacement Special Account.....	3,000	25,500
	41,078	89,578

**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 reforestation 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 and reforestation on land under crown responsibility. Transfers are provided to promote forest and rangeland stewardship and management. Costs of supplies and services may be recovered from 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.....	25,609	25,609
---------------------------------	--------	--------

**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.

## MINISTRY OF FORESTS

## OPERATING EXPENSE BY CORE BUSINESS (Continued)

\$000

	Estimates 2004/05	Estimates 2005/06
<b>FOREST INVESTMENT</b>		
<b>Voted Appropriation</b>		
Forest Investment.....	85,000	89,000
<b>Voted Appropriation Description:</b> 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. Transfers are provided for the promotion of forest investment. Costs of supplies and services may be recovered from other levels of government, agencies, organizations, and individuals.		
<b>PRICING AND SELLING TIMBER</b>		
<b>Voted Appropriations</b>		
Pricing and Selling Timber.....	66,155	77,155
First Nations' Participation.....	30,000	40,000
	96,155	117,155
<b>Voted Appropriations Description:</b> 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 and to promote economic diversification projects. Costs of supplies and services may be recovered from other ministries, other levels of government, agencies, organizations, individuals, and for fees received from log exports.		
<b>EXECUTIVE AND SUPPORT SERVICES</b>		
<b>Voted Appropriations</b>		
Ministers' Office.....	968	968
Corporate Governance.....	47,020	47,020
	47,988	47,988
<b>Voted Appropriations Description:</b> 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 ministries, other levels of governments, agencies, organizations, and individuals.		
<b>VOTE 25 — MINISTRY OPERATIONS</b>	387,978	452,868
<b>STATUTORY — SPECIAL ACCOUNTS</b>	4,490	25,500

**MINISTRY OF FORESTS**

**OPERATING EXPENSE BY CORE BUSINESS**

\$000

Estimates  
2004/05

Estimates  
2005/06

**STATUTORY — BC TIMBER SALES**

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

**BC TIMBER SALES**

**Statutory Appropriation**

BC Timber Sales Special Account.....	131,800	166,108
--------------------------------------	---------	---------

**Statutory Appropriation Description:** This statutory appropriation provides for the BC Timber Sales Special Account.

<b>STATUTORY - SPECIAL ACCOUNT</b>	131,800	166,108
------------------------------------	---------	---------

**MINISTRY GROUP ACCOUNT CLASSIFICATION SUMMARY**

**GROUP ACCOUNT CLASSIFICATION**

Salaries and Benefits .....	173,772	222,248
Operating Costs .....	341,689	379,541
Government Transfers .....	32,855	78,451
Other Expenses .....	4,080	18,444
Internal Recoveries .....	(4,997)	(21,175)
External Recoveries .....	(23,131)	(33,033)
<b>TOTAL OPERATING EXPENSE.....</b>	<b>524,268</b>	<b>644,476</b>

**MINISTRY OF FORESTS**

**SPECIAL ACCOUNT<sup>1</sup>**

\$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 for 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. Costs of supplies and services may be recovered from ministries, other levels of government, agencies, organizations and individuals.

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 2004/05	Estimates 2005/06
<b>SPENDING AUTHORITY AVAILABLE AT THE BEGINNING OF THE FISCAL YEAR<sup>2</sup>.....</b>	<b>98,157</b>	<b>117,772</b>
OPERATING TRANSACTIONS		
Revenue.....	252,857	286,785
Expense.....	(131,800)	(166,415)
Internal and External Recoveries.....	—	307
Net Revenue (Expense).....	<u>121,057</u>	<u>120,677</u>
Difference Between 2004/05 Estimates and Projected Actual Net Revenue (Expense).....	9,238	
Transfer to the General Fund.....	(37,565)	(715)
FINANCING TRANSACTIONS		
Loans, Investments and Other Requirements		
Receipts.....	—	—
Disbursements - Capital.....	(990)	(990)
Disbursements - Other.....	(72,491)	(66,392)
Net Cash Source (Requirement).....	<u>(73,481)</u>	<u>(67,382)</u>
Working Capital Adjustments <sup>3</sup> .....	366	1763
<b>PROJECTED SPENDING AUTHORITY AVAILABLE AT THE END OF THE FISCAL YEAR<sup>2</sup>.....</b>	<b><u>117,772</u></b>	<b><u>172,115</u></b>

**NOTES**

<sup>1</sup> 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*.

<sup>2</sup> 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 2004/05 is based on the 2003/04 Public Accounts.

<sup>3</sup> 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.

## MINISTRY OF FORESTS

SPECIAL ACCOUNT<sup>1</sup>

\$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. 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, for reforestation and road deactivation in areas subject to stumpage levies. Recoveries are collected in accordance with applicable legislation; penalties levied in accordance with applicable legislation; and stumpage levies.

No financing transactions are provided for under this account.

	Estimates 2004/05	Estimates 2005/06
<b>SPENDING AUTHORITY AVAILABLE AT THE BEGINNING OF THE FISCAL YEAR<sup>2</sup>.....</b>	<b>16,131</b>	<b>16,614</b>
OPERATING TRANSACTIONS		
Revenue.....	4,646	—
Expense.....	(1,490)	(5,093)
Internal and External Recoveries.....	—	5,093
Net Revenue (Expense).....	3,156	—
Difference Between 2004/05 Estimates and Projected Actual Net Revenue (Expense).....	(2,673)	
FINANCING TRANSACTIONS		
Loans, Investments and Other Requirements		
Receipts.....	—	—
Disbursements - Capital.....	—	—
Disbursements - Other.....	—	—
Net Cash Source (Requirement).....	—	—
<b>PROJECTED SPENDING AUTHORITY AVAILABLE AT THE END OF THE FISCAL YEAR<sup>2</sup>.....</b>	<b>16,614</b>	<b>16,614</b>

**NOTES**

<sup>1</sup> 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*.

<sup>2</sup> 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 2004/05 is based on the 2003/04 Public Accounts.

## MINISTRY OF FORESTS

SPECIAL ACCOUNT<sup>1</sup>

\$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 2004/05	Estimates 2005/06
<b>SPENDING AUTHORITY AVAILABLE AT THE BEGINNING OF THE FISCAL YEAR<sup>2</sup>.....</b>	<b>25,929</b>	<b>25,340</b>
OPERATING TRANSACTIONS		
Revenue.....	711	160
Expense.....	(3,000)	(25,500)
Net Revenue (Expense).....	(2,289)	(25,340)
Difference Between 2004/05 Estimates and Projected Actual Net Revenue (Expense).....	1,700	
FINANCING TRANSACTIONS		
Loans, Investments and Other Requirements		
Receipts.....	—	—
Disbursements - Capital.....	—	—
Disbursements - Other.....	—	—
Net Cash Source (Requirement).....	—	—
<b>PROJECTED SPENDING AUTHORITY AVAILABLE AT THE END OF THE FISCAL YEAR<sup>2</sup>.....</b>	<b>25,340</b>	<b>—</b>

**NOTES**

<sup>1</sup> 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*.

<sup>2</sup> 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 2004/05 is based on the 2003/04 Public Accounts.