Ministry of Environment and Climate Change Strategy and the Environmental Assessment Office

2017/18 Annual Service Plan Report



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Minister's Message and Accountability Statement

I am pleased to present the *Ministry of Environment and Climate Change Strategy and the Environmental Assessment Office 2017/18 Annual Service Plan Report.*

The Ministry worked diligently in 2017/18 to make life more affordable; deliver the services people count on; build a strong, sustainable, innovative economy that works for everyone; and rebuild public trust in our oversight, policies and engagement. I am proud to highlight some of the key actions taken to protect B.C.'s environment.

On May 31, 2018, the *Climate Change Accountability Act* received royal assent, replacing the previous *Greenhouse Gas Reduction Targets Act*. By setting 2030 and 2040 emissions targets, it lays the foundation for a renewed climate action strategy to be developed in consultation with our new Climate Solutions and Clean Growth Advisory Council, and is expected to be released in fall 2018. The Council includes representation from Indigenous groups, environmental organizations, industry, academia, labour and local government.

Recently, government submitted a reference question to the B.C. Court of Appeal to affirm its right to protect British Columbians, our coast and tens of thousands of jobs from the threat of a spill of heavy oil by rail or pipeline. We have a responsibility to ensure every measure to reduce risks is in place, and that those responsible for spills are held accountable for fixing any environmental damage they cause. As part of that responsibility, in October 2017 we brought into effect the first phase of regulations to increase spill preparedness, response and accountability for transporters of liquid petroleum products in B.C. Work on the second phase is already under way, including public engagement which ran from February through March 2018.

Another important initiative is the review of B.C.'s environmental assessment process. A revitalized environmental assessment process will advance reconciliation with Indigenous communities, enhance public confidence and transparency, as well as ensure meaningful participation. Public discussion and consultation will continue through the spring and summer, and changes to the environmental assessment process are expected in late fall 2018.

The Ministry of Environment and Climate Change Strategy and the Environmental Assessment Office 2017/18 Annual Service Plan Report compares the Ministry's actual results to the expected results identified in the Ministry of Environment and Climate Change Strategy and the Environmental Assessment Office 2017/18 - 2019/20 Service Plan created in September, 2017. I am accountable for those results as reported.

Honourable George Heyman

Minister of Environment and Climate Change Strategy

June 20, 2018

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Purpose of the Ministry

The Ministry of Environment and Climate Change Strategy is responsible for the protection, management and conservation of B.C.'s water, land, air and living resources. It administers the province's parks and protected areas; monitors and enforces compliance with environmental laws and regulations; manages discharges to the environment from human activities; and protects B.C.'s biodiversity, ecosystems, native species and natural habitats. It mitigates and manages the risks and consequences from climate change, including developing plans to meet carbon pollution reduction targets; responds to the impact of climate change; and oversees provincial environmental assessment. The Ministry delivers services directly through staff based in regional offices across the province, as well as through partnerships and agreements with stakeholder groups, local governments, Indigenous groups and the federal government.

The Climate Action Secretariat (CAS) coordinates government's efforts to reduce B.C.'s contribution to greenhouse gas emissions in accordance with legislated targets; and prepare for, and adapt to, the expected changes in our natural and built environment as a result of climate change. CAS also administers the <u>Greenhouse Gas Industrial Reporting and Control Act</u> and the <u>Climate Change Accountability Act</u>.

The Environmental Assessment Office (EAO) administers the environmental assessment (EA) process as defined in the *Environmental Assessment Act*, which requires proposed major projects to be assessed for potentially significant adverse environmental, social, economic, health and heritage effects. The EAO seeks to meaningfully engage the public and Indigenous groups in the EA process and is responsible for overseeing compliance and enforcement of reviewable projects throughout the life of the project. Additional information regarding the EA process can be found on the <u>EAO</u> website.

Strategic Direction

In September 2017, the new government announced its priorities with three key commitments to British Columbians:

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

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

In the 2017/18 – 2019/20 Service Plan the Ministry provided a series of objectives and performance targets from the Minister's Mandate Letter designed to further the key commitments of government. Those objectives and performance targets include:

• Renew the Climate Leadership Team within the first 100 days of the Minister's mandate;

- Implement a comprehensive climate-action strategy that provides a pathway for B.C. to prosper economically while meeting carbon pollution reduction targets, including setting a new legislated 2030 reduction target and establishing separate sectoral reduction targets and plans;
- Work with the Minister of Finance to implement an increase of the carbon tax by \$5 per tonne per year, beginning April 1, 2018 to meet the federal government's carbon-pricing mandate, and take measures to expand the carbon tax to fugitive emissions and to slash-pile burning;
- Revitalize the environmental assessment process and review the professional reliance model to ensure the legal rights of Indigenous groups are respected, and the public's expectation of a strong, transparent process is met;
- Employ every tool available to defend B.C.'s interests in the face of the expansion of the Kinder Morgan pipeline, and the threat of a seven-fold increase in tanker traffic on B.C.'s coast; and
- Enact an endangered species law and harmonize other laws to ensure they are all working towards the goal of protecting our beautiful province.

Operating Environment

During 2017/18, work began on a number of key priorities, including planning for new species at risk legislation, revitalizing the environmental assessment process, reviewing the professional reliance model, creating the Climate Solutions and Clean Growth Advisory Council, drafting legislative amendments to update the Province's greenhouse gas reduction targets, working with the Ministry of Finance to implement the carbon tax increase, and implementing regulations to increase spill preparedness, response and accountability for transporters of liquid petroleum products in B.C.

BC Parks continues to assess the impacts of the 2017 wildfires which directly impacted BC Parks' operations. This includes further evaluating the effects of lost camping revenues, campsite cancellations, and fire damage to 40,455 hectares of parks and protected areas. At this time, not all impacts are known as many parks and protected area locations that were burned are inaccessible and have not been inspected. The loss of park facilities in the front country is expected to be low with most of the impacts affecting backcountry facilities. BC Parks is conducting further impact assessments on the ground to determine what park-specific recovery plans are required.

British Columbia's real GDP increased by 3.9 per cent in 2017 (according to preliminary GDP by industry data from Statistics Canada), the second strongest growth among provinces. Employment in B.C. grew by 3.7 per cent in 2017, its fastest annual pace since 1994. Consumer spending was strong for a fourth consecutive year as retail sales were supported by strong employment growth, increased tourism, high consumer confidence and relatively low interest rates. B.C.'s housing market saw elevated levels of construction activity in 2017, with the highest number of annual housing starts in data going back to 1955. B.C. manufacturing shipments and exports expanded in 2017 as goods exports to both the United States and the rest of the world increased.

Report on Performance

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

Objective	Actions Taken Up to March 31, 2018			
Objective 1 - Renew the Climate Leadership Team within the first 100 days of receiving our mandate	 The Climate Solutions and Clean Growth Advisory Council was <u>announced</u> on October 23, 2017, meeting the 100 day target to renew the Climate Leadership Team. The Council has met three times and has provided their <u>first advice to government</u>. 			
Objective 2 - Implement a comprehensive climate-action strategy that provides a pathway for B.C. to prosper economically while meeting carbon pollution reduction targets, including setting a new legislated 2030 reduction target and establishing separate sectoral reduction targets and plans	 Work began on a climate-action strategy, which is scheduled to be released in fall 2018. Legislation was drafted to set new provincial greenhouse gas emission reduction targets of at least 40% below 2007 emission levels by 2030 and at least 60% below 2007 emission levels by 2040. It empowers the Minister to establish sector reduction targets, and received royal assent on May 31, 2018. 			
Objective 3 - Work with the Minister of Finance to implement an increase of the carbon tax by \$5 per tonne per year, beginning April 1, 2018 to meet the federal government's carbon-pricing mandate. Take measures to expand the carbon tax to fugitive emissions and to slash-pile burning	 CAS worked with the Ministry of Finance to finalize the legislative amendments required to implement the four-year schedule of carbon tax rate increases. Carbon tax increases were announced in Budget 2017 and Budget 2018; a \$5/tonne increase came into effect on April 1, 2018. Measures to expand the carbon tax to cover fugitive emissions and slash-pile burning are currently under consideration. 			

Objective 4 - Revitalize the Environmental Assessment process and review the professional reliance model to ensure the legal rights of Indigenous groups are respected, and the public's expectation of a strong, transparent process is met

- A process for Environmental Assessment Revitalization and engagement with Indigenous groups and stakeholders was announced March 7, 2018, which includes direct engagement with Indigenous groups, industry, environmental assessment practitioners and environmental nongovernmental organizations.
- The Environmental Assessment Advisory Committee was established to independently review and make recommendations on the environmental assessment process; it began meeting in March 2018.
- The EAO worked directly with the BC First Nations Energy and Mining Council, which led four regional workshops with Indigenous groups and an all-province meeting between March and May 2018.
- The review of the professional reliance model in natural resource decision making was completed, including a compliance audit of professional associations; a review of 36 regulatory regimes that depend on professional reliance; a jurisdictional scan; and public, stakeholder, and Indigenous group engagement.

Objective 5 - Employ every tool available to defend B.C.'s interests in the face of the expansion of the Kinder Morgan pipeline, and the threat of a seven-fold increase in tanker traffic on our coast

- In August 2017, B.C. sought and was granted intervener status by the Federal Court of Appeal in order to defend B.C.'s coast, the environment and economic interests.
- In October 2017, the first phase of spill control regulations was brought into force to increase spill preparedness, response and accountability for transporters of liquid petroleum products in B.C.
- Public engagement was conducted on the second phase of regulatory development between February and March 2018.

Objective 6 - Enact an endangered species law and harmonize other laws to ensure they are all working towards the goal of protecting our beautiful province

• Between November 2017 and March 2018, the Ministry developed the B.C. Species at Risk public engagement website, which launched April 29, 2018. During that same period, planning took place for a series of meetings with Indigenous groups, which began in May and are scheduled to run through July. Planning also took place for a series of face-to-face stakeholder meetings, which were held in April 2018.

As committed to in the 2017/18 - 2019/20 Service Plan tabled in September 2017, the Ministry released fully developed objectives and performance measures in the Ministry's 2018/19 - 2020/21 Service Plan, tabled in February 2018.

Financial Report

Discussion of Results

New funding in 2017/18 was provided in support of capital spending and new initiatives, including the hiring of new park rangers, expansions to front country campsites, and the introduction of a community liaison program. Progress on campsite expansion was hampered by the impacts of the 2017 wildfires, and some planned expansion work was not able to be completed. Similarly, some Park Enhancement Fund projects experienced delays due to wildfires, resulting in the Ministry not being able to fully utilize increased revenues from the first full year of the highly successful BC Parksbranded license plates.

Additional funding for B.C.'s mussel defence program supported increased activity to keep invasive zebra and quagga mussels out of the province's fresh water systems and water infrastructure. This increased funding provided for the addition of new monitoring stations, as well as the ability to keep monitoring stations open for longer periods of time in some areas.

Expanded land-based spill response program development and increased resourcing for the Climate Action Secretariat were funded through access to the Contingencies and New Program vote. Additional recoveries from the Sustainable Environmental Fund provided increased funding to help achieve Ministry goals.

Financial Report Summary Table

	2017/18 Estimated	Other Authorizations ¹	Total Estimated	Actual	Variance	
Operating Expenses (\$000)						
Environmental Protection	11,531	2,085	13,616	14,125	509	
Environmental Sustainability	22,730	0	22,730	21,970	(760)	
BC Parks	49,266	0	49,266	47,799	(1,467)	
Conservation Officer Services	15,476	0	15,476	18,655	3,179	
Climate Action	16,535	783	17,318	17,318	0	
Executive and Support Services	23,069	0	23,069	21,608	(1,461)	
Park Enhancement Fund	3,675	355	4,030	4,030	0	

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

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Sustainable Environment Fund	18,935	1,500	20,435	20,435	0	
Sub-Total	161,217	4,723	165,940	165,940	0	
Adjustment of Prior Year Accrual ²	0	0	0	(380)	(380)	
Total	161,217	4,723	165,940	165,560	(380)	
Ministry C	apital Expend	litures (Consolida	ted Revenue Fu	nd) (\$000)		
Executive and Support Services	22,085	7,670	29,755	29,755	0	
Park Enhancement Fund	400	0	400	146	(254)	
Total	22,485	7,670	30,155	29,901	(254)	
Other Financing Transactions (\$000)						
Climate Action: Greenhouse Gas Emissions Offsets (Purchase)						
Receipts	0	0	0	0	0	
Disbursements	10,000	0	10,000	10,000	0	
Net Cash Source (Requirements)	10,000	0	10,000	10,000	0	
Total Receipts	0	0	0	0	0	
Total Disbursements	10,000	0	10,000	10,000	0	
Total Net Cash Source (Requirements)	10,000	0	10,000	10,000	0	

² The Adjustment of Prior Year Accrual of \$0.38 million is a reversal of accruals in the previous year.

	2017/18 Estimated	Other Authorizations	Total Estimated	Actual	Variance	
Operating Expenses (\$000)						
Environmental Assessment Office	11,870	0	11,870	11,682	(188)	
Sub-Total	11,870	0	11,870	11,682	(188)	
Adjustment of Prior Year Accrual	0	0	0	0	0	
Total	11,870	0	11,870	11,682	(188)	

Appendix A: Ministry Contact Information and Hyperlinks

Headquarters

Phone: 250 387-9886

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Additional contact information can be found at

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Report all Poachers and Polluters

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Website: http://www.env.gov.bc.ca/cos/rapp/form.htm

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