

## Introduction

Government looks to the NRS to be a driver of economic prosperity while maintaining high expectations for resource conservation and environmental sustainability. A critical part of the government's new mandate is the commitment to building a strong economy so that British Columbians can continue to afford robust public services.<sup>8</sup> World class health care, education, skills training and social safety nets for urban and rural communities are only possible if there is a strong economy.

The NRS includes:

- Ministry of Aboriginal Relations and Reconciliation (MARR)
- Ministry of Agriculture (AGRI)
- Ministry of Energy and Mines (MEM)
- Ministry of Environment (MOE), including the Environmental Assessment Office (EAO)
- Ministry of Forests, Lands and Natural Resource Operations (FLNRO)
- Ministry of Natural Gas Development (MNGD)
- Several Boards, Agencies and Commissions, e.g. Farm Industry Review Board, Agriculture Land Commission and Oil and Gas Commission

Combined, these ministries generate over \$2.5 billion in direct annual revenue to government, with revenues expected to increase moderately to \$2.8 billion by FY 2015/2016.<sup>9</sup> 153,000 jobs in BC are directly related to resource extraction and manufacturing in the areas of agriculture, forestry, mining and oil and gas.<sup>10</sup>

Section 2 of the business case sets the stage for the urgent need for investment in NRPP, highlights the internal NRS pressures and external environment factors driving the need for change, and explicitly defines the business problem to be addressed by NRPP. This section also presents a detailed description of the current state challenges that are constraining the ability of the NRS to support economic growth in BC. Section 2 concludes with an outcome model intended to define and communicate the investment outcomes of NRPP and the ways in which the initiative aligns to government priorities.

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<sup>8</sup> Mandate Letters from Premier Christy Clark, dated June 10 2013

<sup>9</sup> Budget and Fiscal Plan 2013/14 – 2015/16, February 19, 2013

<sup>10</sup> Statistics Canada, Labour Force Survey. Prepared by BCStats in February 2013. [www.bcstats.gov.bc.ca](http://www.bcstats.gov.bc.ca)

## Government Direction

This business case has been developed in response to direction provided by the Deputy Ministers' Committee on Transformation and Technology (DMCTT) to continue exploring the benefits and opportunities presented by NRPP. This section describes how this and other government direction has guided the planning of this initiative, as well as the ways in which NRPP directly aligns to key government priorities referenced in:

- Speech from the Throne
- Premier's Mandate Letters to NRS Ministries
- BC Jobs Plan
- Citizens @ The Centre: Government 2.0
- Being the Best
- Core Review

This section concludes with a summary of the NRS' track record in demonstrating a commitment to integration and transformation.

### DMCTT Direction

On October 31, 2012, DMCTT endorsed the approach outlined in the "Integrated Decision Making Addendum", which was appended to the NRS 2013/2014 Transformation Plan. This business case builds on the IDM Addendum and responds to the observations and direction outlined in the DMCTT letter dated October 31, 2012. Specifically, the business case includes:

- Benefits to operational costs that will materialize as a result of capital investment
- A formal cross-sector governance and management structure to oversee planning and implementation
- Integration of LEAN processes into planning and implementation

### Speech from the Throne

The recent Speech from the Throne reinforced the commitment that "government will continue to improve efficiencies and timeliness of the permitting process, where backlogs will continue to be dramatically reduced."<sup>11</sup> The Natural Resource Permitting Project is the initiative that will enable government to deliver on this commitment.

### Premier's Mandate Letters to NRS Ministers

NRPP will directly support the NRS in delivering a number of the government priorities and ministerial objectives described in the mandate letters to NRS Ministers from Premier Christy Clark dated June 10, 2013. NRPP will make meaningful contributions to achieving the stated government priorities, including "getting to yes" on economic development and securing LNG opportunities. Additionally, the

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<sup>11</sup> Speech from the Throne, June 26, 2013. 2013 Legislative Session: 1st Session, 40th Parliament.

improvements to provincial permitting systems and processes delivered by NRPP will directly support the achievement of several individual ministerial objectives,<sup>12</sup> including:

- **Eliminate red tape** where possible while maintaining rigorous permitting requirements (FLNRO)
- **Streamline all mining application processes** to ensure that they all can be done online with faster turnaround times for project proponents (FLNRO)
- Work with project proponents to complete negotiations and **accelerate final investment decisions** on BC LNG projects (MNGD)
- **Work with BC First Nations** that are impacted by natural gas extraction, pipelines, LNG facilities or refineries to ensure they are provided with the chance to participate in and **benefit from this economic opportunity** (MARR)
- Ensure our 'One Project/One Process' is executed to foster a single assessment that can get **certainty for investors** in a faster way while maintaining rigorous environmental standards to meet the targets in the BC Jobs Plan (MEM)
- Continue to **develop the Site C dam project** and support it through the environmental assessment review process (MEM)
- Balance ministerial budgets in order to **control spending** and ensure an **overall balanced budget** for the province of British Columbia (FLNRO, MEM, MNGD, MOE, MARR and AGRI)

## BC Jobs Plan

In recent years, authorization backlogs have accumulated due to increased staff workloads, increased demand for permits and approvals, and increasingly complex reviews. One of the key commitments of the BC Jobs Plan in 2011 was for the NRS to reduce the backlog of mining notice of work applications and land and water authorizations in order to support job creation and stimulate economic development in the province.<sup>13</sup>

In a competitive investment climate, global investors will consider the efficiency of a jurisdiction's permitting and regulatory system when evaluating locations for projects. Delays in approving projects caused by insufficient resources or inconsistent application of government policies significantly discourage private sector confidence and investment, and create barriers to job creation.

To address the issue of backlog, government provided natural resource ministries with temporary funding and introduced specific targets in September 2011 to reduce backlogs and improve turnaround times on approvals. The NRS received contingency funding totalling nearly \$X M over fiscal years 2011/12, 2012/13, and the first half of 2013/14, which represented a short-term investment to reduce the backlog of priority authorizations. With this additional funding, the NRS was successful in meeting targets. Without the investment in NRPP, it is certain the backlogs will accumulate again, particularly in industries where the volume of authorizations and complexity of reviews continue to grow.

NRPP will directly contribute to government's ability to deliver on the commitments outlined in the BC Jobs Plan. Through transforming the way in which the NRS interacts with clients, the way in which natural resources are managed, and the way in which authorization decisions are made, NRPP will

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<sup>12</sup> Mandate Letters from Premier Christy Clark, dated June 10 2013

<sup>13</sup> BC Jobs Plan, September 2011

deliver a long term approach to reducing delays in the approvals process, allowing government to meet its commitments to authorization approval timelines and to build a positive investment climate in BC.

### Citizens @ the Centre: Government 2.0

Citizens @ the Centre: Government 2.0 outlines a transformation and technology strategy for the BC Public Service. The strategy notes that “we are moving to a more collaborative model to address major issues, drawing on the resources of multiple ministries, external agencies and other levels of government. We will encourage collaboration while discouraging fragmentation.”<sup>14</sup> Consistent with this vision, NRPP gives life to the defining principles of Citizens @ the Centre, including:

- Using technology to **change how citizens access BC government services**
- Creating collaborative information systems that provide citizens with a **single access point** to the resource of multiple ministries and agencies
- **Saving citizens’ time** in their interaction with government and making it easier to access better quality services
- Empowering citizens to **create value** from trusted sources of government information based upon open data standards
- Encouraging the use of collaborative technologies within the public service to break down barriers to information sharing and facilitate the **delivery of quality services** to citizens

One of the most fundamental objectives of NRPP will be to integrate disparate spatial and operational data so that the public, First Nations, clients, proponents and decision makers can easily access consolidated, map-based information concerning activities on the land base. Trusted, high-quality integrated data that is easily accessible will assist proponents in planning their projects and preparing more complete applications and will allow decision makers to make more timely and durable decisions that reduce the risk to government and the public. NRPP will deliver technology components to improve citizen engagement in ways that are not currently possible. Wider availability of open data will increase government’s ability to meet citizen expectations of transparency and convenience.

NRPP will also result in increased online self-service options for citizens, businesses, and other proponents through streamlined, cross-sector online service delivery channels. These changes will directly support the achievement of the shifts outlined in the Citizens @ the Centre strategy.

### Being the Best

Consistent with the “Lean Thinking” strategy of Being the Best, NRPP includes investment in business process re-engineering using LEAN methodologies to streamline and standardize processes across the sector. This approach will contribute to increased workforce productivity and efficiency, and to the provision of better service to the public, clients and proponents.

By implementing cross-sector processes and systems, NRPP will also directly foster a cultural shift towards more collaboration, flexibility, and communication across the sector; this will support an

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<sup>14</sup> Citizens @ the Centre: Government 2.0

employment experience that is not only engaging, but that also enables government to offer the people in this province the very best. In this way, NRPP will contribute to building a better BC Public Service.

## Core Review

A Core Review of government will be conducted during the 2013-14 fiscal year to ensure the best possible use of government resources. The objectives of the Core Review<sup>15</sup> include:

- Ensure that the programs and activities of ministries are focused on achieving government's vision of a strong economy and secure tomorrow
- Ensure that government is operating as efficiently and effectively as possible
- Confirm government's core responsibilities and eliminate programs that could provide better service at less cost through alternative service delivery models
- Ensure budget targets are achieved consistent with Budget 2013 (June Update)
- Identify opportunities where further savings can be re-directed to high priority programs
- Ensure public sector management wage levels are appropriate while recognizing the need for leaders who can positively impact the effectiveness and productivity of public sector agencies

NRPP directly aligns and contributes to the key objectives of Core Review. The vision of the transformation reinforces government's vision of a strong economy and secure tomorrow by creating the systems and processes that will establish BC as a place for natural resource development. NRPP will improve the efficiency and effectiveness of NRS operations by: reducing overlap and duplication between the six ministries in the NRS; delivering meaningful reductions in red tape and unnecessary regulations, such as systemic duplication of requirements for proponents and delays due to different lengths of term and issuance dates; and producing measurable increases in workforce productivity across the NRS through LEAN process re-engineering and increased workflow automation.

## NRS' Track Record

The NRS is poised to transform its business to more fully implement its vision of: "A prosperous future for all British Columbians through sustainable economic development and shared leadership of natural resources."<sup>16</sup> The sector's readiness for transformation is based on foundational work over many years to increase integration across the sector. The implementation of "One Project/One Process" to ensure consistency and efficiency provincially across the NRS in the processing of natural resource authorizations has demonstrated a significant commitment to integration. In addition, the NRS has made incremental yet meaningful steps toward transformation with available resources, including the following achievements:

- **Reduced backlogs:** Achievement of the backlog reduction targets stated in the BC Jobs Plan, including an 80% reduction of backlogged Notices of Work (NOW) for mining projects and a 50% reduction in backlogged Land Act and Water Act authorizations<sup>17</sup>

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<sup>15</sup>Core Review Terms of Reference, [http://www2.news.gov.bc.ca/news\\_releases\\_2013-2017/2013MEM0005-001183.htm](http://www2.news.gov.bc.ca/news_releases_2013-2017/2013MEM0005-001183.htm)

<sup>16</sup> 2014-2015 NRS Transformation Plan

<sup>17</sup> <http://www.bcjobsplan.ca/streamline-natural-resource-projects/>

- **FrontCounter BC expansion:** Offices in 28 locations and creation of Virtual FrontCounter BC to increase service levels to British Columbians and provide online service 24/7
- **Enhancements to “One Project/One Process”:** Continuous improvement of the sector-wide approach to authorization decision making through LEAN projects (e.g. billings and revenue management, Site C permitting process)
- **New Major Project Managers:** Facilitation of industry-government interactions relating to the authorizations process by establishing a group of service-oriented Major Project Managers
- **New legislation:** Approval of legislation that enables a sector-wide approach to compliance and enforcement
- **More consistent First Nations consultation:** Development of a First Nations consultation toolkit to enable quality and consistent approaches to consultation
- **Streamlined Corporate Services:** Amalgamation of all sector-based Corporate Services into one division, including Finance, HR and IM/IT
- **New governance structure:** Endorsement of a governance structure for all sector-wide transformation activities
- **Detailed transformation planning:** Development of a number of detailed documents to support the development of this business case, including future state NRPP Business Architecture, NRPP Governance Model and PMO Design, NRPP Risk Assessment, NRPP Change Management and Communication Strategy, and NRPP Transformation Roadmap

The NRS has started the journey towards transformation. However, without a significant long-term investment, the NRS will not be able to bring about a transformational level of change and achieve the full benefits of sector-wide integration.

## Business Problem Statement

The NRS is a key driver of economic activity and employment in the province. In order to meet the objectives of the BC Jobs Plan and government priorities, the NRS requires the capability to act as an integrated manager of shared natural resources and to make timely, durable authorization decisions that appropriately balance social, economic and environmental objectives. However, the current process to authorize the use of natural resources in BC is constrained by existing legislation, systems, and business processes that historically were developed to support individual ministries and lines of business. As a result, the authorization and ongoing management processes are lengthy, duplicative, and frustrating for proponents and staff; citizen service delivery expectations are not being met; opportunities for economic growth and job creation are being missed; and government is exposed to increasing levels of financial and legal risk.<sup>18</sup>

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<sup>18</sup> Payments under *Crown Proceeding Act* from FY 2003/04 to 2012/13. Data provided by Ministry of Justice, Legal Services Branch, May 2013

*A District Manager approved a forest development plan and awarded multiple cut blocks in a watershed; however, the **decision was inappropriate and not durable** because the plan conflicted with regulations and did not consider impacts to endangered species. The case was **settled in FY 2010/2011 for \$X M.***

## Opportunity Statement

NRPP provides an opportunity to fundamentally transform the way government services are delivered, the way in which natural resources are managed, and the way in which authorization decisions are made. NRPP will be enabled by integrating technology, harmonizing legislation, streamlining business processes, and supporting workforce transformation.

The outcomes of NRPP align directly to government's priorities of supporting the growth of the economy while ensuring resources are sustained for a safe and prosperous future. NRPP will also enable government to achieve productivity improvements and other efficiencies, consistent with government's goals of balancing the provincial budget and ensuring government is using its resources effectively and in the areas that can make the most difference to citizens or the economy. NRPP will also generate a number of financial and intangible benefits for the public, First Nations, clients, proponents, decision makers, and government as a whole.

Integration in the natural resources sector has been ongoing for many years. The Ministry of Sustainable Resource Management, Integrated Land Management Bureau, creation of the Natural Resource Sector Board, the Resource Management Co-ordination Project and subsequent creation of the Ministry of Natural Resource Operations and Forests, Lands and Natural Resource Operations are just some of the many examples of NRS integration. The sector is poised to make another substantive step through NRPP. The changes contemplated to business processes, technology, and legislation will ensure the province can take advantage of growing economic opportunities, while reducing levels of legal and financial risk and firmly establishing government's social license.<sup>19</sup> It will also allow the NRS to meet the increasing demands of the public, First Nations, clients and proponents.

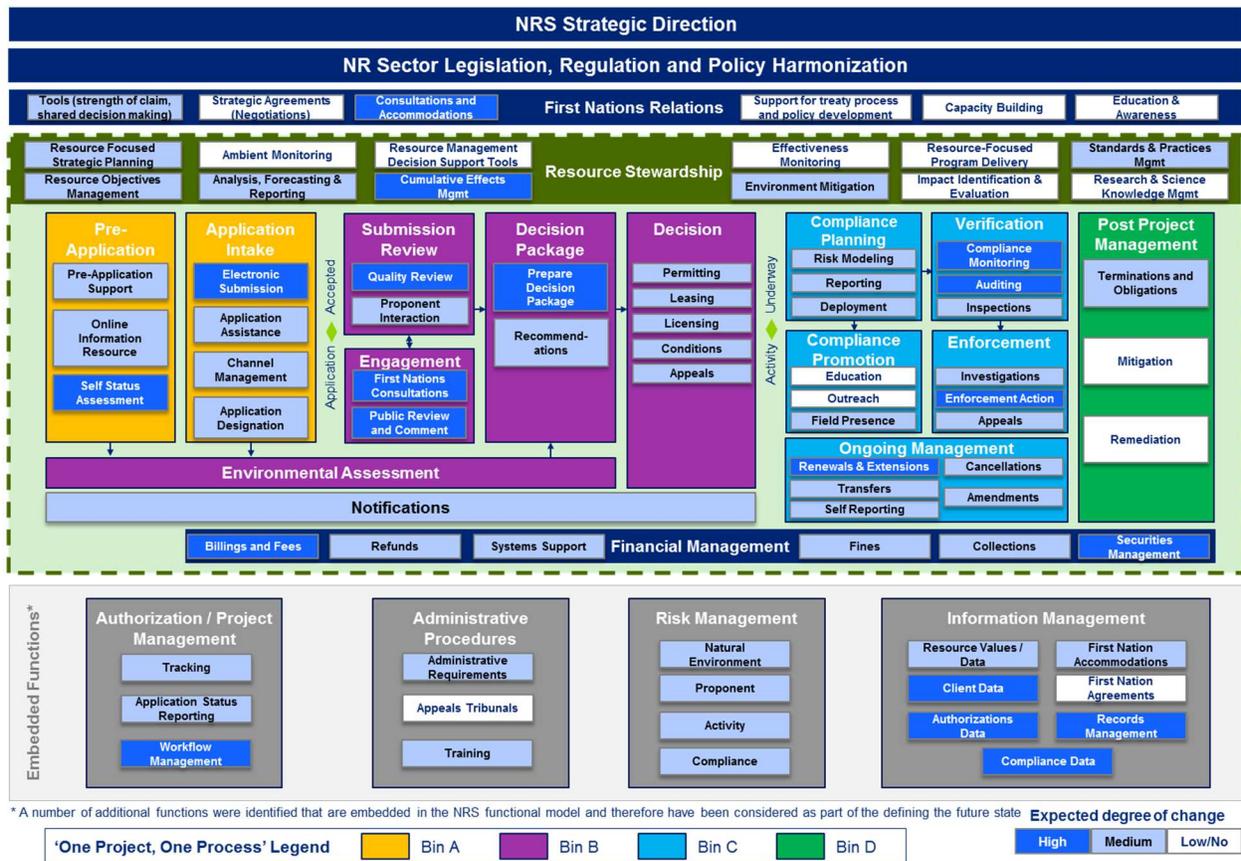
## Program Mandate

NRPP is an initiative that will contribute to the transformation of the entire NRS. Multiple programs and multiple ministries will be directly affected. To guide the planning of NRPP and the development of this business case, the NRS has designed a desired future state business architecture, which defines the future state business functions and services. As shown in Figure 7, transforming to the desired future state business architecture will require a Medium or High degree of change in a significant number of functions throughout the sector.

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<sup>19</sup> Social license is the level of acceptance or approval continually granted to an organisation's operations or project by the local community and other stakeholders. Definition from the Australian Centre for Corporate Responsibility, <http://www.accsr.com.au/html/sociallicense.html>.

Figure 7 - NRS Future State Business Architecture and Degree of Impact on NRS Functions



Further details may be found in the *NRPP Business Architecture* document which can be provided upon request. This document includes:

- Business function descriptions
- Business service descriptions
- Business process descriptions
- Business requirements
- Use cases

## Change Drivers

A number of change drivers are affecting the ability of the NRS to support government priorities:

- Growing BC population
- Shrinking public sector workforce
- Rapid pace of technological advancement
- Changing needs and expectations of citizens and businesses
- Increasing pressure for environmental oversight
- Increasing demand in China and India for natural resources

Combined, these factors create an urgent need for the NRS to transform its business and increase its ability to adapt to the rapidly changing external and internal environment.

### Demographics

#### *British Columbia Demographics*

The population of BC is expected to increase from 4.2 million in 2013 to 5.9 million in the year 2035, representing an increase of 27%.<sup>20</sup> This growth in population will lead to a higher level of activity on the land base, which in turn will increase the workload of NRS decision makers and compliance and enforcement officers. If the NRS does not invest in transforming its business, the sector will not be able to cope with increased demand resulting from population growth, which will result in lost economic opportunities for British Columbians.

As the population increases, environmental pressures around the province will also increase accordingly. Population growth results in higher levels of transportation activities, increased pressure on waste management systems, increased potential for human-wildlife conflict, and additional housing and industrial development. As industry grows, so do pressures on ecosystems resulting from changes to the land base, natural resources, and species.<sup>21</sup> A key aspect of NRPP is better integrating government's environmental objectives into decision making. This will allow decision makers to appropriately balance social, economic and environmental objectives in their resource management decisions even as the population of BC grows.

#### *NRS Workforce Demographics*

The NRS workforce includes 5,450 individuals, based out of over 50 communities and operating from over 400 sites in BC. Collectively the NRS represents over 20% of BC Public Service employees.<sup>22</sup>

Workforce projections show that a smaller public service is expected in the future, due in large part to an aging workforce. The number of NRS employees is projected to decrease by 7.1% over the next three

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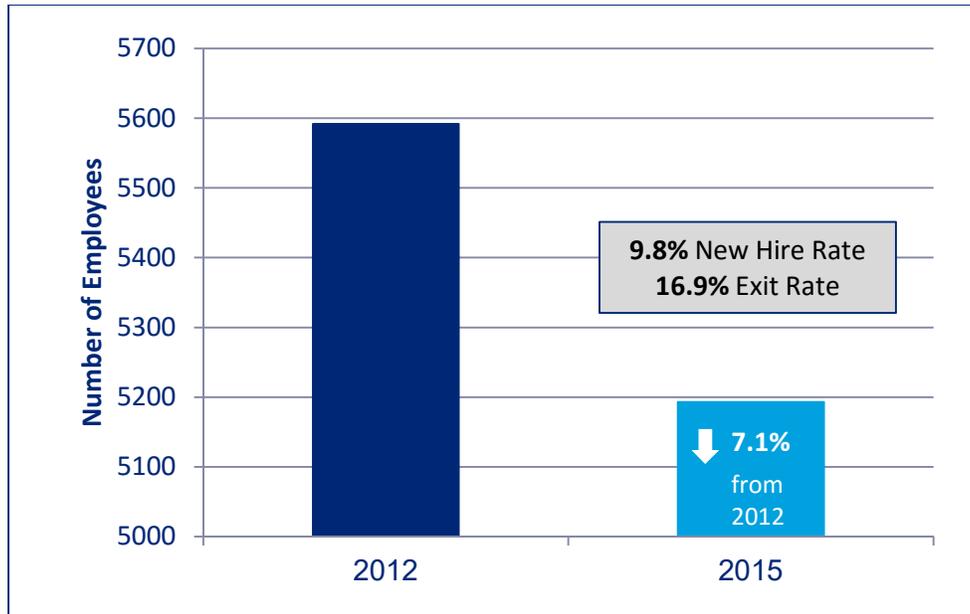
<sup>20</sup> <http://www.bcstats.gov.bc.ca/StatisticsBySubject/Demography/PopulationProjections.aspx>

<sup>21</sup> Ministry of Environment and the Environmental Assessment Office, 2013/14 – 2015/16 Service Plan

<sup>22</sup> 2012-2015 Workforce Projections; prepared to support the Natural Resource Sector 2013-2014 Transformation Plan

years from 5,592 employees in 2012 to 5,193 employees in 2015, due to a shrinking workforce and labour supply.<sup>23</sup> Currently, over 57% of the workforce in the NRS is over 48 years of age, and as a result, exits from the NRS are expected to continue to increase while the new hire rate is limited by budget constraints and government’s ability to recruit and retain staff. These trends are summarized in Figure 8.

Figure 8 - NRS Workforce Projections 2012-2015



The problems associated with a shrinking workforce include a loss of organizational knowledge and highly specialized skill sets, and increasing pressure to deliver on the sector’s goals and objectives with fewer staff. The projected rate of attrition will challenge the NRS to maintain commitments to authorization decision timelines, in particular given that the volume of authorizations and their level of complexity are expected to increase over the next few years.

To help the NRS to operate and meet service delivery expectations that continue to increase in complexity and volume, NRPP will make a significant contribution to increased productivity and efficiency of the NRS workforce by:

- Aligning and reducing the number of systems that staff need to access for information
- Reducing activities requiring manual effort and duplicate data entry
- Providing self-service options to clients and proponents to reduce dependence on NRS staff
- Streamlining, standardizing, and integrating business processes
- Improving staff access to integrated information
- Training staff to use new systems and processes

<sup>23</sup> 2012-2015 Workforce Projections; prepared to support the Natural Resource Sector 2013-2014 Transformation Plan

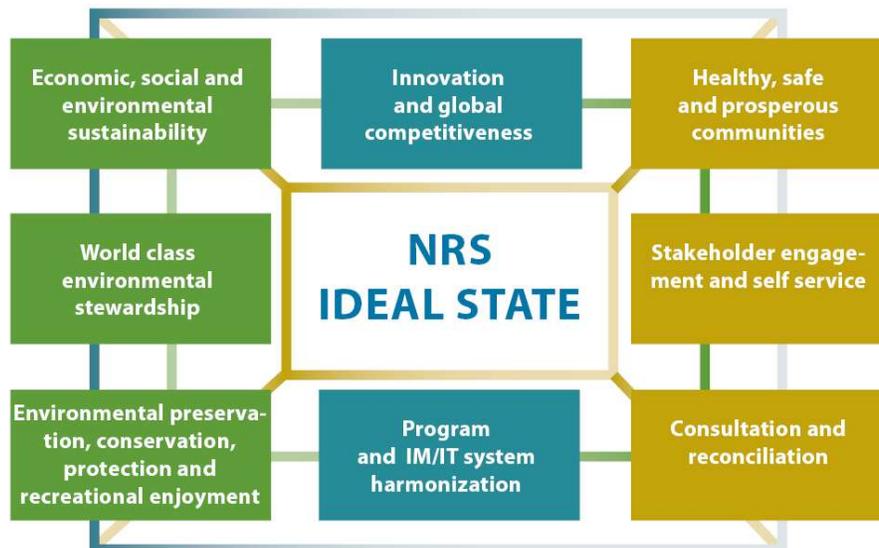
- Implementing a risk-based approach to compliance and enforcement such that a lower number of staff is deployed to monitor the highest risk activities, and administrative tasks are minimized

The investments made in NRPP will allow the sector to deliver increasing levels of service to the public, First Nations, clients and proponents, decision makers, and government as a whole.

### Program changes

The Natural Resource Sector 2014-15 Transformation Plan sets out a vision for the NRS that will drive economic and social prosperity, and ensure a secure, safe and sustainable environment for current and future generations of British Columbians. Eight core themes have been identified to define the ideal NRS state, which has helped the sector frame a call to action for sector-wide transformation; these themes are presented in Figure 9.

Figure 9 - NRS Ideal State and Core Themes



In addition, the Transformation Plan defines new sector and corporate outcomes to help the sector understand where to focus its action and leadership in order to realize the NRS vision and support government direction. NRPP is a key component of the NRS Transformation Plan which will move the sector towards its ideal state and contribute to the achievement of sector and corporate outcomes.

### Technological changes

The rapid pace of technological advancement and the changing needs and expectations of citizens continue to influence how public services are delivered. This includes how government collects information and data and makes it available, how current services are delivered, and how citizens and stakeholders are engaged to shape the design and delivery of future services. These changing needs and expectations require technology changes to enable new and updated services and ways of engaging with the public and managing the land base.

Some of the technological change drivers influencing planning for NRPP include the need for:

- A consistent, single point-of-access to NRS information that is critical to decision making
- A common, single view of a proponent or client for the NRS
- A common First Nation record with cross-sector access to consolidated, historic First Nation information
- Bundling of multiple proponent applications for authorizations and permits under a single project identifier to facilitate expedited processing
- Up-to-the-minute tracking of applications for single or multi-authorizations and permits
- Consolidation of billings and fees for authorizations and permits so that a proponent may search, view and pay outstanding fees at one time
- Support for multiple payment types using PayBC services
- Convenient online access to NRS information systems outside of regular business hours
- The ability to provide selected services on mobile devices such as smart phones and tablets
- Convenient access to integrated data, providing a consistent view of activity on the land base
- A consolidated document management system for cost-effective storage of documents associated with projects, authorizations, and permits
- Enhanced self-service options to increase public, proponent and client satisfaction, and increase public understanding of resource management decision making
- Reduced complexity of information and systems across the NRS
- Reduced dependency on obsolete technology
- Consolidation of overlapping, redundant information systems and decommissioning of end-of-life systems
- High-level reporting and business intelligence abilities

The investment in technology proposed as part of NRPP will provide the NRS with a common technical foundation to deliver the valuable outcomes associated with NRPP. This foundation will also be able to support the broader information systems and data needs of the NRS. This initial investment in technology will allow the NRS to implement a structured approach and plan that will govern all future technology investments, including elimination of duplicate and disparate systems and data.

### Economic or business changes

In a competitive investment world, the efficiency and robustness of a jurisdiction's permitting and regulatory system is a key indicator for global investors regarding the relative attractiveness of risking capital. Permitting delays caused by lack of sufficient resources or inconsistent application of government policies significantly discourage private sector confidence and investment, job creation and, ultimately, economic growth.<sup>24</sup> A lack of investor confidence in the durability of decisions also damages BC's reputation and has a negative impact on economic growth. Global economic factors, such as growing demand in China and India for natural resources, are also putting pressure on the NRS to better support investment and development in BC.

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<sup>24</sup> Association for Mineral Exploration British Columbia, Top Policy Issues and Recommendations, 2013

The NRS needs to overcome specific obstacles in order to improve BC's competitive edge and attract global investment:

- Red tape, lengthy authorization timelines and uncertainty which discourage investment
- Inconsistent approaches to decision making resulting in varying timelines and outcomes
- Lack of clear expectations and objectives available to proponents prior to submitting an authorization application
- Legislative and technology silos, and inefficient business processes which are causing delays in "getting to yes"

By improving permitting processes and systems, and reducing current permitting delays, NRPP will position the NRS to support continued and successful economic growth in the province which will benefit BC's urban and rural communities. While NRS revenues are highly sensitive to market prices for timber, natural gas, minerals and other commodities, removing barriers to economic development will encourage investment, attract new major projects, and result in an increase in economic activity in BC. A detailed description of potential increases in government revenue resulting from increased economic development may be found in Section 5 (Economic Growth and Job Creation, page 60).

### Environmental factors

The health of BC's natural environment has been impacted over the last few years and will continue to be impacted by the mountain pine beetle epidemic, habitat fragmentation and loss, wildfires, invasive species, and climate change.<sup>25</sup> In addition, the public, the courts and First Nations have voiced concerns that many uses of natural resources authorized by the NRS have a negative impact on the environment, and that cumulative effects of past, present and proposed use of natural resources are not well understood. Growing demand for better environmental management in BC is also increasing the complexity of natural resource decision-making.

Ecosystems in BC provide clean water and air, timber, game, fish, scenery, flood control, and other goods and services that sustain rural and urban communities and the provincial economy. Many of these natural goods and services would be costly or impossible to replace. Climate change will likely have profound impacts on many ecosystems in BC over time. In many parts of BC, snow packs are projected to decrease and snow is projected to melt earlier. This means less runoff in summer and less water for agriculture, hydropower, industry, communities and fisheries. Where glaciers contribute to stream flow, long-term loss of glacier mass will further exacerbate water shortages. The seasonal droughts of 2003 and 2009 demonstrated the vulnerability of community and irrigation water supplies.<sup>26</sup>

The ability of the NRS to effectively manage and steward the province's natural resources has a direct impact on the economy, our society, our communities and our way of life. Transformation is necessary to better incorporate stewardship values, frameworks and tools into authorization decision making,

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<sup>25</sup> Ministry of Environment and the Environmental Assessment Office, 2013/14 – 2015/16 Service Plan

<sup>26</sup> <http://www.env.gov.bc.ca/cas/impacts/index.html>

ongoing project management, and compliance and enforcement processes to enable the NRS to make durable decisions that minimize negative impacts on the environment.

### Social changes

Government service delivery expectations are changing rapidly as a result of advances in technology. Significantly more citizens and businesses are turning to the internet to access government service; easy access to government services and information is increasingly considered a reflection of governments' commitment to openness and transparency. In a recent survey of businesses across Canada by the Institute for Citizen-Centred Service to gather information about governments' performance in the delivery of public services,<sup>27</sup> results indicated that while the majority of businesses in Canada agree that good government service is essential to a healthy business climate, most businesses felt:

- That red-tape burden had increased or remained the same over the past three years
- They received a poor return on their tax dollar
- That governments did not operate in an open and accountable manner
- That government policies did not contribute to a level playing field
- That they were insufficiently consulted and engaged in government decision making processes

Clearly, there is a significant opportunity for Canadian governments to improve service delivery and build greater confidence. NRPP will deliver new services and will modify existing services to the public, First Nations, clients and proponents. The set of new and enhanced service options will provide these groups with increased flexibility and convenience in their interactions with the NRS. Furthermore, the proposed service transformation allows government to better meet the needs and expectations of individuals and companies looking for information or looking to invest in BC.

### Legislation

Under the current suite of regulatory regimes in the NRS, the decisions required to authorize natural resource activities are defined in separate statutes and regulations, treated as independent of one another, each with their own distinct requirements and tests. This means that the current legislative framework doesn't match the flow of business, nor does it support integrated decisions. Where a private sector organization might view a gravel pit as a project, the legislative framework in BC views it as multiple activities requiring multiple authorizations. This can lead to systemic duplication of requirements for proponents through the application, decision making and ongoing management (assignment and renewal) processes, with a corresponding duplication of effort by government staff to administer those requirements. There are also gaps in government's resource management direction where some industries create adverse impacts on resource values and reap windfall benefits at the expense of industries who must comply with legally established objectives.

Fundamentally, the various decisions relating to different aspects of an activity are not connected to allow the activity to be considered as a whole. As a result, government's ability to effectively manage risk at the project level is limited, presenting a barrier to consistent direction on resource management

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<sup>27</sup> Taking Care of Business 3, Institute for Citizen-Centred Service, 2011

and the management of cumulative effects. After an authorization is approved, mechanisms to renew, replace, amend, or transfer different approvals and authorities also remain fragmented across multiple business lines and limit the potential for government and the proponent to deal efficiently with issues that may arise during the construction and/or operational phases of the project. This reality has been exacerbated by the backlog in processing amendments, replacements, and renewals, making it difficult for a proponent to demonstrate good standing and affecting their ability to raise financial support and effect transfer of ownership.

Further, existing legislation governing Freedom of Information and Protection of Privacy may limit the use, storage, and disclosure of information between agencies and electronic service delivery necessary to realize the benefits of integration envisaged under NRPP.

While efforts to address these problems within the current legal framework have shown some success, legislative change is necessary to harmonize requirements across statutes and to address the more fundamental barriers to NRPP.

## Current Situation Context

The ability of the NRS to manage natural resources in an integrated manner is constrained by existing legislation, systems, and business processes that historically were developed to support individual ministries and lines of business. Demand for resource use and the complexity of the work is increasing beyond the current capacity of the NRS workforce. In addition, the size of the workforce has and will continue to decline, resulting in increased authorizations backlogs, decreased ability to meet service delivery expectations, and erosion of public confidence.

Specific challenges and associated impacts are outlined in Table 1 below.

*Table 1 - Current NRS Business Challenges*

Business Challenges	Impacts
The decision making process is lengthy, inconsistent and lacks transparency	<ul style="list-style-type: none"> <li>• Delays and uncertainty create barriers to investment, cause frustration for proponents and clients, and limit the ability of the NRS to support economic growth and job creation</li> <li>• NRS workforce productivity is limited by the manual and duplicative effort involved in the authorization process</li> <li>• \$X M in contingency funding has been requested since 2011 to address the authorizations backlog generated as a result of lengthy approval timelines; when the contingency funding ends, it is likely that backlogs will again begin to accumulate</li> </ul>
The lack of self-service options constrain the public, First Nations, proponents and clients to remain overly dependent on government for information	<ul style="list-style-type: none"> <li>• Proponents and clients are frustrated by the lack of open information and an inability to access services online</li> <li>• Accessing NRS services is time consuming and costly for proponents and clients</li> <li>• Proponents regularly complain that government is not clear in their expectations and there is not fulsome information to draw upon</li> </ul>

Business Challenges	Impacts
	<ul style="list-style-type: none"> <li>• NRS workforce productivity is limited by the need to respond to a high volume of inquiries and requests for information</li> </ul>
<p>The cumulative effects of past, present and proposed use of natural resources are not well understood nor integrated into decision making for projects not subject to environmental assessment</p>	<ul style="list-style-type: none"> <li>• Unintended impacts to environmental, societal and economic values have accumulated over time</li> <li>• Irreversible damage to ecosystems and specific populations has occurred</li> </ul>
<p>Information systems are disparate, costly to maintain and do not allow information/data to be integrated</p>	<ul style="list-style-type: none"> <li>• Lack of a consistent, single-point of access to NRS information, which is critical to decision making</li> <li>• No common (i.e. single) view of a proponent or client for the NRS</li> <li>• Difficult to track applications for authorizations and permits either singly, or bundled within a project</li> <li>• Billings and fees are not coordinated for authorizations and permits, resulting in confusion and extra work for sector staff and clients</li> <li>• Increased dependency on obsolete technology</li> </ul>
<p>Decisions and processes are inconsistent from agency to agency and region to region</p>	<ul style="list-style-type: none"> <li>• Proponents are uncertain of government’s expectations resulting in uncertain investment climate, poor applications and process delays</li> <li>• Records and reports to the public and to investors are difficult to obtain and time consuming and costly to prepare</li> <li>• Systems and databases are fractured and disparate, resulting in poor availability of information for analysis and application preparation</li> </ul>
<p>The NRS has limited ability to maintain physical and electronic records in a manner consistent with legislation and policies</p>	<ul style="list-style-type: none"> <li>• Government is exposed to increasing risk of significant document discovery costs to locate physical records in the event of litigation or Freedom of Information requests</li> <li>• Settlements have been paid in the past in cases where documents could not be located</li> </ul>
<p>The NRS does not have the capability to assess and mitigate the risk of activities on the land base sector-wide, leading to financial losses and legal action against government</p>	<ul style="list-style-type: none"> <li>• Performance security terms and amounts are inconsistently applied and are often insufficient to cover remediation costs</li> <li>• Government has paid significant remediation costs totalling at least \$X M over the past 5 years</li> <li>• Government has been exposed to increasing levels of legal risk; NRS settlement and judgment costs have grown from less than \$X M in FY 2008/2009 to \$X M in FY 2012/2013</li> </ul>

## Investment Outcomes and Strategic Alignment

To define and communicate the investment outcomes of NRPP and to demonstrate alignment of this initiative to government priorities, an outcome model has been developed to support this business case. Presented below is the NRPP Initiative Vision, which includes statements to describe the ideal future state and desired investment outcomes.

### Initiative Vision

Table 2 - NRPP Initiative Vision

NRPP Initiative Vision	
For these <i>target groups</i> :	Who have these <i>needs</i> :
<i>Public</i>	<ul style="list-style-type: none"> <li>• Employment and economic opportunities for domestic and international businesses</li> <li>• Use and enjoyment of BC's wilderness and parks now and in the future</li> <li>• Easy access to high-quality government services and real-time information</li> <li>• Transparency and fairness in permitting, compliance and enforcement, and environmental assessment processes</li> </ul>
<i>First Nations</i>	<p>Everything that the public needs, plus the need to:</p> <ul style="list-style-type: none"> <li>• Establish new relationships with proponents, clients and government based on mutual respect and meaningful consultation</li> </ul>
<i>Proponents and Clients</i>	<ul style="list-style-type: none"> <li>• An authorization process that is predictable, coordinated and timely with clear expectations and requirements</li> <li>• Access to BC's natural resources now and in the future</li> <li>• Level playing field and opportunities to earn a fair return on investment</li> </ul>
<i>Decision Makers</i>	<ul style="list-style-type: none"> <li>• An ability to make timely and durable decisions through access to the right information at the right time</li> </ul>
<i>Government</i>	<ul style="list-style-type: none"> <li>• Job creation, economic development, and sustainable rural and urban communities in BC</li> <li>• Contribute to a balanced provincial budget achieved through increases in NRS revenues and cost containment</li> <li>• Manage and mitigate financial, legal and operational risk across the NRS</li> <li>• Earn the trust and confidence of the public, First Nations, clients and proponents in government's ability to manage and steward BC's natural resources</li> </ul>
<p><i>This multi-year transformation of the Natural Resource Sector to align legislation, services, business processes, technology, and people to allow for the integrated management of BC's shared natural resources</i></p>	
<i>through these program outputs:</i>	<p><b>Legislation, Regulation and Policy Program</b></p> <ul style="list-style-type: none"> <li>• NRPP Act Phase 1</li> <li>• NRPP Act Ph. 1 Regulation, Policy &amp; Procedures</li> <li>• NRPP Pilot Regulations</li> <li>• NRPP Legislative Pilot(s)</li> <li>• NRPP Act Phase 2</li> <li>• NRPP Act Ph. 2 Regulation, Policy &amp; Procedures</li> <li>• <i>Related legislative projects (not included in this funding request)</i></li> </ul>

- *Natural Resource Compliance Act*
- *Natural Resource Road Act*
- *Appeals (Consolidated Tribunals)*
- *Water Sustainability Act*

**Resource Stewardship Program**

- Integrated Resource Planning & Common Objectives
- Cumulative Effects Framework & Values Foundation
- NRS Monitoring Framework
- *Funded projects currently in flight (not included in this funding request):*
  - *Inventory Sample Management Systems Consolidation Business Case*
  - *Water Program Systems Consolidation Business Case*

**Authorizations Program**

- Systems Modernization/Consolidation (Application Disposition)
- Authorization/Ongoing Management Processes
- Authorization System
- Application Self-Assessment Tool
- Common Intake Operating Model & Processes
- Electronic Submission System & Forms
- Review & Comment Solution
- EAO System Integration
- *Funded projects currently in flight (not included in this funding request):*
  - *Environmental Assessment Systems Modernization Business Case*
  - *Mines and Mineral Resource Program Automation Business Case*
  - *Hunting Program Automation and Consolidation Business Case*
  - *Natural Resource Road Act Systems Consolidation Business Case*
  - *Crown Land Tenures Systems Consolidation Business Case*
  - *Natural Gas Pricing System Modernization Business Case*

**Compliance and Enforcement (C&E) Program**

- C&E Operating Model & Processes
- C&E System
- *Funded projects currently in flight (not included in this funding request):*
  - *Compliance & Enforcement (C&E) Harmonization Business Case*

**First Nations Consultation & Engagement Program**

- First Nations Process/Tools
- First Nations System
- *Funded projects currently in flight (not included in this funding request):*
  - *First Nations Consultation Information Transformation Plan Business Case*

**Support Functions Program**

- Corporate Services for the Natural Resource Sector (CSNR) Operating Model & Processes
- Finance Operating Model & Processes
- Cross-Sector Performance Measures
- Appeals Solution

**Common IM/IT Infrastructure Program**

- Integrated Spatial Database
- Common Client System
- Common Client Data Conversion
- Common Financial Management System
- Common Financial Data Conversion

	<ul style="list-style-type: none"> <li>• Business Rules Engine</li> <li>• Enterprise Service Bus (ESB) Strategy</li> <li>• ESB Infrastructure</li> <li>• Business Process Management (BPM) Infrastructure</li> <li>• User Experience Design &amp; Standards</li> <li>• Portal Framework</li> <li>• Client &amp; Public Portal</li> <li>• Dynamic Forms Infrastructure</li> <li>• Document &amp; Record Management Strategy</li> <li>• Document &amp; Record Management</li> <li>• Historical Data Digitization</li> <li>• Reporting Standards</li> <li>• Business Intelligence (BI) / Analytics</li> <li>• Mobile Enablement Strategy</li> <li>• Mobile Enablement Infrastructure</li> <li>• C&amp;E Mobile Enablement</li> <li>• Mines Mobile Enablement</li> <li>• Enterprise Search</li> <li>• Other Common Services</li> </ul> <p><b>Portfolio Program</b></p> <ul style="list-style-type: none"> <li>• Governance Model &amp; Portfolio Management Office (PMO) Set-up</li> <li>• Governance Model &amp; PMO</li> <li>• Change Strategy &amp; Change Management Office (CMO) Set-up</li> <li>• Change Strategy &amp; CMO</li> <li>• Standards &amp; Architectural Framework</li> <li>• Enterprise Architecture Governance</li> <li>• Systems Integration Management</li> </ul>
<p><i>will enable these investment outcomes (results):</i></p>	<p><b>Measurable Increases in:</b></p> <ul style="list-style-type: none"> <li>• Ability to balance social, economic and environmental sustainability in natural resource management decisions</li> <li>• Contribution to global competitiveness and economic activity in BC</li> <li>• Certainty in the decision making process and ability to make timely, durable decisions</li> <li>• Contribution to conservation and protection of the environment by embedding resource stewardship into decision making</li> <li>• Effectiveness of consultation and First Nations engagement in natural resource management decisions</li> <li>• Trust and social license for government</li> <li>• NRS workforce productivity and contribution to a balanced budget</li> </ul> <p><b>Measurable Decreases in:</b></p> <ul style="list-style-type: none"> <li>• Government financial exposure and legal risk</li> </ul>
<p><i>which support these strategic (sector) outcomes, e.g., service plan goals &amp; objectives:</i></p>	<p><b>2014-2015 NRS Transformation Plan – Sector Outcomes</b></p> <ul style="list-style-type: none"> <li>• Increased effectiveness and efficiency of NRS business processes to better respond to needs</li> <li>• Increased accessibility to NRS services through optimized service delivery</li> <li>• Increased self-motivated employees who are keen to champion government service delivery goals</li> <li>• Increased service quality resulting from highly motivated and capable employees</li> </ul>

	<ul style="list-style-type: none"> <li>• Increased interoperability of tools and systems</li> <li>• Increased timely, accessible, transparent, reliable and durable decision making from relevant data and information</li> </ul>
<p><i>in alignment with these strategic (corporate) outcomes:</i></p>	<p><b>2014-2015 NRS Transformation Plan – Corporate Outcomes</b></p> <ul style="list-style-type: none"> <li>• Sustained strong BC economy, keeping it viable and secure for both present and future generations</li> <li>• Increased public confidence through transformed services</li> <li>• Sustained natural resources for a safe and prosperous future</li> </ul> <p><b>Government Priorities - Premier’s Mandate Letters</b></p> <ul style="list-style-type: none"> <li>• Balanced Budget 2013</li> <li>• Ensure that government does not grow</li> <li>• Conduct a core review of government to make sure we are structured for success on all of our objectives</li> <li>• Eliminate red-tape so that we can get to yes on economic development without needless delay</li> </ul>
<p><i>unlike the current state where:</i></p>	<ul style="list-style-type: none"> <li>• The NRS lacks the capability to make integrated decisions and operate as a single collaborative enterprise</li> <li>• The decision making process is lengthy, inconsistent and lacks transparency</li> <li>• The regulatory framework separates decisions, leading to inefficiencies, duplication of effort and conflicts</li> <li>• The public, First Nations, proponents and clients remain highly dependent on government for information</li> <li>• The combined effect of past, present and proposed use of natural resources is allowing unintended impacts to environmental, societal and economic values to accumulate over time</li> <li>• Information systems are disparate, costly to maintain and do not allow information/data to be integrated</li> <li>• The NRS has limited ability to maintain physical and electronic records in a manner consistent with legislation and policies</li> <li>• The NRS does not have the capability to mitigate the risk of activities on the land base sector-wide, leading to financial losses and legal action against government</li> </ul>
<p><i>so to be the future state where:</i></p>	<ul style="list-style-type: none"> <li>• The sector’s vision of: “A prosperous future for all British Columbians through sustainable economic development and shared leadership of natural resources” is fully realized</li> <li>• Government has the ability to make decisions that achieve the right balance between social, economic and environmental priorities</li> <li>• Regional, national and international investment in natural resource projects and job creation in BC are stimulated</li> <li>• Shared leadership of the NRS is formally recognized with representation from all ministries</li> <li>• Processes and structures that enable effective First Nations consultation and engagement to build effective working relationships are in place</li> <li>• Government service delivery is citizen-centred, timely and responsive with increased opportunities for self-service</li> <li>• Stewardship values, frameworks and tools are incorporated into authorization decision making, ongoing project management and compliance and enforcement processes</li> </ul>

- Risk models and processes that balance the risks associated with the geography, the activity and the economic partner are in place to aid decision making and safeguard public resources
- NRS staff and management have the tools and information required to make timely and durable decisions about the use of BC's natural resources
- NRS data and information is shared with the public, First Nations, and economic partners
- Processes and systems are flexible and resilient to allow future business process, technology and legislative changes to be addressed without significant investment