

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

**2018/19
Annual Service Plan Report**



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Minister's Message and Accountability Statement



The *2018/19 Annual Service Plan Report* concludes another historic year for our Ministry and the Province of B.C. While still recovering from last year's unprecedented wildfires, our province survived another record-breaking wildfire season, with over 2,100 fires burning 1.35 million hectares of land. To keep British Columbians safe, we immediately took action on the recommendations of the government-commissioned, independent review of the 2017 wildfires and floods. As part of Budget 2018, we committed \$72 million over three years for wildfire prevention and recovery. This includes the new \$50 million Community Resiliency

Investment Program to help local governments and First Nations reduce wildfire risks around their communities.

The forest sector is a cornerstone of our economy, providing good jobs for more than 57,000 people in 140 communities around our province. In December 2018, we led the largest-ever B.C. Forestry Asia Trade Mission delegation (including over 40 senior forest sector representatives from industry, First Nations, research and labour) to South Korea and Japan to further develop markets for our province's wood products. In January 2019, we launched the Coast Forest Sector Revitalization Initiative, which includes policy changes to increase the processing of B.C. logs on the coast and to reduce wood waste by redirecting it to B.C.'s pulp and paper mills. This will help to maintain and expand domestic manufacturing, get more value out of every log, provide new opportunities for First Nations, and encourage innovation.

To give government more oversight of the forest sector, we made changes to the *Forest Act* and to the *Forest and Range Practices Act*. Forest companies will now need approval from government before they dispose of or transfer a tenure agreement to another party. This will help us ensure all British Columbians benefit from the forest industry, and allow for more opportunities for participation of First Nations and others. Amendments made to the *Forest and Range Practices Act* will create more frequent and reliable opportunities for public input and information sharing in forest planning.

As part of Budget 2018, we committed \$16 million over three years to modernize land-use planning in order to sustainably manage B.C.'s ecosystems, rivers, lakes, watersheds, forests and old growth. This first year has focussed on collaborating with Indigenous communities to ensure modernized land-use planning includes a shared vision for land management and stewardship that will advance reconciliation efforts, provide economic clarity that supports development opportunities, and enhance community well-being.

We are taking action to recover critical species at risk, including investing \$47 million towards the Caribou Recovery program. Provincial government biologists successfully moved three caribou from the South Selkirk area with the hope that they will join the Columbia-North herd, which has an estimated population of 147 animals. We are also providing \$14 million over three years to develop and implement a new wildlife management and habitat conservation strategy in 2020.

To help the province take more decisive action to conserve heritage and archaeology sites and objects, we made changes to the *Heritage Conservation Act*. The amendments also address First Nation's calls to do more to protect historic and cultural sites, and to act on our commitment to implement the United Nations Declaration on the Rights of Indigenous Peoples.

The *Ministry of Forests, Lands, Natural Resource Operations and Rural Development 2018/19 Annual Service Plan Report* compares the Ministry's actual results to the expected results identified in the *2018/19 – 2020/21 Service Plan* created in February 2018. I am accountable for those results as reported.



Honourable Doug Donaldson
Minister of Forests, Lands, Natural Resource Operations and Rural Development
June 27, 2019

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Purpose of the Annual Service Plan Report

The Annual Service Plan Report (ASPR) is designed to meet the requirements of the *Budget Transparency and Accountability Act* (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, the Minister is required to report on the actual results of the Ministry's performance related to the forecasted targets documented in the previous year's Service Plan.

Purpose of the Ministry

The [Ministry of Forests, Lands, Natural Resource Operations and Rural Development](#) (the Ministry) is the Province's agency responsible for land and resource management in British Columbia, including the protection of the Province's archaeological and heritage resources. Operating on a provincial land base of over 94 million hectares, the Ministry ensures the sustainable management of our forests, wildlife, water and other land-based resources, and works with Indigenous and rural communities to strengthen and diversify their economies. It is also responsible for wildfire management, and facilitates public access to a wide range of recreational activities such as hunting, fishing, and access to B.C.'s wilderness and backcountry. By providing services British Columbians can count on, a commitment to sustainable natural resource management, and through the advancement of new transformational initiatives, the Ministry supports activities that provide environmental, economic, cultural and social benefits to all British Columbians. This work directly contributes to the achievement of the Province's goals of reconciliation, clean growth and a strong, sustainable economy.

The Ministry oversees policy development, operational management and implementation, and administers all or part of over [63 statutes and associated regulations](#).

Strategic Direction

The strategic direction set by Government in 2017/18 and expanded upon in the [Minister's Mandate Letter](#) shaped the [2018/19-2020/21 Service Plan](#) and the results reported in this Annual Service Plan Report.

The following table highlights the key goals, objectives or strategies that support the key priorities of Government identified in the 2018/19 Ministry of Forests, Lands, Natural Resource Operations and Rural Development Service Plan:

| Government Priorities | The Ministry of Forests, Lands, Natural Resource Operations and Rural Development Aligns with These Priorities By: |
|---|--|
| Making life more affordable | <ul style="list-style-type: none"> • Socio-economic development that will result in thriving rural communities and support community objectives (Objective 5.1) |
| Delivering the services people count on | <ul style="list-style-type: none"> • Sustainable Natural Resource Management (Goal 1) • Resilience to Natural Hazards in a Changing Climate (Goal 3) • Excellence in Client Service Delivery (Goal 6) |

| | |
|-------------------------------|--|
| A strong, sustainable economy | <ul style="list-style-type: none"> • Sustainable Natural Resource Management (Goal 1) • Reconciliation with Indigenous People (Goal 3) • Revitalizing Forests and the Forest Sector (Goal 4) • Rural Development and Resilience (Goal 5) |
|-------------------------------|--|

Operating Environment

Impacts of climate change. Provincial policies aim to support the resilience and enhancement of key natural resource values, and most of these values are, and will continue to be, affected by the impacts of climate change. The Ministry’s challenge is to effectively manage the Province’s natural resources under these conditions, and ensure climate change considerations are integrated into all aspects of Ministry business. General trends in climate change across B.C. are well understood and are unfolding as expected, and the specific ecological impacts expected in any given location are becoming clear. Trends such as increasingly severe and complex wildfires, floods, landslides, droughts and outbreaks of pests continue to affect the provincial landscape and communities. The province has experienced two consecutive record-breaking wildfire seasons in 2017 and 2018. In 2018 alone, wildfires affected almost all regions of the province, with over 2,100 fires burning a record 1.35 million hectares of land.

In response, the Ministry worked to improve community resiliency and reduce the risk of disaster by taking clear and swift action on the government-commissioned, independent Abbott/Chapman report “[Addressing the New Normal: 21st Century Disaster Management in British Columbia](#)” on the 2017 wildfire and flood seasons. This Ministry has built partnerships with Indigenous and local communities to improve emergency preparedness and build local capacity and resources for disaster readiness, response and recovery. It has also expanded FireSmart funding and resources under the new \$50-million [Community Resiliency Investment Program](#) and continued to support community-led emergency planning. The Ministry is also working to meet (i) the mandate of its [2015-2020 Climate Change Strategy](#) and (ii) the commitments made in Government’s response to the Office of the Auditor General’s report on [Managing Climate Change Risks: An Independent Audit](#). Concurrently, in alignment with the goals of the Province in its [CleanBC strategy](#), the Ministry is realizing opportunities of B.C.’s forests for improved carbon sequestration and emissions reductions through the [Forest Carbon Initiative](#), and work with the [Forest Enhancement Society of British Columbia](#).

B.C.’s forest sector economy. B.C.’s forest sector is responsible for over \$14 billion of the province’s total exports and is the primary employer in many parts of the province. Forestry-related activities directly supported over 7,000 businesses and directly employed nearly 54,000 people in 2018. Challenges, for example a reduction in timber supply due to factors such as impacts of the mountain pine and spruce beetle infestations, increasing intensity and duration of wildfires, and ongoing trade disputes with the U.S., are affecting forest sector employment in logging, forestry services and manufacturing.

Supporting a strong economy for rural communities is a priority for the Ministry, especially for those that depend on the natural resource sector to employ their citizens and strengthen their economies. In January 2019, the Ministry launched the [Coast Forest Sector Revitalization Initiative](#), which aims to reverse the systemic decline that has taken place in the Coast forest

sector over the past two decades through implementation of a number of legislative, policy and regulatory changes. The Province continued work to maintain and expand access for B.C. forest products in existing and emerging markets such as Japan, South Korea and India. The Comprehensive and Progressive Trans Pacific Partnership (CPTPP), which came into effect in December 2018, offers new trade opportunities in the Asia Pacific for Canada and the other countries that have ratified it. The Ministry also continued to work closely with the federal government, other provinces and the forest industry on the softwood lumber trade litigation with the U.S.

Natural Resource Management. Supporting true and lasting reconciliation with Indigenous peoples, considering the impacts of climate change, and an increasing social interest in the management of Crown land and resources, are all factors that demand a more collaborative and sophisticated approach to resource management decisions in the province. Decision-makers must ensure that evolving case law regarding First Nations' interest in the land base is respected, as well as consider increased public interest and the needs of rural communities.

In 2018/19, the Ministry took action to increase opportunities for collaboration in the stewardship of B.C.'s land, natural and cultural resources. The Ministry worked with the Ministry of Indigenous Relations and Reconciliation, Indigenous peoples, communities and organizations to begin to modernize its approach to land-use planning, and is committed to the stewardship of natural resources in a way that fully reflects the diverse values and interests of British Columbians. To build public confidence and trust in resource management decisions, the Ministry continues to integrate policy with operational resource management, and use innovative, science-based information such as the Cumulative Effects Framework and integrated monitoring.

The Economy. British Columbia's real GDP increased by 2.4 per cent in 2018 (according to preliminary GDP by industry data from Statistics Canada), the third strongest growth among provinces. Employment in B.C. grew by 1.1 per cent, a slower pace compared to previous years. Labour market conditions tightened further, while growth in wages and salaries remained strong. Domestic spending slowed somewhat, reflected by slower growth in retail sales and further moderation in housing activity, particularly home sales. Residential construction was strong with housing starts well above the historical average. Meanwhile, foreign demand overseas helped to support solid growth overall in B.C.'s merchandise exports.

Report on Performance

The following section reports on the objectives and performance targets provided in the 2018/19 – 2020/21 Service Plan, along with the Ministry's achievements.

Goals, Objectives, Measures and Targets

The Ministry aligned its activities under the following six goals to achieve Government's priorities:

1. Sustainable Natural Resource Management
2. Reconciliation with Indigenous People
3. Resilience to Natural Hazards in a Changing Climate
4. Revitalizing Forests and the Forest Sector

5. Rural Development and Resilience
6. Excellence in Client Service Delivery

The seven selected performance measures gauge progress toward the Ministry goals and associated objectives as established for the 2018/19-2020/21 Service Plan.

Goal 1: Sustainable Natural Resource Management

The Ministry is dedicated to transparency in managing stewardship responsibilities in the best interest of citizens of the Province. The Ministry engages in equitable, respectful and effective communications to ensure all parties and Indigenous communities are informed and, where appropriate, engaged on actions and decisions in a timely manner.

Objective 1.1: Natural resource management that improves public confidence and trust in the stewardship of natural resources

This objective reflects a broad approach to stewardship, and identifies action that the Ministry is undertaking to increase public confidence in the Province's sustainable resource management, while contributing to job creation.

Key Highlights:

- Continued to engage with Indigenous governments, communities, and stakeholders to modernize provincial land-use planning. The Ministry identified priority planning projects, completed an initial draft of a land-use planning framework to be co-designed with Indigenous governments, and advanced policy guidance that will support land-use planning processes;
- Investing \$14 million over three years towards improving wildlife management and habitat;
- Took action to recover critical species at risk, including investing \$47 million over five years towards the Caribou Recovery program;
- Continued implementation of the *Water Sustainability Act*, including an extension to the licence application transition period for those who were using groundwater on or before February 29, 2016 for any non-domestic use (e.g. agricultural, industrial, commercial and institutional groundwater uses).

| Performance Measure | 2016/17 Actuals | 2017/18 Actuals | 2018/19 Target | 2018/19 Actuals | 2019/20 Target | 2020/21 Target |
|---|-----------------|-----------------|----------------|-----------------|----------------|----------------|
| 1.1 Percent of Natural Resource Officers' time spent on education, promotion, inspections, investigations, and enforcement. ^{1, 2} | 78% | 80% | 80% | 81% | n/a | n/a |

¹ **Data Source:** Ministry of Forests, Lands, Natural Resource Operations and Rural Development Natural Resource Information System

² This is the percentage of available time Natural Resource Officers carry out their core functions, but does not include general administration

Discussion:

This performance measure evaluates the percentage of time that Natural Resource Officers (NROs) spend delivering their core functions, which include education, promotion, inspections, investigations and enforcement to support a strong provincial economy, safeguard Government revenue, and protect the environment, social values and public safety of British Columbians. These core functions support Ministry efforts to achieve its objective to foster public confidence and trust in the stewardship of British Columbia's natural resources.

Compliance and Enforcement slightly exceeded its target in 2018/19, increasing by one percent over last year. This was due to continued efforts to improve business and system processes which ensure timely and accurate recording of NRO time spent on core functions. The Ministry continues to implement new tools and streamlined processes to increase field time for compliance and enforcement officers, while also making that time more effective and efficient. For example, the provincial Report All Poachers and Polluters line and the Natural Resource Violations Reporting decision-making tool together will continue to help identify the highest priorities for officers, and make their time in the field as effective as possible.

Officer time spent on education, promotion, inspections, investigations, and enforcement has increased steadily since the baseline year due to continued efforts to improve business and system processes, leading to less overall administration time for NROs. Both targets and results have now leveled off near 80%, in recognition that the NROs' work will continue to have a necessary administrative component. As such, this measure is in its final year of reporting and no longer carries forward in the current [2019/20-2021/22 Service Plan](#). The Ministry will continue to streamline processes to improve effectiveness, efficiency, and maximize NROs' time in the community.

Goal 2: Reconciliation with Indigenous People

This new goal in 2018/19 was developed in accordance with the Government's commitment to reconciliation with the Indigenous peoples of British Columbia, and the Ministry's focus on partnership, engagement, and collaboration. The Ministry is dedicated to supporting the Province's commitment to adopt and implement the principles of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and the Truth and Reconciliation Commission (TRC) Calls to Action.

Objective 2.1: Increased participation of Indigenous peoples in the work of the Ministry, and strengthened partnerships for the stewardship of natural resources and the natural resource economy

This objective articulates the Ministry's commitment to work closely with Indigenous peoples to ensure a stronger voice in the stewardship of land, natural resources and cultural resources, and build capacity for government-to-government collaboration.

Key Highlights:

- Introduced amendments to the *Heritage Conservation Act* that will strengthen the protection of archaeological sites and support Government's commitment to implement the UNDRIP;
- Worked with the Ministries of Agriculture, Indigenous Relations and Reconciliation and Attorney General, and First Nations to develop a government-to-government process to address conflict in the finfish aquaculture industry in the Broughton Archipelago. This was followed by work with industry to deliver recommendations that will protect and restore wild salmon stocks, allow an orderly transition plan for open-pen finfish for the Broughton Archipelago and create a more sustainable future for local communities and workers. Recommendations on specific tenures have been implemented and a broader implementation plan is now in place for the area;
- Established five collaborative stewardship forums with Indigenous peoples, covering 40% of the province and involving 33 Indigenous communities. Nineteen Indigenous community stewardship positions have been established to support this collaborative work and 18 projects have been initiated.

| Performance Measures | 2018/19 Target | 2018/19 Actuals | 2019/20 Target | 2020/21 Target |
|---|----------------|-----------------|----------------|----------------|
| 2.1a The number of policies that have been reviewed in collaboration with Indigenous communities. ¹ | 10 | 12 | 20 | 20 |
| 2.1b Number of programs or policies modified in response to collaboration with Indigenous communities. ² | 3 | 0 | 10 | 10 |

^{1, 2} **Data Source:** First Nations Relations Branch

Discussion:

New to the 2018/19 Service Plan, these measures (2.1a and 2.1b) evaluate Ministry efforts to expand and improve collaboration with Indigenous communities, through a progression beginning with policy reviews and resulting in policy changes reflecting these collaborative efforts. Targets are based on resourcing requirements, capacity of Indigenous communities and the Province, and on the results of Indigenous communities' engagement to determine which programs and policies are relevant to review.

In 2018/19, the Ministry began advancing a series of major policy and legislative initiatives in the natural resource sector. Collaboration with Indigenous communities and Indigenous led organizations has been and continues to be an integral part of this work. Through regionally accessible workshops, substantial policy direction was gained on the management of ancestral remains, forest policy objectives, economic development opportunities, and sustainable wildlife management. The Ministry engaged with Indigenous communities on 12 programs and policies to ensure that any potential changes the Ministry makes are in alignment with Indigenous Nations' priorities, UNDRIP and the TRC Calls to Action. The programs and policies reviewed include forest revenue sharing, protection and incorporation of Indigenous knowledge, wildlife

management, bio-economy opportunities, land-based investments, protection of ancestral remains, and forest sector training.

Due to the substantial scope of the Ministry and the time required to advance program and policy changes across such a broad range of responsibilities, no significant changes were made in 2018/19. The work that was started in 2018/19 is ongoing, and is anticipated to have a direct and identifiable impact on recommendations for legislative or policy changes in 2020/21.

Goal 3: Resilience to Natural Hazards in a Changing Climate

This goal reflects the Ministry's commitment to collaborating with other governments and agencies to build resilience to more severe events associated with climate change, including wildfire, flood, drought and landslides.

Objective 3.1: Proactively and collaboratively manage natural hazards including wildfire, flood, drought and landslides

This objective reflects increasing attention to the impacts of climate change, the Ministry's commitments to incorporating the lessons learned from the 2017 wildfire and freshet (flood) seasons, and its continued proactive approach to all potential natural hazards that are within the scope of its mandate.

Key Highlights:

- Established the \$50-million Community Resiliency Investment (CRI) program to help local governments and First Nations reduce wildfire risk around their communities. In its first year, the CRI program approved over \$9.8 million in funding for 51 First Nations and 76 local governments;
- Responded to the government-commissioned, independent Abbott/Chapman report on the unprecedented 2017 wildfire and flood seasons in British Columbia, outlining actions planned and underway to address the report's 108 recommendations;
- Increased training, engagement and communication with Indigenous communities on wildfire management and response, including the establishment of partnerships between the BC Wildfire Service, the First Nations' Emergency Services Society of B.C. and Indigenous Services Canada to deliver training for Type 2 and Type 3 firefighting crews, and the development of a First Nations firefighter recruitment strategy;
- Improved integration with Emergency Management BC (EMBC), enhanced industry involvement in wildfire response efforts, improved external communications and engagement in all phases of emergency management, and partnered with the Office of the Fire Commissioner to expand the use of structural firefighters in rural and wildland urban interface areas.

| Performance Measure | 2016/17 Baseline | 2018/19 Target | 2018/19 Actuals | 2019/20 Target | 2020/21 Target |
|--|---------------------|-------------------|--------------------|-------------------|-------------------|
| 3.1 Percent of rank one to four wildfires contained at less than four hectares by 10AM the following day. ¹ | 93% | 94% | 87% | n/a | n/a |

¹ **Data Source:** Wildfire Management, Electronic Firefighting Reports, Ministry of Forests, Lands, Natural Resource Operation and Rural Development.

Discussion:

The Ministry's detection and management of wildfire is critical to successfully managing forests and maintaining healthy ecosystems. As healthy forest and range ecosystems are subject to natural fire cycles, fire suppression is warranted under conditions where there is a risk to public safety or government assets, such as Crown timber. If values at risk are low, a decision may be made to allow for the natural role of fire in maintaining healthy ecosystems, rather than undertaking fire suppression. Where a decision to take action is made, the goal is to keep the final size of the fire at less than four hectares, so that damage and costs for fire suppression will be minimized for fires [ranked one to four](#)¹. This measure tracks the Ministry's success rate for initial attack on full response wildfires with the objective of fully suppressing wildfires before they reach four hectares or greater in size. The measure does not capture fire levels rank five and six².

Due to a historically busy fire season in 2018, BC Wildfire Service had to prioritize resources to fires that posed the greatest threat to public safety and critical infrastructure, therefore many fires were monitored, but not suppressed until resources became available. As a result, the Ministry did not achieve its target. For 2019, BC Wildfire Service has an increased preparedness budget of \$38 million to improve its capacity to respond to increased fire load.

All aspects of wildfire management, including prevention and mitigation, planning, response and recovery, are essential to the maintenance of public safety and protection of private and public infrastructure. The Ministry seeks to continuously improve all these, while also focusing its attention on prevention and mitigation to minimize the negative impacts of wildfires, with particular focus on high risk areas including the wildland-urban interface. As such, the Ministry will continue to track this performance measure internally while replacing it in the current Service Plan with a new measure that evaluates prevention and mitigation efforts across the Province.

Goal 4: Revitalizing Forests and the Forest Sector

This goal reflects shifts in the overall effort to ensure that the forest sector in B.C. is robust, the investment climate is attractive, forest policies and practices are sustainable and adaptable, and wood is used in innovative ways.

¹ Fires ranked one to four allow direct suppression methods. Ninety nine percent of fires in the last ten years were ranks one to four.

² Rank five and six wildfires are not within the Ministry's full control as there is increasingly limited ability to suppress fire directly without significant risks to firefighters, and suppression efforts are also limited to indirect actions.

Objective 4.1: Increased domestic manufacturing potential and support for rural economies and workers in the forest sector

This objective aims to support the conditions that will drive the economic aspects for the domestic manufacturing industry.

Key Highlights:

- Launched the comprehensive Coast Forest Sector Revitalization initiative with targeted forest policy reforms to support good jobs and greater domestic use of fibre, and improve public confidence in forestry activities;
- Led the largest-ever B.C. forest sector trade mission to Asia in December 2018 to expand markets for B.C. wood products, examine market trends that will shape future demand, and identify opportunities to raise the value of B.C.'s forest products;
- Worked with the Ministry of Municipal Affairs and Housing to advance building code changes that will allow for safe construction of taller wood buildings using mass-timber technology, which will support expansion of B.C.'s innovative wood-products sector and create more jobs and new markets for B.C. wood products;
- Supported the federal government and represented B.C.'s interests in Canada-U.S. litigation on the softwood lumber dispute.

| Performance Measure | 2016/17 Actuals | 2017/18 Actuals | 2018/19 Target | 2018/19 Actuals | 2019/20 Target | 2020/21 Target |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 4.1 Annual timber volume sold by BC Timber Sales ¹ | 12.7 Mm ³ | 10.8Mm ³ | 12.1Mm ³ | 11.4Mm ³ | 11.8Mm ³ | 11.8Mm ³ |

Data Source: B.C. Timber Sales Cengea Resources System

¹ A key objective of BC Timber Sales is to sell its rationalized apportionment over the five year business cycle (2014/15-2018/19). Volumes sold targets are set to achieve this objective.

Discussion:

Timber volume sold by BC Timber Sales (BCTS) supports rural economies and manufacturing sectors and workers, leading to strong, sustainable economies in communities throughout B.C.

This performance measure tracks the timber volume that BCTS sells through auction each year. Targets are set based on BCTS' annual apportionment, which is determined by the Minister in alignment with the Chief Forester's Allowable Annual Cut (AAC) for B.C. as a whole, and are re-evaluated annually considering a number of factors. Timber volume sold is a key performance output supporting BCTS' goal to provide credible representative price and cost benchmark data for the Market Pricing System through auctions of timber harvested from public land in British Columbia.

Timber supply has been impacted by recent and ongoing events, most notably the mountain pine beetle infestation. Despite these challenges, BCTS is committed to achieving the targets over the next three years. In 2018/19, BCTS achieved 94% of its target timber volume sold, and has sold

over 97% of its rationalized apportionment over its five-year business cycle ending March 31, 2019. This achievement supported the Ministry's Market Pricing System and forest sector economies, generated significant net revenues for the Province, and maintained over 8,000 direct and 11,000 indirect jobs that support rural economies and families in British Columbia.

Objective 4.2: Increased investments in forests that provide economic, social, and environmental benefits for British Columbians

This objective focusses on the environmental sustainability of B.C. forests and the forest sector. Investment in the forest sector provides social benefits such as community resilience and reconciliation with Indigenous people.

Key Highlights:

- Under the Forest Carbon Initiative, approximately \$27 million was invested in 2018-19 by the Ministry and the Forest Enhancement Society of B.C. in projects that enhance carbon sinks and reduce carbon emissions in B.C forests;
- Amended the *Forests and Range Practices Act* to enhance forest planning, practices, mapping and management, and improve First Nations consultation, public engagement and overall public confidence in the way the Province's forests are managed.

| Performance Measure | 2016/17 Actuals | 2017/18 Actuals | 2018/19 Target ² | 2018/19 Actuals | 2019/20 Target | 2020/21 Target |
|--|--------------------|--------------------|-----------------------------|--------------------|----------------|----------------|
| 4.2 Timber volume gain (millions of cubic metres) expected in 65 years from silviculture treatments completed ¹ | 7.7Mm ³ | 9.1Mm ³ | 9.0 Mm ³ | 9.2Mm ³ | n/a | n/a |

¹ **Data Source:** Volume gains (millions of cubic metres of wood) estimated using data submitted by licensees and the Ministry to RESULTS (Reporting Silviculture Updates and Land Status Tracking System) and SPAR (Seed Planning and Registry System). Gain as compared to basic reforestation using natural unimproved seed sources; "Timber Volume gain" includes incremental growth associated with silviculture treatment (planting using select seed, rehabilitation, juvenile spacing, and fertilization) and is based on the estimated total accumulated volume gains in 65 years.

² Targets are based in part on Land Based Investment Strategy (LBIS) funding, and are also influenced by licensee activity. Targets are forecast based on activity from the previous two years, for example, seedlings sown in fall 2015 for planting in spring and summer 2017 influence targets in 2017/18.

Discussion:

In B.C., licensees are legally required to reforest the areas they harvest. This performance measure reflects investments beyond legal requirements that result in incremental timber volume gains. The measure accounts for [Forests for Tomorrow](#) and Forest Carbon Initiative (FCI) investments in areas without licensee obligations, and timber volume gains from investments in improved seed stock across all reforested Crown land. Further investments are also being made by the Forest Enhancement Society of B.C., through granting of funds to third parties who implement projects and treatments on the land base, improving damaged or low-value forests and reducing greenhouse gas emissions.

Fluctuations in targets and results since the baseline was established reflect the Ministry's ongoing commitment to address the long term economic, social, and environmental impacts from the mountain pine beetle infestation and wildfires. The 2017 and 2018 wildfire seasons have resulted in an increased need for reforestation and this will begin to filter into the resulting activities in 2019/20.

In 2018/19, the Ministry increased its volume gain target due to increased planting levels by industry with improved seed and additional fertilization by the FCI program.

For 2019/20 and beyond, the Ministry has removed this performance measure in its Service Plan, replacing it with a new measure that reports on the outcomes of a range of forest investments including silviculture treatments and improved utilization of waste. The Ministry continues to maintain its commitment to reforestation investments in forests damaged by natural disturbance and improving the performance of these newly established forests with the goal of resilient and vibrant landscapes, providing additional timber for economic activity, high quality habitat for wildlife, and spaces for recreation and tourism.

Goal 5: Rural Development and Resilience

This goal reflects Government's dedication to enhancing rural development with respect to natural resource management, economic sustainability and social development.

Objective 5.1: Socio-economic development that will result in thriving rural communities and support community objectives

This objective focusses on the successful delivery of the Ministry's Rural Development Program, which leads community transition services for significant economic disruptions, actively supports rural community self-reliance and economic diversification, and delivers the Rural Dividend Program.

Key Highlights:

- Distributed over \$24 million in grants to 244 projects through the fifth intake of the Rural Dividend Program to support local governments, Indigenous communities, and not-for-profit organizations to strengthen and diversify their economies;
- Initiated a third-party review of the Rural Dividend Program, resulting in 28 recommendations for continuous improvement. The Ministry is fully implementing 13 recommendations before the sixth intake (June 15-August 15, 2019), with all to be implemented before 2020/21;
- Completed a rural engagement process with communities around the province to identify issues impacting rural communities and better inform rural policy and program development across government.

| Performance Measure | | 2018/19 Target | 2018/19 Actuals | 2019/20 Target | 2020/21 Target |
|---------------------|---|----------------|-----------------|----------------|----------------|
| 5.1 | Implement a structure for ongoing engagement with rural communities | 1 | 1 | n/a | n/a |

Discussion

The Ministry is committed to making a difference in the lives of British Columbians in rural communities across the province. Critical to the creation and delivery of the Ministry's rural development mandate is effective and ongoing engagement with Indigenous and non-Indigenous rural communities across British Columbia.

During 2018/19, the Ministry successfully achieved its target by conducting a rural engagement process which included face-to-face sessions with communities around the province, key advisor interviews and an online engagement platform. From this engagement process, the Ministry released its [What We Heard](#) report in October 2018 which has informed the development and administration of programs and services to better align Ministry efforts with community needs across the province.

In 2018/2019, the Ministry also engaged a third party to conduct a review of the Rural Dividend Program. This review involved targeted engagement, including a survey and interviews, with past applicants and rural stakeholders to assess how the program's overall impact and efficiency could be improved. The program review contributed 28 recommendations, which are currently being implemented by the Ministry. These changes will improve overall program impact, efficiency, and applicant experience.

The Ministry is committed to maintaining ongoing engagement to ensure the rural development mandate remains current and focused on the highest priorities for B.C.'s rural communities. Ministry staff remain connected to communities around the province in order to align resources to best realize the goals of rural economic development, preparedness and recovery from natural hazards, and deliver transition services to support communities impacted by economic disruption resulting from such events as wildfires, floods, and mill curtailments and closures.

With this performance measure successfully achieved, the Ministry has replaced it with a new performance measure in the 2019-20 Service Plan. The new performance measure tracks Ministry efforts to broaden its pool of applicants, ensuring that the Rural Dividend Program has the farthest reach, while helping make life more affordable in all regions of the province.

Goal 6: Excellence in Client Service Delivery

The Ministry contributes to sustainable economic development and job creation in the province by managing access to B.C.'s diverse range of natural resources and use of Crown land.

Objective 6.1: Timely, innovative, integrated and effective delivery of natural resource services the public can count on

This objective focusses on the efficient, effective and client-centered delivery of services to the citizens of British Columbia.

Key Highlights:

- Launched a new, modernized [Applications, Comments & Reasons for Decision](#) website for Crown land applications. This site provides an interactive map that allows users to view and display maps and documents related to an application submitted and provide comments, and view applications that have been adjudicated and a final decision has been rendered;
- Improved the [NR Online Services website](#) to include the ability for clients to submit Notice of Work applications for placer mining, aggregates and mineral exploration online. This process allows users to pay for authorizations required in a single transaction and have their submission consolidated into a single application form, reducing the amount of time required to prepare an application;
- Opened a new FrontCounter BC location in Nelson that offers services on behalf of partner agencies for more than 140 natural resource-related permits and authorizations. The new location is the 30th FrontCounter BC office to open in the province;
- Launched [MyRangeBC](#), a mobile and web-based application that digitizes the process for Range Use Plans (RUPs). With more than 1,500 RUPs in the province, digitization saves time for agreement holders and staff, and makes administrative tasks more efficient;
- Maintained Safety Accord Forestry Enterprise (SAFE) company certification for the third year, demonstrating the Ministry's ongoing commitment to improving safety performance using industry-recognized audit protocols.

| Performance Measure | 2007/08 Baseline | 2017/18 Actuals | 2018/19 Target | 2018/19 Actuals | 2019/20 Target | 2020/21 Target |
|--|---------------------|--------------------|-------------------|--------------------|-------------------|-------------------|
| 6.1 Client satisfaction success score ^{1,2} | 71 | 75 | 78 | 76 | n/a | n/a |

¹ **Data Source:** FrontCounter BC Authorization Tracking System and BCStats Client Satisfaction Survey.

² Targets are set using 18 month trends, and consider operational context (e.g. staffing levels). Scores are calculated and reported as a mean score out of 100.

Discussion

Through a single client point of contact and streamlined service, the Province offers a high quality client experience that assists clients through the regulatory process and strives to make B.C. a preferred choice for capital expenditures and investment. Client satisfaction scores provide a comprehensive measurement of service excellence by measuring the five drivers of client satisfaction: timeliness, accessibility, outcome, staff knowledge and completeness of

information. The score reflects performance on authorizations services delivered by Ministry staff involved in the authorizations process but does not factor in the significant work the Ministry does with First Nations, stakeholders and the public on other resource management services.

The Ministry compares its client satisfaction success scores against similar organizations across Canada and strives to achieve a ‘best-in-class’ result. Although the Ministry did not achieve its target for 2018/19, it realized an improvement of 1.0 point over 2017/18, and has reached its highest score since 2013. This improvement is a result of ongoing effort by FrontCounter BC to increase its focus on client service, service improvements and investments in Client Service Certification training for both staff and managers. Specific improvements include publishing client-facing service standards online and at all FrontCounter BC locations, and equipping the Contact Centre with modernized functionality.

Ministry Financial Report

Discussion of Results

The Ministry's operating budget for 2018/19 was \$734.181 million. Through the course of the year, the Ministry obtained access to additional authorizations totalling \$674.268 million. The breakdown of contingencies and other authorizations are as follows:

Ministry Operations:

- \$50.778 million for Contaminated Sites liabilities;
- \$22.592 million for write down of Natural Resource Permitting Project assets;
- \$8.497 million for operating and amortization costs under the Natural Resource Permitting Project;
- \$4.000 million in legal costs associated with Softwood Lumber litigation;
- \$1.750 million to support the Talhtan First Nations' interim housing projects;
- \$1.100 million for remediation work on an artesian well in Westwold, BC; and
- \$1.000 million grant to the Comox Valley Project Watershed Society.

Fire Management:

- \$567.953 million for fire suppression activities based on an active fire season.

BC Timber Sales:

- \$16.618 million increase to the Special Account authorization in order to match actual spending.

Crown Land Special Account:

- **(\$0.020 million)** reduction to the Special Account authorization in order to match actual spending.

The Ministry's total expenditure of \$1,408.449 million is a combination of base budget and other authorizations.

The Ministry's capital budget for 2018/19 was \$74.414 million. Through the course of the year, the Ministry obtained access to additional authorizations totalling \$10.461 million to complete work under the Natural Resource Permitting Project.

The Ministry's total capital expenditure was \$71.966 million which was primarily attributable to reprofiling Wildfire Facilities construction to the out years coupled with underspending in BC Timber Sales roads activity due to an extremely active fire season.

Financial Report Summary Table

| | Estimated | Other Authorizations ¹ | Total Estimated | Actual | Variance |
|--|----------------|-----------------------------------|------------------|------------------|-----------------|
| Operating Expenses (\$000) | | | | | |
| Integrated Resource Operations | 71,637 | 0 | 71,637 | 72,290 | 653 |
| Resource Stewardship | 101,676 | 0 | 101,676 | 93,384 | (8,292) |
| Office of the Chief Forester | 17,084 | 0 | 17,084 | 9,935 | (7,149) |
| Rural Development, Lands and Innovation | 55,968 | 52,528 | 108,496 | 92,459 | (16,037) |
| Timber Operations, Pricing & First Nations | 13,634 | 0 | 13,634 | 23,989 | 10,355 |
| Regional Operations | 139,278 | 2,100 | 141,378 | 152,408 | 11,030 |
| Executive and Support Services | 74,175 | 35,089 | 109,264 | 118,704 | 9,440 |
| Sub-Total – Ministry Operations Vote | 473,452 | 89,717 | 563,169 | 563,169 | 0 |
| Fire Management | 63,986 | 567,953 | 631,939 | 631,939 | 0 |
| BC Timber Sales | 196,723 | 16,618 | 213,341 | 213,341 | 0 |
| Crown Land | 20 | (20) | 0 | 0 | 0 |
| Forest Stand Management Fund | 0 | 0 | 0 | 0 | 0 |
| Sub-Total – Other Appropriations | 260,729 | 584,551 | 845,280 | 845,280 | 0 |
| Sub-Total – All Appropriations | 734,181 | 674,268 | 1,408,449 | 1,408,449 | 0 |
| Adjustment of Prior Year Accrual ² | 0 | 0 | 0 | (1,204) | (1,204) |
| Total | 734,181 | 674,268 | 1,408,449 | 1,407,245 | (1,204) |
| Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000) | | | | | |
| Executive and Support Services | 28,599 | 10,461 | 39,060 | 33,680 | (5,380) |
| Fire Management | 525 | 0 | 525 | 514 | (11) |
| BC Timber Sales | 45,290 | 0 | 45,290 | 37,772 | (7,518) |
| Total | 74,414 | 10,461 | 84,875 | 71,966 | (12,909) |

| | Estimated | Other Authorizations ¹ | Total Estimated | Actual | Variance |
|---|----------------|-----------------------------------|-----------------|----------------|----------------|
| Other Financing Transactions (\$000) | | | | | |
| BC Timber Sales Disbursements | | | | | |
| Receipts | 0 | 0 | 0 | 0 | 0 |
| Disbursements | 96,966 | 0 | 96,966 | 108,165 | 11,199 |
| Net Cash Source (Requirements) | 96,966 | 0 | 96,966 | 108,165 | 11,199 |
| Crown Land Administration | | | | | |
| Receipts | 0 | 0 | 0 | 0 | 0 |
| Disbursements | 6,382 | 0 | 6,382 | 359 | (6,023) |
| Net Cash Source (Requirements) | 6,382 | 0 | 6,382 | 359 | (6,023) |
| Crown Land Special Account | | | | | |
| Receipts | 0 | 0 | 0 | 0 | 0 |
| Disbursements | 0 | 0 | 0 | 0 | 0 |
| Net Cash Source (Requirements) | 0 | 0 | 0 | 0 | 0 |
| Tourism Development | | | | | |
| Receipts | 0 | 0 | 0 | 0 | 0 |
| Disbursements | 600 | 0 | 600 | 157 | (443) |
| Net Cash Source (Requirements) | 600 | 0 | 600 | 157 | (443) |
| Habitat Conservation Trust | | | | | |
| Receipts | (6,500) | 0 | (6,500) | (6,343) | 157 |
| Disbursements | 6,500 | 0 | 6,500 | 6,343 | (157) |
| Net Cash Source (Requirements) | 0 | 0 | 0 | 0 | 0 |
| Total Receipts | (6,500) | 0 | (6,500) | (6,343) | 157 |
| Total Disbursements | 110,448 | 0 | 110,448 | 115,024 | 4,576 |
| Total Net Cash Source (Requirements) | 103,948 | 0 | 103,948 | 108,681 | 4,733 |

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

² The Adjustment of Prior Year Accrual of \$1.204 million is a reversal of accruals in the previous year.

Major Capital Projects

| Major Capital Projects | Targeted Completion Date (Year) | Approved Anticipated Total Cost of Project (\$ millions) | Project Cost to March 31, 2019 * |
|--|---------------------------------|--|----------------------------------|
| Natural Resource Permitting Project (NRPP) | 2019 | 86.6 | 86.6 |

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

Natural Resource Permitting Project (NRPP)

Through the NRPP, the Province's natural resource ministries and agencies are aligning legislation, processes, people and technology to allow for the integrated management of B.C.'s shared natural resources. The NRPP is a multi-year initiative aimed at reducing red tape, putting citizens and business first, improving services, streamlining processes, integrating government decision-making and improving access to information. While NRPP has now come to a close, NRPP projects will continue to provide improved online government services and tools into the future.

Forest Practices Board Financial Report

The Forest Practices Board spent 99.84% of its allocated budget in 2018/19. The Forest Practices Board independently monitors and reviews forest and range practices in B.C.'s public forests and rangelands. The Board audits both tenure holders and government ministries for compliance with forest and range practices legislation, carries out special investigations and issues reports as appropriate, investigates concerns and complaints from the public, and participates in appeals to the Forest Appeals Commission. It informs both the B.C. public and the international marketplace of forest and range licensees' performance in carrying out sound practices and complying with legal requirements.

The Board's mandate is provided by the *Forest and Range Practices Act* and the *Wildfire Act*. While the Board operates independently from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development, its budget vote is the responsibility of the Minister. The Board reports its accomplishments and priorities through an annual report found at: www.bcfpb.ca.

Forest Practices Board Resource Summary Table

| | Estimated | Other Authorizations | Total Estimated | Actual | Variance |
|--|-----------|----------------------|-----------------|--------|----------|
| Operating Expenses (\$000) | | | | | |
| Total | 3,845 | 0 | 3,845 | 3,839 | (6) |
| Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000) | | | | | |
| Total | 0,000 | 0,000 | 0,000 | 0,000 | 0,000 |

Appendix A: Crowns, Agencies, Boards, Commissions and Tribunals

The following organizations are responsible to, or associated with, the Ministry of Forests, Lands, Natural Resource Operations and Rural Development and fall within the Province of British Columbia's government reporting entity:

Creston Valley Wildlife Management Authority

The Creston Valley Wildlife Management Authority manages the conservation of wildlife, particularly waterfowl, in the Creston Valley.

Forest Appeals Commission

The Forest Appeals Commission is an independent tribunal granted authority under the *Forest and Range Practices Act* to hear appeals from decisions made under a variety of statutes administered by the Ministry.

Forest Enhancement Society of British Columbia

The Forest Enhancement Society of British Columbia (FESBC) supports the Ministry by identifying, funding, advocating for and advancing environmental and resource stewardship of B.C.'s forests.

Forest Practices Board

British Columbia's Forest Practices Board provides independent oversight of compliance with the *Forest and Range Practices Act* and the *Wildfire Act*.

Muskwa-Kechika Advisory Board

The Muskwa-Kechika Advisory Board advises government on natural resource management in the Muskwa-Kechika Management Area.