

## BRIEFING NOTE FOR INFORMATION

**DATE:** 2 April 2021

**PREPARED FOR:** Premier John Horgan and Honourable Katrine Conroy, Minister of Forests, Lands, Natural Resource Operations and Rural Development (FLNRORD)

**ISSUE:** Barkerville Operations - Financial Status

### BACKGROUND:

- Barkerville and Cottonwood Provincial Heritage Properties, are owned by the Province (Heritage Branch or the Branch). The sites are managed by Barkerville Heritage Trust (BHT) under a contractual agreement that ends in 2025. Annually, BHT is 76% reliant upon government operating assistance (equal to \$42 subsidy pervisit, average of 67,000/year).
- From 2015/16 to 2019/2020, Barkerville received increased funding to address deferred maintenance. In 2020/21, financial assistance returned to the pre- 2015/16 level (\$2.085M).
- Beginning in 2019, to prepare BHT for the reduction in operating assistance, the Branch provided \$1.3M in additional funding and, with BHT's agreement, facilitated the development of a financial plan.
- In January 2021, BHT submitted a request for \$2.82M to support operations. The Branch has provided BHT with \$2.085M in operating assistance for 2021/22.

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### DISCUSSION:

In order to address the requirements of stewardship including building maintenance and safe public access, it is suggested that the financial assistance level of \$2.085M is appropriate. The elevated funding levels BHT is seeking could provide for a service level that would sustain more jobs and contribute to the recovery of the regional economy.

Provincial heritage property funding is allocated to provide for preservation and access to the sites on provincial land. Facilitation of the broader goals of BHT, the region, or government's economic, tourism or rural development objectives are downstream benefits of the investment in heritage infrastructure, but not their core purpose.

Typically, funding for provincial heritage property and collections management demands outstrip funding and the Branch annually triages among priorities to ensure that the condition of, and public access to the portfolio is maintained. Nevertheless, staff actively facilitate the pursuit of other sources of funding for non-core heritage objectives in support of BHT's objectives.

Also, as part of the \$20M Unique Heritage Infrastructure stream of Community Economic Recovery Infrastructure Program, in March 2021, Heritage BC granted \$631K toward BHT's Barkerville Theatre Royal Stabilization Project. BHT has also recently received \$39K via MTACS's Pivot Program for delivering theatre to virtual audiences.

BHT has a new Executive, Kate Cox (previously Ed Coleman) who is actively working with the Branch on the financial objectives of the site operations. s.13

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**MINISTRY RESPONSE:**

- The Ministry commends BHT for sustaining operations this past year without incurring debt.
- The Branch will work with BHT to review the recommendations from the financial review to acknowledge their new vision.
- The Branch will continue to assist BHT in accessing other government financial assistance to realize business goals that address post-pandemic economic recovery objectives.
- Barkerville is one of a group of provincially-owned heritage sites and requests for funding need to be considered in the context of the whole portfolio.

**PREPARED BY:**

Richard Linzey  
Director Heritage  
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250-889-8882

**REVIEWED BY:**

	Initials	Date
DM	RM	April 6, 2021
Associate DM		
DMO		
ADM	MA	2021.04.02
ED	JG	2021.03.30

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Withheld pursuant to/removed as

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## BRIEFING NOTE FOR INFORMATION

**DATE:** April 9, 2021

**PREPARED FOR:** Richard Manwaring, Deputy Minister of Forests, Lands, Natural Resource Operations and Rural Development

**ISSUE:** Stumpage Revenue for FY 2020/21 and FY 2021/22

### BACKGROUND:

- Fiscal Year (FY) 2020/21 Stumpage revenue is **\$1,168 million** (unaudited and subject to change).
- Stumpage revenues result from the sale of timber from British Columbia's Crown land.
- Stumpage revenue goes into the Provincial Consolidated Revenue Fund.
- Stumpage revenue is derived from market conditions making the revenue stream susceptible to large year-over-year variances.

Historical Stumpage Revenue (\$, millions)					
2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*
\$688	\$814	\$926	\$1,216	\$910	<b>\$1,168</b>

\*Fiscal year 2020/21 stumpage revenue is unaudited and subject to change

### DISCUSSION:

#### Fiscal Year 2020/21

Stumpage revenue is \$1,168 million for FY 2020/21. This is \$394 million (or 34%) higher than the Budget forecast of \$774.1 million.

<b>Fiscal Year 2020/21 Actual Stumpage Revenue compared to Budget Forecast</b>						
<b>*Actuals as of March 31, 2021 (subject to change)</b>						
	<b>Actuals Revenue</b> (\$, millions)	<b>Budget Revenue</b> (\$, millions)	<b>Actuals Volumes</b> (m³, millions)	<b>Budget Volumes</b> (m³, millions)	<b>Actuals Rates</b> (\$/m³)	<b>Budget Rates</b> (\$/m³)
<b>COAST</b>						
<b>TIMBER TENURES</b>	\$113.7	\$57.4	9.0	9.0	\$12.67	\$6.38
<b>BCTS</b>	\$109.7	\$94.3	1.8	2.0	\$62.08	\$47.16
<b>TOTAL</b>	<b>\$223.4</b>	<b>\$151.7</b>	<b>10.7</b>	<b>11.0</b>	<b>\$20.80</b>	<b>\$13.79</b>
<b>INTERIOR</b>						
<b>TIMBER TENURES</b>	\$605.9	\$361.9	27.6	26.5	\$21.98	\$13.66
<b>BCTS</b>	\$338.7	\$260.5	8.5	8.5	\$39.75	\$30.64
<b>TOTAL</b>	<b>\$944.6</b>	<b>\$622.4</b>	<b>36.1</b>	<b>35.0</b>	<b>\$26.17</b>	<b>\$17.78</b>
<b>PROVINCE</b>						
<b>TIMBER TENURES</b>	\$719.7	\$419.3	36.5	35.5	\$19.69	\$11.81
<b>BCTS</b>	\$448.4	\$354.8	10.3	10.5	\$43.59	\$33.79
<b>TOTAL</b>	<b>\$1,168.1</b>	<b>\$774.1</b>	<b>46.8</b>	<b>46.0</b>	<b>\$24.94</b>	<b>\$16.83</b>

FY 2020/21 stumpage revenue is materially higher than the original Budget forecast as historic high lumber prices on the global markets drove provincial stumpage rates higher. Historic lumber prices are being driven by higher lumber demand (housing starts and the repair and remodelling sector) combined with global COVID-19 pandemic-induced restraints on lumber supply. In addition, the original Budget forecast was created in December 2019 which represented very different market conditions as Western Forests Products remained on strike and the Interior was undergoing mill rationalization due to timber supply concerns and depressed lumber prices.

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## SUMMARY

Stumpage revenue for FY 2020/21 is \$1,168 million. Stumpage revenue is materially higher than Budget forecast due to changing economic conditions, particularly lumber demand and supply impacts related to COVID-19.

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### PREPARED BY:

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### REVIEWED BY:

	Initials	Date
DM	RM	April 12, 2021
ADM	MS	April 12, 2021
ED	JS	April 9, 2021
Program Dir/Mgr.	AB	April 9, 2021

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## BRIEFING NOTE FOR INFORMATION

**DATE:** April 19, 2021

**PREPARED FOR:** Honourable Katrine Conroy, Minister of Forests, Lands, Natural Resource Operations and Rural Development

**ISSUE:** Context on key forestry issues/initiatives prior to meeting with City of Quesnel

### BACKGROUND:

- The City of Quesnel opened their Forestry Innovation Centre in September of 2018, after hosting the inaugural "Future of Forestry Think Tank" meeting in May of 2018.
- The Forestry Innovation Centre houses the City's Forestry Initiatives Program, which focusses on advancing the Community Wildfire Protection Plan and FireSmart initiative, as part of a broader integrated wildfire risk mitigation and landscape level restoration strategy.
- The Initiatives Program is also analyzing wood product manufacturing opportunities and developing business cases for the community.

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### DISCUSSION:

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**Attachment(s):** 1. City of Quesnel Forestry Initiatives Program Background  
2. Forestry Initiatives Program Newsletter example – May 2020

**PREPARED BY:**

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Resource Manager  
Quesnel Natural Resource District  
236-713-2263

**REVIEWED BY:**

	Initials	Date
DM	RM	April 26, 2021
DM, LNRO		
Associate DM		
ADM	PR	April 21, 2021
Program Dir/Mgr.	MP	April 20, 2021

May 2020

CITY OF  
**Quesnel**

# Forestry Initiatives Program

Updating you on the reinvention of Quesnel's forest sector

## Reducing wildfire risk through thinning

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# **City of Quesnel – Forestry Initiatives Program Background**

## **April 2021**

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