

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

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**2019/20  
Annual Service Plan Report**

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

## Minister's Accountability Statement



The Ministry of Forests, Lands, Natural Resource Operations and Rural Development *2019/20 Annual Service Plan Report* compares the Ministry's actual results to the expected results identified in the *2019/20 – 2021/22 Service Plan* created in February 2019. I am accountable for those results as reported.

A handwritten signature in black ink, appearing to read 'Doug Donaldson', written over a horizontal line.

Honourable Doug Donaldson  
Minister of Forests, Lands, Natural Resource Operations and Rural Development  
June 26, 2020

## **Table of Contents**

|   |    |
|---|----|
| Minister’s Accountability Statement .....                           | 3  |
| Letter from the Minister .....                                      | 5  |
| Purpose of the Annual Service Plan Report.....                      | 7  |
| Purpose of the Ministry.....  | 7  |
| Strategic Direction .....   | 7  |
| Operating Environment.....  | 7  |
| Report on Performance: Goals, Objectives, Measures and Targets..... | 9  |
| Financial Report.....   | 16 |
| Discussion of Results .....   | 16 |
| Financial Summary .....   | 17 |
| Forest Practices Board Financial Report.....                        | 19 |
| Appendix A: Agencies, Boards, Commissions and Tribunals.....        | 20 |

## Letter from the Minister

The 2019/20 Annual Service Plan Report concludes a historic and unprecedented year for our Ministry, and the Province of B.C. 2019/20 marked progress towards many important priorities.

In the fall of 2019, the Government of B.C. enacted the [\*Declaration on the Rights of Indigenous Peoples Act\*](#) that sets out a process to bring provincial laws into harmony with the United Nations Declaration on the Rights of Indigenous Peoples and which the Truth and Reconciliation Commission confirms as the framework for reconciliation. This new legislation, the first of its kind in Canada, aims to create a path forward that respects the human rights of Indigenous peoples while introducing better transparency and predictability in the work we do together.

B.C.'s forest sector is a primary employer in many parts of the province. This past year the forest industry faced economic challenges which impacted many communities and families. In 2019 the Ministry took a number of steps to help address these challenges, and support B.C. families and communities. The Premier appointed MLA Ravi Kahlon as the Ministry's Parliamentary Secretary to work with industry, First Nations, and communities on short and medium-term solutions. Policy changes were implemented to limit waste, drive fibre utilization and manufacturing, and ensure that more raw logs are processed in B.C. Legislative amendments were made to the *Forest Act* to help support a vibrant and diverse forest sector, and ensure public forests are managed in the best interest of all British Columbians. The Ministry allocated approximately \$3 million in funding through the Forest Employment Program to create short-term employment opportunities for contractors and workers impacted by mill closures and curtailments in B.C.'s Interior. In March, \$5 million was invested to support forestry contractors and their families through the Coastal Logging Equipment Support Trust. In November, the Ministry led the third consecutive trade mission to Japan and China to promote British Columbia's innovative wood products to our two largest markets outside of North America.

Keeping British Columbians safe from wildfires and other natural hazards continues to be a top priority for the Ministry. After two consecutive years of record-breaking wildfire seasons in 2017 and 2018, the Province had a welcome reprieve in 2019 with below-average wildfire activity across the province. To keep British Columbians safe now and into the future, the Ministry worked with communities to reduce wildfire risk, delivering over \$18 million in funding through the Community Resiliency Initiative for wildfire risk reduction and FireSmart activities.

In 2019 the Ministry took concrete action to protect species at risk and wildlife in British Columbia, including the iconic Mountain Caribou. The Ministry facilitated community engagement with over 5,000 people on the recovery of Mountain Caribou. In February 2020, in collaboration with First Nations, B.C. Ministries and the Federal Government, a historic agreement was signed that strives to protect Southern Mountain Caribou in northeastern B.C., while considering the economic well-being of communities and stakeholders in the region.

The Ministry continues to improve forest management and the forest stewardship planning framework to make it more inclusive and responsive by introducing changes to the *Forest and Range Practices Act*. Initial changes introduced in 2019 will support the health and sustainability

of B.C.'s forests and range lands, while strengthening public confidence in how these vital resources are managed.

This past year the Ministry continued to work towards modernizing land-use planning in order to sustainably manage B.C.'s ecosystems, rivers, lakes, watersheds, forests and old growth. In 2019 the Ministry collaborated with Indigenous governments, communities and stakeholders to deliver a shared vision for land management and stewardship. In 2019, agreements were made to partner on preparation of three land-use plans for Sechelt, Fort St. John and the Nicola Watershed.

Through the [Forest Carbon Initiative](#) (FCI) and the federal Low Carbon Economy Fund, the ministry was able to make significant investments in forest carbon projects, including silviculture treatments such as reforestation and fertilization, and improved utilization of waste. These activities support the Ministry's commitment to sustainable management of forest-based resources to generate healthy forests and mitigate climate change.

Finally, I would like to thank all the staff in the Ministry for their unwavering commitment and dedication to excellence in the delivery of services British Columbians count on.



Honourable Doug Donaldson  
Minister of Forests, Lands, Natural Resource Operations and Rural Development  
June 26, 2020

## **Purpose of the Annual Service Plan Report**

The Annual Service Plan Report 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 forest, 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 [58 statutes and associated regulations](#).

## **Strategic Direction**

The strategic direction set by Government in 2017 and expanded upon in Minister Doug Donaldson's [Mandate Letter](#) shaped the 2019/20 Ministry of Forests, Lands, Natural Resource Operations and Rural Development [Service Plan](#) and the results reported in this Annual Report.

## **Operating Environment**

The following describes the key internal and external factors which affected the Ministry's performance in 2019/20.

**B.C.'s Forest Sector Economy.** 2019 was a very challenging year for B.C.'s forest sector, the primary employer in many parts of the province. A shrinking timber supply, reduced market demand for B.C. lumber, ongoing trade disputes with the U.S. and an extended labour dispute led to several mill closures and curtailments, affecting rural communities across the province. Towards the end of the fiscal year, the economic impacts of the COVID-19 pandemic also began to emerge, posing unprecedented challenges to B.C. and around the world.

In response, Government acted by establishing funding and programs to support impacted communities, employers and workers. The Ministry played a key role in the development and

delivery of these [new supports for forestry workers and communities in B.C.'s interior](#). Based on the Minister's mandate, the Ministry has advanced several initiatives involving forest policy, from starting to transform forest management through initial changes to the *Forest and Range Practices Act* to amending several policies to support domestic wood processing, particularly on the coast related to Coast Forest Sector Revitalization. The government is committed to supporting a globally competitive forest sector at the same time as ensuring strong forest stewardship.

Impacts of Climate Change. B.C.'s natural resource values are, and will continue to be, affected by the impacts of climate change. Wildfires, floods, landslides, droughts and pest outbreaks continue to affect the province's landscape and communities. While B.C. did not experience any significant wildfires or floods in 2019/20, the Ministry played a large role in partnership with Indigenous leaders and the Government of Canada to successfully address the emergency need at the Big Bar landslide to enable natural fish passage on the Fraser River. As well, the Ministry delivered additional funding to improve emergency preparedness and build local capacity and resources for natural disaster readiness, response and recovery.

The Ministry also supported the Province's [CleanBC](#) strategy by delivering the Forest Carbon Initiative (FCI), funding projects that improve carbon sequestration and reduce GHG emissions, and through work with the [Forest Enhancement Society of British Columbia](#).

Natural Resource Management. Implementing B.C.'s new *Declaration on the Rights of Indigenous Peoples Act* and a growing social interest in the management of Crown land and resources point to the need for more collaborative approaches to resource management in the province.

The Ministry responded in several ways, including taking a renewed approach to land use planning, partnering with Indigenous governments and engaging with communities, local government, industry and other stakeholders to identify high-priority land use planning projects. These projects focus on urgent land-based management challenges and will support provincial priorities, including reconciliation and the economy.

The Economy. British Columbia's economy was strong in 2019 with real GDP growth of 2.8 per cent compared to the year before. Labour market conditions in B.C. remained tight, highlighted by the lowest unemployment rate in the country at 4.7 per cent, unchanged in rank and level from 2018. Employment increased by 2.6 per cent on the year. Average weekly wages grew by 2.5 per cent, registering a second consecutive year of positive real wage growth, with the annual consumer price index up 2.3 per cent. B.C. retail sales increased by 0.6 per cent in 2019, a more moderate pace compared to 2.0 per cent growth in 2018, as consumer spending was weighed down by more cautious overall consumer behaviour and declines in housing-related spending amid falling home sales year-over-year. Meanwhile, residential construction remained strong. Although the forestry sector faced significant challenges in 2019, LNG development provided some support for economic growth and job creation in the province. On the external front, global trade policy uncertainty, escalating trade tensions and commodity price declines weighed on B.C.'s export sector in 2019.



## Report on Performance: Goals, Objectives, Measures and Targets

### Goal 1: Economic Benefits for all British Columbians with Thriving and Resilient Rural Communities

This goal addresses the Ministry’s role in creating conditions that support a vibrant and healthy provincial economy through the forest sector, and promoting community resilience to ensure support through economic disruption and natural hazard events.

#### Objective 1.1: Revitalize B.C. forests and the forest sector

##### Key Highlights

- Implemented policy changes to limit waste and drive fibre utilization and manufacturing through the Coast Forest Sector Revitalization Initiative;
- Launched a regionally-driven renewal of the forest sector in B.C.’s interior region, engaging with communities on ways to develop a competitive, sustainable future for forest companies, workers and communities;
- Enacted legislative amendments to the [Forest and Range Practices Act](#) that improve the forest stewardship planning framework to make it more inclusive and responsive;
- Participated in major forestry trade missions to Japan and China to encourage wood construction and promote British Columbia’s innovative wood products;
- Continued to represent B.C.’s interests in the Canada-U.S. litigation on the softwood lumber dispute.

| Performance Measure(s)                           | 2018/19 Actuals     | 2019/20 Target      | 2019/20 Actuals     | 2020/21 Target <sup>1</sup> | 2021/22 Target <sup>1</sup> |
|--|---------------------|---------------------|---------------------|-----------------------------|-----------------------------|
| 1.1 Annual timber volume sold by BC Timber Sales | 11.4Mm <sup>3</sup> | 11.8Mm <sup>3</sup> | 10.1Mm <sup>3</sup> | 11.8Mm <sup>3</sup>         | 11.8Mm <sup>3</sup>         |

Data source: BC Timber Sales Cengage Resources System

<sup>1</sup> Targets for 2020/21 and 2021/22 have been revised in the [2020/21-2022/23 Service Plan](#), published in February 2020.

### Discussion of Results

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.

In 2019/20, BCTS achieved 86% of its target timber volume sold. This shortfall was primarily due to a lack of sufficiently developed timber inventory to adjust to the impacts of a rapid

downturn in market conditions, recovery of species at risk (e.g. Caribou, Goshawk), and reconciliation with Indigenous peoples. It is anticipated, however, that this shortfall will be recovered during the full five-year business cycle ending March 31, 2025, resulting in BCTS still selling 100% of its rationalized apportionment over the cycle. BCTS’ operations continue to support the Ministry’s Market Pricing System and B.C.’s forest sector economies. It also generated significant net revenue for the Province and maintained over 8,000 direct and 11,000 indirect jobs, contributing to rural economies, jobs and families in British Columbia.

**Objective 1.2: Improve community resilience through proactive and collaborative natural hazard management**

**Key Highlights**

- Worked with Indigenous communities and the Government of Canada to successfully address the emergency need at the Big Bar landslide to transport fish past the barrier in order to reach spawning grounds;
- Supported local governments and First Nations to undertake a variety of activities to increase community resiliency to wildfire by providing funding through the Community Resiliency Investment (CRI) FireSmart Community Funding and Supports stream.

| Performance Measure(s)  | 2018/19 Baseline | 2019/20 Target | 2019/20 Actuals | 2020/21 Target | 2021/22 Target |
|---|------------------|----------------|-----------------|----------------|----------------|
| 1.2 Number of higher risk Indigenous and non-Indigenous communities actively engaged in wildfire risk reduction activities <sup>1</sup> | 0%               | 20%            | 55%             | 40%            | 50%            |

Data source: BC Wildfire Service

<sup>1</sup> Higher risk communities include: First Nations reserve areas, treaty settlement lands, municipalities and unincorporated areas within regional districts that are located within a Wildland Urban Interface (WUI) risk class 1 or 2 area or have a locally approved plan that has identified high or extreme threat areas.

**Discussion of Results**

In the wake of the unprecedented 2017 and 2018 wildfire seasons, the B.C. government has invested heavily in wildfire prevention and preparedness initiatives to help keep British Columbians safe and protect the province’s natural resources and infrastructure. Under the CRI program launched in September 2018, the [FireSmart](#) Community Funding and Supports stream provides funding for local governments and First Nations to mitigate wildfire risk to their communities through vegetation management, public education, community wildfire resiliency planning, development planning and grants to homeowners to undertake FireSmart activities. This holistic approach to community resiliency is particularly important in the wildland-urban interface, where urban development borders on grasslands and forested areas.

In 2019/20, participation in these activities was higher than anticipated with 100 higher risk Indigenous and non-Indigenous communities out of a total of 182 receiving funding. A risk analysis and threat assessment looked at changes to the provincial land base from the 2017 and 2018 wildfires, resulting in revisions to the number of communities and their risk ratings as wildfire threats and risks change over time. Some of the communities participated for the first

time or after a long hiatus. In addition, 36% of total communities in higher risk areas applied in both years of the CRI program. Since the program started, more than 200 grants have been allocated provincewide, amounting to more than \$18.6 million invested in wildfire risk reduction activities and FireSmart activities.

The successes of the CRI program support the implementation of the [Government’s Action Plan: Responding to Wildfire and Flood Risks](#) in response to [Addressing the New Normal: 21<sup>st</sup> Century Disaster Management in British Columbia](#) through a comprehensive and coordinated approach to wildfire risk reduction efforts.

### **Objective 1.3: Work with rural communities to strengthen local economies and build resilience to economic disruption**

#### **Key Highlights**

- Allocated approximately \$3 million in funding through the Forest Employment Program to create short-term employment opportunities for contractors and workers in B.C.’s Interior affected by indefinite and permanent closures in the forest sector;
- Delivered \$875,000 in short-term funding under the Community Support Grants Program to 11 communities impacted by permanent or indefinite mill closures;
- Provided \$13 million in one-time rural community development grants to support rural community resiliency and economic diversification;
- Worked with the Ministry of Labour to support the retirement bridging program for forestry workers.

| Performance Measure(s)  | 2018/19 Baseline | 2019/20 Target | 2019/20 Actuals | 2020/21 Target <sup>3</sup> | 2021/22 Target |
|---|------------------|----------------|-----------------|-----------------------------|----------------|
| 1.3 Percentage of eligible communities applying for Rural Dividend funding <sup>1,2</sup> | 68%              | 70%            | 75%             | 72%                         | 74%            |

Data source: Rural Development, Lands, and Innovation Division

<sup>1</sup> Future targets are dependant on reactivation of Rural Dividend Program.

<sup>2</sup> As a result of subsequent program data refinement, the baseline for 2018/19 was corrected to 72%, and revised targets for fiscal 2019/20 are 74%, 76% for fiscal 2020/21, and 78% for fiscal 2021/22.

<sup>3</sup> In the 2020/21-2022/22 Service Plan, this measure was removed and replaced with a new measure: Cumulative percent of Forest Employment Program budget spent.

#### **Discussion of Results**

The Rural Dividend Program was established to provide funding to assist rural communities with a population of 25,000 or less to reinvigorate and diversify their local economies. The Program focusses on engaging with applicants to support them in submitting applications for projects that contribute to the strength and sustainability of their communities. This measure tracks the efforts to increase the diversity of applicants and ensure that eligible communities across the province are taking advantage of opportunities to participate.

The target for this measure was exceeded due to outreach on the Program that was carried out by staff during the summer of 2019. Modifications to program eligibility were made, enabling

additional communities to apply to the fund, broadening the reach of the Program and raising the number of eligible communities. In 2019/20, 345 of 457 eligible communities applied (75%), which surpasses the target of 70%.

The Rural Dividend Program also conducted additional outreach to provide support for eligible Indigenous communities and organizations to access the Program. Outreach efforts focused on those who had not accessed the Program in past intakes.

In September 2019, Government made the decision to temporarily suspend the Rural Dividend Program and reallocated the funding to provide critical supports to forest workers and families impacted by mill closures and curtailments. As part of this, the Ministry developed and is administering the Forest Employment Program (FEP) to create short-term employment opportunities for contractors and workers in the B.C. Interior who have been affected by indefinite and permanent mill closures in the forest sector. As such, the Ministry replaced this performance measure in the 2020/21 Service Plan with a new measure that reports on the FEP.

## **Goal 2: Partnerships that Support Reconciliation with Indigenous Peoples**

### **Objective 2.1: Strengthen partnerships and increase engagement with Indigenous peoples in the management of B.C.’s natural resources**

#### **Key Highlights**

- Collaborated with Indigenous governments, communities and stakeholders to modernize land-use planning, building on an area-based approach which has resulted in agreements to partner on preparation of three land-use plans for Sechelt, Fort St. John and Nicola Watershed;
- Advanced staff education and learning opportunities to better align the Ministry’s culture to support reconciliation with Indigenous peoples. Approximately 2,500 Ministry staff have completed in person or online training, attended presentations or participated in blanket exercises.

| <b>Performance Measure(s)</b>  | <b>2018/19 Actuals</b> | <b>2019/20 Target</b> | <b>2019/20 Actuals</b> | <b>2020/21 Target</b> | <b>2021/22 Target</b> |
|--|------------------------|-----------------------|------------------------|-----------------------|-----------------------|
| 2.1a The number of policies that have been reviewed in collaboration with Indigenous communities.      | 12                     | 15                    | 21                     | 20                    | 20                    |
| 2.1b Number of programs or policies modified in response to collaboration with Indigenous communities. | 0                      | 5                     | 7                      | 10                    | 10                    |

Data source: First Nations Relations Branch

#### **Discussion of Results**

This measure highlights the Ministry’s commitment to ongoing collaboration with Indigenous communities in the development of policies and programs to ensure that Ministry operations

reflect shared values and objectives. Policies and programs are varied and may include those that fall under the following areas: Forest and Range Practices Act, Coast Forest Sector Revitalization, wildfire management, modernized land-use planning, the [Cumulative Effects Framework](#), the Collaborative Stewardship Framework, and an improved wildlife management and conservation strategy.

Measure 2.1a tracks the Ministry's work to undertake reviews of significant natural resource programs and policies in collaboration with Indigenous people in order to make improvements. Targets are based on resourcing requirements, capacity of Indigenous communities and the Province, and Indigenous communities' engagement results to determine which programs and policies are relevant to review.

In 2019/20, 21 policies were reviewed with Indigenous communities related to timber pricing, forest bioeconomy, heritage conservation, fossil management and wildfire prevention. These reviews are intended to further strengthen partnerships with Indigenous peoples in the stewardship of natural resources and the natural resource economy.

The Ministry modified seven programs or policies related to the Indigenous Forest Bioeconomy Program, respectful treatment of ancestral remains, operation of some provincial heritage properties, *Heritage Conservation Act* permitting, and Wildfire Prevention programs.

By being open, transparent, and collaborative, the Ministry is improving its programs and policies and advancing Indigenous involvement in Ministry operations.

### **Goal 3: Sustainable Natural Resource Management**

The Ministry is committed to delivering its stewardship responsibilities in the best interest of citizens of the Province.

#### **Objective 3.1: Improve wildlife management and support the recovery of species at risk**

##### **Key Highlights**

- Improved wildlife stewardship in the province through the completion of comprehensive discussions with Indigenous communities, a wide range of stakeholder groups and the public to build and launch the final draft [Together for Wildlife Strategy](#);
- Continued the implementation of the Provincial Caribou Recovery Program, including holding 16 public engagement sessions involving more than 5,000 people about the challenges, opportunities and plans for caribou recovery across the province;
- Took a significant step forward to support caribou recovery in B.C. through the signing of the Partnership Agreement and the Section 11 Agreement that together set out the approach that B.C. will take to engage with Indigenous Peoples, communities and stakeholders to implement immediate caribou recovery actions.

| Performance Measure(s)   | 2019/20 Baseline <sup>1</sup> | 2020/21 Target                    | 2021/22 Target                     | 2022/23 Target                     |
|--|-------------------------------|-----------------------------------|------------------------------------|------------------------------------|
| 3.1 Wildlife habitat conserved, restored or enhanced through Ministry management activities. | TBD <sup>1</sup>              | 5% increase from 2019/20 Baseline | 10% increase from 2019/20 Baseline | 10% increase from 2019/20 Baseline |

Data Source: Resource Stewardship Division

<sup>1</sup> A baseline will be established in 2020.

## Discussion of Results:

In 2019/20, the Ministry committed to developing a new performance measure to demonstrate its efforts towards improving wildlife management and habitat conservation to support wildlife populations and help recover species at risk. The Ministry fulfilled this commitment by developing and publishing a new performance measure in the 2020/21-2022/23 Service Plan.

During 2019/20 the Ministry developed the methodology and data system to accurately measure the area in British Columbia that is currently conserved, restored, or enhanced for the benefit of wildlife habitat. Significant investment was made last year into projects that are directly contributing to habitat conservation, restoration and enhancement. Spatial data to determine the number of hectares are in the process of being quality assured to establish a baseline which will serve as a benchmark for measuring future improvements. Tracking and reporting these investments on the landscape improves coordination across multiple business areas and partnerships conducting these activities and help to improve the long-term benefits of these investments for wildlife.

## Objective 3.2: Expand and strengthen climate change mitigation and adaptation activities

### Key Highlights

- Continued or initiated work on integrating climate change into the *Forest and Range Practices Act* update, day to day forest management activities, Land Use Planning, *Land Act* authorizations, the Cumulative Effects Framework, Together for Wildlife Strategy, *Water Sustainability Act* authorizations and other policy initiatives;
- Collaborated in cross-government preparations for a new BC Climate Preparedness and Adaptation Strategy, including through participation at an Indigenous Climate Change Engagement Forum with 150 Indigenous representatives;
- Through the Forest Carbon Initiative (FCI), approximately \$66 million was invested in projects to increase carbon sequestration and reduce GHG emissions in B.C.'s forests. This includes planting over 18 million trees in areas impacted by natural disturbances (e.g. wildfires, insects and other pathogens) and fertilizing more than 15,000 hectares of nutrient deficient forests to increase growth and sequester more carbon.



| Performance Measure(s)  | 2018/19 Actuals | 2019/20 Target | 2019/20 Actuals <sup>2</sup> | 2020/21 Target <sup>3</sup> | 2021/22 Target |
|---|-----------------|----------------|------------------------------|-----------------------------|----------------|
| 3.2 Greenhouse gas emissions reduced or sequestered through FCI activities <sup>1</sup> | 0.7             | 3.4            | 1.6                          | 3.6                         | 3.0            |

Data source: Climate Change and Integrated Planning Branch

<sup>1</sup>Emission reductions and sequestration resulting from FCI activities completed in the current fiscal year are measured in units of MtCO<sub>2</sub>e (Millions Tonnes Carbon Dioxide Equivalent) and are modeled up to the year 2050 (cumulative).

<sup>2</sup>Actuals are based on data and methods available at the time of publication and may be restated in future reports as more information becomes available and refinements are made to estimation methodology.

<sup>3</sup>Targets for 2020/21 and 2021/22 have been revised in the 2020/21-2022/23 Service Plan to 3.2. and 2.7 respectively.

## Discussion of Results

New to the Service Plan for 2019/20, this performance measure estimates greenhouse gas emissions (GHGs) reduced or sequestered through forest carbon projects funded through the Low Carbon Economy Leadership Fund and managed by the Ministry and the Forest Enhancement Society of B.C., including silviculture treatments such as reforestation and fertilization, and improved utilization of post-harvest fibre that would otherwise be burned. This measure highlights the Ministry's commitment to sustainable management of forest-based resources to generate healthy forests and mitigate climate change.

For the 2019/20, the estimated benefit of reduced or sequestered GHG emissions was lower than the target as a result of factoring in more accurate assumptions about site preparation activities such as salvage logging and burning activities needed prior to planting. Additionally, a lower volume of fibre utilization occurred than was originally forecast in the Ministry Service Plan.

The FCI program includes a range of project types with short, medium, and long-term carbon benefits. For example, in the case of silviculture projects such as rehabilitation, the GHG emissions are fully realized when the trees have matured. The long-term benefit of the FCI investments will continue to accrue after 2050.

## Financial Report

### Discussion of Results

The Ministry's operating budget for 2019/20 was \$822.796M. Through the course of the year, the Ministry obtained access to additional authorizations totalling \$135.42M. The breakdown of contingencies and other authorizations are as follows:

#### Ministry Operations:

- \$20.159M for the Big Bar Landslide Incident Response and Barrier Removal Project;
- \$13.161M for Community Grants;
- \$7.737M for compensation relating to Great Bear Rainforest;
- \$5.534M for operating and amortization costs of the Natural Resource Permitting Project;
- \$3.739M in costs associated with softwood lumber trade dispute;
- \$2.500M for Coastal Logging Equipment Support Trust;
- \$1.127M to support Sechelt First Nation Foundation Agreement;
- \$0.850M for Blueberry First Nation Litigation Mitigation;
- \$0.837M of Grizzly Bear Hunt Transitional Funding;
- **(\$6.357M)** of the Ministry's appropriation related to the Information, Innovation and Technology division was transferred to the Ministry of Environment and Climate Change Strategy; and
- **(\$1.051M)** of the Ministry's appropriation related to functions associated with recovery from wildfire and other provincial disasters was transferred to the Ministry of Public Safety and Solicitor General.

#### Fire Management:

- \$81.381M for fire suppression activities.

#### BC Timber Sales:

- \$5.840M increase to the Special Account authorization.

The Ministry's total expenditure of \$958.247M is a combination of base budget and other authorizations.

The Ministry's capital budget for 2019/20 was \$81.396M. Through the course of the year, the Ministry obtained access to additional authorizations totalling \$1.466M to build the Kluskus connector (Pan Crossing Forest Service Road).

The Ministry's total capital expenditure was \$68.999M which was primarily attributable to reprofiling Wildfire Facilities construction to the out years coupled with underspending in BC Timber Sales roads activity due to a decrease in demand for harvestable timber.



## Financial Summary

|  | Estimated      | Other Authorizations <sup>1</sup> | Total Estimated | Actual         | Variance        |
|--|----------------|-----------------------------------|-----------------|----------------|-----------------|
| <b>Operating Expenses (\$000)</b>  |                |                                   |                 |                |                 |
| Integrated Resource Operations   | 36,955         | 0                                 | 36,955          | 44,298         | 7,343           |
| Resource Stewardship   | 104,775        | 837                               | 105,612         | 103,704        | (1,908)         |
| Office of the Chief Forester   | 20,981         | 0                                 | 20,981          | 18,505         | (2,476)         |
| Rural Opportunities, Tenures and Engineering                             | 54,762         | 12,110                            | 66,872          | 43,887         | (22,985)        |
| Timber Operations, Pricing and First Nations                             | 17,949         | 7,737                             | 25,686          | 31,658         | 5,972           |
| Fire Preparedness  | 46,453         | 0                                 | 46,453          | 35,025         | (11,428)        |
| Regional Operations  | 149,488        | 22,137                            | 171,625         | 181,543        | 9,918           |
| Executive and Support Services   | 76,829         | 5,416                             | 82,245          | 97,809         | 15,564          |
| Sub-Total-Ministry Operations Vote                                       | <b>508,192</b> | <b>48,237</b>                     | <b>556,429</b>  | <b>556,429</b> | <b>0</b>        |
| Fire Management  | 101,122        | 81,381                            | 182,503         | 182,503        | 0               |
| BC Timber Sales  | 213,462        | 5,840                             | 219,302         | 219,302        | 0               |
| Crown Land Special Account   | 20             | (7)                               | 13              | 13             | 0               |
| Forest Stand Management Fund   | 0              | 0                                 | 0               | 0              | 0               |
| Sub-Total – Other Appropriations   | <b>314,604</b> | <b>87,214</b>                     | <b>401,818</b>  | <b>401,818</b> | <b>0</b>        |
| Sub-Total – All Appropriations   | <b>822,796</b> | <b>135,451</b>                    | <b>958,247</b>  | <b>958,247</b> | <b>0</b>        |
| Adjustment of Prior Year Accrual <sup>2</sup>                            | 0              | 0                                 | 0               | (5,426)        | (5,426)         |
| <b>Total</b>   | <b>822,796</b> | <b>135,451</b>                    | <b>958,247</b>  | <b>952,821</b> | <b>(5,426)</b>  |
| <b>Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)</b> |                |                                   |                 |                |                 |
| Executive and Support Services   | 32,182         | 1,466                             | 33,648          | 29,520         | (4,128)         |
| Fire Management  | 525            | 0                                 | 525             | 491            | (34)            |
| BC Timber Sales  | 48,689         | 0                                 | 48,689          | 38,988         | (9,701)         |
| <b>Total</b>   | <b>81,396</b>  | <b>1,466</b>                      | <b>82,862</b>   | <b>68,999</b>  | <b>(13,863)</b> |

|   | Estimated      | Other Authorizations <sup>1</sup> | Total Estimated | Actual         | Variance        |
|---|----------------|-----------------------------------|-----------------|----------------|-----------------|
| <b>Other Financing Transactions (\$000)</b> |                |                                   |                 |                |                 |
| BC Timber Sales Disbursements               |                |                                   |                 |                |                 |
| Receipts                                    | 0              | 0                                 | 0               | 0              | 0               |
| Disbursements                               | 108,923        | 0                                 | 108,923         | 94,253         | (14,670)        |
| Net Cash Requirements (Source)              | <b>108,923</b> | <b>0</b>                          | <b>108,923</b>  | <b>94,253</b>  | <b>(14,670)</b> |
| Crown Land Administration                   |                |                                   |                 |                |                 |
| Receipts                                    | 0              | 0                                 | 0               | 0              | 0               |
| Disbursements                               | 6,382          | 0                                 | 6,382           | 0              | (6,382)         |
| Net Cash Requirements (Source)              | <b>6,382</b>   | <b>0</b>                          | <b>6,382</b>    | <b>0</b>       | <b>(6,382)</b>  |
| Crown Land Special Account                  |                |                                   |                 |                |                 |
| Receipts                                    | 0              | 0                                 | 0               | 0              | 0               |
| Disbursements                               | 0              | 0                                 | 0               | 0              | 0               |
| Net Cash Requirements (Source)              | <b>0</b>       | <b>0</b>                          | <b>0</b>        | <b>0</b>       | <b>0</b>        |
| Tourism Development                         |                |                                   |                 |                |                 |
| Receipts                                    | 0              | 0                                 | 0               | 0              | 0               |
| Disbursements                               | 600            | 0                                 | 600             | 0              | (600)           |
| Net Cash Requirements (Source)              | <b>600</b>     | <b>0</b>                          | <b>600</b>      | <b>0</b>       | <b>(600)</b>    |
| Habitat Conservation Trust                  |                |                                   |                 |                |                 |
| Receipts                                    | (6,500)        | 0                                 | (6,500)         | (6,382)        | 118             |
| Disbursements                               | 6,500          | 0                                 | 6,500           | 6,382          | (118)           |
| Net Cash Requirements (Source)              | <b>0</b>       | <b>0</b>                          | <b>0</b>        | <b>0</b>       | <b>0</b>        |
| <b>Total Receipts</b>                       | <b>(6,500)</b> | <b>0</b>                          | <b>(6,500)</b>  | <b>(6,382)</b> | <b>118</b>      |
| <b>Total Disbursements</b>                  | <b>122,405</b> | <b>0</b>                          | <b>122,405</b>  | <b>100,635</b> | <b>(21,770)</b> |
| <b>Total Net Cash Requirements (Source)</b> | <b>115,905</b> | <b>0</b>                          | <b>115,905</b>  | <b>94,253</b>  | <b>(21,652)</b> |

<sup>1</sup> "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies. Amounts in this column are not related to the "estimated amount" under sections 5(1) and 6(1) of the *Balanced Budget and Ministerial Accountability Act* for ministerial accountability for operating expenses under the Act. This column also includes reorganizations and transfers to other ministries.

<sup>2</sup> The Adjustment of Prior Year Accrual of (\$5.426) million is a reversal of accruals in the previous year

## Forest Practices Board Financial Report

The Forest Practices Board spent 99.92% of its allocated budget in 2019/20. 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](http://www.bcfpb.ca).

### Forest Practices Board Resource Summary Table

|  | Estimated | Other Authorizations | Total Estimated | Actual | Variance |
|--|-----------|----------------------|-----------------|--------|----------|
| <b>Operating Expenses (\$000)</b>  |           |                      |                 |        |          |
| Total  | 3,862     | 0                    | 3,862           | 3,859  | (3)      |
| <b>Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)</b> |           |                      |                 |        |          |
| Total  | 0         | 0                    | 0               | 0      | 0        |

## **Appendix A: Agencies, Boards, Commissions and Tribunals**

As of June 26 2020, the following organizations are responsible to, or associated with, the Minister 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.