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SEPTEMBER BUDGET UPDATE 2005

*Ministry of Forests and Range
and
Minister Responsible for Housing*

**2005/06 – 2007/08
SERVICE PLAN UPDATE
SEPTEMBER 2005**



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Message from the Minister and Accountability Statement

After extensive consultation and careful planning, this government brought in the Forestry Revitalization Plan — comprehensive reforms to revitalize British Columbia’s forest sector. In 2003/2004 we brought in the legislative changes to make the new policies work on the ground; in 2004/2005 we started implementation.

Already we are seeing positive change:

- New and expanded community forest opportunities for 29 communities since August 2004.
- Market-based pricing on the Coast.
- Increasing volumes of timber offered competitively through BC Timber Sales (BCTS).
- Award of the first two new community salvage licences.
- *BC Forestry Revitalization Trust Fund* — administered by a board established to assist workers and contractors affected by timber reallocation.
- Implementation of all *Firestorm 2003* report recommendations.
- Forestry agreements with more than 93 First Nations.

We will continue our two-track strategy of negotiation and litigation as we pursue a resolution to the softwood lumber dispute. We will also continue to support industry in developing new foreign markets through innovative initiatives such as Dream Home China.

With the expansion of range management and operations to the core business of the Ministry, a renewed emphasis will be placed on the health, restoration and management of rangelands and crown forage throughout the Province.

We have also taken steps to ensure that this Ministry brings together a range of programs that play significant roles in creating a continuum of housing and supports, and in creating a stable foundation upon which our housing continuum is built. The new department provides government with an opportunity to challenge the status quo and find new ways to provide safe, affordable housing options for all British Columbians.

Housing responsibilities include the development of a comprehensive provincial housing strategy and implementation plan for approval by Cabinet. As well the Ministry will continue to implement the Provincial Homelessness Initiative in conjunction with the Premier’s Task Force on Homelessness, Mental Illness and Addictions and continue the implementation of the Integrated Call Centre for the Residential Tenancy Office. Finally, I will lead the Ministry to develop a long-term strategy to rationalize and modernize the building safety regulatory system.

This year's service plan outlines a continuation of these and other strategies that have already begun to revitalize B.C.'s economy. This plan will guide us as we work towards a strong, competitive and environmentally sustainable forest sector and a more cutting-edge housing management suite of policies in British Columbia.

The Ministry of Forests and Range and Minister Responsible for Housing 2005/06 – 2007/08 Service Plan Update September 2005 was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. All material fiscal assumptions and policy decisions as of September 2, 2005 have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.



Honourable Rich Coleman
Minister of Forests and Range
and Minister Responsible for Housing

September 2, 2005

Ministry Overview

The recent government reorganization has also made the Minister of Forests and Range responsible for Housing. The two components remain structurally independent, but both report to the Deputy Minister and Minister.

Forests and Range

Since its establishment in 1912 as the Forests Branch, the Ministry of Forests and Range (also known as the Forest Service or MoFR) has continued to protect the public's interest and provide leadership in the protection, management and use of the province's forest and rangelands. The Forest Service is the main agency responsible for the stewardship of 47 million hectares of provincial forest land. In addition, the ministry provides fire protection services for 84 million hectares. Managing these provincial forests presents a unique and complex set of challenges. More than 90 per cent of British Columbia's forestlands are publicly owned, which means that the provincial government, on behalf of the public, plays a much more prominent role in the forest sector than its counterparts in other forestry jurisdictions.

The ministry pursues its goals for sustainable forest resources and benefits in a consultative manner with the public, industry, and other Crown agencies, while recognizing the unique interests of aboriginal people. In this way, the ministry works to earn the public's trust as our staff make the day-to-day decisions which ensure that all British Columbians can look forward to healthy forests and a strong forest economy now and in the future.

A recent reorganization of government ministry functions has seen the responsibility for forest recreation sites and trails move to the Ministry of Tourism, Sport and the Arts. Other changes include the responsibility for grazing leases coming to Ministry of Forests and Range, and the Range Stewardship and Grazing function being established as a stand alone Core Business Area.

Housing

The newly established Housing Department brings together key areas of government devoted to addressing the broad housing needs of British Columbians. The new department assumes responsibility for provincial housing policy, building policy, safety policy, the Residential Tenancy Office and the Emergency Shelter Program. In addition, the department has responsibility for the BC Housing Management Commission (BC Housing), the Homeowner Protection Office (HPO), the Building Policy Advisory Committee, the Building Code Appeal Board and the Safety Standards Appeal Board. By bringing together these programs

government's efforts to improve access to safe and stable housing for all British Columbians are integrated and aligned. The department is divided into three functional units plus Executive and Support Services. They are: Housing Policy, Building and Safety Policy, and the Residential Tenancy Office. The department has 96 full-time equivalents in staff and a budget of \$207.7 million for 2005/06. Ninety-two per cent of the budget is transferred to BC Housing.

Section A: Ministry of Forests and Range

Core Business Areas and Structure

Core Business Areas

1. Protection Against Fire and Pests

The ministry manages wildfire to protect natural resource inventories and investments in the forest land-base. Our forest fire response is primarily focused on protecting lives and government forest assets, particularly timber. Without fire protection, some 500 000 hectares of productive forest could be lost annually costing the province billions of dollars in potential direct revenue.

Forest Protection also includes the detection and management of insect pest outbreaks on areas under the responsibility of the province. Of key significance are bark beetles and gypsy moth infestations. Other defoliators, endemic pests and outbreaks of local significance are also managed.

2. Forest Stewardship

The functions in this core business area are fundamental to ensuring sound environmental stewardship of forest resources to ensure that they are used in a sustainable way. This in turn supports global recognition of environmental stewardship for British Columbia and British Columbia companies by ensuring that an appropriate regulatory framework is in place. This can also provide a foundation for forest certification of company operations.

Forest stewardship includes the regulation of forest practices, timber supply planning and AAC determination, applied research, and forest gene resource management.

3. Range Stewardship and Grazing

Focuses on ensuring sound environmental stewardship of the range resource through the regulation of range practices and forage supply management. Primary activities include allocating, administering and managing range use, evaluating rangeland health and effectiveness of range practices, restoring degraded rangeland ecosystems, and promoting and fostering rangeland use and management. The ministry champions integrated provincial responses or strategies to address serious threats such as invasive plants, land alienations,

recreational use, forest encroachment on grasslands, in-growth/infilling in dry forest ecosystems, Mountain Pine Beetle impacts on natural range barriers and other range related epidemics. All of these activities are aimed at maintaining or improving the health of the beef cattle industry in the province.

4. Compliance and Enforcement

This core business includes all activities related to upholding BC's laws for protecting the province's forest and range resources under MOF's jurisdiction including:

- enforcing environmental practices, results and strategies for forest and range management carried out both by the government and by forest and range tenure holders under the Forest Practices Code until December 31, 2005 and under the new *Forest and Range Practices Act* starting January 2004;
- enforcing regulations to minimize fire, pests, and unauthorized activities that threaten the province's forest and range resources;
- enforcing rules governing the use of forest recreation sites and trails;
- enforcing the revenue and pricing legislation that govern removal and transportation of timber, marking, scaling, marine log salvage, etc.; and
- combating "forest crimes" (theft, arson, mischief) which are a significant drain on provincial revenue and a significant risk to other environmental, social and economic values.

5. Forest Investment

The Forest Investment Account (FIA) is a forest-sector investment model, led by government, established to deliver the province's forest investment in an accountable, efficient manner and to assist government in developing a globally recognized, sustainably managed forest industry. Investment dollars have been directed to activities on public land — enhanced forestry, watershed restoration and resource inventories — and marketing and research that supports sustainable forest management and increased allowable annual cuts. Administration of most FIA activities is provided by private-sector firms rather than by government staff. Private sector firms:

- accept investment schedule proposals and confirm that they constitute an optimum mix of expenditures to promote sustainable forest management;
- ensure that each proposed activity is eligible for FIA funding;
- provide funds to successful proponents and track project delivery; and
- are responsible for performance and financial auditing. Table 1 lists these programs with their administrators.

FIA Programs that support the Ministry's Sustainable Forest Resources goal at the provincial level include the Forest Science and Crown Land Use Planning programs. At a more local level funding is allocated to tree farm license holders and certain tenure holders in each timber supply area under the Land Base Investment Program, and to woodlot license holders

and holders of a community forest agreement under the Small Tenures program. Activities under the latter two programs include resource inventories, stand establishment and treatment, and restoration and rehabilitation.

Table 1. Administration, Planning and Reporting Responsibilities for FIA Programs

FI Program	Administrator	Plans and Reports
Land Based Investment Program	PricewaterhouseCoopers LLP (PwC)	Activity reporting, Audit Plan and Annual Report
Tree Improvement Program	Ministry of Forests and Range	MoFR Service Plan and Annual Service Plan Report
Crown Land Use Planning Enhancement Program	Integrated Land Management Bureau	Ministry of Agriculture and Lands Service Plan and Annual Service Plan Report
Small Tenures Program	Federation of BC Woodlot Associations (FBCWA)	Activity reporting, Audit Plan and Annual Report
Forest Science Program	PricewaterhouseCoopers LLP (PwC)	Forest Science Board Strategy and Business Plan, Activity reporting, Audit Plan and Annual Report
Product Development Program	Forestry Innovation Investment Ltd (FII)	FII Ltd. Service Plan and Annual Service Plan Report
International Marketing Program	Forestry Innovation Investment Ltd (FII)	FII Ltd. Service Plan and Annual Service Plan Report

Under the goal of Sustainable Forest Benefits, the FIA promotes investment in product development and international marketing activities. Forestry Innovation Investment Ltd. (FII) administers both of these programs at the provincial level.

The Forest Investment Core Business addresses overall coordination and administration of the funding and agreements with third party administrators, as part of achieving the goal of being an Effective and Responsive Forest Manager.

6. Pricing and Selling Timber

The Forest Service has a major role in ensuring that the citizens of British Columbia benefit from commercial use of their forests. This relies on a strong forest economy and a competitive forest sector, which in turn is dependent on a fair pricing system, effective allocation and administration of timber harvesting rights, and a safe and cost effective road infrastructure to access timber.

Core business activities to achieve this goal include timber tenure administration, timber pricing (tied to BCTS activities), scaling, market access activities, maintaining a forest road infrastructure and First Nations consultation.

Tenures managed by the Ministry of Forests:

- 34 Tree Farm Licences
- 812 Woodlot Licences
- 11 Community Forest Agreements
- 168 replaceable and 147 non-replaceable Forest Licences
- 100 replaceable and 1357 active non-replaceable Timber Sale Licences
- 621 Timber Licences
- 10 Pulpwood Agreements

7. BC Timber Sales

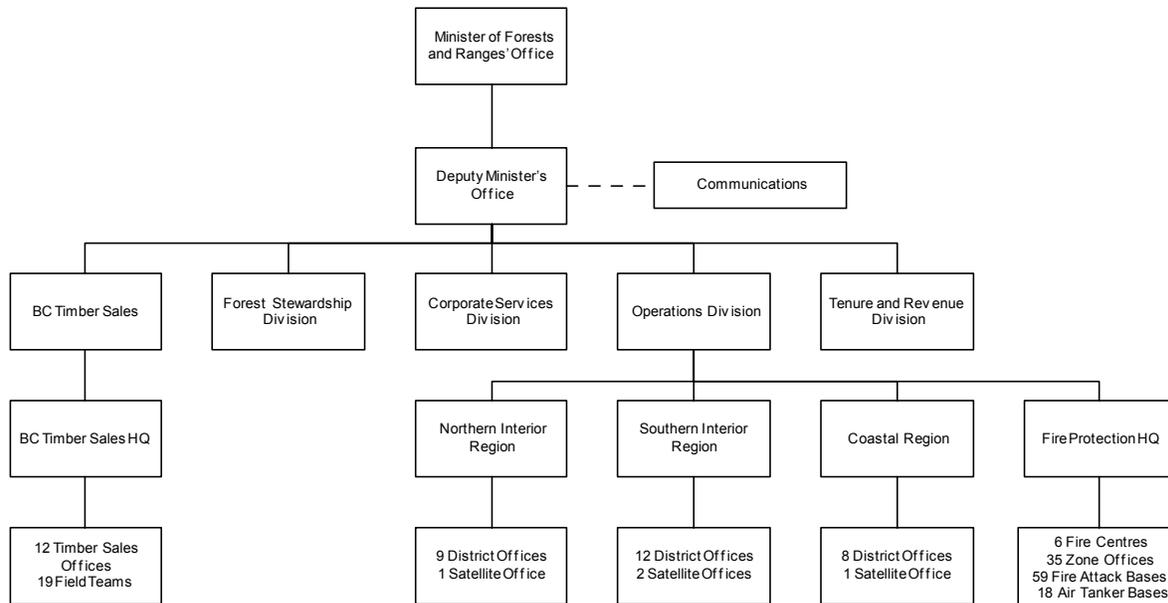
The Forest Service has a core responsibility to provide British Columbians with benefits from the commercial use of public forests. The BC Timber Sales organization operating independently from the field services division contributes to this responsibility by developing and offering through auction a significant portion of the provincial allowable annual cut. In doing so the division generates pricing and cost data to drive market-based pricing on the Coast, earns substantial net revenue for the Crown, and provides competitive access to timber for industry. BC Timber Sales meets all requirements of the *Forest and Range Practices Act* and the Forest Practices Code, including achievement of reforestation obligations.

8. Executive and Support Services

Focuses on corporate governance and service delivery activities in support of all ministry functions. Activities are structured within key frameworks for policy and legislation development, performance management, and internal audit and evaluation. Executive, regional and district management, and staff in the Corporate Services Division play a key role in delivery of these functions.

Support service activities include finance and administration, human resources, central infrastructure management, Freedom-of-Information, records management, continuous improvement and the application of information technology. These services are delivered at all levels of the organization — branch, region and district. While focused at supporting internal management and employees, they also serve industry and the general public.

Ministry Organization Structure



The Ministry of Forests and Range has a decentralized structure (see Figure above), with the majority of staff in field offices in close proximity to the forests they protect and manage and the clients and communities they serve. The Operations division of the ministry consists of three forest region offices with 29 forest district offices, 4 satellite offices; and 6 fire centers, 35 zone offices, 59 fire attack bases and 18 air tanker bases. Staff in Operations division are involved in all core business areas except BC Timber Sales. BC Timber Sales includes 12 BC Timber Sales offices with 19 field team locations.

The Victoria headquarters staff are organized as follows: Corporate Services division (previously called Corporate Policy and Governance division), Operations division (including Fire Protection), Forest Stewardship division, Tenure and Revenue division, and BC Timber Sales.

The Forest Stewardship Division includes staff in the Forest Practices Branch, Research Branch, Forest Analysis Branch and the Tree Improvement Branch, which manages the Tree Seed center and five seed orchard facilities.

In the Tenure and Revenue Division are Economics and Trade, Revenue, Resource Tenures and Engineering, and Aboriginal Affairs Branches.

The Operations Division personnel in Victoria are the Compliance and Enforcement Branch and executive and support staff to Fire Protection and Field Services staff.

Corporate Services Division, provide overall co-ordination of policy development and support services to the entire ministry in the areas of financial services, human resources, information technology, and strategic policy and legislation development.

Resource Summary

The Ministry of Forests and Range estimates for 2005/06 are \$647.919 million. Funding for the ministry is provided in the Ministry Operations Vote and the Direct Fire Vote of the legislature and three special accounts (BC Timber Sales, the Forest Stand Management Fund (FSMF) and the South Moresby Forest Replacement Account (SMFRA)). The SMFRA expenditures are under the oversight of a joint federal — provincial management committee. Forest Investment expenditures are overseen by a Forest Investment Council.

Goal	Funding Source (Vote or Special Account)	Core Business
Sustainable Forest Resources	<ul style="list-style-type: none"> • Direct Fire Vote • Ministry Operations Vote 	<ul style="list-style-type: none"> • Protection Against Fire and Pests
	<ul style="list-style-type: none"> • Ministry Operations Vote 	<ul style="list-style-type: none"> • Forest Stewardship • Range Stewardship and Grazing • Compliance and Enforcement • Forest Investment
	<ul style="list-style-type: none"> • FSMF (special account) 	<ul style="list-style-type: none"> • Forest Stewardship
	<ul style="list-style-type: none"> • SMFRA (special account) 	<ul style="list-style-type: none"> • Forest Stewardship
Sustainable Forest Benefits	<ul style="list-style-type: none"> • Ministry Operations Vote 	<ul style="list-style-type: none"> • Pricing and Selling Timber
	<ul style="list-style-type: none"> • BC Timber Sales (special account) 	<ul style="list-style-type: none"> • BC Timber Sales
Effective and Responsive Forest Manager	<ul style="list-style-type: none"> • Ministry Operations Vote 	<ul style="list-style-type: none"> • Executive and Support Services • Forest Investment

Resource Summary

Core Business Areas	2004/05 Restated Estimates ¹	2005/06 Estimates	2006/07 Plan	2007/08 Plan
Operating Expenses (\$000)				
Protection Against Fire and Pests	96,638	127,438	118,038	115,938
Forest Stewardship	31,840	84,440	40,840	87,340
Range Stewardship and Grazing	4,202	4,919	6,331	6,427
Compliance and Enforcement	25,609	25,609	25,609	25,609
Forest Investment	85,000	89,000	121,000	100,000
Pricing and Selling Timber	95,076	119,576	125,676	127,776
Executive and Support Services	48,242	48,542	48,642	48,642
BC Timber Sales	131,800	148,395	229,377	229,952
Total	518,407	647,919	715,513	741,684
Full-time Equivalent (Direct FTEs)				
Protection Against Fire and Pests	626	684	684	684
Forest Stewardship	297	313	313	313
Range Stewardship and Grazing	43	44	45	45
Compliance and Enforcement	292	292	292	292
Forest Investment	4	57	57	57
Pricing and Selling Timber	663	733	760	760
Executive and Support Services	467	527	527	527
BC Timber Sales	529	574	567	567
Total	2,921	3,224	3,245	3,245

¹ These amounts have been restated, for comparative purposes only, to be consistent with Schedule A of the September Update 2005 *Estimates* 2005/06.

Core Business Areas	2004/05 Restated Estimates ¹	2005/06 Estimates	2006/07 Plan	2007/08 Plan
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Protection Against Fire and Pests	2,430	3,360	2,754	2,664
Forest Stewardship	2,498	5,023	2,996	2,668
Range Stewardship and Grazing	0	6	7	8
Compliance and Enforcement	1,911	1,911	1,720	1,720
Forest Investment	0	0	0	0
Pricing and Selling Timber	3,848	3,848	3,463	3,463
Executive and Support Services	1,383	7,698	7,288	6,298
BC Timber Sales	990	990	891	891
Total	13,060	22,836	19,119	17,712
Other Financing Transactions (\$000)				
BCTS — Disbursement	72,491	83,798	623	48
Total Disbursements	72,491	83,798	623	48

¹ These amounts have been restated, for comparative purposes only, to be consistent with Schedule A of the September Update 2005 *Estimates* 2005/06.

Explanations and Comments

Federal Funding of the Mountain Pine Beetle Action Plan, \$100 million over three years, has been added to the Protection against Fire and Pests, Forest Stewardship, Range Stewardship and Grazing, Pricing and Selling Timber and Executive Support Services Core Businesses.

Increased funding to respond to the results of the internal and external inquiries into the 2003 and 2004 fire seasons, has added to the Protection against Fire and Pests Core Business.

Funding for the new Forests for Tomorrow initiative, to address reforestation of areas impacted by wildfire and mountain pine beetle, increases over the next three years, and is included in the Forest Stewardship Core Business.

The increase in Forest Investment FTEs is the result of a transfer of FTEs from the Forest Stewardship Core Business, to more accurately reflect the activities funded.

Strategic Context

Vision, Mission and Values

Vision

Diverse and sustainable forest and range values for B.C.

Mission

To protect, manage and conserve forest and range values through a high performing organization.

People

People are valued for their contribution and dedication to the Forest Service, its mission and vision.

Values

Our Values:

Integrity: We are open, honest and fair.

Accountable: We are responsible for our own decisions and actions.

Innovative: We encourage and support each other to create new and better ways to do our business.

Respectful:

We show respect by listening to and recognizing a diversity of values and interests.

We work with each other in a spirit of trust, mutual respect and support.

Planning Context and Key Strategic Issues

Internal Trends

Recent policy changes, the Mountain Pine Beetle infestation, and international market forces continue to change the landscape of the B.C. forest sector. In 2005/06, the ministry will continue implementing the policy changes associated with the Forestry Revitalization Plan and the *Forest and Range Practices Act*. The ministry will also continue to address the softwood lumber dispute, expand dialogue with First Nations groups, deal with the impacts

of the mountain pine beetle epidemic, and improve forest fire prevention and suppression practices.

Social Trends

B.C.'s population is changing, with more people locating in urban centres. As of 2001, eighty-five per cent of the British Columbia population was living in urban centres, up from eighty-two per cent in 1996 and eighty per cent in 1991. As the urban-rural split expands, the connection to and understanding of the natural environment is decreasing.

British Columbia is home to a large, culturally diverse and geographically dispersed First Nation population. Government has worked to strengthen relationships with First Nations, and is committed to finding new ways of working together.

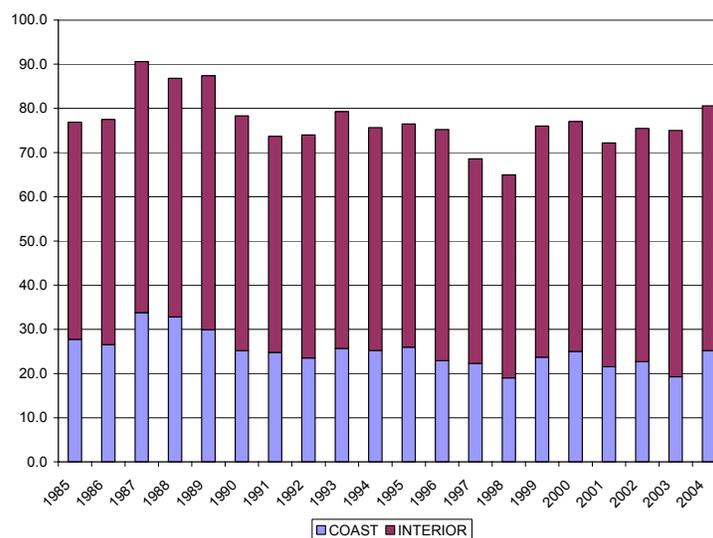
Environmental Trends

At the global level there has been significant agriculture and forest degradation, and the ecological footprint of cities is increasing. Despite these trends, there is a growing surplus of wood in some regions and a general oversupply of forests as compared to demand.

Provincially, we are experiencing higher average temperatures, increased concern about water supplies, more severe fires, and epidemic insect infestations. As a result the pressure to manage our forests sustainably continues to be strong along with the need to consider our forest practices in response to possible long-term climate change.

The timber harvest in 2004 exceeded 80 million cubic metres — an increase of approximately 7.5 per cent from 2003, and five per cent above the five-year average harvest (see Figure 1 below). Although fluctuations in the annual harvest level are not unusual, the increase in the 2004 harvest level can be attributed to strong market prices for lumber, pulp and paper, and the salvage of fire and beetle killed wood.

Figure 1: Annual Timber Harvest (Crown and private lands), 1985-2004



B.C. is experiencing a mountain pine beetle epidemic. During the 2005/06 fiscal year the ministry will continue to work to facilitate the salvage of beetle killed wood, and to prevent the spread of Mountain Pine Beetle (MPB) in the B.C. Interior, as well as outside our borders through an agreement between Alberta and B.C., and with support from the federal government.

The widespread loss of lodgepole pine forest in B.C. due to the beetle epidemic is a long-term threat to the stability and economic well-being of Interior forest-dependent communities, and has serious implications for water tables, stream flow regulation, erosion, water quality, fisheries, forest fires and wildlife habitat.

Mitigating the impacts of this epidemic goes well beyond forestry-related activities or the scope of any one ministry. This prompted the development of a more comprehensive Mountain Pine Beetle Action Plan that provides a broader, longer term approach to direct other provincial ministries (Agriculture and Lands, Environment, Economic Development, Community Services, Aboriginal Relations and Reconciliation) and assist coordination between governments, industries and stakeholders. Starting in 2005/06 the Federal Government is contributing \$100 M over three years, to assist the province in implementing the five-year action plan.

The MPB Action Plan sets out seven key objectives aimed at mitigating the social, economic and environmental consequences of the MPB infestation now and in the future:

- Ensuring long-term economic stability for communities;
- Maintaining and protecting public health, safety and infrastructure;
- Recovering the greatest value from dead timber before it burns or decays, while respecting other forest values;

- Conserving the long-term forest values identified in land use plans;
- Preventing or reduce damage to forests in areas that are susceptible but not yet experiencing epidemic infestations;
- Restoring the forest resources in areas affected by the epidemic; and
- Maintaining a project management structure that ensures co-ordinated and effective planning and implementation of mitigation measures.

Economics

Forest sector economics are currently dynamic with a lot of rapidly changing forces. In addition to changes in global markets and an increasingly competitive interior forest industry, the mountain pine beetle infestation and increased harvesting in the Interior is having a considerable impact on sellers in B.C. Access to the North American market for wood products continues to be essential for the B.C. economy. There is a need to find new ways to utilize and market beetle killed wood other than dimension lumber in Asia, U.S. and Canada, as well as alternative uses for chips and by-products.

Global Forest Industry

China, Eastern Europe and South America are playing an increasingly important role in the global forest industry as emerging suppliers and exporters with very competitive cost structures. China is rapidly expanding its wood processing capacity to meet its increasing domestic demand. Producers from Northern Europe continue to invest in the Russian wood products industry, and Russia is also emerging as one of the largest log exporters in the world.

Due to an improved Japanese economy, the value of exports to Japan increased and Japan continued to be the second largest export market for British Columbia forest products in 2004.

In 2004, world prices for lumber, pulp and paper significantly increased from 2003 prices; however the depreciation of the U.S. dollar against the Canadian dollar reduced returns for Canadian producers. European, Chilean, and New Zealand lumber exports to the U.S. continued to increase in 2004.

Consolidation

Consolidation is happening in almost every aspect of every commodity sector. Over the last several years there have been mergers and takeovers within the global forest industry, which have resulted in a consolidation of production as multinational companies continue to pursue lower unit costs. Within British Columbia recent changes include the Slocan-Canfor and Riverside-Lignum mergers in 2004, the West Fraser-Weldwood merger in early 2005, as well as the announcements of the Tolko-Riverside merger and Brascan's purchase of Weyerhaeuser's coastal timberlands in 2005. Despite recent mergers, B.C. companies are relatively small on a global scale which influences their ability to attract capital and to serve larger, more consolidated customers.

Prices

The B.C. forest industry's reliance on the export of their products into global markets makes commodity prices an important determinant of the sector's performance and health. On average, wood product commodity prices in 2004 were significantly above 2003 levels (see Table 1). As of June 2005, the 2005 year-to-date average commodity prices had fallen from 2004 levels for both solid wood products and pulp and paper however remained above 2003 levels.

Table 1. Commodity Prices

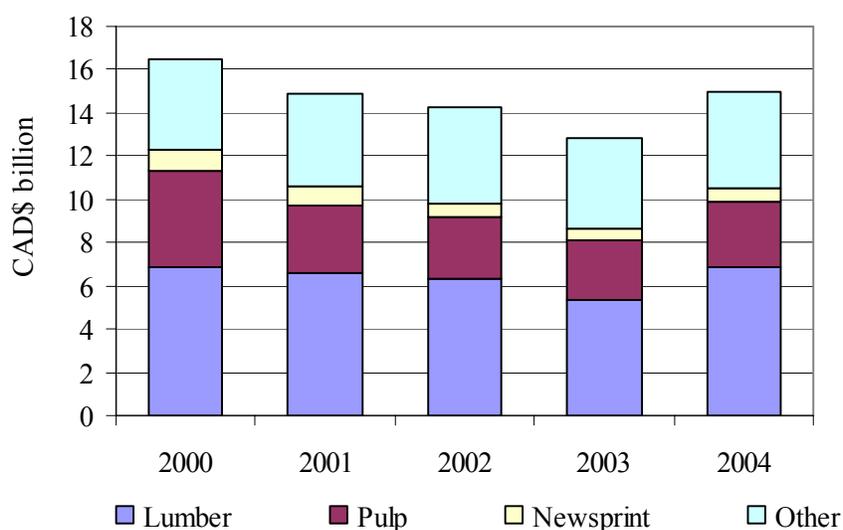
Product	Unit	YTD Average 2005	Annual Average 2004	Annual Average 2003	Annual Average 2002
Spruce Pine Fir	US\$/000 bd. ft.	379	392	269	235
Hemlock Baby Squares	US\$/000 bd. ft.	541	613	534	597
Northern Bleached Kraft (NBSK)	US\$/tonne	615	628	522	463
Newsprint	US\$/tonne	550	591	501	468

Source: Madison's Canadian Lumber.

Exports

Although British Columbia's forest-based industries produced an array of wood products during 2004, the production of lumber, pulp and newsprint (see Figure 2) is expected to continue to dominate the industry in 2005.

Figure 2: Export by Forest Products



While forest product exports from British Columbia continue to be less than the five-year high that occurred during 2000, total B.C. forest product exports in 2004 were \$15 billion, up 16.5 per cent from 2003. A large portion of the increase is attributable to increased efficiencies made by the forest industry which have reduced production costs allowing exports to the U.S. to be financially feasible despite softwood lumber duties and other costs. Softwood lumber typically accounts for over 40 per cent of total forest product exports (see Table 2).

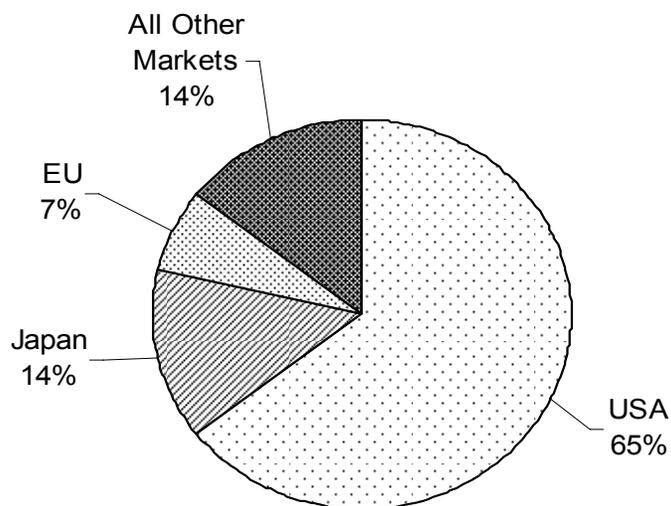
Table 2: Total Forest Product and Softwood Lumber Export (CAD \$ billion)

	2000	2001	2002	2003	2004
Total Forest Products Exports	16.52	14.86	14.30	12.87	15.00
Softwood Lumber Exports	6.87	6.59	6.35	5.31	6.90

Source: Statistics Canada.

The primary market for B.C. products continues to be the United States, which imported 65 per cent of British Columbia's total provincial forest product exports in 2004. Japan was the second largest destination for B.C. forest products in 2004 accounting for approximately 14 per cent of the total (see Figure 3).

Figure 3: B.C. Forest Product Exports by Major Market — 2004



Softwood Lumber

The current softwood lumber dispute between Canada and the U.S. commenced in April 2001. From May 22, 2002 to December 20, 2004 most Canadian softwood lumber exported to the U.S. was subject to a combined countervailing and anti-dumping duty of 27 per cent. As of December 20, 2004, the duty was reduced to 20 per cent.

Canadian federal and provincial governments and industry have been working to eliminate these duties, both through legal challenges under international trade rules, and through attempts to negotiate a long-term solution to the dispute. Despite several World Trade Organization (WTO) and North America Free Trade Agreement (NAFTA) rulings in Canada's favour, the U.S.-imposed duties on Canadian softwood lumber have yet to be eliminated.

Goals, Objectives, Strategies and Results

This section presents the ministry's goals, indicates their linkage to the Five Great Goals and outlines how specific objectives, strategies, performance measures and targets within the eight core business areas are helping to achieve these goals. The ministry also uses key outcome indicators to track progress towards its goals.

Ministry Goals and Their Linkage to the Five Great Goals

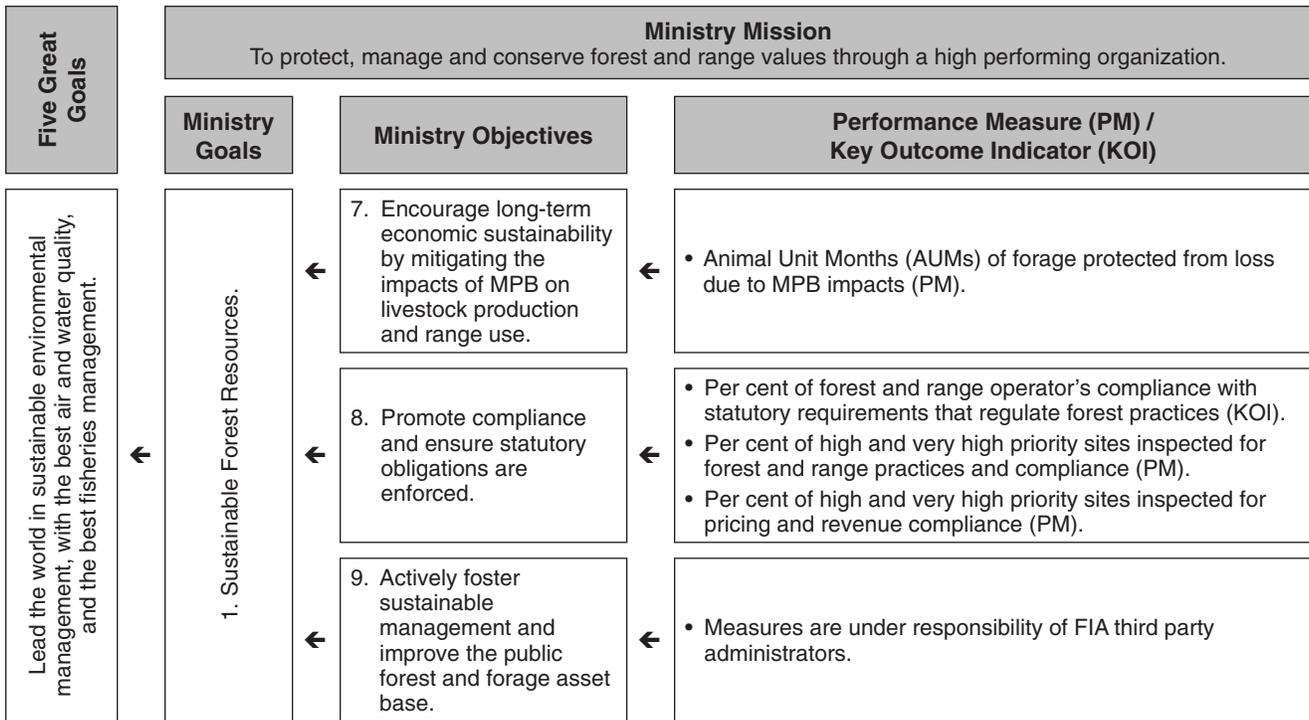
Government's goal to "Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management," is directly supported by the Ministry's goal of Sustainable Forest and Range Resources. In 2005/06 MoFR will move closer towards this goal with new reforestation initiatives, implementation of performance-based regulation, implementation of the new *Wildfire Act* and management of mountain pine beetle impacts through implementation of the MPB Action Plan.

The Ministry directly supports the Government's goal to "Create more jobs per capita than anywhere in Canada," by working to maintain a competitive forest industry, complete market pricing reform, improve market access through trade negotiations and new markets in Asia, and support rural job creation for First Nations and communities. In addition, the optimization of Crown forest revenue supports all of the Governments goals.

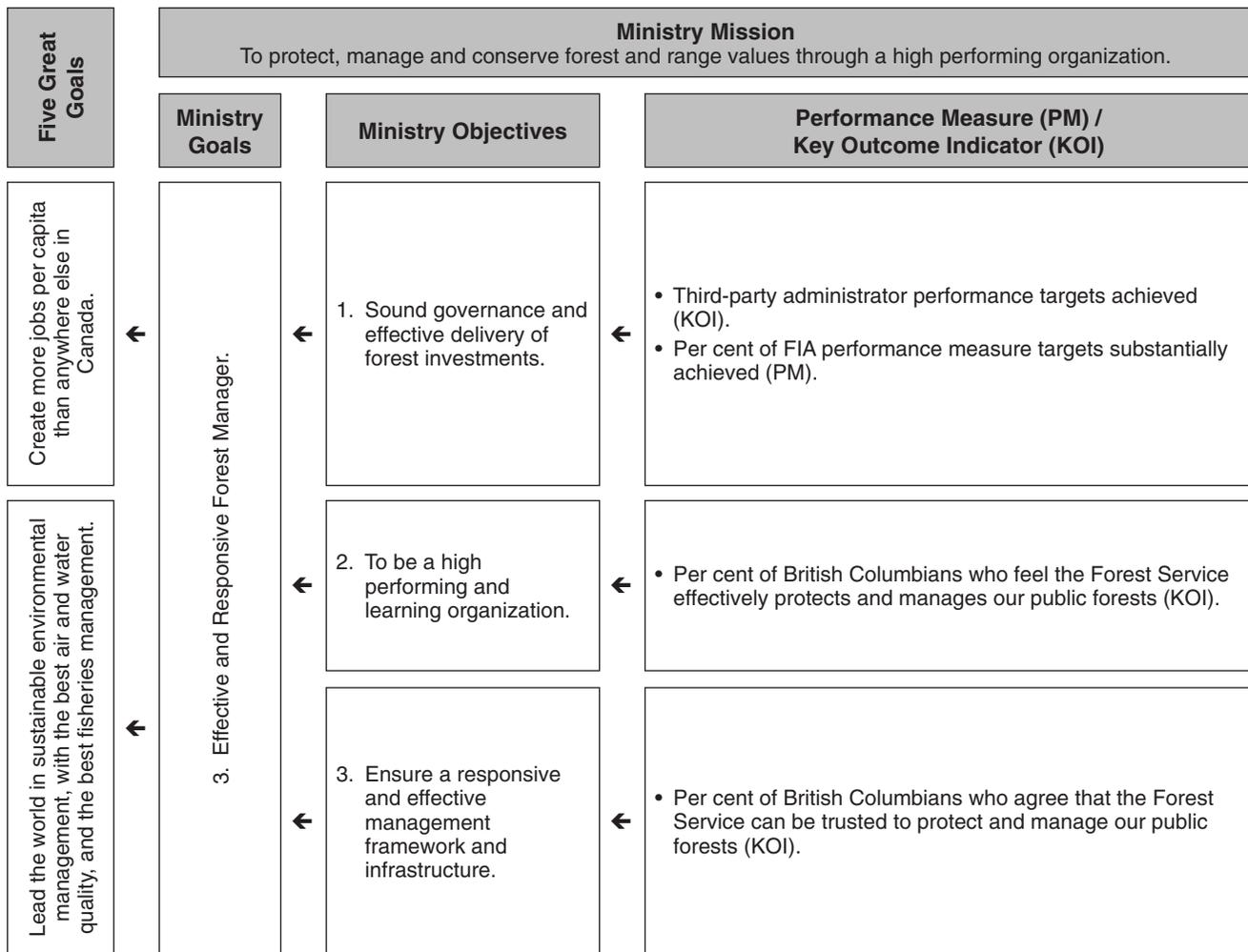
Ministry Performance Plan Summary

The diagram below indicates the linkage between the Five Great Goals and the ministry's mission, goals objectives, indicators and measures.

Five Great Goals	Ministry Mission To protect, manage and conserve forest and range values through a high performing organization.		
	Ministry Goals	Ministry Objectives	Performance Measure (PM) / Key Outcome Indicator (KOI)
Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management.	1. Sustainable Forest and Range Resources.	1. Prevent and manage wildfire and forest pests.	<ul style="list-style-type: none"> Per cent of wildfire contained at <4 ha (PM). Per cent of Crown forest aerial surveyed to monitor forest health (PM). Per cent of bark beetle management units (BMU) treated by MoFR that meet targets (PM). Per cent of high priority areas treated to manage defoliator outbreaks (PM). Hectares treated for fuel management in interface areas impacted by MPB (PM). Hectares treated to control spread of MPB (PM). Per cent of at risk sites treated in parks and protected areas to mitigate impacts of MPB (PM).
		2. Ensure that the principles of sustainability guide the management of and improvements to the provincial forest and range resources.	<ul style="list-style-type: none"> Per cent of TSAs and TFLs for which an AAC has been determined in the last 5 years (PM). Volume gain of timber available for harvest in 65 years from all tree improvement activities (cubic metres/year) (PM).
		3. Deliver ministry programs required to manage provincial forest and range resources for sustainable benefits.	<ul style="list-style-type: none"> Area of provincial forestland in millions of hectares (KOI). Ratio of area reforested to area harvested or lost to fire and pest (KOI). Total area of Crown forest lost to wildfire annually (KOI). Per cent achievement of ministry free-growing obligations (PM).
		4. Restore the forest resource in areas affected by MPB Epidemic.	<ul style="list-style-type: none"> Number of watersheds treated for ecosystem restoration required as a result of MPB (PM). Number of peer reviewed research and development project reports or extension events on priority MPB issues (PM). Number of mapsheets imaged of area susceptible to MPB infestation.
		5. Monitor, evaluate and continuously improve forest management.	<ul style="list-style-type: none"> Per cent of annual harvest area with soil loss due to the establishment of permanent access roads (KOI). Status of the State of the Forest Report (PM). Per cent of FRPA values with measurable indicators for effectiveness evaluations (PM).
		6. Protect, manage and improve range resources for multiple values.	<ul style="list-style-type: none"> Area restored to open forest and grassland (ha) (PM). Per cent of available Crown range under a form of agreement (PM).



Five Great Goals	Ministry Mission To protect, manage and conserve forest and range values through a high performing organization.		
	Ministry Goals	Ministry Objectives	Performance Measure (PM) / Key Outcome Indicator (KOI)
Create more jobs per capita than anywhere else in Canada.	2. Sustainable Forest Benefits.	1. Maintain access to markets for B.C. forest products.	<ul style="list-style-type: none"> B.C.'s share of the U.S. softwood lumber market (KOI). B.C.'s share of Japan softwood lumber imports (KOI). Increase in wood product sales to Taiwan, China and Korea (KOI). Percentage increase in forestland certified by major forest certification processes (KOI).
		2. Recover the greatest value from dead stands impacted by MPB.	<ul style="list-style-type: none"> Number of new products/applications for MPB timber identified and introduced to markets (PM). Number of regional community association economic diversification plans established for MPB mitigation (PM).
		3. Ensure that the public receives fair value for the use of its forest and range resources.	<ul style="list-style-type: none"> Crown forest gross revenue (KOI). Crown gross revenue from B.C. Timber Sales (KOI). Status of the implementation of the market-based pricing system (PM).
		4. Provide opportunities to generate wealth from forest resources.	<ul style="list-style-type: none"> Per cent of Timber Supply Area AAC under a form of tenure (PM).
		5. Provide a reliable and environmentally sound forest road network.	<ul style="list-style-type: none"> Per cent of key engineering activities substantially achieved (PM). Per cent of FSR kms maintained by the District Manager open for public access (PM). Per cent reduction or increase to the Forest Service road network (PM).
		6. Increase FN opportunities in the forest sector while respecting FN interests.	<ul style="list-style-type: none"> Total number of Forest and Range agreements offered to and signed with First Nations (PM).
		7. Provide a credible reference point for timber costs and pricing.	<ul style="list-style-type: none"> Per cent of total timber volume available, auctioned by BCTS (PM).
		8. Optimize BCTS net revenue to the province.	<ul style="list-style-type: none"> Crown net revenue from BCTS (PM). Average cost per cubic metre of volume developed by BCTS (PM).
		9. Provide an open and competitive timber market.	<ul style="list-style-type: none"> Volume offered for sale (Million m³) by BCTS (PM).



Performance Plan

Goal 1: Sustainable Forest and Range Resources.

As stewards of British Columbia's forest and range resources, the Ministry of Forests and Range (MoFR) has the responsibility to ensure that the use of these resources to generate economic benefits is balanced with their long-term viability. The ministry will ensure that appropriate forest and range management practices are used to maintain and improve the long-term sustainability and health of the province's forest and range resources. The ministry will also ensure that incremental investments in the forest resource are effective through the Forest Investment Account. The following key outcome indicators have been identified as indicating progress towards achievement of this goal.

Sustainable Forest Land Base — This key outcome pertains to the area in provincial forest land which reflects provincial land use decisions. Changes to the indicator **Area of provincial forestland** (in millions of hectares) would be expected if the government removed Crown land from forest management for other uses (e.g., preservation, parks or agriculture, or Crown land sales) or converted land from other uses to forest management. For the purposes of this measure, provincial forest land is the Crown land in timber supply areas, woodlot licences and tree farm licences. Data are from the Ministry's Allowable Annual Cut (AAC) database, as of January 1st each year. This measure was 47.8 million hectares on January 1, 2003 and reduced to 47.7 million hectares in 2004. The small reduction in the productive forest area reflects updated inventory information (e.g., what is defined as productive) and minor changes to land use and administration (primarily related to protected areas and treaties over the past five years).

Sustainable Timber Productivity — The ministry measures reforestation and losses from fire to represent the outcome of sustainable timber productivity. These measures use data from the past five years. Reforestation, represented by the **Ratio of area reforested to area harvested or lost to fire and pest**, includes planting or natural regeneration and is net of plantation failures. Harvesting is by any method. Losses to fire and pest are unsalvageable. A ratio of 1.0 indicates that areas being reforested are in balance with those being harvested or lost to fire and pests. A ratio of less than 1.0 reflects a trend towards increased Not Sufficiently Restocked (NSR) with more area being harvested or lost to fire and pest than reforested. The 2002/03 base for this measure was 0.93. Losses from fire are represented by **The total area lost to wildfire annually**. This is highly dependent on weather and where fires occur relative to resources and communities. The five-year rolling average in 2002/03 was 20,471 hectares. The exceptionally severe 2003 fire season, and the extreme drought of 2004 will impact the five-year rolling average of area lost for the next five years. Projections of losses have been increased to reflect 2004/05 conditions and the potential for drought to continue in 2005/06.

Healthy Forests — Healthy forest ecosystems sustain the quality and quantity of soil, water and timber, and therefore, indicate sustainable forest resources. The indicator **Per cent of annual harvest area with soil loss due to establishment of permanent access roads** is linked to national forest criteria and indicators of global forest sustainability. Although the indicator represents a key element of healthy ecosystems (soil sustainability), it is only meaningful at the ecosystem level, needs to be considered over time, and cannot be taken by itself as a sufficient indicator of sustainability. The ministry will present more comprehensive information in a “State of the Forests” report published periodically. Permanent access roads include any not-rehabilitated roads, excavated or bladed trails, landings, pits or quarries. Harvest area is by any method and includes areas with retained mature timber and naturally occurring non-productive areas within the cut block boundary.

Effective Forest and Range Protection and Management — Per cent of forest and range operators’ compliance with statutory requirements that regulate forest practices reflects management decisions and actions of forest and range operators which are key to the outcome of sustainable forest resources. Information is from the ministry’s Compliance Information Management System. The rate of compliance has consistently been in excess of 90 per cent for the past eight years.

Key Outcomes	Outcome Indicators	2003/04 Actual	2004/05 Actual	2005/06 Projected	2006/07 Projected	2007/08 Projected
A sustainable forest land base.	Area of provincial forestland in millions of hectares.	47.7 M	47.7 M	47.7 M	47.7 M	47.7 M
Sustainable timber productivity.	Ratio of area reforested to area harvested or lost to fire and pest. (unsalvageable losses)*	0.82	Data Not Available until Sept. 2005	0.80	0.69	0.59
	Total area of Crown forest lost to wildfire annually. (in hectares)*	50,615	63,540	< 85,000	< 85,000	< 83,000
Healthy forests.	Per cent of annual harvest area with soil loss due to establishment of permanent access roads.*	4.4%	3%	< 5%	< 5%	< 5%
Effective forest and range protection and management.	Per cent of forest and range operators’ compliance with statutory requirements that regulate forest practices.	92.1%	> 91.4%	> 94%	> 94%	> 94%

*Based on a 5-year rolling average.

Core Business Area: *Protection against Fire and Pests.*

Objective 1: *Prevent and manage wildfire and forest pests.*

This objective reflects the ministry's intent to protect forest and range resources and investments by minimizing losses and mitigating future risks from wildfire and forest health infestations. Key strategies include:

- Ensuring fire preparedness and rapid effective initial attack by continuing to implement the new *Wildfire Act* including streamlined regulations;
- Continuing to renegotiate agreements with utilities and develop new agreements with other sectors to increase cost-recovery for fire protection activities;
- Responding to the results of the internal and external inquiries into the 2003 and 2004 fire seasons;
- Early detection and treatment of insect infestations; and,
- Monitoring and evaluating forest health status and implementing best management practices in support of the timber supply review (TSR) and protection of the 11 resource values under the *Forest and Range Practices Act* (FRPA).

This objective also reflects the ministry's intent to maintain and protect public health, safety and infrastructure by reducing catastrophic wildfire risk to communities within Mountain Pine Beetle (MPB) affected areas. In addition, actions to control MPB infestations will be taken to prevent or reduce damage to forests in areas that are susceptible to but not yet experiencing epidemic infestations. Actions will also be taken to minimize or eliminate the potential for infestation spread from Crown forests, including provincial parks, into Alberta, the boreal forest other high value parks and protected areas, and to mitigate the impact on provincial parks and protected areas. Key strategies (that support the implementation of the provincially and federally funded MPB Action Plan) include:

- Conducting fuel treatments on Crown provincial lands for communities at risk, as well as First Nations and interface lands focusing on red- and green-attack forest stands.
- Conducting aerial and ground surveys, spot treatments, prescribed burns and incremental costs for strategic harvesting, such as access improvement planning, to destroy the beetles before they emerge and spread (Spread Control).
- Managing infestation within parks and protected areas on a priority basis through fuel management, spread control using controlled burns, and ecosystem restoration to protect critical species (Parks MPB Control).

Performance Measures:

Per cent of wildfire contained at less than four hectares: This is a measure of the ministry's success rate of initial attack on wildfire that is unplanned, accidental or unwanted (i.e., has potential to cause damage to or loss of timber, range or public resources). If containment is kept to under four hectares, damage and costs for fire suppression are kept

to a minimum. The base for this measure was 93 per cent in 2002/03. Data are from the ministry's Historical Fires Statistics Database.

Per cent of Crown forest aerial surveyed to monitor forest health: Annual province-wide aerial surveys are used to monitor forest disturbances caused by insects, diseases, animal and abiotic factors. The findings of these surveys are posted on the ministry website for access by the public, consultants, licensees and ministry staff. The data are used to track damage trends, estimate impacts on forest resources, plan management activities strategically, and direct more detailed surveys. Data are collected from the forest regions through aerial overview surveys.

Per cent of bark beetle management units (BMU) — including parks and protected areas — treated by MoFR that meet treatment targets: The exponential expansion of beetle infestation continues. High priority sites are those which present an opportunity to stop or reduce the rate of spread. Activities include conducting detailed aerial and ground detection leading to treatments through targeted harvesting, felling and burning, setting up pheromone trap trees, or other methods. By agreement with MOE, MoFR is responsible for treatments in parks and protected areas. The base for this measure was 89 per cent in 2002/03. Targets are established through the development of annual beetle strategies. (Data source: aerial and ground surveys and treatment records.)

Per cent of high priority areas treated to manage defoliator outbreaks: Other defoliators include western spruce budworm, western hemlock looper and all others. The baseline was established in 2003/04 as 100 per cent for Gypsy Moth and 99 per cent for all other defoliators. The reduction in target for other defoliators from 99 per cent to 54 per cent in 2004/05 reflects the expected decrease in achievement based on a static budget and increasing infestations. Based on revised projections, the target for other defoliators will rebound to 100 per cent, provided funding levels are unaltered next year and population trends remain constant. (Data source: aerial and ground surveys and treatment records.)

Hectares treated for fuel management in interface areas impacted by MPB: This is a new measure for 2005/06, of the ministry's success in reducing the fuel loading through prescribed burning, slash removal on old harvesting sites, planning and integration with other fuel management activities and removal of MPB affected stands. Data for this measure will be from third-party delivery agents under agreement to carry out these treatments (Data source: Community agreement recipients will report achievements through the program's third-party delivery agent who will report summary achievements to MoFR on a quarterly basis).

Hectares treated through single tree treatments to control rate of spread of MPB: The forest districts on the eastern edge of B.C. are where the efforts to stop the spread of the beetle infestation are being concentrated. Single tree treatments are being used to prevent the spread of the beetle outside of B.C.'s borders. Data for this measure will be from licensees and third-party delivery agents under agreement to carry out these treatments

(Data source: reported by districts implementing the program and specifically through assigned program staff and MAX).

Per cent of at risk sites treated in parks and protected areas to mitigate impacts of the MPB infestation: This is a new measure in 2005/06, of the areas that will receive required treatments on a priority basis, to address public safety from falling snags and fire, fall and burn and fall and removal treatments (Data source: MOE, through regional co-ordinators and internal tracking mechanisms).

Performance Measures	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
Per cent of wildfire contained at less than four hectares.	91.8%	92.4%	92%	92%	92%
Per cent of Crown forest aerially surveyed to monitor forest health.	100%	100%	100%	100%	100%
Per cent of BMUs treated by MoFR that meet targets.	88%	75%	80%	80%	80%
Per cent of high priority areas treated to manage defoliator outbreaks.	Gypsy Moth 100% All others 99%	Gypsy Moth 100% Other defoliators 54%	Gypsy Moth 100% Other defoliators 100%	Gypsy Moth 100% Other defoliators 100%	Gypsy Moth 100% Other defoliators 100%
Hectares treated for fuel management in interface areas impacted by MPB.	N/A	N/A	6 000 ha	10 000 ha	10 000 ha
Hectares treated through single tree treatments to control rate of spread of MPB.	N/A	N/A	5 000 ha	3 750 ha	2 100 ha
Per cent of at risk sites treated in parks and protected areas to mitigate impacts of the MPB infestation.	N/A	N/A	19%	56%	100%

Core Business Area: Forest Stewardship.

Objective 2: *Ensure that the principles of sustainability guide the management of, and improvements to, the provincial forest and range resources.*

This objective reflects the ministry's goal of sustainable forest resources. Key strategies include:

- Continuing to jointly evaluate, improve, and manage the forest practices and planning framework based on best available science;
- Applying research and forest analysis to support policy development and statutory decision-making;
- Participating in the provincial Tree Improvement Strategy;
- Supporting transfer of specified timber supply review activities to Defined Forest Area Management licensees;
- Developing and delivering training programs; and,
- Implementing processes that ensure consistent and science based evaluations of plans submitted for approval.

Performance Measures:

Per cent of TSAs and TFLs for which AAC has been determined in the last five years:

This is a new measure in 2005/06, replacing "per cent of timber supply allowable annual cut determinations achieved by their scheduled deadline." The *Forest Act* requires that the provincial chief forester determine allowable annual cuts (AACs) for each Tree Farm Licence (TFL) and Timber Supply Area (TSA) at least once every five years. For the purposes of this measure, a postponement by the Chief Forester under the *Forest Act*, in cases where an AAC is not likely to be changed significantly, is considered a determination. This measure would provide a gauge of the currency of AACs in the province and serve as a rolling measure of the extent to which the timber supply review program is on schedule. (Data source: internal records.)

Volume gain of timber available for harvest in 65 years from all ministry tree improvement activities: Future volume gain is calculated from a provincial growth and yield model driven by genetic worth and quantity of improved seed actually deployed. The baseline projected volume gain was 1.67 million cubic metres per year in 2002/03.

Performance Measures	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
Per cent of TSAs and TFLs for which an AAC has been determined in the last 5 years.	N/A	N/A	100%	100%	100%
Volume gain of timber available for harvest in 65 years from tree improvement activities.	2.25 M m ³ /year	2.39 M m ³ /year	2.30 M m ³ /year	2.42 M m ³ /year	2.47 M m ³ /year

Objective 3: *Deliver ministry programs required to manage provincial forest and range resources for sustainable benefits.*

The ministry is responsible for several key programs that help deliver the stewardship mandate of government. Key delivery strategies include:

- Involvement and collaboration with external agencies and multi-stakeholder committees to assist in achieving ministry objectives;
- Developing strategic plans to support full implementation of programs such as invasive plant prevention and control, karst and visual landscape inventories, comprehensive research through partnerships and other innovative delivery mechanisms and evaluating areas denuded by fire and pests to determine reforestation needs; and,
- Supporting ministry reforestation obligations.

Funding has been increased for the next three years to begin a long-term “Forests for Tomorrow” reforestation program on Provincial Crown lands. This program will further stewardship of the forest land base by reforesting productive areas impacted by fire and mountain pine beetle infestation over the past few years. The results of this program are expected to be observed in the outcome indicator “ratio of area reforested to area harvested or lost to fire and pest,” about five to seven years after reforestation.

Performance Measure:

Per cent achievement of ministry free growing obligations: This includes the ministry’s reforestation obligations under the Forest Stand Management Fund and licences to cut. This is a new measure in 2005/06, replacing “Per cent achievement of ministry free growing obligations under the Forest Stand Management Fund.” This new measure more accurately represents the ministry’s responsibility for reforestation resulting from sources such as non replaceable forest licences and licences to cut. Data are gathered from decisions made in the forest districts.

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
Per cent achievement of ministry free growing obligations.	N/A	N/A	99%	99%	99%

Objective 4: *Restore the forest resource in areas affected by the Mountain Pine Beetle Epidemic* (includes Provincial and Federal support for MPB Action Plan implementation).

The ministry is responsible for several key initiatives working towards this objective:

- (a) Inventory — to provide planning information on the spread of the beetle to support the spread control, salvage and follow-up mitigation/restoration programs.
- (b) Research and Development (bio-physical) — to supplement applied research efforts that provide MPB-related information for policy evolution and for resource planning and decision making.
- (c) Ecosystem Restoration — to assess and mitigate the environmental effects on fish, water quality, endangered species and biodiversity delivered through the Ministry of Environment.

Key strategies include:

- Ensuring that the various mitigation initiatives have the required land, inventory and mapping information to succeed;
- Providing credible and relevant scientific knowledge to support the conservation of long-term forest values identified in land use plans and restoration of forest resources in areas affected by the epidemic; and,
- Addressing MPB impacts through planning, surveys and treatments for terrestrial and aquatic species and habitat restoration, water quality/quantity and other non-timber objectives.

Performance Measure:

Number of map sheets imaged of area susceptible to MPB infestation: This new measure indicates the maps and imagery that will be generated to show current locations of MPB. (Data source: appropriate mapsheets).

Number of peer-reviewed project reports or extension events on priority MPB issues: This new measure indicates the number of reports and extension events that provide MPB-related information for policy evolution and for resource planning and decision making in the areas of reforestation and restoration in riparian zones, forest productivity restoration (e.g., erosion mitigation), maintenance of biodiversity (including species at risk, anadromous fish, non-timber forest products, coarse woody debris, critical wildlife habitat structures);

silviculture options and improving timber growth and value, and maintenance of watershed and hydrologic functioning (Data source: through program third-party delivery agent to the FIA Forest Science Board).

Number of watersheds treated for ecosystem restoration as required as a result of MPB:

Specific target watersheds and/or locations in BC are being identified for the treatments addressed by this new measure. Treatments include: mitigation options for species-at-risk; treatments in unharvested areas (e.g., old growth, protected areas, riparian areas); modification of habitat, including the use of silviculture techniques; and, treatments that improve fish passage and water quality (Data source: delivery agent for MOE reports quarterly through the MoFR’s reporting process).

Performance Measures	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
Number of map sheets imaged of area susceptible to MPB infestation.	N/A	N/A	300 map sheets	400 map sheets	300 map sheets
Number of peer reviewed project reports or extension events for priority MPB issues.	N/A	N/A	25	70	70
Number of watersheds treated for ecosystem restoration as required as a result of MPB.	N/A	N/A	1 watershed	8 watersheds	11 watersheds

Objective 5: Monitor, evaluate, and continuously improve forest management.

Under new results-based legislation, evaluating the outcomes of forest practices in the field will be a key indicator of how effective the legislation is at protecting forest resources. Key strategies include:

- Developing and implementing a coordinated and comprehensive effectiveness evaluation program related to FRPA forest values;
- Developing and implementing a regional/district level monitoring program related to implementation of operational plans; and,
- Regularly evaluating and publishing information on the state of the forests.

Performance Measures:

Status of the “State of the Forest (SOF) Report”: This report will provide a periodic assessment of the state of British Columbia forests, aligning with national criteria and

indicators of sustainable forest management. This report has been designed for publishing on the Internet only, in separate reports published over a four year period, culminating in a 24-indicator report. The first report, with six indicators (Ecosystem diversity, Protected forests, Timber harvest, First Nations involvement, and Law and Certification) was delayed one year, published in March 2005. The second report with six additional indicators (Ecosystem dynamics, Species diversity, Genetic diversity, Ownership and management, Silviculture, and Jobs and communities) will be published by March 2006. The Ministry intends to follow this with two more reports each including six additional indicators to be published in March of 2007 and 2008 (Data source: internal records.)

Per cent of FRPA values with measurable indicators for effectiveness evaluations: This is a new measure replacing “Number of completed effectiveness evaluations of the legislation.” Effectiveness evaluations are used to determine whether policies, plans or practices under FRPA are resulting in the desired objectives being met. These field reviews are necessary to achieve ongoing improvements to the ministry’s policy and legislation framework. (Data source: internal records).

Performance Measures	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
Status of the “State of the Forest” (SOF) Report.	SOF Report with 6 indicators, delayed	SOF Report with 6 indicators	SOF Report with 12 indicators	SOF Report with 18 indicators	SOF Report with 24 indicators
Per cent of FRPA values with measurable indicators for evaluations.	N/A	New measure introduced for 2005/06	50%	75%	100%

Core Business Area: *Range Stewardship and Grazing.*

Objective 6: *Protect, manage and improve range resources for multiple values.*

This objective focuses on protecting Crown range resources through administration of rights for its use through the *Range Act* and agreements under FRPA. Key strategies include:

- Allocating, administering and managing range use;
- Evaluating rangeland health and effectiveness of range management practices;
- Restoring rangeland ecosystems degraded by forest ingrowth, forest encroachment and invasive plants; and,
- Promoting an understanding of rangeland management for multiple values.

Performance Measures:

Area restored to open forest and grassland (hectares): A measure of the ministry’s effectiveness in restoring rangelands that have been degraded by invasive plants or in-growth of trees. Areas are restored through treatments such as partial cutting, controlled burning and biological or chemical control of invasive species and are calculated as the area in hectares restored. (Data source for this measure is the Districts that are carrying out restoration treatments.)

Per cent of available Crown range under a form of agreement: Measures the effectiveness of the ministry’s allocation and administration of range available for grazing or hay cutting and is based upon possible and actual range agreement areas. In the past this measure was based on animal unit months, but the change to range agreement areas makes it more representative of the agreement tenuring process. Data are collected from the current records of forest districts.

Performance Measures	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
Area restored to open forest and grassland. (hectares)	N/A	3 273	3 585	3 585	3 585
Per cent of available Crown range under a form of agreement.	95%	91%	90%	95%	95%

Objective 7: Encourage long-term economic sustainability by mitigating the impacts of MPB on livestock production and range use (includes provincial and federal support for MPB Action Plan implementation).

This objective reflects the ministry’s intent to mitigate the impact of MPB on livestock production by controlling livestock distribution and protecting environmental values in affected communities. Key strategies include:

- Replacing natural range barriers and range developments lost or damaged during timber harvesting and associated road construction (not associated with forest licensee responsibilities under the *Forest Range and Practices Act*); and,
- Supporting developments to redistribute livestock to utilize forage produced in beetle kill areas and to control invasive plant spread.

Performance Measures:

Animal Unit Months (AUMs) of forage protected from loss due to MPB impacts: AUMs of forage authorized measures how well the ministry is maintaining the production and utilization of forage in areas affected by the MPB infestation. (Data source: MoFR district.)

Performance Measures	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
AUMs of forage protected from loss due to MPB impacts	N/A	N/A	24,000 AUMs	68,000 AUMs	77,000 AUMs

Core Business Area: Compliance and Enforcement (C&E).

Objective 8: Promote compliance and ensure statutory obligations are enforced.

Protecting the province's forest and range resources is central to fulfilling the Forest Service's mandate by upholding the law. Key strategies include:

- Implementing a new compliance and enforcement regime for the *Forest and Range Practices Act* (FRPA) and a new compliance and enforcement regime for pricing and revenue. In 2005/06 this will include: staff training on FRPA and *Forest Act* changes and updated C&E training; implementing Quality Assurance principles and procedures;
- Monitoring the use of the Special Provincial Constable application by the Solicitor General; and,
- Assessing FRPA implementation and new *Forest Act* provisions to determine C&E's readiness for increasing resource emphasis on revenue and forest crimes.

Performance Measures:

Per cent of high and very high priority sites inspected for compliance: Site visits are targeted to priority sites where environmental, social and/or economic values have been identified as being at high risk. Data is from the Compliance Information Management System.

Performance Measures	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
Per cent of priority sites inspected for forest and range practices compliance.	82.6%	81.6%	85%	85%	85%
Per cent of priority sites inspected for pricing and revenue compliance.	83%	84.4%	85%	85%	85%

Core Business Area: *Forest Investment Account.*

Achievement of FIA objectives and strategies are accomplished through program activities carried out by licensees under the coordination of third-party administrators. Assessment of outcomes and outputs is captured through reports generated by the third party administrator. These reports can be found at:

- <http://www.fialicensees.com>
- http://www.for.gov.bc.ca/hcp/fia/small_tenures.htm and
- <http://www.bcfsp.com/Login/login.asp>

Objective 9: *Actively foster sustainable management and improve the public forest and forage asset base.*

Key strategies include:

- Acquiring better information about forest resources; foster comprehensive strategic land-use planning; facilitate science-based utilization of the resource;
- Support the feasibility of third-party certification; fund reforestation of areas denuded naturally, or by harvesting before 1987;
- Reclaim and enhance site productivity; and
- Restore damaged ecosystems.

Goal 2: *Sustainable Forest Benefits.*

Forestry generates substantial revenues to the provincial government yielding a significant net benefit to the broader public interest and remains a major contributor to B.C.'s current and future economic health. Sustainable forest benefits rely on a strong forest economy and a globally competitive forest sector, which the ministry supports through its forest revitalization policies. The ministry also recognizes the interests of First Nations in accessing forest benefits now and in the future. The following key outcomes and indicators have been identified as indicating progress towards achievement of this goal.

Revenue to the Crown — This key outcome is supported by two indicators, **Crown forest gross revenue** (\$ billions) and **Crown gross revenue from BC Timber Sales** (\$ millions). Crown forest gross revenue is the total amount of money charged by the ministry during the fiscal year, which includes BC Timber Sales, timber tenures and other MoFR revenues.

Diversification of B.C. Export Markets — The provincial forest sector is highly dependent upon exports. The health and diversity of export markets are good indicators of the strength of the forest economy. **B.C.'s share of the U.S. softwood lumber market** indicates the status of B.C.'s biggest export market. **B.C.'s share of Japan softwood lumber imports** tracks British Columbia's second largest softwood lumber customer. Import volumes are published annually by the Japan Wood Products Information and Research Centre. The base in 2002/03 was 43 per cent (calendar year). The **Increase in wood product sales to Taiwan**,

China and Korea indicates expansion into new markets for B.C. wood products. These areas are targeted by Forestry Innovation Investment.

Globally Competitive Forest Sector — This key outcome is measured by the **Percentage increase in forestland certified by major forest certification processes**. Major forest certification processes are the Canadian Standards Association (CSA), Forest Stewardship Council (FSC) and the Sustainable Forest Initiative (SFI). The International Organization for Standardization (ISO) is excluded, because it does not pertain explicitly to forest management. The baseline for this measure is the 7.7 million hectares that were certified in 2001/02. In 2002/03, the number of hectares certified increased by 126 per cent to 17.4 million hectares.

Key Outcomes	Outcome Indicators	2003/04 Actual	2004/05 Actual	2005/06 Projected	2006/07 Projected	2007/08 Projected
Revenue to the Crown.	Crown forest gross revenue (\$ billions).	\$0.987 B	\$1.322 B	\$1.172 B	\$0.959 B	\$0.960 B
	Crown gross revenue from B.C. Timber Sales (\$ millions).	\$185.7	\$266.1	\$301.6	\$333.8	\$343.7
Diversification of B.C. export markets.	B.C.'s share of the US softwood lumber market.	18.1%	18.1%	18%	18%	18%
	B.C.'s share of Japan softwood lumber imports.	39.7%	40%	40%	40%	40%
	Increase in wood product sales to Taiwan, China and Korea.	34%	11.3%	10%	10%	10%
Globally competitive forest sector.	Percentage increase in forestland certified by major forest certification processes.	48% increase	33% increase	> 10% increase	> 10% increase	> 10% increase

Core Business Area: *Pricing and selling the timber.*

Objective 1: *Maintain access to markets for B.C. forest products.*

This objective reflects the ministry's intent to maintain and grow international markets and is accomplished by the following key strategies:

- Continuing to pursue free access for British Columbia forest products to markets in the United States; and,
- Continuing work with Forestry Innovation Investment Ltd. (FII) on market access issues. Achievement of this strategy is tracked by the Key Outcome Indicator "B.C.'s share of the U.S. softwood lumber market."

Objective 2: *Recover the greatest value from dead stands impacted by MPB, while respecting other forest values and encourage long-term economic sustainability for communities affected by the MPB epidemic* (includes provincial and federal support for MPB Action Plan implementation).

This objective reflects the ministry's intent to recover the greatest value from dead stands impacted by MPB through ensuring that market access and manufacturing problems are not the limiting factor to a successful long-term salvage program, and to encourage long-term economic sustainability for communities affected by the MPB epidemic by supporting the development and implementation of strategic regional business plans for forest dependent communities and First Nations bands in the affected areas. Key strategies include:

- Solving immediate manufacturing problems as quickly as possible to improve the profitability of the dead dry wood;
- Developing new products and markets for the material; and,
- Supporting development of community economic planning including work to explore possibilities for economic diversification, economic pre-feasibility analysis on opportunities, investment recruitment, business retention, community marketing and general economic research.

Performance Measures:

Number of new products/applications for MPB timber identified and introduced to markets: Identifying new products will help establish the profitability and value of salvage cutting rights. (Data source: FII Ltd. quarterly and annually.)

Number of regional community association economic diversification plans established for MPB mitigation: A measure of the many communities and First Nation's bands that have taken the opportunity to develop economic diversification strategies that will mitigate the negative economic impacts of the MPB infestation. (Data source: grant recipients will report outcomes as part of the funding agreement.)

Performance Measures	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
Number of new products/applications for MPB timber identified and introduced to markets.	N/A	N/A	3 products	4 products	4 products
Number of regional community association economic diversification plans established for MPB mitigation.	N/A	N/A	1 plan	1 plan	2 plans

Objective 3: *Ensure that the public receives fair value for the use of its forest and range resources now and in the future.*

Asserting the financial interests of the Crown by pricing and billing for revenue from Crown forest and range resources. The Coast market-based pricing system (MPS), was implemented on February 29, 2004. Key strategy for this objective is implementing the Interior market-based pricing system.

Performance Measure:

Status of the implementation of the market-based pricing system: The timing of the implementation of the Interior Market Pricing System is dependent and linked to the outcomes and timelines of the provincial and ministry policy reforms and initiatives (i.e., softwood lumber litigation and negotiations) currently underway.

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
Status of the implementation of the MPS.	Coast implemented February 29, 2004	Interior implementation (readiness in 2005)	Ready to Implement in 2005/06	Administer	Administer

Objective 4: Provide opportunities to generate wealth from the forest resources.

By allocating, managing and monitoring forest resource opportunities through forest tenures, the ministry is able to meet social, economic and other public forest policy objectives. Key strategies include:

- Ensuring that timber apportioned in TSAs is available to licensees through tenure; and,
- With much of the forest policy reform legislation in place, the primary focus for 2005/06 will be with its implementation.

Performance Measure:

Per cent of Timber Supply Area AAC under a form of tenure: This is a measure of the effectiveness of the ministry’s apportionment of the AAC within a TSA to various programs, and its issuance of tenures, such as Forest Licences and Community Forest Agreements, under these programs. Tree Farm Licences, woodlot licences, and tenures under the BC Timber Sales program are not included. Data is from the Apportionment System. The baseline for this measure was 97 per cent in 2002/03. The targets for this measure have been reduced in each of the next three years due to the AAC uplifts resulting from the bark beetle infestation, and the reallocation of 20 per cent of the logging rights from major licensees to create new opportunities for new entrepreneurs and small operators. Additional resources have been targeted in 2005/06 to mitigate the reduction, although a positive impact on the targets is not anticipated until 2007/08 and following. (Data source: Apportionment System.)

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
Per cent of Timber Supply Area AAC under a form of tenure.	94.7%	88%	90%	90%	92%

Objective 5: Provide a reliable and environmentally sound forest road network.

The intent of this objective is to provide the necessary infrastructure to access timber, range, communities, recreation, and other resource values while minimizing environmental impacts. Key strategies include:

- Developing legislation, policy and standards for all forest roads;
- Carrying out maintenance activities on Forest Service roads in conformance with legislation and policies;
- Providing low order maintenance, to ensure access-related surface and structural maintenance as necessary for safe public access to priority recreational areas;

- Balance the industrial, commercial and public use of the forest road network in a cost-effective manner reflecting the level of use, which may include deactivation and transfers to other agencies or organizations; and,
- Deactivating Forest Service roads no longer required (close and discontinue).

In 2005/06, increased funding is being targeted to the replacement of priority bridges that have deteriorated on non-industrial use Forest Service roads that access communities, rural residences and priority recreational areas.

Performance Measures:

Per cent of key engineering activities substantially achieved (as per aggregate index):

Pro-rated measure of overall performance in achieving key engineering activities consisting of Forest Service road and bridge inspection, maintenance and deactivation. (Data source: tracked internally, calculated from information collected by the forest districts.)

Per cent of kilometres of Forest Service roads, where the District Manager is directly responsible for maintenance, that are open for public access: The purpose is to provide a measure of Forest Service roads open for public access in accordance with the maintenance policy. Information is reported by each district.

Per cent reduction (-) or increase (+) to the Forest Service road network: The measure reflects the strategy of the ministry to balance the industrial, commercial and public use of the forest road network in a cost-effective manner reflecting the level of use. The baseline for this measure is the total kilometres of Forest Service roads excluding BCTS Forest Service roads. (Information is reported by the districts.)

Performance Measures	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
Per cent of key engineering activities substantially achieved.	N/A	New measure introduced for 2005/06	90%	95%	95%
Per cent of kms of FSRs maintained by the District Manager open for public access.	N/A	New measure introduced for 2005/06	> 90%	> 95%	> 95%
Per cent reduction (-) or increase (+) to the FSR network.	N/A	-0.9%	0%	0%	0%

Objective 6: Increase First Nation opportunities for participation in the forest sector, provide stability on the land base, and ensure forestry operations respect First Nation interests on the land base.

This objective supports the ministry’s intent to provide leadership, negotiation skills, advice and overall coordination with respect to forest-related First Nations’ issues. Key strategies include:

- Consult with First Nations in accordance with the Crown’s legal obligations.
- Negotiate agreements with First Nations:
 - implement the First Nations Forest Strategy (FNFS) offering access to economic forest benefits to First Nations through accommodation agreements.
 - increase First Nations’ participation in the forest sector through direct award tenures.
- Support for priority treaty tables.

Performance Measure:

Total number of Forest and Range Agreements: These agreements provide a period of stability for forest and range resource development. They include the provision of economic benefits in the form of tenure and revenue sharing as well as consultative arrangements that define an agreed upon process between the ministry and a First Nation for consulting on and addressing aboriginal interests. These agreements begin with an offer to a First Nation to enter into an agreement, and the time required to conclude negotiations is variable. Offers to negotiate agreements will be made to all 176 eligible First Nations by the end of fiscal 2006/07. (Data source: tracked internally.)

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
Total number of Forest and Range Agreements (cumulative):					
• offered to First Nations	71	101	142	159*	159
• signed with First Nations	22	47	75	100-159**	100-159

*NB. Some agreement offers include more than one First Nation in the offer. The number of eligible First Nations to be offered agreements is 176.

**NB. Although offers are made to all eligible First Nations, it is anticipated that not all offers will be accepted and agreements signed. A more accurate estimate of agreements expected to be signed by the end of 2006/07 cannot be determined at this time.

Core Business Area: BC Timber Sales.

BC Timber Sales is an arm’s length program within the ministry, with operational and financial independence from regional and district operations. The program markets Crown timber to help establish market price (Coast only at this time) and capture the value of the asset for the public. The performance measures included in this section are only a subset of the measures tracked and reported by BC Timber Sales. For full information on BC Timber Sales resources and measures refer to the BC Timber Sales Business Plan at: <http://www.for.gov.bc.ca/bcts>.

Objective 7: Provide a credible reference point for costs and pricing of timber harvested from public land in B.C.

This objective supports market-based pricing to ensure that the public receives fair market value for the use of its forest resources. Key strategies include:

- Implementing systems and processes to ensure that the program’s cost and pricing data is complete, accurate, reliable, verifiable, and are contained; and,
- Negotiating operating areas and the purchase assets on lands re-assigned through the timber reallocation process.

Performance Measure:

Per cent of total timber volume available, auctioned by BCTS: Per cent of the total provincial ministry annual timber volume available that was auctioned by BC Timber Sales during the year. This is a key outcome indicator of the program’s success in supporting the market based pricing system and being a credible reference point for costs and pricing by auctioning an increasing proportion of Provincial timber. (Data source: internal tracking and the Ministry’s apportionment system.)

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
Per cent of total volume available auctioned by BCTS.	N/A	14%	15%	17%	20%

Objective 8: Optimize BCTS net revenue to the province, within the parameters dictated by our benchmarking mandate and sound forest management.

This BCTS objective supports the generation of revenue to the Province and the ministry as a major contributor to B.C.'s current and future economic health. Key strategies include:

- Containing costs and maximizing auction bids, within the parameters of the program's benchmarking mandate by implementing systems and processes to support effective decision-making and taking steps to reduce bidder risk;
- Implementing the *Forest and Range Practices Act*; and,
- Increasing the volume of timber sold under certification.

Performance Measures:

Crown net revenue from BC Timber Sales: Net revenue is gross revenue net of capitalized expenses and period costs. This is a measure of the success of BC Timber Sales in optimizing revenue to the Province. (Data source: Harvest Billing System and the Corporate Accounting System (CAS) based on 2004 forecasts.)

Average cost per cubic metre of volume developed by BCTS: This was a new measure in 2004/05 replacing the previous "Average cost per cubic metre of volume sold." The change from volume sold to volume developed is to reflect that the majority of costs are incurred during the development of a timber sale rather than later when the sale is sold. This is a measure of BC Timber Sales' performance in containing costs contributing towards optimizing net revenue and providing a credible reference point for costs and pricing of timber. (Data source: internal tracking and CAS.)

Performance Measures	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
Crown net revenue from BC Timber Sales (\$ millions).	\$101.07	\$150.2	\$153.2	\$104.4	\$113.7
Average cost per cubic metre of volume developed by BCTS.	N/A	\$8.57/m ³	\$13.90/m ³	\$13.30/m ³	\$12.80/m ³

Objective 9: Provide opportunities for BCTS customers to purchase timber in an open and competitive market.

This BCTS objective supports a strong forest economy and competitive forest sector. Key strategies include:

- Pursuing innovative methods to build timber development capacity and inventory levels;
- Eliminating restrictions and barriers to program participation over time;
- Improving bidder information; and,
- Analyzing and addressing reasons for no bid sales.

Performance Measure:

Volume offered for sale by BCTS: The volume offered for sale is the gross total timber volume that BCTS offers into the market and includes all forms of tenure administered by BCTS. Therefore, in addition to advertised auction sales, volume offered for sale includes all volume associated with forestry licences to cut, and previously committed volumes for ongoing value-added sales, non-replaceable forest licences, and other forms of tenure. Unlike the measure “the per cent of total timber volume available, auctioned by BCTS” which provides statistical support for credible pricing, this output measure indicates the program’s success in providing opportunities for customers to acquire timber. (Data Source: BC Timber Sales Offices.)

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
Volume offered for sale by BCTS (million m ³).	11.2	12.8	14.8	16.2	16.5

Goal 3: Effective and Responsive Forest Manager.

The ministry is continuing to revitalize itself with a new vision and revised mission and values statements that reflect the ministry’s role as steward of the province’s forest resources. The effectiveness in achieving our core purpose of ensuring that sustainable forest resources deliver sustainable forest benefits for the people of British Columbia is dependent upon expert and knowledgeable staff who will continue to be innovative, responsive and performance-focused. To this end the ministry is focusing on leadership development, being a learning organization and improving organizational wellness.

Additionally, under this goal the ministry oversees the effectiveness of third-party administrators who are responsible for the achievement of the Forest Investment Account (FIA) objectives and strategies.

The following key outcomes and indicators (described in the glossary) have been identified as measuring progress towards achievement of this goal. The base lines for these measures were established in 2002/03 as 60 per cent and 73 per cent respectively, and they are measured every two years.

Public trust in the BC Forest Service — Public trust is measured in a telephone survey conducted by BC Stats every two years. The baseline for the trust indicator was 60 per cent in 2002/03. The new effectiveness indicator is based on five variables (forest fire protection, control of pests and disease, reforestation, environmental protection, and regulating forest companies) that were combined for the single measure of overall effectiveness, which was measured as 73 per cent in the 2002/03 survey.

Effective Administration of the Forest Investment Account (FIA) — This key outcome is measured by “**The achievement of performance targets by the third-party administrators**”. The percentage is based on the number of performance targets developed by FIA third-party administrators PricewaterhouseCoopers, The Federation of BC Woodlot Association, and Forestry Innovation Investment Ltd. that are achieved within 85 per cent.

Key Outcomes	Outcome Indicators	2003/04 Actual	2004/05 Actual	2005/06 Projected	2006/07 Projected	2007/08 Projected
Public trust in the B.C. Forest Service.	Per cent of British Columbians who agree that the Forest Service can be trusted to protect and manage our public forests	Measured every second year	52%	Measured every second year	> 60%	Measured every second year
	Per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests	Measured every second year	69%	Measured every second year	> 73%	Measured every second year
Effective Administration of the FIA.	Third-party administrator performance targets achieved	N/A	90.9%	95%	95%	95%

Core Business Area: *Forest Investment.*

Objective 1: *Sound governance and effective and efficient delivery of forest investments to assist government to develop a globally recognized, sustainably managed forest industry.*

The intent of this objective is to address the overall administration of the Forest Investment sub-vote and agreements with third-party administrators. Key strategies include:

- Development and implementation of sound business practices incorporating strong financial controls;
- A performance management framework, and,
- A monitoring, audit and evaluation program.

Performance Measure:

Per cent of FI performance measure targets substantially achieved: This is a new measure for the Forest Investment Account (FIA) in 2005/06. For each FIA program a number of measures have been established to track program administration performance. Please contact the Strategic Policy and Planning Branch for further information. The measure is a summary of the FIA's overall performance in the seven programs: Land Base Investment, Small Tenures, Tree Improvement, Crown Land Use Planning and Enhancement, Forest Science, Product Development and International Marketing. (Data source: tracked internally.)

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
Per cent of FIA performance measure targets substantially achieved.	N/A	N/A	≥ 90%	≥ 90%	≥ 90%

Core Business Area: *Executive and Support Services.*

Objective 2: *Ensure a responsive and effective management framework and infrastructure that supports the achievement of ministry goals and objectives.*

This objective helps to ensure that the ministry becomes a more effective organization, which is strong, dynamic and adaptable, and focused on achieving its strategic goals. Key strategies include:

- Continuing to identify, implement and continually improve business practices and processes to increase efficiency and effectiveness;
- Continuing to implement and integrate performance management processes and evaluate the validity of performance measures;

- Implement policy and legislation frameworks;
- Implementing a risk management framework that will enhance strategic and operational planning; and,
- Continuing to implement and evaluate the ministry's Human Resource Strategy (succession planning, retention, leadership, organizational wellness).

Objective 3: *To be a high performing and learning organization.*

To continue building an innovative and even higher performing organization that focuses on both business and people performance strategies. Key strategies include:

- Fully implement the Road Ahead initiative that focuses on the following six strategies: Mandate — vision, mission and values; Stewardship; Leadership Development; Learning Organization; Workforce Planning; and Organizational Wellness.

For full details on the ministry's Human Resource Strategy, please refer to the Human Resources Plan overview at the end of the service plan.

Related Initiatives and Planning Processes

Deregulation and Regulatory Reform

The Ministry of Forests will continue to review its legislation to look for further regulation reduction and reform opportunities. The table below outlines the ministry's commitment to maintain its June 2004 baseline over the next three years.

Objective	Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target	2007/08 Target
0% increase to regulatory burden — Maintain regulatory requirements at June 2004 baseline	Number of regulatory requirements	8,551	8,568 (June 2004 baseline)	8,568 (0% increase)	8,568 (0% increase)	8,568 (0% increase)

Overview of Human Resource Plan

The ministry's Human Resources Plan overview is available on the ministry website at: <http://www.for.gov.bc.ca/mof/hrpoverview/>.

Information Resource Management Plan

The ministry's Information Resource Management Plan overview is available on the ministry website at: <http://www.for.gov.bc.ca/mof/irmoverview/>.

Section B: Housing

Core Business Areas

While the core business for the Housing Department is housing and homelessness, for practical purposes the department has divided the business into three functional units.

1. Housing Policy

The department provides provincial housing policy advice to government on ways to address housing need along the housing continuum from homelessness to homeownership. The role of housing policy is to identify the strategic points along the housing continuum where government support can assist British Columbians to meet their housing requirements. Working closely with BC Housing, special attention is paid to the area of most acute need found among low income British Columbians who have special housing and support needs.

2. Building and Safety Policy

The department provides policy advice on British Columbia's building regulatory system to advance building safety in the province and to manage existing and emerging technical and building policy issues. As the administrators of the BC Building and Fire Codes, the department focuses on the development, maintenance and application of these regulations, and acts as the secretariat to the BC Building Code Appeal Board.

Increased public safety and reduction in loss of life, injury and property damage are of paramount importance to government. The department also provides policy and regulatory advice in the areas of electrical products and systems, gas, elevating devices, boiler and pressure vessel products, works and systems, and railways. As well, the department manages the administrative agreements with delegated authorities under the *Safety Standards Act*.

3. Residential Tenancy Office

Approximately 36 per cent of households in BC rent their homes. The Residential Tenancy Office works to promote a positive relationship between landlords and tenants by providing both groups with information on their rights and responsibilities under the *Residential Tenancy Act*. The Office also assists landlords and tenants to resolve concerns by providing

dispute resolution services including arbitrations. There are three offices in Vancouver, Victoria and Kelowna with a total staff complement of 50 full-time equivalents.

The Housing Department has responsibility for the following legislation:

- *Building Officials' Association Act*
- *Commercial Tenancy Act*
- *Community Charter* (Part of) s. 9 (1) (d)
- *Fire Services Act* (Part of) s. 47 (2) (g) (h)
- *Homeowner Protection Act*
- *Local Government Act* (Part of) s. 692, 693
- *Manufactured Home Park Tenancy Act*
- *Ministry of Lands, Parks and Housing Act* (s. 5, 8.1 and 10)
- *Railway Safety Act*
- *Railway Act* (s. 14–25)
- *Rent Distress Act*
- *Residential Tenancy Act*
- *Safety Standards Act*
- *Safety Authority Act*
- *Shelter Aid for Elderly Renters Act*

Resource Summary

Core Business Areas	2004/05 Restated Estimates ¹	2005/06 Estimates	2006/07 Plan	2007/08 Plan
Operating Expenses (\$000)				
Housing and Homelessness.....	190,311	207,701	206,169	213,430
Total	190,311	207,701	206,169	213,430
Full-time Equivalents (FTEs)				
Housing and Homelessness.....	117	96	96	96
Total	117	96	96	96
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Housing and Homelessness	759	556	135	135
Total	759	556	135	135

¹ These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the September Update 2005 *Estimates* 2005/06. Schedule A of the 2005/06 *Estimates*, presents a detailed reconciliation.

Strategic Context

Vision, Mission and Values

Vision

Safe and stable housing for all British Columbians.

Mission

To provide leadership in meeting the housing needs of all British Columbians by enabling a range of housing choices.

Values

The Housing Department is an organization guided by the following values:

- We value the importance of housing as a home — the foundation on which to build a healthy life and a sustainable community.
- We value innovation and excellence in the work we do and are accountable to ourselves and ultimately to the citizens of British Columbia.
- We value strong working relationships built on open communication and shared understanding that inspires trust and confidence.
- We value integrated services and partnerships that optimize resources and improve the well being of our clients and stakeholders.
- We value the people we work with and the people we serve, respecting diversity and treating everyone fairly and with dignity.

Planning Context and Key Strategic Issues

Housing need and the provincial government's response can be viewed as a continuum. At one end are people who cannot house themselves without some form of government assistance. At the other end are people who can adequately house themselves in the private housing market. The continuum spans low- to high-income, homelessness to homeownership, dependence to self-sufficiency. Government housing assistance is strategically designed to promote movement towards self-sufficiency and homeownership. Underlying the continuum are foundational elements including the BC Building Code, the *Homeowner Protection Act* and the *Residential Tenancy Act*. These governing elements contribute to consumer protection and the safety and stability of our housing.

The vast majority of British Columbians are housed successfully in BC's private housing market. According to BC Stats, approximately 36 per cent of BC households are renters and 64 per cent are homeowners. Even with the rising cost of renting and homeownership in BC's larger urban centres, the private market is adequately meeting the housing need of approximately 85 per cent of BC's population.

For the remaining 15 per cent however, housing need is very real and the challenges to address that need are significant.

- According to the June 2005 RBC Financial Group's Housing Affordability Study, housing in some areas of BC is the most expensive in the country, and the gap between what people are earning and the cost of housing is growing. Greater Vancouver has the highest prices and worst affordability index in Canada. Creeping interest rates and scarcity of land are factors in making home ownership too costly for the average family. The affordability issue is forecast to worsen.
- BC's current building boom, coupled with an aging workforce, is resulting in a shortage of skilled labour in the housing and construction sectors. This has an impact on the cost of construction and ultimately housing affordability.
- Recent counts of homeless populations in Vancouver, Victoria, Kelowna and the Fraser Valley suggest the number of homeless is increasing. Families and the "working poor" have joined people with mental illness and addictions evident in the homeless populations.
- Demographic trends point to a growing seniors population with fixed incomes and a need for housing with supports. The number of senior-led households is expected to increase by over 60 per cent from 246,000 in 2001 to 397,418 by 2021 based on estimates published by BC Stats under P.E.O.P.L.E Projection 29.
- Very few new rental units are being built in the private market, and those that are, do not fall into the affordable housing category. CMHC reports only 934 purpose-built rental housing units under construction in BC in 2004.

These are the challenges that the new Housing Department is tasked with addressing. Its mandate is to provide leadership in housing and to develop and implement a comprehensive provincial housing strategy. To achieve this mandate, the integration of services and the building of partnerships with local and federal governments and with the private and non-profit sectors are paramount to success.

Goals, Objectives, Strategies and Results

Ministry Goals and their Linkage to Government's Five Great Goals

In order for British Columbians to have safe and stable housing, the Housing Department provides leadership in creating a range of housing choices that spans the housing continuum and meets the needs of the province's most vulnerable citizens. The linkage between the Housing Department's mandate and two of government's Five Great Goals — (1) build the best system of support in Canada for persons with disabilities, special needs, children at risk, and seniors and (2) lead the way in North America in healthy living and physical fitness — is displayed in the following Ministry Service Plan Summary.

Service Plan Summary

Five Great Goals	Housing Department		
	Department Goals	Department Objectives	Performance Measures /Indicators
<p>1. Build the best system of support in Canada for persons with disabilities, special needs, children at risk, and seniors.</p> <p>2. Lead the way in North America in healthy living and physical fitness.</p>	<p>1. BC's most vulnerable citizens have access to short and long term social housing.</p>	<p>1. Housing and support services are integrated and targeted to those in greatest need.</p>	<ul style="list-style-type: none"> Develop a comprehensive provincial housing strategy. Percentage of tenants belonging to assisted priority groups. Number of frail and low income senior households assisted through housing programs.
		<p>2. Individuals in need have access to safe emergency shelter.</p>	<ul style="list-style-type: none"> Percentage of available shelter beds accessed.
	<p>2. Low and moderate income households have an expanded range of housing options.</p>	<p>1. Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities.</p>	<ul style="list-style-type: none"> Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques.
		<p>2. Partnership opportunities that explore innovation in housing are promoted and supported.</p>	<ul style="list-style-type: none"> TBD
		<p>3. Senior renters can afford to continue living independently in their own homes.</p>	<ul style="list-style-type: none"> TBD
	<p>3. Landlord and tenant relationships are improved.</p>	<p>1. Landlord and tenant disputes are resolved in a timely manner.</p>	<ul style="list-style-type: none"> Percentage of residential tenancy arbitrations scheduled to take place within 6 weeks or less. Percentage of residential tenancy disputes resolved without arbitration.
	<p>4. A safe built environment where the social, economic & safety interests of participants are balanced.</p>	<p>1. Policy and legislative frameworks maintain or enhance safety, health and accessibility in the built environment.</p>	<ul style="list-style-type: none"> Objective-based BC Building and Fire Codes adopted. Percentage of code users benefiting from objective-based BC Building and Fire Codes. Safety trends by sector are maintained or improved.
		<p>2. The building safety regulatory system is responsive to the changing needs of system participants.</p>	<ul style="list-style-type: none"> Prepare recommendations for modernizing and rationalizing the building safety regulatory system. Provide updated and improved technical regulations for minister's review annually.

While the core business area for the Housing Department is housing and homelessness, for practical purposes the department has divided the business into three functional units. Associated with each unit are specific goals and objectives as outlined below.

Housing Policy

Goal 1: *BC's most vulnerable citizens have access to short and long term social housing.*

The most acute need for housing is found among low income people who have special housing and support needs. Included in this group are people with mental or physical disabilities, the frail elderly, the homeless or those at risk of homelessness and individuals or families who have experienced domestic violence. Government's response to this group is not limited to housing, but also to providing health and other social supports. This group is often referred to as "the most vulnerable".¹ Research indicates that by providing adequate, stable and affordable housing to the most vulnerable, government can reduce its costs in health care and other social service areas.²

With the emphasis on fiscal sustainability, government housing assistance is shifting away from a broad-based approach with potential eligibility available for any low income household or person considered to be in Core Housing Need.³

The new approach stresses meeting the needs of our most vulnerable citizens. Housing resources would first and foremost be used to meet the needs of priority vulnerable groups. This focused approach requires increasing the transitional nature of social housing and developing programs to move social housing tenants along the housing continuum, from government dependence to self-sufficiency.

¹ The "**Most Vulnerable**" are defined as those individuals who have a low income and a special housing need that inhibits their ability to find appropriate housing in the private market. A **special housing need** refers to the requirement for accessibility modifications or provincially funded support services in order to live independently in the community.

² Eberle, Margaret, Deborah Kraus, Steve Pomeroy, and David Hulchanski. 2001. *Homelessness: Causes and Effects. Volume 3. The Costs of Homelessness in British Columbia*. Victoria: Ministry of Social Development and Economic Security.

³ **Core Housing Need** is the national standard that measures housing need. Canadian households are considered to be in core housing need if they do not live in and could not access housing that is in adequate condition and of suitable size without paying more than 30 per cent of gross household income.

Objective 1: *Housing and social support services are integrated and targeted to those in greatest need.*

Integration of housing services, supports and resources is required to improve people's graduated independence along the housing continuum from temporary shelters — to transitional housing — to supportive or permanent housing.

Recent research indicates that the most effective approach to addressing homelessness is the "continuum of care" model. The model emphasizes the delivery of supportive housing with integrated support services. Benefits are not only better health and personal outcomes for homeless people but also avoidance of higher cost institutional services (i.e., hospitals, emergency health services and correctional facilities).

With the shift to serving BC's most vulnerable citizens first in subsidized housing, linking housing with other social supports has become increasingly important. This shift will require clearly defined roles and responsibilities as well as new working relationships among the partners supporting vulnerable subsidized housing tenants. Partnership strategies and initiatives are key to ensuring the availability of appropriate programs and services.

Performance Measures:

1. *Develop a comprehensive provincial housing strategy* — The development of a comprehensive provincial housing strategy will assist government to understand its role and responsibilities, identify and mitigate housing gaps, and help ensure a safe and stable housing system. To be completed by spring 2006.

2. *Percentage of tenants belonging to assisted priority groups* — Current priority groups include frail seniors, persons with physical or mental disabilities, and individuals who are homeless or at risk of becoming homeless, including women with their children fleeing abuse. The target reflects the number of households currently living in subsidized housing or receiving assistance in the private market that come from one of the designated priority groups who face a combination of challenges in addition to low income. The percentage of households assisted from one of the designated priority groups will continue to increase as existing units turn over and new units reach completion.

3. *Number of frail and low income senior households assisted through provincial housing programs* — Demonstrates the provinces commitment to meeting the needs of frail and low income seniors by reporting on the number of senior households assisted through the Independent Living BC program and existing housing resources.

Performance Measures	Benchmark	2005/06 Target	2006/07 Target	2007/08 Target
Percentage of tenants belonging to assisted priority groups*	80 %	82 %	84 %	86 %
Number of frail and low income senior households assisted through provincial housing programs*	33,300	34,800	35,800	36,600

*Data source: BC Housing. The targets related to this measure will be revised to include the effect of the SAFER program enhancements included in the BC Budget. It is expected that additional information to update this target will be available in the next Service Plan.

Objective 2: *Individuals in need have access to safe emergency shelter.*

Homelessness is a serious issue faced by some British Columbians. As a first step in addressing the needs of the homeless, government provides emergency shelter bed funding to community agencies to assist individuals who are temporarily without accommodation. Funding provides for year-round beds and is enhanced during the winter months, when additional beds are needed most.

The economic and social cost of homelessness to Canadian communities is extremely high. Recent research in British Columbia estimates the cost of homelessness at \$30,000 to \$40,000/person for one year.⁴ The IBI Group estimates that the societal cost of homelessness in Canada is approximately \$1.4 billion per year.⁵ The greatest expenditures are in health care, criminal justice, social services and shelters. Ensuring vulnerable populations have access to secure housing and support services at an early stage reduces the demand and costs on institutional and emergency support systems.

Performance Measure:

Percentage of available shelter beds accessed — Measuring success in alleviating homelessness is very difficult because of the transient nature of the population and the lack of information collected. This measure allows government to track emergency shelter bed usage and will help ensure resources are allocated where they are needed most.

⁴ Eberle, Margaret, Deborah Kraus, Steve Pomeroy, and David Hulchanski. 2001. *Homelessness: Causes and Effects. Volume 3. The Costs of Homelessness in British Columbia*. Victoria: Ministry of Social Development and Economic Security.

⁵ IBI Group. 2003. "Societal Cost of Homelessness". Prepared for the Edmonton Joint Planning Committee on Housing and the Calgary Homelessness Foundation.

Performance Measure	2005/06 Target	2006/07 Target	2007/08 Target
Percentage of available shelter beds accessed.*	Baseline established	TBD	TBD

*Data source: BC Housing.

Goal 2: *Low and moderate income households have an expanded range of housing options.*

Affordable rental housing in the private market is becoming increasingly scarce, particularly in Greater Vancouver and Victoria. The Vancouver CMA⁶ vacancy rate is 1.3 per cent with Victoria’s CMA vacancy rate even lower at 0.6 per cent.⁷ This is due primarily to the lack of new affordable housing supply, coupled with a booming economy and an in-migration of workers.

There is minimal construction and investment in affordable rental housing in the private market and those units being added are in the higher rent ranges. Evidence suggests that in spite of the high levels of demand, market rent levels are below the levels required to generate a reasonable return on investment.

Investor-owned condominiums and secondary suites in new and existing homes are areas where affordable rental housing is still growing. Over the past few years, the province has worked closely with local governments to promote the development of affordable market rental housing and permissive secondary suite bylaws and this work will continue.

To enhance affordability and increase housing options, tools, guides and workshops are developed in partnership with local governments, non-profit housing providers and industry. Planning guides assist with addressing a number of housing issues: secondary suite programs, community planning initiatives, design guidelines, financial incentives and land use planning and zoning tools. Legislation has been introduced to allow developers access to purchasers’ deposit monies if those monies are appropriately insured. By lowering development costs, it is expected that the consumer will benefit.

As well, benefits under the Shelter Aid for Elderly Renters (SAFER) program need to keep pace with rising rents in the private rental market in many parts of the province. Out-of-date rent ceilings have meant that a large percentage of low income seniors in high cost areas were not eligible to receive maximum benefits under the program and faced significant housing affordability problems. In areas where land costs have risen dramatically, seniors who own manufactured homes found that rent for the land on which their homes sit in

⁶ CMA = Census Metropolitan Area

⁷ CMHC Rental Market Report, BC Highlights October 2004 Survey.

manufactured home parks was consuming a large percentage of their limited incomes. Enhancing the SAFER program will help senior renters to continue living independently in their own homes.

Objective 1: *Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities.*

The ability to impact market housing affordability is limited. Local governments are best placed to improve the affordability of market housing through innovative planning and development practices. The province is committed to improving access to information on best practices in this area.

As part of an educational strategy, the department is working with local governments and industry stakeholders to develop and deliver customized workshops on improving market housing affordability. Best practices, case examples, and break-out sessions allow participants to delve more deeply into what has worked in other municipalities and the suitability of replication.

Every three years starting in 1996, the province has surveyed all local governments to measure the use of planning tools that promote housing affordability. The results of the survey are summarized and published, and are useful for local governments to describe advances in planning for housing affordability.

Performance Measure:

Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques — Use of these tools indicates local governments are enhancing their capacity and moving toward the goal of improved housing affordability.

Performance Measure	Benchmark	2005/06 Target	2006/07 Target	2007/08 Target
Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques.*	69.9%	N/A	75%	N/A

*Data Source: survey completed every three years.

Objective 2: *Partnership opportunities that explore innovation in housing are promoted and supported.*

Land use patterns dictate the character of communities in BC and the costs of infrastructure and servicing development. Land use patterns are planned by local governments and built by private individuals and corporate sector interests.

Partnerships between those who plan and those who invest have the potential to result in better decisions for local governments, which also benefit provincial areas of interest such as housing affordability.

The provincial government can serve as a catalyst for innovation by acting in partnership with local governments and other housing participants. Projects include the study of the potential introduction of Location Efficient Mortgages, as well as developing building regulations for repurposing existing buildings. In addition, the Homeowner Protection Office supports, through partnerships, a number of industry research initiatives.

Performance Measure:

TBD. This measure will be reported in the 2006/07 Service Plan.

Objective 3: *Senior renters can afford to continue living independently in their own homes.*

To account for the large variations in rent in different parts of the province, SAFER program rent ceilings need to be updated to reflect the costs of homes available for rent to low income households. Updated rent ceilings will raise average benefit levels for many seniors, significantly increase the number of eligible seniors, improve fairness, and help to improve the system of support for seniors. Because manufactured homes are a viable and affordable housing option for many seniors, the SAFER program will be expanded so that rent paid for manufactured home sites is also eligible for assistance. Once the changes are in place and newly eligible beneficiaries apply for the program, spending on SAFER is expected to approximately double.

Performance Measure:

TBD. This measure will be reported in the 2006/07 Service Plan.

Residential Tenancy Office

Goal 3: *Landlord and tenant relationships are improved.*

The Residential Tenancy Office provides landlords and tenants with information and dispute resolution services, including arbitration services.

The residential tenancy arbitration system is, by nature, adversarial. This process frequently does not contribute to the Residential Tenancy Office's objective of promoting "harmonious landlord/tenant relationships". Mediation and other forms of alternative dispute resolution may, in many circumstances, provide a better resolution for both parties than would an arbitration decision.

At present there are limited consumer protections available for tenants who live in assisted living tenancies. The application of provincial legislation to supportive housing is generally determined in arbitration on a case by case basis. An arbitration system to resolve landlord/tenant disputes is not well suited to either tenancy arrangement as many of the tenants are particularly vulnerable.

There are a number of models for dispute resolution, including mediation, investigation and statutory decision making, and joint solution resolution. The department will work to ensure that vulnerable peoples have an appropriate consumer protection regime to rely upon for tenancy related disputes.

Objective 1: Landlord and tenant disputes are resolved in a timely manner.

An important objective of the department is an effective residential tenancy system where landlord-tenant disputes are resolved in a timely manner. Key strategies to meet this objective include improving the quality of residential tenancy information, and providing information and services efficiently through systems improvement. With improved access to and quality of residential tenancy information, parties are more likely to resolve disputes, thereby reducing demand on the arbitration system. This improves access for those parties who remain in dispute. Improved information resources help to ensure that parties in dispute are better prepared for arbitration.

Performance Measures:

1. Percentage of residential tenancy arbitrations scheduled to take place within six weeks or less — This measure reflects the ability of government to meet the statutory time limits for arbitration. The more quickly disputes are resolved, the better the rental market can function.

2. Percentage of residential tenancy disputes resolved without arbitration — This measure reflects our ability to resolve disputes using non-adversarial techniques. These techniques are more cost-effective and timely.

Performance Measures	Benchmark	2005/06 Target	2006/07 Target	2007/08 Target
Percentage of residential tenancy arbitrations scheduled to take place within six weeks or less*	92 %	92 %	93 %	94 %
Percentage of residential tenancy disputes resolved without arbitration*	N/A	TBD	TBD	TBD

Data Source: Residential Tenancy Office System.

Building and Safety Policy

Goal 4: *A safe built environment where the social, economic and safety interests of participants⁸ are balanced.*

The department is responsible for the adoption of various codes and standards relating to the system by which building safety is achieved. The new BC Building and Fire Codes will be adopted by the province in 2006.

Through administrative agreements, the BC Safety Authority and ten local governments are delegated responsibility for compliance monitoring under the *Safety Standards Act*. Municipalities are authorized to enforce the BC Building and Fire Codes under the *Local Government Act* and the *Fire Services Act*.

Objective 1: *Policy and legislative frameworks maintain or enhance safety, health and accessibility in the built environment.*

Rapid technological change and innovation will continue to have implications for building safety and the regulatory environment. Modern and flexible building safety legislation is key to an efficient and effective safety system. The department must undertake regular reviews of the policy and legislative framework. This will help ensure the system provides sufficient flexibility for stakeholders to implement the latest technologies, while maintaining or enhancing safety, health and accessibility.

However, even with modern legislation and a flexible delivery system, no system is failsafe. Human error alone will result in incidents. The department will monitor these incidents, including investigations into cause, and where appropriate, implement changes. Indicators are being developed by the BCSA to report on incidents, injury and deaths in the safety sector.

In addition, regulations, codes and standards will be developed to enable innovation and create efficiencies by harmonizing with other jurisdictions. The next editions of the BC Building and Fire Codes will be published in an objective-based code format. This provides the rationale behind the regulation and enables greater flexibility in its application.

⁸ System participants include building owners, developer/builders, designers, the building trades, the safety trades, developers of codes and standards, insurance & incident investigators, industry associations, local, provincial and national governments, social housing providers, etc.

Performance Measures:

1. **Objective-based BC Building and Fire Codes⁹ adopted** — The new codes will enhance the ability of the construction industry to adopt innovative building techniques while achieving the same level of safety. To be adopted in 2006.
2. **Percentage of code users benefiting from objective-based BC Building and Fire Codes** — Stakeholders will be surveyed to measure whether the new codes achieve their objectives of maintaining safety while allowing greater flexibility for users. The survey will be conducted three years after the codes have been adopted to allow time for users to assess its effectiveness.
3. **Safety trends by sector are maintained or improved** — The BC Safety Authority, through its delegation agreement, is charged with maintaining or improving safety outcomes. This measure assesses the performance of the province’s technical safety framework in achieving acceptable public safety outcomes.

Performance Measures	Benchmark	2005/06 Target	2006/07 Target	2007/08 Target
Percentage of code users benefiting from objective-based BC Building and Fire Codes.	N/A	N/A	N/A	Majority of users surveyed agree benefits were achieved.
Safety trends by sector are maintained or improved.*	N/A	Indicators refined and data collected.	Baseline 2005 data reported by the BC Safety Authority	Targets established

*Data Source: BCSA report on incidents, injury and deaths in the safety sector.

Objective 2: *The building and safety regulatory system is responsive to the changing needs of system participants.*

Active collaboration with a full range of stakeholders is essential to the development of sound and widely supported recommendations for a better-functioning system. Over the past year, stakeholders have been actively engaged in identifying opportunities for system improvement. This initiative, the Modernization Project, will result in recommendations for rationalizing and modernizing the building safety regulatory system. Implementation will span several years.

⁹ The BC Building Code and BC Fire Code are adopted by Minister’s Order as a regulation to the *Local Government Act* and *Fire Services Act*.

In April 2004, the *Safety Standards Act* consolidated four separate safety acts (electrical, gas, boiler and pressure vessel and elevating devices) into a modern, flexible regulatory structure. However, individual safety regimes for these technologies will benefit from further improvements in the regulations. Working with stakeholders and the BCSA, this work is expected to be accomplished over the coming years.

Performance Measures:

1. Prepare recommendations for modernizing and rationalizing the building safety regulatory system — The construction industry has called for a unified and consistent regulatory approach by government in all aspects of the building sector. In response, government has been working with key organizations to examine the efficiency and effectiveness of existing regulations.

The Modernization Project will make preliminary recommendations to the Minister in the fall of 2005 for improvements based on a review of the system as a whole. These recommendations may include proposals for legislative, operational or administrative change.

2. Provide updated and improved technical regulations for minister's review annually — Discussions with the BCSA and a broad range of stakeholders concerning improvements in consistency and flexibility are ongoing. Continuous improvement is essential to allow BC to benefit fully from changes in technology and industry practice.

Related Initiatives and Planning Processes

Deregulation and Regulatory Reform

The table below lists the department's most significant regulatory reform initiatives that aim to ensure that British Columbia's regulatory climate supports strong, safe and healthy communities.

Objective	Performance Measures	2004/05 Target	2005/06 Target	2006/07 Target	2007/08 Target
Improve flexibility and harmonization of legislation and policy.	Legislation reviewed for impacts on common sectors.	Acts/Codes under review: <i>Safety Standards Act</i> , Fire Code, Building Code	Review complete	Legislative/regulatory amendments enacted	Legislative/regulatory amendments enacted
Shift to objective-based regulation.	Legislative amendments, regulations enacted.	Codes under review: Building and Fire Codes	Review complete	Objective-based regulations enacted	N/A
Zero per cent increase in regulatory burden throughout 2005/06.	Regulatory requirements maintained at June 2004 baseline.	19,759 — June 2004 baseline	Zero per cent increase	Zero per cent increase	Zero per cent increase

Overview of Human and Information Resource Management Plans

Created in 2005, the Housing Department has assumed responsibility for programs previously undertaken across government. As such, Human and Information Resource Management Plans are undergoing revision and will be reported in the 2006/07 Service Plan.

Appendix

Forests and Range Glossary

Allowable Annual Cut (AAC) — The rate of timber harvest permitted each year from a specified area of land, usually expressed as cubic metres of wood per year.

Animal Unit Months (AUMs) — The unit by which forage or grazing capability of Crown range land is measured. It is 450 km of forage, which is the amount of forage required for one month by an average cow, aged six months or older.

Certification — The process of identifying forest products as those produced by organizations whose forest practices or management systems meet a set of defined voluntary certification standards, based upon independent assessments. Certification is intended to assure companies and consumers around the world that the forest products they purchase come from well-managed forests.

Criteria and Indicators — A criterion is a category of conditions or processes by which sustainable forest management may be assessed. An indicator is a measure of an aspect of the criterion. Those used in Canada are generally based on the Montreal Process initiated in 1994. This was an international meeting where criteria and indicators for the conservation and sustainable management of temperate and boreal forests were developed and agreed to internationally.

Defined Forest Area Management — Changing the volume-based forest management regime prevalent throughout much of the province, to defined forest areas, managed with key attributes of area-based tenures (e.g., Tree Farm Licences).

Discretionary Silviculture Activities — Silviculture activities that are not required by legislation. These may include backlog reforestation (areas harvested prior to 1987), reforestation activities on some areas burned by wildfire, and brushing, spacing, fertilizing and pruning.

Forest and Range Assets — All the forest and range resources on Crown land, including the water, soil, biodiversity, timber, forage, wildlife habitat, recreation, and scenic resources.

Forest Encroachment — Refers to the intrusion or establishment of a significant number of trees on grassland(s).

Forest Ingrowth — Refers to the process whereby previously open forest becomes more dense, and treed grasslands become more densely covered with young trees.

Forest Stand Management Fund — This account was originally established as a fund by the *Forest Stand Management Fund Act, 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 legislation; penalties levied in accordance with 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, for the costs of investigating contravention of legislation, for fire suppression costs related to contraventions of 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.

Key Outcomes and Indicators — Key outcome indicators, represent key results related to an organization's goals, but that are often not directly attributable to their business activities. Logic models are used to link outcomes to business activities. Because they measure societal, land base or stakeholder results or changes in conditions or behaviours, the accountability for these key outcomes and indicators cannot be solely attributed to the Ministry of Forests.

Non-Industrial Use Forest Service Road Maintenance Standards — Include user safety maintenance activities such as road surface maintenance and sight line brushing as well those activities required for the protection of the environment. User safety maintenance activities will be commensurate with the types of vehicles and pattern of use.

Provincial Forest Land-base — Crown land designated by the *Forest Act* (Section 5) as under the direct jurisdiction of the Ministry of Forests. This is generally equivalent to the Crown land area in TFL's, Woodlot Licences, and TSA's (excluding vacant Crown land).

Provincial Forest Resources — Means the resource elements of water, soil, air, and biodiversity (genetic, species and ecosystem) and the resource values associated with provincial forests including, without limitation, timber, forage, wildlife, fish, botanical forest products, cultural heritage resources, visual quality, resource features, and recreation resources.

Sustainable Forest Management (SFM) — SFM, as defined by the Canadian Council of Forest Ministers is: "To maintain and enhance the long-term health of our forest ecosystems, for the benefit of all living things both nationally and globally, while providing for environmental, economic, social and cultural opportunities for the benefit of present and future generations."

Timber Supply Area (TSA) — Land designated under the *Forest Act* that is managed for sustainable timber harvest, as determined by an allowable annual cut. There are currently 37 TSAs in British Columbia.