

## 2021/22 Estimates Debate Index

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

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| <b>Strengthen rural community economies, support recovery and build resilience to economic disruption</b> |  |           |
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## 2021/22 Estimates Debate

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

#### **Issue:** Budget 2021 Summary

#### **Recommend Response:**

- The ministry's overall budget has increased by \$44M to \$888M in 2021/22, an increase of 5.2 percent from last year:
  - \$12M in previously planned increases (breakdown on p.2)
  - \$19M in new budget decisions (breakdown on p.2)
  - \$13M in BC Timber Sales expenditures
- The ministry also received access to permanent and one-time contingencies funding to move forward on economic recovery, reconciliation, and climate change priorities of government
- **Economic Recovery Funding**
  - One-year contingencies funding for 2021/22 of \$8.7M to create 158 youth employment opportunities across the province.
  - One-year contingencies funding for 2021/22 of \$2.7M to expand the provincial recreation site and trails youth employment program to 17 communities across the province.
  - One-year contingencies funding for 2021/22 of a portion of \$4M to help the authorization process with mining development primarily in the North.
  - Permanent funding of \$3.8M to increase capacity to process land and water authorizations, helping to unlock development and land-based economic activity.
  - Permanent already planned increases of \$1M to continue the Coastal Forestry Revitalization initiative and \$1M to advance the New Forest Economy.
- **Reconciliation**
  - \$2.5M to further reconciliation by increasing capacity to implement agreements and to engage on important land-based issues with Indigenous Peoples.
- **Climate Change**
  - Already planned \$2.5M increase to the Forest Carbon Initiative to plant more trees to sequester carbon.

#### **Key Facts:**

The ministry budget increase was from a combination of already planned budget increases to programs (\$12M) combined with new budget decisions (\$19M) and an increase in BC Timber Sales expenditures (\$13M):

|                          | 2020/21 Restated Estimates | 2021/22 Estimates |
|--------------------------|----------------------------|-------------------|
| Ministry Operations Vote | 489,126                    | 517,715           |
| Fire Management Vote     | 136,310                    | 136,310           |

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

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|                                       |                |                |
|---------------------------------------|----------------|----------------|
| BC Timber Sales Special Account       | 218,512        | <b>233,816</b> |
| Crown Land Special Account            | 20             | <b>20</b>      |
| Forest Stand Management Fund          | -              | -              |
| <b>Total April 2021 Plan</b>          | <b>843,968</b> | <b>887,861</b> |
| <b>Year-to-Year Change in 2021/22</b> |                | <b>43,893</b>  |
|                                       |                | <b>5.2%</b>    |

The Ministry operating budget changes include:

In Plan Changes - \$12.022M:

- \$9.971M Net increase in Ministry Operations based on: \$5.417 M increase for salaries and benefits; \$2.554 M increase for the Low Carbon Economy Leadership Fund/Forest Carbon Initiative; \$1.000 M increase for Forest Revitalization; and \$1.000 M increase for New Forest Economy.
- No changes to the Fire Management vote.
- \$2.051 M Net increase in BC Timber Sales. In plan 21/22 costs were higher than 20/21 restated costs as they were based on previous year's costs of goods sold coupled with a decrease based on a reduction in the benefits rate.

Add to Plan Changes - \$31.871M:

- \$12.0 M Log Export (Fee in Lieu) adjustment to compensate for loss of recovery within the Ministry Operations vote
- \$3.805 M approved budget lift for Authorizations
- \$2.518 M approved budget lift for agreement implementation resources as part of a joint submission between the Ministry of Indigenous Relations and Reconciliation.
- \$0.290 M approved budget lift to create Minister of State for Lands and Natural Resource Operations
- \$0.005 M net increase for Salaries and Benefits under the Sustainable Services Negotiating Mandate
- \$13.253 M increase to align the BC Timber Sales budget with their Performance Targets and Resource Requirements

**Date Prepared/Revised: April 6, 2021**

**Ministry Executive Sponsor:**

Name: Trish Dohan

Phone: 250 953-4745

**Alternate Contact for Issue:**

Name: Mark Walker

Phone: 778-598-1538

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

**Vote 29: Ministry Operations**

**Vote 30: Fire Management**

**DRAFT**  
**April 21, 2021**

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**MINISTRY OF FORESTS, LANDS, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT**  
**2021/22 Budget Highlights**

**OPERATING BUDGET: \$887.861 M - an increase of \$43.893 M or 5.2 % from 2020/21 Restated)**

The Ministry operating budget changes include:

In Plan Changes - 12.022 M

- o \$9.971M Net increase in Ministry Operations based on: \$5.417 M increase for salaries and benefits; \$2.554 M increase for the Low Carbon Economy Leadership Fund/Forest Carbon Initiative; \$1.000 M increase for Forest Revitalization; and \$1.000 M increase for New Forest Economy.
- o No changes to the Fire Management vote.
- o \$2.051 M Net increase in BC Timber Sales. In plan 21/22 costs were higher than 20/21 restated costs as they were based on previous year's costs of goods sold coupled with a decrease based on a reduction in the benefits rate.

Add to Plan Changes - \$31.871 M :

- o \$12.0 M Log Export (Fee in Lieu) adjustment to compensate for loss of recovery within the Ministry Operations vote
- o \$3.805 M approved budget lift for Authorizations
- o \$2.518 M approved budget lift for implementation of joint submission between the Ministry of Indigenous Relations and Reconciliation and the Ministry of Forests, Lands, Natural Resource Operations and Rural Development
- o \$0.290 M approved budget lift to create Minister of State for Lands and Natural Resource Operations
- o \$0.005 M net increase for Salaries and Benefits under the Sustainable Services Negotiating Mandate
- o \$13.253 M increase to align the BC Timber Sales budget with their Performance Targets and Resource Requirements

**CAPITAL BUDGET: \$80.184 M (a decrease of (\$8.313 M) or (9.4%) from 2020/21 Restated)**

- o **Ministry Capital budgets are estimated on an annual basis based on requirements submitted and prioritized across government**

Total Plan Changes - (\$8.313 M) :

- o (\$5.873 M) decrease for Wildfire facility improvements due to the completion of projects
- o (\$0.754 M) decrease in the funding requirements for vehicle replacement
- o (\$0.908 M) net decrease in Land Improvements is due to the expiration of temporary funding of (\$0.570 M) for Air Tanker bases and (\$0.338 M) for Campsite Expansion activities
- o (\$0.778 M) reduction is due to a decrease in road building based on an anticipated decrease in the sale of timber and timber volumes harvested under the BC Timber Sales Special Account

**FTEs and Staffing**

**FTEs** - Continue to be budgeted at a summary level for the Province.

**Staff** - Complement of staff at January 1, 2021 was 4,183 (3,838 FLNR and 345 Corporate services staff supporting the natural resource ministries), however this will change throughout the year, particularly in field and fire season when an additional 1,200 - 1,400 staff will be hired on a temporary basis.

**Ministry of Forests, Lands, Natural Resource Operations and Rural Development  
2021/22 Budget Briefing**

**THREE YEAR BUDGET CHANGES FROM FEBRUARY 2020 PLAN**

**OPERATING**

\$000s

|  | 2020/21<br>Estimates | 2021/22<br>Estimates | 2022/23 Plan    | 2023/24 Plan   |
|--|----------------------|----------------------|-----------------|----------------|
| <b>A February 2020 Plan</b>  |                      |                      |                 |                |
| Vote 29 - Ministry Operations  | 489,126              | 499,097              | 499,097         | 499,097        |
| Vote 30 - Fire Management  | 136,310              | 136,310              | 136,310         | 136,310        |
| BC Timber Sales Special Account  | 218,512              | 220,563              | 214,547         | 214,547        |
| Crown Land Special Account   | 20                   | 20                   | 20              | 20             |
| Forest Stand Management Fund   | -                    | -                    | -               | -              |
| <b>Total February 2020 Plan</b>  | <b>843,968</b>       | <b>855,990</b>       | <b>849,974</b>  | <b>849,974</b> |
| <i>Year-to-year change in 2020/21 Service Plan</i>                             |                      | <i>12,022</i>        | <i>(6,016)</i>  | <i>-</i>       |
| <b>B Inter Ministry Transfers</b>  |                      |                      |                 |                |
| <b>Total Inter Ministry Transfers</b>  | -                    | -                    | -               | -              |
| <b>C Budget Lifts and Reductions</b>   |                      |                      |                 |                |
| Log Export (Fee in Lieu) adjustment to compensate for loss of recovery         |                      | 12,000               | 12,000          | 12,000         |
| Lift for Authorizations  |                      | 3,805                | 3,805           | 3,805          |
| Lift for joint implementation submission between MIRR/FLNRO                    |                      | 2,518                | 2,620           | 2,620          |
| Lift for Minister of State for Lands and Natural Resource Operations           |                      | 290                  | 307             | 325            |
| Sustainable Services Negotiating Mandate Increase                              |                      | 5                    | 5               | 5              |
| Lift to BCTS to align with their Performance Targets and Resource Requirements |                      | 13,253               | (10,676)        | (14,712)       |
| <b>Total Budget Lifts and Reductions</b>                                       | -                    | <b>31,871</b>        | <b>8,061</b>    | <b>4,043</b>   |
| <b>Total Transfers and Adjustments</b>   | <b>843,968</b>       | <b>887,861</b>       | <b>858,035</b>  | <b>854,017</b> |
| <i>Change from 2021/22 Service Plan</i>  | -                    | <i>31,871</i>        | <i>8,061</i>    | <i>4,043</i>   |
|  | -                    | 3.7%                 | 0.9%            | 0.5%           |
| <b>D April 2021 Plan</b>   |                      |                      |                 |                |
| Vote 29 - Ministry Operations  | 489,126              | 517,715              | 517,834         | 517,852        |
| Vote 30 - Fire Management  | 136,310              | 136,310              | 136,310         | 136,310        |
| BC Timber Sales Special Account  | 218,512              | 233,816              | 203,871         | 199,835        |
| Crown Land Special Account   | 20                   | 20                   | 20              | 20             |
| Forest Stand Management Fund   | -                    | -                    | -               | -              |
| <b>Total April 2021 Plan</b>   | <b>843,968</b>       | <b>887,861</b>       | <b>858,035</b>  | <b>854,017</b> |
| <i>Year-to-Year Change in 2021/22 Service Plan</i>                             |                      | <i>43,893</i>        | <i>(29,826)</i> | <i>(4,018)</i> |
|  |                      | 5.2%                 | (3.4%)          | (0.5%)         |

Footnote(s):

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

## 2021/22 Budget Briefing

## THREE YEAR BUDGET CHANGES FROM FEBRUARY 2020 PLAN

| CAPITAL  |                      |   |                      |   |               |   |               |
|--|----------------------|---|----------------------|---|---------------|---|---------------|
| \$000s   |                      |   |                      |   |               |   |               |
|  | 2020/21<br>Estimates | # | 2021/22<br>Estimates | # | 2022/23 Plan  | # | 2023/24 Plan  |
| <b>A February 2020 Plan</b>  |                      |   |                      |   |               |   |               |
| Vote 29 - Ministry Operations  | 37,343               |   | 24,848               |   | 24,761        |   | 24,761        |
| Vote 30 - Fire Management  | 525                  |   | 525                  |   | 525           |   | 525           |
| BC Timber Sales Special Account  | 50,629               |   | 48,859               |   | 46,486        |   | 46,486        |
| <b>Total February 2020 Plan</b>  | <b>88,497</b>        |   | <b>74,232</b>        |   | <b>71,772</b> |   | <b>71,772</b> |
| <i>Year-to-year change in 2020/21 Service Plan</i>                                       |                      |   | (14,265)             |   | (2,460)       |   | -             |
| <b>B Intra-Ministry Transfers</b>  |                      |   |                      |   |               |   |               |
|  | -                    |   | -                    |   | -             |   | -             |
| <b>Total-Intra Ministry Transfers</b>  | -                    |   | -                    |   | -             |   | -             |
| <b>Budget Lifts and Reductions</b>   |                      |   |                      |   |               |   |               |
| Wildfire Facilities funding reprofiled from 2020/21 to complete remaining projects       |                      |   | 5,600                |   |               |   |               |
| Vehicle reduction based on updated replacement scheduled developed by Shared Services BC |                      |   | (840)                |   | (935)         |   | (935)         |
| Budget lift for vehicles based on joint FLNR/MIRR submission                             |                      |   | 200                  |   |               |   |               |
| Increase for road construction for BC Timber Sales based on service plan                 |                      |   | 992                  |   | 2,540         |   | 200           |
| <b>Total Budget Lifts and Reductions</b>   | -                    |   | 5,952                |   | 1,605         |   | (735)         |
| <b>Total Transfers and Adjustments</b>   | <b>88,497</b>        |   | <b>80,184</b>        |   | <b>73,377</b> |   | <b>71,037</b> |
| <i>Change from 2021/22 Service Plan</i>  | -                    |   | 5,952                |   | 1,605         |   | (735)         |
|  | -                    |   | 8.0%                 |   | 2.2%          |   | (1.0%)        |
| <b>C April 2021 Plan</b>   |                      |   |                      |   |               |   |               |
| Vote 29 - Ministry Operations  | 37,343               |   | 29,808               |   | 23,826        |   | 23,826        |
| Vote 30 - Fire Management  | 525                  |   | 525                  |   | 525           |   | 525           |
| BC Timber Sales Special Account  | 50,629               |   | 49,851               |   | 49,026        |   | 46,686        |
| <b>Total April 2021 Plan</b>   | <b>88,497</b>        |   | <b>80,184</b>        |   | <b>73,377</b> |   | <b>71,037</b> |
| <i>Year-to-Year Change in 2021/22 Service Plan</i>                                       |                      |   | (8,313)              |   | (6,807)       |   | (2,340)       |
|  |                      |   | (9.4%)               |   | (8.5%)        |   | (3.2%)        |

Footnote(s):



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

**Issue:** 2021/22-2023/24 FLNR Service Plan

#### **Recommend Response:**

- The Service Plan demonstrates how the Ministry plans to achieve its key commitments and priorities as outlined in the ministerial Mandate Letters.

#### **Key Facts:**

- The goals, objectives, and strategies are consistent with FLNR's ministerial Mandate Letters.
- Consistent with the Plan for 2020/21, strategic work is organized into three goals:
  1. Contribute to a healthy and strong provincial economy through actions that strengthen rural community resilience, revitalize the forest sector, reduce risk through natural hazard management, and support recovery from the COVID-19 pandemic.
  2. Drive reconciliation forward through actions that will strengthen partnerships and increase opportunities for engagement with Indigenous peoples in B.C.
  3. Ensure sustainable natural resource management through actions that revitalize and protect B.C.'s forests, improve wildlife management and support the Government-wide CleanBC initiative through climate change adaptation and mitigation activities.
- New strategies to align with emerging priorities include:
  - Implement the Rural Business and Community Recovery Initiative.
  - Implement a targeted rural resident attraction pilot.
  - Advance opportunities to include Indigenous peoples in the forest sector.
  - Develop a provincial strategy to protect coastal marine habitat.
  - Develop the Climate Preparedness and Adaptation strategy.
  - Generate new scientific knowledge on forest carbon and climate change to support decision-making.
- Five performance measures carry over from last year, as they continue to align with Ministry goals:
  - Forest Employment Program – ensuring funds are allocated to create short-term employment opportunities for contractors and workers in coastal and interior regions of B.C. that have been affected by closures in the forest sector.
  - Annual Timber Volume Sold – indicating that the Ministry is maximizing harvest of its allocated timber supply, providing forest sector employment, and contributing to industry sustainability.
  - Community Resiliency Investment Program – signalling Ministry efforts to increase community and provincial resiliency to wildfires through preventative wildfire management activities.

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

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- Wildlife Habitat – indicating the effectiveness of Ministry management activities and efforts to enhance, conserve and restore wildlife habitat, support wildlife populations and help recover species at risk.
- Greenhouse Gas Emissions reduction or sequestration – highlighting Ministry effectiveness in delivering climate change mitigation activities through the Forest Carbon Initiative.
- One performance measure is new and demonstrates Ministry progress against related mandate letters items:
  - Delivery of Commitments and Obligations related to the *Declaration on the Rights of Indigenous Peoples Act* – highlighting the Ministry’s commitment to reconciliation and strengthening partnerships with Indigenous peoples in the management of B.C.’s natural resources and land base.

**Date Prepared/Revised: April 15, 2021**

**Ministry Executive Sponsor:**

Name: Mike Hykaway

Phone: Government  
Financial

**Alternate Contact for Issue:**

Name: Sandy Postings

Phone: 250-380-8565

## 2021/22 Estimates Debate

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

#### **Issue:** Columbia Basin Trust and Columbia Power Corporation Background Information

#### **Recommend Response:**

- The Trust will continue to deliver programs that support the social, economic and environmental well-being of Basin residents.
- The Columbia Basin Management Plan Strategic Priorities 2020-2022 will help the Trust respond to the impacts of the COVID-19 pandemic in the Basin.
- These priorities were developed in the summer of 2020, with input from Basin residents, and will help guide the Trust's work in 2021 and 2022.

#### **Key Facts:**

##### **Columbia Basin Trust**

- The unique relationship between the Province and the Trust, and the Trust's dual accountability to the Province and the residents of the Basin, is set out in a 2016 Memorandum of Understanding (MOU).
- The Trust is working with the Ministry of Energy, Mines and Low Carbon Innovation to update and renew the MOU.

##### **Columbia Basin Management Plan (CBMP) Strategic Priorities 2020-2022:**

- In September 2020, the Trust Board approved the CBMP which includes six Strategic Priorities (Community Wellbeing, Ecosystem Enhancement, High-Speed Connectivity, Housing, Local Food Production and Access, and Support for Business Renewal) and two Integrated Priorities (Climate Resilience and Working with Indigenous Peoples).
- Some highlights of the Trust's activities include:
  - \$481K committed to 80 projects creating 74 new childcare spaces, and improving 1,652 others through the Childcare Capital Grants Program.
  - \$1M committed to 178 projects in the Non-profit Tech Grant Program.
  - \$1.3M committed to 10 projects in the Community Outdoor Revitalization Program.
  - \$850K committed to 24 projects in the Food Access and Recovery Program.
  - \$1.35M for three large-scale projects in the Ecosystem Enhancement Program.
  - \$634K for 15 projects in Energy Sustainability Grants.
  - \$650K for 16 projects in Environment Grants.
  - Launched a #BuyBasin Festival supporting up to 100 local businesses to be featured live on Facebook in the spring, encouraging residents to shop locally.
  - Virtual Food and Buyers Expo held on April 9, 2021.

## 2021/22 Estimates Debate

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

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- Approval from CRTC to complete \$4.9M backbone project connecting 5 underserved communities between Fruitvale and Nelson.
- As it is more complex to track progress against the integrated priorities across the organization, work is still underway to develop the key success indicators.

Renewal: The current CBMP “expires” in 2022. The Trust will start a regional engagement process in early 2022.

### Columbia Power Corporation Activities

#### Arrow Lakes Generating Facility

- Intake Gate Refurbishment Capital Project – significant sustaining capital at about \$1M per year for six years with a start date that had to be deferred from April 2020 due to COVID-19.

#### Brilliant Expansion Generating Facility

- Control System Replacement at \$900K had to be deferred from fiscal 2021 due to COVID-19.

#### Waneta Expansion Generating Facility

- Normal course routine and maintenance. This will be the first full year where major warranty work will no longer be required.

### Service Plan Financials

#### Columbia Basin Trust:

- In the Trust’s 2021/22-2023/24 Service Plan submitted in April 2021, the following financial forecasts were presented for the year of 2020/2021.
  - Generate \$90M in total revenue
  - Deliver \$57M in grants and initiatives
  - Provide \$5M in new business loans

#### Columbia Power Corporation:

- In CPC’s 2021/22-2023/24 Service Plan submitted in April 2021, the following financial forecasts were presented for the year 2020/2021.
  - Generate \$79M in total revenue
  - Incur \$25M in expenses
  - Deliver \$55M in net income

**Date Prepared/Revised: April 20, 2021**

**Ministry Executive Sponsor:**

Name: Les MacLaren

Phone: 778 698-7183

**Alternate Contact for Issue:**

Name: Mike Hykaway

Phone: Government

## 2021/22 Estimates Debate

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

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**Issue:** BCTS 2020/21 Performance

**Recommended Response:**

- BCTS is a self-financing program within FLNRORD.
  - **Goal:** to provide credible representative cost and benchmark data for the Market Pricing System (MPS) through auctions of timber harvested from public land in BC.
  - **Objectives:**
    1. Sell the full BCTS apportionment over the business cycle, consistent with safe practices, reconciliation with indigenous peoples, and sustainable forest management;
    2. Generate direct net revenue and indirect revenue for the Province over the business cycle; and
    3. Pursue continuous business improvements across government and with third party partners and customers.
  - **Principles:**
    - Forest Sector Safety;
    - Reconciliation with Indigenous Peoples; and
    - Sustainable Forest Management.

**2020/21 Performance Summary:**

| Key Performance Measure        | Target   | Achieved | Variance              |
|--------------------------------|----------|----------|-----------------------|
| Annual Timber Volume Sold      | 10.5Mm3  | 10.3Mm3  | (0.2Mm3)              |
| Annual Timber Volume Developed | 12.8Mm3  | 9.0Mm3   | (3.8Mm3) <sup>1</sup> |
| Net Revenue                    | \$142.9M | \$192.6M | \$49.7M               |

<sup>1</sup> Delays due to COVID, reconciliation activities, and managing wildlife continue to adversely impact production.

- BCTS continues to achieve its goal of supporting the Market Pricing System by advertising over 20% of the planned provincial harvest volume for the year.
- BCTS achieved or substantially achieved all three of its objectives:
  - Objective 1: BCTS achieved 98% of its target for timber volume sold. A higher than expected number of sales receiving no bids, wildlife impacts, and delays related to reconciliation with indigenous peoples are the primary reasons for the shortfalls.  
  
2020/21 is the second year of the 5-year business cycle and BCTS the small short fall in timber volume sold from 2019/20 and 2020/21 will be rectified before the end of the business cycle March 31, 2024.
  - Objective 2: BCTS will exceed its Net Revenue target for the year by about \$50M. The rates billed during the year remained higher than

## 2021/22 Estimates Debate

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

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expected as licensees took advantage of high lumber prices and continued to harvest high value timber.

Objective 3: BCTS continues to make good progress on continuous improvement initiatives including regionalization initiatives to align and make better use of existing and scarce resources.

- BCTS continues to maintain and deliver its program within its overarching principles:
  1. Forest Sector Safety - maintained its SAFE Companies Certification and played a key role in supporting Ministry Safety certification;
  2. Reconciliation with Indigenous Peoples – BCTS invested in new ways of doing business with Indigenous peoples that involves building greater understanding, capacity, and collaboration; and,
  3. Sustainable Forest Management – BCTS continues to be 100% Sustainable Forestry Initiative (SFI) certified and planted over 65 million trees in 2020/21.

#### **Key Facts:**

- BCTS continues to play a critical role in the forest sector and the economies of rural communities.
- Each year BCTS puts over \$170M directly into communities through tendering of its service contracts.
- Its activities also support over 7,000 direct and about 10,000 indirect well-paying jobs each year.
- Since inception in 2003, BCTS has:
  - sold over 200 million cubic metres of timber into the forest economy through competitive auctions;
  - grown over 1.1 billion trees to support future forests; and,
  - earned about \$1.8 billion in net revenue for the Province, the majority of which supported other government priorities such as education, health, parks and recreation.
- BCTS publishes quarterly and annual public performance reports. The 2020/21 Annual Performance Report will be available soon once all financial and business information is finalized.

**Date Prepared: April 20, 2021**

**Ministry Executive Sponsor:**

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**Alternate Contact for Issue:**

Name: Robert Bigalke, Director Business, BCTS

Phone: (778) 974-5681

## 2021/22 Estimates Debate

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

**Issue:** Covid related expenses for 2020/21

#### **Recommend Response:**

- FLNR incurred \$9.48M in additional expenses in 2020/21 in response to the Covid-19 pandemic.
- The main categories for Covid related spending are: Increased tree planting costs (\$3.07M) and ministry related Covid expenses (\$6.41M).

#### **Key Facts:**

In response to restrictions caused by the pandemic, FLNR incurred additional costs to ensure the planned tree planting season could continue.

Tree planting related costs incurred included providing security at tree planting camp sites and hotels to enforce covid-related restrictions, the leasing of additional vehicles to ensure appropriate social distancing by employees, provisions of personal protection equipment, additional cleaning supplies for equipment and use in camps, etc.

Expenses incurred by the Ministry in response to the pandemic and to comply with restrictions included: additional janitorial costs for more frequent cleaning, increased demand for cleaning supplies, signage for buildings and offices, provision of personal protection equipment such as masks, etc.

The \$9.48M reflects the Q3 information, as reported in the budget and fiscal plan document.

The provincial 2020/21 annual operating results, including COVID-19 related expenditures, are being prepared and audited and final results will be available when the Minister of Finance releases the Public Accounts.

**Date Prepared/Revised: April 20, 2021**

**Ministry Executive Sponsor:**

Name: Trish Dohan

Phone: 250 953-4745

**Alternate Contact for Issue:**

Name: Melissa Kortum

Phone: 778-698-0401

## 2021/22 Estimates Debate

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

**Issue:** The ministry received \$3.8M permanent budget lift in *Budget 2021* to increase capacity to process land and water use authorizations.

#### **Recommend Response:**

- The funding addresses the growing backlog of tenure applications, renewals and rent reviews to use provincial public land and water in three regions, West Coast Lower Mainland and Thompson Okanogan.
- The funding will:
  - Improve land and water stewardship,
  - Unlock stalled economic growth and development,
  - Help economic recovery initiatives.
- Provincial delays in land-based authorizations are a removeable barrier to economic growth, job creation and economic recovery through increased capacity to process applications to use crown land for development or economic purposes.
- This initiative supports the StrongerBC plan by authorizing shovel ready projects and activity on the land-base to proceed, helping people and businesses get back to work.

#### **Key Facts:**

160 trained specialists across the three largest and economically active regions manage nearly 11,000 land and water authorizations (tenures), or 64% of the provincial total. Every year, the three regions process an average of 4,100 files, but the workload has increased due to several factors without a corresponding increase to staff resources.

Increasing capacity will enable projects to proceed and will reduce authorization wait times, unlocking an estimated \$1 billion in land-based economic activity.

The provincially authorized economic activity will increase provincial revenues from land and water use authorizations and create jobs across a wide range of sectors such as construction, housing, tourism, and natural resource extraction.

Faster processing times will also mitigate the risk of unauthorized use of Crown land and water, limiting the need for increased compliance and enforcement measures.

**Date Prepared/Revised:** «add date»

**Ministry Executive Sponsor:**

Name: Trish Dohan

Phone: 250 953-4745

**Alternate Contact for Issue:**

Name: Mark Walker

Phone: 778-598-1538



## 2021/22 Estimates Debate

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

**Issue:** The ministry received one-time funding of \$11.4M in 2021/22 to expand youth employment programs.

#### **Recommend Response:**

- One-year contingencies funding for 2021/22 of \$8.7M to create 158 youth employment opportunities across the province.
- One-year contingencies funding for 2021/22 of \$2.7M to expand the provincial recreation site and trails youth employment program to 17 communities across the province.
- This program will provide work experience on projects such as community wildfire prevention, invasive species management, improvements to recreation sites and trails, and improving forest management and health.
- The program will directly support rural, resource communities facing job losses by providing youth employment and training, and by investing in outdoor recreation facilities to strengthen local tourism and accelerate post COVID-19 pandemic economic recovery.

#### **Key Facts:**

- This initiative is part of the larger StrongerBC Works program that is investing over \$40M to provide skills training and employment opportunities for more than 5,000 people across British Columbia.
- Through the StrongerBC Works program, young people will have access to skills training, internships, job co-ops and meaningful jobs, both seasonal/short-term and long-term, in the growing tech sector, environment and natural resource fields.
- These opportunities will provide career pathways for younger British Columbians who have seen co-ops, internships and other opportunities minimized during the pandemic.
- Youth have experienced a higher rate of unemployment than other age groups within British Columbia, doubling between January 2020 and January 2021 to 16.8%.
- These work opportunities will help young people financially, while building valuable experience for their careers.

**Date Prepared/Revised: April 12, 2021**

**Ministry Executive Sponsor:**

Name: Trish Dohan

Phone: 250 953-4745

**Alternate Contact for Issue:**

Name: Mark Walker

Phone: 778-598-1538

## 2021/22 Estimates Debate

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

**Issue:** The ministry received a \$12M permanent budget lift in *Budget 2021* to replace the ministry recovery (revenue) of Log Export Fee-In-Lieu of Manufacture (FIL).

**Recommend Response:**

- The \$12M budget lift has increased the Executive and Support Services core business budget and replaces revenue the ministry used to collect.
- The budget lift is administrative in nature and is fiscal plan neutral. There is no new spending related to this budget lift.
- In a decision made in 2004, a portion of ministry base operations were to be funded by the highly variable Log Export Fee-in-Lieu of Manufacture revenue, leading to pressures within the ministry when revenues declined.
- The FIL revenue has funded base budget programs such as wildfire risk reduction, tree planting and other enhanced silviculture activities over the last 17 years.
- The FIL revenue will now flow directly to government’s Consolidated Revenue Fund enabling better fiscal management for the ministry and for government.

**Key Facts:**

A Fee-in-Lieu (FIL) of manufacture is charged on all crown logs that are permitted for export. The Ministry of Forest, Lands, Natural Resource Operations and Rural Development (FLNR) has been recovering a portion of the FIL revenue to defray the costs of core ministry business since 2004.

|  |                     |
|--|---------------------|
| <b>Date Prepared/Revised:</b> «add date» |                     |
| <b>Ministry Executive Sponsor:</b>       |                     |
| Name: Trish Dohan                        | Phone: 250 953-4745 |
| <b>Alternate Contact for Issue:</b>      |                     |
| Name: Mark Walker                        | Phone: 778-598-1538 |

## 2021/22 Estimates Debate

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

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**Issue:** Revenue Derived From Forests, Lands and Natural Resource Operations

**Key Facts Regarding Issue:**

- **Total revenue** as from the 2021/22 Budget Estimates Forecast by major category is \$1.87 billion in 2021/22; \$1.59 billion in 2022/23; and \$1.57 billion in 2023/24.
- Forests and Other Natural Resources categories align with Table A9 of the 2021/22 Budget and Fiscal Plan. Crown lands and other revenues do not have their own separate line items and are rolled up with other revenue sources in the Budget and Fiscal Plan.

| Ministry Revenue Category     | 2020/21 Revised Forecast | 2021/22 Budget Forecast | 2022/23 Target   | 2023/24 Target   |
|-------------------------------|--------------------------|-------------------------|------------------|------------------|
| Forests *                     | 1,121                    | 1,204                   | 948              | 916              |
| Other Natural Resources**     | 439                      | 502                     | 514              | 510              |
| Crown Lands                   | 93                       | 107                     | 86               | 99               |
| Other Revenues***             | 69                       | 54                      | 43               | 41               |
| <b>Total Ministry Revenue</b> | <b>\$ 1,722M</b>         | <b>\$ 1,868M</b>        | <b>\$ 1,591M</b> | <b>\$ 1,566M</b> |

\* Forests include timber tenures stumpage, BC Timber Sales, other forest revenue, recoveries and logging tax

\*\* Other Natural Resources include water resources and wildlife act fees and licenses and recoveries

\*\*\* Other revenues include land registry fees, Low Carbon Emissions Leadership Fund (LCELF) federal government contributions and other miscellaneous revenue accounts

\*\*\*\* Totals may not add due to rounding

## 2021/22 Estimates Debate

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

#### FORESTS REVENUE - (Millions)

| <b>FORESTS REVENUE</b>         | <b>2020/21<br/>Revised<br/>Forecast</b> | <b>2021/22<br/>Budget<br/>Forecast</b> | <b>2022/23<br/>Target</b> | <b>2023/24<br/>Target</b> |
|--------------------------------|---|--|---------------------------|---------------------------|
| Timber Tenures <sup>1</sup>    | 696                                     | 744                                    | 515                       | 498                       |
| BC Timber Sales                | 365                                     | 344                                    | 321                       | 307                       |
| Other CRF Revenue <sup>2</sup> | 18                                      | 30                                     | 30                        | 30                        |
| Logging Tax <sup>3</sup>       | (20)                                    | 30                                     | 30                        | 30                        |
| Recoveries <sup>4</sup>        | 61                                      | 56                                     | 52                        | 51                        |
| <b>FORESTS REVENUE (A9)</b>    | <b>\$ 1,121 M</b>                       | <b>\$ 1,204 M</b>                      | <b>\$ 948 M</b>           | <b>\$ 916 M</b>           |

<sup>1</sup> Timber Tenures includes stumpage revenue and annual rent revenue. Recoveries related to revenue sharing payments to Indigenous Peoples are deducted to provide net timber tenures revenue.

<sup>2</sup> Other Consolidated Revenue Fund (CRF) Revenue includes timber export fees, range permits and fees, waste, penalties, interest and other miscellaneous forestry receipts.

<sup>3</sup> Logging tax is administered by the Ministry of Finance and applies to individuals or corporations that have income from logging operations on private or Crown land in BC. Negative forecast due to corporations filing amended returns to claim their loss carry-backs.

<sup>4</sup> Recoveries include log export recoveries and wildfire management recoveries. Ministry of Indigenous Relations and Reconciliation Forest Consultation and Revenue Sharing Agreement (FCRSA) recoveries are also included.

#### Advice and Recommended Response – Forests Revenue

- The forest revenue forecast is based on current economic assumptions regarding US housing starts, the Canada-U.S. exchange rate, lumber commodity prices and prevailing stumpage rates.
- Forecast uncertainties include impacts associated with lumber price, lumber demand, stumpage rates and harvest volatility, US duties, mill curtailments, timber supply decreases and overall global economic conditions.
- Timber tenures revenue is increasing in FY21/22 due to increasing Coast and Interior appraised stumpage rates.
  - Lumber prices are expected to stay elevated through FY21/22, keeping appraised rates at historically high levels.
  - The decrease in timber tenures revenue in FY22/23 is due to expectations of lumber prices retreating to more normalized levels.
- BCTS revenues are expected to decrease marginally in FY21/22 as lumber prices stabilise just under the all-time highs currently being experienced.
- Crown harvest volumes have adjusted lower over the past two years.
  - Crown harvest volume is forecast to be 46.0 Million cubic meters in FY21/22 as compared to 46.8 Million cubic meters in FY20/21.
  - The winding down of mountain pine beetle salvage and forest fires have contributed to timber scarcity and mill closures.

## 2021/22 Estimates Debate

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

#### **OTHER NATURAL RESOURCE REVENUE – (Millions)**

|                                    | <b>2020/21<br/>Revised<br/>Forecast</b> | <b>2021/22<br/>Budget<br/>Forecast</b> | <b>2022/23<br/>Target</b> | <b>2023/24<br/>Target</b> |
|------------------------------------|---|--|---------------------------|---------------------------|
| Water Resources                    | 366                                     | 430                                    | 441                       | 437                       |
| Water Recoveries                   | 50                                      | 50                                     | 50                        | 50                        |
| Wildlife Acts Fees<br>and Licenses | 10                                      | 10                                     | 10                        | 10                        |
| Fish and Wildlife<br>Recoveries    | 13                                      | 13                                     | 13                        | 13                        |
| <b>TOTAL</b>                       | <b>\$ 439 M</b>                         | <b>\$ 502 M</b>                        | <b>\$ 514 M</b>           | <b>\$ 510 M</b>           |

#### **Advice and Recommended Response – Other Natural Resource Revenue**

- Water Resources revenue is 97% from about 250 power producers, and 3% from 30,000 other licensed water users in the province, from domestic usage to the Greater Vancouver Water District supplying all of Vancouver with water.
- The forecast shows an increase in water resources revenue for 2021/22 and 2022/23 from a combination of factors related to power production:
  - Higher initial reservoir storage going into 2020 and significantly above average water inflows to reservoirs in 2020. More power is able to be generated due to the increased pressure from a higher reservoir depth.
  - An inability to generate due to operational restrictions in 2020 requires an increased reservoir drawdown in fiscal 2021/22 at BC Hydro (BCH) facilities. As these reservoirs are drawn down power production is increased.
  - System re-optimization related to planned outages and balancing among BCH Columbia River facilities and Columbia River Treaty Coordination Partners.
- Water resources decrease in revenue for 2023/24 mainly due to projected lower Peace reservoir levels. BC Hydro has three major dams on the Peace river, lower reservoir levels reduce the amount of power that can be produced.
- Water rental rates are indexed to the BC CPI rate annually.
- 100% of net angling revenue is allocated to Freshwater Fisheries Society BC annually.

## 2021/22 Estimates Debate

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

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#### CROWN LAND REVENUE - (Millions)

|                            | <b>2020/21<br/>Revised<br/>Forecast</b> | <b>2021/22<br/>Budget<br/>Forecast</b> | Government Financial Information |
|----------------------------|---|--|----------------------------------|
| Land Tenure                | 55                                      | 58                                     |                                  |
| Net Land Sales             | 7                                       | 9                                      |                                  |
| Net SPP Sales              | 10                                      | 27                                     |                                  |
| Land Royalties             | 20                                      | 12                                     |                                  |
| Interest & Other<br>Income | 1                                       | 1                                      |                                  |
| <b>TOTAL</b>               | <b>\$ 93 M</b>                          | <b>\$ 107 M</b>                        |                                  |

#### Advice and Recommended Response – Crown Land Revenue

- Crown land revenue includes Crown land sales to external parties, sales of crown land assets in accordance with the provincial Surplus Property Program (SPP), and Land royalties collected when Crown land resources are extracted or used. Land tenure instruments include investigative permits, licences of occupation and leases.
- Land tenure increases for all fiscal years are mainly attributed to increasing BC Assessment land values and new authorizations issued.
- Crown Land sales changes due to the sales being finalized later than expected.
- SPP land sales for 2020/21 were deferred to 2021/22 for various reasons, generally due to legal issues, First Nation consultations, and mandates for Ministry of Citizens' Services, who manage the SPP as a whole, to meet revenue targets for specific years. No SPP land sales are planned for 2022/23 and onwards at this moment.
- Crown land revenue is generated from all regions within the province.

**Date Prepared: March 31, 2021**

**Ministry Executive Sponsor:**

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**Alternate Contact for Issue:**

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Name: Trevor Miller (NRO)

Phone: 778-698-9496







## 2021/22 Estimates Debate

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

**Issue:** Explanation of 2020/21 Q3 Forecast changes to Crown Land Revenue for Fiscals 2021/22 and 2022/23

The following table compares the estimate of Crown Land Revenue from Budget 2020 to the updated forecast for Budget 2021:

| <b>2021/22 BUDGET FORECAST (Millions)</b> |                                |                                |               |
|---|--------------------------------|--------------------------------|---------------|
|   | <i>Budget 2020<br/>2021/22</i> | <i>Budget 2021<br/>2021/22</i> | <b>Change</b> |
| Land Tenures                              | 58                             | 58                             | 0             |
| Net Land Sales                            | 13                             | 9                              | -4            |
| Net SPP Sales                             | 17                             | 27                             | +10           |
| Land Royalties                            | 11                             | 12                             | +1            |
| Interest & Other income                   | 1                              | 1                              |               |
| <b>Total</b>                              | <b>\$100</b>                   | <b>\$107</b>                   | <b>+\$7</b>   |

#### Land Sales

Net land sales revenue is expected to decrease by \$4 million for 2021/22, due to the change in expected closing dates:

|  |                     |
|--|---------------------|
| ▪ Chilliwack Filled Foreshore moved to 2022/23   | -10.8               |
| ▪ Fortis Compressor Site moved from 2020/21      | 1.0                 |
| ▪ Chilliwack Filled Foreshore moved from 2020/21 | 2.0                 |
| ▪ Regional projects moved from 2020/21           | 3.3                 |
| ▪ New Regional projects                          | <u>0.2</u>          |
| <b>Total net Land Sales variance (rounded)</b>   | <b>-\$4 million</b> |

#### SPP Sales

Net SPP sales revenue is expected to increase by \$10 million for 2021/22, due to the change in expected closing dates:

|   |                     |
|---|---------------------|
| ▪ Sales moved from Fiscal 2020/21 to 2021/22  |                     |
| ▪ Village of Belcarra                         | 4.0                 |
| ▪ Woodfibre LNG                               | 3.8                 |
| ▪ Brunswick Point Phase 3                     | <u>2.7</u>          |
| <b>Total net SPP Sales variance (rounded)</b> | <b>\$10 million</b> |

## 2021/22 Estimates Debate

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

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The following table compares the estimate of Crown Land Revenue from Budget 2020 to the updated forecast for Budget 2021:

| <b>2022/23 BUDGET FORECAST</b> |                                |                                |               |
|--------------------------------|--------------------------------|--------------------------------|---------------|
|                                | <i>Budget 2020<br/>2022/23</i> | <i>Budget 2021<br/>2022/23</i> | <b>Change</b> |
| Land Tenures                   | 59                             | 59                             |               |
| Net Land Sales                 | 2                              | 12                             | +10           |
| Net SPP Sales                  | 0                              | 0                              |               |
| Land Royalties                 | 12                             | 13                             | +1            |
| Interest & Other income        | 1                              | 1                              |               |
| <b>Total</b>                   | <b>\$74</b>                    | <b>\$86</b>                    | <b>+\$11</b>  |

#### Land Sales

- Land sales moved from 2021/22 to 2022/23  
Chilliwack Filled Foreshore

10.8

**Total net Land Sales variance (rounded)**

**\$10 million**

**Date Prepared:** April 01, 2021

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**Ministry Executive Sponsor:**

Name: Melissa Kortum

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**Alternate Contact for Issues:**

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Ministry of Forests, Lands & Natural Resource Operations - Revenues  
As per the 2021/22 to 2023/24 Budget & Fiscal Plan - Table A9 (\$ millions)

|  | 2019/20<br>Actuals | Revised<br>Forecast<br>2020/21 | Estimates<br>2021/22 | Forecast<br>2022/23 | Forecast<br>2023/24 |
|--|--------------------|--------------------------------|----------------------|---------------------|---------------------|
| Timber Tenures (net)   | 488                | 696                            | 744                  | 515                 | 498                 |
| BC Timber Sales  | 395                | 365                            | 344                  | 321                 | 307                 |
| Logging tax (1)  | 28                 | (20)                           | 30                   | 30                  | 30                  |
| Other Forest Revenues (2)  | 19                 | 18                             | 30                   | 30                  | 30                  |
| Recoveries (3)   | 58                 | 61                             | 56                   | 52                  | 51                  |
| Forests  | 988                | 1121                           | 1204                 | 948                 | 916                 |
| Water Revenues   | 358                | 366                            | 430                  | 441                 | 437                 |
| Recoveries for BC Hydro Tier 1 rebate                                  | 50                 | 50                             | 50                   | 50                  | 50                  |
| Fish & Wildlife  | 10                 | 10                             | 10                   | 10                  | 10                  |
| Recoveries for amount paid to Freshwater Fish<br>Society of BC (FFSBC) | 13                 | 13                             | 13                   | 13                  | 13                  |
| Other Natural Resources (per Ministry)                                 | 432                | 439                            | 502                  | 514                 | 510                 |
| Other Revenue  |                    |                                |                      |                     |                     |
| Crown Lands (4)  | 90                 | 93                             | 107                  | 86                  | 99                  |
| Federal Government Contributions (5)                                   | 19                 | 29                             | 13                   | 2                   | -                   |
| Land Registry Fees   | 36                 | 39                             | 39                   | 39                  | 40                  |
| Other Revenue  | 2                  | 2                              | 2                    | 2                   | 2                   |
|  | 147                | 162                            | 161                  | 129                 | 140                 |
| FLNR Revenue   | 1,566              | 1,722                          | 1,868                | 1,591               | 1,566               |

## Notes:

|   |     |      |      |     |     |
|---|-----|------|------|-----|-----|
| A Forests (as per Ministry)                 | 988 | 1121 | 1204 | 948 | 916 |
| Rounding adjustment by Finance              | -   | -    | -    | -   | -   |
| Forests (per Table A9)                      | 988 | 1121 | 1204 | 948 | 916 |
| B Other Natural Resources (as per Ministry) | 432 | 439  | 502  | 514 | 510 |
| Rounding adjustment by Finance              |     |      | 1    |     |     |
| Other Natural Resources (per Table A9)      | 432 | 439  | 503  | 514 | 510 |

1 Logging tax is determined by Ministry of Finance. MFIN revenue but included to reconcile to Forest Revenue as reported in Table A5 and A9 of the Budget and Fiscal Plan

2 Includes timber export fees, range permits & fees, waste, penalties & interest, and other miscellaneous non-forestry revenues

3 Forest recoveries include log export admin fees, forest sciences and wildfire prep recoveries. Also includes FCRSA recoveries to MIRR.

4 Included in "Other energy" line in Table A9 of Budget & Fiscal Plan

5 Included in "Other cost shared agreements" line in Table A9 of Budget & Fiscal Plan

**Ministry of Forests, Lands and Natural Resource Operations**  
**Revenue 2019/20 to 2023/24 (\$ thousands)**

|   | <b>Actuals</b> | <b>Revised Forecast</b> | <b>Estimates</b> |
|---|----------------|-------------------------|------------------|
|   | <b>2019/20</b> | <b>2020/21</b>          | <b>2021/22</b>   |
| <b>Timber Tenures</b>                             |                |                         |                  |
| Stumpage (Incl. Timber Licences)                  | 519,566        | 717,667                 | 775,417          |
| FCSRA recoveries                                  | (42,051)       | (40,442)                | (45,795)         |
| Harvesting Rental & Fees                          | 10,345         | 19,000                  | 14,000           |
| Sub-Total Timber Tenures                          | 487,860        | 696,225                 | 743,622          |
| <b>BC Timber Sales</b>                            |                |                         |                  |
| Upset Stumpage                                    | 260,422        | 213,154                 | 202,860          |
| Bonus Stumpage                                    | 126,075        | 142,102                 | 135,240          |
| Harvesting Rental & Fees                          | 6              | 0                       | 50               |
| Waste   | 4,342          | 4,000                   | 3,500            |
| Penalties   | 1,154          | 2,300                   | 400              |
| Miscellaneous                                     | 2,931          | 3,700                   | 2,000            |
| Foreign Exchange Gain/Loss                        | 8              | 11                      | 0                |
| Recovery of Prior Year's Expenses                 | 82             | 2                       | 0                |
| Miscellaneous - FIA                               | 12             | 0                       | 0                |
| Sub-Total - BC Timber Sales                       | 395,032        | 365,269                 | 344,050          |
| <b>Other Forests Revenue</b>                      |                |                         |                  |
| Timber Export Fees                                | 5,854          | 3,000                   | 15,000           |
| Range Permits & Fees                              | 2,689          | 2,700                   | 3,000            |
| Waste   | 5,871          | 8,000                   | 8,000            |
| Penalties   | 386            | 100                     | 100              |
| Interest  | 3,164          | 3,500                   | 3,000            |
| Miscellaneous                                     | 980            | 1,000                   | 1,000            |
| Softwood Lumber Border Tax                        | 0              | 0                       | 0                |
| Subtotal - Other Forests Revenue                  | 18,944         | 18,300                  | 30,100           |
| <b>Recoveries</b>                                 |                |                         |                  |
| Forest Recoveries (log export admin and wildfire) | 15,699         | 20,624                  | 10,624           |
| FCSRA Recoveries                                  | 42,051         | 40,442                  | 45,795           |
| Subtotal - Recoveries                             | 57,750         | 61,066                  | 56,419           |
| <b>Logging Tax</b>                                |                |                         |                  |
| Logging Tax                                       | 28,023         | (20,000)                | 30,000           |
| <b>Forest Revenue</b>                             | <b>987,609</b> | <b>1,120,860</b>        | <b>1,204,191</b> |

**Ministry of Forests, Lands and Natural Resource Operations**  
**Revenue 2019/20 to 2023/24 (\$ thousands)**

|  | Actuals<br>2019/20      | Revised Forecast<br>2020/21 | Estimates<br>2021/22    |
|--|-------------------------|-----------------------------|-------------------------|
| <b>Water Resources</b>                               |                         |                             |                         |
| Water Licences - Major & minor producers             | 389,160                 | 396,146                     | 459,514                 |
| Water Licences BC Hydro Remission - Tier 3 revenue   | (50,000)                | (50,000)                    | (50,000)                |
| Water Rentals - Local Authorities & General          | 11,950                  | 12,440                      | 12,600                  |
| First Nations Clean Energy Business Fund             | 7,071                   | 7,679                       | 7,736                   |
| Subtotal - Water Resources                           | <u>358,181</u>          | <u>366,265</u>              | <u>429,850</u>          |
| Water Resources recoveries                           | 50,000                  | 50,000                      | 50,000                  |
| Subtotal - Water Resources Recovery                  | <u>50,000</u>           | <u>50,000</u>               | <u>50,000</u>           |
| <b>Wildlife Act Fees and Licences</b>                |                         |                             |                         |
| Angling Permits and Licences                         | 436                     | 480                         | 480                     |
| Hunting Permits and Licences                         | 9,551                   | 9,500                       | 9,500                   |
| Subtotal - Wildlife Act Fees and Licences            | <u>9,987</u>            | <u>9,980</u>                | <u>9,980</u>            |
| Fish & Wildlife Recoveries                           | 10,471                  | 9,646                       | 9,646                   |
| Recreation Stewardship Panel Recovery                | 3,015                   | 2,973                       | 2,973                   |
| Sub-Total Fish and Wildlife Recoveries               | <u>13,486</u>           | <u>12,619</u>               | <u>12,619</u>           |
| <b>Other Natural Resources Revenue</b>               | <b><u>431,654</u></b>   | <b><u>438,864</u></b>       | <b><u>502,449</u></b>   |
| <b>Land Tenure Fees</b>                              |                         |                             |                         |
| Land Registry Fees                                   | 36,086                  | 38,599                      | 38,844                  |
| <b>Real Estate Earnings of the Crown Land SA</b>     |                         |                             |                         |
| Land Tenure Revenue                                  | 55,203                  | 55,408                      | 58,352                  |
| Land Sales Revenue                                   | 4,373                   | 7,728                       | 9,417                   |
| SPP - Land Sales                                     | 18,458                  | 10,251                      | 27,955                  |
| Interest Earned                                      | 362                     | 325                         | 325                     |
| Land Sales Project Costs                             | (546)                   | (570)                       | (862)                   |
| SPP - Land Sales Project Costs                       | (1,136)                 | (461)                       | (684)                   |
| Other Income & Interest earned                       | 776                     | 595                         | 778                     |
| Land Royalty Revenue                                 | 12,399                  | 19,789                      | 12,108                  |
| Subtotal - CLSA Real Estate Earnings                 | <u>89,889</u>           | <u>93,065</u>               | <u>107,389</u>          |
| <b>Other Miscellaneous Revenue</b>                   |                         |                             |                         |
| Motor Vehicle (All Terrain) Act                      | 800                     | 685                         | 650                     |
| Miscellaneous Fees, Licenses & Permits (Water)       | 506                     | 600                         | 675                     |
| Miscellaneous interest on overdue accounts           | 5                       | 8                           | 4                       |
| Other Fees and Licences                              | 10                      | 10                          | 10                      |
| Foreign Exchange Gains/Losses                        | 269                     | 200                         | 200                     |
| Rentals - Sundry licences and permits                | 52                      | 52                          | 48                      |
| Subtotal - Other Miscellaneous Revenue               | <u>1,642</u>            | <u>1,555</u>                | <u>1,587</u>            |
| <b>Contributions from the federal government</b>     |                         |                             |                         |
| Low Carbon Emissions Leadership Fund (LCELf)         | 19,211                  | 28,943                      | 13,296                  |
| <b>Ministry Revenue reported under Other Revenue</b> | <b><u>146,828</u></b>   | <b><u>162,162</u></b>       | <b><u>161,116</u></b>   |
| <b>Total Ministry Revenue</b>                        | <b><u>1,566,091</u></b> | <b><u>1,721,886</u></b>     | <b><u>1,867,756</u></b> |

## 2021/22 Estimates Debate

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

#### **Issue:** Funding for Old Growth Report Recommendations

#### **Recommend Response:**

- This is a high priority for government and is a complex issue.
- We need to take a thoughtful approach to ensure that we balance the goals of FN reconciliation, protecting the environment, and ensuring communities have jobs (economy).
- The implementation of the Old Growth Strategy is being led out of the ministry (RSD in partnership with others in the ministry (OCF, Reg Ops, etc.) and is being funded from within the ministry's base budget.
- There is no dedicated funding in *Budget 2021* for the Old Growth Strategy Implementation. Work on implementing the Old Growth Strategic Review will be funded from the existing budget for the coming year. In future years as we move forward with implementing the recommendations, additional funding may be needed and will be requested at that time.

#### **Key Facts:**

- The ministry spent approximately \$0.8M in 2020/21 on Old Growth policy development.
- The ministry has received \$4M per year of funding for forest policy initiatives for Coast Revitalisation and for the New Forest Economy.
- The Old Growth Strategic Review was submitted to former Minister (Doug Donaldson) April 30, 2020 including 14 recommendations covering broad areas of forest policy.
- The report included a timeline of 3 years to get all 14 recommendations "started". This timeline was pre-COVID 19.
- On November 26, 2020, the Premier directed me in a mandate letter, to continue to "make progress on implementing the recommendations of the Old Growth Strategic Review in collaboration with Indigenous leaders, labour, industry, and environmental groups to protect more old growth stands".

**Date Prepared/Revised:** «add date»

**Ministry Executive Sponsor:**

Name: Trish Dohan

Phone: 250 953-4745

**Alternate Contact for Issue:**

Name: Mark Walker

Phone: 778-598-1538

## 2021/22 Estimates Information

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

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**Issue:** FLNR Estimates Vote and Special Account Appropriation

**Information:**

There are a number of mechanisms that provide spending authority to ministries.

Most commonly used is voted appropriation through the *Supply Act*. The amounts provided to ministries (under each vote) through the *Supply Act* are legislated maximum amounts that Ministries can not exceed. FLNR receives spending authority through two votes under the *Supply Act* for expenditures on Ministry Operations (Vote 30) and Fire Management (Vote 31). See Table 1 below.

Another funding mechanism is through a Special Account where the authority to spend is provided through an Act other than the *Supply Act*. FLNR has three special accounts (BC Timber Sales, Crown Land and Forest Stand Management Fund). The authorization to spend money from these accounts are provided for BC Timber Sales through the *Forest Act*, the Crown Land Special Account through the *Ministry of Parks, Lands and Housing Act* and the Forest Stand Management Fund through the *Special Accounts Appropriation and Control Act*.

**BC Timber Sales Account:** this account captures the revenue from BC Timber Sales and provides for the ongoing costs of the program. Revenue in excess of expenditures and outstanding obligations is transferred to the General Fund at the end of the fiscal year.

**Crown Land Special Account:** revenues into this account include land sales, tenures, rental income, fees, etc. Costs include expenses incurred to acquire and develop the land for sale or tenure and also includes costs incurred on accommodation of Indigenous interests directly related to revenue earned. A \$50M balance is maintained in this special account and any revenues exceeding this balance is transferred to the General Fund at the end of the fiscal year.

**Forest Stand Management Fund:** costs under this account include the costs of investigating contraventions of applicable legislation, fire suppression costs related to the contravention of applicable legislation where a penalty was levied in respect of a contravention, environmental remediation costs, etc. Recoveries into the account include penalties levied, stumpage levies and registration for off-road vehicles.

During the budget cycle, FLNR provides an estimate of revenues and expenses for each of the special accounts to Treasury Board Staff that is built into the FLNR estimates. Actual revenue or spending under these Special Accounts can be different than the amounts included in Estimates. Treasury Board Staff are kept informed of estimated changes.

## 2021/22 Estimates Information

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

| <b>TABLE 1: FLNR estimates<br/>\$ 000's</b> | <b>2020/21<br/>Restated<br/>Estimates</b> | <b>2021/22<br/>Estimates</b> | <b>2022/23<br/>Plan</b> | <b>2023/24<br/>Plan</b> |
|---|---|------------------------------|-------------------------|-------------------------|
| Vote 29 - Ministry Operations (see table 2) | 489,126                                   | 517,715                      | 517,834                 | 517,852                 |
| Vote 30 - Fire Management                   | 136,310                                   | 136,310                      | 136,310                 | 136,310                 |
| BC Timber Sales Special Account             | 218,512                                   | 233,816                      | 203,871                 | 199,835                 |
| Crown Land Special Account                  | 20  | 20                           | 20                      | 20                      |
| Forest Stand Management Fund                | -   | -                            | -                       |                         |
| <b>Total April 2021 Plan</b>                | <b>843,968</b>                            | <b>887,861</b>               | <b>858,035</b>          | <b>854,017</b>          |

Included in the ministry operations vote is the budget for each of the 8 divisions or core businesses in the ministry. Breakdown by core business provided in Table 2.

| <b>TABLE 2: Vote 30 Ministry Operations<br/>FLNR Core Business<br/>(000's)</b> | <b>2020/21<br/>Restated</b> | <b>Change</b> | <b>2021/22<br/>Estimates</b> |
|--|-----------------------------|---------------|------------------------------|
| Integrated Resource Operations   | 34,791                      | 549           | 35,340                       |
| Resource Stewardship   | 100,735                     | 1,603         | 102,338                      |
| Office of the Chief Forester   | 28,616                      | 2,213         | 30,829                       |
| Rural Opportunities, Tenures and Engineering                                   | 63,902                      | 810           | 64,712                       |
| Forest Policy and Indigenous Relations   | 9,087                       | 1,386         | 10,473                       |
| Fire Preparedness  | 42,806                      | 537           | 43,343                       |
| Regional Operations  | 150,086                     | 7,385         | 157,471                      |
| Executive & Support Services   | 59,103                      | 14,106        | 73,209                       |
| <b>Ministry Operations</b>   | <b>489,126</b>              | <b>28,589</b> | <b>517,715</b>               |



## 2021/22 Estimates Debate

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

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**Issue:** Minister’s Office Budget

**Recommend Response:**

- The Minister’s office budget increased from 818K in 2020/21 to 1,115k this year to fund the newly created Minister of State of Lands and Natural Resources.
- The 297K budget increase this year funds a standard compliment of the minister’s salary and operating expenses and two ministerial advisory positions.
- Prior to this year’s budget increase for the Minister of State Office, the minister’s office budget has been just over 800k since 2018/19.
- Last year, the minister’s office actual expenditures were well under (\$42k) budget due to significant savings from travel due to the pandemic.

**Key Facts:**

| Descriptions                   | FLNR MINISTERS Office<br>Fiscal 20 |                |               | FLNR MINISTERS Office<br>Fiscal 21 |                |               | FLNR MINISTERS Office<br>Fiscal 22 |          |          |
|--------------------------------|------------------------------------|----------------|---------------|------------------------------------|----------------|---------------|------------------------------------|----------|----------|
|                                | BUDGET                             | ACTUALS        | Variance      | BUDGET                             | ACTUALS        | Variance      | BUDGET                             | ACTUALS  | Variance |
| Base Salaries and Overtime     | 431,520                            | 381,880        | 49,640        | 482,000                            | 488,547        | (6,547)       | 651,000                            |          |          |
| Employee Benefits              | 135,480                            | 123,859        | 11,621        | 156,000                            | 157,234        | (1,234)       | 213,000                            |          |          |
| Leg Sal-Indemnities            | 84,000                             | 66,919         | 17,081        | 67,000                             | 82,569         | (15,569)      | 111,000                            |          |          |
| Public Servant Travel Expenses | 100,000                            | 130,155        | (30,155)      | 70,000                             | 5,764          | 64,236        | 65,000                             |          |          |
| Information Systems-Operating  | 12,000                             | 10,859         | 1,141         | 11,000                             | 16,481         | (5,481)       | 20,000                             |          |          |
| Office and Business Expenses   | 11,000                             | 10,602         | 398           | 11,000                             | 14,816         | (3,816)       | 15,000                             |          |          |
| Legislative Assembly           | 15,000                             | 14,031         | 969           | 14,000                             | 450            | 13,550        | 20,000                             |          |          |
| Other Expenses                 | 25,000                             | 15,854         | 9,146         | 15,000                             | 18,446         | (3,446)       | 20,000                             |          |          |
| <b>Grand Total</b>             | <b>814,000</b>                     | <b>754,160</b> | <b>59,840</b> | <b>826,000</b>                     | <b>784,307</b> | <b>41,693</b> | <b>1,115,000</b>                   | <b>0</b> | <b>0</b> |

**Date Prepared/Revised: «April 23, 2021»**

**Ministry Executive Sponsor:**

Name: Trish Dohan

Phone: 250 953-4745

**Alternate Contact for Issue:**

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Phone: 778-598-1538

## 2021/22 Estimates Debate

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

**Issue:** Economic Recovery Programs

**Recommend Response:**

- In 2020/21, FLNRORD received \$100.293M in operating funding contingencies and \$2.4M in capital contingencies to support economic recovery programs across the province.
- FLNR was very successful in the implementation of the economic recovery programs with total actual spending of \$99.848M operating funding and \$2.4M of the capital funding. See Appendix A for information on the full program.
- The funding was used to support a wide variety of programs across the province with job creation being a primary goal. The programs included fire prevention work, the detection and removal of invasive species, and maintenance of forest service roads.

**Key Facts:**

FLNRORD implemented a number of economic recovery programs during 2020/21 to support the provincial economic recovery program.

The programs were geographically dispersed throughout the province and provided support for a large number of local communities.

A key objective of economic recovery was to create job opportunities, FLNRORD achieved this through funding a large number of positions through a variety of programs as detailed in Appendix A.

Programs include the Community Economic Recovery Infrastructure Program that is estimated to create more than 400 job opportunities through infrastructure programs for Heritage sites and other rural communities. This program received \$40M in funding.

**Date Prepared/Revised: April 20, 2021**

**Ministry Executive Sponsor:**

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## 2021/22 Estimates Debate

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

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#### Appendix A

**Table 1: Economic Recovery Operating \$**

| Program Name   | Intended Objective   | Budget<br>2020/21 | Actual<br>2020/21 | Estimated # of<br>Jobs Created   |
|--|--|-------------------|-------------------|--|
| Community Job Creation Projects                            | <p>Create employment opportunities and economic activity through risk reduction and prevention projects as well as supporting local communities in accessing recovery supports and programs.</p> <p><b>Rural Opportunities, Tenures and Engineering:</b> Funding for Rural Business and Community Recovery of \$4.5M to the three regional trusts (NDIT, ICET, SIDIT) and \$1.0M for the Rural Resident Attraction program.</p> <p><b>Fire Preparedness:</b> Grant funding for the Crown Land Wildfire Risk Reduction Program (\$9.5M) and FireSmart Program (\$10.0M)</p> | \$25M             | <b>\$24.905M</b>  | <p>Rural Opportunities<br/>Est. 63 jobs created</p> <p>Fire Preparedness<br/>Est. 830 person days worked in short term job opportunities</p> |
| Community Economic Recovery Infrastructure Program (CERIP) | <p><b>Integrated Resource Operations:</b> funding to maintain, restore and update BC's Heritage Sites (\$20M).</p> <p><b>Rural Opportunities, Tenures and Engineering:</b> Funding to enhance rural community economic infrastructure to create employment opportunities (\$20M).</p>  | \$40M             | <b>\$40M</b>      | <p>Integrated Resource Operations: Est. 272 jobs</p> <p>Rural Opportunities: Est. 181 jobs created</p>                                       |
| Invasive Species Detection and Removal                     | <p>Detect and remove invasive species. Provided inclusive, accessible work opportunities, developed transferable skills while supporting communities, and protecting ecosystem health throughout all regions of BC.</p>  | \$12M             | <b>\$11.998M</b>  | Est. 65 jobs created   |
| Forest Employment Program                                  | <p>FEP provides employment opportunities through project funding to unemployed forest sector workers on the Coast and Interior.</p>  | \$12M             | <b>\$12M</b>      | Est. 500 jobs created  |

## 2021/22 Estimates Debate

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

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| Program Name  | Intended Objective  | Budget<br>2020/21 | Actual<br>2020/21 | Estimated # of<br>Jobs Created      |
|---|---|-------------------|-------------------|-------------------------------------|
| Rural and Remote Access – Operating   | This funding was used to maintain forest service road in rural and remote communities, therefore providing a direct benefit to local communities and also creating employment opportunities.  | \$5.650M          | <b>\$5.604M</b>   | Est. 270 jobs created               |
| Convert Underperforming Forests   | Funding to support the use of residual fibre, clearing of damaged timber and to reforest with climate-adapted, higher performing seedlings Using residual fibre reduces the need for slash burning and the risk of wildfire especially around rural and Indigenous communities. | \$5M              | <b>\$4.698M</b>   | Est. 130 short term jobs created    |
| Recreation Sites and Trails Youth Crew Program Expansion                          | Funding to expand the Recreation Sites and Trails Youth Crew Program for the 2020 field season.   | \$0.428M          | <b>\$0.428M</b>   | Est. 12 jobs created                |
| Permitting Resources for Ecosystems Restoration and Watershed Initiative Projects | Provide priority authorizations processing capacity specifically for ENV led Ecosystem Restoration and Watershed Initiate projects.   | \$0.215M          | <b>\$0.215M</b>   | Est. 16 auxiliary positions created |
| <b>TOTAL</b>  |   | <b>\$100.293M</b> | <b>\$99.848M</b>  |                                     |

**Table 2: Economic Recovery Capital \$**

|                                   |  |        |               |                      |
|-----------------------------------|--|--------|---------------|----------------------|
| Rural and Remote Access - Capital | This funding was used to update and improve forest service road in rural and remote communities, therefore providing a direct benefit to local communities and also creating employment opportunities. | \$2.4M | <b>\$2.4M</b> | Est. 24 jobs created |
|-----------------------------------|--|--------|---------------|----------------------|

## 2021/22 Estimates Debate

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

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**Issue:** Crown Land Lease Rental Rates (Paradise Valley, Squamish)

**Recommended Response:**

- I understand the concerns raised by people who tenure land in Paradise Valley.
- Staff in my ministry have informed these tenure holders that the ministry is reviewing their land values and market rent.
- As part of this work, the ministry has hired an independent appraiser to help inform this process.
- We anticipate the review process will be complete by the end of summer.
- The Province has informed the 26 Paradise Valley tenure holders that rents will not be increased on their next invoice to allow for the review of fair market rents to complete.

**If asked why the review and rent decision is limited to the Paradise Valley:**

- We are holding rents in this local area because they have seen significant increases in land assessments largely due to land values rising significantly in the Lower Mainland and Squamish area.

**If asked about rent forgiveness for the commercial recreation sector:**

- The rent forgiveness for the commercial recreation sector was not in response to escalating rents or land values but rather a direct response to hardships the sector experienced due to the COVID-19 pandemic and being deemed a non-essential service. This sector is being significantly impacted by COVID-19.

**Key Facts:**

- Crown land is a public asset that government manages for the benefit of all British Columbians.
- For this reason, B.C. has Land Act pricing policies in place for Crown land tenures aimed to achieve fair market rents.
- Pricing methodology associated with land use are approved by Treasury Board (TB) and changes require prior approval by TB.

## 2021/22 Estimates Debate

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

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- Pricing follows Generally Accepted Accounting Principles and the overarching goal of obtaining fair market value for the use and disposition of Crown land.
- For residential tenures, the annual rent is 3% of assessed land value for seasonal/recreational purposes and 5% of assessed land value for year-round use and occupancy. The assessed value is determined by BC Assessment Authority (BCAA).
- As market values increase or decrease year-over-year, *Land Act* rental amounts will increase or decrease in direct correlation to the market value change.
- BCAA assessed values for 2020 and 2021 have seen a significant increase in Paradise Valley, likely given the proximity to the Lower Mainland and Squamish.
- Although the tenure holders were successful in appealing the 2020 and 2021 assessed values, BC Assessment has subsequently appealed the decisions for both years.
- On April 29, 2021, the Property Assessment Appeal Board (the second level of appeal for property assessments in B.C.) overturned the original appeal ruling for the 2020 assessments and reverted the land value back to the original (higher) 2020 assessed values.
- One tenure holder appealed to the Residential Tenancy Branch under the *Manufactured Home Park Tenancy Act* (MHPTA) claiming that his rent increase should follow the guidelines under the MHPTA. These guidelines include a prescribed maximum annual rent increase, and during COVID, a freeze in residential rent increases. The appeal was dismissed by the arbitrator on April 29, 2021.
- Most of the rents have been modest and stable over the period of 2011 to 2019 with a median rent of \$3,780 and \$5,490 per annum respectively.

**Date Prepared: March 26, 2021**

**Ministry Executive Sponsor:**

Bonnie Ruscheinski, Executive Director, CLORB

Phone: (778) 974-5870

**Alternate Contact for Issue:**

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## 2021/22 Estimates Debate

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

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**Issue:** Forest Workers Support Programs, Mill Closures and Rural Community Supports

**Recommend Response:**

- In recent years the forestry sector in BC has faced an unprecedented number of mill closures and curtailments resulting from a fibre shortage, softwood lumber tariffs, and now the COVID-19 pandemic.
- I am pleased to see that the forestry sector has rebounded recently due to higher lumber prices. However, there continue to be some curtailments in the sector, and our ministry will ensure that supports for workers and their families are prioritized to keep our communities strong.
- Our government is committed to putting workers and their families first. In 2019, we dedicated \$69M over three years to support forestry workers, their families, and communities through a package of targeted programs. In addition, FLNR staff provided direct support to communities to transition through the impact of a mill closure, and ensure all necessary supports were provided.
- These supports were expanded by the Stronger B.C. Economic Recovery Plan to address the compounding economic challenges created by COVID-19.
- This expansion included a one-time uplift of \$12 M in FY20/21 for the Forest Employment Program (FEP), which provides funding for land-based projects that create short-term employment opportunities for forestry contractors.
- In addition, our ministry administered the Community Support Grant Program, which provided funding to support communities impacted by a mill closure or curtailment to develop services for impacted workers and their families. Our team recently completed an additional two grants to communities where the status of the local mill shifted to a permanent closure.

**Key Facts:**

- Currently, a total of 19 mills are in active (current and planned) curtailment or closure status. There are 9 permanent closures, 3 indefinite closures, 4 shift reductions, 1 work week reduction, and 2 temporary curtailments. These closures and curtailments are impacting an estimated 2,669 mill employees in 15 communities around the province.
- Despite the impacts of the COVID-19 pandemic, the forestry sector has rebounded, benefiting from higher lumber prices. Mill resumptions have brought an estimated 7,500 impacted mill employees back to work.
- FLNR leads on-the-ground transition services for communities impacted by the loss of a main employer. At its peak, FLNR's Regional Economic Operations supported eight concurrent Community Transition (CT) responses to communities affected by the 2019/2020 mill closures and we continue to provide economic development assistance.
- In the fall of 2020, the Province announced the Stronger B.C. Economic Recovery Plan, which included multiple funding programs targeted to support

## 2021/22 Estimates Debate

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

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rural communities in their recovery. (See COVID Economic Recovery Estimates Note for details).

#### Forest Employment Program

- The FEP provides short-term employment opportunities to support impacted forestry contractors. Funded projects will also result in benefits for impacted communities, through enhanced resilience, wildfire recovery and risk reduction, and forest enhancement.
- In FY2019/20 FEP distributed \$3M in funding to over 25 land-based projects to create employment opportunities for impacted contractors and workers. In FY2020/21 the program was allocated \$9M to support land-based projects in Interior BC. The program was expanded with a further \$12M from the Stronger BC Economic Recovery Plan and extended to include the Coast region. Over 190 projects have been funded in FY2020/21 with a preliminary estimate of approximately 500 short term employment opportunities created.
- \$3M is allocated in FY 2021/22 for the final year of the program.

#### Community Support Grants

- Funding amounts are based on impact as follows: permanent closure, \$100,000; indefinite closure, \$75,000; and permanent/indefinite shift reduction, \$50,000. Total funding committed: \$950,000.
- In FY 2019/20:
  - Clinton, Clearwater, Quesnel and Kelowna each received \$100,000.
  - Fort St. James, Fort St. John, Mackenzie, 100 Mile House and Regional District of East Kootenay Area B (Jaffray) each received \$75,000; and
  - Regional District of Fraser-Fort George Area C (Isle Pierre) and Merritt have each received \$50,000.
- In FY 2020/21 the Regional District of Fraser-Fort George received an additional \$50,000 and the District of 100 Mile House received an additional \$25,000 to bring both the maximum of \$100,000 provided for after their mill status was changed to a permanent closure.

**Date Prepared/Revised: May 13, 2021**

**Ministry Executive Sponsor:**

Lori Henderson: A/Executive Director

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**Alternate Contact for Issue:**

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**2021/22 Estimates Debate**  
**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**

| <b>Current and Announced Future Closures and Curtailments</b> |                           |                      |                           |                              |  |
|---|---------------------------|----------------------|---------------------------|------------------------------|--|
| <b>Effective Date</b>   | <b>Company</b>            | <b>Location</b>      | <b>Affected Employees</b> | <b>Layoff Classification</b> | <b>Layoff Type<br/>(<i>permanent, indefinite, temporary</i>)</b> |
| 2020-10-30  | Aspen Planers             | Port Moody           | 68                        | Closure                      | Permanent  |
|   |                           |                      |                           |                              |  |
| 2020-05-11  | Canfor                    | Chetwynd             | 190                       | Work Week Reduction          | Temporary  |
| 2020-05-01  | Canfor                    | Isle Pierre          | 142                       | Closure                      | Permanent  |
| 2019-07-18  | Canfor                    | Mackenzie            | 254                       | Closure                      | Indefinite   |
| 2019-06-21  | Canfor                    | Vavenby (Clearwater) | 178                       | Closure                      | Permanent  |
| 2019-05-06  | Conifex                   | Fort St James        | 125                       | Closure                      | Indefinite   |
| 2019-10-14  | Duz Cho Forest Products   | Mackenzie            | 41                        | Curtailment                  | Temporary  |
| 2019-07-26  | East Fraser Fibre Co.     | Mackenzie            | 40                        | Shift Reduction              | Indefinite   |
| 2019-11-26  | Interfor                  | Maple Ridge          | 134                       | Closure                      | Permanent  |
| 2019-08-09  | Louisiana Pacific         | Fort St John         | 190                       | Closure                      | Indefinite   |
| 2019-08-27  | Norbord                   | 100 Mile House       | 187                       | Closure                      | Permanent  |
| 2020-06-22  | Paper Excellence          | Mackenzie            | 253                       | Closure                      | Permanent  |
| 2020-04-18  | Paper Excellence          | Powell River         | 160                       | Curtailment                  | Temporary  |
|   |                           |                      |                           |                              |  |
| 2019-04-01  | Sigurdson Forest Products | Williams Lake        | 10                        | Shift Reduction              | Indefinite   |
| 2019-08-02  | Tolko                     | Quesnel              | 149                       | Closure                      | Permanent  |
| 2020-01-08  | Tolko                     | Kelowna              | 241                       | Closure                      | Permanent  |
| 2018-11-05  | Vaagen Fibre Canada       | Midway               | 10                        | Shift Reduction              | Indefinite   |
| 2019-09-08  | West Fraser               | Clinton              | 177                       | Closure                      | Permanent  |
| 2020-04-27  | West Fraser               | Quesnel              | 120                       | Shift Reduction              | Temporary  |
| <b>Total Curtailed Mills:</b>                                 | <b>19</b>                 |                      |                           |                              |  |
| <b>Total Affected Employees:</b>                              |                           |                      | <b>2669*</b>              |                              |  |

## 2021/22 Estimates Debate

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

#### **Issue:** Contractor Sustainability Review

#### **Recommend Response:**

- In 2017, the ministry launched the Contractor Sustainability Review to improve the overall competitiveness of logging contractors and licensees.
- Ministry staff have worked closely with both contractors and licensees in developing the concepts to support regulatory amendments.
- Government has supported the development of a Best Practices Guide.
- In March 2020, the province shared the proposed regulatory concepts with First Nations in the spirit and intent of the *Declaration of the Rights of Indigenous Peoples Act*.
- Based on the hard work of all parties involved, we are creating a more unified approach that will sustain British Columbia's forest sector as a key economic driver.

#### **Key Facts:**

- Logging contractors have been raising concerns for several years about the unsustainability of logging contract rates.
- A series of independent reviews from 2017 – 2020 attempted to achieve a consensus from the main industry groups. These groups included: Truck Loggers Association, Interior Logging Association, Northwest Loggers Association, BC Council of Forest Industries and the Interior Lumber Manufacturers Association.
- In 2020, these groups endorsed recommendations focused on regulatory changes to the *Forest Act's* Timber Harvesting Contract and Subcontract Regulation. The proposed changes would improve transparency regarding rates and scope of work, and streamline and improve the arbitration process.
- The contractor and licensee representatives provided a policy proposal to government as they have been unable reach consensus on data sharing. Government is now looking at options to collect information through the existing cost survey framework utilized by Timber Pricing Branch.
- Amendments to the regulation are expected to move forward in Spring 2021.

**Date Prepared/Revised:** April 1, 2021

**Ministry Executive Sponsor:**

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Forest Tenures Branch

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## 2021/22 Estimates Debate

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

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**Issue:** Economic supports for guide outfitters

#### Recommend Response:

- The international border closures and inter-provincial travel restrictions, in place to mitigate the impacts of the global COVID-19 pandemic, resulted in significant impacts to the adventure tourism sector, including guide outfitters.
- The ministry has been working with the Guide Outfitters Association of BC, Wildlife Stewardship Council, and guide outfitters on a case-by-case basis to seek solutions that provide relief and help recovery.
- Forgiveness on annual *Land Act* and *Park Act* rents was on March 30, 2021, announced as being extended for businesses holding eligible tenures.
- Unused harvest from 2020 is also being considered for 2021 *Wildlife Act* quota decisions, where there are no conservation or overharvest concerns.
- Wildlife population assessments are currently underway to inform the next allocation cycle for quota. Due consideration must be given to conservation and First Nations rights; therefore, no consideration is being given to a simple carry over of unused quota from the past allocation cycle.
- The Tourism Task Force, led by the Ministry of Tourism, Arts and Culture, is seeking approval for liquidity measures for which guide outfitters would be eligible.
- Guide Outfitters also have access to applicable federal and provincial relief programs.

#### Key Facts:

- In the 2020/21 season there were 171 guide outfitters. Twenty-six guide outfitting companies are Indigenous-owned.
- The Guide Outfitters Association of BC represents the majority of guide outfitters in the province. The Wildlife Stewardship Council is the other representative organization; fifty percent of their membership is Indigenous.
- Management of big game species provides hunting opportunities to resident and non-resident hunters only after conservation values and First Nation's rights are addressed.
- Guide outfitters are provided with a notional allocation for a five-year period. Projecting harvest over the five-year period helps to provide business certainty, while ensuring wildlife populations are sustained. Each year, guide outfitters are provided a quota, based on their allocation, with some flexibility to account for harvest success and between year variations (e.g., an allocation of 25 elk over five years could have an annual quota calculation of 5, 5, 5, 5, 5 for each of the years within the allocation cycle or 7, 7, 7, 4, 0).
- The five-year allocation is being updated in 2021 for the 2022-2026 allocation cycle.

## 2021/22 Estimates Debate

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

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- A 2017 study commissioned by the Canadian Federation of Outfitter Associations estimates the following:
  - Of all guided revenues, 82% of all outfitter revenues were from hunting, 12% from fishing, and 6% from other guiding operations.
  - Guide outfitter clients spend approximately \$48.6M annually in BC on hunting and equipment, helping generate \$194.5M in output and \$93.6M towards the GDP.
  - Four percent of all guide outfitter employees are Indigenous.
  - Donations to habitat or conservation organizations from BC guide outfitters was over \$2M, with another \$510,000 given to other charities.
  - The guide outfitting industry employs approximately 2,500 people; (1,213 of these for guided hunting with \$55.5M in labour income).
  - Of the \$48.6M in guided hunting client spending in BC, \$39.3M was from international clients and \$9.3M from Canadian clients.
  - The estimated client breakdown of guided hunting clients in BC in 2017 was 16% from Canada (9% from BC), and 84% internationally (67% American).
- The implications of COVID-19 on the guiding industry have been substantial and guide outfitters are reporting financial hardships and a general lack of applicability of various relief programs.
- All non-resident hunting licence sales in BC dropped by approximately 81% during the pandemic resulting in a loss of approximately \$2M in licence sale revenue compared to the 2019/20 year.
- For the 2020/21 licence year the estimated client breakdown includes 97% from Canada (37% from BC), and 3% internationally (2% American).
- The *Wildlife Act* only provides two financial tools that impact guide outfitters: licence fees and royalty payments. Guide outfitters continue to be required to pay their licence fees if they operate their business and pay royalty when a harvest subject to royalty applies.
- The Guide Outfitters Association of BC is lobbying for additional options to mitigate impacts and access financial relief programs.
- Timing of when travel restrictions will be relaxed or removed is unpredictable at this time.

**Date Prepared/Revised:** April 8, 2021

**Ministry Executive Sponsor:**

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**Alternate Contact for Issue:**

Name: Jennifer Psyllakis

Phone: Government

## 2021/22 Estimates Debate

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

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**Issue:** Hunting and COVID-19

#### **Recommend Response:**

- Hunting is part of many British Columbians' tradition, culture, and self-identity. For many BC citizens, hunting brings families together and positively impacts one's mental health. Many hunt for sustenance.
- Hunting is an outdoor activity where physical distance can be easily maintained. Hunter stakeholder groups have voiced the therapeutic value of hunting throughout the pandemic and its importance to continue.
- Hunting was listed as a COVID-19 essential service under food cultivation and hunting activities were allowed throughout the pandemic.
- Some First Nation communities created access restrictions for hunters to limit the number of individuals visiting their communities and traditional territories. First Nation governments have jurisdiction for travel restrictions on reserve land but not on traditional territory.
- There was confusion amongst hunters and stakeholder groups over which hunting activities were included or excluded as essential and whether or not travelling to hunt was restricted.
- The Wildlife and Habitat Branch (the Branch) and regional offices communicated COVID-19 related orders and advisories directly with hunting stakeholder groups and to the general public through regular updates to an existing hunting webpage and a COVID-19 specific webpage for hunting and fishing. The Branch asked hunters to stay local and respect requests of First Nations to avoid certain areas.
- The BC Hunting Online program provided the ability for hunters to purchase licence products online without requiring in-person services. FrontCounter BC provided alternative ways for hunters to purchase licences (e.g. by phone and species licence non-contact pick-up).

#### **Key Facts:**

- The Branch included a new email notification and attestation for all licence products advising that hunters would need to abide by the Provincial Health Officer orders and advisories.
- The Branch restricted Haida Gwaii deer licences to in-person only purchase at Haida Gwaii vendors to reduce visitors and re-enforce travel restrictions.
- FrontCounter BC offices closed to the public for a period of time which resulted in a 15% increase in online licence sales through BC Hunting Online compared to the previous year. Private licence vendors also had an increase of 5% in hunting licence sales.
- Service BC limited its operations and did not consider hunting services a priority for their in-person services.

## 2021/22 Estimates Debate

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

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- The Limited Entry Hunting (LEH) draw occurred on the usual schedule with a disclaimer that all successful applicants would be required to abide by all Provincial Health Orders to attend a LEH hunt.
- Online LEH applications increased by 9% compared to the year previous while Service BC, FrontCounter BC and private licence vendor LEH applications decreased by 84%, 87% and 33% respectively. Overall, LEH applications decreased by 3%, likely reflecting travel restrictions.
- Cumulative hunting licence sales increased by 3% from the previous year. BC resident hunting product sales increased by 6%, while non-resident hunting product sales decreased by 81%. Due to the higher cost of non-resident hunting licences, the overall revenue loss is approximately \$1.7 million compared to the previous year.
- The Branch has continued to facilitate and expand hunting licence programs throughout the COVID-19 pandemic.

**Date Prepared/Revised:** April 8, 2021

**Ministry Executive Sponsor:**

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## 2021/22 Estimates Debate

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

**Issue:** Intentions Paper to modernize forest policy

#### Recommend Response:

- Government campaigned and was elected with a forest policy change agenda
- This is elaborated in my mandate letter, with its emphasis on forestry
- We have engaged and consulted on rural and Indigenous communities, industry, and organized labour on their change ideas over the last few years
- Sharing our intentions enables the province to lead focused dialogue with Indigenous Nations in our necessary consultation and engagement and with stakeholders
- Much of our forest policy was created almost two decades ago, and the needs and priorities have change and so to must our forest policy
- Next steps will include initiating engagement and consultation with Indigenous Nations, and in due course, developing facilitated engagement sessions with industry, local governments and other affected stakeholders as needed

#### Key Facts:

- 70% of my mandate letter is focused on forest policy change
- Timber supply on Crown land is decreasing because of pine beetle mortality/salvage, wildfires, and new land base protections
- Sustainability, diversity, competitiveness, and reconciliation are key considerations in our forest policy intentions
- The province engaged people, governments, and organizations in forest policy change in 2018/19 during Coast Revitalization, 2019/20 for the *Forest and Range Act* Improvement Initiative, 2019 for Interior Renewal and since 2015 with Indigenous Nations on content in the draft BC First Nations Forest Strategy

#### Financial considerations

- Introducing a compensation framework for timber harvesting rights will better prepare the province for any future changes to harvesting rights, like redistribution to improve tenure management diversity, to fulfill a treaty commitment or to conserve old growth
- Costs and GBA+ considerations to specific policies will be considered case-by-case as the policies are developed and change is delivered
- The costs of inaction are greater than acting, given current policies are designed for the changing public interests, indigenous interests, legal requirements, and environmental priorities

**Date Prepared/Revised:** April 8, 2021

**Ministry Executive Sponsor:**

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Phone: Government  
Financial

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Name: Morgan Kennah

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## 2021/22 Estimates Debate

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

**Issue:** Communities who have requested new or expanded Community Forest Agreements

#### Recommend Response:

- Many communities are active in the forest sector with holding a Community Forest Agreement or co-managing a forest tenure with a partner, such as an Indigenous community partner
- The ministry maintains an active list of communities who have expressed interest in entering into a Community Forest Agreement, or expanding the size of the Community Forest Agreement they already manage
- These requests are familiar as part of our inter-governmental engagement at the Union of BC Municipalities (UBCM) convention every year, and other meetings in between
- Currently, we have 40 communities, or groups of communities, who have asks in with the province to enter into an agreement, or expand our current shared agreement, in community forests, totalling requests of almost 875,000m<sup>3</sup>/yr.
- It is important to work with communities in how we can manage forests together, as we know local stewards are often terrific stewards of our forests
- There is a limited timber supply as we know, and much of it is already tenured, so looking at opportunities to diversify is part of our intentions

#### Key Facts:

- By Area, the following are interested in either getting a Community Forest or expanding one that exists (see Appendix 1 for details):
  - 15 communities in the Coast Area, totalling 257,500 m<sup>3</sup>/year.
  - 7 communities in the North Area, totalling 272,500 m<sup>3</sup>/year
  - 18 communities in the South Area, totalling 342,000 m<sup>3</sup>/year
- In the drafted Intentions Paper, it is insinuated that the province will consider issuing more Community Forest Agreements, or “CFAs,” but consideration will be on a case-by-case basis (i.e. no broad target)
- The pricing policy for CFAs must be reconsidered considering the demand for these type of tenures, as the tabular rate stumpage can be perceived as problematic in our trade case on softwood with the U.S.

**Date Prepared/Revised: April 23, 2021**

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Ministry of Forests, Lands, Natural Resource Operations and Rural Development  
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## ***Appendix 1:***

Intergovernmental Communications

## 2021/22 Estimates Debate

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

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**Issue:** Global Competitiveness

**Recommended Response:**

- BC’s forest sector remains the largest lumber producer in Canada and a significant employer in rural communities throughout BC.
- BC’s forest sector is dealing with the inevitable and final impacts of losing of over 20% of its Interior forest resource and of the Coastal transition from old growth to second growth harvest. In response government is working with industry to develop efficiencies in sourcing and delivering fibre to mills and increasing the utilization of harvested timber.
- We are committed to increasing value-added manufacturing, driving demand for engineered wood products here in B.C. through changes to the Wood First Act.
- The Province is providing funding for 12 mass timber demonstration and research projects and has established a new advisory council to accelerate the adoption of mass timber building systems, as part of the Province’s economic recovery.
- Lumber, and panel producers are benefiting from historic high margins at current price levels. Several companies have posted record margins in Q1 2021.

| <b>Company</b>                 | <b>2021 Q1 Net Income</b> |
|--------------------------------|---------------------------|
| <i>Canfor</i>                  | <i>\$428 million</i>      |
| <i>Interfor</i>                | <i>\$264 million</i>      |
| <i>West Fraser</i>             | <i>\$665 million</i>      |
| <i>Western Forest Products</i> | <i>\$53.8 million</i>     |
| <i>Weyerhaeuser</i>            | <i>\$681 million</i>      |

**Key Facts:**

*Lumber Mills*

- Many forest products have experienced wild price swings since 2018. The impact of this volatility on BC mills was magnified by the final shift out of harvesting dead pine timber caused by the Mountain Pine Beetle epidemic.
  - This led to many mill closures and removal of approximately 2 billion board feet of production capacity.
- Initially lumber supply curtailed in response to the COVID-19 pandemic, but over the last year sustained demand from home renovation and for new housing has led to record lumber and panel prices.
- The latest industry lumber forecast from May estimates lumber prices will remain above \$1,000/thousand board feet (mbf) in Q3 2021, and stay above \$500/mbf through 2022.

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

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#### *Pulp Mills*

- The main market for BC's Northern Bleached Softwood Kraft (NBSK) pulp is China, and the current market price of US\$990/ADMT in China implies a healthy margin for BC NBSK producers. Of the ten North American regions that produce NBSK and ship to China, the US Midwest had the highest costs in 2020 Q4, followed by the US West. The BC Coast is the eighth highest cost producer (US\$517 per air dry metric tonne or ADMT) and Interior is the fifth (US\$496/ADMT). These costs include delivery costs to China.

**Date Revised: May 20, 2021**

**Ministry Executive Sponsor:**

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## 2021/22 Estimates Debate

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

#### *Issue:* Economic State of BC Forest Sector – 2020 Review

#### **Recommended Response:**

- BC's forest sector continues to play a key role in the provincial economy, providing 48,800 direct jobs and generating substantial public and private revenues.
- The sector is export-oriented, depending heavily on global markets and exchange rates.
- Initially the difficult conditions of 2019 were exacerbated by the COVID-19 pandemic, which effectively stalled the global economy early in 2020. This spurred further mill curtailments and closures in BC in anticipation of lower demand.
- However, unexpected strength in home renovation demand, and then the highest housing starts since the 2000's housing boom, coupled with constrained supply of lumber and panel in North America, led to record high prices.
- The improved market condition allowed many mills to resume their operations. Between April 2020 and April 2021, 41 mills in BC have resumed operations.
- Pulp prices were flat until the fourth quarter of 2020 when speculations in China's futures market caused Northern bleached softwood kraft (NBSK) pulp prices to start increasing. Paper prices improved, but most grades finished the year below where they started it.
- Most economies in the world experienced significant contractions as the pandemic disrupted economic activity, but there's also been substantial stimulus spending, and GDP for many countries is forecast to rebound in 2021 and 2022.
- The unprecedented outbreak of spruce beetle in Europe has led to a surge of European log and lumber exports to China, potentially crowding out exports from BC and other parties in the coming years. However, in the second half of 2020 the North American market was so strong that BC producers were diverting sales away from Asia anyways.

#### **Key Facts:**

- **In 2019 BC's forest sector GDP<sup>1</sup>** was \$5.79 billion (down 14.2% from 2018). Forestry and logging was \$1.6 billion (-19.0%), forestry support activity was \$649 million (-1.2%), wood product manufacturing was \$2.5 billion (-13.8%), and paper manufacturing was \$1.1 billion (-14.6%).
- **Forest sector employment in BC** was 48,800 in 2020, down 1.8% from 49,700 in 2019. The sector represented 10.1% of goods sector employment and 2.0% of all-industry employment.
- **The total harvest volume** was 51.4 million m<sup>3</sup> in 2020 when including private and Crown land, down 5.3% from 2019. Log prices went down by 4% in the Interior, while it increased by 6% on the Coast.

<sup>1</sup> In chained 2012 dollars. There is usually a one-year lag in GDP figures.

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

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- **Forest manufacturing sales** were \$14.6 billion in 2020, up 1.6% from 2019, and represented 28% of BC manufacturing sales.
- **Softwood lumber** is BC's dominant forest product. In 2020 BC produced 8.9 billion board feet of softwood lumber (21 million m<sup>3</sup>), down 7.8% compared to 2019. Most of BC's production is in the Interior (91%). Lumber exports for 2020 totalled \$5.4 billion, up 14% from 2019. In 2020 lumber value to the US was up 37% and volume was up 1%, while they declined by 27% and 33% for China.
- **Forest product exports** were \$11.5 billion for 2020, down 3% from 2019, and representing 29% of total BC commodity export value.
- **Commodity Prices** are at record highs for lumber, oriented strand board (OSB), and plywood. NBSK pulp is also strong right now. Cost data suggests B.C. producers of these products are quite profitable right now.

#### Export Markets

- **The US** continued to be our primary forest product export market. Export value to the US was up 20% in 2020 and accounted for 56% of BC forest product exports. Softwood lumber had the largest share of exports to the US (61%). US Housing Starts totalled 1.38 million units in 2020, up 7% from 2019.
- **China** continued as BC's second-largest export market for forest products. Pulp had the largest share of exports to China (68%), followed by lumber (20%) and logs (7%). BC's total export value to China was down 18% in 2020. China has suspended log exports from Australia. Russia is also planning to put a ban on exports of logs and green lumber. It remains to be seen which countries will fill in these gaps in exports to China.
- **Export value to Japan** declined 31% in 2020. Lumber volumes were 25% below 2019 and a new low for total volume since 1988, the earliest data available to the Ministry.

**Date Prepared/Revised: 04/06/2021**

**Ministry Executive Sponsor:**

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## 2021/22 Estimates Debate

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

#### **Issue:** Coast Forest Sector Revitalization

#### **Recommended Response:**

- Our vision is for a coastal industry made up of successful and innovative large, medium and small companies that can create and maintain good jobs and generate wealth from our forests to support healthy communities.
- We're at the beginning of a reconciliation process with First Nations to ensure they can better benefit from forestry activities in their traditional territories.
- Over the last few years, we've engaged with First Nations, industry and labour and will continue to do so as policy reforms are implemented and monitored.
- The Coast Forest Sector Revitalization has five main goals:
  - Rebuilding solid wood and secondary industries to ensure more of our logs and fibre are processed in BC;
  - Improving harvest performance to ensure more fibre is available for domestic mills, including the pulp and paper sector;
  - Maintaining a credible auction system by taking steps to ensure bids on timber sale licences are independently made;
  - Fostering stronger business-to-business relationships between BC Timber Sales, major licensees and First Nations; and
  - Restoring public confidence (through amendments to the *Forest and Range Practices Act* and auditing the private managed forest land regime).

#### **Key Facts:**

- To increase utilization of fibre, a 'Fibre Recovery Zone (FRZ)' was established on April 1, 2019 requiring tenure holders to remove as much fibre as possible or face monetary penalty. This zone is concentric to existing manufacturers (e.g. pulp and paper mills).
- Based on audited cost data from licensees, the boundaries were amended on December 23, 2019 resulting in a reduction of 21% in the area within FRZ's. Due to the high lumber market and sawmills operating again in 2020, the chip supply increased, and pulp mills were no longer purchasing pulp logs from the FRZ's.
- To address this downturn in pulp log purchasing, penalties for waste material left on site in a FRZ were set at one times (1X) stumpage on April 1, 2021 while government works with stakeholders and First Nations on an exemption process, expected December 2021, that will address market fluctuations in purchasing pulp logs.
- Government renewed log export exemption Orders-In-Council in July 2019 that allow a proportion of harvest from economically challenging areas (e.g., mid-Coast) to be exported without first being advertised to the domestic industry.
- For logs advertised on the surplus test, a new variable fee-in-lieu of manufacture applies to any BCTS sales advertised after July 7, 2019. As a result of the Covid-19 pandemic, the implementation of the new fee-in-lieu for all tenures was delayed until December 2020.

## 2021/22 Estimates Debate

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

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- The Order-in-Council for the revised Manufactured Forest Products Regulation was passed due to Covid-19, implementation was delayed until September 30, 2020. The Ministry worked with the main associations to determine the Fee in Lieu of Manufacturing structure and associated process.
- Forest tenure holders have noted caution on forest policy changes signalling increasing costs to their business may reduce their ability to harvest the profile (i.e. they may not harvest in high cost areas and may not meet allocated harvest levels) thus reducing overall economic activity and fibre availability.
- The strike that affected Western Forest Products and the prolonged curtailment of Mosaic's operations in conjunction with softening export demand and prices for logs created uncertainty in the coastal market in 2019. However, in 2020 lumber markets rebounded and are currently reaching record levels of over \$1,600 mfbm. resulting in increased harvest activity in the Coast Area. This has allowed monitoring of the effectiveness of the Coast Revitalization policies.
- The government has also listened to the feedback and concerns on the Coast Revitalization policies and either revised or delayed implementing several Coast Revitalization policies. Examples are the revised fibre recovery zone boundaries and the delayed implementation of the new waste measurement methodology and the delay of the variable fee in lieu of manufacturing for major licensee tenures.
- Further monitoring of the outcomes of the Coast Forest Sector Revitalization policies will occur in 2021 with additional policy adjustments considered and implemented as necessary to achieve government's goals.
- For more detailed information on individual Coast Revitalization policies please refer to the following estimates notes: Variable Fee in Lieu, Manufactured Forest Products Regulation and Orders in Council.

**Date Prepared: March 29, 2021**

**Ministry Executive Sponsor:**

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Financial

**Alternate Contact for Issue:**

Name: Jim Schafthuizen

Phone: Government

## 2021/22 Estimates Debate

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

**Issue:** Interior Forest Sector Renewal Initiative

#### **Recommend Response:**

- The Premier announced the Interior Forest Sector Renewal initiative in April 2019, seeking to stimulate change which:
  1. promotes global competitiveness;
  2. supports community and workforce resilience;
  3. advances reconciliation with Indigenous communities, while;
  4. ensuring sustainability in forest management.
- The Ministry conducted extensive engagement through the summer and fall of 2019, seeking input on how to achieve these four objectives.
- The response was wide-ranging resulting in thousands of ideas from across the Interior of BC. A “What We Heard” report was released in July 2020 and shared the feedback and key themes that emerged. Release was delayed due to the COVID-19 outbreak.
- The Timber Supply Area (TSA) Coalition was a parallel process where the premier challenged forest industry leaders to form regional coalitions with Indigenous, community and labour leaders to work together to advance sector transformation based on extracting higher value rather than higher volume.
- On April 8, 2021 at the Council of Forest Industries (COFI) virtual conference, the Premier discussed the need to modernize forest policy and that Minister Conroy has been given this mandate.
- The Premier also identified that, despite the good work of the two coalitions (Kootenays, Mackenzie) he had not seen the overall provincial progress that he had expected. It was clear in the Coast Forest Sector Revitalization and Interior Forest Sector Renewal engagement that there is too little fibre remaining and there needs to be full business to business partnerships with Indigenous peoples.
- The Premier further identified that the government needs to step in and will be releasing an ‘Intentions Paper’ in the upcoming weeks. The ‘Intentions Paper’ will be based on the vision of creating a diverse, competitive, and sustainable forest industry that puts Indigenous and non-Indigenous people first.
- A more equitable distribution of tenure will be a component of the ‘Intentions Paper’ that will create more diversity, allow the secondary manufacturing industry access to fibre and transition to a lower volume higher value future for the industry. Mass Timber is an excellent example of creating more value from our forest resource.
- BC Timber Sales will continue with their good work and the market pricing system will remain unaltered.
- More discussions with First Nations and industry leaders will be occurring over the next several months as the government works towards solidifying and then implementing components of the ‘Intentions Paper’.



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

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### **Additional Response points (if needed):**

- In the Interior Forest Sector Renewal engagement there was significant commonality in the themes where people chose to focus their feedback.
- Within the themes there were a lot of different ideas and approaches on how to achieve the change.
- The engagement feedback aligned and supported many of the actions that the ministry has taken over the past few years. It also provided valuable input that has influenced the ministry's COVID response to support the sector through this difficult spring.

### **Key Facts:**

- Interior Forest Sector Renewal public engagement took place from July 18 to October 11, 2019. Input came through three distinct pathways:
  - **36 community engagement sessions** (by invitation) were held throughout the interior with representation from industry, First Nations, local government, labour and other stakeholders, including 3 sessions co-hosted with the First Nations Forestry Council.
  - **Over 500 online survey forms** were completed.
  - **92 written submissions** received by mail or email.
  - There are currently **2 TSA Coalitions** active in the Kootenays and Mackenzie.

**Date Prepared: April 8, 2021**

**Ministry Executive Sponsor:**

Name: Melissa Sanderson

Phone: Government  
Financial

**Alternate Contact for Issue:**

Name: Jim Schafthuizen

Phone: Government

## 2021/22 Estimates Debate

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

#### **Issue:** Mass Timber in British Columbia

#### **Recommend Response:**

- B.C. is a leader in the use of mass timber as an innovative way to reduce the carbon footprint of the building sector while supporting good paying jobs for people in communities throughout the province.
- Mass timber aligns with the Province's goal of transitioning the forest sector from high volume to high-value production, maximizing the value of our renewable forest resources. It is key to diversifying and creating a more resilient forest sector and building community stability.
- One of our first priorities to support this work will be to strengthen our legislative framework to grow demand for the use of engineered wood products in public sector buildings.

#### **Additional Response points (if needed):**

- I look forward to the work of the Mass Timber Advisory Council (MTAC) on how we can position our industry to capitalize on the growing opportunities in the construction of mass timber building and position our industry as leaders.

#### **Key Facts:**

- The Softwood Lumber Board recently published an updated Mass Timber Outlook, which charts the potential incremental softwood lumber opportunity in the United States through 2035.
  - The long-term outlooks from the report identifies a potential 3.7 billion to 6.7 billion board feet of incremental opportunity by 2035.
  - The outlook was developed in conjunction with FP Innovations and a BC-based consulting firm.

#### **Mass timber in B.C.:**

- Mass timber products such as glue laminated (glulam) beams and columns have been used in building construction in B.C. for many decades. More contemporary mass timber products such as cross-laminated timber, dowel-laminated timber and nail laminated timber have been introduced more recently.
- B.C. leads Canada with about 285 buildings that use some form of traditional mass timber. Of those, approximately 28 per cent also use more contemporary mass timber products.
- B.C. has three mid-size mass timber plants that produce cross-laminated timber and dowel-laminated timber. This currently represents 19 per cent of North America's annual production capacity for those materials.

## 2021/22 Estimates Debate

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

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- Mass timber can offer five to seven times more economic value than traditional sawn dimensional lumber when factoring in production of mass timber products, design services, and prefabrication of structural components.
- New provisions in the next edition of the National Building Code will allow encapsulated mass timber construction in buildings up to 12 storeys. B.C. adopted these provisions early for 21 interested communities.
- Mass timber is being used in several public buildings in B.C. recently approved for construction:
  - BCIT – 12-storey student residence in Burnaby
  - Okanagan College – student residences at the Kelowna, Vernon and Salmon Arm campuses
  - Two schools in Vancouver – Begbie and Bayview elementary schools

**Date Prepared/Revised: April 1, 2021**

**Ministry Executive Sponsor:**

Name: Melissa Sanderson, Assistant Deputy Minister      Phone: Government

**Alternate Contact for Issue:**

Name: Jennifer Burleigh, Director      Phone: (250) 480-8170

## 2021/22 Estimates Debate

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

**Issue:** Investment in BC Mills, As of May 11<sup>th</sup> 2021

**Recommend Response:**

- B.C. forest companies are making record profits and re-investing in our communities.
- From the San Group investing more than \$150 million in a new lumber manufacturing facility in Port Alberni to the recently announced investment by Interfor of an additional \$35 million rebuild and replace the planer mill in Castlegar.

**Additional Response points (if needed):**

- We have seen partnerships between industry and Indigenous Nations to promote greater involvement of nations in the forest sector. The Huu-ay-aht have not only purchased a majority share of TFL 44, they also have a stake in Western Forest Products Port Alberni sawmill.

**Key Facts:**

- **San Group** - The Langley-based San Group has invested more than \$150 million in a lumber manufacturing and associated re-manufacturing facility in Port Alberni over past three years. The facility started operations on May 29, 2020. The company can create up to 200 jobs as additional phases are added to the mill - finger joint and laminated plants. The company has also bought another speciality mill in Port Alberni known as Chalwood Forest Products, that has been dormant for approximately a year.
- **Western Forest Products** - In March 2020, the Huu-ay-aht First Nation announced the purchase of majority share of Tree Farm Licence (TFL) 44 and 7% stake in Western Forest Products' Port Alberni sawmill in a \$36 million deal. The Huu-ay-aht First Nation will own 51% of TFL 44 for \$35 million, and a 7% stake in the Port Alberni sawmill for \$1 million.
- **Canfor Pulp** - In September 2020, Canfor Pulp in Prince George is announced to receive \$2 million in funding through the province's Innovative Clean Energy Fund (ICE). The fund supports the project of converting forest by-products and wood waste to renewable energy for the company's kraft pulp mill business.
- **Canfor Vavenby** - In September 2020, Canfor's Vavenby sawmill site has been sold, a year after it was closed. Of the total sawmill, 75 percent is sold to Brian Fehr, founder and former chairman of The BID Group, a multinational corporation, and current chairman of the board for SmartLam North America, which produces mass timber products. The other 25 percent is sold to Simpcw First Nation.
- **Peak Renewables/Canfor** - In November 2020, Peak Renewables announced the purchase of forest tenures and mill assets from Canfor in a multi-year \$30 million deal in Fort Nelson and is in the process of requesting approval from the Minister for the transfer of the of the licenses. The company proposes to build a

## 2021/22 Estimates Debate

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

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600,000 tonnes per year wood pellet plant in the area with targeted opening in first quarter of 2022. Peak Renewables also purchased the previously closed plants (in 2008), PolarBoard oriented strand board panel plant and Tackama plywood plant in the town earlier this year for approx. \$10 million.

- **West Fraser** - In November 2020, West Fraser announced the procurement of all the outstanding common shares of Norbord Inc. in an all-stock transaction values at approximately C\$4 billion (US \$3.1 billion). In February 2021, both the companies jointly announced the completion of this transaction. According to the CEO of West Fraser, Norbord's OSB production would expand West Fraser's product mix, give it access to new markets in Europe and Eastern Canada and allow cost savings through more stable and resilient earnings
- **Paper Excellence** - In December 2020, Paper Excellence announced to invest \$13 million to upgrade their Port Alberni paper mill. The investment will upgrade and enable both paper machines at the facility to make food grade paper simultaneously. The company anticipates completing the enhancements by fourth quarter of 2021.
- **Interfor** - In May 2021, Interfor announced a \$35-million improvement project in its Castlegar mill to rebuild and replace the planer mill. The investment will improve grade, value, and productivity of the facility. This comes after a \$50 million upgrade in the sawmill in 2015.

**Date Prepared/Revised: May 11<sup>th</sup>, 2021**

**Ministry Executive Sponsor:**

Name: Melissa Sanderson

Phone: Government

**Alternate Contact for Issue:**

Name: Jennifer Burleigh

Phone: 778-974-2430

## 2021/22 Estimates Debate

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

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**Issue:** Improving the *Forest and Range Practices Act*

#### Recommend Response:

- The ministry is committed to improving the *Forest and Range Practices Act* (FRPA) framework, by introducing new tools that will better reflect the public interest in an era of change – a commitment to reconciliation with Indigenous Nations, public expectations, land use pressures, and climate change.
- Additionally, government is committed to ensuring that proposed legislative amendments align to the greatest extent possible with British Columbia's *Declaration on the Rights of Indigenous Peoples Act, 2019*.
- FRPA is the foundation of the province's world-renowned sustainable forest management regime. It is important to take the time to address the many interests of those who will be impacted by changes to FRPA. We are committed to taking the time to get it right.

#### Additional Response points (if needed):

- The ministry has engaged extensively and directly since 2018 with a wide range of groups regarding the proposed changes to FRPA. Further opportunities for engagement will be provided to forest industry representatives, Indigenous Nations, and natural resource stakeholders as proposals are being refined.
- The ministry is working closely and collaboratively with representatives of the First Nations Leadership Council to align the proposals with the intent of the *Declaration on the Rights of Indigenous Peoples Act*.

#### Key Facts:

- Improvements to FRPA were approved by government for legislative introduction in spring 2020 but delayed due to the global pandemic and the subsequent provincial general election. No further changes have been made to the amendment package.
- There are two phases of improvements underway to FRPA:
- Incremental changes were introduced in the *Forest and Range Practices Amendment Act, 2019* (Bill 21) and require regulations to be deposited before they come into force.
- Transformative changes that feature the new Forest Landscape Planning (FLP) regime.
- The ministry is currently working in-confidence with the First Nations Leadership Council to gain their support and to develop a shared understanding of the amendments and ensure their alignment with the *Declaration on the Rights of Indigenous Peoples Act*.
- Work is also underway across provincial ministries to develop a coordinated understanding and approach for the use of new shared decision-making tools,

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

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including guidance and recommended timelines for implementing shared decision-making processes.

- The ministry will continue to engage directly with all First Nations Rights and Title holders if any changes are made to the current legislative amendment package.
- There are four (4) FLP pilot projects underway across the province that are intended to inform further policy development and new approaches to collaboration and shared decision-making with First Nations. The four pilots are situated in the following timber management units: Sunshine Coast, Quesnel, Lakes (east of Houston), and Tree Farm Licence 37 on the Central Coast.

**Date Prepared: May 17, 2021**

**Ministry Executive Sponsor:**

Name: Diane Nicholls

Phone: 778-974-5840

**Alternate Contact for Issue:**

Name: Rachael Pollard

Phone: 778-362-7156

## 2021/2022 Estimates Debate

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

**Issue:** State of Mackenzie forestry and Mackenzie Timber Supply Area Coalition

#### Recommend Response:

- I want to recognize the leadership of Conifex and Mayor Atkinson for bringing together leaders from Indigenous communities, labour and other forestry industry representatives through the Mackenzie Timber Supply Area Coalition (the Coalition) to dig into the tough issues and look at solutions.
- Staff are currently reviewing the Coalition recommendations provided to the Premier March 15th.
- B.C. remains committed to improve the forest industry economic viability within the Mackenzie Timber Supply Area (TSA) to ensure a competitive, sustainable future for the Mackenzie TSA.
- BCTS has been instrumental in ensuring that volume is getting to the market and in setting the appropriate stumpage.
- In the northern very remote part of the Timber Supply Area (TSA) we are looking at the stumpage system to ensure that it appropriately recognizes the high transportation costs in Mackenzie including;
  - Allowances to towing and barging timber on the reservoir.
  - Ability to adjust stumpage to reflect costs associated with water level changes.
- Mackenzie has high levels of spruce bark beetle attack and the July 2020 market pricing system (MPS) update included a change that will further reduce stumpage in spruce bark beetle attacked stands. This will both help address the spruce beetle outbreak and assist with the high cost of operating in the TSA.

#### Key Facts:

- Mackenzie is one of the most forestry-dependent communities in B.C. All mills in Mackenzie, have curtailed operations in the past two years. Currently:
  - Conifex sawmill reopened July 2020.
  - Duz Cho Mill, owned by McLeod Lake Indian Band, curtailed spring 2019.
  - Canfor closed Mackenzie sawmill on July 18, 2019.
  - Permanent closure of Mackenzie pulp mill (Paper Excellence) April 2021.
- The 2019-2020 economic downturn was also difficult for the community. This experience has amplified concern and increased criticism of the Province and Canfor as timber continues to move through the community to mills outside of Mackenzie.
- The Coalition, a local stakeholder driven initiative focused on increasing forest sector competitiveness and sustainable future opportunities, was launched in January 2020. The Coalition is led by Conifex Timber CEO, Ken Shields, in partnership with the Mayor of Mackenzie, Joan Atkinson. Participants include other forest industry participants, labour leaders and local Indigenous Nations and the community of Mackenzie.



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

- The Coalition provided a letter with ten recommendations to the Premier March 15th. Most of the recommendations have softwood lumber concerns and would therefore be difficult to implement. Some recommendations can be pursued:
  - Investigate a simplified stumpage method applicable to the northern three quarters of the Mackenzie TSA,
  - engage First Nations and the community of Mackenzie in the Timber Supply Review,
  - seek funding to acquire LiDAR and,
  - seek funding to continue to make incremental improvements to the Finlay Forest Service Road).
- Although not recommended by the Coalition, FLNR will be looking at a post Timber Supply Review re-examination of tenure distribution that would provide the First Nations and the community of Mackenzie a potential Community Forest.

**Date Prepared/Revised: May 10, 2021**

**Ministry Executive Sponsor:**

Eamon O'Donoghue, Assistant Deputy Minister – North Area      Phone: 250-847-7495

**Alternate Contact for Issue:**

David Van Dolah, A/Regional Executive Director, Omineca Natural Resource Region - Phone: Governme  
Gover

## 2021/22 Estimates Debate

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

**Issue:** Bill 22 (2019) – Transfers of Crown Forest Tenures

#### **Recommend Response:**

- The changes enacted by Bill 22 (2019) to the *Forest Act* have been in place for two years and we have transitioned to a far more comprehensive review of the disposition of forest tenure agreements.
- Crown timber belongs to the citizens of BC and has both a commercial and a public value. The required considerations of the marketing of fibre and the public interest has generated a deeper examination of requested transfers resulting in stronger community benefits, security of labour, and the development of unique First Nation partnerships.
- Our ministry will continue to ensure that tenure transfers are approved on the basis of providing benefit to the people of BC.

#### **Additional Response points (if asked about Canfor-Peak):**

- The requested transfer from Canadian Forest Products Ltd. to Peak Fort Nelson Properties Ltd. is being processed by my ministry, and as the statutory decision maker, it would be inappropriate for me to comment until the decision is placed before me and I have completed my consideration of the request.

#### **Key Facts:**

- With respect to the consideration of the public interest, a range of information can be included that represents the concerns and values of any member of the public, community, or members of Indigenous Nations.
- The public interest consideration is bounded by the particulars of the transaction and is specific to the anticipated effects of the intended recipient acquiring the agreement under the disposition or holding the rights under the agreement.
- Bill 22 did not provide a process to take back allowable annual cut and redistribute it to parties outside of a proposed transaction.
- Over the past year, the minister's office has overseen several transfers of major tenure agreements, including:
  - Two agreements from Canadian Forest Products Ltd. (Canfor) to Interfor Corporation's Adams Lake Division, after Canfor closed their Vavenby sawmill operations in 2019.
  - Quesnel Investment Corporation acquisition of non-replaceable forest licences and timber sales through a court approved purchase, as a result of the bankruptcy of C&C Wood Products Ltd. and Westside Logging in Quesnel.
  - Huumiis Ventures Limited Partnership (Huu-ay-aht First Nation) acquisition of a controlling interest in TFL 44 General Partnership from Western Forest Products.

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

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- Despite the challenges of the ongoing COVID-19 health protocols, Hampton Lumber Mills continues their progress on a commitment to rebuild the sawmill in Fort St. James, which was a condition imposed by the minister when the transfer was approved in Fall 2019.
- Interfor's Adams Lake Division has met the minister's expectation by making a portion of the tenure transferred from Canfor available for purchase by the Simpcw First Nation.

**Date Prepared/Revised: March 31, 2021**

**Ministry Executive Sponsor:**

Name: ADM, Sarah Fraser

Phone: 778 698-7253

**Alternate Contact for Issue:**

Name: Patrick Russell

Phone: 778 974-2483

## 2021/22 Estimates Debate

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

#### *Issue:* Stumpage - General, Lags

#### **Recommend Response:**

- Stumpage is the fee government charges when it sells trees. BC charges for trees like a private landowner would.
- Licensees pay cash (stumpage) and provide services (obligations) for the trees they purchase. Obligations include silviculture and road building.
  - Stumpage = Estimated Winning Bid (EWB) – Tenure Obligation Adjustments (TOA)
  - The EWB is the value of trees if sold prior to harvest. BCTS auctions standing timber to collect data, which is used to build the EWB equation.
  - The TOA is the value of services licensees provide to the government.
- Stumpage for licensees is updated quarterly based on the latest market conditions (industry opposes shorter timeframes)
- The market based pricing system (MPS) uses BC Timber Sales auctions as the cornerstone system for pricing non-auctioned timber.
- BC uses the Market Pricing System (MPS) to determine the stumpage rate.
- MPS uses the data collected from auctioning off roughly 20% of the AAC to price the remainder.
- The Coast and the Interior of BC both use a version of MPS and there are some differences in the details.

#### **Additional Response points (if needed):**

- **Coast**
  - The Auction Dataset:
    - The auction dataset consists of 14 years of auctions and new auctions are added annually with a 6 month lag.
    - Due to length of the dataset, the model is quite stable and the impact of adding new variables is low, as is the impact of the lag in adding new variables.
  - Market variables:
    - **Lumber and veneer prices:** Quarterly adjustments using 3 month averages and a 2 month lag.
    - **Log export share:** The share of harvest exported as logs uses a 12 month rolling average with a 3 month lag.
    - **North American housing starts and total coast harvest:** North American housing starts and total coast harvest both use 12 month rolling averages with a 2 month lag.
- **Interior**
  - The Auction Dataset:
    - The auction dataset consists of 13.25 years of auctions and new auctions are added annually with a 3 month lag.

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

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- Importantly, the Interior uses a system which places greater weight on the last year of sales in the dataset, which means the impact of adding new sales can be significant.
- To avoid large changes in stumpage due to annual updates, a change was made in July 2020 to incorporate new bidding behaviour quarterly.
  - This change simulates quarterly updates and reduces large impacts of the annual updates as the changing bidding behaviour is incorporated through the year.
  - For example, if the system had been in place prior to July 2019, the large stumpage increase at that time (due to extremely high bids in late 2018 and early 2019) would have been replaced by more gradual increases in the preceding quarters.
- Market variables:
  - **Lumber prices:** As on the coast; 3 month, average 2 month lag.
  - **US\$/C\$ exchange rate:** 3 month, average 2 month lag.
  - **Total Interior Harvest:** The overall harvest in the Interior is used as an overall market indicator, with a 12 month rolling averages and a 2-month lag.

#### Key Facts:

- FY 2020/2021 Average Billed Stumpage Rates (\$/m<sup>3</sup>)
  - For volume scaled between April 01, 2020 and March 16, 2021

Advice/Recommendations; Government Financial Information

\* all logs, special forest products, species and grades billed to crown land. Excludes waste and reject.

\*\* Average rate is total revenue divided by total volume. It is a volume weighted average rate.

\*\*\* Majors category only includes forest licences and tree farm licences; Other category includes all other timber tenure file types; BCTS category includes file types B20 and A25

\*\*\*For all HBS volume scale invoiced as of March 16, 2021.

## 2021/22 Estimates Debate

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

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**Date Revised: March 19, 2021**

**Ministry Executive Sponsor:**

Name: Melissa Sanderson

Phone: Government

**Alternate Contact for Issue:**

Name: Allan Bennett

Phone: 778-974-2407

**Issue:** Stumpage - Changes

Government Financial Information

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Stumpage Rates are average appraised rates, including \$0.25/m<sup>3</sup> low grade rates, weighted by cruise volume for all active permits at the time.

\*July 1, 2021 Stumpage Rates are forecasts.

All product prices are consistent with published appraisal parameters, i.e. use the same "three month average, two month lag" period that are used in the quarterly stumpage adjustments.

Coast log prices are published VLM old and mixed growth. Interior log prices are averages from all reported Interior log sales.

(1) The December 15, 2020 Coast MPS update included reappraising all cutting permits on to the new lumber/veneer based model. Until then, many permits were still on older log based policies.

(2) The quarterly EWB adjustment is a feature added to Interior MPS July 2020 to adjust for changing bid behaviour between updates. Bids rose in late 2020 but not as much as the high lumber prices would have indicated, hence the negative adjustment.

**Date Prepared: March 31, 2021**

**Ministry Executive Sponsor:**

Name: Melissa Sanderson

Phone: Government  
Financial

**Alternate Contact for Issue:**

Name: Allan Bennett

Phone: 778-974-2407



## 2021/22 Estimates Debate

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

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**Issue:** Stumpage - Forecast

#### **Recommend Response:**

- The revenue forecast is based on current economic assumptions regarding US housing starts, the Canada-US exchange rate, lumber commodity prices and prevailing stumpage rates.
- Forecast uncertainties include impacts associated with lumber price, lumber demand, stumpage rates and harvest volatility, US duties, mill curtailments, timber supply decreases and overall global economic conditions.
- Timber tenures stumpage revenue is increasing in FY21/22 due to increasing Coast and Interior appraised stumpage rates.
  - Lumber prices are expected to stay elevated through 2021, keeping appraised rates at historically high levels.
- BCTS stumpage revenue is expected to decrease in FY21/22 as bidding rates decline from all-time highs.
- Crown harvest volumes have adjusted lower over the past two years.
  - The winding down of mountain pine beetle salvage and forest fires have contributed to timber scarcity and mill closures.

#### **Key Facts:**

- 2021/22 Budget Estimates Forecast:
  - Stumpage revenue: \$1.114 B
  - Crown harvest: 46.0 million m<sup>3</sup>
  - Provincial average rate (including BCTS): \$24.21/m<sup>3</sup>

**Date Prepared: March 19, 2021**

**Ministry Executive Sponsor:**

Name: Melissa Sanderson

Phone: Government  
Financial

**Alternate Contact for Issue:**

Name: Allan Bennett

Phone: 778-974-2407

## 2021/22 Estimates Debate

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

#### **Issue:** Stumpage - Alberta

#### **Recommend Response:**

- Alberta's forests are relatively uniform which allows for a simpler stumpage system.
- BC has more ecological diversity and tree species diversity than Alberta.
  - Alberta's stumpage system works for Alberta because of this lack of diversity.
- In BC, we have spruce, pine, and balsam like Alberta, but we have so much more. High value Douglas-fir and western red cedar for example.
- In BC, we have more diverse and more difficult terrain with associated higher operating costs.
  - In BC, we need a more complex stumpage system to adequately price our species and terrain diversity.
- Stumpage in Alberta is more volatile than in BC.

#### **Additional Response points (if needed):**

- Alberta stumpage for January 2021 was \$31.64/m<sup>3</sup> for the first 107,296 m<sup>3</sup> of harvest, and \$61.16/m<sup>3</sup> for any additional harvest.
- The Alberta system has shorter lags and higher volatility than the BC system.
- In times of high lumber prices, as currently experienced, Alberta has higher stumpage than BC and conversely in times of low lumber prices Alberta stumpage is lower.
- As an example, in May 2020 Alberta stumpage was significantly lower than in BC. but increased substantially in fall 2020 with the record lumber prices (see table #1 below).
- BC's stumpage volatility is lower than Alberta for the following three main reasons:
  - 1) BC's system is market based and reflects bidding behaviour in auction sales which has a moderating influence,
  - 2) BC uses 3 month averages of product prices, compared to 1 month for Alberta, and
  - 3) BC uses actual lumber sales from BC mills (a broader basket) rather than a single product.
- The Market Pricing System localizes stumpage in BC to account for the diversity of terrain, ecosystem, species, and productivity in BC.

#### **Key Facts:**

- Disparaging Alberta's stumpage system may have trade implications.

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Ministry of Forests, Lands, Natural Resource Operations and Rural Development  
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**Table #1 - Interior, Coast, and Alberta Stumpage Rates (\$/m3)**

| Date     | Interior Average All Grade Stumpage Rate - 3 Mo (2 Mo Lag) | Alberta Stumpage (after 107,296 m <sup>3</sup> ) | Coast Average All Grade Stumpage Rate - 3 Mo (2 Mo Lag) |
|----------|--|--|---|
| Apr 2020 | 21.34  | 11.53  | 11.01   |
| May 2020 | 21.34  | 6.80   | 11.01   |
| Jun 2020 | 21.34  | 11.53  | 11.01   |
| Jul 2020 | 16.99  | 13.32  | 11.24   |
| Aug 2020 | 16.99  | 36.56  | 11.24   |
| Sep 2020 | 16.99  | 67.31  | 11.24   |
| Oct 2020 | 18.08  | 85.76  | 9.99  |
| Nov 2020 | 18.08  | 45.17  | 9.99  |
| Dec 2020 | 18.08  | 35.33  | 9.99  |
| Jan 2021 | 45.41  | 61.16  | 13.57   |
| Feb 2021 | 45.41  | 74.69  | 13.57   |
| Mar 2021 | 45.41  | 85.76  | 13.57   |
| Apr 2021 | 39.35  | 89.45  | 17.71   |

- B.C. stumpage rates are average appraised rates, including \$0.25/m<sup>3</sup> low grade rates, weighted by cruise volume for all active permits.
- Alberta stumpage rates are based on end-product pricing for deliveries to sawmills.
- The Alberta system has shorter lags and higher volatility than the BC system.

**Date Prepared: April 1, 2021**

**Ministry Executive Sponsor:**  
 Name: Melissa Sanderson, Assistant Deputy Minister Phone: Government

**Alternate Contact for Issue:**  
 Name: Allan Bennett, Director Phone: (778) 974-2407

## 2021/22 Estimates Debate

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

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**Issue:** Stumpage - Minimum Stumpage

**Recommend Response:**

- The current minimum stumpage rate is \$0.25/m<sup>3</sup> (Minimum Stumpage Rate Regulation).
- There are 2 reasons for the minimum stumpage rate to be applied:
  1. When the market pricing system (MPS) appraised stumpage value is \$0.25/m<sup>3</sup> or less.
    - Often called negative indicated stumpage rate or negative stumpage.
  2. For all non-sawlog log grades
    - Interior - Grades 4 and 6
    - Coast - hemlock/balsam U, and all X and Y grades
- The volume billed at minimum rate is dependent on market conditions.

**Key Facts:**

The table below shows the percentage of Crown harvest volume that was invoiced at the minimum stumpage rate (\$0.25/m<sup>3</sup>).

- Total Crown Harvest in FY20/21 year to date (YTD) is 41.7 Mm<sup>3</sup> (as of March 16, 2021)
- Total harvest volume at minimum rate is 12.1Mm<sup>3</sup> (or 29%)

| <b>Percentage of Harvest at Minimum Rate - FY20/21</b> |              |                 |                 |
|--|--------------|-----------------|-----------------|
| <b>Tenure</b>  | <b>Coast</b> | <b>Interior</b> | <b>Province</b> |
| Majors   | 30%          | 32%             | 31%             |
| Other  | 24%          | 38%             | 34%             |
| BCTS   | 12%          | 19%             | 18%             |
| <b>Total</b>   | <b>26%</b>   | <b>30%</b>      | <b>29%</b>      |

\* all logs, special forest products, species and grades billed to crown land

\*\* Excludes waste and reject.

\*\*\* For all scale invoiced as of March 16, 2021.

\*\*\*\* includes minimum volume for both low grade and stand rate

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

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| <b>VOLUME (m3)</b>          |                             |                   |                 |            |            |
|-----------------------------|-----------------------------|-------------------|-----------------|------------|------------|
| Fiscal Year                 | Region                      | Tenure Group      | Grade Group**** | Min Rate % |            |
| <b>2020/2021</b>            | Coast                       | BCTS              | Low Grade       | 12%        |            |
|                             |                             |                   | Stand Rate      | 0%         |            |
|                             |                             | <b>BCTS Total</b> |                 |            | <b>12%</b> |
|                             |                             | Timber Tenures    | Low Grade       | 15%        |            |
|                             |                             |                   | Stand Rate      | 14%        |            |
|                             | <b>Timber Tenures Total</b> |                   |                 | <b>28%</b> |            |
|                             | <b>Coast Total</b>          |                   |                 | <b>26%</b> |            |
|                             | Interior                    | BCTS              | Low Grade       | 19%        |            |
|                             |                             |                   | Stand Rate      | 0%         |            |
|                             |                             | <b>BCTS Total</b> |                 |            | <b>19%</b> |
| Timber Tenures              |                             | Low Grade         | 23%             |            |            |
|                             |                             | Stand Rate        | 10%             |            |            |
| <b>Timber Tenures Total</b> |                             |                   | <b>33%</b>      |            |            |
| <b>Interior Total</b>       |                             |                   | <b>30%</b>      |            |            |
| <b>2020/2021 Total</b>      |                             |                   | <b>29%</b>      |            |            |

\* all logs, special forest products, species and grades billed to crown land. Excludes waste and reject.

\*\* percentages derived from volumes billed at minimum rate (\$0.25/m<sup>3</sup>)

\*\*\*For all scale invoiced as of March 16, 2021.

\*\*\*\*Stand rate includes cruise based sales

**Definitions:**

- Low grade: all non-sawlog log grades
  - Interior - Grades 4 and 6
  - Coast - hemlock/balsam U, and all X and Y grades
  
- Stand rate minimums: When MPS appraised stumpage value is \$0.25/m<sup>3</sup> or less.

**Date Prepared: March 16, 2021**

**Ministry Executive Sponsor:**

Name: Melissa Sanderson

Phone: <sup>Government</sup>  
~~Financial~~

**Alternate Contact for Issue:**

Name: Allan Bennett

Phone: 778-974-2407

## 2021/22 Estimates Debate

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

*Issue:* Stumpage - Detailed Statistics*Volume Billed*

| Volume Billed (m <sup>3</sup> , millions) - Actuals and Estimates |              |                             |                                 |                   |
|---|--------------|-----------------------------|---------------------------------|-------------------|
| Region  | Tenure type  | Q4 Estimate<br>FY 2020/2021 | Forecast Estimate<br>FY 2021/22 | 5 year<br>Average |
| Coast   | Majors       | 6.7                         | 6.7                             | 7.2               |
|   | Other        | 2.3                         | 2.3                             | 2.4               |
|   | BCTS         | 1.8                         | 2.0                             | 2.1               |
|   | <b>Total</b> | <b>10.8</b>                 | <b>11.0</b>                     | <b>11.7</b>       |
| Interior  | Majors       | 21.7                        | 21.1                            | 29.2              |
|   | Other        | 6.1                         | 5.9                             | 6.6               |
|   | BCTS         | 7.4                         | 8.0                             | 8.3               |
|   | <b>Total</b> | <b>35.2</b>                 | <b>35.0</b>                     | <b>44.1</b>       |
| Province  | Majors       | 28.4                        | 27.8                            | 36.5              |
|   | Other        | 8.4                         | 8.2                             | 9.0               |
|   | BCTS         | 9.2                         | 10.0                            | 10.4              |
|   | <b>Total</b> | <b>46.0</b>                 | <b>46.0</b>                     | <b>55.8</b>       |

| Revenue Billed (\$, millions) - Actuals and Estimates |              |                             |                                 |                   |
|---|--------------|-----------------------------|---------------------------------|-------------------|
| Region  | Tenure type  | Q4 Estimate<br>FY 2020/2021 | Forecast Estimate<br>FY 2021/22 | 5 year<br>Average |
| Coast   | Majors       | 89.2                        | 95.0                            | 61.6              |
|   | Other        | 23.5                        | 25.0                            | 17.3              |
|   | BCTS         | 102.0                       | 106.0                           | 107.2             |
|   | <b>Total</b> | <b>\$214.6</b>              | <b>\$226.0</b>                  | <b>\$186.1</b>    |
| Interior  | Majors       | 538.1                       | 583.0                           | 419.7             |
|   | Other        | 66.9                        | 72.5                            | 51.3              |
|   | BCTS         | 253.3                       | 232.1                           | 253.1             |
|   | <b>Total</b> | <b>\$858.3</b>              | <b>\$887.5</b>                  | <b>\$724.1</b>    |
| Province  | Majors       | 627.3                       | 678.0                           | 481.3             |
|   | Other        | 90.4                        | 97.5                            | 68.6              |
|   | BCTS         | 355.3                       | 338.1                           | 360.3             |
|   | <b>Total</b> | <b>\$1,072.9</b>            | <b>\$1,113.5</b>                | <b>\$910.2</b>    |

| Average Stumpage Rate Billed (\$/m <sup>3</sup> ) - Actuals and Estimates |              |                             |                                 |                   |
|---|--------------|-----------------------------|---------------------------------|-------------------|
| Region  | Tenure type  | Q4 Estimate<br>FY 2020/2021 | Forecast Estimate<br>FY 2021/22 | 5 year<br>Average |
| Coast   | Majors       | 13.25                       | 14.11                           | 8.54              |
|   | Other        | 10.34                       | 11.01                           | 7.12              |
|   | BCTS         | 56.66                       | 53.00                           | 51.83             |
|   | <b>Total</b> | <b>\$19.87</b>              | <b>\$20.54</b>                  | <b>\$15.88</b>    |
| Interior  | Majors       | 24.79                       | 27.65                           | 14.35             |
|   | Other        | 10.98                       | 12.25                           | 7.79              |
|   | BCTS         | 34.23                       | 29.01                           | 30.55             |
|   | <b>Total</b> | <b>\$24.38</b>              | <b>\$25.36</b>                  | <b>\$16.41</b>    |
| Province  | Majors       | 22.06                       | 24.38                           | 13.20             |
|   | Other        | 10.81                       | 11.90                           | 7.61              |
|   | BCTS         | 38.61                       | 33.81                           | 34.80             |
|   | <b>Total</b> | <b>\$23.32</b>              | <b>\$24.21</b>                  | <b>\$16.30</b>    |

\* all logs, special forest products, species and grades billed to crown land through HBS .

Excludes waste, reject and Christmas trees. For all scale invoiced as of March 16, 2021..

\*\* Majors only include Forest licences and Tree Farm licences

\*\*\*Other category includes all other licences not Majors or BCTS

\*\*\*\* 5 year average: FY15/16 to FY19/20

## 2021/22 Estimates Debate

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

#### **Budget Forecast**

Government Financial Information

| Region and Tenure Type | ACTUALS                           |                        |   | FOR                               |                        |   |                                   |                        |   |
|------------------------|-----------------------------------|------------------------|---|-----------------------------------|------------------------|---|-----------------------------------|------------------------|---|
|                        | 2019/20                           |                        |   | 2020/21                           |                        |   | 2021/22                           |                        |   |
|                        | Harvest Volume (Mm <sup>3</sup> ) | Stumpage Revenue (\$M) | Average Stumpage Rates (\$/m <sup>3</sup> ) | Harvest Volume (Mm <sup>3</sup> ) | Stumpage Revenue (\$M) | Average Stumpage Rates (\$/m <sup>3</sup> ) | Harvest Volume (Mm <sup>3</sup> ) | Stumpage Revenue (\$M) | Average Stumpage Rates (\$/m <sup>3</sup> ) |
| <b>COAST</b>           | <b>8.7</b>                        | <b>\$215.1</b>         | <b>\$24.60</b>                              | <b>10.8</b>                       | <b>\$214.6</b>         | <b>\$19.87</b>                              | <b>11.0</b>                       | <b>\$226.0</b>         | <b>\$20.54</b>                              |
| BCTS                   | 6.7                               | 76.4                   | 11.40                                       | 1.8                               | 102.0                  | 56.66                                       | 2.0                               | 106.0                  | 53.00                                       |
| Tenures                | 2.0                               | 138.7                  | 67.90                                       | 9.0                               | 112.7                  | 12.52                                       | 9.0                               | 120.0                  | 13.33                                       |
| <b>INTERIOR</b>        | <b>34.3</b>                       | <b>\$694.5</b>         | <b>\$20.26</b>                              | <b>35.2</b>                       | <b>\$858.3</b>         | <b>\$24.38</b>                              | <b>35.0</b>                       | <b>\$887.5</b>         | <b>\$25.36</b>                              |
| BCTS                   | 6.9                               | 247.4                  | 35.81                                       | 7.4                               | 253.3                  | 34.23                                       | 8.0                               | 232.1                  | 29.01                                       |
| Tenures                | 27.4                              | 447.1                  | 16.33                                       | 27.8                              | 605.0                  | 21.76                                       | 27.0                              | 655.4                  | 24.28                                       |
| <b>PROVINCE</b>        | <b>43.0</b>                       | <b>\$909.6</b>         | <b>\$21.14</b>                              | <b>46.0</b>                       | <b>\$1,072.9</b>       | <b>\$23.32</b>                              | <b>46.0</b>                       | <b>\$1,113.5</b>       | <b>\$24.21</b>                              |
| BCTS                   | 13.6                              | 323.8                  | 23.79                                       | 9.2                               | 355.3                  | 38.61                                       | 10.0                              | 338.1                  | 33.81                                       |
| Tenures                | 29.4                              | 585.8                  | 19.91                                       | 36.8                              | 717.7                  | 19.50                                       | 36.0                              | 775.4                  | 21.54                                       |

\*Actuals retrieved from HBS as of March 16, 2021

**Date Prepared: March 19, 2021**

**Ministry Executive Sponsor:**

Name: Melissa Sanderson

Phone: 778 974-5974

## 2021/22 Estimates Debate

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

**Issue:** Stumpage Deferral during COVID-19

#### Recommend Response:

- Government offered to defer stumpage fees so companies could maintain their financial liquidity while navigating through the COVID-19 crisis.
- The uptake in the stumpage deferral program was very limited.
- Only two companies officially enrolled in the Stumpage Deferral Program - deferring a total of \$1.8M.
- The limited uptake was due to:
  - a quick rebound in the lumber market as the repair and remodelling sector (particularly fences, decks, home additions) and home building were strengthened by the pandemic.
  - Ministry of Finance’s interest rate (Apr-Jun 2020) was 5.95% (prime + 3%), which meant many companies had better terms through corporate lenders

#### Key Facts:

- Deferral applications were reviewed and approved by the Ministry of Finance.
- The stumpage deferral was requested by the Council of Forest Industries and the BC Business Council.
- The stumpage deferral was available to Tree Farm Licences, Replaceable Forest Licences and First Nations Woodlands licence holders who are in good standing with the Province.
- Interest continued to accrue on any outstanding balances that carried through the deferral period. Upon completion of the deferral, all balances (including interest) must be paid in full.
- The deferral was for a period of 3 months (May 1, 2020 to July 31, 2020) and would leave eligible companies with an estimated \$80M if all companies joined the program.
- Trade risk associated with the softwood lumber dispute is expected to be mitigated as the deferral is targeted and interest will be charged.
- Alberta offered a 6-month stumpage deferral with no interest.
  - Advice/Recommendations
- The Licensee is required to initiate and to continue to execute all Silviculture Treatments planned for the 2020/2021 fiscal year.

**Date Prepared: March 29, 2021**

**Ministry Executive Sponsor:**

Name: Melissa Sanderson

Phone: <sup>Government</sup>  
<sub>Financial</sub>

**Alternate Contact for Issue:**

Name: Allan Bennett

Phone: 778-974-2407



## 2021/22 Estimates Debate

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

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#### **Issue:** Stumpage End-Product Pricing

#### **Recommend Response:**

- In BC, the auction value of timber is used to set stumpage through the Market Pricing System.
- End-product pricing charges different, usually lower rates to other users like pulp mills.
- Sawlogs that could be turned into higher value lumber will likely be chipped for lower value pulp.
- Advice/Recommendations
  
- In the Interior, moving fibre away from sawmills to a pulp mill will increase the scarcity of fibre caused by the mountain pine beetle epidemic.
  - This may lead to further sawmill closures.
- Government is committed to working with the Pulp and Paper sector and has explored short and mid-term options for increased access to fibre for pulp mills.

#### **Key Facts:**

- End-product pricing is when stumpage rates are varied depending on the forest product being made where the logs are being delivered (e.g. charge full stumpage at a sawmill and \$0.25/m<sup>3</sup> at a pulp mill).
- The Market Pricing System uses the auctioned value of the timber to set stumpage, where end-product pricing uses the ability to pay and the value of products produced to set stumpage.
- End-product pricing may lead to better utilization during harvesting in some circumstances, and it will likely divert fibre from sawmills to pulp mills.
  - Diverting fibre away from sawmills will exacerbate the fibre supply shortages caused by the MPB.
- End-product pricing is not consistent with asserting the financial interests in a systematic and equitable manner as outlined in the *Forest and Range Act* since different companies will be charged different stumpage rates for the same log.
- Advice/Recommendations

**Date Revised: March 29, 2021**

**Ministry Executive Sponsor:**

Name: Melissa Sanderson

Phone: Government  
Financial

**Alternate Contact for Issue:**

Name: Jim Schafthuizen

Phone: 250-390-9198

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

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#### **Issue:** Log Exports - General

#### **Recommended Response:**

- Through the Coast Forest Sector Revitalization Initiative, we're committed to processing more logs in B.C. to support B.C. jobs.

#### How to increase domestic manufacture

- We are committed to building an environmentally and economically sustainable economy that works for all British Columbians.
- While we recognize that log exports play a role in an integrated forest sector, we're committed to getting more value out of every cubic metre of timber harvested.

#### Market Factors Contributing to Reduced Export Volumes in 2020

- Disruption of transport and trade associated with the COVID-19 pandemic resulted in significant backlog in Chinese ports.
- Continued influx of beetle killed logs from the European Union reduced demand and prices of hemlock from British Columbia.
- The strike at Western Forest Products carried on through early 2020, contributing to low log supplies on the Coast.
- Mosaic Forest Management was curtailed November 25, 2019 to June 24, 2020. Mosaic has historically been one of the biggest exporters of logs.

#### **Key Facts:**

- In 2020, 1.7 million cubic metres of provincial jurisdiction logs were permitted for export. This represents a 34% reduction relative to 2019.
- The volume of timber for domestic consumption was down by 8% compared to 2019, mainly due to a reduction in total federal jurisdiction harvest.
- China is the largest buyer of logs, acquiring 61% of BC's exported logs by volume in 2020, followed by the U.S. (16%), Japan (15%) and South Korea (8%).
- Companies that export logs from public lands pay both the stumpage fees and a "fee in lieu of manufacturing", which returns considerable further value to the province (fee in lieu is estimated to be \$8M for 2020/21 fiscal year).
- While BC regulates log exports from Crown land, it is the federal government that regulates log exports from most private land.

## 2021/22 Estimates Debate

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

#### BC PERMITTED LOG EXPORT VOLUME (m<sup>3</sup>) 2010 to 2020

| YEAR              | CROWN     | FEDERAL <sup>1</sup> | TOTAL     |
|-------------------|-----------|----------------------|-----------|
| 2010              | 2,483,519 | 2,022,397            | 4,505,916 |
| 2011              | 4,014,406 | 2,667,732            | 6,682,137 |
| 2012              | 4,061,118 | 2,298,469            | 6,359,586 |
| 2013              | 4,132,880 | 2,802,917            | 6,935,797 |
| 2014              | 4,059,609 | 2,592,279            | 6,651,888 |
| 2015              | 3,433,506 | 2,479,906            | 5,913,412 |
| 2016              | 3,974,078 | 3,087,252            | 7,061,330 |
| 2017              | 3,691,504 | 2,594,446            | 6,285,950 |
| 2018              | 2,744,311 | 2,384,154            | 5,128,465 |
| 2019              | 2,583,342 | 2,523,564            | 5,106,906 |
| 2020 <sup>2</sup> | 1,710,803 | 1,120,010            | 2,830,813 |

<sup>1</sup>Includes permitted log export volume from Indian Reserve lands.

<sup>2</sup> Subject to corrections and final reconciliation

#### 2020 Permitted Log Export Detail (million m<sup>3</sup>) (% change from 2019)

|          |                      | Jurisdiction | Harvest Volume <sup>2</sup> | Log Export Volume | %Export | Domestic Volume <sup>3</sup> |
|----------|----------------------|--------------|-----------------------------|-------------------|---------|------------------------------|
| Coast    | Federal <sup>1</sup> |              | 2.3 (-51%)                  | 1.058 (-56%)      | 46%     | 12.2 (-3%)                   |
|          | Provincial           |              | 12.1 (-1%)                  | 1.138 (-39%)      | 9%      |                              |
|          | Total                |              | 14.4 (-14%)                 | 2.196 (-49%)      | 15%     |                              |
| Interior | Federal <sup>1</sup> |              | 0.9 (-53%)                  | 0.062 (-47%)      | 7%      | 37.8 (-9%)                   |
|          | Provincial           |              | 37.5 (-8%)                  | 0.572 (-20%)      | 2%      |                              |
|          | Total                |              | 38.4 (-10%)                 | 0.634 (-24%)      | 2%      |                              |
| Province | Federal <sup>1</sup> |              | 3.2 (-51%)                  | 1.120 (-56%)      | 35%     | 50.0 (-8%)                   |
|          | Provincial           |              | 49.6 (-6%)                  | 1.711 (-34%)      | 3%      |                              |
|          | Total                |              | 52.8 (-11%)                 | 2.831 (-45%)      | 5%      |                              |

<sup>1</sup>Includes permitted log exports from Indian Reserves

<sup>2</sup>Source: Harvest Billing System by Billing Date

<sup>3</sup>Estimated Domestic Volume is calculated as Harvest Volume less Log Export Volume

|                                     |                                   |
|-------------------------------------|-----------------------------------|
| <b>Date Revised:</b> March 29, 2021 |                                   |
| <b>Ministry Executive Sponsor:</b>  |                                   |
| Name: Melissa Sanderson             | Phone: <u>        </u> Government |
| <b>Alternate Contact for Issue:</b> |                                   |
| Name: Jennifer Burleigh             | Phone: <u>        </u> Government |

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

Issue: Log Exports - Fee in Lieu

Recommended Response:

- The Fee in Lieu of manufacture for exported logs was changed to a variable model that reflects the value of the individual stand for Coastal BCTS Timber Sales Licenses in 2019.
o Prospective bidders know the fee in lieu for the sale at the time they are developing their bid and can account for the cost accordingly.
The same variable fee in lieu policy was applied to all Coastal Licensees as of December 15, 2020
The variable fee-in-lieu is a percentage of the Vancouver Log Market value where:
o Higher value stands have a higher percentage fee-in-lieu and
o Lower value stands have a lower percentage fee-in-lieu.
o The range of the variable fee in lieu is a minimum of 10% and a maximum of 35% for Coastal Licensees and any BCTS timber sale licenses advertised after December 15, 2019.

Additional Response points (if needed):

- There have been numerous changes in the Coastal market over the past year and a half that have affected harvest and export levels.
Coast wide implementation of the new fee in lieu was twice delayed due to deteriorating export log market conditions and then again due to impacts of COVID-19.
It is not possible to attribute any of these changes to a specific policy, however, overall we have seen the volume of timber exported drop in each of the past 3 years.

Key Facts:

- For timber sale licences advertised between July 1, 2019, and December 14, 2019, the fee-in-lieu rate ranged from 10 percent for the lowest value stands and increased to a maximum of 50 percent of the domestic log value.
Recognizing the significant downturn in the export market over the last half of 2019, the maximum fee was lowered from 50% to 35% of the domestic log value for any timber sale licence advertised after December 15, 2019.

Date Revised: March 31, 2021

Ministry Executive Sponsor:

Name: Melissa Sanderson

Phone: Government

Alternate Contact for Issue:

Name: Jennifer Burleigh

Phone: Government

## 2020/21 Estimates Debate

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

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#### **Issue:** Log Exports - Manufactured Forest Products Regulation

#### **Recommended Response:**

- Changes to the Manufactured Forest Products Regulation (MFPR) ensures more access to fibre for local manufacturers, supports local employment and adds value to timber harvested from public lands. Starting September 30, 2020, on the Coast, lumber made from western redcedar and cypress is required to be fully manufactured to be eligible for export without an exemption.
- Reduced availability of western redcedar and cypress was of particular concern, with this high-value, minimally processed timber being shipped out of the province for further processing.
- We worked with industry associations and companies impacted by these changes on the implementation of the exemption process.

#### **Additional Response points (if needed):**

- These changes support companies and families investing in B.C., who are creating more high value products from our natural resources and want to employ local workers.
- This application to the Coast only addresses the shortage of western redcedar and cypress for domestic mills on the Coast, without unnecessarily and negatively impacting the Interior where this shortage does not exist.

#### **Key Facts:**

- We also reduced the maximum cross section area for timber to be considered manufactured from 0.2 square metres (roughly 17inch by 17inch) to 0.1 square metres, or roughly 12inch by 12inch.
- Lumber that does not meet the new criteria can still be exported but requires an exemption and the payment of a fee in lieu of manufacture (FIL).
- Total MFPR FIL collected for lumber not meeting the new criteria: \$1,734,165 (FY 20/21, starting Oct 31, 2020)

## 2020/21 Estimates Debate

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

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#### 2020 MFPR Annual Report (Sept. 30, 2020 to Dec. 31, 2020)

| Manufacturing Category | Volume (m <sup>3</sup> ) | Value (CDN\$)        |
|------------------------|--------------------------|----------------------|
| <b>Red Cedar</b>       | 207,622                  | \$169,090,325        |
| Zero Process           | 44,037                   | \$19,365,773         |
| One Process            | 712                      | \$1,170,880          |
| Two Process            | 575                      | \$1,014,530          |
| Three Process          | 83,408                   | \$65,030,485         |
| >3000 miles            | 22,647                   | \$32,702,544         |
| End use as is          | 56,244                   | \$49,806,113         |
| <b>Cypress</b>         | 12,696                   | \$6,292,323          |
| Zero Process           | 7,626                    | \$3,188,639          |
| Two Process            | 41                       | \$35,674             |
| Three Process          | 1,465                    | \$877,574            |
| >3000 miles            | 1,777                    | \$1,216,188          |
| End use as is          | 1,788                    | \$974,247            |
| <b>Whitewood</b>       | 45                       | \$58,289             |
| >0.1m <sup>2</sup>     | 45                       | \$58,289             |
| <b>Grand Total</b>     | <b>220,363</b>           | <b>\$175,440,937</b> |

**Notes:**

Zero, one and two process categories are subject to Fee in Lieu

Three process, export >3000 miles and End use as is are deemed finished

Whitewood with a face size greater than 0.1m<sup>2</sup> is subject to Fee in Lieu

**Date Revised: March 31, 2021**

**Ministry Executive Sponsor:**

Name: Melissa Sanderson

Phone: Government  
Financial  
Information

**Alternate Contact for Issue:**

Name: Jennifer Burleigh

Phone:

## 2021/22 Estimates Debate

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

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#### **Issue:** BC Timber Sales Disposition Agreements and Reduced Volume Condition Licences

#### **Recommend Response:**

- Since 2016, BC Timber Sales (BCTS) has signed 30 Disposition Agreements (DA), 28 of them with First Nations.
  - BCTS continues to work with willing partners to negotiate BCTS Disposition Agreements.
  - These are an effective means to enhance business relationships with non-BCTS license holders and assist them in realizing benefits from their tenures.
- Since 2017, Government has entered into 4 Reduced Volume Condition (RVC) Licences.
  - BCTS continues to work collaboratively with all non-BCTS licensees who were issued RVC licenses.
  - These issued RVC licences create conditions where the non-BCTS holder is able to benefit from and influence harvest and forest management.

#### **Key Facts:**

- BCTS Disposition Agreements are voluntary agreements.
  - At request of the non-BCTS tenure holder BCTS develops and auctions their volume on their behalf.
  - BCTS in return provides a financial consideration (most often payment based on net-revenue) to the non-BCTS license holder resulting from that auction.
- Reduced Volume Condition licenses are forest tenures issued to non-BCTS licensees with a 'reduced volume' amount that remains within BCTS apportionment.
  - BCTS develops and auctions volume under the RVC licence.
  - BCTS pays 50% of net revenue (as prescribed in Regulation) from Timber Sale Licenses sold attributed to the RVC licence.
  - Advice/Recommendations; Legal Information

**Date Prepared/Revised: March 17, 2021**

**Ministry Executive Sponsor:**

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Phone: (250) 828-4449

**Alternate Contact for Issue:**

Name: Allan Powelson, Director

Phone: (250) 812-5054

## 2021/22 Estimates Debate

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

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#### **Issue:** Spruce Beetle Outbreak in North Area

#### **Recommended Response:**

- Spruce beetles are endemic to BC forests.
- FLNR is collaborating with licensees and communities to mitigate the impact of the spruce beetle.
- Licensee operational plans are annually updated and evaluated in consideration of the newest monitoring data. Licensees in the Omineca Region produce an annual seven-year look-ahead plan which shows areas of harvest and retention within the spruce beetle infestation

#### **Additional Response points (if needed):**

- While licensees have suggested some stands attacked early on in the outbreak are becoming un-economical in the current market; the spruce beetle outbreak has not yet contributed to mill curtailments or closures in Mackenzie or Prince George.
- Current information suggests on average, there is a seven-year operational window (shelf life) to harvest affected areas. Licensees are updating an annual plan to identify areas of harvest and retention within the operational window.
- FLNR staff will continue to engage First Nations and communities through existing working groups and initiatives to ensure operational plans are communicated.
- Ensuring the sustainability of communities in the short, mid and long term remains a critical consideration in determining harvest levels. Because spruce beetle infested trees are mixed in with uninfested trees, there is often green uninfested trees being harvested. Overharvest of these trees would mean significant to future timber supply. The ministry relies on the Chief Forester regarding the level of harvest for Spruce beetle.
- The July 1, 2020 changes to the Interior Appraisal Manual reflect significant downgrade of spruce beetle-killed timber. This will encourage salvage as trees hit by spruce beetle older than 5 years will now have lower stumpage.

#### **Key Facts:**

- In October 2015, an outbreak of spruce beetle was declared for the Omineca Region.
- In 2020, the total area for spruce beetle damage is approximately 525,000 hectare (ha) provincially (slightly higher than 2019 levels).
- The Spruce beetle attack is predominantly in the North Area. In 2020, 156,000 ha were impacted in the Skeena Region, 220,000 ha in the Omineca Region and 115,000 ha in the North East Region.
- This is the largest recorded spruce beetle outbreak for the province and will likely extend beyond the historical seven-year timeframe of previous outbreaks.
- **Some of the key actions to date include:**



## 2021/22 Estimates Debate

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

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- In 2019, the Director for Provincial Bark Beetle Response was appointed to coordinate response efforts across the province. This position is being actively restaffed due to retirement.
- The public and First Nations have been engaged throughout the outbreak to provide input into control actions.
- In 2016, a public information document was created “Working Together: BC’s Spruce Beetle Mitigation Strategy”.
- FLNR hosted annual public summits focused on research and engagement from 2016-2021. The 2021 summit was provided in an online format and focused on the values associated with unharvested spruce beetle-attacked stands.
- Land Based Investment Strategy (LBIS) funding for the Omineca in fiscal year:
  - 2016/17 was \$1M;
  - 2017/18 was \$1.4M;
  - 2018/19 was \$1.4M;
  - 2019/20 was \$1.4M;
  - 2020/21 was \$.96M; and
  - 2021/22 proposed \$.89M

Funding was used for flights to identify impacted areas, surveys to identify priority operational areas, wood decay research and public engagement.

- A sawmill pilot study to assess the recovery of spruce beetle damaged timber.
- FLNR staff are working with major licensees to jointly implement an ongoing series of plans and management practices, including:
  - Specific Chief Forester guidance (e.g. Stand and Landscape-Level Retention Guidance and Spruce Beetle Harvest Prioritization Matrix);
  - An annual Joint Licensee Action Plan that ensures coordinated response.
- Where feasible, targeted pest reduction harvesting of spruce beetle-infected stands including collaborative planning of harvest and retention areas within the outbreak and effective prioritization of stands to maximize value.
- Hauling and milling strategies to effectively reduce population spread.

**Date Prepared: March 28, 2021**

**Ministry Executive Sponsor:**

Name: David Van Dolah A/Regional Executive Director

Phone: Government  
Financial  
Information

**Alternate Contact for Issue:**

Name: Yvonne Parkinson

Phone:

## 2020/2021 Estimates Debate

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

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**Issue:** Forestry in the North Area Timber Supply Areas

#### **Recommend Response:**

- Declining allowable annual cuts in the North Area has made apportionment decisions more complicated than any preceding it.
- FLNRORD will continue to support the efficient use of the timber supply profile, including the use of fibre for sawlogs, pulp, pellets, and bioenergy.
- In addition to volumes available from the Timber Supply Areas (TSAs), there are volumes available from area-based tenures (such as First Nation Woodland Licences, Community Forest Agreements, Tree Farm Licences) and private sources.
- The Ministry will look to implement our mandate while the industry economics are favourable. This includes initiatives to increase collaboration with communities to advance reconciliation and operational certainty and modernize forest and land use policy to maintain a sustainable approach to forest management.

#### **Key Facts:**

- The interior of British Columbia is facing an unprecedented reduction in timber supply due to the mountain pine beetle (MPB) infestation. Over the past 20 years the Chief Forester had increased allowable annual cuts (AACs) to capture as much timber value as economically possible, before dead pine became unusable. It is now anticipated that the provincial timber supply will decrease by 25 percent between now and 2030.
- AAC declines across the Highway 16 corridor are resulting in industry milling capacity exceeding forecasted supply. Mill closures are occurring and will likely continue once lumber prices drop from the current unprecedented high.

#### **Lakes TSA (AAC – 970,000m<sup>3</sup>)**

- The Lakes TSA economy is resource-based and mostly dependent on the local forest industry. Primary licensees are Hampton Lumber operating Decker Lake and Babine Forest Products with West Fraser operating Fraser Lake Sawmill in Fraser Lake.

#### **Prince George TSA (AAC – 8,350,000m<sup>3</sup>)**

- The Prince George TSA contains the City of Prince George (population 76,364) and the communities of Vanderhoof, Fort St. James, and Fraser Lake, as well as several smaller unincorporated communities. The TSA covers approximately 7.97 million hectares and has the largest AAC in the province.

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

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#### Dawson Creek TSA (AAC – 1,860,000m3)

- In the Dawson Creek TSA, Louisiana Pacific Canada LTD. (LP) operates an innovative value added siding plant that utilizes deciduous logs that might otherwise get burned. This is the kind of value-added business the Province is encouraging in BC.
- FLNRORD is advertising a 10 year Non-Replaceable Forest License (NRFL) for deciduous tree species in response to requests from industry and encouraging cooperation between licensees to increase utilization of all forest fibre within the Timber Supply Area to maximize utilization.

#### Fort Nelson TSA (AAC – 2,582,350m3)

- The Province is committed to supporting the revitalization of the forest industry within the Fort Nelson Timber Supply Area (TSA).
- FLNRORD will continue to support First Nations and industry tenure opportunities through the issuance of proposed First Nation Woodland Licences and new forest licences.
- The Province is also supportive of First Nations/Industry partnerships working towards the re-establishment of a wood-product facilities in Fort Nelson.

#### Fort St. John TSA (AAC – 2,115,000m3)

- FLNRORD is actively working with LP to support the restart of LP's Peace Valley Oriented Strand Board facility in Fort St. John which curtailed activities in 2019. Restart is scheduled for the summer of 2021

**Date Prepared/Revised: April 19, 2021**

**Ministry Executive Sponsor:**

Name: Eamon O'Donoghue, Assistant Deputy Minister – North Area      Phone: 250-847-7495

**Alternate Contact for Issue:**

Name: Jim Sayle, Director, Major Projects, Tenures & Pricing      Phone Government Financial

**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
.....**Issue:** Approach to Wildfire Season (2021)**Recommend Response:****Response, Operations, and Tactics:**

- BCWS has made improvements for the 2021 season in the identification and suppression of wildfires, and the deployment of resources.
- BCWS remains focused on suppressing wildfires in front country interface zones.
- BCWS continues to collaborate with the contracting community to promote more stable work opportunities amongst the contracting work force. BCWS has 25+ contract opportunities in various resource equipment and service areas.
- Type 2 Fire Crew (19 – 8 person crews) fire fighter services contracts are in place for the 2021 wildfire season, and Type 3 Fire Crew fire fighter services remain in place, totalling over 600 personnel.
- Continued investment and improvements in predictive services tools and technologies that ensure accurate and real time information is used in decision making and public interactions. BCWS will continue to trial the use of night vision goggles (NVG) and is exploring the tool for practicability in fire detection, reconnaissance, mapping and intelligence gathering during nighttime flying.
- BCWS is collaborating with the FLNR Unmanned Aviation Vehicles program for response and planning activities on wildfires. BCWS will also use this tool to pre-assess high risk areas in the wildland urban interface to assist with fuel mitigation projects.
- BCWS continues to work with the academic and business communities to develop new firefighting tools and techniques.
- Focusing on specific research tied to presumptive diseases, smoke inhalation, wildfire health and safety, stress/fatigue, and crisis communications.
- BCWS is developing a fully integrated aviation program that aligns air tanker and rotary wing resource preparedness with response coordination.
- BCWS will have 8 tanker groups consisting of a fleet of 28 fixed wing aircraft over 14 bases throughout the province for deployment.
- For 2021 there will be 5 contract medium helicopters, 3 rappel medium helicopters and 2 Parattack Jumpships in the fleet.

**Organizational Readiness:**

- BCWS has purchased handwash stations, singular housing, 5 person camp kits and 4 new camp modules.
- New smaller camp modules offer versatility and increase camp capabilities, allowing for smaller camp configuration (fewer staff together)
- BCWS has strengthened hygiene at fire camps for personnel, hand wash stations, small travel wash cars, and washrooms.
- BCWS has purchased 5 person camp kits to support extended line camping

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

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- BCWS has revised its catering contract to align with current camp standards and COVID protocols
- BCWS has enhanced its communications tools to make information more readily available to the public. This includes expanded use of social media, the BCWS mobile app (launched May 2020, additional enhancements coming June 2021), and the use of informational videos.

#### Staff Preparedness:

- BCWS will be appointing COVID-19 Safety Coordinators at the Regional (Fire Centre) and Incident level, including for each Incident Management Team to ensure all protocols are met to increase the care and safety of staff.
- BCWS has modified recruitment, onboarding, and training of new fire fighters using online delivery.
- As part of the COVID-19 Response Strategy, 7 Initial Attack crews, and 1 Parattack crew were added to support overall Initial Attack success.

#### Partnerships:

- BCWS continues to build partnerships at the national level to advance priorities for BC and to support the national level shifts to transform wildfire management.
- Targeted engagement sessions are being held in 2021 with the forest industry, stakeholders, and First Nations communities to increase awareness of BCWS operations.
- BCWS worked with emergency management partners Emergency Management B.C. and Indigenous Services Canada to coordinate messaging and information for pre-season / seasonal readiness meetings throughout the Province.
- First Nations capacity in emergency management is being enhanced through the workplan that is part of the Tripartite MOU with the First Nations Leadership Council. In addition, BCWS is partnering with FNESS to support fire crew training and building an inventory of First Nations community capacity.
- Working with our partners in the BC FireSmart Committee, BCWS is leading a review on Wildfire Community Protection Plans. Several community and stakeholder workshops have been held throughout BC, providing valuable input into a revised planning process that accounts for new eligible activities within the Community Resiliency Investment program.
- BCWS and its partners are committed to continued development and expansion of the BC FireSmart program, working with communities, stakeholders and interest groups in wildfire preparedness, prevention based on the FireSmart disciplines. Several FireSmart workshops have been held throughout BC in the last 12 months with more planned for 2021.

**Date Prepared/Revised: April 9, 2021**

**Ministry Executive Sponsor:**

Name: Ian Meier, Executive Director

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## 2020/21 Estimates Debate

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

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**Alternate Contact for Issue:**

Name: Rob Schweitzer, Director Fire Centre Operations Phone: Government

## 2021/22 Estimates Debates

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

**Issue:** Community Resiliency Investment Program

**Recommend Response:**

- The Community Resiliency Investment (CRI) program was introduced by the provincial government in September 2018.
- The BC Wildfire Service (BCWS) works closely with Indigenous and non-Indigenous communities, the forest industry, natural resource districts, BC Parks, Mountain Resorts Branch, and various other stakeholders to reduce wildfire risks and wildfire impacts in B.C.
- Overall, feedback from applicants is positive. The CRI program made a significant shift toward a risk-based funding program, and applicants were required to demonstrate their wildfire risk (via risk class) to be eligible for higher funding amounts. Evidence shows that this change was successful and generally well understood by applicants.
- This program has two complementary funding categories: FireSmart Community Funding and Supports (FCFS) and Crown Land Wildfire Risk Reduction (CL WRR).
- **FireSmart Community Funding and Supports**
  - In 2019 the B.C. government committed \$60 million to the CRI program’s FCFS to help regional districts, municipalities, and First Nations fund wildfire risk reduction activities to increase community resiliency.
  - This category is administered through UBCM as part of grant agreement.
- **Crown Land WRR**
  - Starting in 2019 as part of a more comprehensive wildfire risk reduction effort on provincial Crown land, the B.C. government has committed up to \$50 million over three years.
  - The CL WRR category targets areas facing a higher wildfire risk, near communities or critical infrastructure.
- **Stronger BC’s Economic Recovery Plan**
  - Through BC’s Economic Recovery Plan announced in September 2020, \$19.5M in additional funding was issued to the CRI program, with \$10M for Firesmart Economic Recovery Funding and \$9.5M for CL WRR.
  - Increased funding will create upward of 500 jobs in BC to support wildfire risk reduction.
- Recommendations from the 2018 Abbott-Chapman report have been integrated into the planning and implementation of wildfire risk reduction projects across the province.

**Key Facts:**

- **CRI Program: Community Funding and Supports:** Since the announcement of the \$60M FCFS program, \$37M has been approved to date and 196 communities have participated.

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

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- \$15.1M in approved applications for the 2021 FireSmart Community Funding and Supports category with 118 approved to date, 46 of which were First Nations applicants. 2021 intake numbers are not finalized so numbers may shift slightly as the final application are adjudicated.
- Applicants applied for projects within all 9 eligible activities including: education, development considerations, FireSmart activities on private land, and fuel management.
- **CRI Program: CL WRR:** Activities included planning and implementing fuel treatments on Provincial Crown land to reduce wildfire risk to communities. These activities include prescribed fire.
  - Of the \$50m available total funds actually spent in 2019/2020 were \$7.4M and \$15M in 2020/2021 including salaries and overhead to deliver the program. For 2021/2022 \$20M has been allocated to approved projects, salaries and overhead.
- **Stronger BC FireSmart Economic Recovery Funding:**
  - Administered by UBCM, intake closed March 19, 2021 with 74 applications, totalling just over \$10 million in requested funds.
- **Stronger BC CL WRR:**
  - From the \$9.5M, program allocations involving partnerships are as follows; \$1.5M toward CL WRR FLNRORD; \$5.5M toward BC Community Forest Association; \$2.4M toward Columbia Basin Trust; \$0.1M toward BC Cattlemen's Association. \$9.5M in funding is available.
- A total of \$79.5M has been invested to date through the CRI program, in both the Firesmart Community Funding and Support and CL WRR.
- With the addition of the Stronger BC Economic Recovery Plan, the total amount invested to date in CRI is \$99M.

**Date Prepared/Revised: May 3, 2021**

**Ministry Executive Sponsor:**

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Financial  
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**Alternate Contact for Issue:**

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Phone: \_\_\_\_\_



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

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**Issue:** Implementing the United Nations Declaration on the Rights of Indigenous Peoples (U.N Declaration) through the *Declaration on the Rights of Indigenous Peoples Act* (the *Declaration Act*)

### Recommended Response:

- Implementation of the *Declaration Act* is a critical government-wide responsibility, and FLNR is working closely with the Ministry of Indigenous Relations and Reconciliation (MIRR) and other Ministries to ensure a robust and cohesive approach is pursued.
- With MIRR's lead, FLNR and other Ministries are furthering the development of the action plan, which will be informed by continued engagement with Indigenous peoples, as well as existing and previous consultations and agreements.
- Aside from work on the action plan, FLNR continues to play an active role in implementing the *Declaration Act* through a variety of means such as:
  - Participating in the negotiation of decision-making agreements under s. 7 of the *Declaration Act*
  - Co-chairing the Joint-Core Working Group and Forestry Sub-committee to review legislation, policies, and programs with First Nations
  - Continued collaboration on Land-use Planning
  - Ongoing review of programs and policies to ensure alignment with the U.N Declaration
    - These efforts have been ongoing since 2017, when every cabinet minister was given a mandate from Premier Horgan to implement the U.N. Declaration and the Truth and Reconciliation Commission's Calls to Action

### Key Facts:

- In Fall 2019, the B.C. government demonstrated leadership on an international scale through passing legislation to bring the U.N. Declaration into provincial law through the *Declaration Act*. and serves as the legislative framework for reconciliation, recognizing the constitutional and human rights of Indigenous peoples and aligning B.C.'s laws with the internationally recognized standards of the U.N. Declaration, as well as the legal rights of Indigenous peoples.
- In June 2020 the Province released the first annual report on progress for implementing the *Declaration Act*. This report was inclusive of the important work FLNR is undertaking and was developed in consultation and cooperation with Indigenous peoples.
- An action plan is required under the *Declaration Act* and is to include prioritized, tangible activities to implement the objectives of the U.N. Declaration. Work on the Action Plan is lead by MIRR and supported by all other Ministries.

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

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**Date Prepared/Revised: April 7<sup>th</sup>, 2021**

**Ministry Executive Sponsor:**

Name: Melissa Sanderson, ADM

Phone: (Government  
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**Alternate Contact for Issue:**

Name: Leonard Munt, ED

Phone: (

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

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### **Issue:** Revenue Sharing with First Nations

#### **Recommended Response:**

- FLNR generates on average, over \$1B in revenue per year from activities that span the landscape.
- Since 2003, the Ministry has actively pursued revenue sharing opportunities with First Nations to provide accommodation for impacts to rights and title.
- These opportunities include Forest Consultation and Revenue Sharing Agreements (FCRSAs) and agreements through the Strategic Forestry Initiative (SFI).
  - In 2020/21 – approximately 120 First Nations held executed FCRSA agreements to date, allocating approximately \$60 million in revenue sharing to First Nations.
  - In FY2021/22 estimated revenue sharing payments total approximately \$56 million.
  - From FY2015/16 to FY2020/21, the Province signed 302 SFI Agreements with 130 First Nations, constituting over \$59 million in funding.
  - Approximately 83 new initiatives are planned for FY2021/22 totalling \$10.44 million.
- Through engagements held over the past several years, Nations have provided recommendations to improve and enhance resource revenue sharing.
- FLNR will continue to engage with First Nations across the province in order to work towards achieving true government-to-government relationships.
- The Province remains committed to developing a new fiscal relationship with First Nations and took a significant step in 2019/20 with the introduction of Gaming revenue sharing. This new, stable source of funding is now flowing and is having positive impacts on communities throughout the Province (defer to MIRR on any other questions related to Gaming revenue).

#### **Key Facts:**

- The FCRSA program was developed in 2003 to provide accommodation for the impact of forestry activity within First Nations' traditional territories; providing over \$600M in forestry revenue-sharing with First Nations throughout the province.
- The SFI was developed in 2016 as an interim response to provide additional forestry accommodation. SFI supports First Nations across BC to; purchase tenure or forestry business assets; build the capacity required to fully engage in business partnerships; and conduct studies and analysis to better inform strategic land management.
- These revenue sharing initiatives have been successful in addressing government's legal obligations to consult and accommodate First Nations with respect to forestry

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

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activities. However, since the Tsilhqot'in decision in 2014, First Nations have expressed significant dissatisfaction with current revenue sharing efforts, highlighting inadequacy considering the new understanding and extent of aboriginal title.

- While FCRSA and SFI address the Province's legal obligation to accommodate First Nations for forestry activities, such accommodation tools are not currently available for other FLNR activities such as land sales/leases, aquaculture, or range.
- To date no approvals or movement have been made on updating revenue sharing mandates.
- First Nations continue to assert that the current revenue sharing efforts are not in alignment with the commitment of government to implement UNDRIP and the TRC's Calls to Action. With the passing of the *Declaration on the Rights of Indigenous Peoples Act* in Fall of 2019, First Nations' expectations for a renewed and increased revenue sharing model are heightened.

**Date Prepared: April 7<sup>th</sup>, 2021**

**Ministry Executive Sponsor:**

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

**Issue:** Government to Government Agreements with Indigenous Peoples

**Recommend Response:**

- Government to Government (G2G) agreements are an important part of ongoing reconciliation efforts with Indigenous Peoples.
- While MIRR leads many of these negotiations, FLNR is a key partner in the negotiations and implementation of these agreements.
- G2G agreements have worked to increase Indigenous nations involvement in natural resource management, in areas of stewardship, decision-making, and economic development.

**Additional Response points (if needed):**

- FLNR is participating in the negotiation and implementation G2G agreements across the province.
- Some G2G agreements provide the vehicle for capacity funding and/or revenue sharing to occur, others provide transfers of land or forestry tenure.

**Key Facts:**

- Forest Consultation and Revenue Sharing Agreements (FCRSA) provide for the sharing of forestry revenue.
- Forest Tenure Opportunity Agreements (FTOA) are led by FLNR and offer direct award forest tenures to First Nations. The First Nation Woodland License is the preferred tenure type for a direct award.
- Strategic Engagement Agreements (SEA) typically provide capacity funding and establish processes and protocols between the province and an Indigenous community. Some of these have included tenure.
- Comprehensive Reconciliation Agreements (CRA) are the broadest non-treaty agreement. They include substantial revenue sharing, land transfers, and forest tenure components. There are currently only three active CRAs.
- SEA and CRA agreements are unique reflections of the interests of signing nations, while FTOA and FCRSA are much more standardized and narrower in scope.
- The *Declaration Act* provides for future joint or consent based decision-making agreements.
- Questions about specific agreements should be directed to MIRR.

**Date Prepared: April 7, 2021**

**Ministry Executive Sponsor:**

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## 2021/22 Estimates Debate

Ministry of Forests, Lands, Natural Resource Operations and Rural Development  
.....**Issue:** *Wildlife Act* Amendments to Support Reconciliation**Recommend Response:**

- The proposed amendments to the *Wildlife Act* are an early step in supporting BC's commitment to true, lasting reconciliation with First Nations in British Columbia and to reviewing policies, programs, and legislation to bring the principles of the *Declaration on the Rights of Indigenous Peoples Act* (*Declaration Act*) into action.
- The proposed changes were co-developed with the First Nations-BC Wildlife Stewardship and Habitat Conservation Forum (the Forum), an advisory group formed in 2018 to provide Indigenous perspectives on wildlife policy and the development of the Together for Wildlife Strategy.
- The proposed changes would affirm provincial recognition and support of certain Aboriginal rights and interests related to wildlife, the incorporation of indigenous knowledge into decision making, and clarify authorities to collaboratively monitor and enforce against illegal harvest of wildlife.

**Key Facts:**

- The *Wildlife Act* has not changed to address Indigenous interests since 1966. The static nature of the *Wildlife Act* does little to promote the recognition of Aboriginal rights and Indigenous interests affirmed by the federal *Constitution Act* of 1982 and case law.
- The four proposed changes are: introduction of a non-derogation clause; incorporation of Indigenous knowledge in decision-making; prioritization of wildlife harvest; and, authority to enter into Sheltering agreements with First Nations.
- The proposed amendments alone do not have significant, direct fiscal implications. However, advancing the commitments to reconciliation requires significant staff time to develop trusted relationships and meaningful outcomes with First Nations governments and for wildlife.
- FLNR staff have worked closely with Ministry of Indigenous Relations and Reconciliation staff to ensure support for the proposed *Wildlife Act* changes and continue to work with the natural resource ministries and First Nations leadership through the Alignment of Laws working groups.
- On November 19, 2019, the *Wildlife Act* Intentions Paper that describes the four proposed changes was sent out to 203 First Nations and 60 key stakeholders for consultation. The Intentions Paper received letters of support signed by 41 First Nations.
- Comments on the proposed amendments were generally supportive. Some First Nations expressed concerns that the amendments would not go far enough. Some stakeholders expressed concern that the amendments may introduce greater uncertainty in *Wildlife Act* decisions.

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

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- Cabinet Confidences; Advice/Recommendations
- Cabinet Confidences; Advice/Recommendations; Legal Information
- Advice/Recommendations
- On March 18, 2021, in response to criticism in the legislature from MLA Adam Olsen, the Minister of Public Safety and Solicitor General introduced an amendment to Bill 4 (the *Firearm Violence Prevention Act*) to include this clause: "For certainty, this section must be construed in accordance with section 35 of the *Constitution Act, 1982*." Advice/Recommendations; Legal Information  
Advice/Recommendations; Legal Information
- MLA Olsen also indicated broadly that changes to the *Wildlife Act* are needed and that he and other Indigenous leaders and hunters look forward to engaging government on such changes.
- Further opportunities to review and amend the *Wildlife Act* will arise through implementation of the Together for Wildlife Strategy in 2021.

**Date Prepared/Revised:** April 8, 2021

**Ministry Executive Sponsor:**

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## 2021/22 Estimates Debate

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

**Issue:** Strategic Forestry Initiative purpose and statistics

#### Recommend Response:

- The Strategic Forestry Initiative (SFI) is one of three forestry accommodation tools used by the Province to ensure it meets its legal obligation to accommodate First Nations for adverse impacts of provincially authorized forestry activities on Aboriginal rights and title in asserted traditional territories. (The other two accommodation tools are Forest Consultation and Revenue Sharing Agreements (FCRSAs) and Forest Tenure Opportunity Agreements (FTOAs).)
- SFI agreements are intended for First Nations to build capacity required to fully engage in business partnerships, including with B.C. Timber Sales (BCTS); to enable Nations to purchase tenure or forestry business assets; and to conduct studies and analyses to better inform land management and statutory decisions.
- SFI supports collaborative stewardship and economic development, including in Indigenous rural communities, and contributes to the Province's commitment to reconciliation with Indigenous peoples.

#### Additional Response points (if needed):

- There are three types of SFI agreements: Business-to-Business (B2B), Purchase, and Strategic Land Management (SLM).
- **B2B** agreements are designed to build capacity required to fully engage in business partnerships, including with BCTS. The maximum funding for each First Nation per year is \$250,000.
- **Purchase** agreements are to enable the purchase of tenure or forestry business assets. The maximum SFI funding for each First Nation is \$2 million. When a First Nation has received a total of \$2 million through one or more Purchase agreements, they become ineligible for further Purchase agreement funding.
- **SLM** agreements are for conducting studies and analyses to better inform land management and statutory decisions. The maximum funding for each First Nation per year is \$250,000.

#### Key Facts:

- For fiscal year (FY) 2021/22, approval is being sought for 83 proposed agreements with approximately 80 First Nations, for a total of \$10.44 million.
- For FY 2020/21, the Province signed 53 agreements with about 75 First Nations, for a total of \$9.83 million, including:
  - Intergovernmental Communications



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

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Intergovernmental Communications

- From FYs 2015/16 to 2020/21, the Province signed 302 agreements with approximately 130 First Nations, for a total of \$58.9 million.

**Date Prepared/Revised: April 1, 2021**

**Ministry Executive Sponsor:**

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**Alternate Contact for Issue:**

Name: Leonard Munt

Phone:

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

**Issue:** Collaborative Stewardship Framework and the Environmental Stewardship Initiative

**Recommend Response:**

- The Collaborative Stewardship Framework (CSF) and the Environmental Stewardship Initiative (ESI) forums are building a foundation for shared decision making on lands and resources by focussing on development of trusted, shared data that will support sound, evidence-based decisions and outcomes for lands and resources.
- Along with Minister Heyman and Ministerial representatives for Ministers Cullen, Ralston and Rankin, I met with senior Nation Leadership of CSF and ESI at the Natural Resource Sector Forum on January 26, 2021. The Nation partners shared the profound impact that CSF and ESI are making in their communities. Positive outcomes include the management of resource values, Indigenous youth engagement, transfer of Indigenous knowledge into land and resource use and decision making, community healing, and social well-being.
- Industry and stakeholder representatives are engaged to varying degrees in the CSF and ESI. Industry sees CSF and ESI as venues for constructive work with First Nations, leading to trusted, informed and durable decisions in the future.
- Stakeholder and community engagement, local and regional government involvement, along with federal support and engagement, are key priorities for the Forums. Forums are committed to demonstrating results, and to sharing early products with partners and stakeholders.
- Participating Nations have high expectations that the Province will use CSF/ESI products and outcomes to inform operational and strategic decisions. Operational examples include applications to the Province under the *Land Act*, *Water Sustainability Act*, *Forest and Range Practices Act* and the *Wildlife Act*. Strategic examples include: Timber Supply Review, Government Action Regulation (GAR) Process, and land use planning processes.

**Additional Response points (if needed):**

- CSF and ESI mandates expire March 31, 2021. The Environment and Land Use Committee recently endorsed a renewed mandate for 2021/22 for short-term bridge funding to continue priority Forum work.
- Participating Nations state that the programs are the best example in delivering shared stewardship and trusted land and resource management.
- Staff continue to work with Indigenous partners on the development of a long-term program that reflects both Indigenous and provincial government perspectives and priorities.
- Nations have expressed interest in seeing a coordinated government approach to collaborative stewardship between First Nations and the province (e.g. through a single window approach to identifying stewardship priorities, financial coordination and capacity building).

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

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#### Key Facts:

- CSF and ESI are comprised of nine Forums representing 65 First Nations. They create space for the province to collaborate with Nations, and to build trust and transparency on priority resource management and stewardship values (cumulative effects, inventory, monitoring, etc.).
- ESI began in 2015/16 with a \$30M commitment over six years with 32 northern Indigenous Nations in four regional Forums.
- Building on the initial success of ESI, CSF began in 2018/19 with a \$15M commitment over three years with an additional five Forums involving 33 Nations.
- The programs are similar with regards to outcomes, funding, governance, and process.
- The Forum model is a unique structure of consensus-based decision-making between participating First Nations and the Province and supports the implementation of the United Nations Declaration on the Rights of Indigenous Peoples and the *Declaration on the Rights of Indigenous Peoples Act*.
- ESI was created to address concerns related to cumulative environmental impacts from Liquefied Natural Gas development, and now addresses the full suite resource management and development.
- Funding for CSF and ESI in 2020/21 was approximately \$12M total. Due to the impacts of COVID-19, some CSF/ESI Indigenous members were re-assigned to community health priorities.
- Key 2021 outcomes of CSF and ESI:
  - Completion of 14 Cumulative Effects Assessment Reports and protocols;
  - Agreements in place to deliver forum-generated information to Land Use Planning and Water Sustainability Planning tables (e.g. Omineca, Fort St. John LRMP, Nicola Watershed, Upper Bulkley Morice (Wet'zinkwa);
  - Cross-Forum Data management/Data Sharing Framework;
  - Over 73 Indigenous positions funded, working as Fish and Wildlife Technicians, Land Management Guardians, Cumulative Effects Specialists, and Project Managers;
  - Over 350 Indigenous community members trained to fill those positions; and
  - Management recommendations generated for inclusion in the Provincial land and resource management regime. Including monitoring protocols, water management, key areas for restoration, operational practices for industry, wildlife harvest guidelines and parks management strategies.
- Regions containing a CSF Forum: Cariboo (Southern Dakelh Nation Alliance), Kootenay Boundary (Ktunaxa Nation), Thompson Okanagan (Nicola Bands), Skeena (3Nations - Kaska Dena Council (Daylu Dena Council and Dease River First Nation), Taku River Tlingit First Nation, Tahltan Nation), and South Coast (S'olh Temexw Stewardship Alliance, Sto:lo).

## 2021/22 Estimates Debate

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

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- Regions containing an ESI Forum: Skeena (East), Skeena (North Coast), Omineca (Carrier Sekani Nations), and the North East.

**Date Prepared/Revised:** April 8, 2021

**Ministry Executive Sponsor:**

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## 2020/21 Estimates Debate

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

#### **Issue:** Pathway Forward Agreement Implementation

#### **Recommend Response:**

- Reconciliation with First Nations (FN) is integral to creating a resilient and strong forest economy.
- BC's investment into the Pathways Forward Agreement includes a regional economic development initiative that will facilitate collaboration with Local Governments, FN, BC and proponents.
- Carrier Sekani First Nation (CSFN) forestry interests in tenure, land-use and decision-making will be central to Pathways, as well as to the success of the economic initiative. BC will be striving for an integrated approach on these matters over the coming years of implementation.

#### **Key Facts:**

- CSFN and BC have been actively pursuing settlement of CSFN forestry interests with a focus on partnerships with forest licensees on tenure and stewardship.
- The key forestry initiative at issue with CSFN in the Prince George Timber Supply Area (PG TSA) is the apportionment decision. Several options will increase the FN role in the forest economy, which is part of a strategy to address aboriginal title and increase certainty for a sector in transition.
- Declining timber supplies and mill rationalization expected over the next 3-5 years in areas like the PG TSA is expected to result in job loss and tax reduction pressures.
- The commitment in Pathways to implement the initiative through a "collaborative, consensus-based, step-wise manner" directly aligns with BC's *Framework for Improving British Columbian's Standard of Living – Economic Plan*.

**Date Prepared/Revised: March 29, 2021**

**Ministry Executive Sponsor:**

Name: Eamon O'Donoghue, ADM – North Area

Phone: 250 847-7495

**Alternate Contact for Issue:**

Name: Justin Calof, Director, Strategic Initiatives

Phone: Government

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

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### **Issue:** Wet'suwet'en Land Use Plan

### **Recommend Response:**

- Advice/Recommendations; Intergovernmental Communications
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- 
- The MOU establishes a shared commitment to reconciliation as three equal governments.
- The plan process will:
  - assess the current conditions including any ecological impacts of past land use activities on the Morice and Bulkley River;
  - develop recommendations for land and water objectives in the plan area under the *Land Act* and *Water Sustainability Act (WSA)*; and,
  - include a robust public engagement process.

### **Additional Response points (if needed):**

- The plan process is a positive counterpoint to conflict with the Wet'suwet'en Hereditary Chiefs surrounding the Coastal Gas Link pipeline and aims to improve certainty for the rural forestry economy.
- The plan process supports key cross-ministry mandates such as modernized land use planning, advancing reconciliation and a new Watershed Security Strategy.
- The plan will address Wet'suwet'en and BC interests to improve watershed health and salmon habitat, and protect Wet'suwet'en food, social and ceremonial values.
- The planning process builds on the positive relationship through the monitoring and assessment work of the Environmental Stewardship Initiative.

### **Key Facts:**

- Protecting water in the Bulkley and Morice systems can help mitigate impacts to the salmon economy, valued at over \$100 million/year in the Skeena watershed.
- The plan process will explore what changes may be required in forestry to align with new water objectives under the *WSA*.
- The plan area is within the southern portion of the Morice Timber Supply Area where the Allowable Annual Cut is currently 1.6 million cubic metres and is expected to decline to ~1.4 million cubic metres in the mid-term timber.

**Date Prepared/Revised:** March 26, 2021

**Ministry Executive Sponsor:**

Name: Eamon O'Donoghue

Phone: 250-847-7495

**Alternate Contact for Issue:**

Name: Ryan Holmes

Phone: Government

## 2020/21 Estimates Debate

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

**Issue:** Title land tenure transition (Tsilhqot'in Nation)

#### Recommend Response:

- Since the 2014 SCC *Tsilhqot'in* Decision, the Tsilhqot'in Nation (TN) and the Province have negotiated bridging agreements that authorized access by holders of approximately 90 tenures issued by the Province to title lands. Activities addressed include grazing, guided angling, guide outfitting, trapping, park use and *Land Act* authorizations.
- The bridging agreements provided Tsilhqot'in consent to the application of provincial laws and tenures over the title lands, ensuring a mutual understanding of the status quo. These agreements all expired at the end of May 2020. These agreements were always intended to be time-limited interim arrangements to provide space for all affected parties to develop productive working relationships.
- The Province and the TN have agreed to a replacement parks bridging agreement, a recreation site bridging agreement and are discussing a replacement guided angling agreement.
- The court in *Tsilhqot'in* described the rights conferred by Aboriginal title as "similar" to fee simple title, "including: the right to decide how the land will be used; the right of enjoyment and occupancy of the land; the right to possess the land; the right to the economic benefits of the land; and the right to proactively use and manage the land." Similar to property owners in the province that may determine whether and on what terms land-based businesses such as guide outfitters, trappers and ranchers may use their lands.
- The Province will continue to work collaboratively with the TN to understand the Tsilhqot'in Nation's interests in the title area and communicate regarding the public's interests. As additional clarity is reached, we will provide that information to tenure holders and residents.
- May 29, 2020 a Title Land transition workshop kick off meeting had taken place. ADM Paul Rasmussen, RED Mike Pedersen and representative staff took part in the workshop with Xeni Chief Jimmy Lulua and council and TNG staff. Additional workshops were held through 2020 and continue through 2021 with a goal of a smooth transition for the Province, Xeni and TN and tenure holders.
- The Province encourages individuals who wish to access title lands for business purposes to engage directly with the Tsilhqot'in Nation and the Xeni Gwet'in.

#### Key Facts:

- In *Tsilhqot'in Nation vs British Columbia* (2014 Supreme Court of Canada *Tsilhqot'in* Decision), Aboriginal title was established by the Tsilhqot'in Nation (TN) over 1700 square kilometres. The TN have the right to use and control the land and enjoy its benefits, subject to the Crown's right to encroach on Aboriginal title if justifiable, or if consented to by the TN.

## 2020/21 Estimates Debate

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

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- The court in *Tsilhqot'in* did not make any declaration or order with respect to tenures that were validly issued prior to Aboriginal title being confirmed by court order. Tenures that were validly issued prior to the court's decision date remain valid until such time the Province cancels the tenure, the tenure expires, or there is a court declaration that invalidates the tenure.
- On February 11, 2016, the Tsilhqot'in Nation – comprised of 6 First Nations and British Columbia (BC) signed the *Nenqay Deni Accord*, a five-year roadmap for negotiations leading to long term reconciliation.
- In August 2019, TN, BC, and Canada signed the *Gwets'en Nilt'l Pathway Agreement* (the Pathway Agreement), a five-year tripartite framework agreement. The agreement includes a commitment by the parties to work collaboratively to support strong Tsilhqot'in governance and management of the Declared Title Area and to foster a stable transition to Tsilhqot'in management, benefit, and control.

**Date Prepared/Revised: May 17 , 2021**

**Ministry Executive Sponsor:**

Paul Rasmussen

Phone: Government  
Financial  
Information

**Alternate Contact for Issue:**

RED Mike Pedersen

Phone:



## 2021/22 Estimates Debate

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

**Issue:** Closure notice to recreational fishing for the upcoming 2020-21 season across the Gitxsan Traditional Territory.

#### **Recommend Response:**

- On February 27, 2020 the Gitxsan First Nation issued a press release updating and reconfirming the effect of a closure notice to recreational fishing for the upcoming 2020-21 season across the Gitxsan Traditional Territory. They have issued a similar press release for past several years.
- The B.C. government shares the Gitxsan First Nation's interest regarding salmon conservation in the Skeena River watershed.
- The Province of B.C. is working with the Gitxsan to better understand their concerns and to determine what can be done together.
- I ask that all British Columbian's respect First Nations rights and perspectives and seek permission from Indigenous Governments before crossing Reserve lands.
- Please also respect and manage the risks associated with the transmission of the COVID 19 virus by practicing the measures outlined by the public health authority.

#### **Key Facts:**

- Recreational fishing licences for all fishing in freshwater are authorized by the Province of British Columbia. The Province regulates the freshwater fishery, including steelhead, trout and char. Canada (DFO) regulates the fishery for salmon.
- Until further notice, angling licences sold by the Province for freshwater species remain valid. Any changes or updates will be posted on the Freshwater Fishing Regulation webpage in Angler Updates and in the Region 6 In-Season Regulation Changes.
- Provincial fishery management decisions are made on the best available science, with conservation and sustainability being the top priority, followed by First Nations' food, social and ceremonial needs, then recreational opportunities.
- Based on the best available science at this point in the season, steelhead, trout and char in the Skeena watershed can support recreational fishing as per management measures in the Freshwater Fishing Regulations Synopsis.

**Date Prepared/Revised: May 12, 2021**

**Ministry Executive Sponsor:**

Name: Eamon O'Donoghue, Assistant Deputy Minister, North Area

Phone: Government  
Financial

**Alternate Contact for Issue:**

Name: Geoff Recknell, Regional Executive Director, Skeena Region

Phone: 250 876-8841

2021/22 Estimates Debate

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

Issue: Coastal Marine Development Strategy.

Recommend Response:

- Without a strategic vision, it's challenging for the Province to plot its own course to ensure our shared natural assets are sustained and protected for future generations.
A Coastal Marine Strategy (CMS) can help articulate how and what future actions government can take to be better stewards for our coastal marine environments, mitigate and adapt to climate change impacts, advance reconciliation with First Nations, develop a sustainable blue economy and foster community resilience in the face of increasing pressures.
A public CMS will be a first of its kind for B.C.
It will likely take the form of a strategic document that articulates a vision, principles, goals and critical actions.
We are in the early stages of scoping what a CMS could look like internally so we can secure the necessary human and fiscal resources to begin engaging early with First Nations and then B.C. stakeholders and the broader public.

Key Facts:

- British Columbia's (B.C.) coastal marine zone is home to the majority (~72%) of British Columbians, encompasses the traditional territories of approximately 56% of B.C.'s Indigenous Nations, contributes billions annually to the economy and employs many thousands of people in coastal communities.
B.C.'s coastal and marine areas are also extremely biologically diverse - home to many iconic wildlife such as Pacific salmon, killer whales and many other birds, mammals, fishes and invertebrates.
However, B.C. is one of few maritime jurisdictions in North America that does not have an articulated coastal marine strategy and/or law.
Given the close connection B.C. residents have with the ocean and the importance it has in terms of B.C.'s cultural identity, the Province has committed to develop a CMS for B.C.
This commitment is included in five ministerial and parliamentary secretary mandate letters across government (AGRI, ENV, FLNRORD) and Minister of State, Nathan Cullen, has been asked to lead the development of a CMS with colleagues in ENV and AGRI.

Table with contact information: Date Prepared/Revised: April 8, 2021; Ministry Executive Sponsor: Name: Craig Sutherland, Phone: 778 698-7861; Alternate Contact for Issue: Name: Charlie Short, Phone: Government.

# Development of a Coastal Marine Strategy for British Columbia

This document provides some high-level Q&A's related to the development of the Coastal Marine Strategy (CMS).

## Key Contacts - FLNORD

- 1. Craig Sutherland, Assistant Deputy Minister, Regional Operations, Coast Area
- 2. Charlie Short, Executive Director, Regional Operations, Coast Area

## Q & A:

### 1. Why develop a Coastal Marine Strategy (CMS)? Isn't marine management a federal responsibility?

- British Columbia's (B.C.) extensive coastline is home to 78% of the province's citizens, encompasses 56% of the Province's Indigenous Nations, provides employment to many thousands of people, and contributes billions annually to the economy.
- The Province authorizes multiple uses in the marine space (e.g., docks, wharves, ports, marinas, aquaculture, log sorts, parks) and has a significant interest in how the federal government manages marine activities (e.g., fisheries, transportation).
- With increasing pressures in our coastal marine environments (e.g., climate change, competition for space, food security) - it's important for the Province to have a cohesive vision for this space – something we haven't done in the past and is long overdue.

### 2. Who's leading the development of a CMS?

- The CMS commitment is included in five ministerial and parliamentary secretary mandate letters across government (FLNR, AFF, ENV).
- Minister of State for Lands and Natural Resource Operations, **Nathan Cullen**, has been asked to lead its development with colleagues.

### 3. How much will this cost the public and is it worth it?

- Estimates of the marine economy in B.C. indicate growth from \$9.8 billion in 2014 to \$12.4 billion in 2018.<sup>1</sup> Additionally, many of the core sectors of the marine economy, including aquaculture, wild

<sup>1</sup> <https://www.dfo-mpo.gc.ca/stats/maritime/tab/mar-tab2-eng.htm>

fisheries, and fish processing are significant generators of export revenues, contributing directly to B.C.'s economic base.

- A relatively small investment to safeguard the natural beauty of this area and maximize our economic potential is something that is worth investing in.
  - *If pressed* – we are estimated around \$4M over the next four years (staff and engagement) and future implementation funding of up to an estimated \$8M annually in implementation.

**4. With several federal decisions related to aquaculture, there are many coastal communities suffering. How will the CMS change anything?**

- We envision a strategy that creates a vision for our coastal marine areas, including coastal communities and the economies they want to see.
- This is a chance to plot our own course with that input.

**5. How will the public be engaged in this?**

- Government is currently scoping out the scale and scope of the CMS and how it will be developed. We anticipate some early discussions and outreach later over the summer and fall of this year.
  - Coastal First Nations
  - Local Government
  - Federal Government
  - Marine based sectors / non-government organizations

**6. When will this be done?**

- The CMS is anticipated to be completed within the government's mandate.

## 2021/22 Estimates Debate

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

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**Issue:** COVID-19 Inspections

**Recommend Response:**

- Compliance and Enforcement Branch (CEB) conducted inspections to ensure compliance with the Provincial Health Orders (PHO) in response to the COVID-19 pandemic related to international travel and industrial camps.
- CEB was an active participant in the coordinated provincial response.
- CEB will continue to support and ensure compliance with the industrial camp orders in 2021.

**Additional Response points (if needed):**

- At the start of the pandemic, CEB mobilized Natural Resource Officers (NROs) to staff seven land border crossings and assist at Vancouver International Airport between April 10, 2020 and June 20, 2020.
- Industrial camp inspections are ongoing but are prioritized during the tree planting season (spring and summer) to ensure large camps with a transient workforce are inspected.
- Industrial camp inspection workload for 2021 is expected to double for CEB pending other agency involvement.

**Key Facts:**

**COVID-19 Support – January 1, 2020 – December 31, 2020**

| CEB International<br>Border Support<br>(hrs) | CEB Industrial<br>Camp Inspections<br>(# of) | Industrial camp<br>inspection effort<br>(hrs) | Total: CEB COVID-19<br>support effort (hrs) |
|--|--|---|---|
| 13,962                                       | 124  | 838   | 14,800                                      |

**Date Prepared/Revised:** April 7, 2021

**Ministry Executive Sponsor:**

Name: Matt Austin, ADM

Phone: 250-360-6317

**Alternate Contact for Issue:**

Name: Brad Faucett, Director CEB

Phone: Government

## 2021/22 Estimates Debate

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

#### **Issue:** Land Based Investment Strategy (LBIS) and Funding Overview

#### **Recommend Response:**

- LBIS activities focus on the stewardship objectives of the province, supporting sustainable natural resources and the industries that rely on those resources.
- LBIS goals include:
  - Maintaining and enhancing natural resource values;
  - Mitigating impacts from catastrophic disturbances; and
  - Supporting government stewardship priorities.
- LBIS supports the delivery of government commitments and is consistent with the Ministry Service and Action Plan.
- LBIS funding in 2021/22 is anticipated to be \$68.3 M with an additional \$2.5 M in risk managed funding for a total of \$70.8 M. Risk managed funding is expected to be recovered from underspent activities throughout the year.

#### **Key Facts:**

- LBIS focuses on improving the sustainability of natural resources, along with the industries dependent upon those resources.
- LBIS is an annual allocation, organized into Investment Categories.
- LBIS funding can only be used to support Government activities, in its role as the land manager. LBIS funding cannot be used to offset any stakeholder or licensee obligations.
- LBIS Investment Category leads coordinate cross-ministry planning on the direction of funds to specific projects with allocation criteria reviewed annually.
- LBIS underwent a program review in 2019/20 to identify opportunities to enhance program efficiency and effectiveness, both in the short- and long-term.
- Continuous improvement in LBIS is happening in the areas of financial and performance reporting, funding criteria and administration.
- LBIS goals:
  - All LBIS investments must be consistent with Ministry Action Plan and Service Plan commitments.
  - LBIS directs funding to the highest stewardship priorities among a broad range of potential investment options.
  - LBIS-funded projects actively manage natural resources to maintain and enhance their value.
  - LBIS-funded projects mitigate impacts from catastrophic disturbances to economic, social and environmental values.

LBIS Investment Categories and focus:

## 2021/22 Estimates Debate

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

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| Investment Category   | Category Focus   | Proposed Funding |
|---|--|------------------|
| Forests for Tomorrow – Reforestation & Timber Supply Mitigation | Rehabilitate forests so they can contribute to future timber supply and other forest ecosystem objectives. Mitigate impacts on timber supply caused by catastrophic disturbance or other constraints.  | \$46.5 M         |
| Forest Health   | Support healthy forests by managing and preventing impacts from pests and disease.   | \$6.2 M          |
| Tree Improvement  | Increase forest health, productivity, and value by providing tree seed for reforestation that has increased growth rate and pest resistance, and guiding seed deployment to account for climate change.  | \$1.9 M          |
| Forest Inventory  | Priority given to forest inventory and growth-and-yield activities as per the 10-year Inventory Strategy.  | \$7.8 M          |
| Ecosystem Based Management                                      | Inventory activities that support investment decisions, help mitigate impacts to timber, ecological, and cultural values, and refine site productivity estimates within the Great Bear Rainforest and Haida Gwaii.                                   | \$0.6 M          |
| Visual Resource Management                                      | Ensure the province's visual quality objectives and legal requirements are met on Crown land.  | \$0.05 M         |
| Fish Passage Remediation  | Remediate blockages that are preventing fish from accessing their natural habitat. Priority is given to projects that reconnect the greatest amount of habitat for fish species at risk and salmonids supporting Indigenous people's rights to fish. | \$0.8 M          |
| Range – Ecosystem Restoration                                   | The recovery of ecosystems that have been degraded, damaged or destroyed by re-establishing structural characteristics, species composition, and ecological processes, with a priority on our dry fire-maintained forests of the interior.           | \$0.2 M          |
| Range – Invasive Species  | Managing/preventing the impacts of invasive species on Crown land as per the BC Government Invasive Species Strategic Plan. Protecting native ecosystems and reducing impacts in invasive plant infested areas.                                      | \$0.8 M          |
| Range – Remediation   | Improvements to Riparian and Watershed management for Climate Change Adaptation. Mitigate impacts of catastrophic disturbances. Make targeted improvements in range resources.   | \$0.4 M          |
| Water Quality   | Support management activities undertaken by government and industry by providing information on risks to water and water related resources.  | \$0.5 M          |
| Fish Inventory  | Ensure provincial inventories of fish species of concern are up to date and used in management decisions.  | \$0.5 M          |
| Wildlife - Species at Risk                                      | Focus on identifying and designating management actions for species and ecosystems at risk.  | \$1.0 M          |
| Wildlife - Inventory  | Provide up to date inventory information on priority wildlife species to inform management decisions.  | \$1.4 M          |

## 2021/22 Estimates Debate

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

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| Investment Category                               | Category Focus   | Proposed Funding |
|---|--|------------------|
| Wildlife – Habitat (Government Action Regulation) | Focus on identifying and designating protection and management actions for species and ecosystems of management concern.                   | \$0.6 M          |
| Recreation Sites and Trails                       | Maintain recreation sites and trails to provide economic, social, health and environmental benefits.                                       | \$0.7 M          |
| LBIS Stewardship and Performance                  | Shift from single- to multi-value stewardship. Address emerging or temporary stewardship and land management needs. Enable fund oversight. | \$0.9 M          |
| Total   |  | \$70.8 M         |

**Date Prepared:** April 8, 2021

**Ministry Executive Sponsor:**

Name: David Muter

Phone: (250) 217-5385

**Alternate Contact for Issue:**

Name: Matt LeRoy

Phone: (778) 676-0784



2021/22 Estimates Debate

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

Issue: Modernized Land Use Planning – Budget and Priorities

Recommend Response:

- Land use planning sets the strategic direction to guide sustainable resource stewardship and management of provincial public land and waters that meets economic, environmental, social, and cultural objectives.
• Modernized land use planning is a partnership-based model between Indigenous governments and the BC government that also includes meaningful and targeted engagement with stakeholders, including local governments, industry, non-government organizations and the public.
• In early 2018, government announced a three-year commitment of \$16.3 million to support modernized land use planning. Funding ramped up from \$2.3 million in 2018/19 (with no project funding), to \$6.2 million in 2019/20 (with \$1.4 million for projects), and \$7.8 million in 2020/21 (with \$3.4 million for projects).
• The \$7.8 million annual budget will continue to support land use planning program development and implementation, including advancing approximately nine medium to smaller sized priority planning projects.
• Projects are being initiated in high priority areas, at the appropriate scale, varying between comprehensive to issue specific plans that seek to address defined community needs.
• Substantial progress has been made in advancing government-to-government partnerships as a foundational element of modernized land use planning, in keeping with the Draft Principles that Guide the Province of BC's Relationship with Indigenous Peoples and the Declaration on the Rights of Indigenous Peoples Act. Public announcements will continue to be made as those government-to-government agreements are brought into place.
• Several modernized land use plans will move into the project initiation and project development stage of the planning process in 2021/22.
• Developing strong relationships with First Nations using a partnership-based approach to the land use planning process takes time and helps to establish trust in the process, benefitting all parties as planning implementation continues.

Key Facts:

- Drivers for land use planning include reconciliation, a strong sustainable economy, addressing cumulative effects, landscape level disturbance, water sustainability, climate impacts, and species at risk.
• The Indigenous Funding Envelope provided First Nations capacity funding for involvement in modernized land use planning in the amount of \$1.05 million in 2019/20, \$575,000 in in 2020/21, Intergovernmental Communications

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## 2021/22 Estimates Debate

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

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- Modernized land use planning program funding supports eight staff in branch and 24 staff distributed across the eight regions. In addition, program funding also supports two staff in each of the Ministry of Indigenous Relations and Reconciliation and the Ministry of Energy Mines and Low Carbon Innovation.
- The annual budget of \$7.8 million will continue to support program implementation, project advancement, delivery of key provincial policies and tools, along with engagement activities with First Nations and stakeholders.
- Alignment with other ministry priorities including supporting implementation of the Old Growth Strategic Review Recommendations, the Together for Wildlife action plan, and collaboration with other levels of planning will help advance a more coordinated approach to planning in the province.
- Branch staff are involved in provincial-level engagement, policy, communications, tool development, and program administration. Regional staff are involved in active land use planning, foundational work to support future projects, including cumulative effects assessments, laying the groundwork for Indigenous partnerships on projects, and engagement regionally with stakeholders.
- Since 2018, the Province has engaged with over 60 Indigenous Nations to discuss the best approach for land use planning and continues to collaborate in refining key principles that guide the program. A public engagement platform to support modernized land use plans was launched in January 2020.
- In 2019/20, funding was provided to initiate 11 modernizing land use planning projects:
  - Fort St John Land and Resource Management Plan Amendment Project
  - Fort St. John Amendment project extensions (1) Doig River First Nations (2) Halfway River First Nation
  - shíshálh Nation Land Use Planning Project
  - Omineca Area Based Land Use Planning Project
  - Tahltan – BC Land Use Planning Project
  - Advice/Recommendations; Intergovernmental
  - Southeast Wildlife Corridor Land Use Planning Project
  - Nicola Watershed Land Use Planning Project
  - Gwa'ni Project (Nimpkish Land Use Plan)
  - Salish Sea Marine Spatial Planning Project
- Of the 11 projects reviewed by the Environmental Land Use Committee in June 2019, nine have now reached government to government agreement and are advancing into the project planning stage of the land use planning process. These include:
  - Fort St. John LRMP Update Project and Extensions (3 projects within)
  - shíshálh Nation Land Use Planning Project
  - Nicola Watershed Land Use Planning Project
  - Southeast Wildlife Corridor Land Use Planning Project
  - Tahltan – BC Land Use Planning Project
  - Gwa'ni Project (Nimpkish Land Use Plan)
  - Wetzin'kwa Water Sustainability Project
- The other projects remain in various states of government-to-government discussions and are not yet at a stage of releasing information to the public.

## 2021/22 Estimates Debate

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

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**Date Prepared/Revised:** April 8, 2021

**Ministry Executive Sponsor:**

Name: David Muter

Phone: 250-217-5385

**Alternate Contact for Issue:**

Name: Matt LeRoy/Tricia Morris

Phone: 778-676-0784/Government

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

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**Issue:** Land Use Planning in the North

**Recommend Response:**

- Land use planning in the North is a key opportunity for reconciliation with First Nations to strategically address their interests in land and resource management and is central to implementing expectations around adopting UNDRIP, including *Free, Prior and Informed Consent*. If agreements are achieved the certainty provided will be positive for the economy, interests of BC and stakeholders.
- Four land use planning projects in the north are in various phases of development, are being undertaken in partnership with First Nations, and will include substantive opportunities for public and stakeholder engagement.
- Land use planning has capitalized on the \$30M investment in the Indigenous Stewardship Forums (Environmental Stewardship Initiative and Collaborative Stewardship Framework).

**Key Facts:**

- Intergovernmental Communications
- These planning projects are all attempting to reconcile First Nations interests in preserving their Aboriginal or treaty rights in areas of significant economic development. Cumulative impacts from resource development are a prevailing concern. Significant socio-economic trade-offs are expected to be discussed.
- Mandates will be required for each of these land use plans and will be coming forward to the Minister over the next number of months.
- The Indigenous Stewardship Forums have helped align the scope of issues to be addressed in the four planning projects and our understanding of implications.
- Land use planning is providing a forum for integrating different initiatives on the landbase including; cumulative effects, old growth, caribou recovery, timber supply and water management.

**Date Prepared/Revised:** «add date»

**Ministry Executive Sponsor:**

Name: Eamon O'Donoghue, ADM North Area

Phone: 250 847-7495

**Alternate Contact for Issue:**

Name: Shane Ford (Ryan Holmes, second)

Phone: SF Government (RH 250 876-6750)

## 2021/22 Estimates Debate

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

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#### **Issue:** Wildlife and Habitat Management Budget

#### **Recommend Response:**

- In 2021/2022 the ministry will spend approximately \$43 million on wildlife management and habitat conservation, not including species at risk recovery.
- This includes an annual budget uplift of up to \$10 million for wildlife and habitat stewardship to support implementation of the Together for Wildlife Strategy.
- My ministry's investments in wildlife and habitat stewardship are complimented by other investments that provide significant funds to shared stewardship projects. These are either led by other ministries; funded through partnerships with First Nations, the Government of Canada, Habitat Conservation Trust Foundation (HCTF), Fish and Wildlife Compensation Programs, and others; or one-time contributions, like the COVID Economic Stimulus funding.

#### **Key Facts:**

- FLNR spends approximately \$33 million from base programs for wildlife and habitat (e.g. staffing, inventory, monitoring, service delivery, wildlife health, policy and legislation, engagement). This amount also includes base transfers from other funds dedicated to wildlife, habitat, and ecosystems. For example, the Research and Land Base Investment Strategy budgets.
- In BC, \$8 million to \$10 million in annual hunting licence and species licence revenues are allocated to general revenues, the surcharge revenue of approximately \$2.6 million is dedicated to HCTF. Revenues from compatible activities authorized on Conservation Lands are also dedicated to HCTF.
- HCTF's mandate is to improve conservation outcomes for BC's fish and wildlife and their habitats beyond the government program requirements (e.g. habitat enhancement).
- As part of BC's COVID-19 response, Ministry of Environment and Climate Change Strategy secured about \$10 million last fiscal to support projects for species conservation and ecosystem restoration to be delivered before December 2021. A further \$27 million was dedicated for watershed initiatives, many of which will benefit wildlife and habitat.
- Through engagement on the Together for Wildlife Strategy, concerns were raised about a lack of sufficient and dedicated funding.
- With the support of the Minister's Wildlife Advisory Council, the ministry will continue to explore options for sufficient and dedicated funding for wildlife.
- An annual spending report, to ensure transparency, will also be completed as part of implementation of the Together for Wildlife Strategy and made publicly available on the Together for Wildlife website.

## 2021/22 Estimates Debate

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

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**Date Prepared/Revised:** April 8, 2021

**Ministry Executive Sponsor:**

Name: David Muter

Phone: (250) 217-5385

**Alternate Contact for Issue:**

Name: Jennifer Psyllakis

Phone: Government

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

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**Issue:** *Together for Wildlife and Minister's Wildlife Advisory Council*

### Recommend Response:

- In August 2020, the Together for Wildlife (T4W) Strategy was released, following 21 months of engagement with British Columbians.
- The Strategy sets BC on a path to achieve our vision: *Wildlife and their habitats thrive, are resilient, and support and enrich the lives of all British Columbians.*
- Our government is committed to implementing the 5 goals and 24 actions in the T4W Strategy, as reinforced in my mandate letter, and mandate letters for Minister of State Cullen, Minister Heyman and Parliamentary Secretary Greene.
- In August 2020, former Minister Doug Donaldson appointed 18 members to the Minister's Wildlife Advisory Council (the Council). The Council will provide independent advice and support on strategic issues and priorities, with a core role being oversight of T4W implementation.
- In December 2020, I met with the Council, along with Minister Cullen and Parliamentary Secretary Russell, to discuss our shared priorities and discuss a vision for the path forward working together.
- In 2020-21, \$10 million was allocated to deliver the Strategy. As part of BC's COVID-19 response, another \$10 million was dedicated to species conservation and ecosystem restoration projects and \$27 million was dedicated to watershed restoration, which directly and indirectly support T4W implementation. The COVID-19 funding was administered by the Ministry of Environment and Climate Change Strategy.
- As with all aspects of our work, COVID-19 has presented significant challenges to implementing the T4W Strategy, which has resulted in some delays. However, work to improve wildlife and habitat stewardship is well underway in BC and is a priority for this government.

### Additional Response points (if needed):

- Wildlife and habitat are of vital importance to British Columbians, and their health and resilience is a symbol of a sustainable future for our lands.
- As a society dependent on the land for our wealth and our cultural richness, we need to consider the diverse values and perspectives of all British Columbians in setting a path towards improved outcomes for wildlife and habitat.
- The T4W funding allocated to wildlife and habitat work in 2020-21 totalled \$9.35 million, despite fiscal impacts of COVID-19. The reduction was more than offset by COVID-19 stimulus funding.
- The Council consists of British Columbians from across the province who have a broad understanding of the important role that wildlife plays for Indigenous communities, for local economies and for the environment.

# 2021/22 Estimates Debate

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

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### Key Facts:

- The T4W Strategy is the result of comprehensive discussions with over 120 Indigenous communities and 60 stakeholder groups, as well as more than 1400 comments received from members of the public. Collectively, this represents input from rural communities, academic institutions and a wide range of resource industry, conservation, hunter, trapper, guide, recreation and tourism stakeholder organizations.
- We also worked closely with Indigenous Peoples to develop and now implement the Strategy through the First Nations-BC Wildlife and Habitat Conservation Forum. The Forum was established in December 2018 as an innovative way to obtain perspectives from First Nations across British Columbia on wildlife stewardship issues. The Forum is comprised of participants from over 40 BC First Nations.
- Implementation highlights to date include:
  - Establishment of the Council. The Council has formed working groups on priority topics, begun to develop work plans and presented initial recommendations to the government.
  - Continued collaboration with the First Nations Wildlife Forum to implement reconciliation (Goal 5) actions in the Strategy.
  - Over 120 projects have been funded across the province to improve wildlife and habitat stewardship, including wildlife monitoring and inventory, citizen science, habitat restoration, highway mortality mitigation, access management, wildlife management planning, disease mitigation, and reducing wildlife-human conflicts.
  - We have created a new T4W website and begun to modernize all wildlife and habitat web materials.
  - Continued improvements to data systems have been made for wildlife and habitat information, to ensure these data are available to all British Columbians.
  - Assessed the effectiveness of designations established under provincial legislation to support wildlife and habitat conservation, to inform staff, decision makers, First Nations, and stakeholders about current disturbances and the condition of these designations and surrounding landscapes.
  - Supported Conservation Land management planning and on-the-ground stewardship across B.C. and strengthened partnerships with land trust organizations.

**Date Prepared/Revised:** April 8, 2021

**Ministry Executive Sponsor:**

Name: David Muter

Phone: (250) 217-5385

**Alternate Contact for Issue:**

Name: Jennifer Psyllakis

Phone: Government



**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
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**Issue:** Moose Cow/Calf Harvest Management

**Recommend Response:**

- Licensed harvest of antlerless (cow/calf) moose is prohibited in approximately 80% of its range in BC. Harvest opportunities are only provided through Limited Entry Hunting (LEH) regulations in areas where moose populations are productive or where populations exceed the management objective. Social benefits of this harvest include the provision of wild meat and improved physical and mental wellness.
- The harvest of antlerless moose is concentrated within two Mountain Caribou Recovery Areas: Parsnip Valley (near Prince George) and northwest of Revelstoke. In these areas, the Province is implementing a multi-species, science-based approach for the recovery of caribou in partnership with First Nations.
- Antlerless harvest has been permitted within these areas for over a decade and active management of wolves began in 2017. Both caribou and moose populations benefit from wolf management. Maintaining the current density of moose populations is expected to help achieve caribou recovery more quickly and reduce the reliance on ongoing predator reduction in the long-term.
- This approach is informed by the results of sound wildlife management principles and a large-scale study was designed to test the response of caribou populations to experimental reductions in moose abundance.
- Outside of caribou recovery areas, harvest success is low (estimated between six to nine successful hunts annually) and consistent with management objectives to sustain or increase moose populations.
- Recommendations for LEH authorizations for the 2021 hunting season are being made within the existing regulations and will incorporate the most recent moose inventories and harvest information.
- Last year, we heard concerns about the opportunity to harvest cow and calf moose from many First Nations, stakeholders and the public.
  - As I have said, cow and calf harvest opportunities are concentrated in two areas.
  - However, based on the concern that was raised, we have committed to reviewing all licensed opportunities for antlerless moose harvest as part of our regular cycle to update hunting regulations.
  - Our approach will include collaboration and engagement processes to inform the review of these licensed opportunities.
- The review of regulations is now underway as part of the regular 2022-2024 biennial hunting regulation cycle. Regulation proposals may be collaboratively developed with First Nations and / or stakeholders. Specific to antlerless harvest, staff are proactively reaching out to First Nations to discuss options.
- All proposed amendments go through a public consultation and engagement period prior to submitting recommended changes to the Minister for decision.

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#### Key Facts:

- Media statements made by Members of the Legislative Assembly in 2020 stated that the Province was conducting a “cull” of cow and calf moose. This false information resulted in significant concern among First Nations and stakeholders.
- The *Wildlife Act* provides a robust framework for the implementation, review and amendment of hunting regulations to ensure safe hunt opportunities and sustainable wildlife populations. Every two years, hunting regulations are reviewed and updated. There is one year remaining for the current regulations.
- LEH regulations are used to manage where, when, and how many resident hunters will be able to hunt specific wildlife species, or class of species, within a specific area and time.
- Continued monitoring and research in Caribou Recovery Areas is improving our understanding of multi-prey, multi-predator systems and the use of hunting as a wildlife management tool to help the recovery of a species at risk.
- Overall, licensed hunting opportunities for cow/calf moose have substantially reduced since 2011 (Table 1). Resident hunters must be successfully drawn in the LEH lottery to participate in a limited entry hunt. Not all individual LEH recipients use their hunt opportunity or have a successful hunt.
- Table 1 - History of moose cow/calf authorizations and estimated harvest throughout British Columbia.

| Year | Total cow/calf authorizations | Cow/calf authorizations within Caribou Recovery Areas (Parsnip / Revelstoke) | Cow/calf authorizations outside Caribou Recovery Areas | Estimated total cow / calf harvest | Estimated Harvest within Caribou Recovery Zones (Parsnip / Revelstoke) | Estimated Harvest Outside Caribou recovery Zones |
|------|-------------------------------|--|--|------------------------------------|--|--|
| 2011 | 2032                          | 173  | 1859   | 584                                | 28   | 556  |
| 2012 | 1428                          | 33   | 1395   | 399                                | 9  | 390  |
| 2013 | 773                           | 116  | 657  | 206                                | 15   | 191  |
| 2014 | 700                           | 116  | 584  | 174                                | 13   | 161  |
| 2015 | 625                           | 134  | 491  | 195                                | 33   | 162  |
| 2016 | 200                           | 142  | 58   | 46                                 | 27   | 19   |
| 2017 | 266                           | 208  | 58   | 43                                 | 34   | 9  |
| 2018 | 312                           | 230  | 82   | 56                                 | 50   | 6  |
| 2019 | 357                           | 275  | 82   | 79                                 | 73   | 6  |
| 2020 | 400                           | 322  | 78   | 87 (projected)                     | 81 (projected)   | 6 (projected)                                    |

**Date Prepared:** April 8, 2021

**Ministry Executive Sponsor:**

David Muter

Phone: 250-217-5385

**Alternate Contact for Issue:**

Jennifer Psyllakis

Phone: Intergovernment

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**Prepared for 2021/22 Estimates Debate**

**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
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**Issue:** Regulatory amendment under the *Wildlife Act* enabling aerial predator management

**Recommend Response:**

- Under the *Wildlife Act*, the use of mechanical devices (e.g. helicopters and boats) for certain activities, such as hunting, transporting hunters or game, or herding/harassing wildlife, is prohibited unless the person holds an exemption permit issued under the Permit Regulation.
- The authority for Regional Managers to issue exemption permits was challenged in the courts in a case brought forward by Pacific Wild Alliance. Pacific Wildlife Alliance holds specific concerns related to the use of helicopters to manage predator populations to support the recovery of endangered caribou.
- The Permit Regulation was amended to correct any uncertainties around authorities and clarify prescribed conditions in which these permits could be considered and approved.

**Key Facts:**

- The court date for hearing Pacific Wild Alliance's case was postponed at the request of Pacific Wild. Hearing dates are scheduled for July 7 and 8. In February 2021, Pacific Wild Alliance indicated its intention to amend its petition in the wake of the regulation amendment. The amended petition has not been served, and the Pacific Wild Alliance has indicated it can be expected in the near future.
- Regardless of the legal process, use of helicopters to remove predators is a controversial aspect of the Caribou Recovery Program and draws significant media attention.
- There are other wildlife management activities that rely on the use of helicopters (e.g., to monitor populations and relocation of animals).
- Provincial employees who are also Wildlife Officers do not require an exemption permit. However, sometimes contracted services are used. Contractors are required to obtain provincial permits authorizing activities that are normally prohibited.
- The Permit Regulation was to set out preconditions that a decision maker must be satisfied with before issuing these kinds of permits. Specifically:
  - That a permit is necessary to undertake activities for one or more of the following reasons:
    - Scientific or educational purposes.
    - Proper management of a wildlife resource.
    - Destroy dangerous or injured wildlife.
    - Control wildlife populations.
    - Respond to wildlife health concerns.
    - Address life, health, or safety concerns.

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- That the person has the skills/qualifications necessary to undertake the activity, where necessary.
- For the most part, these preconditions are items that a decision maker, in the past, would have turned their minds to prior to approving/denying a permit application.
- Once the regulation was amended on January 28, 2021, the Province was able to issue permits to contractors to conduct aerial wolf control in support of mountain caribou recovery or use aircraft to capture/collar wildlife for research purposes.
- Lack of caribou recovery activities for even one season could:
  - Result in caribou loss/possible extirpation of some herds,
  - Allow predators to repopulate caribou herd areas,
  - Have a detrimental impact on the relationship with West Moberly and Sauleau (pronounced *so-tow*) First Nations, and Canada, and
  - Increase the risk of the federal government imposing an emergency protection order.
- While wolf control is the imminent issue, amendments were also necessary to ensure lawful issuance of the permits in question for any reason (e.g. disabled hunters hunting from motor vehicles, wildlife research using net/tranquilizer guns and helicopters).

**Date Prepared/Revised:** May 13, 2021

**Ministry Executive Sponsor:**

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**Alternate Contact for Issue:**

Name: Jennifer Psyllakis

Phone: Government

**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
.....**Issue:** Grizzly Bear Stewardship Plan and Commercial Bear Viewing Strategy**Recommend Response:**

- Government is committed to developing a revised Provincial Grizzly Bear Stewardship Plan and new Commercial Bear Viewing Strategy.
- Early engagement with First Nations is currently underway; once complete the province will extend engagement to industry and stakeholders.
- The interest in, and depth of engagement from First Nations throughout the province exceeded expectations and is taking longer than anticipated. To date, over 40 First Nation communities have been engaged through individual or small group discussions and an ongoing exchange of information. The First Nation-BC Wildlife Forum is also actively participating.
- Since licenced hunting of grizzly bear was closed in 2017, management activities have focused on reducing conflicts with people and addressing conservation concerns in areas of the province where populations are threatened (southern interior).

**Key Facts:**

- Grizzly bear are apex predators that are both ecologically and culturally important. Grizzly bear populations are secure throughout much of their range in BC. However, it is extirpated throughout much of its historic range in North America and some areas of the province.
- In 2018, western Canadian grizzly bear populations were designated as a species of Special Concern under the federal *Species at Risk Act* (SARA). Listing under SARA triggered the requirement for provinces, territories, and Canada to develop management plans.
- BC and Canada are working together to engage with First Nations on the development of the stewardship plan. Information from BC's plan will be combined with information from other provincial and territorial jurisdictions into the federal plan.
- Commitment to develop of a Provincial Grizzly Bear Stewardship Plan predates the federal designation and aligns with the recommendations provided by three independent grizzly bear biologists that were contracted in 2015 to do a scientific review of grizzly bear harvest management in BC and the 2017 Auditor General Report on Grizzly Bear Management in BC.
- The Auditor General Report also identified the growing interest in commercial bear viewing operations and the potential of impacts to grizzly bear. Therefore, development of the stewardship plan is being combined with the development of a Commercial Bear Viewing Strategy.

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- The Commercial Bear Viewing Association has advocated for a regulatory model that would both mitigate negative impacts to wildlife and improve certainty to their sector.
- First Nations play a large role in the bear viewing industry in BC, and the income generated from viewing provides economic benefits to remote communities.
- The grizzly bear hunt was managed in a manner that was believed to have minimal impact on overall population dynamics (e.g., overall low hunter harvest rate, monitoring of all human caused mortality, rapid closures if mortality exceed a threshold in a population unit). Therefore, the hunt closure was not expected to have much of an effect on population levels of grizzly bears.
- There are numerous anecdotal reports of grizzly bear population expansion (e.g., Vancouver Island) and increased human/community conflict since the hunt closure. However, range expansion was an on-going process before the hunt was closed and the conflicts reported are within the range of normal variation based on monitoring conducted by the Conservation Officer Service. Monitoring will continue, as will the expansion of proactive management measures to reduce conditioning of bears to human sources of food (e.g. management of garbage dumps, crops and disposal of animal parts).
- The Grizzly Bear Stewardship Plan will provide a framework for establishing regional population and management objectives to address regionally specific issues.

**Date Prepared:** April 8, 2021

**Ministry Executive Sponsor:**

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**Alternate Contact for Issue:**

Name: Jennifer Psyllakis

Phone: Government

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

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**Issue:** Tahltan Wildlife Accord and implications to resident hunters

### Recommend Response:

- Our commitment to partner with Tahltan on wildlife management is part of a larger reconciliation effort with Tahltan to strengthen the economy, improve wildlife stewardship and resolve long standing conflicts between Tahltan and resident hunters.

### Additional Response points (if needed):

- A joint communication plan is under development to inform and engage communities and stakeholders prior to hunting season.

### Key Facts:

- Tahltan territory situated in the most valuable mineral region in British Columbia.
- The Wildlife Accord is political commitment to develop world-class wildlife stewardship regime to parallel commitments in support of mining sector.
- The Accord was negotiated in September 2020 amidst long standing conflict between Tahltan and resident hunters that escalated in 2020.

Accord includes commitments to:

- Design joint wildlife governance structures and processes using opportunities under the *Declaration Act*,
- Co-management to enhance protection, stewardship and sustainability of moose and caribou,
- Utilize science as a foundation for decision making
- Joint monitoring of caribou and moose,
- Joint predator monitoring and management plan,
- Engage Tahltan hunters and communities, stakeholders and third parties prior to 2021 hunting season.
- A fiscal mandate request to support Accord implementation will be brought forward with the mandate request for a Tahltan Comprehensive Reconciliation Agreement this summer.
- A decision to sign the Wildlife Accord by BC and the Tahltan will be made following the fiscal mandate request.
- Staff are currently working with Tahltan on a plan to implement the Accord.
- The plan will inform the fiscal mandate request and a communication plan to avoid conflict and ensure shared accountability to stakeholders and public.

**Date Prepared/Revised: March 29, 2021**

#### Ministry Executive Sponsor:

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Name: Linda Robertson

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**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
.....**Issue: Management of the Conservation Lands Program Audit****Recommend Response:**

- Although we did not agree with all the conclusions made by the Auditor General on their analysis of the Conservation Lands Program, we accept the eleven recommendations provided. These recommendations align with commitments this government has already made to improve wildlife stewardship and habitat conservation.
- Specifically, our commitments in our response to the audit will continue work already begun through the Together for Wildlife Strategy, which includes a minimum budget uplift of \$500,000 to manage existing conservation lands and acquire new priority lands for wildlife stewardship (Action 11).
- We will use provincial funds to leverage additional investments from other levels of government and external partners and work to strengthen ties with Indigenous governments, conservation partners, resource industries, and stakeholders to better secure and manage conservation lands to achieve wildlife objectives.
- One key recommendation from the audit is the development of a provincial strategic plan for conservation lands. We are committed to completing this plan by Summer 2022. This plan will also help to strengthen the existing Conservation Lands Partner Program (e.g., Nature Trust of BC, Ducks Unlimited Canada, Habitat Conservation Trust Foundation, and Nature Conservancy of Canada) and new partnerships with First Nations.
- We will engage the Minister's Wildlife Advisory Council and First Nations-BC Wildlife and Habitat Conservation Forum established under the Together for Wildlife Strategy to provide input and comment on the strategic plan for the program.
- The provincial strategic plan will include clear direction for staff to collaborate with Indigenous people in the securement and management of conservation lands, which will complement existing direction already provided to all staff under this government's commitment to reconciliation and action plan to implement the Declaration Act.

**Key Facts:**

Some of the findings from the Auditor General's audit include:

- The ministry had not ranked important habitats by priority for conservation.
- Provincial direction for the program was lacking. The ministry had not renewed the program's vision, mission and goals for about 30 years or established a provincial strategic plan for the program.
- The ministry has provided limited support to staff to collaborate with Indigenous peoples when securing and managing conservation lands



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- The ministry had management plans for most administered conservation lands, but the majority of the wildlife management area (WMA) plans were not current or approved.
- The regions had not ensured that activities on administered conservation lands were compatible with management objectives and found many unauthorized activities taking place on conservation lands.

The 11 recommendations mainly focus on providing strategic direction; increasing direction to staff to collaborate with Indigenous peoples; revising all outdated management plans for wildlife management areas (WMAs); resolving threats to the most at-risk conservation lands; improving tracking of inventory and monitoring and reporting publicly on the effectiveness of the program. Government has accepted the recommendations, some of which were already underway. All are in alignment with the goals of Together for Wildlife.

In 2020/2021 the ministry will have spent approximately \$43M on wildlife management and habitat conservation. This includes a \$10M annual budget uplift for wildlife and habitat stewardship committed to support implementation of the Together for Wildlife Strategy, \$500K of which is dedicated to uplifting the Wildlife and Habitat Branch conservation lands program budget, \$200K of which is for provincial planning, policy, and management activities and \$300K uplift for transfer to regional and partner land managers through the Habitat Conservation Trust Foundation Conservation Lands Operations and Management Funding Program. Intergovernmental Communications;

Intergovernmental Communications; Government Financial Information

The Together for Wildlife Strategy has identified improving management of existing conservation lands as important under Action 11. Funding was provided under this action to develop management plans for two key Wildlife Management Areas: Columbia Wetlands and East Side Columbia Lake. Additional management plans slated for completion in 2021-22.

**Date Prepared/Revised:** May 18, 2021

**Ministry Executive Sponsor:**

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**Alternate Contact for Issue:**

Name: Jennifer Psyllakis

Phone: Government

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

#### **Issue:** Management Actions for Declining Interior Fraser Steelhead

#### **Recommend Response:**

- Interior Fraser Steelhead (IFS) remain at extreme risk.
- As of November 30, 2020, the spawning population forecast for the Thompson was 180 and that of the Chilcotin watershed was 81.
- The primary mortality factors are marine survival, pinniped (e.g. seal) predation, and bycatch mortality in salmon fisheries. Habitat is not a limiting factor.
- BC continues to take management action on all areas under BC jurisdiction.
- In 2019 BC also incorporated the BC-Fisheries and Oceans Canada (DFO) Action Plan that outlined priorities for that year.
- BC believes increased use of selective fishing methods will enable food, social and ceremonial (FSC) harvesting of salmon while still protecting steelhead.
- In 2020 new collaborations were initiated with First Nations. These focused on sustainable management, not harvesting, and inclusion of traditional knowledge.
- Based on the population results of the last two years, more actions are needed.
- In 2021 this ministry is increasing work with all governments that have decisions that affect IFS, with the intention of building a comprehensive strategy that increases conservation measures and has clear implementation commitments.

#### **Additional Response points (if needed):**

- **If asked why we are not stocking immediately:**
  - The immediate management goal is to retain a persistent level of wild fish, so when primary mortality factors are addressed there is a population to build from.
  - All management actions have to first answer the question of whether or not they would put the wild stock at greater risk.
- **If asked why there is currently no ban on gill nets:**
  - Selective fishing methods can be achieved through location (e.g. fishing outside of the migration route), timing (e.g. outside the migratory window) and gear (e.g. types of nets and set durations).
- **If asked why the DFO did not follow BC's 2019 recommendations on protection windows:**
  - We acknowledge that DFO made significant changes by implementing longer closures to salmon fisheries. Given continued low returns we are continuing this discussion, but also wants to work with our federal partners to explore additional ways to increase protection that go beyond closures.

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#### Key Facts:

- In December 2020, the Committee on the Status of Endangered Wildlife in Canada (COSEWIC) reconfirmed their recommendation that IFS is Endangered. DFO is initiating a regular *Species at Risk Act* (SARA) review process.
- BC's objective is to rebuild the population without a SARA listing. However, this requires DFO alignment on approach, as they have jurisdiction with respect to the primary human-controlled factor (bycatch).
- Should a SARA listing occur, it may have economic impacts to BC greater than the economic value of the salmon fisheries (e.g. closed chum fishery compared to Port-related industry during the migration window).
- Current science identifies that the minimum sustainable population target for the Thompson stock is 938 fish and the Chilcotin is 562. The immediate strategy is to stop further declines and retain the persistent/low level that can be used for recovery in future years.
- This ministry has closed all IFS recreational fishing, closed spawning areas to fishing and has a rolling closure for all trout fishing along the migratory route.
- BC calculates the run time at roughly 82 days, with 75 days covering about ninety-five percent. DFO calculates run time differently than BC; they predict roughly 60 days for the run time.
- In 2019 and 2020 DFO extended the duration of rolling closures for salmon fisheries. These were subject to changes due to in-season conditions. Planned closures included:
  - Commercial - A closure for gillnet/seine fisheries in marine waters and in the Fraser River for 42 days, and for commercial salmon troll fisheries for 27 days.
  - Salmon Recreational – 42-day closure in the Fraser River and tributaries (there were in-season decision to open some recreational salmon fishing).
  - First Nations FSC – 27-day closure in the Fraser River and tributaries.
  - Marine approach - No closure on recreational or FSC salmon fisheries.
- Wild Steelhead have more recovery options than salmon. For example, some steelhead spawn two or three times, can adjust the amount of time they spend in the freshwater habitat versus marine, and rainbow trout can become steelhead.
- Due to the complex life history and risk to wild steelhead, use of hatcheries needs to be considered cautiously. Hatchery fish can outcompete low levels of wild fish. A Provincial Framework for determining when fish culture actions would be appropriate is in draft form but will not be publicly discussed until summer/fall.

**Date Revised:** May 14, 2021

**Ministry Executive Sponsor:**

Name: David Muter

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**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
.....**Issue:** Caribou Recovery Plan**Recommend Response:**

- To support the recovery of caribou BC has invested approximately \$10M per year over the last 5 years.
- In addition to this, Canada has supported efforts through a shared cost agreement totalling nearly \$2M per year.
- Provincial investments in caribou recovery will continue at this level to ensure continued resources to support BC's commitment to caribou recovery.
- The Caribou Recovery Program is a long-term commitment that will include all BC caribou herds in a comprehensive and uniform approach to recovery that incorporates adaptive management and traditional knowledge.
- As we get more knowledge through research, we continue to gain a better understanding of the cause of declining caribou numbers. This lends support to the current efforts by the Caribou Recovery Program to investigate opportunities to increase protections in core caribou habitat and to increase constraints on disturbance in the adjacent matrix habitat to reduce predation pressure. These recommendations will be informed through our herd planning process and partnerships with indigenous nations

**Herd Planning**

- Through the Provincial Caribou Recovery Program, FLNR has been reaching out to Indigenous Nations, communities, industry and stakeholders to collaborate in the Herd Planning Process.
- In areas undertaking strategic land use planning, herd planning has been integrated into this process to ensure a coordinated approach to land management.
- The revised Herd Planning Process allows all parties to collaborate in the development of recovery measures to strengthen and protect caribou herds and their habitats.
- The Province anticipates most herd planning to be completed by summer of 2022.

**Section 11 Agreement and Partnership Agreement**

- The Section 11 Agreement and the Partnership Agreement are being implemented in BC according to the timelines and milestones set out in the agreement.
- These Agreements are both directly aligned with the province's Caribou Recovery Program.
- As a direct result of these Agreements, Canada has recently confirmed that they do not see a need to implement further emergency habitat protections through the federal *Species at Risk Act*.

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- This is a huge success for the province as without these Agreements we faced the risk of a federal emergency habitat protection order that would have resulted in an immediate loss of over 10 million m<sup>3</sup> Annual Allowable Cut.
- The Partnership Agreement includes commitments to habitat protections that we knew were going to have an impact on the local economy. This is why we required funding from Canada to address these impacts - which I am happy to say they have recently confirmed.
- To support implementation of the Partnership Agreement the Province has secured federal funding amounting to <sup>Govern</sup>ment to support tenure compensation and impacts to communities and workers.
- We will be working with industry and local governments to ensure these supports are provided in the most effective way possible.

#### **Key Facts:**

- On February 21, 2020, the Province signed the **Intergovernmental Partnership Agreement for the Conservation of the Central Group of Southern Mountain Caribou** (the “Partnership Agreement”) in Northeastern BC and the **Canada British Columbia Conservation Agreement for Southern Mountain Caribou** (the “Section 11 Agreement”) for all Southern Mountain Caribou.
- Despite earlier investments by the province, all six of the Boreal herds and 23 of the Southern Mountain herds are in decline. 13 of the 55 herds in BC have fewer than 25 animals.
- The main threat to most caribou populations is a high rate of predation by wolves, and to a lesser extent other predators (bears, coyote, wolverine, and cougars).
- Increase predation is caused by changes in landscape condition – broad scale reduction in older forests and expansion in younger forests. These young, open forests provide ideal foods for other deer, elk and moose. These ungulate species are the primary prey of wolves and cougar. This results in higher density of predators which then impact caribou populations negatively.
- Recent implementation of intensive management actions (i.e. maternal penning and predator control) in partnership with Saúlteau and West Moberly First Nations have resulted in a reversal of the population decline in the central group which was previously declining at over 15% per year. Since the initiation of the intensive recovery efforts the population has grown from 162 caribou in 2014 to 289 in 2021.
- The Province recently moved forward on engagement on Snowmobile management restriction in the Northeast part of the province. This process has, and continues to involve considerable input and collaboration with local snowbilers, communities and the Parties to the agreement. These restriction are anticipated to be in place by this winter.

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- Caribou recovery requires a coordinated approach (depending on the specific conditions faced by a herd) involving a unique combination of the following actions:
  - Habitat protection and restoration
  - Predator management,
  - Maternal penning/conservation breeding, and
  - Cooperative recovery planning with all Indigenous Nations, invested groups (communities, industry, adjacent jurisdictions), and other stakeholder groups.
- Since signing the Partnership Agreement the Province has been working with the parties to that agreement (West Moberly and Saulneau First Nations and Canada) to implementing the commitments while working with communities and stakeholders in the area.

**Date Prepared/Revised: May 13, 2021**

**Ministry Executive Sponsor:**

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**Alternate Contact for Issue:**

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**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
.....**Issue:** Spotted Owl**Recommend Response:**

- Spotted Owls are a species at risk that range from the South West of BC to Mexico. BC is the Northern range of spotted owl.
- Spotted Owl populations are at risk due to habitat loss (primarily from logging activities) climate change and competition from invasive Barred Owls.
- BC has been actively working on Spotted Owl recovery since 1991 and has developed and refined a recovery plan to achieve the population goal of 250 mature Spotted Owls (125 breeding pairs).
- In order to support recovery, BC has put in place measures to address the risks facing the populations, including:
  - Protecting over 280,000 ha of spotted owl habitat - more than enough to support 125 breeding pairs.
  - Barred Owl control program, and
  - The first ever Spotted Owl captive breeding program to augment the low population.
- BC invests approximately \$600,000 annually to support the Captive Breeding and Release Program and monitor the wild population. There are currently 28 spotted owls in the program, exceeding the minimum captive population target of 20 spotted owls (10 breeding pairs).
- Planning for the release of captive owls is underway in collaboration with Indigenous Nations. The plan will be to release only a few owls at the start in order to ensure they remain within protected habitat that is free of competition from Barred Owls.
- The first release is scheduled for 2022.

**Key Facts:**

- The Spotted Owl *caurina* subspecies is listed as Endangered under the federal *Species at Risk Act* (SARA) and is listed in the Province under *Forest and Range Practices Act*. FLNR leads the management and recovery of the Spotted Owl in Canada.
- A recovery strategy, led by BC and developed by the Canadian Spotted Owl Recovery Team comprised of scientific experts from academia, federal and provincial governments, and forest industry, was adopted by the federal government in 2006.
- In April 2007, BC initiated the Captive Breeding and Release Program and an Interagency Northern Spotted Owl Steering Committee to oversee all recovery actions.
- British Columbia has 281,284 ha of habitat legally protected. An additional 49,257 ha of habitat is managed (allows harvest with retention) in WHAs.

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

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- A federal recovery document that contains a complete, SARA-compliant identification of Northern Spotted Owl Critical Habitat (CH) has not been published. In May 2019, Ecojustice on behalf of the Wilderness Committee sent a letter to Minister McKenna demanding that ECCC identify CH in a Habitat Action Plan as committed to in the 2006 recovery strategy.
- In October 2020, Ecojustice sent a letter to Minister Wilkinson petitioning that ECCC immediately invoke section 80 of the SARA to apply an emergency order to protect Spotted Owl habitat, with specific reference to the Spotted Owl pair at Spuzzum Creek.
- A SARA section 80 protection order, if long term, was estimated to have an annual direct and indirect impact of \$1.75M in provincial revenues and 88 jobs.
- To avoid this potential outcome, the Province and ECCC agreed on an alternate approach which included a one-year deferral through a *Forest Act* Part 13 order that prevents harvesting in the Spuzzum and Utzlius creek drainages.
- This one-year deferral has impacted active cut blocks in Utzlius creek owned by Teal Jones and a BCTS licensee <sup>Personal Information</sup> in Spuzzum Creek. The BCTS licensee was supported by West Fraser.
- The one-year deferral is not anticipated to have significant impacts on the Teal Jones cutting permit but the BCTS licensee may seek damages of approx. \$3M or look to negotiate alternate remedies.
- During the one-year deferral FLNRORD has agreed to work with the Spuzzum First Nation and other First Nations on finalizing a release strategy for the captive owls, and work with the federal government to update the recovery strategy.

**Date Prepared/Revised:** May 14, 2021

**Ministry Executive Sponsor:**

Name: David Muter

Phone: (250) 217-5385

**Alternate Contact for Issue:**

Name: Russ Laroche

Phone: Government



**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
.....**Issue:** Nature Agreement**Recommend Response:**

- On February 25, 2021, BC and the Government of Canada announced their commitment to strengthening conservation and stewardship province-wide by launching the development of a new bilateral Nature Agreement
- Together with Canada, we committed to a target date for completion of the Agreement within one year.
- Negotiations have not yet started. However, Canada has committed to providing \$2M to support the development of the Agreement.
- The following broad areas of shared commitments have been discussed as general topics for the Nature Agreement:
  - Strengthen conservation province-wide;
  - Pilot projects using new approaches to protecting species at risk and enhancing biodiversity;
  - Explore new ways to protect and restore habitat;
  - Strengthen ecosystem resilience to climate change; and
  - Continue to work with Indigenous peoples in these efforts.
- We also expect that Canada will bring funding (beyond the \$2M) in order to support the implementation of the measures that will be included in the Agreement.
- My ministry will be working on this with Minister Heyman's ministry over the coming year

**Key Facts:**

- Currently, 231 species in BC are listed under the federal SARA, 64 of which have legally identified critical habitat (approximately 28 million hectares) set out in the federal recovery strategies.
- Under the federal *Species at Risk Act*, outside parties can petition Canada to put in place emergency habitat protections for critical habitat even when the area is not needed to support an agreed upon recovery strategy and population objective.
- The concept for a Nature Agreement was developed through negotiations with Canada in the summer and fall of 2020 on habitat protection requirements for Spotted Owl.
- While BC and Canada have shared objectives to improve outcomes for species at risk and to improve stewardship and conservation outcomes, there are often conflicting approaches to achieving these goals.
- In some instance Federal targets for conservation (25% protected by 2025) may not be aligned to provincial objectives.
- The Nature Agreement will be an opportunity to agree on a coordinated approach

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

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to support shared goals.

- There are significant federal partnership funds currently and potentially available.
  - From 2018/19 to 2020/21, the Canadian Wildlife Service alone has provided over \$150M to BC government agencies, Indigenous communities, industry, and NGO partners through a large number of discrete conservation-related grants and contribution agreements.
  - Canada recently made climate and budget announcements worth more than \$3.7B over 10 years, including \$3.16B to partner with provinces, territories, and others to plant two billion trees, and \$631M to implement climate-smart, nature-based solutions to restore degraded ecosystems and reduce GHGs related to ecosystem loss.
  - In addition, Canada is renewing and expanding its Nature Conservation mandate, with over \$4B in treasury board stewardship-related submissions underway.

**Date Prepared/Revised:** April 8, 2021

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**Alternate Contact for Issue:**

Name: Russ Laroche

Phone: Government

**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
.....**Issue:** SARR General (alignment with Canada)**Recommend Response:**

- FLNR has the primary role to coordinate provincial Species at Risk (SAR) management and support the Implementation of Recovery Actions for SAR.
- FLNR works collaboratively with ministry regions and divisions, Indigenous groups, Ministry of Environment and Climate Change Strategy, Ministry of Energy, Mines and Low Carbon Innovation and federal counterparts in Environment and Climate Change Canada (ECCC), Parks Canada and Department of Fisheries and Oceans to establish consistent and effective management actions for SAR.
- The province will continue to support and implement recovery actions for SAR. Our approach begins with setting sustainable population goals and considers environmental, cultural, social and economic values of the province.
- In extraordinary circumstances the Province will use interim measures such as *Forest Act* Part 13 to protect a species while recovery plans are finalized and to prevent federal intervention under the *Species at Risk Act* (SARA).
- The Province is working with federal colleagues to better align policies for the protection of SAR while maintain provincial jurisdiction.
- The Province is working with ECCC on pilot projects to help inform how the federal SARA may be modernized.

**Key Facts:**

- In 1996, all Canadian jurisdictions signed onto the National Accord for the Protection of Species at Risk (the Accord) and agreed to “establish complementary legislation and programs that provide for effective protection of species at risk”. The SARA is Canada’s commitment to the Accord. The Province does not currently have standalone Species at Risk legislation.
- SARA is designed to protect species individuals (e.g. protecting individual caribou from killing, harming, or harassing), their residences (e.g. a nest or den if applicable), as well as the critical habitat they rely on. Recovery strategies must be prepared for all threatened or endangered species and must identify critical habitat “to the extent possible, based on best available information”.
- These immediate protections do not apply on provincial, municipal, or private lands for provincial species (which are the majority of species listed under SARA).
- The Province is expected to use provincial legal tools that ‘effectively protect’ species individuals, their residences, and their critical habitat.
- The SARA is structured as “safety net” legislation that can be invoked on provincial land if the Province does not effectively protect SARA-listed species.

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- If the federal minister is of the opinion that there are imminent threats to the survival or recovery of any listed species, they must recommend an Emergency Protection Order be made. A section 80 order may include provisions prohibiting activities that may adversely affect the species individuals, their residences, and/or their critical habitat.
- SARA does not allow consideration of social and economic values when making recommendations to protect critical habitat, however, BC must consider those factors when making significant land-use decisions under its own suite of legislation.
- Federal Cabinet, once they have received recommendations from a Minister, may consider provincial and federal socio-economic factors when deciding whether to issue a protection order under SARA and, if issued, what that order specifies.
- SARA has been used by conservation organizations to submit legal petitions demanding that the federal minister direct further legal habitat protections (section 80) based on identified critical habitat regardless of whether additional protection is needed to support recovery of the species. Spotted Owl is a recent example of this.
- The federal government's interpretation of their legislation has resulted in active responses to most petitions that are filed. Responses seldom consider the validity of the complaint and what efforts are ongoing for the recovery of the species.
- Currently, 231 species in BC are listed under the federal SARA, 64 of which have legally identified critical habitat (approximately 28 million hectares) set out in the federal recovery strategies.
- Primarily, Species at Risk Recovery Branch focuses actions on 5 key species: Caribou, Northern Goshawk, Whitebark Pine, Marbled Murrelet, and Spotted Owl. In an effort to be proactive the ministry is also focusing on Fisher as a wide-ranging threatened species.
- To mitigate risk of a federal protection order, the Province is proactive on species recovery actions where possible. Conservation agreements under the SARA are also used, such as the one in effect for Southern Mountain Caribou.
- Despite these efforts the federal government will continue to receive petitions from organizations looking to protect SAR or as a vehicle to protect Crown land for alternate reasons.
- Further collaboration with the federal government is required to explore ways to modernize the SARA.
- The Nature Agreement can be used to move toward a more integrated, strategic landscape-based approach to multi-species and ecosystem-based management that provides certainty to resource users in the province.

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

**Date Prepared/Revised:** April 8, 2021

**Ministry Executive Sponsor:**

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**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
.....**Issue:** Transition of finfish aquaculture operations from Discovery Islands**Recommended Response:**

- Following the decision by Fisheries and Oceans Canada (DFO) in December 2020 to phase out salmon farming in the Discovery Islands area by June 30, 2022, FLNR Authorizations staff will be working with DFO staff and the affected farm operators on plans to transition salmon farming out of the area.
- The transition plans will be informed by the specific circumstances that apply to each of the 19 finfish aquaculture tenures covered by DFO's decision and will be consistent with provincial legislation and policy.
- In the event of decommissioning of aquaculture tenures, the tenure holders must, under the terms of the tenure agreements, return the area, including the seabed, to the Province in safe, clean and sanitary condition. Detailed decommissioning instructions must be followed by tenure holders to the satisfaction of the Province.
- Ministry staff will also work with affected companies on applications to relocate farms to new sites outside of the Discovery Islands area in efforts to mitigate the production and economic/social impacts resulting from the DFO decision.
- All affected companies have applied for judicial review of DFO's decision, and at this time, no relocation applications have been received by FLNR.
- Staff from FLNR's Regional Economic Operations Branch (the Branch) are monitoring the situation and are ready to assist in the coordination of provincial government services to support impacted workers. The Branch's Regional Manager for north Vancouver Island and Sunshine Coast is supporting impacted communities to further their economic development and diversification priorities.

**Additional Response points (if needed):**

- FLNR's policy on salmon farming mandates that to operate a farm beyond June 30, 2022, the operator requires a valid licence from DFO and an agreement with the First Nations whose territories overlap at the site.
- Tenure holders may consider different options for the affected farms, ranging from full decommissioning and clean-up of farm sites to re-purposing a site, e.g. from finfish culture to shellfish or aquatic plant culture. Other options for operators to explore with DFO as the primary regulator, may include change of pen types (e.g. from open net-pens to a form of contained net-pen system) or a change in the finfish species cultured (e.g. from Atlantic salmon to sablefish).

**Key Facts:**

- In December 2020, following consultation with applicable First Nations, DFO announced no finfish aquaculture licences would be issued past June 30, 2022 in the Discovery Islands. DFO's announcement also indicated that no new transfers of fish will be authorized between now and then.
- DFO's decision affects 19 salmon farms held by 6 companies.

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- On December 29, 2020, North Island communities and companies with ties to finfish aquaculture circulated an open letter indicating their opposition to DFO's announcement.
- Multiple farm operators have applied for judicial reviews of DFO's decision and may submit compensation claims.
- The majority of the farms affected are operated by Mowi Canada West (Mowi) (13 farms), representing 30% Mowi's 2019 total BC production.
- Mowi challenged the DFO's decision in banning the transfer of new fish to farms in Discovery Islands in court. On April 5, 2021, the court suspended the ban on restocking 3 fish farms. Other operators have since submitted requests to DFO for transfer of fish to their Discovery Islands farms.
- Farmed salmon is BC's most valuable agricultural export (approximately \$800 million).
- 24% of BC's total current salmon production is in the Discovery Islands (according to BC Salmon Farmers Association – BCSFA).
- Economic losses if the Discovery Islands production loss cannot be mitigated are estimated at up to 1,500 direct, indirect and induced jobs and \$389 million in economic output (BCSFA).
- The salmon farming sector, while being opposed by many coastal First Nations, is pivotal for others who have agreements with the operating companies, resulting in significant economic and social benefits.
- BC's policy requirement for all operators to have First Nation agreements if they wish to continue operating salmon farms in BC beyond June 2022 holds the potential for more such agreements being negotiated in the near future, to the benefit of Indigenous coastal communities, and in furtherance of BC's reconciliation objectives.

**Date Prepared/Revised: May 17, 2021**

**Ministry Executive Sponsor:**

Craig Sutherland, ADM, Coast Area

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**Alternate Contact for Issue:**

Rudi Mayser, Resource Manager Authorizations

Phone: Government

## Potential Questions - Transition of Finfish Aquaculture Operations on Discovery Islands

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**Question: What are you doing to support those rural communities that may be impacted by the closures of finfish facilities in the Discovery Islands?**

**Answer:** Staff from FLNR's Regional Economic Operations Branch (the Branch) are monitoring the situation and are ready to assist in the coordination of provincial government services to support impacted workers. The Branch's Regional Manager for north Vancouver Island and Sunshine Coast is supporting impacted communities to further their economic development and diversification priorities.

**Question: Since this is a DFO decision, what is the Province's role with regard to salmon farms in the Discovery Islands? Will you continue to allow finfish facilities? Will existing facilities have to be decommissioned and the site cleaned up?**

**Answer:** FLNR harmonizes with the Federal government for aquaculture facilities under a Memorandum of Understanding. Although the Federal announcement is currently under judicial review, the Province continues to work closely with DFO to ensure a smooth transition of Discovery Island farms.

FLNR's own updated policy on salmon farming mandates that all farm operators in BC applying for a new, expansion or replacement tenure or for the transfer of a farm beyond June 30, 2022 will require a valid licence from DFO and agreement(s) with the First Nation(s) whose territories overlap at the site.

In the event of decommissioning of aquaculture tenures, the tenure holders must, under the terms of the tenure agreements, return the area, including the seabed, to the Province in safe, clean, and sanitary condition at their cost. Detailed decommissioning instructions must be followed by tenure holders to the satisfaction of the Province.

**Question: What is FLNR doing to help affected operators?**

**Answer:** In addition to the Regional Economic Operations Branch support being provided to rural communities, ministry staff will continue to work with affected companies on applications to relocate farms to new sites outside of the Discovery Islands area in efforts to mitigate the production and economic/social impacts resulting from the DFO decision.

Tenure holders may also consider different options for the affected farms, ranging from full decommissioning and clean-up of farm sites to re-purposing a site, e.g. from finfish culture to shellfish or aquatic plant culture. Other options for operators to explore with DFO as the primary regulator, may include change of pen types (e.g. from open net-pens to a form of contained net-pen system) or a change in the finfish species cultured (e.g. from Atlantic salmon to sablefish). Ministry staff are informing the companies on these alternative approaches.



## 2021/22 Estimates Debate

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

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#### **Issue:** Old Growth, Carbon and Climate Change Mitigation

#### **Recommend Response:**

- Government has accepted the old forest strategic review recommendations and is committed to implementing them. FLNR is currently working on:
  - engaging the full involvement of Indigenous leaders and organizations;
  - deferring old forest harvesting in nine areas throughout the province totalling 352,739 hectares as a first step;
- The Old Growth Strategic Review recognized “*Mitigating climate change through carbon sequestration and storage needs to be fully analyzed and integrated into forest management decision-making*”; and that adequate funding for conservation is needed.
- Conserving old growth forests as carbon banks and sinks is a key strategy within a portfolio of climate change mitigation options for our forests. Other strategies include incremental reforestation, fertilization, reducing slash pile burning and using more fibre in longer lived products.
- Whether a given area creates more carbon benefits as old growth or when harvested as part of a managed forest depends on a number of factors including growth rates, ecosystem type, the forest’s resilience to future disturbances, the use of harvested timber and whether residual fibre is burnt in slash piles.
- Retaining old forests on the landscape need to be evaluated from both a carbon and conservation perspective. Depending on the ecosystem, tree species, the carbon objectives may be better achieved through managed forest harvesting and in other cases through conserving the old growth.
- FLNR and other partners are undertaking research projects on old growth forests and carbon to improve our understanding of their greenhouse gas balance from a lifecycle perspective, including wood products, risks of future disturbances and synergies and trade-offs between multiple values.

#### **Key Facts:**

- Old growth forests store large amounts of carbon in the live biomass (above and below ground), forest floor and soil.
- Productive old growth stands on the Coastal or in the Interior wet-belt store more carbon than forests elsewhere in B.C. and can live a long time without experiencing large disturbance events from wildfire, pests, or disease.
- Research projects funded by FLNR in 2021-22 include empirical studies of old growth carbon stocks in different forest ecosystems and an assessment of when conservation of old growth would be effective for climate change mitigation to aid decision makers.

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

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**Date Prepared: April 6, 2021**

**Ministry Executive Sponsor:**

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**Alternate Contact for Issue:**

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**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
.....**Issue:** CleanBC and Forests**Recommend Response:**

- The CleanBC Plan was developed as a pathway to achieve the Province's legislated greenhouse gas emission reduction targets. It includes measures to reduce emissions from fossil fuel use, and increase use of Made-in-BC renewable fuels.
- The Forest Carbon Initiative (FCI), funded in part through the federal government's Low Carbon Economy Leadership Fund (LCELF), assists with B.C. Government priorities such as:
  - revitalizing the forest sector;
  - partnering with First Nations;
  - supporting the Province's CleanBC commitment to transition to a low-carbon economy; and
  - providing economic benefits for rural communities.
- Canada and B.C. have jointly invested \$290 million in FCI. FCI is investing in reforestation in areas affected by mountain pine beetle and wildfires, and in utilizing wood fibre to reduce emissions from the burning of wood waste in slash piles.
- Utilizing wood fibre to reduce emissions from slash piles is also part of CleanBC's plan to reduce waste and aligns with broader government goals to improve air quality across all sectors of the economy.
- Investing in B.C.'s forests produces jobs and other economic opportunities while mitigating climate change and protecting our natural forest resources.
- The province is working with the federal government to advance tree-based natural climate solutions to support the Growing Canada's Forests Program and to help meet our Paris and CleanBC commitments.

**Key Facts:**

- With the increasing urgency of climate change, reducing emissions alone may not be sufficient. Negative emissions technologies that remove carbon dioxide from the atmosphere and sequester carbon are essential to meeting the Paris Agreement of staying below a global temperature increase of 1.5 degrees Celsius.
- Forests can be enhanced as "carbon sinks" through actions such as planting more trees, fertilizing stands, improving forest carbon management practices, minimizing losses from fires, and restoring forests that have been affected by natural disturbances.
- B.C.'s forests contain over 6-7 billion tonnes of carbon stored as forest biomass (trees, other plants, soils, litter, and dead wood) comprising the province's single biggest carbon resource.

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

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- Investments in FCI are projected to reduce or sequester more than 8 million tonnes of carbon dioxide equivalent emissions by 2050.
- Bioenergy that uses feedstock from forestry waste avoids open burning in slash piles, reduces non-biogenic emissions and supports the transition to cleaner fuels.
- FCI projects that utilize wood fibre reduce emissions from slash pile burning and are projected to reduce more than 0.9 million tonnes of carbon dioxide equivalent before 2022. That is the equivalent of removing 191,000 cars from the road for one year.
- Sustainable forest management provides many low-cost climate change mitigation options. FCI projects are currently estimated to reduce emissions at a low cost – approximately \$35/tonne of carbon dioxide equivalent.

**Date Prepared: April 6, 2021**

**Ministry Executive Sponsor:**

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## 2021/22 Estimates Debate

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

**Issue:** Silviculture investments in B.C.'s forests

#### Recommend Response:

- The provincial silviculture program has planted an average of 245 million trees annually over the last ten years.
- In 2020 despite COVID-19 restrictions, approximately 300 million trees were planted. It also marked the planting of the 9 billionth tree in the province.
- In 2021/22, investment on the land base will include approximately 300 million trees planted by licensees and government programs.
- Planting in the province is projected to remain well above the historic average as government partners with programs such as the federal Growing Canada's Forests program
- The quality of seedlings will continue to increase as investments are made in seed orchards. An estimated 67% of the seedlings planted in 2021 will be from improved, orchard-grown seed.
- In 2021, government will fertilize over 30,000 hectares of forest land, well over the 10-year historic average of 17,000 hectares.
- From 2017-2024, the province partnered with the federal government through the Low Carbon Economy Leadership Fund. The incremental reforestation and fertilization will result in a greenhouse gas benefit of 7.5 million tonnes CO<sub>2</sub> e by 2050.

#### Additional Response points (if needed):

- Reforestation after harvest is required by law in B.C. and will account for approximately 228 million trees for 2021/22.
- Government programs (Forests For Tomorrow, Forest Carbon Initiative and Forest Enhancement Society BC) will plant an additional 67 million trees in 2021/22.

#### Key Facts:

The Minister's mandate letter commits to "A better future through fighting climate change" and specifically to "plant more trees for a healthy industry and province and continue to make significant investments in forest health, wildfire protection, silviculture and revitalizing our forests" as well as to "transition our forestry section from high volume to high value production"

#### The challenges

- Healthy, productive forests have been put at risk due to a changing climate and large-scale natural disturbances, such as wildfires and insect outbreaks:
  - over 10 million hectares of mature pine were severely impacted by mountain pine beetle

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

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- over 2 million hectares of forest burned in 2017 and 2018 alone with 1.1 million hectares inside the Timber Harvesting Landbase including over 150,000 hectares that are licensee accountability to reforest
- spruce bark beetle, Douglas fir bark beetle, hemlock looper moth and tussock moth are all examples of other forest health agents currently impacting timber supply and carbon storage
- The Timber Harvesting Landbase has been constrained in some areas, resulting in pressures on timber supply (for example, Land Use Orders, Species at Risk and Old Growth issues), resulting in a need to maximize productivity.

#### *FLNR Response*

- Further investments in improving silviculture support maintaining healthy forests and a healthy forest economy while maximizing greenhouse gas benefits.
- Government funded investments in silviculture (primarily through Forests For Tomorrow, Forest Carbon Initiative and Forest Enhancement Society BC) are responding to these challenges through focusing on four main program areas:
  - Increasing the salvage and utilization of low value and damaged timber while clearing sites for reforestation.
  - Prompt reforestation with climate adapted species to establish resilient, healthy forests.
  - Stand enhancement activities in healthy forests will improve timber values.
  - Manage forest carbon by increasing carbon sequestration and reducing emissions created by slash pile burning.

**Date Prepared/Revised: April 7, 2021**

**Ministry Executive Sponsor:**

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Phone: 778 974 5840

**Alternate Contact for Issue:**

Name: Shane Berg

Phone: Government

**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
.....**Issue:** Old Growth Strategic Review and Deferrals**Recommend Response:**

- Government recognizes that building a consensus on management of old growth forests has been a challenge for more than 30 years.
- Old growth forests are valued for their economic contribution to the forest industry, tourism and jobs, and for their habitat, conservation, social and cultural values.
- In July 2019, Government announced a strategic approach to guide the future of old growth management. That approach included an independent two-person panel that engaged British Columbians and resulted in a recommendation report to government.
- Government has committed to implementing all recommendations provided by the independent panel.
- The strategic review by the panel did not say there needs to be a moratorium on old growth logging, and as such, we are not considering one.
- We do recognize that deferrals are important where there is immediate risk of biodiversity loss, and that deferrals must be considered through engagement with Indigenous Nations.
- Work is underway to identify areas of the province where additional deferrals are needed to protect areas that are at risk of irreversible loss, in addition to 9 areas identified in September 2020. Some of the recommended criteria in the report is ambiguous and may require ground-truthing prior to final decision.
- A key recommendation in the report, recommendation #1 states *Engage the full involvement of Indigenous leaders and organizations to review this report and any subsequent policy or strategy development and implementation*. Indigenous engagement is critical but will take time.
- Economic analysis will be an important consideration given the importance of forestry in BC.
- It is important to recognize the report was prepared prior to the COVID-19 pandemic, and timelines and the work ahead must be cognisant of the impact on the provincial and Indigenous governments.
- The deferrals that were implemented in September we based on areas where we already had a deep understanding with Indigenous Nations on the areas. That is why we were able to act so quickly.

**Key Facts:**

- Nine temporary deferral areas implemented in September 2020 to demonstrate commitment to Recommendation #6. These areas were known to the provincial government and to Indigenous Nations as areas under government-to-government discussions on forestry activities.

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

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- There are high levels of pressure from ENGOs, and many Indigenous Nations who expect additional deferrals. Some Nations may be opposed to deferrals as they have greater involvement in forestry in their territories.

Advice/Recommendations

- The 9 initial deferral areas were designated under Part 13 of the *Forest Act*. A broad Designated Area was established followed by a Ministerial Order applied to the old growth stands that prohibited harvesting of the old growth component.
- The Designated Areas totalled 353,000 hectares and the Ministerial Order applies to 196,000 hectares of old forest within the areas. Second growth forestry is allowed.
- These deferrals are in place for 2 years, allowing us time to develop a new strategy for old growth.

**Date Prepared:** April 8, 2021

**Ministry Executive Sponsor:**

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**Alternate Contact for Issue:**

Name: Brian Bawtinheimer

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## 2021/22 Estimates Debate

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

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**Issue:** Old Growth issues on Vancouver Island

#### Recommended Response:

- BC's old growth forests, including those on Vancouver Island, are actively managed for competing social, cultural, economic and environmental values, using a suite of legislative and policy tools to maintain these values.
- Government is committed to implementing the recommendations of the independent panel on old growth and has started the high priority work identified in the Report's recommendations.
- This issue is complex. It will take engagement with Indigenous leaders, communities, organizations, industry and environmental groups and an understanding of the economic impacts of the recommendations to develop a consensus on the future of old growth forests in BC.
- As a first step, government deferred harvesting of old growth in 3 areas on Vancouver Island, totalling 263,859 hectares, including areas of high value to First Nations, in Clayoquot Sound, H'Kusam and McKelvie Creek areas.
- Government is aware of the protests over old growth logging in Fairy Creek, but any additional areas for protection will be considered through full engagement and assessment, not a patchwork, valley-by-valley approach.
- Teal Jones Group and Pacheedaht First Nation have come to an agreement to temporarily halt operations in the Fairy Creek area to allow time for the Nation to engage with their community and develop an Integrated Resource Stewardship Plan for their territory.
- Government continues to add to old growth protection, including Vancouver Island, with new old growth management areas and new wildlife habitat areas (WHAs) for species at risk such as the large WHA for Marbled Murrelet located in Fairy Creek, within the San Juan Landscape Unit, containing over 600 hectares of high-quality habitat and a rare Marbled Murrelet nesting site.
- A significant proportion of old growth forest on Vancouver Island is protected or reserved in parks, ecological reserves and other protected areas, in landscape level reserves such as old growth management areas, and in stand level reserves such as riparian reserve zones.
- The Province remains committed to encouraging the growth of an efficient and competitive coastal forest industry through collaboration with the forest industry and stakeholders through the Coast Forest Sector Revitalization Initiative. Old growth harvesting is currently an important component of coast forest operations supporting communities, businesses and the BC economy.
- BC Timber Sales (BCTS) manages a representative proportion of BC's allowable annual cut of Crown timber, including old growth, generating economic benefits to the Province and communities, providing data to determine the fair market value of timber in setting stumpage rates, consistent with our commitment under the Softwood Lumber Agreement, and has a role supporting government's commitment to reconciliation with First Nations.

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#### Key Facts:

- The West Coast Region (WCR) – which includes Vancouver Island, the entire Great Bear Rainforest area and Haida Gwaii - has about 7.55M hectares of forested area, with 3.15M hectares (42%) of that old growth. 33% of the WCR is protected or reserved (1.27M hectares old growth plus 1.22M hectares non-old forest being recruited for future old growth).
- Vancouver Island is comprised of 73% Crown land and 27% private land. 24% of the Crown forest on Vancouver Island is protected or reserved (17% old forest, 7% non-old forest).
- 810,000 hectares (39%) of Vancouver Island's Crown forest lands are old growth forests, nearly half of which is protected or reserved (344,000 hectares). Additional areas of mature and younger forests are also protected to provide ecological, wildlife, cultural, recreation and other benefits, and to grow more old growth.
- The San Juan Landscape Unit, which includes the Fairy Creek Watershed, has approximately 9,200 hectares of old growth, of which more than 2,100 hectares, representing a range of ecosystems, are protected from harvesting in ungulate winter ranges, WHAs and old growth management areas.
- WCR includes two BCTS Business Areas (Strait of Georgia and Seaward-Tlasta). For fiscal 21/22, the business areas have a planned combined harvest of approximately 1.3M m<sup>3</sup> on Vancouver Island. Approximately 65% of this volume is old growth - this percentage and volume is expected to continue for the foreseeable future. The approximate stumpage value of this timber is \$48M.
- Halting all old growth harvesting on Vancouver Island would immediately reduce harvest volumes by 19%, increasing to 24% in the longer-term and would significantly impact jobs and communities on Vancouver Island.

**Date Prepared/Revised: May 13, 2021**

**Ministry Executive Sponsor:**

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**Alternate Contact for Issue:**

Jessica Coster, Director Regional Indigenous and Strategic Initiatives

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**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
.....**Issue:** Old Growth Implementation and Timeline**Recommend Response:**

- This government is committed to increasing protections for Old Growth in BC. That is why we asked Al Gorley and Garry Merkel to complete a Strategic Review of Old Growth Management and provide us with recommendation.
- The panel report *A New Future for Old Forests* was developed in early 2020 and is comprised of detailed and complex recommendations. The recommendations go far beyond just old forest management, with many applying to forestry as a whole.
- As the panel members indicate, the challenge with old growth in BC has been many decades in the making, and it will require time to consider each of the recommendations and in a manner that involves Indigenous Nations, industry, environmental organizations, local governments and stakeholders.
- Since receiving the report, we've been working on the analysis and implications of the recommendations and preparing for the significant amount of work needed over the next several years to address the 14 recommendations of the panel.
- We knew from the start this was going to be challenging, but no one could have foreseen the COVID-19 global pandemic and the extra challenges it has created.
- Our first task – and this was recommended by the panel – is to engage with Indigenous Nations on deferrals. We did this with our first deferrals last year, and we continue to work towards engagement with First Nations and with stakeholders.
- Many recommendations will take time to act on. The old growth panel recognized this, that's why their recommendations were prioritized as near, mid- or long-term. It is important to recognize, the timelines given were to begin work in these areas, not to complete it. Some recommendations make take many years to fully implement.
- The independent panel reviewed a topic that is very technical and inter-connected to all sectors and communities in BC.
- Most importantly the independent panel suggested that the full involvement of Indigenous Nations and leaders is required, and that this should guide the timeline.
- We are following the panel's priorities and are on track with its recommended timeline.
- This is one of several high priority topics for government. But foremost is ensuring the health and safety of British Columbians with our COVID response and vaccination plan, and economic recovery from the pandemic's impacts.

**Key Facts:**

- The Old Growth Strategic Review was submitted to former Minister (Doug Donaldson) April 30, 2020 including 14 recommendations covering broad areas of forest policy.
- The report included a timeline of 3 years to get all 14 recommendations "started". This timeline was pre-COVID 19.

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

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- On November 26, 2020, the Premier directed me in a mandate letter, to continue to “make progress on implementing the recommendations of the Old Growth Strategic Review in collaboration with Indigenous leaders, labour, industry, and environmental groups to protect more old growth stands”.
- The mandate also includes a commitment to “lasting and meaningful reconciliation” with Indigenous Peoples and actions to protect forest industry communities and jobs.
- Top priorities for the near future include:
  - Recommendation #1: Engagement with Indigenous Nations
  - Recommendation #5: Improving public information
  - Recommendation #6: Additional deferrals
  - Recommendation #7: Address compliance issues where they may occur

**Date Revised:** April 8, 2021

**Ministry Executive Sponsor:**

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**Alternate Contact for Issue:**

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## 2021/22 Estimates Debate

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

**Issue:** Response to the Prince George Timber Supply Area (TSA) Forest Practices Board Report and Conservation North public protest concerns around the loss of Old Growth in the Prince George TSA.

#### Recommend Response:

- FLNR staff are developing options for both protecting the values that have been identified in the Old Growth Strategic Panel Review while recognizing the range of potential implications to residents and communities.
- Prince George FLNR staff are working with First Nations and key stakeholders to determine options to locate and provide interim protection of specific areas in response to the Forest Practices Board (FPB) Report.
- We value Conservation North’s public efforts to ensure that FLNR provides a timely response to the recommendations from the Old Growth Special Report.

#### Key Facts:

- In 2020 a special panel, commissioned by government, released the Old Growth Strategic Review Panel Report which confirmed a strong social license to address provincial old growth forests at high risk and a call for immediate action.
- In December 2020 the FPB released a report indicating that old forest biodiversity is at risk under the current Order. Response by government is necessary by June 17, 2021.
- On March 26, 2021 Conservation North organized a protest in Prince George to bring attention to Old Growth concerns both provincially and in the Prince George area.
- Old forests in the Prince George Timber Supply Area (TSA) are managed under the *Order Establishing Landscape Biodiversity Objectives for the Prince George Timber Supply Area* in 2004. This Order predominantly manages non-spatially to allow forest licensees maximum flexibility. Because the old growth in the TSA is not geographically identified in the Order the FPB expressed concern that ecological values are at risk.
- Staff have drafted a response to the FPB report to convert the current a-spatial management of old growth to spatial management by identifying Old Growth Management Areas. It has received FLNR, North Area Assistant Deputy Minister endorsement, and has been forwarded (through e-approvals) to the Associate Deputy Minister for signature.

**Date Prepared/Revised: May 10, 2021**

**Ministry Executive Sponsor:**

Name: David Van Dolah, Acting RED Omineca Region Phone: Government

**Alternate Contact for Issue:**

Name: John Huybers, District Manager PG NRD Phone: 250 552-2364

## 2021/22 Estimates Debate

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

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#### **Issue:** Forest Act, Part 13 – Summary of the Tool and its Recent Use

#### **Recommend Response:**

- Part 13 designations are an important tool under the *Forest Act* that allows government to consider and implement long-term objectives on the land base for public interest purposes.
- This tool allows forestry activities to be temporarily managed in a way that is not otherwise provided for under other legislative instruments. This can include temporarily varying or halting existing forestry activities and preventing or restricting new forestry authorizations.
- Part 13 designations have been used to manage Crown land until decisions respecting protected area designations, treaty settlement lands and, most recently, conservation measures can be made.

#### **Additional Response Points:**

- Part 13 designations are not a solution, but rather an instrument that provides time to identify and implement long-term objectives.
- Part 13 designations are one of a number of tools that may be used to manage Crown land in the public interest. Other tools include land use orders (under the *Land Act*) and Government Action Regulation orders, such as wildlife habitat areas (under the *Forest and Range Practices Act*).
- A unique characteristic of the Part 13 tool is the ability to suspend or vary *current* forestry authorizations.

#### **Key Facts:**

- Once an area has been designated (by regulation), the Minister may make orders to suspend, vary, prevent, or conditionally enable certain permits and licences that overlap the designated area (including road permits, special use permits, and free use permits).
- Part 13 designations may only be in place for a maximum of 10 years.
- Compensation is only available for impacts to timber harvesting rights from the fifth year to the end of the designation.
- If longer-term protections or a change of use (e.g., treaty settlement purposes) have not been implemented at the end of the designation or 10 years (whichever occurs first), the land is once again available for forestry activities.
- Any authorizations that were suspended are restored at the cancellation or expiry of the designation.
- Part 13 designations have generally not been in place beyond several years and have not required compensation; the situations where Part 13 designations have been longer (and require compensation) are often associated with negotiations for First Nation treaties.
- Compensation can be in the form of money or offsets (e.g., another tenure, etc.)

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- Six current designations are in place for:
  - Spotted Owl (habitat): March 11, 2021 – February 28, 2022
  - Mountain Caribou (habitat):
    - Area No. 1, June 20, 2019 – June 20, 2021
    - Area No.2, June 26, 2020 – June 20, 2021
  - Old Growth: September 11, 2020 – August 31, 2022
  - Trees (monumental):
    - Area No. 1, July 16, 2019 – July 5, 2021
    - Area No. 2, December 12, 2019 – July 5, 2021
  - Kitsumkalum-Kitselas (treaty related): September 19, 2016 – June 30, 2025
  - K'omoks (treaty related): January 31, 2013 – December 1, 2022

**Date Prepared/Revised: April 8, 2021**

**Ministry Executive Sponsor:**

Name: Morgan Kennah

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

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#### **Issue:** Special Tree Protection Regulation

#### **Recommend Response:**

- The Special Tree Protection Regulation (STPR) protects an estimated 1,500 of B.C.'s biggest trees from being harvested or damaged by forestry activity.
- The STPR is innovative in its approach, as it affords trees “grandfathered” protection; meaning, if a tree or a stand of trees meets certain criteria, they are protected. Previously, these trees would have to be individually identified in order to be protected.
- The regulation builds on government’s 2019 announcement that it would develop a permanent approach to protecting big, iconic trees.

#### **Additional Response Points:**

- The intent of the STPR is to protect large, individual trees and the adjacent trees that buffer them, and is designed to operate in conjunction with other management tools being explored to further protect old growth forests.
- Some exceptionally large trees may be in forests that are not defined as “old growth”, and without the STPR, they may not have otherwise been protected.
- FLNR reviewed provincial forest inventory data to develop targets and ensure that the criteria in the regulation was appropriate.
- The adjacent trees that surround these special trees are critically important in protecting them, as they provide a buffer from potentially damaging natural (e.g. wind) and cultural (e.g. adjacent harvesting activities) factors.
- The buffer specified in the STPR is a 56-meter horizontal radius and was selected based on the guidance provided by Provincial windthrow experience.
- Government may review the outcomes of the STPR and may adjust the regulation based upon the results of that review.

#### **Key Facts:**

- A tree must be of a certain species with a specific diameter and, as applicable, located in a prescribed area in order to be protected.
- The regulation applies to forestry activities on Crown land, and private land that is subject to a forestry agreement.
- The minister may grant exemptions from the regulation, but only in specific circumstances (e.g. to prevent a forest health emergency). Certain low impact actions are permitted without an exemption (e.g. trimming a buffer tree for road maintenance).
- Licensees are required to submit information respecting protected trees located in their harvesting area in order to assist in compliance and enforcement, and to enable the ministry to monitor aspects of the regulation’s effectiveness.
- On balance, trees of exceptional size, when retained, carry substantial cultural, aesthetic, ecological, habitat and ecotourism value.



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- Potential economic and business impacts will be mitigated because not all of the 1,500 trees are located in active harvest areas.
- The volume associated with the protected Special Trees have a relatively small impact on the overall economic viability of the areas in which they are located. .

**Date Prepared/Revised: April 6, 2021**

**Ministry Executive Sponsor:**

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**Alternate Contact for Issue:**

Name: Rachael Pollard

Phone: Government  
778-974-5840

**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
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**Issue:** Glyphosate Use in B.C.

**Recommend Response:**

- Glyphosate is an herbicide used to support provincial reforestation efforts by controlling brush and other competing vegetation. Foresters use a variety of approaches to manage competing vegetation including manual brushing, mechanical site preparation, prescribed burning, herbicides and biological treatments.
- Glyphosate, as with all herbicides used in Canada, are regulated and registered by Health Canada's Pest Management Regulatory Agency (PMRA).
- PMRA reconfirmed registration for glyphosate in 2017, stating that "products containing glyphosate do not present risks of concern to human health or the environment when used according to the revised label directions."
- PMRA reconfirmed their decision in 2019, based on an expanded evaluation of their 2017 decision.
- Glyphosate use must comply with B.C.'s *Integrated Pest Management Act* (IPMA) which states steps that must be taken to minimize impacts on the environment, including fish-bearing streams.
- The latest audit by Ministry of Environment and Climate Change Strategy (ENV) for the 2019 field season found a 100 percent compliance rate with audit inspections assessing compliance with Integrated Pest Management requirements to protect sensitive aquatic features.
- Achieving diversity and ecosystem resilience are key objectives of this government and are considered whenever glyphosate use is proposed.
- Glyphosate is not widely used, with application declining each year relative to the area harvested.
- Based on current and ongoing research, FLNRO guidance allows for increased levels of broadleaf trees on appropriate sites in managed stands.
- As a result, data shows that in the B.C. interior, mixed deciduous stands have been increasing over time.

**Additional Response points (if needed):**

- Under the B.C. IPMA and Regulation (IPMR), use of glyphosate products in forestry for vegetation and invasive plant control, requires authorization by way of registering a Pest Management Plan (PMP).
- Registering a PMP requires First Nations and public consultation.
- The IPMR contains environmental and health protection requirements such as setbacks from sensitive areas (e.g., wetlands) as well as public notification requirements.
- In 2019, in response to public concerns about glyphosate use, FLNRO commissioned an independent assessment of peer reviewed forest science related to glyphosate use.

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- FLNRO, in conjunction with UNBC, has carried out two-year studies in the Omineca to look at glyphosate residues and the impacts of herbicide spraying on moose habitat and nutritional quality of moose forage. Recently released reports have provided new information on extended length of detection in plant tissue and residues in browse, which will require further consideration through the coming year.
- FLNRO and ENV staff continue to evaluate these recent reports and based on the scientific evidence, will make recommendations consistent with the health and safety recommendations provided by Health Canada's Pest Management Regulatory Agency.

#### **Key Facts:**

- Since 1990, herbicide use has declined by 50 percent across the province.
- In 2018, roughly 11,000 hectares (ha) were treated with glyphosate representing 7 percent of the Crown area harvested that year and less than 0.5 percent of the area eligible for reforestation treatments. 73 percent of the 2018 glyphosate application occurred in the Omineca Natural Resource Region and 86 percent of that was applied aerially.
- In 2019, the area treated was reduced even further to 4,642 ha with an almost even split between ground and aerial application.
- Free Growing data shows that in the Omineca Region, deciduous trees accounted for 15-21 percent of the stand density in sites that were previously treated with glyphosate. Work is ongoing to analyze this further.
- Licensees and BC Timber Sales Branch have indicated that the Free Growing policy changes adopted in the Cariboo Region have reduced annual brushing treatments by an average of 17 percent.
- Field studies have shown that:
  - the effects of glyphosate on the environment are minimal when the herbicide is applied according to product's health and safety directions; and
  - species richness and diversity of plant communities, small and large mammals, songbirds, and invertebrates, remain within the range of natural variation, and that changes to communities tend to be transient.

**Date Prepared/Revised: April 19, 2021**

**Ministry Executive Sponsor:**

Shane Berg

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**Alternate Contact for Issue:**

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**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
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**Issue:** Plan to create a new Ministry for Lands and Natural Resource Operations

**Recommend Response:**

- Over the course of 2021/2022 and 2022/2023, the Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNR) may undergo organizational restructuring in order to more effectively support land use policy and objectives that enhance economic activity, environmental sustainability and reconciliation with indigenous peoples.
- The Lands and Natural Resource Operations Secretariat (Secretariat) is charged with bringing forward restructuring options. In doing this work, one of the options that will be considered is the development of a plan to create a new Ministry for Lands and Natural Resource Operations.

**Additional Response points (if needed):**

- FLNR was established in 2010 and much has changed in the past decade. Undertaking an organizational effectiveness review is both timely and appropriate given how important the natural resource sector is to British Columbians.
- Minister of State Nathan Cullen is leading an extensive engagement with First Nations, industry, non-government organizations, local governments, and crown agencies to hear from them what is working well in the natural resource sector and where improvements can be made.
- The Secretariat is undertaking an extensive internal engagement with staff from across the natural resource sector and at all levels of the organization.

**Key Facts:**

- In undertaking this review, the Secretariat, led by Lori Halls, Deputy Minister, has adopted leading practices on organizational effectiveness from Queen's University.
- The Secretariat has established a set of design principles that restructuring options will need to address: accountability, adaptability, integration, inclusivity, innovation, regional presence and service orientation.
- This comprehensive review will likely identify other elements of organizational effectiveness including governance and strategy, organizational structure, systems and process, tools and technology, and people and resources.
- The organizational effectiveness review will take place in three phases:
  - Assessment (February – May 2021) – extensive internal and external engagement;
  - Design (June – Fall 2021) – development of restructuring options and the pros and cons of each; and
  - Implementation (December 2021 – Spring 2022) – once decision is made, an implementation plan will be developed and actioned.

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- The Secretariat's operating budget for FY21/22 is \$2.42M. \$1.8M totals the Secretariat's salaries/benefits and \$630K are operating expenses. Approximately \$500K of the salaries/benefits is being recovered by EMLI, ENV, MIRR, and AFF. The remaining \$1.3M comes from FLNR.

**Date Prepared/Revised: April 6, 2021**

**Ministry Executive Sponsor:**

Name: Lori Halls, Deputy Minister

Phone: Government  
Financial

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

#### **Issue:** Ministry Strategies to Improve Permitting Services on Crown Land

#### **Recommend Response:**

- The efficient delivery of permitting services is essential to our economy, and this program has been uninterrupted by the COVID-19 pandemic.
- My ministry's regionally based teams consider sustainable economic development, environmental protection, societal needs, and the reconciliation of Indigenous rights when making permitting decisions.
- As our population and economy has grown, so has the demand on permitting services, and it is my job as minister to work within my budget to deliver quality services that are available and effective.
- To address the increasing workload and tackle permitting delays, I have asked my staff to find new and better ways of doing things. The ministry continues to put significant resources, energy, and funding into further streamlining, automation, training, policy development, and greater risk-taking, to improve permitting performance.
- More specific examples of this include ongoing work in the following areas:
  - **FrontCounter BC:** the primary initial touchpoint for natural resource authorizations—continues to improve service delivery for the public. This includes on-going work to develop and promote new and existing “contactless” options for the public to access permitting services. Client Satisfaction is strong at 76.3 provincially for FCBC services.
  - **Lands:** We are undertaking a Crown Lands Transformative initiative to improve Crown land permitting, with the goal of simplifying the application process, streamlining labour-intensive work and reducing processing timelines.
  - **Water:** My ministry has responded to wait-time concerns brought by industry requiring permitting under the *Water Sustainability Act* and added more staff to support economic development, including the vital needs of the residential construction industry.
    - We have also been listening to groundwater users to streamline the application and decision-making process to be more responsive.
  - **Aquaculture:** In collaboration with First Nations, and working with the Federal government and industry, we have developed a new approach to delivering aquaculture tenures that balances economic development with the protection of sensitive marine ecosystems. This includes adding more staff resources.
  - **Fish and Wildlife/Range:** We are implementing new strategies to improve processing times for fish and wildlife permits, and we are working with the BC Cattleman's Association to improve how we deliver our Range permitting.
  - **Archaeology:** We are completing a continuous improvement re-design of Archaeological permitting and site inventory processes and systems to

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streamline reviews, better manage and track information, enable direct data entry by applicants, and improve timelines.

- **Mines Notice of Work (approvals for mineral exploration, stone, sand and gravel operations and placer mining):** My ministry continues to work closely with EMLI, and in partnership with the Association for Mineral Exploration and the BC Stone, Sand and Gravel Association, to simplify and improve joint processes, conduct coordinated consultations with First Nations, and enhance application guidance and process consistency, to improve the timelines for obtaining necessary *Mines Act* permits.
- **Cutting Permits:** We continue to work on streamlining the application, review, and approval process for Cutting Permits and are making enhancements to our IT systems to improve the timeliness on requests for authorization to harvest timber on Crown land. Cutting permit approvals average 40 day or less across BC.

#### Key Facts:

- The review and administration of permitting required by legislation is a unique and specialized function provided by FLNR as the Province's land manager and regulator.
- BC's *Land Act* requires permitting for any use or disturbance of Crown Land, and work in or near rivers and watercourses triggers permitting requirements under the *Water Sustainability Act*.
- BC's *Heritage Conservation Act* requires permitting when assessing archaeological resources and altering known or recently encountered archeological sites on Crown or private land.
- BC industry sectors, such as housing and infrastructure construction, transportation, tourism, and aquaculture rely on Crown Land permitting. Several industry organizations have raised concerns about delays in obtaining Crown land permits.
- As a result of significant volumes of incoming applications (especially in the high population areas of the province), the increasing complexity of the information being considered, and a high turnover of staff in the busiest offices, a growing backlog of files has developed for Land and Water permits.
- Additional staff are being added, and existing resources reallocated where possible, to help reduce the backlog and address priority initiatives.

**Date Prepared/Revised: April 14, 2021**

**Ministry Executive Sponsor:**

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Financial

**Alternate Contact for Issue:**

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**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
.....**Issue:** Existing Use Groundwater Licensing**Recommend Response:**

- Existing use groundwater users have until March 1, 2022 to apply for a groundwater licence or they will lose recognition of their historical date of first use.
- Progress on licensing existing use groundwater users under the *Water Sustainability Act* (WSA) has been slower than expected.
- The Province has not seen as many applications submitted as expected and it has taken longer to review and process the applications than anticipated.
- In response to challenges that stakeholders expressed regarding submitting existing use groundwater applications, the Province extended the transition period to March 1, 2022.
- Advertising and outreach efforts have been implemented to ensure all users are aware of their responsibility to apply for a licence within the transition period.
- The application and decision-making processes have been streamlined where permitted.
- Those who continue to use groundwater after March 1, 2022 without a licence or application submitted prior to March 1, 2022 will be in noncompliance and may be subject to fines and ordered to stop using the groundwater. Missing the deadline may also be costly in terms of then being required to pay new-user application fees between \$250 and \$10,000 and the cost of additional studies to support an application.
- Existing use groundwater users are encouraged to apply before the transition period ends to protect their access to water.

**Key Facts:**

- The WSA was brought into force February 29, 2016, and includes operational regulations related to licensing surface and groundwater, water fees and rentals, groundwater protection and well construction, and dam safety.
- Pre-existing non-domestic groundwater users are required to submit an application for a water licence to obtain the right to continue to divert and use water from their wells.
- The Province's application process has been criticized by many users and sector groups as being unresponsive and bureaucratic.
- An estimated 20,000 existing non-domestic groundwater wells are expected to require licensing. To date, the rate of groundwater application submissions is lower than expected. As of February 28, 2021, 20% (4,045) of anticipated applications have been received.
- Outreach, in this final year, will shift the messaging from emphasizing the benefits of applying to focusing on the consequences of not applying through



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government information bulletins, social media, and advertising in stakeholder newsletters.

- The implications of implementing the *Declaration of Rights of Indigenous People Act* on the application adjudication process is being reviewed to ensure that reconciliation is being considered.
- Some stakeholders and advocacy groups have questioned the adequacy of the level of resourcing for implementation of the WSA. Licensing groundwater is a new line of business. It has taken time to work through the process to develop efficiencies. It is expected that improvements in process time will be observed this year.

**Date Prepared/Revised:** April 8, 2021

**Ministry Executive Sponsor:**

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Phone: 250-217-5385

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## 2021/22 Estimates Debate

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

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#### **Issue:** Private Managed Forest Land Management

#### **Recommend Response:**

- The intent of the Private Managed Forest Land (PMFL) Program is to encourage sound forest management practices on British Columbia's private forested land.
- To better understand the broad concerns that many communities have regarding harvesting activities on private land, Government committed to a review of the effectiveness of the PMFL Program, beginning in May 2019.
- The review is examining how well the program meets its goals of encouraging participating private landowners to manage their lands for long-term forest production, to encourage sustainable management practices and protect shared public environmental values.
- The first phase of the review has been completed. Input was received from BC citizens, local governments, First Nations and private landowners. Details of the review, and a summary of the input received thus far, have been publicly posted.
- The review is well into its second phase to develop issue summaries and policy recommendations for government's consideration.
- The second phase of the engagement strategy has faced considerable challenges given the COVID-19 pandemic but consultation with key stakeholders has continued, including private landowners, the Private Forest Landowners Association, the Managed Forest Council, the Islands Trust, and local government representatives.
- I am aware of the considerable complexity of impacts experienced by communities from development activities on private forested land, including forestry activities as they are regulated under our voluntary PMFL Program.
- I look forward to communicating out on the second phase of the review once I have carefully reviewed this work with my staff and minister colleagues.

#### **Additional Response points:**

- I am aware of concerns regarding activities on private forested land that is not registered in this program. The voluntary nature of this program means that it does not encompass activities on all private forested lands in BC.
- Private landowners who are not registered in the PMFL Program are subject to all regional district and municipal bylaws, as well as any provincial and federal legislation that may apply.
- The ministry is committed to working with local governments in their efforts to address citizen's concerns for land not registered in the PMFL Program.

#### **Key Facts:**

- In BC, there are 281 managed forest properties and approximately 70 percent are located on the Coast and 30 percent are in the Interior.
- Approximately 818,000 hectares of land is currently classified as Managed Forest Land.

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- The largest land manager is Mosaic Forest Management on Vancouver Island.
- Under the *Private Managed Forest Land Act* (the Act), in exchange for a lower property assessment, private landowners commit to managing for key public environmental values, specifically protection for soil conservation, critical wildlife habitat, fish habitat, drinking water quality, and prompt reforestation.
- The Act and regulations strive to balance the rights of private landowners with environmental protection.
- The Managed Forest Council administers the program and responds directly to complaints about forest practices on PMFL and levies fines for infractions. The council consist of five members; the minister appoints two members; the owners appoint two members and together they select a chair.

**Date Prepared/Revised: March 31, 2021**

**Ministry Executive Sponsor:**

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**Alternate Contact for Issue:**

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**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
.....**Issue:** *Water Sustainability Act***Recommend Response:**

- The *Water Sustainability Act (WSA)* was brought into force in February 2016.
- The WSA introduced the requirement for groundwater users to obtain an authorization for their groundwater use.
- The WSA provides the additional requirements to consider environmental flow needs in allocation decisions and greater ability to restrict and manage water use to protect the aquatic ecosystem during times of scarcity.
- In addition to allocation, the WSA regulates changes in and about a stream.
- The WSA provides the opportunity for setting water objectives, undertaking water sustainability planning, and developing area-based regulations to address specific issues.

**Additional Response points:**

- Although the number of groundwater use applications is lower than expected, the implementation of the WSA is progressing well and providing the opportunity to consider environmental flow needs.

**Key Facts:**

- The implementation of the WSA is a significant change in BC. It will require continued engagement and communication to ensure the legislation is effectively implemented.
- The WSA was envisioned to be implemented in phases. The current focus on authorizations provides a transition for users into the WSA. Successive phases will focus on additional stewardship, planning or area-based regulations.
- Implementation of the *Declaration on the Rights of Indigenous People Act* (Declaration Act) needs to be considered in the way that the business of the WSA is conducted. Ownership of water, or who has the right to water, and priority date for Indigenous access to water are key issues to be considered in the implementation of the Declaration Act. Addressing these issues will be key to advancing reconciliation. As the WSA provides for consideration of environmental flow needs and response to times of scarcity it appears to be an effective tool for advancing some aspects of reconciliation.
- External stakeholders are supportive of the WSA, though some have been critical of funding levels and not taking a more direct approach to implementation, including the use of compliance and enforcement.
- The current focus is to encourage existing groundwater users to apply for licences by March 1, 2022. New groundwater users also need to be reminded that they must apply for an authorization.

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

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**Date Prepared/Revised:** April 8, 2021

**Ministry Executive Sponsor:**

Name: David Muter, ADM

Phone: 250-217-5385

**Alternate Contact for Issue:**

Name: Ted White

Phone: 778-698-3981



## 2021/22 Estimates Debate

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

#### **Issue:** Bridal Veil Falls Gondola and All-Season Resort Applications

#### **Recommend Response:**

- Two tourism focused proposals have been received by the ministry for the same area of Crown land: the Cascade Skyline Gondola Project and the Bridal Veil Mountain Resort.
- The South Coast Region and Mountain Resorts Branch are currently conducting a coordinated preliminary referral to First Nations and Local Governments on both proposals.
- Following the 45 day referral period, the ministry will evaluate the feedback and determine how and whether to proceed with either proposal.
- The Province does recognize the intricacies of two overlapping proposals and will ensure fair and reasonable processes are followed.

#### **Key Facts:**

- South Coast Region Crown Lands received an application under the Adventure Tourism Policy for a gondola project called the Cascade Skyline Gondola Project (CSGP) (formerly called the Bridal Veil Falls Gondola Project).
  - The application was received July 28, 2020 and accepted by FrontCounter BC on December 18, 2020.
  - They currently hold an investigative use licence issued in 2019 and expiring in May, 2021.
  - Cheam First Nation is an equity partner in the project.
- Mountain Resorts Branch (MRB) received an Expression of Interest (EOI) under the All-Seasons Resort Policy for the Bridal Veil Mountain Resort (BVMR).
  - The EOI was received November 20, 2020 and accepted for review on January 21, 2021.
- Both projects are similar in nature but were accepted under different policies.
- There is significant overlap between the two proposals both in terms of geography and key features (e.g., gondola) but also include key differences (e.g., bed units and village at the resort).
- There are existing cultural / First Nation, environmental, public recreation and natural resource interests in the area.
- The ministry has decided upon a coordinated joint early referral process between MRB and Crown Lands and is anticipated to initiate in late April 2021.
- Intergovernmental Communications

**Date Prepared/Revised: April 16, 2021**

**Ministry Executive Sponsor:**

Name: Craig Sutherland/Matt Austin

Phone: 778 698-7861 (CS) / 250 360-6317 (MA)

## 2021/22 Estimates Debate

**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
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**Alternate Contact for Issue:**

Name: Kevin Haberl/Jennifer Goad

Phone: 778 572-2215 (KH) / 778-698-9404 (JG)



## 2021/22 Estimates Debate

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

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#### **Issue:** Site C

#### **Recommend Response:**

- The province oversees the construction of the Site C Clean Energy Project (the “Project”) as authorized by the water licences.
- Provincial staff work to issue authorizations in a timely manner while managing potential risks to environmental, cultural, and social values, and the obligations of the licensee.
- The water licences for the Project were issued after extensive consultation with Indigenous Nations, including a *Water Act* written hearing conducted by the decision maker, in-person presentations and meetings involving the proponent, their consultants, and Indigenous Nations.
- BC Hydro seeks input from Indigenous Nations at monthly meetings and through discussion forums and the Province considers this input in issuing authorizations for each phase of construction.
- Where there are compliance issues, the provincial and federal regulators are working with BC Hydro to resolve them.

#### **Key Facts:**

- BC Hydro holds a water licence for the diversion of water to generate electricity and a water licence for the storage of water to support power production.
- The 23 phases of the Project must be authorized by a Leave to Commence Construction (LCC), each of which may be separated into Leave to Construct (LTC) components to authorize specific construction activities.
- To date, the Project has been issued 15 LCCs (with six amendments) and 73 LTCs (with 79 amendments).
- Diversion of the Peace River around the construction site and subsequent construction of the dam began in September 2020.
- BC Hydro is working on the design of the right bank stability enhancements with construction of the enhancements expected to begin mid-2021.
- To partially mitigate the Project’s impacts on upstream migration of fish, BC Hydro is operating a temporary upstream fish passage facility during construction and will operate a permanent upstream fish passage facility when construction is complete.
- BC Hydro must complete monitoring and mitigation plans to address the Project’s effects on vegetation and wildlife (22 plans), and fish and fish habitat (five plans).
- The diversion of the Peace River around the site began in September 2020, allowing construction of the earthfill dam to proceed.
- Reservoir filling is scheduled for 2023 and operation of the generating station is scheduled for 2025.

## 2021/22 Estimates Debate

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

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- The Ministry of Energy, Mines and Low Carbon Innovation is responsible for the independent review of the Site C Project.

**Date Prepared/Revised:** April 8, 2021

**Ministry Executive Sponsor:**

Name: David Muter

Phone: 250-217-5385

**Alternate Contact for Issue:**

Name: Ted White

Phone: 778-698-3981

## 2021/22 Estimates Debate

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

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#### **Issue:** OAG Audit – Management of Forest Service Roads (FSRs)

#### **Recommend Response:**

- The Office of the Auditor General (OAG) report has helped to identify and prioritize policy work needed to ensure FSR management policy aligns with field work and is properly reported.
- Most of the recommendations involve a thorough review of existing policy and determining opportunities for improvement.
- Guided by the OAG recommendations, the ministry has engaged a working group to review and revise the Engineering (Policy) Manual.
- In addition, the Regional Operations Land Resource Management System (LRMOPS) is already in development and will be implemented over the next three years. This will assist in ensuring our policy in assessing FSR maintenance and inventory is reflected consistently in our tracking systems.
- Together, systems and policy work will help match field conditions with reporting, and how to prioritize funding in a transparent way that demonstrates road and bridge safety is being assured.
- At the same time, some work on FSRs was not captured by the audit because it was limited to a review of legislation, policy and ministry databases and did not include a field component that would “ground-truth” findings in the field.
- Safety is always our highest priority. Recent field audits of FSR management by the Forest Practices Board show good performance on the ground, and safety issues are addressed when identified. We agree that it is important to see similarly strong results in reporting and policy.

#### **Key Facts:**

- An OAG report, focused upon ministry data systems and policy, has concluded that the ministry did not manage safety and environmental risks on FSRs in accordance with its policies.
- While not confirmed on the ground, ministry data systems could not demonstrate complete necessary maintenance and repairs on roads and crossing structures such as bridges and major culverts.
- Information about the inventory of FSRs was inconsistent within existing and in-development information systems regarding both inspections and maintenance.
- Historically, FSRs were built, maintained, and deactivated by the forest industry for log-haul purposes.
- FSRs are now more broadly used by the public and government has had to re-examine their mandate, with more focus upon access to rural communities and residences, and wilderness access for commercial and recreational purposes.

## 2021/22 Estimates Debate

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

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**Date Prepared/Revised:** April 1, 2021

**Ministry Executive Sponsor:**

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Phone: 778-698-7253

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## 2021/22 Estimates Debate

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

#### **Issue: Public Access through private land (no right to roam legislation)**

#### **Recommend Response:**

- Although there are vast areas of Crown land available to outdoor recreation enthusiasts in British Columbia, the ministry recognizes that some historic Crown grants that encompass large tracts of land have created access issues for locals.
- There is no common law or statutory “right-to-roam” on private land in BC.
- In British Columbia, rights of public access across private land do not generally exist, unless they are issued by the landowner or otherwise established by an easement or statutory right of way registered on the title.
- In terms of the outcome of the BC Court of Appeal *Douglas Lake Cattle Company v. Nicola Valley Fish and Game Club* decision of March 5, 2021, common law rights regarding public access across private land remain unchanged in BC.

#### **If asked about the recent application to appeal at the Supreme Court of Canada:**

- It is not appropriate to comment on a case currently before the courts.

#### **Key Facts:**

- There is no common law or statutory “right to roam” on private land in BC. The Province has not pursued “right to roam” legislation that would provide public access to private land since the vast majority of land in BC (about 94%) is provincial Crown land that provides access to a wide range of recreational opportunities.
- The Douglas Lake Cattle Company (DLCC) owns a series of lots that surround two Crown-owned lakes. For many years, DLCC has asserted that these two lakes, the road (Stoney Lake Road) and the fish in the lakes belongs to the ranch. On March 5, 2021, the BC Court of Appeal ruled that there is no common law or statutory right that provides public access across private land owned by the Douglas Lake Cattle Company (DLCC) to reach the two Crown lakes, that the public road does not reach the lakes, and that there is no public trail.
- On April 7, 2021, The Province was served with notice by the Nicola Valley Fish and Game Club that they are applying for leave to appeal to the Supreme Court of Canada. There is strong renewed public interest in “right to roam” legislation which is based, in part, on recent media coverage of the DLCC case, as well as a 2016 discussion paper from the Outdoor Recreation Council and a 2017 private members bill (M223).

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Prepared for 2021/22 Estimates Debate

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## 2021/22 Estimates Debate

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

**Date Revised (V.V.): April 9, 2021**

Contact for Ministry of Attorney General:  
Moriah MacLeod-Shaw, Legal Counsel

Phone: Government  
Financial

Ministry Executive Sponsor:  
Name: Sarah Fraser, ADM R.O.T.E.

Phone: 778 698-7253

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**Prepared for 2021/22 Estimates Debate**

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## 2021/22 Estimates Debate

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

**Issue:** Forest Enhancement Society of BC

**Recommend Response:**

- Forest Enhancement Society of BC (FESBC) has been a strong partner in the delivery of projects that contribute to the Province’s key commitments of managing for climate change, sustainability and reconciliation; leading to continued benefits for B.C.’s forests, Indigenous peoples, and communities.
- As of March 31, 2021, FESBC has allocated approximately \$237M to 269 projects to reduce wildfire risks, improve damaged forests, improve wildlife habitat, enhance fibre recovery, reduce greenhouse gas emissions and sequester carbon. Many of the projects span multiple years with ongoing work until Summer 2022.
- Approximately 2,200 full time equivalent jobs are created from FESBC funded projects.

**Additional Response points (if needed):**

If asked whether additional funding will be provided to FESBC:

- In 2021/22, FESBC will oversee on the ground implementation of approved projects, valued at about \$60M.
- As part of the StrongerBC economic recovery plan, FESBC was provided \$3M to support 13 projects in 2020/21. FESBC will be considered when future funding opportunities arise.
- We have been able to use FESBC investments to leverage federal government funding. As we learn more details about new opportunities to access federal funding, we will explore options including FESBC.

**Key Facts:**

- FESBC was formed in 2016 under the *Society Act*.
- The purpose of FESBC is to advance and advocate for the environmental and resource stewardship of British Columbia’s forests by funding projects that prevent and mitigate the impact of wildfires, improve damaged or low-value forests, enhance fibre utilization and treat forests to improve the management of greenhouse gas emissions.
- To date FESBC has received \$238M from government and leveraged \$75M of federal funding through the federal Low Carbon Economy Leadership Fund:
  - \$85M initially in 2016;
  - \$150M in 2017 to support reforestation, fertilization, and wood fibre utilization projects to help B.C. fulfil the Low Carbon Economy Leadership Fund Agreement between Canada and B.C.; and
  - \$3M in 2020 under the StrongerBC economic recovery plan.
- FESBC has completed seven rounds of proposal intakes.
- As of March 31, 2021,

## 2021/22 Estimates Debate

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

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- FESBC has allocated \$237M to 269 projects;
- About 160 projects have been completed; and
- Approximately \$170M has been spent.
- FESBC will spend about \$60M in 2021/22 to implement approved projects.
- FESBC expects to have all projects completed by Summer 2022.
- FESBC has been partnering with the Habitat Conservation Trust Fund to co-fund projects – \$3.9M up to fiscal year 2020/21, and an additional \$1.5M in 2021/22.
- Approximately 30% of the projects funded by FESBC are led by First Nations proponents or have significant First Nations participation.
- For 2021/22, FESBC will focus on:
  - Ensuring that FESBC contributes to B.C.'s economic recovery and supports strong, resilient rural communities by prioritizing investments to projects that generate good paying, sustainable jobs to meet the purposes of FESBC and the Forest Carbon Initiative objectives;
  - Implementing a plan and determining measurable outcomes to ensure all funded projects are completed safely and effectively, and bring lasting economic, environmental and social benefits to the people of B.C.; and
  - Delivery of a comprehensive communications strategy which clearly demonstrates to the public how the achievements of FESBC have successfully contributed to the Province's economic recovery and led to continued economic and environmental benefits for B.C.'s forests, Indigenous peoples, and communities.

**Date Prepared/Revised: March 31, 2021**

**Ministry Executive Sponsor:**

Name: Diane Nicholls

Phone: 778-974-5840

**Alternate Contact for Issue:**

Name: Vera Sit

Phone: 778-974-3047



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

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### **Issue:** Funding for Recreation Sites and Trails

#### **Recommend Response:**

- We acknowledge the challenges faced by communities and government programs charged with managing and maintaining outdoor recreation infrastructure; particularly, considering increased participation in recreation during the pandemic.
- In addition to \$8M in operational funds and \$0.75M in Land Base Investment Funding, the Forest Employment Program has provided over \$4M to support recreation sites and trails facilities in the past two years, predominantly in the form of maintenance funding.
- In 2020, the ministry provided just over \$400,000 for three recreation youth crews to provide critical maintenance at recreation sites and trails in the Williams Lake, Vanderhoof and Clearwater areas.
- In 2021, the ministry provided \$2.7M for 16 youth crews (64 youth); these crews build on the program started in 2020.

#### **Additional Response points (if needed):**

- We are fortunate that we have so many passionate volunteers who work tirelessly to maintain and promote our sites and trails throughout the province. Even so, we know that they are being burnt out by their efforts.
- Programs like Recreation Sites and Trails are making efforts to direct traditional and new funding sources to maintain existing recreation facilities, rather than development of new facilities.

#### **Key Facts:**

- RST's annual operations budget is approximately \$8M and funds approximately 50 full time positions.
- RST and BC Parks jointly undertook a campsite expansion project beginning in 2016 that invested \$23M (\$5M for RST) in new campsites.
- Growth of participation in outdoor recreation over the past decade was accelerated by the COVID-19 pandemic. Summer 2020 visitation and use at recreation sites and trails, was notably higher than any previous years.
- RST is not able to meet community and user demands for development of new recreation opportunities or maintenance of existing recreation infrastructure.
- In 2021, the Outdoor Recreation Council in cooperation with 29 outdoor recreation organizations, initiated a very public, province-wide campaign to advocate for a \$4M increase in operations funding for RST.

**Date Prepared/Revised:** April 7, 2021

**Ministry Executive Sponsor:**

Name: Matt Austin, ADM, Integrated Resource Operations

Phone: 250-360-6317

## 2021/22 Estimates Debate

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

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**Alternate Contact for Issue:**

Name: John Hawkings, Director, Recreation Sites and Trails      Phone: 236-468-3918

## 2021/22 Estimates Debate

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

#### **Issue:** Provincial Rail Trail Funding and Maintenance

#### **Recommend Response:**

- The ministry is prioritizing available resources to critical rail trail infrastructure repair and maintenance.

#### **Additional Response points (if needed):**

- In 2021 and again for 2022, the ministry has been able to provide \$450,000 in funding to the Regional District of Okanagan Similkameen for rail trail related maintenance works.
- In 2021, the ministry completed over \$1.4M in critical infrastructure repairs and projects on rail trails including repairs for a major trestle west of Summerland at risk of failure.

#### **Key Facts:**

- The ministry is responsible for over 800km of former rail corridors jointly managed by Recreation Sites and Trails (RST) and (542km) and Regional Operations, South Area (263km).
- Former rail corridors are associated with complex infrastructure in remote and often steep terrain that pose risks to public safety, property and heightened liability for the Province.
- There is currently no identified funding or staff resources for these former rail corridors. Over the past decade, minimal funding has been redirected by RST from general site and trail maintenance budgets to cover some critical rail trail maintenance.
- The ministry is preparing a pressure funding request for fiscal year 2021/22 of approximately \$1.39M in operational funds.
- A cross-ministry working group led by FLNR is evaluating long term options for the management and governance of former rail corridors.

**Date Prepared/Revised:** «add date»

**Ministry Executive Sponsor:**

Name: Matt Austin, ADM, Integrated Resource Operations      Phone: 250-360-6317

**Alternate Contact for Issue:**

Name: John Hawkings, Director, Recreation Sites and Trails      Phone: 236-468-3918

## 2021/22 Estimates Debate

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

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**Issue:** Heritage Properties Funding

#### **Recommend Response:**

- Government is committed to protecting the heritage properties that it owns, assisted by the great work of B.C.'s heritage site operators.
- After a decade of investment to address major maintenance issues, B.C.'s staffed heritage properties are now more cost effective to maintain.
- In 2021, Government is providing \$3.775M to maintain these assets, conserve their heritage values and support public access.
- While some site operators are seeking greater and longer-term financial commitments, these requests must be considered in light of other heritage sites that British Columbians would like the Province to also fund and protect.
- In light of COVID-19, staffed sites were again provided with upfront operating assistance for the year, helping site managers to deal with these uncertain times.
- I understand all of the sites are intending to open at full capacity unless, public health orders dictate otherwise.

#### **Key Facts:**

- Funding is provided annually since 2002, to offset operating shortfall (gap between site-earned net revenue and operating cost) at staffed heritage properties, although this has not been consistent from year to year.
- For 2021/22 operating assistance for heritage properties is forecasted at \$3.775M.
- To prepare the organizations running the two largest sites (Barkerville and Fort Steele) for a return to 2015/16 funding levels and budget uncertainty in the out-years, Barkerville Heritage Trust was provided \$1.3M, and the Friends of Fort Steele \$0.5M in fiscal 2018/19.
- Barkerville Heritage Trust, in particular, continues to seek \$0.67M incremental funding in addition to the funding provided by Heritage Branch for this fiscal.
- Eight properties are operated under agreements with site operators, three are leased to community societies, a further nine properties are unstaffed, as well, 44 others are provincially heritage designated, owned by other levels of government or non-profits, and receive no dedicated funding.
- In 2020/21, government also invested \$20M in community owned Unique Heritage Infrastructure through the CERIP recovery program.
- The attached Appendix table shows funding allocation to provincially owned heritage properties since 2016/17.

**Date Prepared / Revised: April 8, 2021**

**Ministry Executive Sponsor:**

Name: Jennifer Goad, ED, Mountain Resorts & Heritage, IROD Phone: 250-360-6317

## 2021/22 Estimates Debate

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

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**Alternate Contact for Issue:**

Name: Richard Linzey, Director, Heritage, IROD

Phone: 778-698-4184

#### Appendix: Funding allocation to provincially owned heritage properties since 2016/17

|                             | 2016-17            | 2017/18                    | 2018/19                    | 2019/20            | 2020/21            | 2021/22            |
|-----------------------------|--------------------|----------------------------|----------------------------|--------------------|--------------------|--------------------|
|                             | Actual             | Actual                     | Actual                     | Actual             | Actual             | Forecast           |
| <b>Staffed Properties</b>   |                    |                            |                            |                    |                    |                    |
| Barkerville and Cottonwood  | \$3,861,000        | \$3,790,000 +<br>1,021,066 | \$3,405,000 +<br>1,300,000 | \$3,500,000        | \$2,085,000        | \$2,085,000        |
| Fort Steele Historic Town   | \$1,542,000        | \$1,622,000                | \$1,400,000 +<br>500,000   | \$1,300,000        | \$900,000          | \$900,000          |
| Hat Creek Ranch             | \$435,000          | \$394,000                  | \$464,000                  | \$500,000          | \$320,000          | \$320,000          |
| Kilby Farm and Store        | \$150,000          | \$105,000                  | \$258,000                  | \$250,000          | \$105,000          | \$105,000          |
| Historic Yale               | \$70,000           | \$83,000                   | \$93,000                   | \$100,000          | \$80,000           | \$80,000           |
| Point Ellice House          | \$95,000           | \$96,000                   | \$290,000                  | \$250,000          | \$80,000           | \$160,000          |
| Emily Carr House            | \$36,000           | \$30,000                   | \$144,000                  | \$50,000           | -                  | \$50,000           |
| Cole Island                 | -                  | -                          | -                          | -                  | \$50,000           | \$55,000           |
| <b>Unstaffed Properties</b> |                    |                            |                            |                    |                    |                    |
| Nine properties             | \$158,000          | \$380,000                  | \$261,000                  | \$360,000          | \$485,000          | \$425,200          |
| <b>Leased Properties</b>    |                    |                            |                            |                    |                    |                    |
| Keremeos Grist Mill         | \$94,000           | \$40,000                   | \$89,000                   | \$60,000           | -                  | -                  |
| Craigflower Manor           | \$90,000           | \$0                        | \$98,000                   | \$150,000          | \$63,000           | -                  |
| Craigflower Schoolhouse     | \$32,000           | \$0                        | \$38,000                   | \$20,000           | -                  | -                  |
| <b>Totals</b>               | <b>\$6,543,000</b> | <b>\$7,561,066</b>         | <b>\$10,140,000</b>        | <b>\$6,540,000</b> | <b>\$4,118,000</b> | <b>\$3,775,000</b> |

**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
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**Issue:** Forest and Range Practices Act closure in the Koocanusa area-

**Recommended Response:**

- FLNRORD is amending the Section 58 Recreation Closure Order for the Kooconusa Recreation Area May 14<sup>th</sup> to align with the 2021 draft Kooconusa Recreation Strategy resulting in more public access to undeveloped camping areas on Crown Land in the Kooconusa Recreation Management Area. The Closure will secondarily support the Public Health Officer’s Order which remains in effect until May 25<sup>th</sup>.
- Starting May long weekend, not only are the designated recreation sites open for camping throughout 2021, but also the undeveloped camping areas identified in the Kooconusa Recreation Strategy, which accommodates over 200 camping units and covers about 75 hectares of Crown Land.
- Overnight camping is still allowed in BC Parks, private campgrounds, recreation sites and other designated sites within the Kooconusa closure area. Motorized recreation is still allowed on designated trails.
- In 2014, then MLA Bill Bennett and then FLNR Minister Steve Thomson, initiated the Kooconusa Recreation Steering Committee (KRSC) to help address issues around the reservoir. The recommendations being implemented today are a direct result of the work initiated by the previous government.
- FLNR will continue to work with the Regional District of East Kootenay, Columbia Basin Trust and the Ktunaxa Nation in implementing the Kooconusa Recreation Strategy. We will continue using legislative tools, like FRPA Sec. 58, to achieve these goals.

**Key Facts:**

- The Kooconusa area (located southeast of Cranbrook) is a regionally important area for tourism and recreation.
- Local government and provincial government representatives, as well as representatives from the Tobacco Plains Indian Band (TPIB) and Ktunaxa Nation Council (KNC), have previously voiced concern regarding the damage, primarily to upland ecology and cultural values, resulting from uncontrolled recreation.
- FLNR and Columbia Basin Trust have committed \$1.1 million to implementing the Kooconusa Recreation Strategy since 2014.
- The Kooconusa Recreation Strategy was designed with extensive public engagement to allow for local citizen input into the planning process. Feedback was supportive of requiring motorized users to utilize designated roads and trails and for camping in designated sites.

**Date Prepared/Revised: May 17, 2021**

**Ministry Executive Sponsor:**

Paul Rasmussen

Phone: Government Financial Information

**Alternate Contact for Issue:**

Grant Neville/Garth Wiggill

Phone:

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

Issue: Columbia Valley Recreation Access Management Plan (CVRAMP) updated

Recommend Response:

- The Provincial government remains committed to supporting a community and stakeholder led recreation access management planning to better manage the recreational resources in the Invermere Timber Supply Area (TSA).
Since 2017, the Province has supported the Columbia Valley Recreation Access Management Plan (CVRAMP) initiative with staffing capacity and \$69,000 in direct funding.
The finalized plan will inform statutory decision makers when considering future recreational tenure applications to the extent practicable given other legal requirements.
Although we would all like to see the CVRAMP completed as soon as it is possible, the process is a community-led plan with indigenous communities and thus the timelines to finalize a plan are not wholly within control of government.

Additional Response

- Ensuring First Nations values are incorporated in the process may take longer than anticipated and creates uncertainty for hard timeline commitments.
Although the Provincial government remains committed to supporting CVRAMP, the committee should not rely solely on provincial funding.

Key Facts:

- A group of concerned citizens came together in 2011 in the Invermere area to discuss the need for recreational planning in the Invermere Timber Supply Area (TSA) due to the backcountry impacts from increasing commercial and non-commercial recreational activity.
Over the past 10 years, the stakeholder led initiative has faced several setbacks including, recently, the pandemic.
Several members of the CVRAMP Committee have stated they want the Province to lead the process and provide significantly more funding for the initiative.
Collaborative planning undertaken by trail user groups, governments, First Nations and interest groups will help ensure strong, viable and sustainable trail systems and maximize support for trails within the broader community.

Date Prepared/Revised: May 17, 2021

Ministry Executive Sponsor: Paul Rasmussen

Phone: Government Financial

## 2021/22 Estimates Debate

**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
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**Alternate Contact for Issue:**  
Grant Neville/Garth Wiggill

Phone: Government Financial Information



## 2020/21 Estimates Debate

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

**Issue:** Quesnel Junior Secondary School Site

**Recommend Response:**

- In 2018, Ministry of Education considered the Quesnel Junior Secondary School (QJS) building and property surplus. The QJS property also contains a building with an ongoing tenant running an infant/toddler daycare. This site is 4.74 hectares in size and is to remain as a functioning daycare.
- The Ministry of Education and School District #28 have shown a strong interest in retaining the daycare. To achieve this, once the land has been transferred to Crown Provincial land, FLNRORD will consider a decision to Crown grant a subdivided portion of the QJS property back to School District 28 with the support of Ministry of Education.
- Intergovernmental Communications
  
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**Key Facts:**

- Ministry of Education has determined that this site is surplus and has demolished the school and plans to turn the land back to Crown Provincial jurisdiction.
- FLNR estimates the land will be returned to the Crown later in 2021.

## 2020/21 Estimates Debate

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

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- Intergovernmental Communications; Government Financial Information

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**Date Prepared/Revised: May 17, 2021**

**Ministry Executive Sponsor:**

Paul Rasmussen

Phone: Government  
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**Alternate Contact for Issue:**

Michael C. Pedersen, Regional Executive Director

Phone: 250-398-4327

## 2021/22 Estimates Debate

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

**Issue:** Anahim Connector

#### Recommend Response:

- The Province recognizes the importance of a road to the Ulkatcho community from Anahim Lake to Vanderhoof.
- The Province also recognizes that the recently proposed all season road location will pass through two highly significant caribou migration routes of the Rainbow, Itcha-Ilgachuz, and Tweedsmuir populations.
- It is prudent to fully understand potential impacts of the road in conjunction with the caribou herd planning process underway between Canada, the Province and the communities.
- The newly proposed route will require an updated cost analysis based on a detailed understanding of the ground conditions, which is currently being developed.
- The Ministry remains committed to working with Ulkatcho on wildfire resiliency, including the topic of the proposed road.

#### Key Facts:

- As part of an election platform in 2017, MLAs Coralee Oakes and Donna Barnett advocated for the construction of a road from the Ulkatcho First Nation (UFN) Anahim Lake, through Kluskus, and connecting to Vanderhoof. Development includes new construction, upgrades, and use of existing roads.
- Development of the connector route was originally discussed in the context of alternate emergency egress during wildfire season. UFN Chief and Council are now looking for improved access to medical and educational services, and economic development, requiring an all-season road.
- Formal consultation was undertaken with UFN, Lhoosk'uz Dene First Nation, Saik'uz First Nation, Skin Tyee First Nation, and Tsilhqot'in National Government (TNG).
- Additional consultation with First Nations will be required given the new location of the proposed all season road.

**Date Prepared/Revised:** May 11, 2021

**Ministry Executive Sponsor:**

Paul Rasmussen

Phone: Government  
Financial  
Information

**Alternate Contact for Issue:**

Mike Pedersen, RED Cariboo Region

Phone: \_\_\_\_\_

**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
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**Issue:** Thompson-Nicola Regional District (TNRD) Invasive Plant Pilot Discontinuation

**Recommend Response:**

- In March 2017, Government committed to investing \$2.2 million over three years for a pilot project in the TNRD to increase invasive plant control efforts and explore new and alternative management approaches.
- Last year we extended the TNRD Invasive Plant Pilot to a fourth year and again spent approximately \$400,000 on invasive plant control efforts on Provincial public lands in the region.
- We also maintained our collaboration with the Ministry of Transportation and Infrastructure to address priority invasive plant species that were new to the region, and continued our support for the “good neighbour” program.
- The extended Pilot Project has now ended, and staff are completing a final summary report that will help inform how the ministry moves forward in delivering effective invasive plant management across British Columbia.
- The ministry remains committed to invasive plant prevention and control actions as resources allow, and maintaining our participation in the TNRD’s Thompson-Nicola Invasive Plant Management Committee to ensure coordination of efforts across jurisdictions.
- Ensuring there are adequate resources to address invasive plant issues on all Provincial public lands is a challenge when balancing against other government priorities.

**Key Facts:**

There is a long history of invasive plant management within the Thompson-Nicola region to protect the important environmental and agricultural economic values, however the overall effectiveness of the invasive plant management third party delivery model on Provincial public lands was being questioned in 2015-16.

The joint pilot program Protecting Ecosystem Health and Agricultural Values: A Strategy for Crown Land Invasive Plant Management in the Thompson Nicola, was established in response to growing concerns being expressed by stakeholders that knapweed was not being adequately controlled on the grasslands to protect forage and ecosystem values.

Pilot program results show that the expanded herbicide treatments reduced knapweed populations in the short term but created opportunities for other invasive plant species, specifically cheatgrass, to expand. Continued vigilance and vector control (e.g. treating roadsides/trails and introduction points), increased biocontrol monitoring and dispersal, and improved land management practices are necessary components for long term success.

## 2021/22 Estimates Debate

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

The Ministry has an active invasive plant biological control program that works collaboratively with Agriculture and Agri-Food Canada to test, import, and develop agents (primarily insects) for use in reducing target invasive plant species populations. This collaboration expanded in 2019 with research scientists exploring the efficacy of knapweed biological control agents in grasslands. Some of the results of this work will be released over the next year.

**Date Prepared/Revised: May 14, 2021**

**Ministry Executive Sponsor:**

Paul Rasmussen

Phone: Government  
Financial

**Alternate Contact for Issue:**

David Borth

Phone: 250-319-4305

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

Issue: Review of Okanagan Lake Regulation System

Recommend Response:

- Ministry water managers continue to aim for seasonal water target elevations on Okanagan Lake to balance the potential for both flooding and drought.
The need to balance is becoming more crucial due to climate change predictions of extreme swings in hydrologic conditions.
The ministry continues to improve our ability to monitor snow conditions in a real-time manner and to improve inflow forecasting methodologies.
Working cooperatively with the Okanagan Basin Water Board, FLNR has already begun the process of reviewing and updating the Okanagan Lake Regulation System (OLRS).
FLNR is funding a gap analysis which is being conducted by the Okanagan Basin Water Board to inform the review process.

Additional Response points (if needed):

- Future management of the Okanagan Lake Regulation System will potentially require costly infrastructure improvements.
Existing climate change projections also indicate that flood construction levels will have to be increased adjacent to the lake.

Key Facts:

- Seasonal Okanagan Lake elevation targets were developed primarily for flood control and must also consider drought and fisheries concerns.
It is impractical to excessively lower the lake each year in anticipation of flooding because of the risk that a drought will develop.
It is also impractical to keep the lake levels high in low snowpack years due to the length of time it takes to lower the lake in the event of abnormally high late spring rains.
The review of the Okanagan Lake Regulation System will be a complex process involving the federal government, First Nations, local governments, and multiple stakeholders.

Table with contact information: Date Prepared/Revised: May 17, 2021; Ministry Executive Sponsor: Paul Rasmussen; Alternate Contact for Issue: Ray Crampton; Alternate Contact for Issue: Shaun Reimer; Phone: 778-622-6826

## 2021/22 Estimates Debate

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

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**Issue:** Sickle Point Private Land (Sold) Has Conservation Value

**Recommend Response:**

- Sickle Point is a 1.95 hectare privately owned parcel and one of the few naturally vegetated areas remaining on Skaha Lake in the South Okanagan.
- Sickle Point contains habitat for 5 species listed under the Federal Species at Risk Act (SARA) including the Yellow Breasted Chat.
- Sickle Point was recently purchased privately for the purpose of long-term conservation. There is high public and First Nations support for this use.
- My Ministry has confirmed support in principle for the acquisition of high value parcels for conservation.

**Key Facts:**

- The Regional District of Okanagan Similkameen (RDOS) and a local committee interested in acquiring this property (for conservation purposes) was seeking support from numerous sources.
- The committee’s fundraising website names Penticton Indian Band as a supporting partner and indicates \$314,000 pledged to date. The site states a goal of \$1.5 million in pledges, by June 1, 2021.
- The committee had hoped for \$300,000 of support from the province. To that end, members of the committee and of the public at large have written several letters to the Province.
- In response, the Province confirmed support in principle for the acquisition of high value parcels for conservation purposes but was unable to contribute financially to Sickle Point.
- FLNR manages lands as part of the Conservation Lands Partnership Program (CLPP). The primary purpose of the CLPP is to manage habitat for significant fish and wildlife species. FLNR delivers this program and acquires priority conservation lands in partnerships with non-governmental organizations.
- Sickle Point was brought to government’s attention with short notice and late in the fiscal year. It was distributed to the CLPP for consideration.
- On April 27, 2021 it was announced that Sickle Point had been purchased privately for the purposes of long-term conservation.

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|--|--------------------------------|
| <b>Date Prepared/Revised: May 13, 2021</b>           |                                |
| <b>Ministry Executive Sponsor:</b><br>Paul Rasmussen | Phone: Government<br>Financial |
| <b>Alternate Contact for Issue:</b><br>Josie Symonds | Phone: 778-622-6837            |

## 2021/22 Estimates Debate

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

**Issue:** Public concerns over proposed BC Timber Sales (BCTS) planned harvest within the Rose Swanson Sensitive Area

#### Recommend Response:

- BCTS’s current plan for Rose Swanson is consistent with the objectives in the Sensitive Area Order, which focuses on recreation values.
  - Only 4% of the area will be impacted
  - Low impact harvesting was always planned for this area
  - Professionals have been engaged in every part of this harvest plan, to strike the correct balance of values, and BCTS is further committed to amend the plan as necessary
- BCTS has paused the planned Timber Sale License development for 6 months
  - During this pause BCTS is amending its Forest Stewardship Plan to better communicate and align with stakeholder concerns.
- The Ministry of Environment has confirmed that park status is not being considered for the Rose Swanson Area

#### Key Facts:

- Rose Swanson is a small BCTS operating area South west of Armstrong. The area, a popular recreation spot for citizens, was designated as a ‘Sensitive Area’, for recreation in 1996 through an order under section 5 of the Forest Practices Code Act of British Columbia.
- The designation’s objectives are to: Maintain or enhance recreation trails and protect visual objectives, with harvesting to be conducted with sensitivity and small scale.
- Many citizens incorrectly assume the area is a park (or feel it should be), due to the lack of industrial uses over the past 25 years.
  - BCTS has been working on plans for a small timber harvest of 28 hectares representing 8000 cubic meters of low impact harvest and has recently communicated the plans. The communications have caused public response including petitions, letter writing campaigns and letters to the Ministry, Minister and Premier.
  - The Township of Spallumcheen has also heard concerns and has launched a process to garner public input on BCTS’ plans.
- BCTS has been communicating with the public through documents posted to the BCTS website (per normal process) as well as participating in the Township of Spallumcheen’s community outreach.

**Date Prepared/Revised:** May 17, 2021

**Ministry Executive Sponsor:**  
Paul Rasmussen

PhoneGovernment  
Financial



## 2021/22 Estimates Debate

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

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**Alternate Contact for Issue:**

Colin Johnston TSM Okanagan Columbia

Phone: Government  
Financial

## 2021/22 Estimates Debate

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

**Issue:** Concern over BC Timber Sales (BCTS) harvest plans in the Argonaut drainage as it relates to Caribou habitat conservation(updated

**Recommend Response:**

- In November of 2020, road construction and harvest planning within Argonaut Creek drainage was suspended, pending the outcome of the Columbia North Caribou herd planning project.
  - Herd planning is anticipated to be completed within 1-2 years.
- The temporary deferral of planned activity in the Argonaut drainage provides improved options for recovery of the Columbia North herd and supports our ongoing commitments to Southern Mountain Caribou recovery, the Together for Wildlife Strategy, and the Old Growth Review panel recommendations.
- Planned timber harvest activities in the adjacent Bigmouth development area will continue while herd planning is ongoing.

**Additional Response points (if needed):**

- We continue to work towards finding a balance between the socio-economic impacts to the forest industry and supporting Caribou conservation while further herd planning is undertaken.

**Key Facts:**

- The Argonaut drainage is a small 5,400-hectare drainage North of Revelstoke. The drainage was not designated as Caribou Core Habitat, within the 2007 Provincial Mountain Caribou Recovery Implementation Plan.
- The majority of the drainage has more recently been identified as core habitat by the Draft Federal Recovery Strategy for Southern Mountain Caribou and delineated as core within the new draft Provincial spatial dataset.
  - The Argonaut drainage represents a potential 30 000 m3 of timber harvest, per year for the next 10 to 20 years.
  - Caribou telemetry information indicates some use of habitat within planned BCTS harvest areas in the Argonaut drainage as well as upslope from planned development.
  - The current population estimate for the Columbia North herd is 147 animals. The herd’s population trend is considered stable as a result of ongoing prey and predator management.

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| <b>Date Note Prepared: May 17, 2021</b> |   |
| <b>Ministry Executive Sponsor:</b>      |   |
| Paul Rasmussen                          | Phone: Government<br>Financial<br>Information |
| <b>Alternate Contact for Issue:</b>     |   |
| Colin Johnston TSM Okanagan Columbia    | Phone:  |

# 2021/22 Estimates Debate

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

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

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**Issue:** Section 11 Water Sustainability Act permitting required for instream work by local government

**Recommend Response:**

- Ministry oversight on instream work is necessary because of the potential for negative effect on downstream properties and environmental values.
- My staff work with local government on their plans involving infrastructure projects that require instream work.
- Staff work together with local governments to identify and prioritize projects, facilitate conversations with First Nations around adequate consultation, and (sometimes) help identify possible sources of funding for projects.
- For low-risk work, Ministry staff have identified a process (through regulation) to reduce approval timelines and complexity, with the use of Authorized Changes.
- A March 2021 budget increase will alleviate some of the delays between application for a permit and when the permit is sent to the statutory decision maker, thus reducing the time to decision by several months, meaning all but the most complex projects should meet the Target Turn Around Time (TTAT) of 140 days.

**Key Facts:**

- Section 11 of the BC Water Sustainability Act (WSA) mandates that instream work can only be done via a “Change Approval”, an “Order” or through the Regulations as an Authorized Change (referred to as a “Notification”).
- Authorized Changes have a 45 day TTAT vs. 140 days for Change Approvals.
- Areas of Southern BC were impacted by flooding in 2017 and 2018, exacerbated by high groundwater levels. Some flooding impacts occurred in 2020.
- In 2021, above average snowpack was present; however, a predicted cold April did not materialize. Most low-mid elevation snowpack has melted and there is now less risk of localized flooding in 2021 although Cache Creek experienced light flooding compared to previous years and there was localized flooding in the Cariboo on the Nazko and San Jose Rivers. Additionally, high groundwater levels in the Cariboo continue to impact some local roads, which are being repaired.
- In Cache Creek, a S11 approval for a new bridge to replace one that was swept away in 2017 was delayed when FLNR staff realized that the Village’s consultant did not model the new bridge for 2017/2018 extreme flows, thus rendering it under-designed. The consultant corrected their mistake and FLNR issued the S11 in the 3<sup>rd</sup> week of May 2021 in time for the 2021 construction window.

## 2021/22 Estimates Debate

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

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- The Ministry does not actively engineer or repair streams. Erosion is a natural process and the adjacent land owner (the individual) must apply to remediate damage or return streams to their prior channel, if required.
- Ministry staff are encouraging Ministry of Transportation and Infrastructure to share their engineering design with private landowners as both a cost-savings and to ensure all in-stream mitigation is 'right-sized' for climate change.
- Certain areas are paying the price for poor development choices in decades past, such as allowing development in the flood plain or on alluvial fans.

**Date Prepared/Revised: May 13, 2021**

**Ministry Executive Sponsor:**

Paul Rasmussen

Phone: Government  
Financial  
Information

**Alternate Contact for Issue:**

Trevor Bohay

Phone: \_\_\_\_\_

## 2021/22 Estimates Debate

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

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**Issue:** Positive COVID-19 cases in BC Timber Sales contractor tree planting crews

**Recommend Response:**

- To date, during the 2021 tree planting season, there have been positive COVID-19 cases detected in 2 BCTS contract tree planting crews. One located in Quesnel with 9 confirmed cases, and one located near Vernon with 4 confirmed cases.
- The Northern Health Authority issued a Workplace Closure Order for the Quesnel location on May 10, 2021. This order is in place until May 30<sup>th</sup>, 2021 and the cluster was declared as an outbreak on May 20<sup>th</sup>, 2021.
- The Interior Health Authority has inspected the Vernon location and determined a Workplace Closure Order is not required.
- Regrettably one worker at the Quesnel location was exposed to the COVID positive workers and has died from respiratory complications associated with the virus.
- BCTS and FLNR staff are saddened by this tragic news and extend condolences to the worker's family and fellow workers.
- BCTS has stringent requirements for COVID compliance built into each tree planting contract and works closely with the Health Authorities to investigate and reported COVID case or lapses in protocols reported.
- BCTS staff are working with contract COVID coordinators and Health Authority representatives to ensure appropriate measures are taken for the care of sick workers and the prevention of further spread of COVID-19 in the contract crews.

**Key Facts:**

- BCTS staff have been delegated as Provincial Inspection Prevention and Control Officers (PIP COs) and have been provided the authority to conduct inspections of BCTS tree planting contracts against the Provincial Health Officer Order for COVID-19.
- BCTS staff are provided support for their PIP CO role through the provision of Best Management Practice Documents and ongoing support through regular group calls and e-mails.
- BCTS participates on the FLNRORD Incident Command Structure that has been established for COVID response.
- BCTS is keeping the local District Managers and FLNRORD executive informed of developments with the COVID positive cases.
- On May 20<sup>th</sup>, the Northern Health Authority (NHA) declared the Mikegrosite/Dewan Covid cluster in Quesnel as an outbreak.

## 2021/22 Estimates Debate

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

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- The public declaration as an outbreak allows the NHA to use all statutory levers available to intervene and support the health of the workforce.
- BCTS entered into a tree planting contract with Mikegrosite Consulting Ltd. (Mikegrosite) in the Williams Lake and Quesnel area. Another planting contractor, Dewan Enterprises Ltd. (Dewan) has been providing planting crews for the Mikegrosite contract.
- Nine Mikegrosite/Dewan planters have tested positive for COVID-19 since the beginning of May and some have travelled with other workers.
- NHA confirmed that a 79-year-old worker, employed by Dewan to drive planters to and from the planting sites, contracted COVID-19 from infected planters and died of respiratory complications associated with the virus.
- Personal Information
  
- On May 10<sup>th</sup> NHA ordered all Mikegrosite and Dewan workplaces closed in the NHA area for 10 days. This has been extended to May 30<sup>th</sup> with the outbreak declaration.
- Dewan has voluntarily pulled out of its remaining Ministry funded planting contract that was to begin during the week of May 24<sup>th</sup> in the Vanderhoof area. The Ministry is seeking new contractors to plant those trees.
- Mikegrosite does not have any other planting contracts with the Ministry and should be finishing its contract in the Williams lake area (tested and passed by the Interior Health Region) by the end of May/beginning of June.

**Date Revised: May 21, 2021**

**Ministry Executive Sponsor:**

Name: Rick Manwaring, ASDM

Phone: 250-828-4449

**Alternate Contact for Issue:**

Name: Allan Powelson, A/Director

Phone: 250-812-5054

**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
.....**Issue:** Columbia River Treaty Background**Recommend Response:**

- The Columbia River Treaty (CRT) is a trans-boundary water management agreement between the United States (U.S.) and Canada that was signed in 1961 and ratified in 1964.
- In 1963, Canada delegated most of the CRT rights and obligations to B.C.
- A provincial review to determine whether the CRT should be continued, amended or terminated was launched in 2011.
- A Provincial decision to continue the Treaty and seek improvements within its existing framework was released on March 13, 2014.
- The decision includes 14 principles to guide discussions with Canada and the U.S. on the future of the CRT.
- The decision and guiding principles were based on extensive Indigenous Nation, local government and public consultation processes, and more than two years of hydrologic, social, economic, and legal studies.
- The CRT continues to benefit both Canada and the U.S., but the benefits to the U.S. are significantly undervalued and extend across a much broader range of interests, such as fisheries, navigation, recreation, irrigation and water supply, than the original Treaty focus of flood mitigation and power production.
- The value of the Canadian Entitlement in fiscal 2020/21 was \$117 million.
- B.C. and Canada are committed to seeking Indigenous Nations' free, prior and informed consent on the outcome of the CRT negotiations, consistent with United Nations Declaration on the Rights of Indigenous Peoples.
- B.C. has ongoing engagement with Basin residents and local governments to confirm their interests regarding the CRT.

**Key Facts:**Background:

- One of the key principles of the CRT is to create and equitably share benefits resulting from trans-boundary coordination of the Columbia River.
- Although the CRT has no specified end date, either Canada or the U.S. can unilaterally terminate most of the agreement's provisions after 2024, with at least 10 years notice. No such notice has been given.
- Currently, the CRT returns approximately \$120-150 million each year to the Province's Consolidated Revenue Fund through the sale of Canada's share of the U.S.'s downstream power benefits (referred to as the Canadian Entitlement).
- Although international treaties are within the jurisdiction of the executive branch of the federal government, the Canada-British Columbia Agreement (1963) transferred most CRT rights and obligations to the Province, and also requires the agreement of the Province before amending or terminating the Treaty.



## 2021/22 Estimates Debate

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

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- The CRT primary purposes are to provide flood mitigation in Canada and the U.S., and increase the power generating potential of the Columbia River by capturing spring run-off and releasing water at other times of the year when it is more valuable and beneficial.
- Under the CRT, Canada agreed to build 15.5 million acre-feet of storage by constructing three dams: Duncan; Arrow (now called Hugh Keenleyside); and Mica.
- The CRT also gave the U.S. the option, which it exercised, to construct a dam near Libby, Montana, that floods the Kootenay River valley 68 km back into Canada almost as far as Cranbrook (Koochanusa Reservoir).
- Assured flood control provisions expire in 2024 and change to a more ad hoc “called upon” version of flood control.
- In Canada, BC Hydro is the designated Entity with the responsibility to implement the CRT. The Province is also designated as Entity for the purposes of disposing of the Canadian Entitlement. In the U.S., Bonneville Power Administration and the U.S. Army Corps of Engineers are jointly the U.S. Entity responsible for CRT implementation.

#### CRT Review:

- Beginning in late 2011, the Ministry of Energy, Mines and Low Carbon Innovation (EMLI) CRT Team led an extensive consultation and review process to evaluate future decision options, including continuation, amendment or termination of the Treaty.
- On March 13, 2014, the provincial government released its decision continue the CRT and seek improvements within its existing framework. The decision had, and continues to have, bipartisan support.

#### Indigenous Nation Engagement:

- B.C. continues to collaborate and engage with Columbia Basin Indigenous Nations. The Columbia Basin Indigenous Nations are the Ktunaxa, Secwepemc, and Syilx Okanagan Nations who assert rights and title in the Columbia Basin.
- Since Spring 2018, the Indigenous Nations have been collaborating with B.C. and Canada in developing negotiation positions and strategies. As of April 2019, the Indigenous Nations are part of the negotiation delegation as observers.

#### Local Basin Engagement:

- B.C. continues its engagement with Basin residents, local governments and stakeholder groups to confirm their interests regarding the future of the CRT.
- In early 2021, the Province advertised and held two virtual town halls focused in Columbia Basin to update residents on CRT negotiations and seek input on work being done to address community interests related to the Treaty.

#### **Cross Reference: Estimate 2021 – Columbia River Treaty Negotiations**

Date Prepared/Revised: April 14, 2021

Ministry Executive Sponsor:

Name: Les MacLaren, ADM, EMLI

Phone: 778 698-7183

## 2021/22 Estimates Debate

Ministry of Forests, Lands, Natural Resource Operations and Rural Development  
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**Alternate Contact for Issue:**

Name: Kathy Eichenberger

Phone: 250 953-3368

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

.....

### **Issue:** Columbia River Treaty Negotiations

#### **Recommend Response:**

- British Columbia (B.C.) and Canada are committed to working with the United States (U.S.) to modernize the Columbia River Treaty (CRT) to ensure it provides benefits that are shared equitably between our two countries.
- Global Affairs Canada has stated that while Canada is the signatory for the CRT, B.C. is the lead in implementing the Treaty and has a major role in negotiations.
- As part of the Canadian negotiating delegation, British Columbia works closely with Canada and Ktunaxa, Secwepemc and Syilx/Okanagan Indigenous Nations during the negotiation process to ensure B.C.'s interests are represented and benefits to British Columbians are maintained or enhanced.
- Negotiations on the modernization of the Treaty began in May 2018, in Washington D.C. There have been 10 rounds of negotiations to date.
- The topics discussed during negotiations include flood risk management, hydropower coordination, ecosystems, adaptive management, and Libby Dam operations.
- During the June 29-30, 2020 negotiation round, Canada tabled a framework proposal for a modernized Treaty that was developed collaboratively by Canada, B.C. and Columbia Basin Indigenous Nations.
- Canada's proposal followed a framework presented by U.S. negotiators in the March 2020 round of talks that outlined the U.S. positions on the key issues.
- The U.S. has not responded to the Canadian proposal and has not scheduled any further negotiation rounds since June 2020.
- The U.S. framework and the Canadian proposal are each just one step in a complex negotiation process.
- There is no deadline for negotiations, and the Canadian delegation is committed to working hard towards achieving a successful agreement in a timely manner.
- In April 2019, Canada announced that Columbia River Basin Indigenous Nations would participate as observers in the Treaty negotiations.

#### **Key Facts:**

##### Negotiations:

- Canada appointed Sylvain Fabi, currently Consul General in Denver (United States), Global Affairs Canada, as its chief negotiator. Jill Smail was appointed as Lead Negotiator in August 2017 by the U.S. State Department.
- The B.C. CRT Team works closely and collaboratively with federal departments, primarily Global Affairs Canada, in preparing negotiating scenarios, positions and proposals for CRT modernization discussions with the U.S. Fisheries and Oceans Canada and Environment and Climate Change Canada also support the negotiating team.

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

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- Due to the COVID-19 pandemic, the June 2020 negotiation meetings, hosted by Canada, were held virtually. As of April 2021, an 11th round of negotiations has not been scheduled by the U.S. whose turn it is to host.
- Intergovernmental Communications

#### Indigenous Nations:

- B.C. and Canada are committed to seeking Indigenous Nations' free, prior and informed consent on the outcome of the modernized Treaty negotiations, consistent with the respective governments' adoption of the United Nations Declaration on the Rights of Indigenous Peoples.
- Since early 2018, representatives of the Ktunaxa, Secwepemc and Syilx Okanagan Nations have worked closely with the governments of Canada and B.C. to develop and refine negotiating positions and strategies.
- In April 2019, Canada announced that Columbia River Basin Indigenous Nations would participate as observers in the Treaty negotiations.
- As observers, Indigenous Nations are present at all negotiating meetings, fully participate in caucus meetings with Canada and B.C. during negotiation sessions and debrief with Canada and B.C. after each negotiation round.

#### Financial Information:

- In 2019, the Treasury Board approved that as of 2020/21, negotiating and ancillary costs be recovered from the CRT revenues (Canadian Entitlement or CE) that the Province receives.
- The CRT returns approximately \$120-150 million annually to the Province's Consolidated Revenue Fund through the sale of Canada's share of the U.S.'s downstream power benefits (CE). The CE in fiscal 2020/21 was \$117 million.
- In November 2020, the Minister responsible for the CRT changed portfolios from Ministry of Children and Family Development (CFD) to FLNR.
- As per a MOU between the two ministries, the Ministry of Energy, Mines and Low Carbon Innovation (EMLI) is responsible for staff and expenditure authority associated with CRT negotiations and related legal, technical, and consultation work.

Table: Approved and Requested Funding for CRT Negotiations (\$ millions)  
Government Financial Information

*\*Approved in Contingencies. 2020/21 funding approved as a recovery from CRT revenues going forward.*

*\*\* 2021 adjusted based on reduced CRT negotiation sessions in 2020.*

### **Cross Reference: Estimates 2021 – Columbia River Treaty Background**

**Date Prepared/Revised: April 14, 2021**

**Ministry Executive Sponsor:**

Name: Les MacLaren, ADM, EMLI

Phone: 778 698-7183

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**Prepared for 2021/22 Estimates Debate**

## 2021/22 Estimates Debate

**Ministry of Forests, Lands, Natural Resource Operations and Rural Development**  
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**Alternate Contact for Issue:**

Name: Kathy Eichenberger, ED, EMLI

Phone: 250 953-3368

## 2021/22 Estimates Debate

Ministry of Forests, Lands, Natural Resource Operations and Rural Development  
.....**Issue:** Provincial Flood Strategy**Recommend Response:**

- A BC Flood Strategy (BCFS) is under development, to articulate a provincial vision, outcomes, principles, and flood management priorities.
- The BCFS aligns with government mandates to support communities to prepare for climate impacts; future-proof our province-wide ability to respond to flood crises; protect our land and water; and invest in the infrastructure of tomorrow.
- Completing the BCFS will allow the Province to fully participate and leverage federal adaptation, resilience, and disaster mitigation funding programs.
- The BCFS will set the direction for more coordinated approaches with other jurisdictions and partners that will enable targeted strategic investments, programs, and policies to achieve a more flood resilient province.

**Additional Response points (if needed):**

- Extensive internal cross-ministry engagement took place in 2020, Indigenous engagements are ongoing, and external engagements are planned for 2021.
- The BCFS will demonstrate responsiveness to the UN Sendai Framework for Risk Reduction, adopted by the Province in 2018, and the *Declaration on the Rights of Indigenous Peoples Act* by reflecting indigenous values, knowledge, needs and rights, including the right to self-determination.
- Once the BCFS is complete an implementation plan will be developed to address resourcing.
- Per legislation local governments are required to develop their own flood maps. Recently funding for activities such as flood mapping, and other mitigation projects, is generally obtained through federal funding programs predominantly administered by EMBC.

**Key Facts:**

- Flooding is a common, costly disaster in BC that often threatens public safety and impacts a range of economic, social, and environmental issues.
- In 2020, floods caused 7 mortalities across BC, emergency flood evacuation alerts were issued to several thousand residents throughout the interior, and over 103 consecutive days of flood advisories were in place from April to July.
- The costs of damage from a major Lower Fraser River flood in the future are estimated at more than \$30 billion without further flood resilience investments.
- Due to ongoing climate change, flooding is becoming more frequent, with flood frequencies on rivers likely to increase by at least 10-20%, and sea levels expected to rise by 1m by the end of the 21<sup>st</sup> century.
- Development of the BCFS supports government's response to the 2018 BC Auditor General's report on BC's management of climate change risks, and the 2018 Abbott Chapman review of the 2017 wildfire and flood season.

## 2021/22 Estimates Debate

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

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- Estimated costs to raise and seismically stabilize sea dikes in the Lower Mainland to meet 1.0m sea level rise by 2100 is in the order of \$12B.
- Estimated costs to upgrade all orphan dikes up to provincial standards are \$1B.

**Date prepared: May 25, 2021)**

**Ministry Executive Sponsor:**

Name: David Muter, ADM

Phone: 250-217-5385

**Alternate Contact for Issue:**

Name: Ted White

Phone: 778-698-3981

## 2021/22 Estimates Debate

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

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**Issue:** BC Hydro Elko hydroelectric facility

**Recommend Response:**

- BC Hydro is operating the Elko facility in compliance of the water licences and Water Use Plan order issued April 28, 2005.
- BC Hydro has removed the flash boards at the dam to support the safety of the facility and workers which has reduced the head pond levels.
- Head pond levels are within the operational constraints of the water licences and water use plan order.
- Maintenance is ongoing at the dam to ensure the facility remains safe and in compliance of the legislation and regulatory requirements.
- The Elko hydroelectric facility is currently not generating, and BC Hydro is undertaking a planning process to determine next steps for the Elko facility (e.g., decommission or redevelopment).

**Additional Response points (if needed):**

- Concerns regarding water levels in the community of Baynes lake are being addressed by the Ministry of Energy, Mines and Low Carbon Innovation.

**Key Facts:**

- The Elko hydroelectric system is authorized by final water licence F120603 and F120604, with a priority date of December 16, 1922, and started operations in 1924.
- A water use plan was developed and implemented through an order issued by the Comptroller of Water Rights on April 28, 2005, which requires BC Hydro to operate the facility in a specified manner.
- The Elko hydroelectric facility has not generated electricity since 2015 due to the aging infrastructure.
- BC Hydro is currently undertaking a planning process to determine the next steps for the Elko hydroelectric facility.
- BC Hydro has removed the flashboards at the dam and continues to conduct ongoing maintenance at the facility to ensure the safety of the facility and that it remains in compliance of the authorizations, legislation and regulations.
- The removal of the flashboards has reduced the elevation of the head pond, though BC Hydro remains in compliance of their authorizations and legislation.
- The Regional District of the East Kootenay's blames the lower head pond levels for lower water levels in Baynes Lake and reduced groundwater availability, of which both are sources for the local water supply.
- Studies have been conducted to determine if the Elk River is hydraulically connected to Baynes lake and aquifers associated with the Regional District of East Kootenays concerns but have come back inconclusive.



## 2021/22 Estimates Debate

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

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- The Ministry of Energy, Mines and Low Carbon Initiative have been addressing the concerns of the Regional District of the East Kootenays.
- BC Hydro is in compliance of their authorizations and the *Water Sustainability Act*.

**Date Prepared: May 25, 2021**

**Ministry Executive Sponsor:**

Name: David Muter

Phone: 250 217 5385

**Alternate Contact for Issue:**

Name: Ted White

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