

*Ministry of
Forests and Range
and Minister Responsible
for Housing*

**2005/06
Annual Service Plan Report**



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Message from the Minister and Accountability Statement

During 2005/06 the Ministry of Forests and Range made significant progress on its service plan goals for the province's forest and range resources.

Over the last year, forest worker safety has emerged as a number one priority. The ministry acted by hiring two dedicated safety officers in the ministry. The ministry also has two seats on the B.C. Forest Safety

Council and is a strong supporter of the council's initiatives, including the requirement that companies be Safety Accord Forestry Enterprise (SAFE) certified by the Council by fall 2007.

Mitigating economic and environmental impacts of the mountain pine beetle epidemic remains one of our top priorities. Over the last year, I created a new mountain pine beetle response team to lead government's Mountain Pine Beetle Action Plan and co-ordinate action between agencies. The team is working to recover the greatest value from dead timber before it burns or decays to reduce damage in areas that are not yet infected and restoring the forest resources in those areas that are affected by the epidemic. In addition they are working cooperatively with communities on economic diversification planning and have solidified a partnership with First Nations in beetle-affected areas.

As part of moving ahead on the New Relationship with First Nations, by March 31, 2006, we signed agreements with over 100 First Nations providing access to over 15 million cubic metres of timber and more than \$130 million in revenue sharing.

A new Range Branch was established within the ministry to support and promote a vigorous and world competitive livestock industry.

This spring we amended log grades in the Interior to more accurately reflect the quality of beetle-attacked wood and to facilitate the July 1st implementation of a new market-based timber pricing system.

As Minister Responsible for Housing, I am excited about the progress we have made since the creation of the Office of Housing and Construction Standards bringing together varied housing programs under one roof, allowing us to find new ways to provide affordable housing options and improved access to safe and stable housing for all British Columbians.

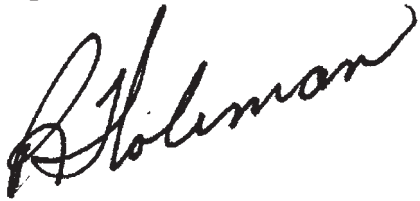
The Premier's Task Force on Homelessness, Mental Illness and Addictions is advancing on its work to address affordable housing. Through a unique series of partnerships amongst three levels of governments, First Nations and the non-profit sector, the group is undertaking 12 housing developments in nine communities throughout the province. The working group was recognized this year by a Premier's Award in Innovation and Excellence in B.C. public service programs.

We are working to ensure housing options meet the diverse needs of British Columbians. Over the last year, we doubled the funding to SAFER, Shelter Aid for Elderly Renters,

providing financial assistance to nearly 13,000 seniors. Through the Provincial Homelessness Initiative, we have worked with communities hit hardest by homelessness to allocate 533 new units of transitional housing and committed funding for 450 additional units. We have also expanded our successful homeless outreach program, reaching out to the homeless at the grass roots level to help them find housing and support services.

This spring we amended legislation to provide consumer protection for tenants and landlords of supportive housing and assisted living facilities, providing them with a simple and inexpensive way to resolve disputes. Amendments to the *Safety Standards Act* help local authorities target and shut down marijuana grow operations more quickly and efficiently.

The 2005/06 Ministry of Forests and Range and Minister Responsible for Housing Annual Service Plan Report compares the actual results to the expected results identified in the ministry's *2005/06–2007/08 Service Plan Update*. I am accountable for those results as reported.

A handwritten signature in black ink, appearing to read 'Rich Coleman', written in a cursive style.

Honourable Rich Coleman
Minister of Forests and Range
and Minister Responsible for Housing

June 30, 2006

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PART A

Forests and Range

Highlights of the Year

The past year was filled with challenges for British Columbia's forest sector.

The mountain pine beetle infestation, increasingly competitive international markets and weak economic conditions on the Coast focused the ministry's resources and continued to test the industry's ability to adapt and grow.



But there were many accomplishments as well. British Columbia played a key role in developing the Canadian Wildland Fire Strategy to help protect communities and accelerate improvements to the provincial and national wildfire infrastructure. The ministry also continued its fuel management initiative to protect B.C. forests from wildfires and prepared 60 community wildfire protection plans. As well the BC Competition Council submitted its report on how to make the forest sector more globally competitive, and for the first time in nearly 10 years an end to the softwood lumber dispute is in sight.

The ministry has increased the allowable annual cut in areas affected by the mountain pine beetle to gain value from these trees before they decay; extensive single tree treatments have also been carried out to minimize the spread of the infestation into Alberta. The Province also announced a New Relationship with First Nations — a relationship based on reconciliation, recognition and respect. This understanding helped facilitate the signing of another 29 forestry and range agreements/opportunities that share timber access and revenue with First Nations.

Other progress towards the ministry's goals and objectives in 2005/06 included the following:

Sustainable Forest and Range Resources

- Continued transition to full implementation of results-based forest practices under the *Forests and Range Practices Act* and introduction of the *Forest and Range Practices Act* Resource Evaluation Program.

- Released a report on the Future Forest Ecosystems of BC, examining how to manage the stresses of climate change, wildfire events, bark beetle infestations, and other agents of ecological change.
- Established a Climate Change Task Team to look at the effects of climate change on B.C.'s forestry resources.
- Launched Forests for Tomorrow projects to reforest productive areas impacted by fire and mountain pine beetle, including:
 - taking aerial photos of mountain pine beetle affected areas to assist with silviculture planning;
 - re-planting 348 hectares of fire-damaged plantation; and
 - surveying 40 000 hectares of forest affected by the 2003 wildfires, prescribing 10 000 hectares of same for planting and growing 10 million seedlings.

Sustainable Forest and Range Benefits

- Supported successful research and development of new products and processes to improve the profitability and marketability of beetle-attacked wood.
- Awarding major forest licences to use beetle wood to support OSB and industrial pellet production.
- Worked to improve forest industry safety with the establishment of two safety officers in the ministry and BC Timber Sales.
- Continued implementation of policy changes associated with the Forestry Revitalization Plan, including timber reallocation.
- Signed 33 forestry agreements with First Nations to increase their participation in the forest sector. This brought the total of First Nations with agreements to more than 100.
- Changed Interior log grades to more accurately reflect the value of beetle-damaged wood and ensure the Province receives fair stumpage revenue.
- Improved access to communities and recreation sites through the replacement of 95 structures on Forest Service roads.

A Highly Effective, Innovative and Responsive Organization

- Continued work on the ministry's Road Ahead revitalization strategy.
- Exceeded the ministry's commitment to maintain its June 2004 deregulation baseline with a zero per cent increase, by decreasing regulatory requirements a further 10 per cent.
- Undertook a high level "mapping the ministry's business" project through the ministry's continuous improvement process to better document and communicate the ministry's business processes to the public and clients.
- Delivered a continuous improvement module at the University of Northern British Columbia and Thompson Rivers University to provide continuous improvement training to future ministry employees.

Purpose, Vision, Mission and Values



Purpose

Since its establishment in 1912 as the Forests Branch, the Ministry of Forests and Range (also known as the Forest Service or MoFR) has continued to protect the public's interest and provide leadership in the protection, management and use of the province's forest and rangelands. The Forest Service is the main agency responsible for the stewardship of 47 million hectares of productive provincial forest land and fire protection services for 84 million hectares. The ministry's role also includes maintaining a policy and regulatory framework that creates a competitive forest industry. Managing provincial forests and range resources presents a unique and complex set of challenges. More than 90 per cent of British Columbia's forestlands are publicly owned, which means that the provincial government, on behalf of the public, plays a much more prominent role in the forest sector than its counterparts in other forestry jurisdictions.

Vision, Mission and Values

Vision: Diverse and sustainable forest and range values for B.C.

Forest and range values include the social, economic and environmental values associated with our forest and range resources. Economic values include timber, forage and fisheries resources that contribute to our economy. Environmental values include soil, water, fish, biodiversity, and wildlife. Social values include recreation resources, visual quality, resource features, and cultural heritage resources.

Mission: To protect, manage and conserve forest and range values through a high performing organization.

The Ministry of Forests and Range is commissioned in the *Ministry of Forests and Range Act* to protect, manage and conserve the forest and range values identified above. The mission includes people working together demonstrating the values, or principles below, and creating a high performing organization.

People

People are valued for their contribution and dedication to the Forest Service, its mission and vision.

Values

Our Values:

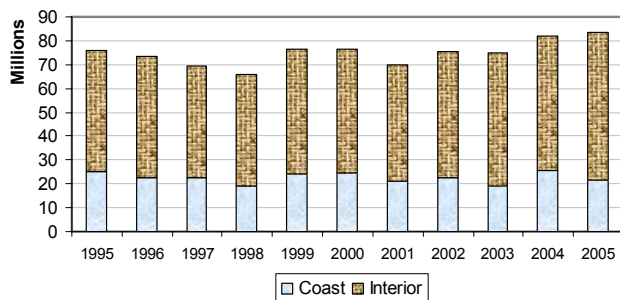
1. Integrity — We are open, honest and fair.
2. Accountable — We are responsible for our own decisions and actions.
3. Innovative — We encourage and support each other to create new and better ways to do our business.
4. Respectful — We show respect by listening to and recognizing a diversity of values and interests. We work with each other in a spirit of trust, mutual respect and support.

Strategic Context

Environmental Trends

Globally the total amount of forest area continues to decrease, but the rate of loss is slowing due to activities such as forest planting and natural expansion of forests on abandoned land. In Canada, there has been no significant change in the total forest area over the last 15 years. Less than one per cent of the forest is logged each year in British Columbia. In 2005 the B.C. timber harvest was 83 million cubic metres — about 1.8 per cent higher than the 2004 harvest and about 9 per cent higher than the five-year average (see Figure 1). Although fluctuations in the annual harvest level are not unusual, the recent increase is attributed to salvage of beetle-killed wood.

Figure 1: B.C. Coast and Interior Annual Timber Harvest 1995–2005



The mountain pine beetle infestation continues to devastate the mature pine forest in the Interior of B.C. As of summer 2005, more than 400 million cubic metres of the pine in the Interior of B.C. had been killed. In addition to threatening the economic well-being of First Nations and Interior forest-dependent communities, the beetle epidemic has serious implications for water tables, stream flow regulation, erosion, water quality, fisheries, forest fires and wildlife habitat.

In February 2005 the Kyoto Protocol for addressing global climate change came into force. As a part of this protocol Canada committed to reducing its greenhouse gas emissions by 270 megatonnes by 2012. In advance of the protocol coming into force B.C. established a plan to guide the province’s approach to address climate change. The plan’s target is to maintain the province’s ranking of third-lowest per-capita greenhouse gas emissions. In connection with these plans the B.C. Ministry of Forests and Range established a Climate Change Task Team in June of 2005 to consider the ministry’s role in mitigating the risks of future climate change on the province’s forest and range resources.

Social Trends

World population continues to increase, however, the natural increase (births minus deaths) in population has slowed resulting in a rise in the average age of populations. In Canada the population growth rate has surpassed the global average due to high rates of immigration into the country. In British Columbia, as a result of the aging population, it is becoming increasingly difficult to attract and retain young skilled people in the forest industry — a problem which may become worse as older workers retire.

Enrollment in post-secondary forestry programs has been notably declining for several years and the majority of students who pursue advanced education in forestry now come from urban and suburban areas. As a result, few students are entering forestry programs with a practical understanding of forestry. In response the ministry has initiated work with other agencies and educational institutions on a recruitment strategy.

The population of British Columbia includes a large, culturally diverse and geographically dispersed First Nation population. Since 2001, the Province has been working with First Nations to provide economic growth and opportunities, especially in traditional areas like forestry. Government is committed to strengthening relationships with First Nations based on reconciliation, recognition and constructive consultation on social and economic issues.

Economic Trends

After a boom year, in 2004, B.C.'s forest sector faced many challenges in 2005, due to a number of factors including global competition for market share, the prolonged effect of the countervailing and anti-dumping duties on lumber to the U.S., declining commodity prices, the rising value of the Canadian dollar against the U.S. dollar, aging capital, and low returns on capital.

World competition in the global forest industry continued to grow in 2005. Many countries are playing an increasingly important role in the global forest industry as potential customers (e.g., China, India and Indonesia) and competitors (e.g., China, Russia, Europe and Brazil) of B.C. forest products.

Within Canada there were fewer sawmills producing more lumber as companies pushed to reduce costs by closing older, inefficient sawmills and expanding production at new, state of the art, lower-cost mills. In 2005 the 10 largest Canadian companies increased production per sawmill over 2004 levels by an average of 14 per cent.

The softwood lumber trade dispute between Canada and the U.S. continued throughout 2005 with a number of North American Free Trade Agreement and the World Trade Organization legal challenges. Efforts towards reaching a negotiated agreement were unsuccessful in 2005; however a tentative framework agreement was reached between the U.S. and Canada in April 2006.

In 2005 lumber prices continued to trend downwards (see Table 1). The decline in lumber prices, coupled with high log costs, resulted in some British Columbia coastal mills being forced to impose curtailments, or close permanently. In the Interior, despite the declining prices, lumber production rose in 2005 due to the availability of large volumes of beetle-killed wood.

Pulp and paper prices rose throughout 2005 and remained strong in the first quarter of 2006 (see Table 1). However the B.C. pulp and paper industry continued to struggle to remain profitable due to its aging capital, the relative size of the industry in comparison to international competitors, competition from non-wood pulp and technological alternatives to paper, as well as rising energy costs. Due to the interconnectedness between the pulp and paper and lumber industries, the strength of the pulp and paper industry is an important factor in the health of the entire B.C. forest industry.

Table 1: Commodity Prices

Product	Unit	Annual Average 2006*	Annual Average 2005	Annual Average 2004
Spruce Pine Fir 2 x 4	US\$/000 bd. ft.	341	355	392
Hemlock Baby Squares	US\$/000 bd. ft.	575	540	613
Northern Bleached Kraft pulp (NBSK)	US\$/tonne	620	611	615
Newsprint	US\$/tonne	656	608	550

* YTD Average as of April 2006.

Source: Madison's Lumber Reporter.

The Canadian dollar continued to rise against the U.S. dollar averaging at 86.6 U.S. cents during the first quarter of 2006. The rising Canadian dollar has had multiple impacts on the B.C. forest industry including increasing the relative cost of production in B.C., and reducing B.C. companies' profits as most forest products are sold in U.S. dollars. The strong Canadian dollar has also made it relatively cheaper for Canadian firms to buy assets in the U.S. In 2005, West Fraser, Interfor and Canfor all acquired sawmills in the U.S.

Internal Trends

The key factor in the success of the ministry's service delivery in 2005/06 is the ministry's dedicated staff committed to finding solutions to the many forest sector challenges. A further key strength of the ministry is its efforts to improve efficiency of service delivery through adoption of e-business. However, it remains a challenge to keep current with technology while addressing the demand on internal ministry systems. Most other internal factors that have affected the ministry over the past year have been directly related to the external factors described in the previous section. For example, the spread of the mountain pine beetle has focused resources towards issuing licences and reviewing timber supply in affected areas at the risk of attention to other areas. However, this infestation has promoted a review of policies and guidelines associated with future forests that could help avoid future outbreaks and benefit from the affects of climate change.

Linkage to the Five Great Goals

Government's Five Great Goals

1. Make British Columbia the best-educated, most literate jurisdiction on the continent.
2. Lead the way in North America in healthy living and physical fitness.
3. Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors.
4. Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.
5. Create more jobs per capita than anywhere else in Canada.

Government's goal to "Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none," was directly supported by the ministry's new reforestation initiatives (Forests for Tomorrow), implementation of performance-based regulation, the

new *Wildfire Act* and the Mountain Pine Beetle Action Plan. This included a significant role in supporting the Ministry of Aboriginal Relations and Reconciliation in treaty negotiations, furthering the New Relationship and assisting First Nations to become active participants in the forest sector through negotiation of Forest and Range agreements. The ministry also worked with the Ministry of Environment, Ministry of Agriculture and Lands and the Integrated Land Management Bureau on cross-ministry initiatives in support of sustainable environmental management.

The ministry directly supported the Government's goal to "Create more jobs per capita than anywhere in Canada," by working to maintain a competitive forest industry, complete market pricing reform, improve market access through trade negotiations and new markets in Asia and support rural job creation for First Nations and communities. A significant component of creating jobs in 2005/06 was working to address the socio-economic impacts of the mountain pine beetle infestation on communities. This is done in partnership with other government agencies.

Service Delivery and Core Business Areas

Service Delivery

The Ministry has a broad and general mandate (see Appendix A2 for a summary of related legislation), to manage and conserve forest and range resources for short- and long-term social benefits, to protect and sustain forest productivity and to encourage a globally competitive forest industry, while asserting the financial interests of the Crown.

This mandate is achieved through a three-tiered decentralized organizational structure (Appendix A6) that brings the ministry close to our clients and stakeholders throughout the province. Working with the public, industry, other Crown agencies, and First Nations is the usual approach to our business delivery.

Delivery methods unique to specific services include:

- Many services under the Forest Investment Core Business Area are delivered through third-party delivery agents to increase accountability and efficiency (Table 2), with the ministry acting in a monitoring role.
- Fire protection services are commonly delivered through local and international agreements.
- The Mountain Pine Beetle Action Plan (Appendix A1) involves extensive cooperation between Government agencies, local governments and industry, provincially and federally.
- Research and development activities are coordinated through multi-stakeholder research and innovation groups such as the Forest Science Board, Forest Genetics Council, several Canadian Council of Forest Ministers' working groups and the Canadian Forest Innovation Council.

Staff are guided by ministry values (page 6), a proud tradition of service, and a results-oriented culture. We work to earn the public's trust in making day-to-day decisions which ensure that all British Columbians can look forward to sustainable forests and range and a strong forest economy now and in the future.

Core Business Areas: Overview

The ministry has eight core business areas, two of which are defined by unique funding sources, the BC Timber Sales Special Account and the Forest Investment Account.

Core Business Area: 1. Protection Against Fire and Pests

The ministry manages wildfire to protect natural resource inventories and investments in the forest land-base. Our forest fire response is primarily focused on protecting lives and government forest assets, particularly timber. Without fire protection, some 500 000 hectares of productive forest could be lost annually costing the province billions of dollars in potential direct revenue.

Forest Protection also includes the detection and management of insect pest outbreaks and the control of invasive plants on areas under the responsibility of the province. Insect pests of key significance are bark beetles and gypsy moth infestations. Other defoliators, endemic pests and outbreaks of local significance are also managed.

Core Business Area: 2. Forest Stewardship

The functions in this core business area are fundamental to ensuring sound environmental stewardship and a competitive regulatory framework to ensure forest resources are used in a sustainable way. British Columbia and companies operating here are recognized as world leaders in sustainable resource management. Government's regulatory framework provides a foundation for forest certification of company operations.

Stewardship includes the regulation of forest practices, inventory, timber supply planning and allowable annual cut determination, applied research, silviculture, and forest gene resource management.

Core Business Area: 3. Range Stewardship and Grazing

This area focuses on establishing a healthy ranching/livestock industry and ensuring sound environmental stewardship of the range resource through the regulation of range practices and forage supply management. Primary activities include allocating, administering and managing range use, evaluating rangeland health and effectiveness of range practices, restoring degraded rangeland ecosystems, and promoting and fostering rangeland use and management. The ministry champions integrated provincial responses or strategies to address serious threats, such as invasive plants, land alienations, recreational use, forest encroachment on grasslands, in-growth/infilling in dry forest ecosystems, mountain pine beetle impacts on natural range barriers and other range-related epidemics. All of these activities are aimed at maintaining or improving the health of the beef cattle industry in the province.

Core Business Area: 4. Compliance and Enforcement

This core business includes all activities related to upholding B.C.'s laws for protecting the province's forest and range resources under the ministry's jurisdiction including:

- enforcing environmental practices, results and strategies for forest and range management carried out both by the government and by forest and range tenure holders under the *Forest Practices Code* until December 31, 2006 and under the new *Forest and Range Practices Act* starting January 31, 2004;
- enforcing regulations to minimize fire, pests, and unauthorized activities that threaten the province's forest and range resources;
- under signed agreement with the Ministry of Tourism, Sport and the Arts, enforcing rules governing the use of forest recreation sites and trails;
- enforcing the revenue and pricing legislation that govern removal and transportation of timber, marking, scaling, marine log salvage; and

- combating “forest crimes” (theft, arson, mischief) which are a significant drain on provincial revenue and a significant risk to other environmental, social and economic values.

Core Business Area: 5. Forest Investment

The Forest Investment Account (FIA) is a forest-sector investment model, led by government, established to deliver investments on Crown land in an accountable, efficient manner. Investment dollars have been directed to activities on public land — enhanced forestry, watershed restoration and resource inventories — and marketing and research that supports sustainable forest management and increased allowable annual cuts.

Administration of most FIA activities is provided by third parties: PricewaterhouseCoopers, the Federation of B.C. Woodlot Associations and Forestry Innovation Investment Ltd.

Third-party administrators provide the following services:

- accept investment schedule proposals and confirm they constitute an optimum mix of expenditures to promote sustainable forest management;
- ensure that each proposed activity is eligible for FIA funding;
- provide funds to successful proponents and track project delivery; and
- are responsible for performance and financial auditing. Table 2 lists these programs with their administrators.

FIA programs that support the ministry’s sustainable forest resources goal at the provincial level include the Forest Science and Crown Land Use Planning programs. At a more local level funding is allocated to tree farm licence holders and certain tenure holders in each timber supply area under the Land Base Investment Program, and to woodlot licence holders and community forest agreement holders under the Small Tenures program. Activities under the latter two programs include resource inventories, stand establishment and treatment, and restoration and rehabilitation.

Table 2: Administration, Planning and Reporting Responsibilities for FIA Programs

FIA Program	Administrator	Plans and Reports
Land Based Investment Program	PricewaterhouseCoopers LLP (PwC)	Activity reporting, audit plan and annual report
Tree Improvement Program	Ministry of Forests and Range	MoFR service plan and annual service plan report
Crown Land Use Planning Enhancement Program	Integrated Land Management Bureau	Ministry of Agriculture and Lands service plan and annual service plan report
Small Tenures Program	Federation of B.C. Woodlot Associations (FBCWA)	Activity reporting, audit plan and annual report
Forest Science Program	PricewaterhouseCoopers LLP (PwC)	Forest Science Board strategy and business plan, activity reporting, audit plan and annual report
Market Development Program	Forestry Innovation Investment Ltd (FII)	FII service plan and annual service plan report

Under the goal of sustainable forest and range benefits, the FIA promotes investment in product development and international marketing activities. Forestry Innovation Investment Ltd. (FIIL), a Crown corporation, administers both of these programs at the provincial level.

Core Business Area: 6. Pricing and Selling Timber

The Forest Service has a core responsibility to provide British Columbians with benefits from the commercial use of public forests. This is supported by a strong forest economy and a competitive forest sector, which in turn depends on a fair pricing system, effective allocation and administration of timber harvesting rights, and a safe and cost-effective road

Tenures managed by the Ministry of Forests:

- 34 Tree Farm Licences
- 812 Woodlot Licences
- 11 Community Forest Agreements
- 168 replaceable and 147 non-replaceable Forest Licences
- 100 replaceable and 1,357 active non-replaceable Timber Sale Licences
- 621 Timber Licences
- 10 Pulpwood Agreements

infrastructure to access timber, forest based communities and recreation areas.

Core business activities to achieve this goal include timber tenure administration, timber pricing (tied to BC Timber Sales activities), scaling, market access activities, maintaining a forest road infrastructure and First Nations consultation and accommodation.

Core Business Area: 7. BC Timber Sales

The BC Timber Sales organization supports BC's timber pricing system by developing and offering for sale through auction, a significant portion of the provincial

allowable annual cut. In doing so the division generates pricing and cost data to drive market-based pricing, earns substantial net revenue for the Crown, and provides competitive access to timber for industry. BC Timber Sales is obligated to meet all requirements of the *Forest and Range Practices Act* and the *Forest Practices Code*, including achievement of reforestation obligations.

Core Business Area: 8. Executive and Support Services

This core business focuses on corporate governance and service delivery activities in support of all ministry functions. Governance activities include: policy and legislation development, performance management, financial management, strategic human resources and information management. Executive, regional and district management, and staff in the Corporate Services Division play a key role in delivery of these functions.

Support service activities also include central infrastructure management, Freedom-of-Information, records management, continuous improvement and the application of information technology. These services are delivered at all levels of the organization — branch, region and district. While focused at supporting internal management and employees, they also serve industry and the general public.

Report on Performance

In keeping with B.C.'s eight reporting principles to focus on a few, critical aspects of performance, and to better link goals and objectives to results, MoFR reduced its number of performance measures and indicators from 40 in the 2005/06 Service Plan Update to 11 measures in the 2006/07 service plan. In addition nine measures that are part of the Province's commitment to report on the Mountain Pine Beetle Action Plan have been moved to an appendix in the 2006/07 Plan and in this 2005/06 Annual Service Plan Report.

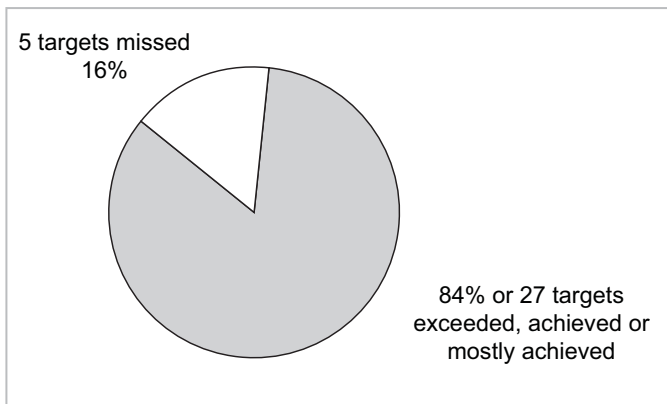
Many of the measures that are no longer included in this plan continue to be tracked as part of the Ministry's Internal Service Plan (or Business Plan), to enable the ministry to manage performance effectively.

Performance at a Glance

Performance Measure Target Achievement

Fourteen Key Outcome Indicators (KOIs) are used by the ministry to report on the highest level outcomes or key results represented by the ministry goals in 2005/06. Although these indicators are outside the full influence and control of the ministry, they are tracked to show progress towards the ministry's goals. Because of the lack of ministry control on these outcomes, rather than establish a target with accountability, the indicators have been assessed against a projection and evaluated as to their current status and trend.

The 33 Corporate Performance Measures (CPMs) were established with targets to evaluate ministry performance in its core business areas for 2005/06.



As shown in the pie-chart above, 32 of the 33 corporate performance measures are reported on, yielding a total of 84 per cent target achievement, made up of five targets that were mostly achieved (> 80 per cent to 95 per cent), 12 targets that were achieved (95 per cent to 105 per cent), and 10 targets that were exceeded (> 105 per cent). Five measures (16 per cent) had targets that were missed.

The following KOIs and CPM were not reported in 2005/06:

- The two KOIs on public trust (per cent of British Columbians who agree that the Forest Service can be trusted to protect and manage our public forests, and the per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests), will be evaluated again in 2006/07.
- The CPM on achievement of free-growing obligations under the Forest Stand Management Fund required no activity during the year.

In the 2006/07 Service Plan, the ministry rationalized its performance framework to focus public reporting on fewer, critical measures. The eleven measures chosen for 2006/07 include some KOIs and some CPMs (shown with shading in the accompanying chart), chosen to best represent the key goals, objectives and business areas of the ministry.

A synopsis of the links between goals, objectives, strategies and performance results is provided in the accompanying chart. Explanations of each measure and its performance target achievements are provided in the following sections.

Performance Plan Summary Table

The following tables provide a synopsis of the results for the Ministry key outcome indicators (Section 1), and performance measures (Section 2) from the 2005/06 Service Update (September 2005). The measures covered by the Mountain Pine Beetle Action Plan have been separated out in Section 3. The measures shaded represent those in the 2006/07 service plan.

Section 1 — Key Outcome Indicators

Five Great Goals	Ministry Mission To protect, manage and conserve forest and range values through a high performing organization.			
	Ministry Goals	Key Outcomes	Key Outcome Indicator	Results
Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.	1. Sustainable Forest and Range Resources.	A Sustainable Forest Land Base	Area of provincial forestland in millions of hectares	✓
		Sustainable Timber Productivity	Total area of Crown forest lost to wildfire annually	✓
			Ratio of area reforested to area harvested or lost to fire and pest	△
		Healthy Forests — Soil quality, water quality, and ecosystem diversity	Per cent of annual harvest area with soil loss due to the establishment of permanent access roads	✓
		Effective Forest Protection and management by forest operators	Per cent of forest and range operator's compliance with statutory requirements that regulate forest practices	✓
Create more jobs per capita than anywhere else in Canada.	2. Sustainable Forest and Range Benefits.	Strong Forest Economy	B.C.'s share of the U.S. softwood lumber market	✓
			B.C.'s share of Japan softwood lumber imports	△
		Globally competitive forest sector	Increase in wood product sales to Taiwan, China and Korea	x
			Percentage increase in forestland certified by major forest certification process	✓✓
		Resource Benefits from public forest and range resources	Crown forest gross revenue	✓
			Crown gross revenue from B.C. Timber Sales	△

Five Great Goals	Ministry Mission To protect, manage and conserve forest and range values through a high performing organization.			
	Ministry Goals	Key Outcomes	Key Outcome Indicator	Results
Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none and Create more jobs per capita than anywhere else in Canada.	3. Highly Effective, Innovative and Responsive Organization.	An Effective Organization	Per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests	Not measured in 2005/06
			Per cent of British Columbians who agree that the Forest Service can be trusted to protect and manage our public forests	
		Effective Delivery of Forest Investment activities and outcomes through third party administrators	Per cent of FIA third-party administrator performance targets achieved	✓

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. × Missed target. N/A — Not Applicable.

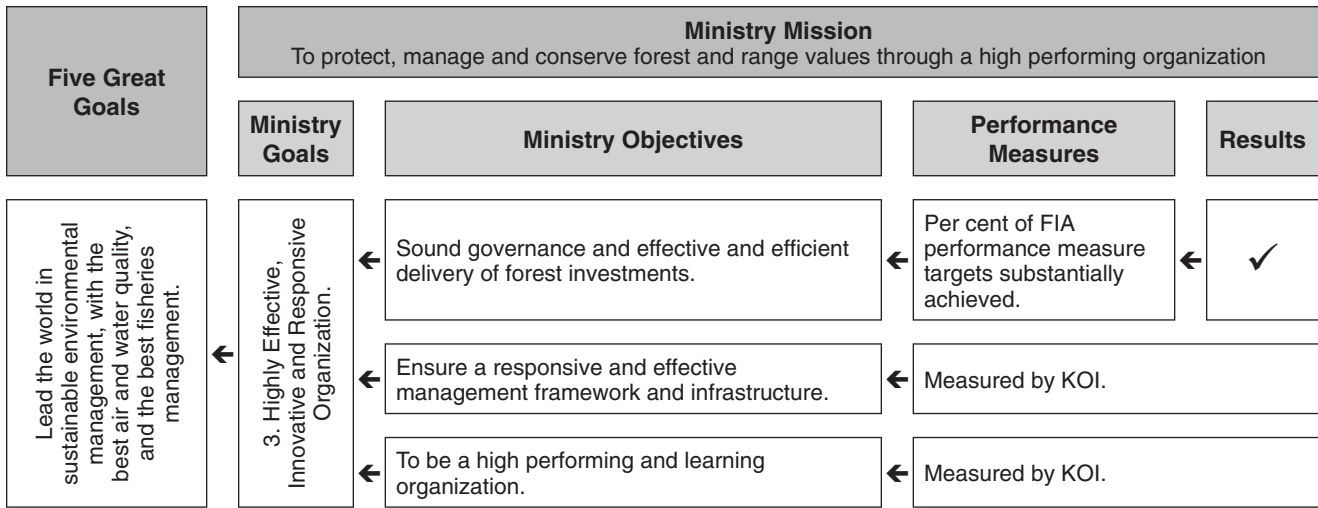
Section 2 — MoFR Performance Measures

Five Great Goals	Ministry Mission To protect, manage and conserve forest and range values through a high performing organization.			
	Ministry Goals	Ministry Objectives	Performance Measures	Results
Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.	1. Sustainable Forest and Range Resources.	Prevent and manage wildfire and forest pests.	Per cent of wildfire contained at <4ha.	✓
			Per cent of Crown forest aerial surveyed to monitor forest health.	△
			Per cent of bark beetle management units (BMU) — including parks and protected areas — treated by MoFR that meet treatment targets.	△
			Per cent of high priority areas treated to manage defoliator outbreaks.	✓
		Ensure that the principles of sustainability guide the management of and improvements to the provincial forest and range resources.	Per cent of TSAs and TFLs for which AAC has been determined in the last five years.	△
			Volume gain of timber available for harvest in 65 years from all ministry tree improvement activities (million cubic metres).	✓
		Deliver ministry programs required to manage provincial forest and range resources for sustainable benefits.	Per cent achievement of ministry free-growing obligations.	N/A
		Monitor, evaluate, and continuously improve forest management.	Status of the State of the Forest Report.	△
			Per cent of FRPA values with measurable indicators for effectiveness evaluations.	✓✓
		Protect, manage and improve range resources for multiple values.	Area restored to open forest and grassland (hectares).	×
			Per cent of available Crown range under a form of agreement.	✓
		Promote compliance and ensure statutory obligations are enforced.	Per cent of high and very high priority sites inspected for forest and range practices compliance.	✓
			Per cent of high and very high priority sites inspected for pricing compliance.	✓
		Actively foster sustainable management and improve the public forest and forage asset base.	Assessment of outcome and outputs for this objective is captured by the reports generated by the third party administrators — see page 44.	

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. × Missed target. N/A — Not Applicable.

Five Great Goals	Ministry Mission To protect, manage and conserve forest and range values through a high performing organization.			
	Ministry Goals	Ministry Objectives	Performance Measures	Results
Create more jobs per capita than anywhere else in Canada.	2. Sustainable Forest and Range Benefits.	← Maintain access to markets for B.C. forest products.	Measured by KOI.	
		← Ensure that the public receives fair value for the use of its forest and range resources now and in the future.	← Status of the implementation of the market-based pricing system.	← ×
		← Provide opportunities to generate wealth from forest resources.	← Per cent of Timber Supply Area AAC under a form of tenure.	← ✓
		← Provide a reliable and environmentally sound forest road network.	← Per cent of key engineering activities substantially achieved.	← ✓✓
			← Per cent of kilometres of Forest Service roads, where the District Manager is directly responsible for maintenance, that are open for public access.	← ✓✓
			← Per cent reduction or increase to the Forest Service road network.	← ✓
		← Increase First Nation opportunities in the forest sector while respecting First Nation interests.	← Total number of Forest and Range agreements offered to and signed with First Nations.	← ✓
		← Provide a credible reference point for timber costs and pricing.	← Per cent of total timber volume available, auctioned by BCTS.	← ✓✓
		← Optimize BCTS net revenue to the province within the parameters dictated by its benchmarking mandate and sound forest management.	← Crown net revenue from BCTS.	← △
			← Average cost per cubic metre of volume developed by BCTS.	← ✓✓
← Provide opportunities for B.C. Timber Sales customers to purchase timber in an open and competitive timber market.	← Volume offered for sale by BCTS.	← ✓✓		

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. × Missed target. N/A — Not Applicable.



✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. × Missed target. N/A — Not Applicable.

Section 3 — Mountain Pine Beetle Action Plan Measures

All of these measures are described and reported in Appendix A1.

Five Great Goals	Ministry Mission To protect, manage and conserve forest and range values through a high performing organization.				
	Ministry Goals	Ministry Objectives	Performance Measures	Results	
Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management.	1. Sustainable Forest and Range Resources.	Prevent and manage wildfire and forest pests.	← Hectares treated for fuel management in interface areas impacted by MPB.	← x	
			← Hectares treated to control spread of MPB.	← ✓✓	
			← Per cent of at risk sites treated in parks and protected areas to mitigate impacts of MPB.	← ✓✓	
		Restore the forest resource in areas affected by MPB epidemic.	← Number of watersheds treated for ecosystem restoration required as a result of MPB.	← ✓	
			← Number of peer reviewed research and development project reports or extension events on priority MPB issues.	← ✓✓	
			← Number of map sheets imaged of area susceptible to MPB infestation.	← ✓✓	
		Encourage long-term economic sustainability by mitigating the impacts of MPB on livestock production and range use.	← Animal Unit Months of forage protected from loss due to MPB impacts.	← x	
		2. Sustainable Forest and Range Benefits.	Recover the greatest value from dead stands impacted by MPB.	← Number of new products/applications for MPB timber identified and introduced to markets.	← ✓✓
				← Number of regional community association economic diversification plans established by MPB mitigation.	← x

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. × Missed target. N/A — Not Applicable.

Goals, Objectives, Strategies and Performance Measures

Ministry Goal 1: Sustainable Forest and Range Resources.

As stewards of British Columbia's forest and range resources, the Ministry of Forests and Range has the responsibility to ensure the use of these resources to generate economic benefits is balanced with their long-term viability. The ministry ensures that appropriate forest and range management practices and incremental investments are used to maintain and improve the long-term sustainability and health of the province's forest and range resources.

The ministry tracks overall sustainability of resources on an annual basis using key outcome indicators. Status and trends based on data available for assessment in 2005/06 is as follows:



Key Outcome	Indicator	2005/06 Status / Trend
A sustainable forest land base	Area of provincial forestland in millions of hectares	good / stable
Sustainable timber productivity	Ratio of area reforested to area harvested or lost to fire and pest	poor / declining to flatline in three years
	The total area lost to wildfire annually in hectares (5-year rolling average)	good / stable
Healthy forests	Per cent of annual harvest area with soil loss due to establishment of permanent access roads	good / stable
Effective forest and range protection and management, as represented by compliance with the regulatory framework	Per cent of forest and range operators' compliance with statutory requirements that regulate forest practices	good / stable

Status is good, fair or poor; Trends are increasing, stable or declining.

Other indicators of healthy forests, looking at the key elements of water quality and biodiversity, are complex and assessment of these is addressed more fully in the Ministry's State of British Columbia's Forests Report published periodically at:

<http://www.for.gov.bc.ca/hfp/sof/>.

Data from the state of the forests report and Forest Practices Board audits also support the conclusion that these aspects of sustainability are being addressed satisfactorily in B.C. The indicators of sustainable timber productivity, area lost to wildfire and the reforestation ratio, have been a concern over the past few years. However, as expected, the area lost to wildfire returned to within the normal variation in 2005/06. The reforestation ratio continues to show the expected decline, reflecting the time lag associated with initiating the new Forests for Tomorrow program to address loss to fire and mountain pine beetle.

Key Outcome Indicators

Sustainable Forest Land Base — A sustainable forest land base represents the footprint of the provincial forests for land-use decision making.

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
Area of provincial forestland in millions of hectares	47.8	47.8	47.7	47.7	47.7	0
Selection Rationale						
This key outcome pertains to the area in provincial forest land which reflects provincial land use decisions. Changes to the indicator would be expected if the government removed Crown land from forest management for other uses (e.g., preservation, parks or agriculture or Crown land sales) or converted land from other uses to forest management.						
Results and Variance Explanation						
There were no removals of Crown land from forest management for other uses or additions of land converted from other uses to forest management, in 2005/06.						
The small reduction in the productive forest area between 2002/03 and 2003/04 reflected updated inventory information and minor changes to land use and administration rather than a change to the land base.						
Data Sources and Issues						
For the purposes of this measure, provincial forest land is the Crown land in timber supply areas, woodlot licences, and tree farm licences. Data are from the ministry's Allowable Annual Cut (AAC) database, as of January 1st each year. Accuracy of this measure is within 1 per cent or to the nearest 500 000 hectares.						
Changes to the Measure						
This measure is tracked internally to the ministry starting in 2006/07.						

Sustainable Timber Productivity — The ministry measures reforestation and losses from fire to represent the outcome of sustainable timber productivity.

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
Ratio of area reforested to area harvested or lost to fire and pest	0.93	0.82	0.78	0.80	0.74	-0.06

Selection Rationale

The ministry measures reforestation to represent the outcome of sustainable timber productivity. Reforestation, represented by the ratio of area reforested to area harvested or lost to fire and pest, includes planting or natural regeneration and is net of plantation failures. Harvesting is by any method. Area lost to fire and pest is unsalvageable and offers a viable reforestation opportunity. An area is not tallied as “lost to fire and pest” until it has been surveyed and deemed to present a viable reforestation opportunity.

A ratio of 1.0 indicates that areas being reforested are in balance with those being harvested or lost to fire and pests. A ratio of less than 1.0 reflects a trend towards increased Not Sufficiently Restocked (NSR) with more area being harvested or lost to fire and pest than reforested.

Results and Variance Explanation

The expected downward trend in the reforestation indicator attributed to the increase in areas lost to wildfire and to the mountain pine beetle epidemic is evident in the actual results for 2005/06. The ministry initiated the Forests for Tomorrow Program in 2005/06 to address this trend, with first year activities focusing on strategy development, surveys and site preparation work for those areas not reforested under legislated requirements associated with salvage harvesting. Substantial amounts of planting do not begin until 2007/08, when the downward trend in the indicator is expected to be stopped.

B.C.’s results may be generally comparable to Ontario, who track the percentage of human or natural forest disturbance area regenerated successfully. However, there are some differences in reporting methodology and reforestation standards between the two provinces. Ontario uses a sampling methodology to collect data, while BC’s data represent a complete census of all cutblocks in the timber harvesting landbase. Ontario also has different reforestation stocking standards than BC. In addition, Ontario’s last published information is for 2001/02, which shows an actual performance of 88 per cent. In 2001/02, the MoFR ratio was 1.2 or 120 per cent, reflecting significant efforts by B.C. to reforest areas that had been deforested prior to 1988. A more recent comparison is not possible. Their annual reports can be accessed on-line at: <http://ontariosforests.mnr.gov.on.ca/publications.cfm#reports>.

Data Sources and Issues

Based on a five-year rolling average. The ratio uses data from the past five years, submitted by licensees and the ministry, to RESULTS (Reporting Silviculture Updates and Landstatus Tracking System).

Data reported are one year older than the year indicated. This reflects that the data are submitted by industry according to legislated requirements, at June 1st each year for the previous year ending March 31st and this is not aligned with reporting requirements for the ministry’s Annual Service Plan Report.

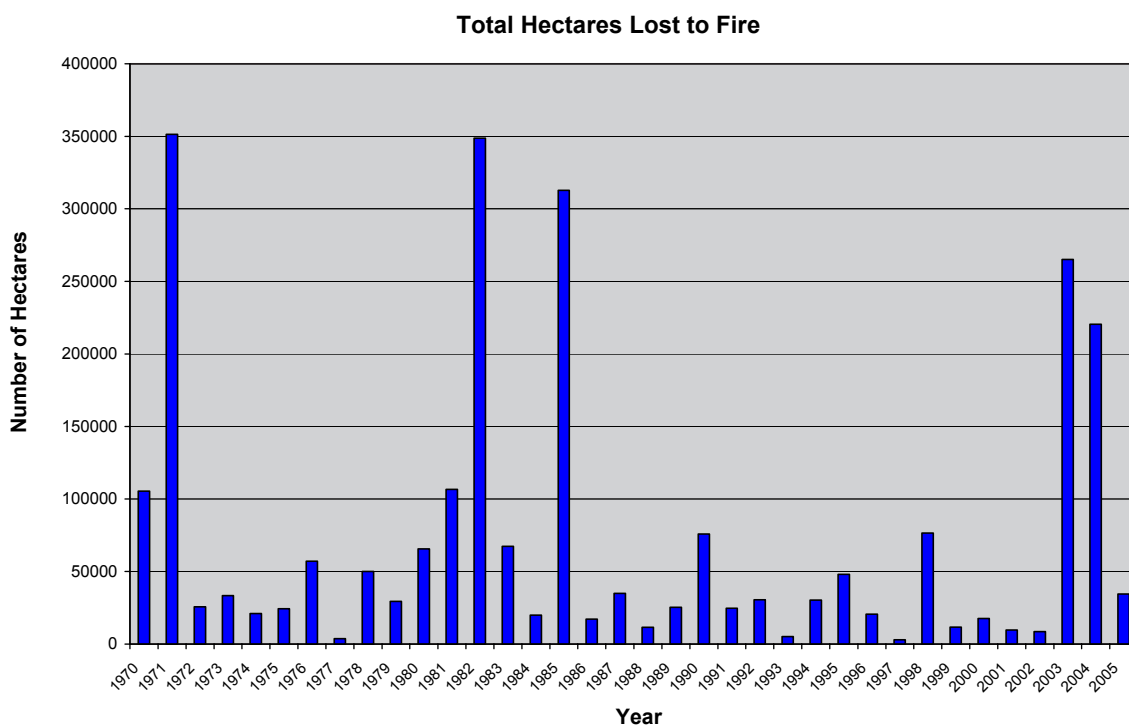
An adjustment to the actual ratio reported for 2004/05 in the 2006/07 service plan and the 2004/05 Annual Service Plan Report has been made from 0.80 to 0.78. This reflects late updates to the database.

Transition to the new RESULTS information system has required substantial review and reformatting of data, contributing to not having accurate and complete data available in a timely manner. The ministry is making considerable efforts to complete the extra work required, and the data are expected to be up-to-date by the end of 2006/07.

Changes to the Measure

None.

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
The total area lost to wildfire annually in hectares (5-year rolling average)	20 471	50 615	63 540	<85 000	79 596	-5404
Selection Rationale						
The total area lost to wildfire annually. This is highly dependent on weather and where fires occur relative to resources and communities						
Results and Variance Explanation						
Area lost to wildfire was slightly less than anticipated in 2005/06. Projections of losses were increased from <65 000 ha in 2004/05 to <85 000 ha in 2005/06 to reflect the extreme drought of 2004 after the exceptionally severe 2003 fire season. these conditions will impact the five-year rolling average of area lost for the next five years.						
Data Sources and Issues						
These measures use data from the past five years, from the Forest Service Historical Fire Statistics database.						
Changes to the Measure						
No changes.						



Healthy Forests — Healthy forest ecosystems sustain the quality and quantity of soil, water and timber, and therefore, indicate sustainable forest resources. Measures of timber are addressed above. Soil and water protection are addressed largely through the *Forest and Range Practices Act (FRPA)*, which is measured by the compliance indicator below. This measure of soil loss demonstrates compliance with the FRPA standard, which requires soil losses to be less than 5 per cent. There is no obvious high level indicator of ecosystem water quality, which occurs largely on a site-specific basis.

Key Outcome Indicator	Benchmark	2005/06 Projection	2005/06 Actual	Variance
Per cent of annual harvest area with soil loss due to establishment of permanent access roads	<5	<5	<5	0
Selection Rationale The indicator per cent of annual harvest area with soil loss due to establishment of permanent access roads is linked to national forest criteria and indicators of global forest sustainability. Although the indicator represents a key element of healthy ecosystems (soil sustainability), it is only meaningful at the ecosystem level, needs to be considered over time, and cannot be taken by itself as a sufficient indicator of sustainability. The ministry will present more comprehensive information in a "State of the Forests" report published periodically. Permanent access roads include any not-rehabilitated roads, excavated or bladed trails, landings, pits or quarries. Harvest area is by any method and includes areas with retained mature timber and naturally occurring non-productive areas within the cut block boundary.				
Results and Variance Explanation Actual achievement was as projected for 2005/06.				
Data Sources and Issues Data for this measure is compiled by the Forest Practices Branch from RESULTS (Reporting Silviculture Updates and Landstatus Tracking System). Data are submitted, according to legislated requirements, before June 1st each year for the previous year ending March 31st. The ministry's Annual Service Plan Report is finalized in May of each year. The timing of the legislated reporting requirements for industry and the ministry's Annual Service Plan Report are currently not aligned. Therefore the data produced in the Service Plan are currently always one year behind.				
Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07.				

Effective Forest and Range Protection and Management — the measure below reflects management decisions and actions of forest and range operators which is key to the outcome of sustainable forest resources

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
Per cent of forest and range operators' compliance with statutory requirements that regulate forest practices	93	92.1	91.4	>94	93.6	-0.4
Selection Rationale This measure was selected as an indicator of the management decisions of forest and range operators which are key to the outcome of sustainable forest resources. Forest and range operators are all industry (major and small business) licensees. Compliance is with the <i>Forest Practices Code</i> and the <i>Forest and Range Practices Act</i> . This is a measure of the number of inspections completed with no alleged non-compliance that led to a determined or prosecuted enforcement action versus the number of inspections completed.						
Results and Variance Explanation Variance for this measure is within the accepted accuracy for reporting. The rate of compliance has consistently been in excess of 90 per cent for the past eight years.						

Data Sources and Issues Information is from the ministry's Compliance Information Management System (CIMS).
Changes to the Measure No changes.

Objective 1: Prevent and manage wildfire and forest pests.

This objective reflects the ministry's intent to protect forest and range resources and investments by minimizing losses and mitigating future risks from wildfire and forest health infestations.

Since 2003, achievement of this objective has been supported by implementation of recommendations from the internal and external inquiries of the 2003 and 2004 fire seasons. Many initiatives were implemented in 2004 including the addition of two air tankers, 100 additional firefighters and development of a provincial fuel management strategy. The strategy has provided funding for over 60 Community Wildfire Protection Plans and for over 45 fuel management projects. As well, British Columbia is playing a key role in developing the Canadian Wildland Fire Strategy to help protect communities and accelerate improvements to the provincial and national wildfire infrastructure.



Achieving this objective for wildfire also depends on the severity of conditions including: weather, ground fuel accumulations, and availability of trained crews, equipment, air tankers and resources from other sources. Continued implementation of the recommendations will ensure the greatest level of preparedness for future fire seasons.

The ability of the ministry to manage forest pest infestations is largely influenced by our predictive ability with insect population cycles, and ongoing monitoring and detection. The ministry coordinates research and modeling of insect populations with other agencies, and ensures that an aerial overview survey of provincial forests along with pest specific ground surveys are done each year to detect new or growing infestations. Managing forest pests is done in partnership with the federal government and forest industry, and in the case of an epidemic with economic impacts like the mountain pine beetle, in coordination with communities, First Nations and other government agencies.

Strategies

1. Ensuring fire preparedness and rapid effective initial attack by continuing to implement the new *Wildfire Act* including streamlined regulations.
The *Wildfire Act* was brought into force on March 31, 2005 and the ministry worked with stakeholders to ensure compliance.
2. Continuing to renegotiate agreements with utilities and develop new agreements with other sectors to increase cost-recovery for fire protection activities.
Over the past year the ministry has significantly expanded the number of clients involved in these agreements and is working to ensure continued success of the cost-sharing program.
3. Responding to the results of the internal and external inquiries into the 2003 and 2004 fire seasons.
The ministry has continued to implement recommendations from 2003 and 2004 internal and external reviews and consolidation of this implementation has been reflected in the ministry's Protection Program Strategy approved in January 2006.
4. Early detection and treatment of insect infestations.
During 2005/06, the ministry continued to conduct early detection (air and ground surveys) to identify insect infestations (primarily for bark beetles and the western spruce budworm) and determine if treatments were warranted and feasible. Treatments were carried out on all viable Beetle Management Units, however, due to the rapid spread of the infestation targets were not met (see measure below).
5. Monitoring and evaluating forest health status and implementing best management practices in support of the timber supply review and protection of the 11 resource values under the *Forest and Range Practices Act* (FRPA).
Over the past year, ministry forest health specialists have been piloting an effectiveness evaluation monitoring protocol to determine if forest health factors are significantly impacting young forest stands and thereby not meeting the growth projection assumptions in the Chief Forester's Timber Supply Reviews. Best management practices have been reviewed and updated by ministry forest health specialists and a training and extension plan is also being developed and funded in 2006/07 to improve access to these best management practices.

Performance Measures

Performance Measure	Benchmark	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of wildfire contained at less than four hectares	93	92	92.2	+0.2	✓
Selection Rationale					
This is a measure of the ministry's success rate of initial attack on wildfire that is unplanned, accidental or unwanted (i.e., has potential to cause damage to or loss of timber, range or public resources). If containment is kept to under four hectares by 12 pm the day after the fire starts, damage and costs for fire suppression are kept to a minimum.					
Results and Variance Explanation					
No significant variance from target. Alberta and Ontario both track success of initial wildfire attack using this same measure. Alberta's most recent published target is 90 per cent (2002 to 2005), but actual performance data could not be obtained. The last published data for Ontario show an initial attack success rate of 96.4 per cent in 2001. While the information can not be compared directly year to year, it appears that all three jurisdictions target and achieve initial wildfire attack success rates between 90 and 96%. Differences in land ownership, policy and climate conditions would account for the 6 per cent variation.					
Data Sources and Issues					
Data are from the Forest Service Historical Fires Statistics Database.					
Changes to the Measure					
None.					

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of Crown forest aerial surveyed to monitor forest health	100	100	100	100	87.5	-12.5	△
Selection Rationale							
Annual province-wide aerial surveys are used to monitor forest disturbances caused by insects, diseases, animal and abiotic factors. The findings of these surveys are posted on the ministry website for access by the public, consultants, licensees and ministry staff. The data are used to track damage trends, estimate impacts on forest resources, plan management activities strategically, and direct more detailed surveys.							
Results and Variance Explanation							
The target was not achieved in parts of the Northern Interior and Coastal Forest Regions due to inclement weather. The target was fully achieved in the portions of the Northern Interior and Southern Interior, where information on mountain pine beetle was critical to implementation of Mountain Pine Beetle Action Plan spread control treatments in 2005/06.							
Data Sources and Issues							
Data are collected from the forest regions through aerial overview survey contracts.							
Changes to the Measure							
This measure is tracked internally to the Ministry starting in 2006/07.							

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of bark beetle management units (BMU) — including parks and protected areas — treated by MoFR that meet treatment targets	89	88	75	80	69	-11	△
<p>Selection Rationale</p> <p>The exponential expansion of beetle infestation continues. The ministry is investigating a potential new outcome-oriented performance measure to report on the extent of the mountain pine beetle infestation, how it is being addressed through treatments and salvage logging, and the ultimate impact on sustainability of the forest resource.</p> <p>This new measure would track the successful reforestation of areas impacted by the beetle (and subsequently salvage logged, treated or left to reforest naturally). At this time there are decisions pending as to the scale and spatial location of some large scale salvage operations. The outcome of these decisions, and their interaction with the impact of Forests for Tomorrow program implementation, will influence the timing to accurately implement this measure. In the short term, the ministry is continuing with this measure of the extent of the highest priority areas treated.</p> <p>High-priority sites are those which present an opportunity to stop or reduce the rate of spread. Activities include conducting detailed aerial and ground detection leading to treatments through targeted harvesting, felling and burning, setting up pheromone trap trees, or other methods. By agreement with MOE, MoFR is responsible for treatments in parks and protected areas. Targets are established through the development of annual beetle strategies and the availability of funding.</p>							
<p>Results and Variance Explanation</p> <p>Expansion rates of the MPB were higher than expected in the units that failed to meet suppression targets thereby exceeding the units' resources to adequately address the new infestations. By Fall 2005, the beetle had infested 8.7 million hectares.</p>							
<p>Data Sources and Issues</p> <p>Detailed aerial and ground detection is used to map the spread of the beetle and to locate sites that present an opportunity to stop or reduce the rate of spread of the beetle. Data come from aerial and ground surveys and treatment records.</p>							

Changes to the Measure

In 2004/05 only the area treated by MoFR directly (primarily parks and protected areas) was measured. A policy change in September 2004, led to the ministry being responsible for forest health on all Crown forest areas, and therefore the measure was changed in 2005/06 to report on all Crown forest areas treated under the Mountain Pine Beetle Action Plan.

In 2006/07, this measure has been reworded to the “Per cent of Mountain Pine Beetle Aggressive Emergency Management Units that achieve treatment targets.” This change reflects a change in naming convention where Beetle Management Units that fell within the Emergency Bark Beetle Management Area have been divided into Aggressive Emergency Management Units (AEMUs) and Containment or Holding BMUs, in addition to a Salvage Zone. These refinements have been necessary to hone the Government’s strategy to focus funding on the highest priority areas where there is an opportunity to stop or reduce the rate of spread of the beetle.

AEMUs (previously called Suppression Beetle Management Units (SBMUs)) are areas where new infestations are managed through targeted small-block harvesting, felling and burning, use of pheromone baits, or other methods.

Areas where beetle infestations are still active, but there are no opportunities to suppress the populations, are called Containment EMUs (or Holding BMUs). These areas are being harvested via larger blocks to slow beetle spread.

Finally, where the beetle has killed extensive volumes of timber and where there is no reduction in rate of spread possible through harvesting; these areas are included in the Salvage Zone. Harvesting efforts in this zone have no impact on the beetle population and the objective of harvesting here is to recover as much timber value as possible.

The first two unit designations are enabled under section 109 of the Forest Planning and Practices Regulation. In this regulation the Bark Beetle Coordinator may designate Emergency Management Units within the Emergency Bark Beetle Management Area to expedite harvesting for the purposes as indicated above.

The Aggressive EMUs continue to be the focus of concerted effort under the Mountain Pine Beetle Action Plan, and this performance measure has been selected to report progress on treatments in these units. This is described more fully in the 2006/07 MoFR Service Plan.

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of high priority areas treated to manage defoliator outbreaks	Gypsy Moth 100	Gypsy Moth 100	Gypsy Moth 100	Gypsy Moth 100	Gypsy Moth 0	✓
	All others 99	All others 54	All others 100	All others 77	All others 23	

Selection Rationale

Other defoliators include western spruce budworm, western hemlock looper among others. The achievement of this measure is largely determined by funding levels and population trends.

Results and Variance Explanation All gypsy moth high priority sites were treated in 2005/06, achieving the target. The achievement of 77 per cent for “all other” defoliators represents 27 000 hectares that were treated. The target was 35 000 hectares at the start of 2005/06, but due to cold weather that eliminated defoliators on 8000 hectares in the Southern Interior, only 27 000 hectares required treatment during the year.
Data Sources and Issues Aerial and ground surveys and treatment records.
Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07.

Objective 2: Ensure that the principles of sustainability guide the management of, and improvements to, the provincial forest and range resources.

This objective has been split into two new objectives for the 2006/07 service plan to better describe the intent of the business associated with a principled approach to ensuring sustainable forest and range resources:

(1) An effective forest practices and policy framework

This objective was one of the strategies in the 2005/06 Service Plan Update, and was promoted to an objective reflecting that the forest practices and policy framework is a key tool to achieving government’s goals through setting standards, developing and reviewing policies and legislation, and managing non-statutory information such as training material or guidance for resource professionals. The ministry manages the risk to achieving this objective by working with professional associations, a minister’s advisory council and through regular discussion with communities, the public and effective consultation with First Nations.

Strategies

1. Continuing to jointly evaluate, improve, and manage the forest practices and planning framework based on best available resource information and science; and
2. Implementing processes that ensure consistent and science-based evaluations of forestry plans submitted for approval.

Results

Progress towards meeting this objective and achieving the above strategies in 2005/06 is reflected in the following key accomplishments:

- The Minister’s FRPA advisory council met five times and reported to the Minister on how to improve the forest practices framework on matters related to environmental protection, continuous improvement of the FRPA Resource Evaluation Program, forest worker safety, First Nations consultations, and various implementation issues.

- Ongoing work with the Ministry of Environment, the Integrated Land Management Bureau and licence holders to simplify licensee access to information for the preparation of Forest Stewardship Plans, a critical component of the FRPA, by improving the accessibility and usability of current data.
- Issues associated with the implementation of FRPA were identified and resolved through monthly meetings of the ministry's FRPA implementation teams, consisting of members from government, the forest and ranching sectors and the professional associations.
- Successful development and implementation of the Chief Forester's Standards for Seed Use, a key piece of the forest practices and planning legislative framework.
- The ministry supported the work of the Professional Reliance Task Team, which drew its membership from the four professional associations with legislated responsibilities in FRPA, in their efforts to define the role of resource professionals in a results-based legislative regime.
- Initiated inventory program review, involving data collectors, users and managers of the inventory, to coincide with transfer of inventory function to MoFR.
- Phased in implementation of a Forest and Range Evaluation Program (FREP) to ensure that B.C. is a world leader in sustainable forest management by providing the high quality, science-based information needed for decision-making and continuous improvement of B.C.'s forest practices, policies and legislation.

(2) Advice to decision-makers is guided by the principles of sustainability and best available science

Statutory decision-makers in MoFR and other agencies are supported by decision tools built from the best available science and analysis. These decisions include determination of Allowable Annual Cut, establishment of Visual Quality Objectives, identification of resource features and operational plan determinations. Achieving this objective depends on coordinated and cost-effective analysis and sound decision-making.



Strategies

1. Applying research and forest analysis to support policy development and statutory decision-making;
2. Supporting transfer of specified timber supply review activities to Defined Forest Area Management licensees;
3. Participating in the provincial Tree Improvement Strategy; and
4. Developing and delivering training programs.

Results

Progress towards meeting this objective and achieving the above strategies in 2005/06 is reflected in the following key accomplishments:

- Urgent timber supply reviews were initiated for three Interior timber supply areas (100 Mile House, Williams Lake, Morice). This work is consistent with priorities identified in the Mountain Pine Beetle Action Plan.
- Completed first approximation of provincial-level impact analysis for 20 TSAs affected by the mountain pine beetle.
- Provided best available information on updated Vegetation Resource Inventories (VRI) to support analysis for AAC determinations: acceptance/approval of eight VRI strategic inventory plans, nine VRI project implementation plans, three Phase 1 photo-interpretation inventory projects and four Phase 2 ground-sampling inventory adjustment projects.
- Completed establishment of 2,420 Photo Plots and 268 Ground Plots for the National Forest Inventory program (initiated in 2000). This completes the British Columbia commitment to the establishment phase of the National Forest Inventory program.
- Upgraded GIS skill sets of inventory staff in preparation for implementation of the Vegetation Resource Inventory Management System.
- Examination of best methods for gathering and maintaining inventory information on forest attacked by the mountain pine beetle.
- Promoted development of training material on how to review and comment on Forest Stewardship Plans for agency staff, public and First Nations.
- Tree Seed Centre met seedling request targets and ministry seed orchard production met expected seed production volumes.
- An updated Bio-geo-climatic Ecosystem Classification (BEC) map and database were made available across the province, essential to the forest practices policy framework and decision-making processes.
- Projection model of the spread of mountain pine beetle across the province was updated and a mountain pine beetle stewardship research strategy was completed.
- The Forest Science Program contributed significantly to best available science information by generating 760 extension products and events provincially.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of TSAs and TFLs for which AAC has been determined in the last five years	N/A	N/A	N/A	100	90	-10	△

<p>Selection Rationale</p> <p>This was a new measure in 2005/06, replacing “per cent of timber supply allowable annual cut determinations achieved by their scheduled deadline.” The <i>Forest Act</i> requires that the provincial chief forester determine allowable annual cuts (AACs) for each Tree Farm Licence (TFL) and Timber Supply Area (TSA) at least once every five years. For the purposes of this measure, a postponement by the Chief Forester under the <i>Forest Act</i>, in cases where an AAC is not likely to be changed significantly, is considered a determination. This measure would provide a gauge of the currency of AACs in the province and serve as a rolling measure of the extent to which the timber supply review program is on schedule.</p>
<p>Results and Variance Explanation</p> <p>Completed and released AAC determinations for four tree farm licences (TFL 15–Weyco, TFL 18–Canfor, TFL 53–Dunkley, TFL 49–Tolko) and seven timber supply areas (Arrow, Strathcona, Revelstoke, Cranbrook, Invermere, Merritt, Okanagan). Five of these determinations involved urgent reviews for mountain pine beetle-related AAC uplifts (Merritt, Okanagan, TFLs 18, 49, 53).</p> <p>The shortfall in achievement is attributed to delays to TSRs in anticipation of completion of Land and Resource Management Planning (LRMP) processes (for the Midcoast, North Coast, Queen Charlottes TSAs and TFL 38); uncertainties about licensee viability and lack of activity on the licence area (for TFL 1).</p>
<p>Data Sources and Issues</p> <p>Internal records.</p>
<p>Changes to the Measure</p> <p>This measure is tracked internally to the ministry starting in 2006/07.</p>

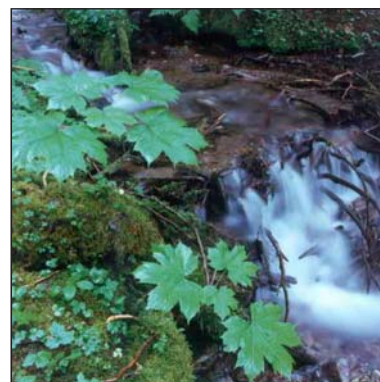
Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Volume gain of timber available for harvest in 65 years from all ministry tree improvement activities (Million cubic metres)	1.670	2.252	2.386	2.175	2.176	0.001	✓
<p>Selection Rationale</p> <p>Future volume gain is calculated from a provincial growth and yield model driven by genetic worth and quantity of improved seed actually deployed.</p>							
<p>Results and Variance Explanation</p> <p>Results were as targeted.</p>							
<p>Data Sources and Issues</p> <p>Internal records and Ministry Growth and Yield modeling.</p>							
<p>Changes to the Measure</p> <p>This measure is tracked internally to the ministry starting in 2006/07.</p>							

Objective 3: Deliver ministry programs required to manage provincial forest and range resources for sustainable benefits.

The ministry is responsible for several key programs that help deliver the stewardship mandate of government, which involves managing, restoring and improving forest resources. This is achieved through improving gene and seed resources, growing improved seedlings, reforestation and other silviculture activities. These activities are supported by quality inventory and data management, operational monitoring of forest practices and the outcomes of licensee strategies, maintenance of long-term environmental monitoring studies, testing of tree-seed parent characteristics, analyses of greenhouse gas emissions and carbon credits, measuring site productivity and predicting the growth and yield resulting from specific activities.

Many of these activities are undertaken collaboratively using multi-stakeholder committees and inter-agency partnerships. The level of funding available largely determines the extent that this objective can be achieved. Funding and priorities for the strategies under this objective come from several sources:

- Initiated development of the Vegetation Resource Inventory Management System (VRIMS) to replace the existing information management system (INCOSADA) for capturing, updating and maintaining the Vegetation Resource Inventory.
- The Forest Stand Management Fund (FSMF) — This fund provides for silviculture and environmental remediation work on areas where the obligation to establish a free growing stand has been transferred from a non-replaceable licence holder to the government.
- The South Moresby Forest Replacement Account (SMFRA) — This Account was created to mitigate the impacts of loss in timber supply and forest-based employment resulting from the creation of Gwaii Haanas National Park Reserve. Projects are related to two key program areas: Sustainable Forest Management; and Community Stability through Enhancing the Forest-Related Economy.
- The Forests for Tomorrow Program — This program will further stewardship of the forest land base by reforesting productive areas impacted by fire and mountain pine beetle infestation over the past few years. The results of this program are expected to be observed in the outcome indicator “ratio of area reforested to area harvested or lost to fire and pest,” about five to seven years after reforestation.
- The Mountain Pine Beetle Action Plan (2005 – 2010) describes the provincial government’s response and provides guidance for all agencies involved in the effort to mitigate the impacts of this unprecedented epidemic on forest values, communities and the provincial economy in the short term, and to ensure sustainability in the long term. For more information please refer to Appendix A1.



Strategies

1. Involvement and collaboration with external agencies and multi-stakeholder committees to assist in achieving ministry sustainability objectives;
2. Developing strategic plans to support full implementation of programs such as invasive plant prevention and control, karst and visual landscape inventories, comprehensive research through partnerships and other innovative delivery mechanisms and evaluating areas denuded by fire and pests to determine reforestation needs; and
3. Supporting ministry reforestation obligations.

Results

Progress towards meeting this objective and achieving the above strategies in 2005/06 is reflected in the following key accomplishments:

- Ministry actively involved in many multi-stakeholder research and innovations groups for the purposes of managing, restoring or improving forest resources. An example of such groups would include the Forest Science Board, Forest Genetics Council, several Canadian Council of Forest Ministers' working groups and the Canadian Forest Innovation Council.
- The tree breeding program continued to be guided by Forest Genetic Council priorities including increasing the average volume gain of select seed used for Crown land reforestation to 20 per cent by 2020, and, increasing select seed use to 75 per cent of the provincial total sown by 2013, as well as initiating research on resistance of lodgepole pine to mountain pine beetle.
- Under the Forests for Tomorrow Program 40 000 hectares of the area affected by the 2003 wildfires were surveyed of which 10 000 hectares have been prescribed for planting and 10 million seedlings are currently being grown.
- Released a report on the potential affects of climate change on B.C.'s forestry resources.

Performance Measure

Per cent achievement of ministry free growing obligations: This includes the ministry's reforestation obligations under the Forest Stand Management Fund and licences to cut. This is a new measure in 2005/06, replacing "Per cent achievement of ministry free growing obligations under the Forest Stand Management Fund." This new measure more accurately represents the ministry's responsibility for reforestation resulting from sources such as non-replaceable forest licences and licences to cut. Data are gathered from decisions made in the forest districts.

As there were no hectares scheduled to achieve free growing during the year, no report on this measure has been included here, and beginning in 2006/07 the measure will be tracked internally to the ministry.

Objective 4: Restore the forest resource in areas affected by the Mountain Pine Beetle Epidemic (includes Provincial and Federal support for Mountain Pine Beetle Action Plan implementation).

Progress on achievement of this objective is described in the Mountain Pine Beetle Action Plan Report in Appendix A1.

Objective 5: Monitor, evaluate, and continuously improve forest management.

Under new results-based legislation, evaluating the outcomes of forest practices in the field will be a key indicator of how effective the FRPA legislation is at protecting forest resources. To this end the ministry has initiated a FRPA Resource Evaluation Program (FREP), a multi-agency initiative to evaluate whether the FRPA will meet its results-based objectives, and whether forest and range practices and the legislation itself are meeting government's broader intent for sustainable resource management.

Public reporting on forest practices, program evaluations and the state of the forests can open dialogue with the *Forest and Range Practices Act* inter-agency implementation teams, resource professionals, the public, and other stakeholder groups. This dialogue is a key component to continuous improvement and innovation in forest management.

Strategies

1. Developing and implementing a coordinated and comprehensive effectiveness evaluation program related to FRPA forest values;
2. Developing and implementing a regional/district level monitoring program related to implementation of operational plans; and
3. Regularly evaluating and publishing information on the state of the forests.

Results

Progress towards meeting this objective and achieving the above strategies in 2005/06 is reflected in the following key accomplishments:

- Successful piloting of the use of satellite image change detection for mapping of red-attacked lodgepole pine stands in mountain pine beetle affected areas;
- Working with stakeholders, the ministry identified 41 priority questions that will guide the development of indicators for the FREP to determine if government's objectives for key values, like biodiversity, water quality and soil disturbance, are being achieved;
- Implementation of a province-wide voluntary resource stewardship monitoring program related to implementation of operational plans; and
- Ministry staff in 18 Forest Districts monitored biodiversity and riparian/fish values on 190 cutblocks and 280 streams.

Performance Measures

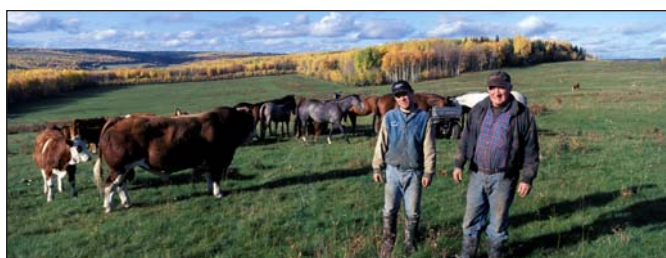
Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Status of the "State of the Forests (SOF) Report"	N/A	N/A	Report with 6 indicators	Report with 12 indicators	90% achieved	-10%	△
<p>Selection Rationale This report will provide a periodic assessment of the state of British Columbia forests, aligning with national criteria and indicators of sustainable forest management.</p>							
<p>Results and Variance Explanation This report has been designed for publishing on the Internet, in separate reports published over a four year period, and culminating in a 24-indicator report. The first report, with six indicators (Ecosystem diversity, Protected forests, Timber harvest, First Nations involvement and Law and Certification) was delayed one year, published in March 2005. The second report with six additional indicators (Ecosystem dynamics, Species diversity, Genetic diversity, Ownership and management, Silviculture, and Jobs and communities) was targeted to be published by March 2006. It was delayed by the unforeseen complexity of preparing some of the new indicators, updating of indicators from the first report and preparing overviews of the 12 remaining indicators. The next installment of this report will be available online by the end of July 2006. The ministry intends to follow this with two more reports each including six additional indicators to be published in March 2007 and 2008.</p>							
<p>Data Sources and Issues Internal records.</p>							
<p>Changes to the Measure This measure has been converted to a percentage of report achievement to provide a better indication of progress, and will be tracked internally to the Ministry starting in 2006/07.</p>							

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of FRPA values with measurable indicators for effectiveness evaluations	N/A	N/A	N/A	50%	64%	+14%	✓✓
<p>Selection Rationale This was a new measure in 2005/06 replacing "Number of completed effectiveness evaluations of the legislation." Effectiveness evaluations are used to determine whether policies, plans or practices under FRPA are resulting in the desired objectives being met. These field reviews are necessary to achieve ongoing improvements to the ministry's policy and legislation framework.</p>							

<p>Results and Variance Explanation</p> <p>There are 11 values under FRPA. Over the next several years under the FRPA Resource Evaluation Program (FREP) , resource stewardship monitoring and evaluation indicators will be developed for all 11 values. To date, there have been indicators developed for the following seven values: biodiversity, fish-riparian, range-forage, recreation, timber, visual quality, and wildlife. Work is also underway on indicators for water quality, soils, resource features, and cultural heritage. All indicators are described on the FREP website at: http://www.for.gov.bc.ca/hfp/frep .</p>
<p>Data Sources and Issues</p> <p>Internal records.</p>
<p>Changes to the Measure</p> <p>This measure is tracked internally to the Ministry starting in 2006/07.</p>

Objective 6: Protect, manage and improve range resources for multiple values.

This objective focuses on protecting Crown range resources through administration of rights for its use through the *Range Act* and agreements under FRPA.



Increasing public pressure on range resources for multiple uses is a risk to achieving this objective. The risk can be managed by working with other agencies on land use planning, evaluating current legislation and policy to assess effectiveness in protecting range resource values, education, extension, monitoring, and compliance and enforcement activities.

During 2005/06 the ministry established a Range Branch headquartered in Kamloops. The mandate of the branch includes the issuance and management of grazing leases and range extension. This facilitates the development of a critical mass of expertise and resources to ensure a healthy, sustainably managed and effectively and optimally tenured Crown range resource.

Strategies

1. Allocating, administering and managing range use.
For 2005/06, 93 per cent of all available Crown range was allocated under tenure. With the formation of the Range Branch and associated resources it is anticipated that this percentage will increase in 2006/07. The Range Branch has also started the ongoing review and approval of range use plans and range stewardship plans in accordance with the FRPA.
2. Evaluating rangeland health and effectiveness of range management practices.
During 2005/06 the health and effectiveness of range management practices were evaluated on alpine ranges and on one stream. The evaluation of forage quality and

productivity, through the collection of vegetation and soils data from Range Reference Areas also continued.

3. Restoring rangeland ecosystems degraded by forest ingrowth, forest encroachment and invasive plants.

See performance measure report below.

4. Promoting an understanding of rangeland management for multiple values.

The ministry, in collaboration with the British Columbia Cattlemen’s Association produced 5,500 infoflips to assist ranchers, guide outfitters, and range management professionals and consultants in understanding the legal requirements, liabilities and responsibilities under FRPA. Under the range land health brochure series, the branch produced and published a methodology for monitoring Crown range. Additionally, the branch initiated the ongoing development of expertise in range extension.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Area restored to open forest and grassland (hectares)	N/A	N/A	3273	4100	2447	-1653	x
Selection Rationale							
A measure of the ministry’s effectiveness in restoring rangelands that have been degraded by invasive plants or in-growth of trees. Areas are restored through treatments such as partial cutting, controlled burning and biological or chemical control of invasive species and are calculated as the area in hectares restored.							
Results and Variance Explanation							
There was a restricted burning window in 2005/06, which prevented planned controlled burning treatments to restore rangelands. However, an expanded restoration program in 2006/07, weather permitting, should make up some of this shortfall.							
Data Sources and Issues							
Data source for this measure is the Districts that are carrying out restoration treatments.							
Changes to the Measure							
This measure is tracked internally to the Ministry starting in 2006/07.							

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of available Crown range under a form of agreement	N/A	95	91	92	93	+1	✓
Selection Rationale Measures the effectiveness of the ministry's allocation and administration of range available for grazing or hay cutting and is based upon possible and actual range agreement areas. In the past this measure was based on animal unit months, but the change to range agreement areas makes it more representative of the agreement tenuring process.							
Results and Variance Explanation Range agreements were made available as targeted in 2005/06.							
Data Sources and Issues Data are collected from the current records of forest districts.							
Changes to the Measure None.							

Objective 7: Encourage long-term economic sustainability by mitigating the impacts of mountain pine beetle on livestock production and range use (includes provincial and federal support for Mountain Pine Beetle Action Plan implementation).

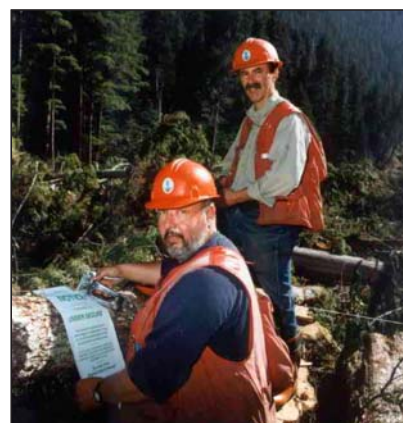
This objective reflects the ministry's intent to mitigate the impact of mountain pine beetle on livestock production by controlling livestock distribution and protecting environmental values in affected communities.

Progress on achievement of this objective is described in the Mountain Pine Beetle Action Plan Report in Appendix A1.

Objective 8: Promote compliance and ensure statutory obligations are enforced.

Protecting the province's forest and range resources is central to fulfilling the Forest Service's mandate by upholding the law. While part of managing for sustainable forest resources is ensuring that appropriate regulatory requirements are in place, an equally important part is to ensure that forest operators are achieving these statutory obligations. Achieving both objectives will provide confidence that our forest and range resources are being managed in a sustained manner.

A compliance and enforcement regime for FRPA and a compliance and enforcement regime for pricing and revenue, will protect the province's forest and range resources and



ensure British Columbians receive fair value from use of those resources, by upholding the law. Risks to achieving this objective are mitigated by having professional accountability for forest practices, a risk-based inspection regime, well-trained staff, effective legal counsel, and by working in partnership with other law enforcement agencies.

Strategies

1. Implementing a new compliance and enforcement regime for FRPA and a new compliance and enforcement regime for pricing and revenue including staff training on FRPA and *Forest Act* changes; and implementing quality assurance principles and procedures;
2. Monitoring the use of the Special Provincial Constable application by the Solicitor General; and
3. Assessing FRPA implementation and new *Forest Act* provisions to determine the compliance and enforcement program's readiness for increasing resource emphasis on revenue and forest crimes.

Results

Progress towards this objective and the above strategies in 2005/06 included:

- All staff have completed training on FRPA and received guidance on *Forest Act* changes. Training priorities for each level in the organization within the compliance and enforcement training matrix have been substantially completed to 85 per cent.
- Regional quality assurance principles and procedures were continued during 2005/06. The Provincial quality assurance model is under development.
- Special Provincial Constable (SPC) applications were approved by the Solicitor General.
- Policy development for implementation of an independent/integrated organizational model was completed.
- Assessment of FRPA implementation and new *Forest Act* provisions is ongoing. Resources have been reallocated from forest practices to pricing and forest crimes as required.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of high and very high priority sites inspected for forest and range practices compliance	N/A	82.6	81.6	85.4	86.7	+1.3	✓
<p>Selection Rationale Site visits are targeted to available very high and high priority sites where environmental, social and/or economic values have been identified as being at high risk.</p> <p>*Note: In 2005/06, the transition to full implementation of the <i>Forest and Range Practices Act</i> with five different vintages of forest practices legislation active on the same land base continued. It added complexity and challenges to inspection performance. These were: the <i>Forest Act</i>, the <i>Forest Practices Code of British Columbia Act</i>, the <i>Forests Statutes Amendment Act (No. 2), 2002 (Bill 75)</i>, the <i>Forest and Range Practices Act (Bill 74)</i>, and the code pilot projects established by regulation under Part 10.1 of the <i>Forest Practices Code of British Columbia Act</i>.</p>							
<p>Results and Variance Explanation High priority sites were inspected as planned in 2005/06.</p>							
<p>Data Sources and Issues Data are from the Compliance Information Management System.</p>							
<p>Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07.</p>							

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of high and very high priority sites inspected for pricing and revenue compliance	N/A	83	84.4	85	82.8	-2.2	✓
<p>Selection Rationale Site visits are targeted to priority sites where, social and/or economic values have been identified as being at high risk.</p>							
<p>Results and Variance Explanation The achievement is within the acceptable variance for this measure.</p>							
<p>Data Sources and Issues Data are from the Compliance Information Management System.</p>							
<p>Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07.</p>							

Objective 9: Actively foster sustainable management and improve the public forest and forage asset base.

This objective was slightly reworded for the 2006/07 service plan to: **Sustainable forest management is fostered through incremental improvements to the public forest asset base.**

The high level objective of the Forest Investment Account (FIA) is to assist government in developing a globally recognized, sustainably managed forest industry.

In the 2006/07 service plan, the second Forest Investment objective from 2005/06 under Goal 3 (Sound governance and effective and efficient delivery of forest investments to assist government to develop a globally recognized, sustainably managed forest industry) was collapsed into the above objective. This reflects that the governance and overall administration of the Forest Investment Account and agreements with third-party administrators, is one component of the overall objective of fostering sustainable forest management.

Fostering sustainable forest management is pursued through all of the FIA programs, but especially the Land Base Investment Program. Investment dollars are directed to incremental activities on public land — enhanced forestry (stand establishment and treatment), watershed restoration and rehabilitation and resource inventories that support sustainable forest management and increase allowable annual cuts. Risks associated with achieving FI objectives and demonstrating value-for-money are effectively mitigated through third-party administration and audit agreements, program boards and councils, technical standards and oversight provided by the Forest Investment Council.

In 2005/06, each FIA program contributed towards supporting investments in provincial forest resource initiatives (e.g., Mountain Pine Beetle action plan, new wood products and marketing, knowledge and information, and incremental forest land base activities) in an effort to maintain and improve the long-term sustainability and health of the province's forest and range resources. Further detailed information is available in Appendix A4 on the accomplishments in 2005/06 of FIA program expenditures.

Strategies

1. Acquire better information about forest resources; foster comprehensive strategic land-use planning; facilitate science-based utilization of the resource.

Over \$31 million was expended in 2005/06 under the Land Base Investment (LBIP), Small Tenures, Crown Land Use Planning Enhancement, Tree Improvement and Forest Science Programs towards this strategy. Accomplishments associated with this expenditure can be found in Appendix A4.

2. Support the feasibility of third-party certification; fund reforestation of areas denuded naturally, or by harvesting before 1987.

Approximately \$9 million was expended in 2005/06 under the LBIP and Small Tenures program towards this strategy. Indirectly related to this strategy, an additional \$8.8 million was expended towards mitigating the mountain pine beetle infestation, other significant

forest health pests and disease, and invasive plants that affect the denudation of forest and range lands in the province. Accomplishments associated with these expenditures can be found in Appendix A4.

3. Reclaim and enhance site productivity and restore damaged ecosystems.

Approximately \$2.9 million was expended under the LBIP and Small Tenures program towards reclaiming and enhancing site productivity and restoring damaged ecosystems. This includes activities associated with maintaining and enhancing forest recreation sites and trails as well as environmental hazards associated with forest roads that are not being used under any authorization by a government agency. Accomplishments associated with these expenditures can be found in Appendix A4.

Performance Measures

Assessment of outcomes and outputs is captured in the summary key outcome indicator and through reports generated by the third party administrators. These reports can be found at:

- <http://www.fialicensees.com>;
- http://www.for.gov.bc.ca/hcp/fia/small_tenures.htm; and
- <http://www.bcfsp.com>.

Ministry Goal 2: Sustainable Forest and Range Benefits.

Forestry generates substantial revenues to the provincial government and remains a major contributor to B.C.'s current and future economic health. Sustainable forest and range benefits rely on a strong forest economy and a globally competitive forest sector, which the ministry supports through its forestry revitalization policies. The ministry also recognizes the interests of First Nations in accessing forest and range benefits now and in the future.

The ministry tracks overall sustainability of resources on an annual basis using key outcome indicators. Status and trends based on data available for assessment in 2005/06 is as follows:

Key Outcome	Indicator	2005/06 Status / Trend
Strong forest economy	B.C.'s share of the U.S. softwood lumber market	good / stable
	B.C.'s share of Japan softwood lumber imports	poor / declining
Globally competitive forest sector	Increase in wood product sales to Taiwan, China and Korea	poor / declining
	Percentage increase in forestland certified by major forest certification process	good / increasing
Revenue benefit from public forest and range resources	Crown forest gross Revenue	fair / declining
	Crown gross revenue from BC Timber Sales	fair / increasing

Status is good, fair or poor; Trends are increasing, stable or declining.

The ministry has put significant effort towards sustaining the benefits of the forest and range resource over the past year. Increased exports to the U.S. have been somewhat offset by a decrease in exports to Japan and the Asia-Pacific region, however the certification of forest land, which increases access to world markets, continued to grow. Within the province gross revenues from BC Timber Sales were up slightly over 2004/05 mainly due to increased volumes reallocated through the forestry revitalization initiative, however the overall trend of Crown forest gross revenue is declining in part due to the increased harvesting of lower quality pine affected by the mountain pine beetle and lower prices for lumber and other forest products. During 2005/06 the ministry continued to offer economic forest opportunities to First Nations through the signing of 29 accommodation agreements increasing the total number signed to 76. As well, access to communities and recreation sites was improved through the replacement of 95 structures on Forest Service roads.

Key Outcome Indicators

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
B.C.'s share of the U.S. softwood lumber market	17.6	18.1	18.1	18	19	+1
Selection Rationale						
The provincial forest sector is highly dependent on exports. The health and diversity of export markets is a good indicator of the strength of the forest economy. The U.S. is British Columbia's largest customer for softwood lumber.						
Results and Variance Explanation						
B.C. lumber producers increased their market share in the U.S. despite countervailing duties and the increasing Canadian dollar, through improved productivity.						
In response to record lumber demand in 2005, the U.S. continued to be the dominant export market for B.C. forest products, followed by Japan and Europe. Although B.C.'s share of the U.S. market increased in 2005, the actual dollar value decreased 5.4 per cent due to appreciation of the Canadian dollar.						
Data Sources and Issues						
Economics and Trade Branch calculates this based on American Forest Products Association (AFPA) statistics on U.S. consumption and the Statistics Canada data on B.C. and Canadian exports. Statistics for this indicator are updated on a calendar year basis.						
Changes to the Measure						
This measure is tracked internally to the ministry starting in 2006/07, and will be used to inform the ministry's strategic context.						

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
B.C.'s share of Japan's softwood lumber imports	43	40	40	40	37	-3
Selection Rationale						
Japan is British Columbia's second largest softwood lumber customer.						
Results and Variance Explanation						
As a result of increased competition from Europe and Russia and weakened demand for west coast Douglas-fir and hemlock, B.C.'s share of the Japanese market declined significantly.						
Data Sources and Issues						
Statistics for this indicator are updated on a calendar year basis. Import volumes are published annually by the Japan Wood Products Information and Research Centre.						
Changes to the Measure						
This measure is tracked internally to the ministry starting in 2006/07, and will be used to inform the ministry's strategic context.						

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
Increase in wood product sales to Taiwan, China and Korea	N/A	34	11	10	-7	-17
Selection Rationale						
This indicator was added in 2003/04, to track the results of work targeted by Forestry Innovation Investment Ltd. Increasing wood product sales to Taiwan, China and Korea indicates an expansion into new markets for B.C. wood products.						
Results and Variance Explanation						
Because of the strong U.S. housing market, producers focused on the U.S. market when faced with high transportation costs and an appreciating Canadian dollar.						
Data Sources and Issues						
Statistics for this indicator are updated on a calendar year basis using data from Statistics Canada reports of wood exports in dollars. Pulp and paper is not included. China includes Hong Kong.						
Changes to the Measure						
This measure is tracked internally to the ministry starting in 2006/07.						

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
Percentage increase in forestland certified by major forest certification process	99	48	33	>10	43.5	+33.5
Selection Rationale						
<p>This is a key outcome indicator of a globally competitive forest sector.</p> <p>Major forest certification processes are the Canadian Standards Association (CSA), Forest Stewardship Council (FSC) and Sustainable Forest Initiative (SFI). The International Standards Organization (ISO) is excluded.</p>						
Results and Variance Explanation						
<p>B.C. forest companies continue to obtain certification at a fast growing rate. Table 5 summarizes the hectares certified by the three major forest certification processes. Specific company information may be obtained from http://www.CertificationCanada.org.</p>						
Data Sources and Issues						
<p>Starting in 2003, the data are expected to be available only twice a year (in December and June) from the Canadian Sustainable Forestry Certification Coalition, and is published at: http://www.CertificationCanada.org. The data represent a December to December, year over year performance. December was chosen as the reporting date in order to meet government's annual reporting timelines.</p> <p>If a forest area has been certified to more than one of the three standards, the area is counted more than once and the hectares certified are therefore not representative as a portion of the provincial forest land base.</p>						
Changes to the Measure						
<p>This measure is tracked internally to the ministry starting in 2006/07, and will be used to inform the ministry's strategic context.</p>						

Table 5: Area of forestland (in hectares) certified by major forest certification processes

Year	Report date	CSA (hectares)	FSC (hectares)	SFI (hectares)	Total hectares certified	Year to year — Per cent increase
2005/06	Dec 2005	23 230 560	175 408	18 914 550	42 320 518	43.5
2004/05	Dec 2004	10 830 000	250 984	18 410 550	29 491 534	33
2003/04	Dec 2003	10 200 000	100 291	11 840 550	22 140 841	48
2002/03	Dec 2002	5 330 000	89 130	9 530 550	14 949 680	99
2001/02 (benchmark)	Dec 2001	2 620 000	88 338	4 810 550	7 518 888	—

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
Crown forest gross revenue (\$ billions)	1.296	0.987	1.322	1.172 (Updated to 1.156 in Jan 2006)	1.145	-0.027
Selection Rationale						
The Crown forest and range gross revenue is a measure of the value that the public receives from its forest and range resources. The total amount of revenue realized by the ministry and collected by government during the fiscal year includes BC Timber Sales, Timber Tenures, Range Use and other MoFR revenues.						
Results and Variance Explanation						
During 2006/07, the U.S. housing market is expected to soften, resulting in lower prices for lumber and other forest products. With a continuing strong Canadian dollar, it is expected that stumpage revenues and harvest volumes will decline slightly for the next few years.						
Data Sources and Issues						
Data source: Harvest Billing System.						
Changes to the Measure						
None.						

Table 6: 2005/06 Revenue (Unaudited) by Category and Forest Region

Revenue Categories	Coast	Northern Interior	Southern Interior	Victoria	Total ¹
(thousands of dollars)					
Timber Tenure Stumpage	92,189	398,264	328,549	(3,276)	815,727
Harvest Rents and Fees	6,836	9,750	8,487	(7,607)	17,466
BC Timber Sales	49,513	126,805	100,501	(3,074)	273,746
Export	3,723	267	121	120	4,230
Range	4	408	1,528	1	1,941
Waste	3,527	368	231	(171)	3,955
Penalties	1	1	15	0	16
Interest	577	718	190	(477)	1,008
Miscellaneous	770	178	59	69	1,076
Federal Government Bark Beetle Transfer	0	0	0	26,154	26,154
Total	157,140	536,759	439,680	11,738	1,145,317

¹ Totals may not add up due to rounding.

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
Crown gross revenue from BC Timber Sales (\$ millions) (unaudited)	n/a	185.7	266.1	301.6	273.7	-27.9
Selection Rationale						
Crown forest gross revenue from BC Timber Sales is the total amount of money earned by BC Timber Sales during the fiscal year (includes stumpage (upset and bonus bids), and misc. revenues).						
Results and Variance Explanation						
The revenue shortfall of \$27.9 million or 9.2 per cent is a result of poor forest economic conditions in the coastal market and overall lower than forecast billed rates for timber harvested. While revenue fell short of target in 2005/06, it is still a \$7.6 million or 2.9 per cent increase over 2004/05.						
Data Sources and Issues						
Harvest Billing System.						
Changes to the Measure						
This measure is tracked internal to the ministry starting in 2006/07 but will continue to be publicly reported by BC Timber Sales.						

Objective 1: Maintain access to markets for B.C. forest products.

This objective reflects the ministry's intent to maintain and grow international markets.

This objective was reworded in 2006/07 to be: **Improved access to markets for B.C. forest products** which reflects an intention to improve not just maintain market access.

This objective reflects the ministry's intent to maintain the traditional U.S. and Japanese markets and grow in international markets, such as Taiwan, China and Korea. The ongoing effort needed to address the softwood lumber dispute with the U.S. is being managed by the ministry and through partnerships with other ministries, the federal government and Forestry Innovation Investment Ltd.



Strategies

1. Continuing to pursue free access for B.C. forest products to markets in the U.S.

During 2005/06, the Ministry of Forests and Range continued to pursue free access for B.C. forest products to U.S. markets. To achieve the objective, the province followed a two-track strategy that involved litigation and appeals of the U.S. countervailing duties and discussions aimed towards a negotiated resolution of the softwood lumber dispute.

On April 27, 2006, Canada and the U.S. agreed to the broad terms of an agreement that would end the softwood lumber dispute. It establishes the option of an export tax or quota with reduced tax rates. Canadian regions will choose which option they want. For the purpose of the deal, the Coast and Interior of B.C. are two different regions. The tax and quota levels under the agreement vary, depending on the price of lumber. If lumber prices, as measured by the Random Lengths framing lumber composite price, remain at US\$ 355 per thousand board feet or above, there would be no tax or quota. Further, the Agreement will result in the revocation of duties and return to Canadian forest companies of about \$4 billion (U.S.).

2. Continuing work with Forestry Innovation Investment Ltd. (FII) on market access issues.

During 2005/06 FII and the ministry worked more closely on issues of mutual interest such as increasing the exposure of B.C. timber products in the Asia-Pacific region.

Performance Measures

Achievement of this strategy is tracked by the key outcome indicators "B.C.'s share of the U.S. softwood lumber market," "B.C.'s share of Japan softwood lumber imports," "Increase in wood product sales to Taiwan, China, and Korea," and "Percentage increase in forestland certified by major forest certification process."

Objective 2: Recover the greatest value from dead stands impacted by mountain pine beetle, while respecting other forest values and encourage long-term economic sustainability for communities affected by the mountain pine beetle epidemic (includes provincial and federal support for Mountain Pine Beetle Action Plan implementation).

Progress on achievement of this objective is described in the Mountain Pine Beetle Action Plan Report in Appendix A1.

Objective 3: Ensure that the public receives fair value for the use of its forest and range resources now and in the future.

Asserting the financial interests of the Crown by pricing and billing for revenue from Crown forest and range resources supports achievement of the Government's Five Great Goals. Progress towards this objective in 2005/06 was achieved in that the public is receiving fair value for the use of the resource, however the amount of revenue has been declining as identified in the Crown forest gross revenue measure.

Strategies

1. Implementation of the Interior market-based pricing system.

Progress towards this strategy in 2005/06 was continuously monitored. The Interior Market Pricing System is expected to be implemented July 1, 2006.

Performance Measure

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Status of the implementation of the market-based pricing system	N/A	Coast implemented February 29, 2004	Interior implementation (readiness in 2005)	Implement in 2005/06	Implementation expected July 1, 2006	—	✗
Selection Rationale							
The market-based pricing system is expected to increase the competitiveness of the forest industry and provide greater incentives for capital re-investment. It may also lead to greater variability in provincial revenues.							
Results and Variance Explanation							
The timing of the implementation of the Interior Market Pricing System is dependent and linked to the outcomes and timelines of the provincial and ministry policy reforms and initiatives (i.e., softwood lumber litigation and negotiations) currently underway.							
Data Sources and Issues: N/A							
Changes to the Measure							
This measure will not be tracked and reported by MOFR any longer, as the system in the Interior will be implemented on July 1, 2006.							

Objective 4: Provide opportunities to generate wealth from the forest resources.

This objective was changed to **Use of the AAC is optimized through effective tenuring** for the 2006/07 Service plan. This change more accurately reflects that Crown tenures are the main means through which the ministry provides opportunities to generate wealth through the forest resources.

Crown tenures are used to allocate, manage and monitor forest resource opportunities to meet social, economic and other public forest policy objectives. A fair and effective tenure system ensures that timber apportioned in timber supply areas is available to licensees. The ministry is consulting with First Nations to determine if aboriginal interests would be affected by changes in apportionments and Crown tenure issuance processes. First Nations are benefiting from these processes through the First Nations Forest Strategy, which has the objective to increase First Nation participation in the forest sector. The ministry is monitoring and managing potential delays in reallocating the volume taken back from forest licensees under the *Forestry Revitalization Act* and from the increase in new tenures from additional volume approved for cutting as part of mountain pine beetle salvage operations. During 2005/06 most of the take-back volume was reallocated and disposition of the remaining mountain pine beetle uplift is currently committed to First Nations through direct award opportunities.

Strategies

1. Ensuring that timber apportioned in timber supply areas (TSAs) is available to licensees through tenure.

For 2005/06 the ministry was diligent in the disposition of available volumes through the issuance of licences in a timely manner, however, issuance of licences to First Nations for mountain pine beetle uplift volumes and delineation of operating areas for reallocation volume is taking some additional time to complete the negotiation process. As well during 2005/06 the issuance of new woodlot licences was put on hold while an internal review, in consultation with the Federation of B.C. Woodlot Associations, is completed.

2. With much of the forestry revitalization legislation in place, the primary focus for 2005/06 was with its implementation.

Forest revitalization legislation including revisions was successfully implemented as required.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of Timber Supply Area AAC under a form of tenure	97	94.7	88	90	88.8	-1.2	✓
<p>Selection Rationale</p> <p>This is a measure of the effectiveness of the ministry's apportionment of the AAC within a TSA to various programs, and its issuance of tenures, such as Forest Licences and Community Forest Agreements, under these programs. Tree Farm Licences, woodlot licences, and tenures under the BC Timber Sales program are not included.</p>							
<p>Results and Variance Explanation</p> <p>The targets for this measure were reduced in 2005/06 due to the AAC uplifts resulting from the bark beetle infestation, and the reallocation of 20 per cent of the logging rights from major licensees to create new opportunities for new entrepreneurs and small operators. Additional resources were targeted in 2005/06 to mitigate the reduction, and the measure has been achieved within acceptable variance for the accuracy required.</p>							
<p>Data Sources and Issues</p> <p>Data are from the Apportionment System.</p>							
<p>Changes to the Measure</p> <p>This measure is tracked internally to the ministry in 2006/07, and may be re-introduced in the 2007/08 Service Plan.</p>							

Objective 5: Provide a reliable and environmentally sound forest road network.

The intent of this objective is to provide the necessary infrastructure to access timber, range, communities, recreation, and other resource values while minimizing environmental impacts. Routine activities that contribute to achieving this objective include carrying out maintenance on Forest Service roads in conformance with legislation and policies, replacing deteriorated priority non-industrial FSR bridges, and deactivating Forest Service roads no longer required.

Achieving this objective is largely influenced by access to funding and resources to replace deteriorating bridges and undertake emergency and routine repairs. These high-cost activities are offset by the benefits of maintaining industrial and community access important to the forest economy and British Columbians. In addition, the costs of mitigating environmental damage and re-establishing access are higher over time, when not addressed in the short term.

In 2005/06, increased funding was targeted to the replacement of priority bridges that have deteriorated on non-industrial use Forest Service roads that access communities, rural residences and priority recreational areas.

The 2005/06 bridge replacement program was successfully implemented. Ninety-five bridges on Forest Service roads were replaced in 2005/06. In addition to the fully replaced bridges, another nine structures had designs completed and materials acquired and are awaiting installation; nine others had designs completed for future use. The total number of bridge projects worked on was 113.

Strategies

1. Developing legislation, policy and standards for all forest roads.

Work has commenced on the development of the *Resource Roads Act*. The Ministry of Forests and is the sponsoring ministry. The legislation is anticipated to be introduced to the legislature in the spring 2007. The *Resource Roads Act* will harmonize administration and standards of resource roads under a single act and eliminate conflicts related to road use as a result.

The Engineering Manual was revised to be a comprehensive document to capture MoFR access-related policy and procedures into a single manual. The policy in the Engineering Manual will be used by both BC Timber Sales and the operations division of the Ministry of Forests and Range.

Standards were developed in 2005/06 for bridge materials acquired by the ministry, and work to review and revise bridge standards is continuing.

Maintenance standards, for maintenance cost-sharing with the forest industry were drafted and reviewed. Implementation is scheduled for the 2006 field season.

2. Carrying out maintenance activities on Forest Service roads in conformance with legislation and policies.

The funding policy for road and structure maintenance, road deactivation, and road closure was amended and updated for fiscal 2006/07 to: create a subset of Forest Service roads called Recreation Use Forest Service roads and to provide criteria for their maintenance; and to address criteria for funding maintenance on non-status roads.

3. Providing low order maintenance, to ensure access-related surface and structural maintenance as necessary for safe public access to priority recreational areas.

The fiscal 2006/07 funding policy for road and structure maintenance, road deactivation, and road closure was amended and updated. The funding policy was revised to capture maintenance of Recreation Use Forest Service roads to now provide a recreation access level of maintenance to both “high value” Forest Recreation sites and trails and to “important” recreation areas, including selected provincial parks and recreation features.

4. Balance the industrial, commercial and public use of the forest road network in a cost-effective manner reflecting the level of use, which may include deactivation and transfers to other agencies or organizations.

The proposed *Resource Roads Act* will provide a measure of balance between resource agencies.

Discussions for rationalizing the forest road network and establishment of a memorandum of understanding with the Ministry of Transportation for road transfers between agencies are ongoing.

Performance Measures

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of key engineering activities substantially achieved (as per aggregate index)	90	100	+10	✓✓
Selection Rationale This measure was introduced in 2005/06 as a pro-rated measure of overall performance in achieving key engineering activities consisting of Forest Service road and bridge inspection, maintenance and deactivation.				
Results and Variance Explanation Due to the methodology of measuring results, the results were skewed inordinately high by the Resource Tenures and Engineering Branch exceeding its target on the number of effectiveness evaluations.				
Data Sources and Issues Data source: tracked internally, calculated from information collected by the forest districts.				
Changes to the Measure This measure will not be tracked in the future due to difficulty with the methodology of collecting and analyzing the data as an aggregate index.				

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of kilometres of Forest Service roads, where the district manager is directly responsible for maintenance, that are open for public access	>90	100	+10	✓✓
Selection Rationale The purpose of this new measure introduced in 2005/06 is to provide a measure of Forest Service roads open for public access in accordance with the maintenance policy. Forest Service roads that are maintained by district managers do not remain static in number. Forest Service roads that are used by industry may revert to the district manager for maintenance due to inactivity by the industrial user. Where there is a requirement for public access, as determined by the district manager, the ministry may assume responsibility for maintaining a Forest Service road.				
Results and Variance Explanation All Forest Service Roads under the responsibility of the ministry were maintained and open for public access throughout 2005/06.				
Data Sources and Issues Information is reported by each district.				
Changes to the Measure None.				

Performance Measure	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent reduction (-) or increase (+) to the Forest Service road network	-0.9	0	+0.15	+0.15	✓
Selection Rationale					
The measure reflects the strategy of the ministry to balance the industrial, commercial and public use of the forest road network in a cost-effective manner reflecting the level of use. The baseline for this measure is the total kilometres of Forest Service roads excluding BC Timber Sales Forest Service roads which was 12 500 km in 2003/04, less 116 km in 2004/05.					
Results and Variance Explanation					
The 0.15 per cent increase represents a total of 51 kilometres added to the road network in 2005/06, which is within 99% of the target of 0 per cent increase to the 12,500 km network.					
Data Sources and Issues					
Information is reported by the districts.					
Changes to the Measure					
This measure is tracked internally to the ministry starting in 2006/07.					

Objective 6: Increase First Nation opportunities for participation in the forest sector, provide stability on the land base, and ensure forestry operations respect First Nation interests on the land base.

This objective supports the ministry’s intent to provide leadership, negotiation skills, advice and overall coordination with respect to forest and range in the New Relationship with First Nations. Achieving this objective will support government’s objective to ensure Aboriginal communities share in the economic and social development of B.C. To assist in meeting this objective, the ministry has been and is continuing to negotiate Forest and Range Agreements/Opportunities (FRA/FRO) with First Nations. Many of these agreements also outline a streamlined process of consultation and accommodation for aspects of First Nations asserted rights and title.

The Ministry of Forests and Range also has a key role to play in supporting the Ministry of Aboriginal Relations and Reconciliation in treaty negotiations and furthering the New Relationship. The MoFR seeks to work on the following strategies in an open, transparent and collaborative approach with First Nations.

Strategies

1. Consult with First Nations in accordance with the Crown’s legal obligations.

It is necessary that the ministry acts in a manner consistent with existing legislation, case law and government policy to determine if aboriginal interests may be impacted by forestry activities. The establishment and maintenance of cooperative relationships with First Nations in the management of forest resources is a strategic ministry priority that directly affects fibre flow, the forestry employment base, the stability of the forest

industry and the provincial economy. In addition, dealing with First Nations interests in an upfront and decisive manner will ultimately help to provide for understanding between different groups, and avoid disruptions to the ministry's day-to-day operations. The Government of B.C. and leaders from provincial First Nations' organizations are working together to develop a common framework on how to implement consultation and accommodation agreements since the Supreme Court of Canada (SCC) ruled on the Haida and Taku cases. While this work continues, the ministry will pay close attention to the SCC decision and continue to follow the steps set out in approved consultation guidelines. When the corporate work is completed, the ministry will implement the new consultation framework.

2. Negotiate agreements with First Nations:

- implement the First Nations Forest Strategy (FNFS) offering access to economic forest opportunities to First Nations through accommodation agreements; and
- increase First Nations' participation in the forest sector through direct award tenures.

As a result of the New Relationship, in 2005/06 a new forestry agreement, the Interim Agreement on Forest and Range Opportunities (FRO), was developed and is now being used.

These agreements provide a period of stability for forest and range resource development. FRAs/FROs include the provision of economic benefits in the form of tenure and revenue sharing. As well, many agreements define a process between the ministry and a First Nation for consulting on and addressing aboriginal interests.

In 2005/06, 29 agreements were signed (21 FRAs and eight FROs), bringing the cumulative total to 76 agreements. These agreements commit the ministry to make available to First Nations approximately 11.2 million cubic metres of timber volume and a total of \$131.2 million in revenue sharing over the terms of the agreements.

In addition to FRAs/FROs, under the *Forest Act*, the minister may invite, without competition, applications from First Nations for forest tenure. These usually deal with short term salvage opportunities for either mountain pine beetle, or for fire salvage. To date, 29 direct award agreements have been signed providing tenure opportunities and access to 7.1 million cubic meters to First Nations (4 of these were signed in 2005/06 for mountain pine beetle tenure opportunities).

3. Support for priority treaty tables.

The ministry continues to provide support to priority treaty tables under active negotiation by the Ministry of Aboriginal Relations and Reconciliation. In addition to providing support to the tables, specific policy initiatives dealing with forestry mandates were developed. The following treaty tables were under active negotiation in 2005/06, with MoFR providing support to both policy and mandate development and negotiation. They are Lheidl'T-eneh, Maa-nulth, Sliammon, Yekooche and Yale. MoFR also continues to be involved in actively implementing the Nisga'a treaty.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Total number of Forest and Range Agreements							
• Offered to First Nations	n/a	71	101	142	141	-1	✓
• Signed with First Nations		22	47	75	76	+1	
Selection Rationale							
<p>These agreements provide a period of stability for forest and range resource development. They include the provision of economic benefits in the form of tenure and revenue sharing, and many agreements define a process between the ministry and a First Nation for consulting on and addressing aboriginal interests. These agreements begin with an offer to a First Nation to enter into an agreement; the time required to conclude negotiations is variable.</p> <p>Some agreement offers include more than one First Nation in the offer. The number of eligible First Nations to be offered agreements is 176. Offers to negotiate agreements will be made to all 176 eligible First Nations by the end of fiscal 2006/07. Although offers are made to all eligible First Nations, it is anticipated that not all offers will be accepted or result in signed agreements.</p>							
Results and Variance Explanation							
Performance measures were substantially achieved as targeted.							
Data Sources and Issues							
Data source: tracked internally.							
Changes to the Measure							
The number of offers to First Nations is being tracked internally to the ministry starting in 2006/07. The number of agreements will continue to be tracked in the ministry's service plan.							

Objective 7: Provide a credible reference point for costs and pricing of timber harvested from public land in B.C.

This objective was combined with Objective 8 (below) in the 2006/07 service plan to create the following new objective: “Using sound forest management, net revenue to the province is optimized and a credible reference point for costs and pricing of timber harvested from public land in B.C. is provided.”



This objective supports: market-based pricing to ensure that the public receives fair market value for the use of its forest resources; the generation of revenue to the Province; the ministry as a major contributor to B.C.’s current and future economic health; and a strong forest economy and competitive forest sector.

Objectives 7, 8 and 9 are accomplished through the BC Timber Sales core business area. BC Timber Sales is an arm’s length program within the ministry, with operational and financial independence from regional and district operations. The program markets Crown timber to support market pricing and capture the value of the timber assets for the public. The objectives, performance measures and results included in this section are only a subset of those tracked and reported on by BC Timber Sales. For full information on BC Timber Sales’ 2005/06 performance refer to the 2005/06 BC Timber Sales Annual Service Plan Report at: <http://www.for.gov.bc.ca/bcts>.

Results

BC Timber Sales continued to make significant progress toward achieving a sufficient market presence to be a credible reference point. The per cent of the total provincial ministry annual timber volume available that was auctioned by BC Timber Sales during the year increased 28 per cent over the prior year.

Strategies

1. Implementing systems and processes to ensure that the program’s cost and pricing data are complete, accurate, reliable, verifiable, and are contained; and
2. Negotiating operating areas and the purchase assets on lands re-assigned through the timber reallocation process.

During the year BC Timber Sales continued to implement and enhance systems and processes to ensure that cost and pricing data are complete, accurate, reliable, verifiable, and are contained. Negotiations over operating areas and the purchase assets on lands re-assigned through the timber reallocation process are now largely complete. Negotiations for areas and final agreement on payments for soft assets will be finalized in fiscal 2006/07 allowing BC Timber Sales to increase focus on development of new timber sales across the province.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of total timber volume available, auctioned by BCTS	n/a	n/a	14	15	18	+3	✓✓
Selection Rationale							
Per cent of the total provincial ministry annual timber volume available that was auctioned by BC Timber Sales during the year. This is a key outcome indicator of the program's success in supporting the market based pricing system and being a credible reference point for costs and pricing by auctioning an increasing proportion of provincial timber.							
Results and Variance Explanation							
Staff efforts towards developing and offering timber for auction and timber reallocation during the year contributed to BC Timber Sales exceeding its target by auctioning 18 per cent of the total provincial timber volume available during the year, which is 28% higher than in 2004/05.							
Data Sources and Issues							
Revenue Branch and the ministry's apportionment system.							
Changes to the Measure							
None.							

Objective 8: Optimize BCTS net revenue to the province, within the parameters dictated by its benchmarking mandate and sound forest management.

(This objective was combined with Objective 7 in the 2006/07 service plan as described above)

This objective supports the provincial government and the ministry as major contributors to the current and future economic health of the province. BC Timber Sales strives to optimize, rather than maximize, net revenue. To do this, BC Timber Sales seeks a balance between generating revenues, being a credible reference point and ensuring safe and sound forest management practices.

Results

Poor forest economic conditions in the coastal market and overall lower than forecast billed rates for timber harvested adversely impacted on gross revenues resulting in BC Timber Sales achieving 81.5 per cent of its net revenue target for the year.

Strategies

1. Containing costs and maximizing auction bids, within the parameters of the program's benchmarking mandate by implementing systems and processes to support effective decision-making and taking steps to reduce bidder risk;

2. Implementing requirements of the *Forest and Range Practices Act*; and
3. Increasing the volume of timber sold under certification.

During the year BC Timber Sales continued efforts to contain costs by identifying and implementing contracting efficiencies, implementing systems and processes to support effective decision-making. In 2005/06, 93 per cent of timber developed for auction was “fully developed” to reduce bidder risk and maximize auction bids.

BC Timber Sales made significant progress towards to having all forest stewardship plans submitted for approval by September 2006 and anticipated approval either by the end of 2006 or early in 2007.

Increasing the volume of timber sold under certification is a key part of BC Timber Sales’ commitment to sustainable benefits and employing sound forest management practices. In 2005/06 100 per cent of BC Timber Sales’ Business Areas achieved environmental management system certification under the International Standards Organization (ISO) 14001 standard.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Crown net revenue from BC Timber Sales (\$ millions)	143.0 (Note 1)	101.1	150.2	153.2	124.8	-28.4	△
Selection Rationale							
Net revenue is gross revenue net of capitalized expenses and period costs. This is a measure of the success of BC Timber Sales in optimizing revenue to the province.							
Note 1: 2002/03 net revenue was achieved as the former Small Business Forest Enterprises Program prior to the creation of BC Timber Sales April 1, 2003.							
Results and Variance Explanation							
Variance due to under achievement of target gross revenues. Capitalized expenses were on target for the year. The lower gross revenue primarily resulted from the poor forest economic conditions in the coastal market and overall lower than forecast billed rates for timber harvested.							
Data Sources and Issues							
Data source: Harvest Billing System and the Corporate Accounting System (CAS).							
Changes to the Measure							
This measure is tracked internally to the ministry starting in 2006/07 but will continue to be publicly reported by BC Timber Sales.							

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Average cost per cubic metre of volume developed by BCTS	n/a (Note 1)	n/a (Note 1)	8.57/m ³	13.90/m ³	8.24/m ³	-5.66/m ³	✓✓
Selection Rationale This is a measure of BC Timber Sales' performance in containing costs contributing towards optimizing net revenue and is equal to the average inventory cost of developed timber. Inventory costs include all costs incurred to plan, develop and sell timber. Silviculture costs and period costs, such as corporate administrative overhead, are not part of the cost of inventory. Note 1: This was a new measure in 2004/05 replacing the previous "Average cost per cubic metre of volume sold." The change from volume sold to volume developed is to reflect that the majority of costs are incurred during the development of a timber sale rather than later when the sale is sold.							
Results and Variance Explanation Continuous improvement, contract efficiencies and lower development costs associated with timber adjacent to existing roads and mountain pine beetle layout contributed to the savings.							
Data Sources and Issues Data source: Corporate Accounting System.							
Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07 but will continue to be publicly reported by BC Timber Sales.							

Objective 9: Provide opportunities for BC Timber Sales customers to purchase timber in an open and competitive market.

This objective was reworded in the 2006/07 service plan to: "Opportunities are provided for BCTS customers to purchase timber in an open and competitive market."

This objective supports a strong forest economy and competitive forest sector. BC Timber Sales seeks a balance between providing opportunities for customers to purchase timber, generating revenues, and being a credible reference point. BC Timber Sales also ensures safe and sound forest management practices.

Results

BC Timber Sales continues to provide opportunities for customers to purchase timber in an open and competitive market in 2005/06 exceeding its target volume offered by 10.2 per cent.

Strategies

1. Pursuing innovative methods to build timber development capacity and inventory levels;
2. Eliminating restrictions and barriers to program participation over time;
3. Improving bidder information; and
4. Analyzing and addressing reasons for no bid sales.

During 2005/06 BC Timber Sales continued to make progress on these strategies.

In 2005/06 BC Timber Sales developed a 17.7 million cubic metres of timber as inventory for auction — an increase of 2.3 million cubic metres or 15 per cent over the previous year. While the number of timber sales offered that initially received no bids was higher than projected, actions taken as a result of ongoing analyses of reasons for these no bid sales contributed to an overall reduction of no bid sales by 11.4 per cent over the previous year.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Volume offered for sale by BCTS (millions of cubic metres)	n/a	11.2	12.8	14.8	16.3	1.5	✓✓
Selection Rationale							
The volume offered for sale is the gross total timber volume that BC Timber Sales offers into the market and includes all forms of tenure administered by BC Timber Sales. Therefore, in addition to advertised auction sales, volume offered for sale includes all volume associated with forestry licences to cut, and previously committed volumes for ongoing value-added sales, non-replaceable forest licences, and other forms of tenure. This output measure indicates the program's success in providing opportunities for customers to acquire timber.							
Results and Variance Explanation							
A higher than projected volume of timber sales offered that received no initial bids resulted in BC Timber Sales offering more timber to the market than planned to achieve its timber volume sold target.							
Data Sources and Issues							
Data Source: BC Timber Sales Offices.							
Changes to the Measure							
This measure is tracked internally to the ministry starting in 2006/07 but will continue to be publicly reported by BC Timber Sales.							

Ministry Goal 3: Highly Effective, Innovative and Responsive Organization.

This goal was previously “An effective and responsive forest manager.” The goal was reworded in the 2006/07 service plan to more accurately reflect the focus on organizational improvement.

In 2005/06 the ministry continued its revitalization with a new vision and revised mission and values statements that reflect the ministry’s role as steward of the province’s forest resources. The effectiveness in achieving our core purpose of ensuring that sustainable forest resources deliver sustainable forest and range benefits for the people of British Columbia depend upon expert and knowledgeable staff who will continue to be innovative, responsive and performance-focused. To this end, the ministry focused on knowledge management, succession planning, leadership development, being a learning organization and improving organizational wellness through the Road Ahead initiative.

Three key indicators were established to assess progress towards this goal at the highest outcome level. Two of these focus on public perception of the Forest Service as an effective organization. The third assesses the efficiency of the administration of the Forest Investment Account (FIA). The ministry oversees the effectiveness of third-party administrators who are responsible for the achievement of FIA objectives and strategies. Administration of this program is key to achievement of ministry objectives in four key business areas, and performance targets were achieved as planned in 2005/06.

Although the two public perception indicators were not measured in 2005/06, a workplace employee survey was completed, which provides one outcome of organizational effectiveness and wellness. One key finding from the survey showed that 71 per cent of staff are satisfied with their jobs — a 17 per cent increase over the 54 per cent satisfied in the 2002 survey.

As an overall assessment, the ministry is continuing to improve its organizational wellness, and is moving steadily towards being highly effective, innovative and responsive.

Key Outcome	Indicator	2005/06 Status / Trend
An effective organization	Per cent of British Columbians who agree that the Forest Service can be trusted to protect and manage our public forests	not measured in 2005/06
	Per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests	
	Employee satisfaction with the workplace	good / improving
Effective delivery of Forest Investment activities and outcomes through third party administrators	The achievement of performance targets by the third-party administrators	good / improving

Status is good, fair or poor; Trends are increasing, stable or declining.

Key Outcome Indicators

The following key outcomes and indicators have been identified as measuring progress towards achievement of this goal.

Key Outcome Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
Per cent of British Columbians who agree that the Forest Service can be trusted to protect and manage our public forests.	60	Measured every 2nd year	52	Not measured this year	N/A	N/A
Per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests.	73		69			
<p>Selection Rationale</p> <p>These indicators were selected as measuring the ultimate outcome of an effective public service organization responsible for protecting and managing public forests.</p> <p>The public trust indicator reflects the percentage of British Columbians who answered that they trust the Forest Service to manage and protect Crown forests for the long term.</p> <p>The effectiveness indicator is based on five variables (forest fire protection, control of pests and disease, reforestation, environmental protection, and regulating forest companies) that were combined for the single measure of overall effectiveness, which was measured as 73 per cent in the 2002/03 survey.</p>						
<p>Results and Variance Explanation</p> <p>Not measured this year. The next survey will be completed in fall 2006.</p>						
<p>Data Sources and Issues</p> <p>These measures are obtained from a telephone survey of 1,000 British Columbians selected through a random sampling methodology. The survey is conducted by BC Stats, every two years.</p>						
<p>Changes to the Measure</p> <p>The per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests, will continue to be reported in the 2006/07 service plan. The public trust indicator will continue to be measured in the survey done by BC Stats, but this information will be tracked internally by the ministry starting in 2006/07.</p>						

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
The achievement of performance targets by the third-party administrators	N/A	N/A	N/A	95	93.8	1.2
<p>Selection Rationale</p> <p>This measures the key outcome of effective administration of the Forest Investment Account (FIA). The percentage is based on the number of performance targets developed by FIA third-party administrators PricewaterhouseCoopers, The Federation of B.C. Woodlot Association, and Forestry Innovation Investment Ltd. that are achieved within 85 per cent.</p>						
<p>Results and Variance Explanation</p> <p>In 2005/06 third-party administrators achieved 30 of 32 performance targets. PwC did not achieve the performance target of an average of five business days from project approval to issuance of payment. An average of 7.8 business days was reported. The difference is largely attributed to delays in meeting administrative obligations on the part of the funding recipients.</p> <p>FII did not achieve the completion of the second phase of the China Dream Home Canada Demonstration Centre due to regulatory approval delays in China. Projects are now fully underway and on-target to be completed by December 2006.</p>						
<p>Data Sources and Issues</p> <p>Based on performance measures reported in annual reports submitted by third party administrators.</p>						
<p>Changes to the Measure</p> <p>This measure is tracked internally to the ministry starting in 2006/07.</p>						

Objective 1: Sound governance and effective and efficient delivery of forest investments to assist government to develop a globally recognized, sustainably managed forest industry.

The intent of this objective was to address the overall administration of the Forest Investment sub-vote and agreements with third-party administrators. In 2006/07, this objective has been moved to a strategy under Objective 8, under Goal 1, as explained in that section.

Strategies

1. Development and implementation of sound business practices incorporating strong financial controls;
2. A performance management framework; and
3. A monitoring, audit and evaluation program.

An overview of the FIA and program governance structures is provided in Appendix A4 Table 1. These structures manage the strategies identified above by taking necessary actions to ensure the effective and efficient delivery of each program. In 2005/06 the governance of the LBIP was strengthened by formalizing the LBIP steering committee to include recipients’

representative of each of the forest regions to assist in providing direction for the program and act as a liaison with the CLUP, and Small Tenures programs. Also in 2005/06 a review of the LBIP, at the request of the ministry, conducted by the Ministry of Finance Internal Audit and Advisory Services was completed. Recommendations have been addressed and will be implemented in 2006/07. A similar review of the Forest Science Program was initiated in 2005/06 and is expected to be completed in 2006/07.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of FIA governance performance measure targets substantially achieved	N/A	N/A	N/A	90	93.3	+3.3	✓
Selection Rationale This measure was introduced in 2005/06 to provide a summary of the achievements under the Forest Investment Account (FIA) seven programs: Land Base Investment, Small Tenures, Tree Improvement, Crown Land Use Planning and Enhancement, Forest Science, Product Development and International Marketing.							
Results and Variance Explanation Total performance measures for all FIA programs is 45. 42 of the 45 performance measures in 2005/06 were substantially achieved.							
Data Sources and Issues FIA program annual reporting by third-party administrators and ministries.							
Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07.							

Objective 2: Ensure a responsive and effective management framework and infrastructure that supports the achievement of ministry goals and objectives.

This objective helps to ensure that the ministry becomes a more effective organization, which is strong, dynamic and adaptable, and focused on achieving its strategic goals.

Strategies

1. Continue to identify, implement and continually improve business practices and processes to increase efficiency and effectiveness.

Work towards this strategy in 2005/06 included:

- Redesign and streamlining of the corporate policy development process.

- Redesign of the contract management and accounts payable processes to increase efficiency after consolidation of service.
- Review of the privacy, information, records and litigation filing process to provide a higher level of client service.
- Redesign and streamlining of the new woodlot licence program business processes; and
- Redesign of fire protection reporting with systems development underway for implementation over the next two years.

In addition, the following projects are building ministry capacity for ongoing continuous improvement projects:

- A continuous improvement toolkit was developed for staff.
 - A continuous improvement module was delivered at the University of Northern British Columbia and Thompson Rivers University to provide continuous improvement training to future MoFR employees.
 - 60 MoFR staff were trained in “learning organization” tools and techniques and a learning organization community of practices was established.
 - An activity-based management process was developed to analyze financial benefits of continuous improvement projects.
 - A high level “mapping the ministry’s business” project was undertaken to better document and communicate MoFR business processes for the public and clients.
2. Continue to implement and integrate performance management processes and evaluate the validity of performance measures.

Ministry business area teams completed strategic planning tasks for 2006/07 including review and improvement of objectives, strategies and performance measures using updated logic models. A pilot evaluation of one business area was completed in 2005/06, including recommendation of a methodology for ongoing periodic review of measures. Quarterly reporting of progress towards all published and internal performance measure targets, and linkages between budget allocations and performance measures, were strengthened.

3. Implement policy and legislation frameworks.

The ministry completed its review of the corporate policy and legislation processes and the redesigned processes have been implemented as of April 2006.

4. Implement a risk management framework that will enhance strategic and operational planning.

Ministry business area teams, as part of their strategic planning tasks, completed analysis of risk to achieving corporate objectives. This included identifying risks, rating likelihood and consequences, reviewing existing controls and recommending mitigation strategies, as part of the budgeting process. The framework is now substantially in place to inform ministry annual planning and decision making.

5. Continue to implement and evaluate the ministry’s Road Ahead (Human Resources) Strategy (succession planning, retention, leadership, organizational wellness).

The ministry entered its second year of a three-year plan in July 2005. To evaluate the human resources strategy, the ministry conducted a staff survey in June 2005 to establish benchmarks for progress. The survey measured employee satisfaction in the four key areas: leadership; workplace wellness; learning organization and workforce planning, as well as conducting a “values audit” section where employees could comment on whether they felt the organization was living its values. One key finding was that in a 2002 workplace employee survey just over one-half (54 per cent) of those surveyed were satisfied with their jobs in the ministry while in 2005, almost three-quarters (71 per cent) reported being satisfied, representing a 17 per cent increase in satisfaction between 2002 and 2005.

Performance Measures

Performance measures of achievement towards this objective are tracked internally to the Ministry.

Objective 3: To be a high performing and learning organization.

This objective helps to ensure that the ministry becomes a more effective organization, which is strong, dynamic and adaptable, and focused on achieving its strategic goals.

This objective was combined with Objective 2 above for the 2006/07 service plan. It had been highlighted in 2005/06 as the ministry focused on a “Road Ahead” initiative (described in strategies), which is now becoming part of the way the ministry does business. Reflecting this, the objective has also become a part of the ministry’s mission statement.

Strategies

1. To continue building an innovative and even higher performing organization that focuses on both business and people performance, the ministry will fully implement the Road Ahead initiative that focuses on: mandate — vision, mission and values; stewardship; leadership development; learning organization; workforce planning; and organizational wellness.

The ministry continues to make significant progress on strategies supporting the Road Ahead. To ensure integration into the day-to-day operations of the organization, the ministry has created “Partners in Performance,” a review tool that will be implemented in fiscal 2006/07. Partners in Performance formalizes an approach through which ministry staff can share best practices and learn from each other. It focuses on our people, our culture, and our business. Partners in Performance will ensure that the people side of the ministry and its culture supports the overall objective for being a high performing organization.

Performance Measures

Performance measures of achievement towards this objective are tracked internally to the ministry.

Deregulation and Regulatory Reform

The Ministry of Forests and Range continued to review its legislation to look for further regulation reduction and reform opportunities. In 2005/06, the ministry exceeded its commitment to maintain its June 2004 baseline, by decreasing regulatory requirements by more than 10 per cent.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Maintain regulatory requirements at June 2004 baseline.	8,551	9,124	9,124 (June 2004 baseline)	9,124 (0% increase to regulatory burden)	8145	- 10.73%	✓✓
Selection Rationale							
This measure is mandated by the Regulatory Reform Office to track Government's Regulatory Reform initiatives.							
Results and Variance Explanation							
Regulatory requirements in 2005/06 decreased by 10.73 per cent. This reduction exceeded the 0 per cent increase target.							
Data Sources and Issues							
Number of regulatory requirements in statutes, regulations and policies are counted by prescribed method set out by the Regulatory Reform Office. The regulatory count in the Ministry of Forests and Range is undertaken by the legislation section of the Strategic Policy and Planning Branch.							
Changes to the Measure							
While this objective will continue to be tracked by the ministry it will not be tracked as a formal performance measure in future service plans.							

Report on Resources

The Ministry of Forests and Range underspent approximately \$45 million in 2005/06 against adjusted estimates of \$662.344 million. Contributing factors were: a below average fire season, and delays in finalizing an agreement with the federal government for the South Moresby Forest Replacement Account.

Funding for the ministry is provided in the Ministry Operations Vote and the Direct Fire Vote of the legislature and three special accounts (BC Timber Sales, the Forest Stand Management Fund (FSMF) and the South Moresby Forest Replacement Account (SMFRA)). The SMFRA expenditures are overseen by a joint federal–provincial management committee. Forest Investment expenditures are overseen by a Forest Investment Council.

In 2005/06 additional funding was made available through a contingency vote of the legislature to address Nisg’a land reforestation obligations.

Ministry Goal	Core Business	Funding Source (Vote or Special Account)
1. Sustainable Forest and Range Resources	• Protection Against Fire and Pests	• Direct Fire Vote • Ministry Operations Vote
	• Forest Stewardship	• Ministry Operations Vote • FSMF (special account) • SMFRA (special account) • Contingency Vote (Nisg’a land reforestation)
	• Range Stewardship and Grazing	• Ministry Operations Vote
	• Compliance and Enforcement	
	• Forest Investment	
2. Sustainable Forest and Range Benefits	• Pricing and Selling Timber	• Ministry Operations Vote
	• BC Timber Sales	• BC Timber Sales (special account)
3. Highly Effective Innovative and Responsive Organization	• Executive and Support Services	• Ministry Operations Vote

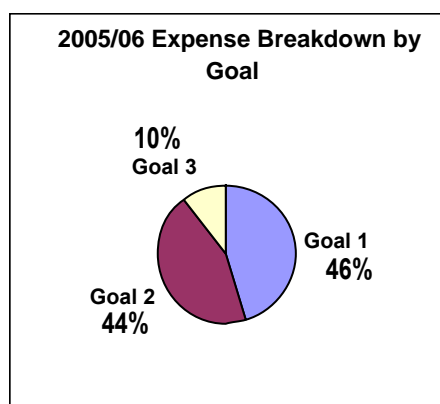
Resource Summary Table 2005/06

Core Business Area	Estimated ¹	Other Authorizations ²	Total Estimated	Actual 2005/06	Variance
Operating Expenses (\$000)					
Protection Against Fire and Pests	127,438	1,370	128,808	117,438	(11,370)
Forest Stewardship	84,440	3,000	87,440	51,845	(35,595)
Nisg'a lands reforestation obligations (Contingency vote).....	0	5,650	5,650	5,650	0
Range Stewardship and Grazing	4,919	0	4,919	4,733	(186)
Compliance and Enforcement	25,609	0	25,609	24,298	(1,311)
Forest Investment	89,000	0	89,000	84,059	(4,941)
Pricing and Selling Timber	119,576	1,490	121,066	114,042	(7,024)
Interest owed on revenue refunds (non-Vote).....	0	1	1	1	0
Executive and Support Services	48,542	2,402	50,944	66,513	15,569
BC Timber Sales	148,395	512	148,907	148,907	0
Total	647,919	14,425	662,344	617,486	(44,858)
Full-time Equivalent (FTEs)					
Protection Against Fire and Pests	684	0	684	676	(8)
Forest Stewardship	313	0	313	368	55
Range Stewardship and Grazing	44	0	44	42	(2)
Compliance and Enforcement	292	0	292	285	(7)
Forest Investment	57	0	57	57	0
Pricing and Selling Timber	733	0	733	691	(42)
Executive and Support Services	527	0	527	560	33
BC Timber Sales	574	0	574	559	(15)
Total	3,224	0	3,224	3,238	14

Core Business Area	Estimated ¹	Other Authorizations ²	Total Estimated	Actual 2005/06	Variance
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Protection Against Fire and Pests	3,360	0	3,360	8,837	5,477
Forest Stewardship	5,023	0	5,023	1,555	(3,468)
Range Stewardship and Grazing	6	0	6	0	(6)
Compliance and Enforcement	1,911	0	1,911	50	(1,861)
Forest Investment	0	0	0	0	0
Pricing and Selling Timber	3,848	0	3,848	838	(3,010)
Executive and Support Services	7,698	0	7,698	10,089	2,391
BC Timber Sales	990	0	990	193	(797)
Total	22,836	0	22,836	21,562	(1,274)
Other Financing Transactions (\$000)					
BCTS — Disbursements	83,798	0	83,798	52,342	31,456
Total Receipts	0	0	0	0	0
Total Disbursements	83,798	0	83,798	52,342	31,456
Total Net Cash Source (Requirements)	0	0	0	0	0

¹ These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the 2006/07 *Estimates*. Schedule A of the *Estimates*, presents a detailed reconciliation.

² "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies.



Goal 1 - Sustainable Forest and Range Resources

Goal 2 - Sustainable Forest and Range Benefits

Goal 3 - A Highly Effective, Innovative and Responsive Organization

Appendices (Part A)

Appendix A1: Mountain Pine Beetle Action Plan Report.

Mitigating the impacts of the mountain pine beetle infestation goes well beyond forestry-related activities or the scope of any one ministry. This prompted the development of a comprehensive annually updated five-year Mountain Pine Beetle Action Plan that provides a broader, longer-term approach involving all appropriate government ministries. In 2005/06 the federal government contributed \$100 million to be utilized over three years to assist the province in implementing the five-year action plan components that are of federal interest. Other components are being supported by the province or through licence agreements with industry. Those initiatives are included in other areas of this service plan.

The federal funding provided in 2005 addresses strategies that support six of the seven objectives of the action plan aimed at mitigating the social, economic and environmental consequences of the mountain pine beetle infestation now and in the future. These are:

1. Ensuring long-term economic stability for communities;
2. Maintaining and protecting public health, safety and infrastructure;
3. Recovering the greatest value from dead timber before it burns or decays, while respecting other forest values;
5. Preventing or reduce damage to forests in areas that are susceptible but not yet experiencing epidemic infestations;
6. Restoring the forest resources in areas affected by the epidemic; and
7. Effective overall coordination and management of the Action Plan.

Objective 4, to conserve the long-term forest values identified in land-use plans, has not received federal funding.

Objective 1: Encourage long-term economic sustainability for communities affected by the mountain pine beetle epidemic.

This objective is to encourage long-term economic sustainability for communities affected by the mountain pine beetle epidemic by supporting the development and implementation of strategic regional business plans for forest-dependent communities and First Nations within the affected areas.

For the next several years the primary focus will be working with impacted First Nations and communities to determine the probable socio-economic impacts of the mountain pine beetle epidemic and to support the creation of locally-developed mitigation strategies. These planning efforts will require multi-year financial support. During 2005/06 the First Nations Mountain Pine Beetle Working Group and two regional Beetle Action Coalitions were created and received funding support.

Program: Community Diversification and Stability.

Strategy

1. Supporting development of community economic planning included work to explore possibilities for economic diversification, economic pre-feasibility analysis on opportunities, investment recruitment, business retention, community marketing and general economic research.

During 2005/06 financial assistance was provided to the First Nations Mountain Pine Beetle Working Group, the Cariboo-Chilcotin Beetle Action Coalition (CCBAC) and the Omineca Beetle Action Coalition (OBAC) for the preparation of related studies and mitigation strategies. The First Nations working group created a mountain pine beetle action plan in September 2005 to guide their strategies with the intent of merging their action plan with the provincial Mountain Pine Beetle Action Plan in 2007/2008.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of regional community associations economic diversification plans established for MPB mitigation	1	0	-1	x
Selection Rationale				
A measure of the number of First Nations and regional coalitions that have taken the opportunity to develop economic diversification strategies that will mitigate the negative economic impacts of the mountain pine beetle infestation.				
Results and Variance Explanation				
Completion of the actual economic diversification plans may take until 2007/08 which although is in keeping with the Mountain Pine Beetle Action Plan, it is longer than originally intended in the target for this measure. This measure has therefore been revised for 2006/07 (see changes to the measure below).				
Data Sources and Issues				
Funding recipients will report outcomes as part of their funding agreement.				
Changes to the Measure				
This performance indicator has been changed for the 2006/07 service plan. In 2005/06 the measure represented the number of community socio-economic adjustments plans expected to be completed by the end of the year. This measure and target was set before it was clear how the community action coalition process would progress. Since the community action coalitions will produce a business plan to initiate the process, and the social-economic plan may take longer than one year to develop, it has been decided to track business plans as most representative of the annual outputs expected from the program.				

Program: Natural Range Barrier Mitigation.

This program seeks to mitigate the impact of the mountain pine beetle on breach of natural range barriers by replacing barriers, controlling livestock distribution and protecting environmental rangeland values in affected communities.

Strategy

1. Replacing natural range barriers and range developments lost or damaged during timber harvesting and associated road construction (not associated with forest licensee responsibilities under the *Forest Range and Practices Act*).

Natural range barriers have been inventoried and mapped in six priority forest districts which have had the greatest impact from salvage logging. Information is being used by ranchers and forest licensees in planning processes and projects have been prioritized for construction in spring 2006. The development of a long-term strategic plan has begun in cooperation with the B.C. Cattlemen's Association.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Animal Unit Months (AUMs) of forage protected from loss due to MPB impacts	24,000	0	-24,000	x
Selection Rationale				
AUMs of forage authorized measures how well the ministry is maintaining the production and utilization of forage in areas affected by the mountain pine beetle infestation.				
Variance Explanation				
While no projects were able to be constructed prior to winter, all of the planning/referral processes have been completed and projects are scheduled for construction in spring of 2006.				
Data Sources and Issues:				
MoFR, Range Branch.				
Changes to the Measure				
None.				

Objective 2: Maintain and protect public health, safety and infrastructure.

This objective reflects the ministry's intent to maintain and protect public health, safety and infrastructure by reducing catastrophic wildfire risk to communities within mountain pine beetle affected areas.

Program: Fuel Management.

Strategy

1. Conduct treatments to reduce combustible fuels within the hazardous interface areas surrounding communities affected by mountain pine beetle to reduce the risk of ignition and mitigate the potential impacts of wildfire.

The Provincial Fuel Management Strategy has identified 460 000 hectares as potentially needing treatment due to the presence of mature pine and proximity to communities. Ten per cent of this is adjacent to First Nations reserve lands. Partnerships have been established to deliver fuel treatments with communities. The Union of British Columbia Municipalities (UBCM) and First Nations Emergency Services Society (FNESS) will be facilitating treatments for local governments and First Nations.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Hectares treated for fuel management to protect interface areas impacted by MPB	6,000	2,278	-3,722	x
Selection Rationale				
This measures the ministry's success in reducing fuel loads through prescribed burning, slash removal on old harvesting sites, planning and integration with other fuel management activities and removal of mountain pine beetle-affected stands.				
Results and Variance Explanation				
Funding for fuel management was finalized in November and the fuel management program was announced by UBCM in early December. The development of a Community Wildfire Protection Plan (see report under goal 1, objective 1) is critical for effective fire management planning and includes the identification of fuel treatment priorities for a community. Based on these plans, preliminary treatment projects have begun for a number of communities including Logan Lake, Prince George, Merritt, Cranbrook, and Houston. MoFR has worked with FNESS to develop a First Nations fuel management program, and staffing for this was completed in January 2006. The development of a community wildfire protection plan program for First Nations has just been initiated by FNESS.				
Data Sources and Issues				
Community agreement recipients will report achievements through the program's third-party delivery agents who will report summary achievements to MoFR on a quarterly basis.				
Changes to the Measure				
None.				

Objective 3: Recover the greatest value from dead stands impacted by the mountain pine beetle, while respecting other forest values.

This objective reflects the ministry's intent to recover the greatest value from impacted stands. The federal funding is focused on ensuring that market access and manufacturing problems are not the limiting factor to a successful long-term salvage program.

Program: Research and Development — Wood Products.

Strategies

1. Solving immediate manufacturing problems as quickly as possible to improve the profitability of the dead dry wood; and
2. Developing new products and markets for the material.

Results

During 2005/06, FII supported research and development of new products and processes which in some cases will help to solve manufacturing problems:

- Product testing and market research for railway ties in China.
- The use of borates for use in interior construction applications in termite prone regions. Further work is planned with the Canadian Wood Council to explore commercial opportunities in the U.S.
- University of British Columbia has developed and proven technology to produce a new surface bleached lumber, masking the blue staining caused by the mountain pine beetle.
- University of British Columbia, in partnership with industry, has developed a way to condition grey-attacked logs that significantly increases moisture content overcoming a key issue in commercializing the use of pine for OSB production.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of new products/applications for MPB timber identified and introduced to markets	3	4	1	✓✓
Selection Rationale Identifying new products will help establish the profitability and value of salvage cutting rights.				
Results and Variance Explanation This measure was overachieved due to more interest in the area of research than anticipated.				
Data Sources and Issues FII Ltd. reports this data to MoFR quarterly and annually.				
Changes to the Measure None.				

Objective 4: Conserve the long-term forest values identified in land-use plans.

This objective reflects the ministry’s intent to ensure that all resource values are considered in mountain pine beetle management practices in a manner consistent with existing or revised land use plans. This is primarily a planning, licensing and tenure administration initiative. Federal resources have not been directed to this area.

Objective 5: Preventing or reduce damage to forests in areas that are susceptible but not yet experiencing epidemic infestations.

Actions to control infestations will be taken to prevent or reduce damage to forests in areas that are susceptible to but not yet experiencing epidemic infestations. A primary focus is minimizing/eliminating the potential for the infestation to spread into Alberta and beyond to the boreal forests of northern Canada. Funding sources supporting aspects of this objective are the Ministry of Forests and Range, federal funding, Alberta Sustainable Resource Development, the Forest Investment Account — Land Base Investment Program, and Alberta licensee funds.

Program: Spread Control.

Strategy

1. Conducting aerial and ground surveys, spot treatments, prescribed burns and incremental costs for strategic harvesting, such as access improvement planning, to destroy the beetles before they emerge and spread.

Significant progress was made towards this strategy commencing with aerial surveys conducted by the ministry in summer and fall 2005. Critical pathways for mountain pine beetle spread were identified as special management zones for concentrated efforts of ground surveys and treatments. The identified areas were treated as top priority areas throughout 2005/06 with effective treatments. Moving further west from these special management areas were areas of beetle infestation and in decreasing rank of priority given increased distance from the B.C.-Alberta border. These infestations were treated where funding was available. The focus over the next two years will be to continue concentrated efforts in the highest priority areas closest to the Alberta border while seeking opportunities through single tree treatments and harvesting to decrease the immigration of bark beetles from adjacent infestations.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Hectares treated through single tree treatments to control rate of spread of MPB	5,000	6,050	1,050	✓✓

<p>Selection Rationale</p> <p>Efforts to limit the spread of the beetle are concentrated on the four forest districts on the eastern edge of B.C. Single tree treatments are being used to prevent the spread of the beetle beyond B.C.'s borders.</p>
<p>Results and Variance Explanation</p> <p>The 5,000 target was over-achieved.</p>
<p>Data Sources and Issues</p> <p>Data for this measure will be from licensees and third-party delivery agents under agreement to carry out these treatments.</p>
<p>Changes to the Measure</p> <p>None.</p>

Program: Parks and Protected Areas mountain pine beetle control.

Strategy

1. Managing infestation within parks and protected areas on a priority basis through fuel management, spread control using controlled burns, and restoration within parks. Working closely with the Ministry of Environment — B.C. Parks division, single tree treatments were conducted in parks bordering Alberta and within critical pathways for beetle spread toward the border.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of at risk sites treated in parks and protected areas to mitigate impacts of the mountain pine beetle infestation	19	22	+3	✓✓
<p>Selection Rationale</p> <p>This is a measure of the areas that will receive required treatments on a priority basis, to address public safety from falling snags and fire, fall and burn and fall and removal treatments.</p>				
<p>Results and Variance Explanation</p> <p>The target was slightly over-achieved.</p>				
<p>Data Sources and Issues</p> <p>MOE, through regional coordinators and internal tracking mechanisms.</p>				
<p>Changes to the Measure</p> <p>None.</p>				

Objective 6: Restore the forest resource in areas affected by the Mountain Pine Beetle Epidemic.

This objective includes a variety of initiatives focused on restoring the damaged forest and associated environmental values. It includes programs fundamental to the restoration work and is highly integrated with the activities of other funding sources and ministry initiatives such as the Forests for Tomorrow program.

Program: Inventory.

To provide planning information on the spread of the beetle to support the spread control, salvage and follow-up mitigation/restoration programs.

Strategy

1. Ensuring that the various mitigation initiatives have the required land, inventory and mapping information they need to succeed.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of map sheets imaged of area susceptible to mountain pine beetle infestation	300	939	+639	✓✓
Selection Rationale				
This new measure indicates the maps and imagery that will be generated to show current locations of mountain pine beetle.				
Results and Variance Explanation				
The substantial overachievement is attributed to having access to Forests for Tomorrow and Forest Investment Account (FIA) funded photography and ortho-photos that were not accounted for in the published target.				
Data Sources and Issues				
Internal ministry tracking.				
Changes to the Measure				
None.				

Program: Bio-Physical Research.

To supplement applied research efforts that provide related information for policy evolution and for resource planning and treatment decision making.

Strategy

1. Providing credible and relevant scientific knowledge to support the conservation of long-term forest values identified in land use plans and restoration of forest resources in areas affected by the epidemic.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of research products or extension events for priority mountain pine beetle issues	25	31	+6	✓✓
<p>Selection Rationale</p> <p>This new measure indicates the number of research products and extension events that provide related information for policy evolution and for resource planning and decision making in the areas of reforestation and restoration in riparian zones, forest productivity restoration (e.g., erosion mitigation), maintenance of biodiversity (including species at risk, anadromous fish, non-timber forest products, coarse woody debris, critical wildlife habitat structures); silviculture options and improving timber growth and value, and maintenance of watershed and hydrologic functioning. Reports may include extension notes, technical reports, brochures, workshop presentations, workshop or conference proceedings; training packages, posters, manuals and handouts; field handbooks or guides, field forms, cards, survey and evaluation procedures, web pages/major website updates or models and model updates. Events include forest science courses, demonstrations, presentations, workshops, training, field trips or tours, Internet based extension and any other event which conveys research findings to 10 or more people from the same organization, or to meetings/extension events with two or more other organizations/agencies.</p>				
<p>Results and Variance Explanation</p> <p>A total of 31 research products and extension events were reported, six over the target. Targets were set conservatively in 2005/06, taking into account that this was a new program. Start-up was more timely than anticipated. Eight products or extension events were delivered by the ministry, including workshops at UBC and UNBC. Twenty-three products and extension events were delivered through PricewaterhouseCoopers LLP in 2005/06.</p>				
<p>Data Sources and Issues</p> <p>Ministry Research Branch and the program third-party delivery agent report results to the ministry's bio-physical research co-ordinator.</p>				
<p>Changes to the Measure</p> <p>None.</p>				

Program: Ecosystem Restoration.

To assess and mitigate the environmental effects on fish, water quality, endangered species and biodiversity (delivered under agreement with and by the Ministry of Environment).

Strategy

1. Addressing mountain pine beetle impacts through planning, surveys and treatments for terrestrial and aquatic species and habitat restoration, water quality/quantity and other non-timber objectives.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of watersheds treated for ecosystem restoration as required as a result of mountain pine beetle	1	1	0	✓
Selection Rationale Specific target watersheds and/or locations in B.C. are being identified for the treatments addressed by this new measure. Treatments include: mitigation options for species-at-risk; treatments in unharvested areas (e.g., old growth, protected areas, riparian areas); modification of habitat, including the use of silviculture techniques; and, treatments that improve fish passage and water quality.				
Results and Variance Explanation The target was achieved as planned.				
Data Sources and Issues The delivery agent for MOE, reports quarterly to MoFR.				
Changes to the Measure None.				

Objective 7: Coordinated and effective planning and implementation in support of all programs.

This objective is achieved through planning and management that supports the overall program. All funding sources and program areas support aspects of this objective.

Appendix A2: List of Legislation Administered by the Ministry.

The main statutes for which the Forest Service has responsibility are as follows:

Forest and Range Practices Act

The *Forest and Range Practices Act* and its regulations enable forest and range licensees to operate under a results-based regime for forest and range practices. Over the past year, under the transition scheme, licensees have had the option of operating under the *Forest Practices Code* or the *Forest and Range Practices Act*. As of December 31, 2006 licensees will no longer have this option as transition to FRPA will be complete. The new results-based regime will promote innovation and reduce red tape while upholding environmental standards.

Both forest and range practices regimes enable the Forest Service to:

- establish stewardship standards for forest and range practices;
- ensure that the legislated requirements for sustainable forest and range practices are followed;
- meet the requirements for resource objectives established through land use planning; and
- carry out compliance and enforcement activities to ensure stewardship standards are met.

Forest Act

The *Forest Act* provides the Forest Service with the authority to:

- determine an allowable annual cut for Crown land in each timber supply area and for each tree farm licence area, woodlot licence area and community forest agreement area;
- enter into and administer agreements that authorize timber harvesting, including agreements that are awarded through auction by B.C. Timber Sales and used to support the market based pricing system;
- require payments to the government for Crown timber;
- establish requirements for timber marking and scaling, and to regulate marine log salvage;
- require Crown timber, and specified private timber, to be used or manufactured in the province unless exempted by an order in council;
- enter into road permits and road use permits for access to Crown timber, and to build and administer forest service roads; and
- establish designated areas to protect forest land from development pending land use decisions.

Ministry of Forests and Range Act

The *Ministry of Forests and Range Act* provides the Forest Service with a broad and general mandate to:

- encourage maximum resource productivity;
- manage resources responsibly to achieve the greatest short- and long-term social benefits;
- practice planned, integrated resource management and use;
- encourage a globally competitive timber processing industry and ranching sector; and
- assert the financial interest of the government.

Range Act

The *Range Act* authorizes the Forest Service to:

- allocate and administer the use of range resources by the livestock industry through grazing and hay cutting agreements that provide revenue to the government;
- issue agreements to First Nations for treaty-related purposes or interim measures;
- protect Crown range resources through restrictions of use when conditions such as drought could result in damage to the range; and
- temporarily increase the amount of forage allocated to range agreements when growing conditions are favourable.

Wildfire Act

The *Wildfire Act* consolidates the fire control responsibilities of the Forest Service and clearly defines the responsibilities of all users of the forest and range with respect to fire. The Act and its regulation are results-based and provide operational flexibility for industrial users. The Act follows through on recommendations from the Firestorm 2003 Provincial Review to strengthen wildfire prevention and suppression for the safety and security of communities in British Columbia. The Act ensures that government has the authority to fight any fire that threatens forest and range resources, and to restrict access, limit operations and requisition equipment and personnel in the event of significant fire activity.

Forestry Revitalization Act

The *Forestry Revitalization Act* is an integral part of government's forestry revitalization plan. The plan will open up opportunities in both forest management and wood processing sectors and create a more diversified and innovative forest sector.

The Act enables the government to take back 20 per cent of the long-term replaceable logging rights from major licensees to be reallocated to BC Timber Sales, communities, First Nations, woodlot owners and entrepreneurs. As a result of these and other changes, up to 45 per cent of the province's total harvest will eventually be available through the open market. The Act also sets aside funding for the transition to the new, stronger forest economy. Forest workers and contractors will have access to a trust fund for transition assistance. As well, the Act provides compensation to forest companies for the legal harvesting rights removed from their allowable annual cuts.

Forest Practices Code of British Columbia Act

Much of the *Forest Practices Code of British Columbia Act* has been repealed as a result of the implementation of the *Forest and Range Practices Act* and the *Wildfire Act*. The remaining provisions of the *Forest Practices Code of British Columbia Act* relate to the:

- issuance of special use permits to permit the use and occupation of Crown land for forestry purposes; and
- continuation of the Forest Appeals Commission, and its operation.

Appendix A3: List of Crowns, Agencies, Boards and Commissions.

Service Delivery Crown Corporations:

- Forestry Innovation Investment Ltd.
- *FII Consulting (Shanghai) Company Ltd.*¹

Commissions and Boards:

- Forest Appeals Commission
- Forest Practices Board
- Timber Export Advisory Committee

¹ Subsidiary corporation.

Appendix A4: Forest Investment Account.

Forest Investment Account Overview

The Forest Investment Account (FIA) is a forest-sector investment model led by government, established to deliver the provincial government's forest investment in an accountable, efficient manner and to assist government in its role of supporting a globally recognized, sustainably managed forest industry. Investment dollars have been directed to activities on public land — enhanced forestry, watershed restoration and resource inventories — and marketing and research that supports sustainable forest management and increased allowable annual cuts. Specific amounts have been dedicated to program elements at the provincial level, other amounts have been allocated for disbursement to tree farm licence holders and certain types of tenure holders in each timber supply area.

Forest Investment Account Goals

Goal 1: Actively foster sustainable forest management

Goal 2: Improve the public forest asset base

Goal 3: Promote greater returns from the utilization of public timber

Forest Investment Account Organizational Overview

The Forest Investment Account comprises the following programs:

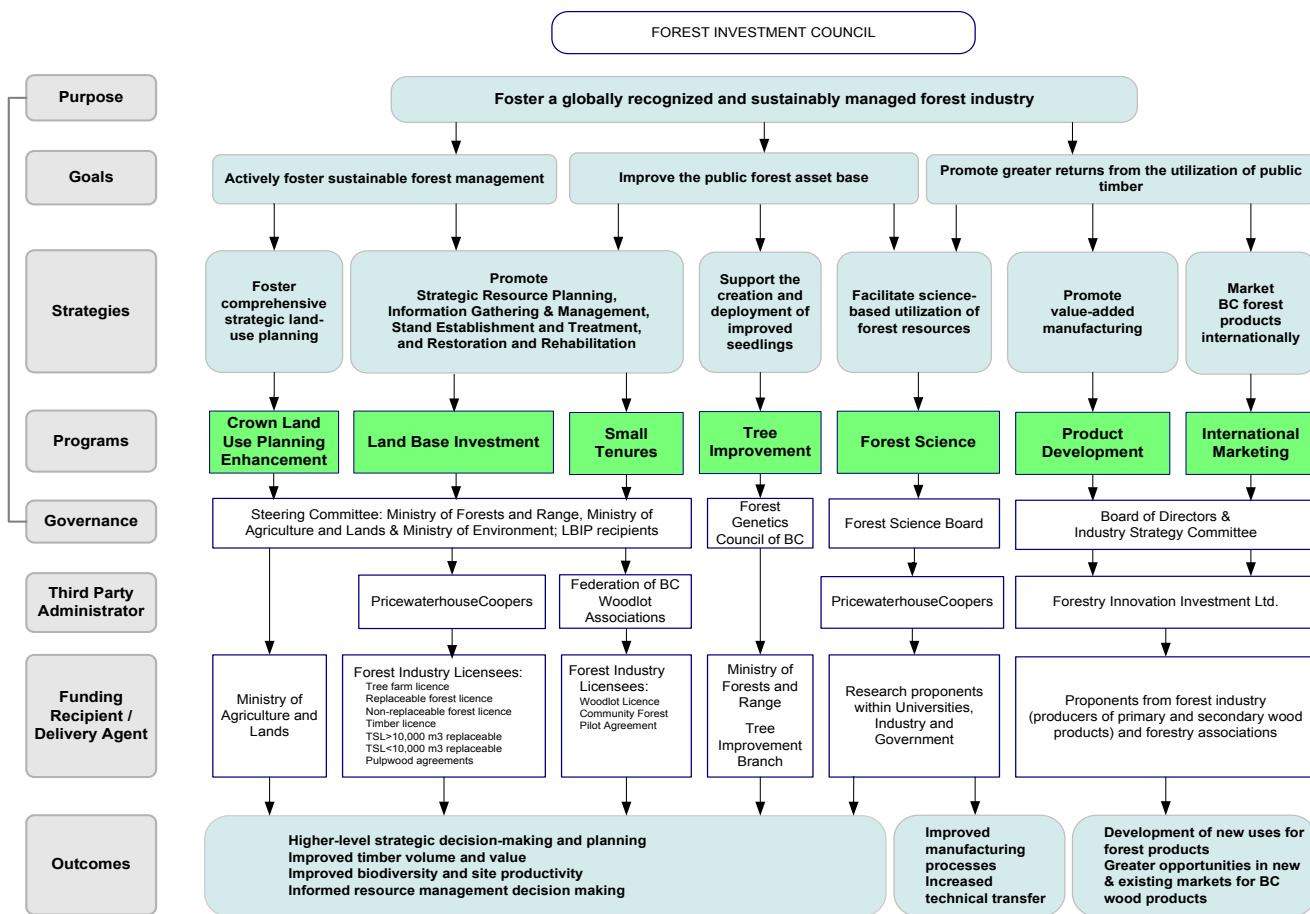
- Land Base Investment Program (LBIP)
- Small Tenures Program
- Crown Land Use Planning Enhancement (CLUPE) Program
- Tree Improvement Program
- Forest Science Program
- Product Development, and International Marketing Programs

The Minister of Forests and Range has decision-making authority for FIA and the Deputy Minister of Forests and Range chairs a Forest Investment Council that periodically reviews and makes recommendations on all FIA programs. The Council includes the Deputy Ministers of the Ministry of Environment (MOE) and the Ministry of Agriculture and Lands (MAL), three licensee representatives, and one representative from the forest research and technology sector. The Council receives progress reports from program administrators and is responsible for determining whether guidance or restrictions are necessary to ensure that investment choices provide the greatest contribution to the achievement of FIA goals. FIA programs are administered by government or by third parties acting on behalf of government (see Figure 1).

Figure 1: Forest Investment Account Overview

Forest Investment Model

2006 - 2007



Administration of most FIA activities is provided by private-sector firms rather than by government staff. PricewaterhouseCoopers (PwC) provides day-to-day administration for the LBIP and the Forest Science Program, and FII does the same for the product development, and international marketing programs. The Federation of B.C. Woodlot Associations (FBCWA) administers the Small Tenures Program.

PwC, FII and the FBCWA ensure that proposed activities meet eligibility criteria for FIA funding and constitute an optimum mix of expenditures to promote program objectives. They also provide funds to successful proponents, track project delivery, and are responsible for performance and financial auditing.

FII was incorporated on March 31, 2003, under the *Company Act* of British Columbia. The Province of British Columbia, as represented by the Minister of Forests and Range, is the sole shareholder of the company. The company is managed through a Board of Directors made up of the Deputy Ministers of Forests and Range, Finance, and Economic Development, as well as the FII President and Chief Executive Officer. Each program operates within the goals and program objectives developed as part of the FII Service Plan.

The annual service plan prepared by FII summarizes progress in meeting performance targets laid out in the FII service plan at the beginning of each fiscal year. The FII 2005/06 Annual Service Plan reporting of key accomplishments for the International Marketing and Product Development Programs is available at <http://www.gov.bc.ca/cas/popt/> or <http://www.bcfii.ca>.

Highlights and key accomplishments are reported in this Appendix for the LBIP, the Small Tenures Program, CLUPE, the Tree Improvement Program and the Forest Science Program.

Forest Investment Account Budgets and Actuals

Forest Investment Account			
	Budget	Actual	Variance
2005/06 Program Investments (\$000)			
Land Base Investment Program.....	48,801	44,404	4,397
Small Tenures Program.....	931	778	153
Crown Land Use Planning Enhancement Program.....	2,545	2,545	0
Tree Improvement Program	4,790	4,663	127
Forest Science Program.....	10,483	10,120	363
International Marketing and Product Development.....	21,450	19,840	1,610
Total — Program Expenditures	89,000	82,350	6,650
Accrual (not realized).....	N/A	1,658	(1,658)
Total — Public Account Expenditure.....	89,000	84,008	4,992
2005/06 Full-time Equivalents (FTEs)			
Total	57	57	0

Variances in FIA expenditures are mainly attributed to unforeseen factors that restrict the ability of recipients of FIA funding to complete planned projects. These include bad weather conditions and contractor availability and capacity. As well, since there is no allowance for over-expending of allocations within FIA programs, a conservative approach to managing allocations is done by the majority of recipients, particularly in the LBIP, resulting in under-expenditures at fiscal year end. In 2006/07 more rigorous and frequent reviews of financial progress and priority requirements will be implemented to minimize fiscal year end expenditure variances.

2005/06 Program Highlights and Key Accomplishments

Land Base Investment Program

The Land Base Investment Program (LBIP) provides funding to forest companies to plan and deliver land base investments that foster sustainable forest management and improve the public forest land base in British Columbia. The Ministries of Forests and Range, Environment, and Agriculture and Lands establish resource objectives, maintain a roster of eligible activities and provincial standards, and manage deliverables generated through LBIP projects.

Investments in the LBIP contribute to the FIA goal of actively fostering sustainable forest management and improving the public forest asset base by:

- acquiring and providing access to science-based information about forest resources;
- improving the modeling of forest dynamics;
- monitoring changes to forest resources;
- supporting the creation of sustainable forest management plans;
- ensuring that forests have sustained value production; and
- restoring and enhancing site productivity, recreation features, and damaged ecosystems.

For 2005/06, a portion of LBIP funding was targeted for activities administered by the Ministry of Forests and Range. These activities included mountain pine beetle control in protected areas and parks, invasive plant treatments and invasive plant bio-control development, and forest health pest and disease treatments.

2005/06 Program Investments (\$000)			
Land Base Investment Program			
	Budget	Actual	Variance
LBIP Component Areas			
Information Gathering and Management.....	N/A	12,500	N/A
Stand Establishment and Treatment.....	N/A	5,555	N/A
Restoration and Rehabilitation.....	N/A	2,778	N/A
Strategic Resource Planning.....	N/A	2,719	N/A
Infrastructure.....	N/A	494	N/A
Gene Resource Management.....	N/A	30	N/A
Training and Extension.....	N/A	61	N/A
LBIP Component Areas Total.....	25,500	24,137	1,363
Forest Health Activities (Mountain Pine Beetle).....	2,332	2,256	76
Timber Supply Reviews.....	975	211	764
TOTAL.....	28,807	26,604	2,203
PwC Administration and Audit.....	1,990	1,990	0
Standards, Data Management and Technical Support.....	9,356	8,424	932
Mountain Pine Beetle control.....	4,810	3,850	960
Invasive Plants.....	1,155	1,172	(17)
Resource Data Cleanup.....	911	868	43
Forest Health Pest and Disease treatments.....	1,772	1,496	276
Total — Program Expenditure.....	48,801	44,404	4,397
Accrual (not realized).....		1,658	(1,658)
Total — Public Account Expenditure.....	48,801	46,062	2,739

Key Accomplishments:

Acquiring and providing access to science based information about forest resources

- Acquired updated and new resource information towards improved land use planning and decision-making from a combined total of 61.3 million hectares. This includes an increase in the amount of provincial Crown land area where information relating to terrain stability, terrestrial ecosystem mapping, vegetation resource inventory, predictive ecosystem mapping, archaeology, biodiversity, wildlife, and fish has been enhanced.
- Completed and released three Timber Supply Area (TSA) Allowable Annual Cut determinations; initiated new timber supply reviews in two TSAs; and made substantial progress towards completing timber supply reviews in four TSAs.

Improving the modeling of forest dynamics

- Re-measured or established 391 growth and yield plots. This information contributes towards estimating future volume and quality of timber yields from our forests; updates forest inventories; provides input for forest management planning; evaluates enhanced stand management opportunities; and assesses the impacts of pests and fire on timber yield.
- *Monitoring changes to forest resources*
- Monitored 83 sites for long-term studies relating to aquatic and terrestrial values, including water quality, deer, northern goshawks, marbled murrelets and other indicators.

Supporting the creation of sustainable forest management plans

- Completed 65 projects related to the development of key indicators and public advisory groups / consultation processes, including the update or creation of sustainable forest management plans based on this information. This work contributed to the foundation for achieving sustainable forest management by setting goals, indicators and targets for defined forest areas.

Ensuring that forests have sustained value production

- Carried out 6797 hectares of treatments and surveyed 12 235 hectares. Activities funded include improved incremental silviculture treatments and reforestation of backlog areas (areas denuded prior to October 1, 1987). The investment in these treatments contributes to making stands available for harvest sooner, increasing merchantable volume and growing higher quality second growth stands.
- Completed 1.8 million hectares of aerial surveys, 80 999 hectares of ground surveys and 11,068 single tree treatments for bark beetle management in suppression beetle management units.

Restoring, and enhancing site productivity, recreation features, and damaged ecosystems

- 83 forest recreation sites and 356 kilometres of forest recreation trails were maintained or established to provide user safety, provide sanitary conditions, protect the environment, provide user access and convenience, and protect investment in infrastructure.
- Permanent road deactivation, landslide and gully rehabilitation and assessments were carried out on 4692 km of non-status forest roads, thereby reducing the risk of environmental and economic damage to resources within and adjacent to the road location from landslides and other environmental hazards.
- 41 sites were assessed, prescribed and works completed on instream structures. Additional 85 sites were reviewed for fish passage concerns and structures removed/replaced as necessary to re-establish upstream habitat access for salmon and other local fish species.

Small Tenures Program

Funding under the Small Tenures Program is available for eligible land-base activities on Crown land under woodlot license tenure and community forest agreement tenure. The Small Tenures Program provides funding to eligible licensees for activities similar to the LBIP (i.e., enhanced forestry, environmental preservation and restoration, and resource information).

Investments in the Small Tenure Program contribute to the FIA goal of actively fostering sustainable forest management and improving the public forest asset base by:

- acquiring and providing access to science based information about forest resources;
- ensuring that forests have sustained value production; and
- restoring and enhancing site productivity, recreation features and damaged ecosystems.

2005/06 Program Investments (\$000)			
Small Tenures Program			
	Budget	Actual	Variance
Information Gathering and Management.....	N/A	241	N/A
Stand Establishment and Treatment.....	N/A	361	N/A
Training and Extension.....	N/A	39	N/A
Infrastructure.....	N/A	75	N/A
Sub-Total.....	868	716	152
Program Administration and Audits (FBCWA).....	63	63	0
Total Program Expenditure.....	931	779	152

Key Accomplishments:

Acquiring and providing access to science based information about forest resources

- Resource information on a combined total of 127 550 hectares was acquired on provincial Crown land area under small tenures. Information relating to terrestrial ecosystems, vegetation resource inventory and archaeology has been enhanced on these areas.
- 17 woodlot workshops for approximately 301 participants focused on requirements associated with the Woodlot Licence Plan using the Woodlot Licence Plan Template.

Increasing timber volume and value

- 276 hectares of forest stands were treated (i.e. site prepared, planted, brushed, pruned, juvenile spaced, or fertilized). These investments contribute to growing higher quality second growth stands on Crown lands.
- 13,000 trees were purchased for planting in the spring/summer of 2007 on Crown areas harvested prior to October 1, 1987.

Restoring and enhancing site productivity, recreation infrastructure, and damaged ecosystems.

- Seven forest recreation sites were activated or maintained and three forest recreation sites were expanded to provide user safety; provide sanitary conditions; protect the environment; provide user access and convenience; and protect investment in Crown infrastructure.
- Crown Land Use Planning Enhancement

The Crown Land Use Planning Enhancement (CLUPE) Program augments the province’s strategic land use planning program. Strategic land use plans are completed around the province to resolve land use conflicts, identify management priorities and establish resource objectives for specified areas of Crown land. These objectives guide land use and resource management and help to identify economic opportunities within the plan area. CLUPE funds are used for:

- *Capacity building*: Build land/resource planning capacity in the communities where planning is happening, and develop local-level support for planning outcomes.
- *Resource objectives*: Specify government’s objectives for Crown forest land and resources.
- *Resource analysis*: Ensure that forest land use planning decisions are based on sound analysis and information.
- *Implementation, monitoring and evaluation*: Ensure that strategic land use plans achieve their intended social, economic and environmental objectives.

2005/06 Program Investments (\$000)			
Crown Land-Use Planning Enhancement Program			
	Budget	Actual	Variance
Building Planning Capacity	127	120	7
Developing Resource Objectives	1,773	1,816	(43)
Undertaking Resource Analysis	195	185	10
Implementation, Monitoring and Evaluation	450	424	26
Total Program Expenditure	2,545	2,545	0

Key Accomplishments:

Capacity Building

- The Bulkley Recreation Access Management Plan update is complete.
- A draft Sustainable Forest Management Plan for the Fort Nelson area has been developed on a cooperative basis between the forest industry and government.

Specifying Government’s Objectives

- Stakeholder consensus has been achieved on spatial Old Growth Management Areas (OGMAs) in all 12 landscape units in Merritt and all 33 landscape units in Kamloops.
- The Kispiox Sustainable Resource Management Plan has been completed.

- Visual objectives, based on visually sensitive areas, have been established for Dawson Creek.
- Spatial OGMA's are being developed in 27 landscape units of the Okanagan-Shuswap area, all 17 landscape units in Lillooet and various areas of the Kootenays.

Resource Analysis

- The Land Use Objectives Regulation and FRPA interpretation documents have been merged to form a combined project. Final editing of this business practices document is being carried out.

Implementation, Monitoring and Evaluation

- Mountain Caribou guidelines as a component of the Kamloops Land and Resource Management Plan (LRMP) have been completed. An assessment of the impacts on timber supply has been completed.
- An evaluation of the risks of non-compliance with Kamloops LRMP objectives and strategies due to predicted impacts of the mountain pine beetle epidemic has been completed.

Tree Improvement Program

The Tree Improvement Program is an operational investment plan for management of the genetic resources of the Province to meet the FIA goal to improve the public forest land base and the Ministry of Forests and Range goal of Sustainable Forest Resources. The program focuses on improving the public forest asset base by supporting the development and availability of genetically well-adapted, high quality reforestation material from natural sources and through the conservation of our forest gene resources. The Forest Genetics Council of British Columbia, appointed by the province's Chief Forester, guides tree improvement activities in the province.

Based on its goals and objectives, the Forest Genetics Council has defined a provincial forest gene resource management program with the following components:

- *Gene Conservation* — activities monitor the gene pool needed for species to adapt to future environmental conditions, and provide technical recommendations on how to maintain the genetic resource for future generations.
- *Tree Breeding* — activities include selecting parents in wild stands, testing offspring, establishing/maintaining/measuring trials, and delivering technical support.
- *Operational Tree Improvement Program* — focuses on increasing the quality and quantity of select seed produced from existing forest company and ministry seed orchards.
- *Expansion of Orchard Seed Supply* — the Ministry of Forests and Range supports seed orchard expansions and the cooperative production of vegetative materials through SelectSeed Company Ltd., a company under the control of the Forest Genetics Council.
- *Extension and Communication subprogram* — meets Forest Genetics Council goals and objectives related to extension, communication, and education activities.
- *Gene Resource Information Management* — supports the development of computer-based systems that improve user access to information on select reforestation materials.

- *Seed Pest Management* — supports research to ensure protection of conifer seed orchards and to develop better method of management for cone and seed pests.
- *Program Planning* — Financial and administrative management that supports development of business plans, species plans, and annual activity plans for the overall program.

2005/06 Program Investments (\$000)			
Tree Improvement Program			
	Budget	Actual	Variance
Gene Conservation	220	220	0
Tree Breeding	2200	2223	(23)
Operational Tree Improvement	600	543	57
Expansion of Orchard Seed Supply	890	890	0
Extension and Communication	120	120	0
Gene Resource Information Management	50	45	5
Seed Pest Management	250	162	88
Program Planning	40	40	0
*Grants and Contributions	420	420	0
Total Program Expenditure	4790	4663	127

* Contribution agreement for Select Seed Ltd. contract.

Key Accomplishments:

Increasing timber supply

- The use of orchard seed has reached 50 per cent of provincial reforestation requirements.
- Average genetic worth of orchard seed used reached 11 per cent.
- Select Seed orchard developments are producing crops; first lodgepole pine cones harvested. Total seed sales increased to nearly \$9,000.
- All 14 Select Seed Orchards (30 per cent of provincial total) now moving from establishment to production stage.
- Third generation selections started for coastal Douglas-fir seed orchards.
- Second generation selections initiated for interior spruce.
- Completed all second generation breeding in lodgepole pine with the last population to be planted in 2006.
- Identified genetic variation for western gall rust resistance in interior lodgepole pine, allowing selection of resistant families for seed orchards.

- *Gene conservation and research*
 - Published the *in situ* genetic conservation status of 50 tree species in protected areas in British Columbia.
 - Developed seed transfer recommendations for restoration of whitebark pine in B.C.
 - Published and released Climate B.C. Version 2.3, a model used to forecast climate at any location in B.C. under various climate-change scenarios.
 - Established a significant spruce genecology/climate change study (128 populations on 15 sites).
 - Developed landscape-level seed needs analysis to aid mountain pine beetle planning, analysis and mitigation objectives.
 - Established long-term black cottonwood provenance-clonal trials.

Operational support, extension, and planning

- Initiated a five-year extension plan.
- Held 15 workshops on tree improvement throughout B.C.
- Upgraded GIS data for parent trees and orchard seedlots in support of the Chief Forester's Seed Standards.
- Continued development of the Seed Planning and Registry system Parent Tree registry and online seedlot registration.
- Developed a web page on Mountain Pine Beetle Superior Provenance Seed Collections to assist clients.
- Established a cone and seed pest management research program.
- Seed and cone pest research scientist hired for Seed Pest Management Program.
- Initiated studies on new systemic pesticides for control of cone and seed insects.

Forest Science Program

The Forest Science Program's vision is to be a world leader in providing credible and relevant scientific knowledge to support sustainable forest management policies and practices. The program supports the FIA goals of improving the public forest asset base and promoting greater returns from the utilization of public timber. This is accomplished by focusing on applied research in the areas of sustainable forest management, improving timber growth and value, and achieving more effective use of forest science results through extension. The FIA-FSP website, <http://www.fia-fsp.ca>, lists additional information on program plans and reports.

The Forest Science Program strategic goals are as follows:

- Improve knowledge-based science in support of sustainability.
- Improve knowledge-based science in support of improving timber growth and value.
- Guide development of a provincial forest extension program.
- Develop efficient and effective process for determining annual research and extension priorities.
- Encourage sufficient stable funding to meet the needs of the Forest Science Program.

2005/06 Program Investments (\$000)			
Forest Science Program (\$000)			
	Budget	Actual	Variance
Sustainability Research	4,209	3,858	351
Timber Growth and Value Research	3,289	3,350	(61)
Long-term Research Installation Maintenance	667	629	38
Proponent Driven	116	113	3
Extension	1,250	1,250	0
Forest Science Board	261	254	7
Research Partnerships	25	25	0
Program Administration and Audits	665	641	24
Total Program Expenditures	10,482	10,120	362

Funding for sustainability and timber growth and value projects represent the largest proportion of available funds supporting single- and multi-year projects. In 2005/06 FIA-FSP also provided funding to support site maintenance, core monitoring, and knowledge asset protection on 40 long-term research installations in British Columbia. These installations provide opportunities for the collection of long-term data and collaborative research relevant to priorities established for the sustainability and timber growth and value programs.

A smaller portion of funds supported three proponent-driven proposals that fall within the general research program, but on topics not identified as the annual priority. Two single-year projects related to baseline studies on economic value and compatible management of non-timber forest products, and synthesis and extension of research on the nutritional sustainability of variable retention harvesting. A two-year project to predict growth responses to climate change among co-occurring major tree species in British Columbia was also funded.

The Ministry of Forests and Range, through the FIA-FSP, continued to contribute to the Canadian Forest Innovation Council (CFIC) and Sustainable Forest Management Network (SFMN). CFIC is a national initiative established to encourage forest sector innovation that supports industry profitability, environmental quality, and community sustainability. The SFMN is a national partnership to deliver an internationally recognized, interdisciplinary program that undertakes relevant university-based research and training. In 2005/06 FIA-FSP provided CFIC \$25,500. The current grant to the SFMN was still in effect for 2005/06, but it is expected that further funding to the SFMN will occur in 2006/07.

Key Accomplishments:

Improve knowledge-based science in support of sustainability

- Sixty-eight projects were funded to improve knowledge-based science in support of sustainability in 2005/06. Funded projects will help reduce the uncertainty surrounding impacts of roads, access management and forest harvesting around small streams and provide more information on sustainable forest management indicators, targets, and monitoring systems. Ongoing multi-year projects provided information on wildlife such as grizzly bear, mountain caribou, and goshawks.

Improve knowledge-based science in support of improving timber growth and value

- Fifty-nine projects were funded in 2005/06 to improve knowledge-based science in support of improving timber growth and value. Projects included work on improving juvenile tree growth predictions for mountain pine beetle damaged stands, modeling individual tree mortality for northern mixed species, and further development of the Prognosis B.C. growth and yield simulator. Ongoing multi-year projects provided additional information for operational models and support tools on biological processes such as competition for light, nutrients and moisture that regulate tree growth and stand development.

Guide development of a provincial forest extension program

- In 2005/06 the provincial Forest Extension Provider, FORREX, continued a provincial Forest Extension Program to address the extension needs of the FIA Forest Science Program, FIA Land Base Investment Program, and FIA Small Tenures Program. Extension activities were focused in five areas based on priority management issues: ecosystems and biodiversity conservation; forest dynamics and integrated resource management; socio-economic; information and knowledge systems, and watershed management. Extension activities and products included workshops, conferences, publications, presentations, websites, field tours and forums.

Develop efficient and effective process for determining annual research and extension priorities

- The sustainability and timber growth and value program advisory committees (PACs) both developed 10-year strategies as well as priority documents for the 2006/07 request for proposals. The PACs also developed a mountain pine beetle priority document, based on the MoFR's Mountain Pine Beetle Stewardship Research Strategy, to guide the expenditure of funds for bio-physical research and development related to the mountain pine beetle (see Appendix 1).

Encourage sufficient stable funding to meet the needs of the Forest Science Program

- Several presentations on the FIA-FSP were given to industry and government including one to the Forest Investment Council (FIC). The Board submitted funding issues to FIC resulting in a \$3.7 M increase in funding for 2006/07. The Board is also managing the majority of funding for the biophysical research and development related to the mountain pine beetle (see Appendix 1).

Appendix A5: Table of Performance Measure Changes — 2005/06 Update Compared to 2006/07.

This section identifies major changes to September Update performance measures and provides a cross-link to where additional information can be found. For each measure appearing in the 2005/06–2007/08 Service Plan Update three outcomes are possible: The measure is unchanged; the measure has been revised; or the measure has been dropped from the 2006/07–2008/09 Service Plan. The table identifies what has happened to each measure appearing in the September Update, and where information on each measure appears in the Annual Service Plan Report.

2005/06–2007/08 Service Plan Update Performance Measures	Performance Measure Status for 2006/07	Explanation
Goal 1: Sustainable Forest and Range Resources		
Total area of Crown forest lost to wildfire (KOI).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Per cent of wildfire contained at <4ha (PM).	→ Unchanged.	→ Per cent of wildfire contained at <4ha.
Per cent of Crown forest aerial surveyed to monitor forest health (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Per cent of bark beetle management units (BMU) — including parks and protected areas — treated by MoFR that meet treatment targets (PM).	→ Revised.	→ In 2006/07, this measure has been reworded to the “Per cent of Mountain Pine Beetle Aggressive Emergency Management Units that achieve treatment targets”. This change reflects a change in naming convention.
Per cent of high priority areas treated to manage defoliator outbreaks (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Per cent of TSAs and TFLs for which AAC has been determined in the last five years (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Volume gain of timber available for harvest in 65 years from all ministry tree improvement activities (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Area of provincial forestland (KOI).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.

2005/06 – 2007/08 Service Plan Update Performance Measures	Performance Measure Status for 2006/07	Explanation
Ratio of area reforested to area harvested or lost to fire and pest (KOI).	→ Unchanged.	→ Ratio of area reforested to area harvested or lost to fire and pest.
Per cent achievement of ministry free-growing obligations (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Status of the State of the Forest Report (PM).	→ Revised and Dropped.	→ This measure has been converted to a percentage of report achievement to provide a better indication of progress, and will be tracked internally to the Ministry starting in 2006/07.
Per cent of FRPA values with measurable indicators for effectiveness evaluations (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Per cent of annual harvest area with soil loss due to the establishment of permanent access roads (KOI).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Area restored to open forest and grassland (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Per cent of available Crown range under a form of agreement (PM).	→ Unchanged.	→ Per cent of available Crown range under a form of agreement.
Per cent of forest and range operator's compliance with statutory requirements that regulate forest practices (KOI).	→ Unchanged.	→ Per cent of forest and range operator's compliance with statutory requirements that regulate forest practices.
Per cent of high and very high priority sites inspected for forest and range practices compliance (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Per cent of high and very high priority sites inspected for pricing compliance (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.

Goal 2: Sustainable Forest and Range Benefits

B.C.'s share of the U.S. softwood lumber market (KOI).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
B.C.'s share of Japan softwood lumber imports (KOI).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.

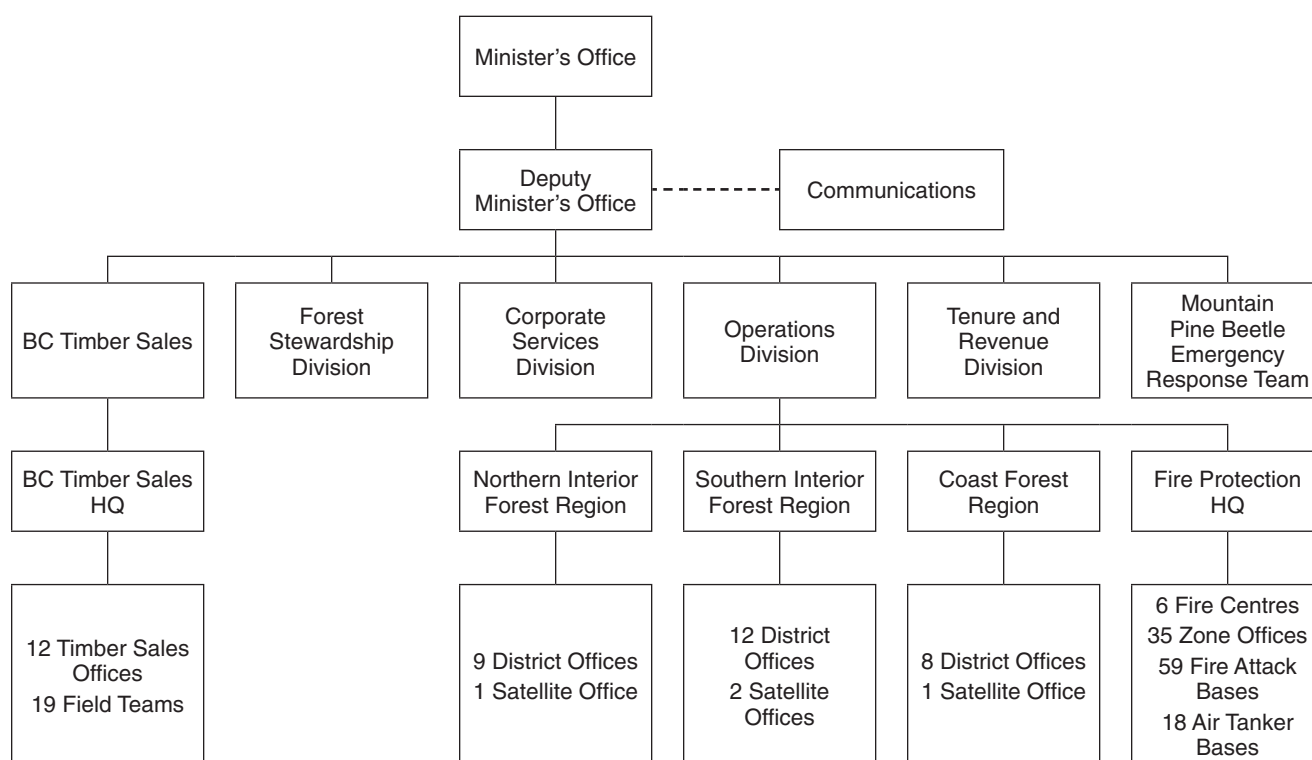
2005/06 – 2007/08 Service Plan Update Performance Measures	Performance Measure Status for 2006/07	Explanation
Increase in wood product sales to Taiwan, China, and Korea (KOI).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Percentage increase in forestland certified by major forest certification process (KOI).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Status of the implementation of the market-based pricing system (PM).	→ Dropped.	→ This measure will not be tracked and reported by MOFR any longer, as the system in the Interior will be implemented on July 1 2006.
Crown forest gross revenue (KOI).	→ Crown forest gross revenue.	→ Crown forest gross revenue.
Crown gross revenue from B.C. Timber Sales (KOI).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07 but will continue to be publicly reported by BC Timber Sales.
Per cent of Timber Supply Area AAC under a form of tenure (PM).	→ Dropped.	→ This measure is tracked internally to the ministry in 2006/07 and is under review for potential re-introduction in the 2007/08 Service Plan.
Per cent of key engineering activities substantially achieved (PM).	→ Dropped.	→ This measure will not be tracked in the future due to inconsistent data.
Per cent of kilometres of Forest Service roads, where the District Manager is directly responsible for maintenance, that are open for public access (PM).	→ Unchanged.	→ Per cent of kilometres of Forest Service roads, where the District Manager is directly responsible for maintenance, that are open for public access.
Per cent reduction or increase to the Forest Service road network (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Total number of Forest and Range agreements offered to and signed with First Nations (PM).	→ Revised.	→ The number of offers to First Nations is being tracked internally to the Ministry starting in 2006/07. The number of agreements will continue to be tracked in the Ministry's Service Plan.

2005/06 – 2007/08 Service Plan Update Performance Measures	Performance Measure Status for 2006/07	Explanation
Per cent of total timber volume available, auctioned by BCTS (PM).	→ Unchanged.	→ Per cent of total timber volume available, auctioned by BCTS.
Crown revenue from BCTS (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07 but will continue to be publicly reported by BC Timber Sales.
Average cost per cubic metre of volume developed by BCTS (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07 but will continue to be publicly reported by BC Timber Sales.
Volume offered for sale by BCTS (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07 but will continue to be publicly reported by BC Timber Sales.

Goal 3: Highly Effective, Innovative and Responsive Organization

Per cent of FIA performance measure targets substantially achieved (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Per cent of British Columbians who agree that the Forest Service can be trusted to protect and manage our public forests (KOI).	→ Dropped.	→ This measure will continue to be measured in the survey done by BC Stats, but this information will be tracked internally by the Ministry starting in 2006/07.
Per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests (KOI).	→ Unchanged.	→ Per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests.

Appendix A6: Forests and Range Organization Structure.



The Ministry of Forests and Range has a decentralized structure (see Figure above), with the majority of staff in field offices in close proximity to the forests they protect and manage and the clients and communities they serve. Staff in Operations Division are involved in all core business areas except BC Timber Sales.

The Operations Division personnel in Victoria are the Compliance and Enforcement Branch and executive and support staff to Fire Protection and Field Services staff. The Range Branch, based in Kamloops, was established in 2005 by bringing together range staff from Forest Practices Branch and staff transferred to the ministry from the former Land and Water BC.

The Forest Stewardship Division includes the Forest Practices Branch, Research Branch, Forest Analysis and Inventory Branch and the Tree Improvement Branch, which manages the Tree Seed Centre and five seed orchard facilities. Inventory staff were transferred to the ministry from the former Ministry of Sustainable Resource Management in 2005/06.

In the Tenure and Revenue Division are Economics and Trade, Revenue, Resource Tenures and Engineering, and Aboriginal Affairs branches.

A Mountain Pine Beetle Emergency Response Team, under direction of a new Assistant Deputy Minister, was added in 2005/06 to co-ordinate government's response to the mountain pine beetle epidemic.

Corporate Services Division, provide overall co-ordination of policy development and support services to the entire ministry in the areas of financial services, human resources, information technology, and strategic policy and legislation development.

Appendix A7: Glossary of Terms.

Forests and Range Glossary

Allowable Annual Cut (AAC) — The rate of timber harvest permitted each year from a specified area of land, usually expressed as cubic metres of wood per year.

Animal Unit Months (AUMs) — The unit by which forage or grazing capability of Crown range land is measured. It is 450 kg of forage, which is the amount of forage required for one month by an average cow, aged 6 months or older.

Certification — The process of identifying forest products as those produced by organizations whose forest practices or management systems meet a set of defined voluntary certification standards, based upon independent assessments. Certification is intended to assure companies and consumers around the world that the forest products they purchase come from well-managed forests.

Criteria and Indicators — A criterion is a category of conditions or processes by which sustainable forest management may be assessed. An indicator is a measure of an aspect of the criterion. Those used in Canada are generally based on the Montreal Process initiated in 1994. This was an international meeting where criteria and indicators for the conservation and sustainable management of temperate and boreal forests were developed and agreed to internationally.

Discretionary Silviculture Activities — Silviculture activities that are not required by legislation. These may include backlog reforestation (areas harvested prior to 1987), reforestation activities on some areas burned by wildfire, and brushing, spacing, fertilizing and pruning.

Forest and Range Assets — All the forest and range resources on Crown land, including the water, soil, biodiversity, timber, forage, wildlife habitat, recreation, and scenic resources.

Forest Encroachment — Refers to the intrusion or establishment of a significant number of trees on grassland(s).

Forest Ingrowth — Refers to the process whereby previously open forest becomes more dense, and treed grasslands become more densely covered with young trees.

Forest Stand Management Fund — This account was originally established as a fund by the *Forest Stand Management Fund Act, 1986*, and was changed to a Special Account under the *Special Accounts Appropriation and Control Act* in 1988. Revenue is provided by contributions from municipalities, the forest industry, forest sector unions, and others through money collected in accordance with legislation; penalties levied in accordance with legislation; and from stumpage levies. Expenses provide for enhanced management of British Columbia's forest and rangelands, for silviculture work and costs related to environmental remediation, for the costs of investigating contravention of legislation, for fire suppression costs related to contraventions of legislation where a penalty has been levied in

respect of the contravention, and for reforestation and road deactivation in areas subject to stumpage levies. No financing transactions are provided for under this account.

Key Outcomes and Indicators — Key outcome indicators, represent key results related to an organization’s goals, but that are often not directly attributable to their business activities. Logic models are used to link outcomes to business activities. Because they measure societal, land base or stakeholder results or changes in conditions or behaviours, the accountability for these key outcomes and indicators cannot be solely attributed to the Ministry of Forests.

Provincial Forest Land-base — Crown land designated by the *Forest Act* (Section 5) as under the direct jurisdiction of the Ministry of Forests and Range. This is generally equivalent to the Crown land area in TFLs, Woodlot Licences, community forest agreements and TSAs (excluding vacant Crown land).

Provincial Forest Resources — Means the resource elements of water, soil, air, and biodiversity (genetic, species and ecosystem) and the resource values associated with provincial forests including, without limitation, timber, forage, wildlife, fish, botanical forest products, cultural heritage resources, visual quality, resource features, and recreation resources.

Sustainable Forest Management (SFM) — SFM, as defined by the Canadian Council of Forest Ministers is: “To maintain and enhance the long-term health of our forest ecosystems, for the benefit of all living things both nationally and globally, while providing for environmental, economic, social and cultural opportunities for the benefit of present and future generations.”

Timber Supply Area (TSA) — Land designated under the *Forest Act* that is managed for sustainable timber harvest, as determined by an allowable annual cut. There are currently 37 TSAs in British Columbia.

Award to Working Group of the Premier's Task Force on Homelessness, Mental Illness and Addictions

The Premier's Task Force on Homelessness, Mental Illness and Addictions, made up of the Premier (chair), three Cabinet Ministers and five Mayors, developed an integrated comprehensive approach to address those challenges in our communities. The Task Force was assisted by a Working Group of senior provincial and municipal officials. Through a unique series of partnerships amongst three levels of government, First Nations and the non-profit sector, the Task Force and Working Group undertook 12 housing developments in 9 communities throughout the province. An external panel of judges recognized the complexity of the partnerships by awarding the Working Group the 2005/06 Premier's Innovation and Excellence Award in the partnerships category.

Expanded Shelter Aid for Elderly Renters (SAFER) benefits

Effective October 1, 2005, the provincial government doubled its funding for rent assistance under the Shelter Aid for Elderly Renters program. This was done to recognize the rising rents in the private rental market in many parts of the province. Rent ceilings have been increased across the entire province, and separate rent ceilings have been established for the higher average rents in the Greater Vancouver Regional District.

The program has also been expanded to include seniors who pay pad rental fees for owner-occupied manufactured homes. This enhancement will help senior renters to continue living independently in their own homes.

Implementation of the Integrated Call Centre for the Residential Tenancy Branch

In April 2005 the Residential Tenancy Branch began implementing an integrated call centre. Using new systems and technologies, landlords and tenants with BC electronic identification (BCeID) may now submit applications for arbitration over the Web, and they are notified of the hearing date by e-mail, saving them time and effort. Since the electronic application procedure was implemented approximately 400 applications per month (approximately 25 per cent) are being received over the Internet.

Continuing work on an initiative to reform regulations supporting safety in the design, construction and occupancy of buildings

In 2005/06 the Office of Housing and Construction Standards made significant progress on a project to assess the need to reform regulations that support safety in the design, construction and occupancy of buildings.

The *BC Building Code* and *BC Fire Code* are two cornerstone regulations in the system to support safety. However, these regulations exist in a context of provincial laws and local government bylaws. In response to industry requests to make the regulatory context more rational, the Office of Housing and Construction Standards launched the Modernization Strategy.

In 2005/06, activities centred on assessing the need for change, and identifying areas for potential change that would have the greatest positive impact. Those who use the *BC Building Code* and *BC Fire Code*, as well as people who are impacted by these regulations, helped identify, prioritize and assess issues. The Office of Housing and Construction Standards analyzed their input, along with previous reports and studies. The following five areas were identified as the focus of work over the next four years:

- Information management and system performance
- Liability and risk
- Competency
- Consistent code application
- Consistent code compliance and enforcement processes

Tools for Communities

The Safety Policy and Liaison Branch was instrumental in developing an innovative approach to mitigating safety risks posed by marijuana grow operations. This approach was developed in collaboration with local governments on the lower mainland and in the Okanagan and a new strategy to address the safety issues was presented at a Union of British Columbia Municipalities (UBCM) workshop in September 2005. Following a very positive response at the UBCM, and support of the Minister of Public Safety and Solicitor General, amendments to the *Safety Standards Act* have been developed in consultation with BC Hydro and other electrical utilities in the province. These amendments will enable local governments and the police to address the significant safety issues in residential neighbourhoods.



Following the Ontario model, the Safety Policy and Liaison Branch helped to establish a BC Common Ground Alliance for the purpose of ensuring safer excavations around underground electrical, gas and other utilities. The Alliance is co-chaired by the BC Construction Association and the BC Safety Authority. Work began to develop “best practices” guides on several topics.

The enactment of the Monetary Penalties Regulation under the *Safety Standards Act* on March 31, 2005 gives the BC Safety Authority and local governments tools to ensure compliance with the Act. The branch also made presentations on the use and application of monetary penalties to the Act administrators.

In 2005/06, the Water Conservation Plumbing Regulation, a regulation under the *Community Charter*, was amended to increase water conservation measures in self-identified local governments by requiring that new installations of toilets consume no more than six litres per flush. This self-identification process is a new approach for building regulation. It achieves the provincial government’s interest in consistent building regulation while allowing local governments to determine whether they wish regulations for a particular topic.

In 2005/06, the Housing Policy Branch promoted innovative practices for improving market housing affordability by leading a workshop at the annual UBCM conference. The half-day session illustrated how local governments across BC have been using community planning initiatives, land use planning and zoning tools, financial incentives, and design guidelines to increase the supply and general affordability of market housing. The session was well received and further workshops are being planned for the upcoming year.

Purpose, Vision, Mission and Values

Purpose

Housing is the cornerstone of a healthy, secure and stable society. The Office of Housing and Construction Standards brings together key areas of government devoted to addressing the broad housing needs of British Columbians. The Office is responsible for provincial housing policy, building policy, safety policy, and the Residential Tenancy Branch. In addition, the Office has responsibility for several Crown agencies, boards and commissions including BC Housing, the HPO, the Building Code Appeal Board and the Safety Standards Appeal Board. With this structure, government's efforts to improve access to safe and stable housing for all British Columbians are integrated and aligned.



Vision

Safe and stable housing for all British Columbians.

Mission

To provide leadership in meeting the housing needs of all British Columbians by enabling a range of housing choices.

Values

The Office of Housing and Construction Standards is an organization guided by the following values:

- We value the importance of housing as a home — the foundation on which to build a healthy life and a sustainable community.
- We value innovation and excellence in the work we do and are accountable to ourselves and ultimately to the citizens of British Columbia.
- We value strong working relationships built on open communication and shared understanding that inspires trust and confidence.
- We value integrated services and partnerships that optimize resources and improve the well being of our clients and stakeholders.
- We value the people we work with and the people we serve, respecting diversity and treating everyone fairly and with dignity.

Strategic Context

Housing need and the provincial government's response can be viewed as a continuum. At one end are people who cannot house themselves without some form of government assistance. At the other end are people who can adequately house themselves in the private housing market. The continuum spans low to high-income, homelessness to homeownership, dependence to self-sufficiency. Government housing assistance is strategically designed to promote movement along the continuum towards greater self-sufficiency and homeownership. Underlying the continuum are foundational elements including the *BC Building Code*, the *Homeowner Protection Act* and the *Residential Tenancy Act*. These governing elements contribute to consumer protection and the safety and stability of our housing.

The vast majority of British Columbians are housed successfully in BC's private housing market. BC Stats reported that in 2005/06, approximately 36 per cent of BC households were renters and 64 per cent are homeowners. Even with the rising cost of renting and homeownership in BC's larger urban centres, the private market was adequately meeting the housing need of approximately 85 per cent of BC's population.



For the remaining 15 per cent that are unable to meet their housing need in the private market, government support is necessary to meet their housing requirements.

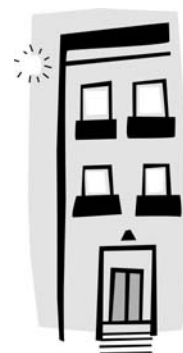
According to the June 2005 RBC Financial Group's Housing Affordability Study, housing in some areas of BC is the most expensive in the country, and the gap between what people earned and the cost of housing grew. Greater Vancouver had the highest prices and worst affordability index in Canada. Creeping interest rates and scarcity of land were factors in making home ownership too costly for the average family. The affordability issue is forecast to worsen.

BC's building boom, coupled with an aging workforce, resulted in a shortage of skilled labour in the housing and construction sectors. This has driven the cost of construction up, making housing even less affordable.

Counts of homeless populations in 2005/06 Vancouver, Victoria, Kelowna and the Fraser Valley suggested the number of homeless increased. Families and the "working poor" have joined people with mental illness and addictions evident in the homeless populations. As a result, the problem of homelessness is evident in virtually every community across the province. In responding to this, the Office of Housing and Construction Standards has taken a leadership role on the Premier's Task Force on Homelessness, Mental Illness and Addictions Working Group. The Working Group has implemented the Task Force's direction and has created successful partnerships with funding ministries, local governments and service agencies.

Demographic trends point to a growing seniors population with fixed incomes and a need for housing with supports. The number of senior-led households is expected to increase by over 60 per cent from 246,000 in 2001 to more than 397,000 by 2021.²

Very few new rental units were built in the private market, and those that were did not fall into the affordable housing category. Canada Mortgage and Housing Corporation (CMHC) reported only 934 purpose-built rental housing units under construction in BC in 2004.



One of the key mandates of the Office of Housing and Construction Standards in 2005/06 was to provide leadership in housing and to develop and implement a comprehensive provincial housing strategy. To achieve this mandate, the integration of services and the building of partnerships with local and federal governments and with the private and non-profit sectors are paramount to success. The housing strategy had been substantially developed by the end of 2005/06.



In the building safety realm, several factors are increasing the need for flexibility in provincial regulatory frameworks. Free trade agreements with other jurisdictions both within and external to Canada provide opportunities for provincial industry and business, but safety regulations which are not harmonized across jurisdictions can limit industry's ability to build on these possibilities. The pace of technological change has increased due to use of information technology and increased competition, and the structure of safety regulation can either enable or limit technological innovation in the province. As well, other jurisdictions in Canada and worldwide are implementing "smart regulation" principles such as objective based codes, decreasing the regulatory burden on their citizens and businesses.

Within this context, the Office of Housing and Construction Standards contributed to achievement of two of government's Five Great Goals:

- Lead the way in North America in healthy living and physical fitness, by developing codes and standards to support safety in the design, construction and occupancy of the built environment; and
- Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk and seniors, by developing and delivering housing policies and programs for BC's most vulnerable citizens.

² Based on estimates published by BC Stats under P.E.O.P.L.E Projection 29.

Service Delivery and Core Business Areas

Service Delivery

The Housing Policy Branch delivers strategic planning, policy and legislative development, program evaluation and research services for government. The branch manages a wide range of issues in both market and non-market housing. Attention is paid to the housing needs of persons with disabilities, seniors, Aboriginal people, youth, and the homeless population through inter-related policies and program development.

The Safety Policy and Liaison Branch manages the policy and legislative framework for the safety of regulated products in BC. The BC Safety Authority and ten local governments have delegated responsibility for administering compliance with the *Safety Standards Act*. The BC Safety Authority also administers compliance with the *Railway Safety Act*. The Safety Policy and Liaison Branch manages the delegation through administrative agreements. These agreements define the principles of the delegation, the responsibilities of the parties and establish annual reporting requirements.

Like the Housing Policy Branch and the Safety Policy and Liaison Branch, the Building Policy Branch provides strategic planning advice to the Minister Responsible for Housing. Branch activities are focused in two areas:

- Governance, or the regulatory environment that supports consistent application of the *BC Building Code* and *BC Fire Code*; and
- Stewardship, or ongoing development of key regulations that support safety in the design, construction and occupancy of buildings, most notably the *BC Building Code* and the *BC Fire Code*.

The Building Policy Branch was assisted in its activities by the Building Policy Advisory Committee. This group, with representatives from nine key industry associations, provided strategic advice on the Office of Housing and Construction Standards' initiative to assess the need for changes to the system to support safety in the design, construction and occupancy of buildings.

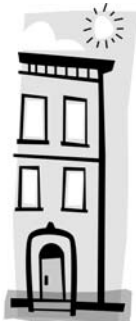
The Residential Tenancy Branch delivers information and dispute resolution services directly to landlords and tenants through three offices and over the Internet. Information officers assist the public with enquiries about tenancy rights and responsibilities. Arbitration services are available for landlords and tenants who cannot resolve disputes on their own. Information sessions and materials are provided to organizations interested in landlord and tenant issues.

The Ministry has established Letters of Expectations with its related Crown Agencies (HPO and BC Housing). The Letter of Expectations represents an agreement on the respective roles and responsibilities of the parties and include high-level performance expectations, public policy issues and strategic priorities. Each Letter of Expectations is reviewed annually and updated as required. It also forms the basis for the development of each Crown Agency's Service Plan and Annual Report.

The Office of Housing and Construction Standards' legislative mandate is provided through 15 Statutes and related Regulations (see Appendix B1).

Core Business Areas

While the core business for the Office of Housing and Construction Standards is housing and homelessness, for practical purposes the business of the Office has been divided into three functional units.

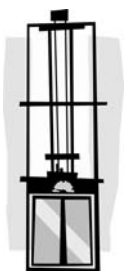


1. Housing Policy

The Office provides provincial housing policy advice to government on ways to address housing need along the housing continuum from homelessness to homeownership. The role of housing policy is to identify the strategic points along the housing continuum where government support can assist British Columbians to meet their housing requirements. Working closely with BC Housing, special attention is paid to the area of most acute need found among low income British Columbians who have special housing and support needs.

2. Building and Safety Policy

The Office provides policy advice on British Columbia's building regulatory system to advance building safety in the province and to manage existing and emerging technical and building policy issues. As the administrators of the BC Building and Fire Codes, the Office focuses on the development, maintenance and application of these regulations, and acts as the secretariat to the BC Building Code Appeal Board.



Increased public safety and reduction in loss of life, injury and property damage are of paramount importance to government. The Office also provides policy and regulatory advice in the areas of electrical products and systems, gas, elevating devices, boiler and pressure vessel products, works and systems, and railways. As well, the Office manages the administrative agreements with delegated authorities under the *Safety Standards Act* and the *Railway Safety Act*.

3. Residential Tenancy Branch

Approximately 36 per cent of households in BC rent their homes. The Residential Tenancy Branch works to promote a positive relationship between landlords and tenants by providing both groups with information on their rights and responsibilities under the *Residential Tenancy Act* and the *Manufactured Home Park Tenancy Act*. The Office also assists landlords and tenants to resolve concerns by providing dispute resolution services including arbitrations. There are offices in Vancouver, Victoria and Kelowna with a total staff complement of 50 full-time equivalents.



Report on Performance

Performance Summary Table

The following table summarizes the Office of Housing and Construction Standard's performance in relation to the performance measures identified in the 2005/06 Service Plan. For a detailed comparison of goals, objectives and performance measures in the 2005/06 Service Plan versus those presented in the 2006/07 Service Plan refer to Appendix B2.

Five Great Goals	Office of Housing and Construction Standards Mission: To provide leadership in meeting the housing needs of all British Columbians by enabling a range of housing choices.				
	Office Goals	Office Objectives	Performance Measures /Indicators	Result	
3. Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors. 2. Lead the way in North America in healthy living and physical fitness.	1. BC's most vulnerable citizens have access to short and long term social housing.	1. Housing and support services are integrated and targeted to those in greatest need.	<ul style="list-style-type: none"> Develop a comprehensive provincial housing strategy. Percentage of tenants belonging to assisted priority groups. Number of frail and low income senior households assisted through housing programs. 	✓ ✓✓ ✓✓	
		2. Individuals in need have access to safe emergency shelter.	<ul style="list-style-type: none"> Percentage of available shelter beds accessed. 	N/A	
		1. Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities.	<ul style="list-style-type: none"> Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques. 	N/A	
		2. Partnership opportunities that explore innovation in housing are promoted and supported.	<ul style="list-style-type: none"> TBD 	N/A	
	2. Low and moderate income households have an expanded range of housing options.	3. Senior renters can afford to continue living independently in their own homes.	<ul style="list-style-type: none"> TBD 	N/A	
		3. Landlord and tenant relationships are improved.	1. Landlord and tenant disputes are resolved in a timely manner.	<ul style="list-style-type: none"> Percentage of residential tenancy arbitrations scheduled to take place within 6 weeks or less. Percentage of residential tenancy disputes resolved without arbitration. 	✗ N/A

Five Great Goals	Office of Housing and Construction Standards Mission: To provide leadership in meeting the housing needs of all British Columbians by enabling a range of housing choices.			
	Office Goals	Office Objectives	Performance Measures /Indicators	Result
3. Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors. 2. Lead the way in North America in healthy living and physical fitness.	4. A safe built environment where the social, economic and safety interests of participants are balanced.	1. Policy and legislative frameworks maintain or enhance safety, health and accessibility in the built environment.	<ul style="list-style-type: none"> Objective-based BC Building Code and Fire Code adopted. Percentage of code users benefiting from objective-based BC Building Code and Fire Code. Safety trends by sector are maintained or improved. 	X N/A ✓
		2. The building safety regulatory system is responsive to the changing needs of system participants.	<ul style="list-style-type: none"> Prepare recommendations for modernizing and rationalizing the building safety regulatory system. Provide updated and improved technical regulations for minister's review annually. 	✓ N/A

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. × Missed target. N/A — Not Applicable.

Goal 1: BC’s most vulnerable citizens have access to short and long term social housing.

The most acute need for housing is found among low income people who have special housing and support needs. Included in this group are people with mental or physical disabilities, the frail elderly, the homeless or those at risk of homelessness and individuals or families who have experienced domestic violence. Government’s response to this group is not limited to housing, but also includes providing health and other social supports. This group is often referred to as “the most vulnerable”.³ Research indicates that by providing adequate, stable and affordable housing to the most vulnerable, government can reduce its costs in health care and other social service areas.⁴

³ The “**Most Vulnerable**” are defined as those individuals who have a low income and a special housing need that inhibits their ability to find appropriate housing in the private market. A **special housing need** refers to the requirement for accessibility modifications or provincially funded support services in order to live independently in the community.

⁴ Eberle, Margaret, Deborah Kraus, Steve Pomeroy, and David Hulchanski. 2001. *Homelessness: Causes and Effects. Volume 3. The Costs of Homelessness in British Columbia*. Victoria: Ministry of Social Development and Economic Security.

With the emphasis on fiscal sustainability, government housing assistance is shifting away from a broad-based approach with potential eligibility available for any low income household or person considered to be in Core Housing Need.⁵



The new approach stresses meeting the needs of our most vulnerable citizens. Housing resources would first and foremost be used to meet the needs of priority vulnerable groups. This focused approach requires increasing the transitional nature of social housing and developing programs to move social housing tenants along the housing continuum, from government dependence to self-sufficiency.

To support government's efforts to help those most in need of housing and support, a new Provincial Housing Strategy will be unveiled in 2006. The Strategy is a comprehensive blueprint for improving the range of housing choices available for British Columbians and will enhance the safety and stability of B.C.'s housing system.

Objective 1: Housing and social support services are integrated and targeted to those in greatest need.

Integration of housing services, supports and resources is required to improve people's graduated independence along the housing continuum from temporary shelters — to transitional housing — to supportive or permanent housing.

Recent research indicates that the most effective approach to addressing homelessness is the "continuum of care" model. The model emphasizes the delivery of supportive housing with integrated support services. Benefits are not only better health and personal outcomes for homeless people but also avoidance of higher cost institutional services (i.e., hospitals, emergency health services and correctional facilities).

With the shift to serving BC's most vulnerable citizens first in subsidized housing, linking housing with other social supports has become increasingly important. This shift requires clearly defined roles and responsibilities as well as new working relationships among the partners supporting vulnerable subsidized housing tenants. Partnership strategies and initiatives are key to ensuring the availability of appropriate programs and services.

⁵ **Core Housing Need** is the national standard that measures housing need. Canadian households are considered to be in core housing need if they do not live in and could not access housing that is in adequate condition and of suitable size without paying more than 30 per cent of gross household income.

Measure 1.1.1	2005/06 Target	2005/06 Actual	Variance	Target Met?
Develop a comprehensive provincial housing strategy	Substantially complete development of a strategy	Substantially complete development of a strategy	None	Target achieved
Data Considerations/Selection Rationale				
Development of a provincial housing strategy required a review of existing housing programs and assets and a refocusing on what government involvement should and can realistically aim to achieve, given limited resources.				
Variance Explanation				
No variance. Target achieved.				
Data Sources and Issues				
Internal data.				
Changes to the Measure				
This measure was dropped in the 2006/07 Service Plan because it had been substantially achieved by the end of 2005/06. Additional funding was provided in the 2006/07 budget for Housing Strategy initiatives.				

Measure 1.1.2	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of tenants belonging to assisted priority groups	82%	84%	2%	Target exceeded
Data Considerations/Selection Rationale				
Current priority groups include seniors, persons with physical or mental disabilities, and individuals who are homeless or at risk of becoming homeless, including women with their children fleeing abuse. The target reflects the number of households currently living in subsidized housing or receiving assistance in the private market that come from one of the designated priority groups who face a combination of challenges in addition to low income. The percentage of households assisted from one of the designated priority groups will continue to increase as existing units turn over and new units reach completion.				
Out of the total inventory of 59,427 subsidized households and units, approximately 49,731 were serving one of the designated priority groups.				
Variance Explanation				
Enhancements to the SAFER program, the transfer of responsibility for the Province's Emergency Shelter Program and the completion of 1,583 units under different programs resulted in the net increase in priority groups being assisted.				
Data Sources and Issues				
The source for this data is BC Housing.				
Changes to the Measure				
The new measure for this Objective in the 2006/07 Service Plan is "Percentage of assisted clients belonging to priority groups". The targets related to this measure will be revised to include the effect of the SAFER program enhancements included in the BC Budget. It is expected that additional information to update this target will be available in the 2007/08 Service Plan.				

Measure 1.1.3	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of frail and low income senior households assisted through provincial housing programs	34,800	36,860	2,060	Target exceeded
Data Considerations/Selection Rationale				
Demonstrates the provinces commitment to meeting the needs of frail and low income seniors by reporting on the number of senior households assisted through the Independent Living BC program and existing housing resources.				
Variance Explanation				
There were a total of 36,860 seniors assisted through the various housing programs including SAFER, ILBC and the existing inventory of subsidized housing. The enhancement to the SAFER program announced in September 2005 resulted in performance being above the target for 2005/06.				
Data Sources and Issues				
The source for this data is BC Housing.				
Changes to the Measure				
This measure was revised in the Ministry's 2006/07 Service Plan to focus on the "Number of units/beds created or adapted for priority clients". The change helps to expand the focus from the frail elderly to include other vulnerable groups such as persons with physical or mental disabilities, women and children who have experienced domestic violence as well as those who are homeless or at risk of homelessness. Seniors receiving rental assistance in the private market will be included in the measure "number of senior households assisted through housing programs". This new measure reports on the efficiency of the use of the existing housing stock with the long-term objective being to identify strategies that will help to ensure that the needs of vulnerable British Columbians are being met.				

Objective 2: Individuals in need have access to safe emergency shelter.

Homelessness is a serious issue faced by some British Columbians. As a first step in addressing the needs of the homeless, government provides emergency shelter bed funding to community agencies to assist individuals who are temporarily without accommodation. Funding provides for year-round beds and is enhanced during the winter months, when additional beds are needed most.

The economic and social cost of homelessness to Canadian communities is extremely high. Recent research in British Columbia estimates the cost of homelessness at \$30,000 to \$40,000/person for one year.⁶ The IBI Group estimates that the societal cost of homelessness in Canada is approximately \$1.4 billion per year.⁷ The greatest expenditures are in health care, criminal justice, social services and shelters. Ensuring vulnerable populations have

⁶ Eberle, Margaret, Deborah Kraus, Steve Pomeroy, and David Hulchanski. 2001. *Homelessness: Causes and Effects. Volume 3. The Costs of Homelessness in British Columbia*. Victoria: Ministry of Social Development and Economic Security.

⁷ IBI Group. 2003. "Societal Cost of Homelessness". Prepared for the Edmonton Joint Planning Committee on Housing and the Calgary Homelessness Foundation.

access to secure housing and support services at an early stage reduces the demand and costs on institutional and emergency support systems.

Measure 1.2.1	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of available shelter beds accessed	TBD	2005/06 Service Plan measure was to be determined Measure replaced in the 2006/07 Service Plan		
Data Considerations/Selection Rationale Emergency shelters are an important point of access for moving an individual to the next stage in the housing continuum. This measure reports the capacity of the emergency shelter system and the ability of those who are homeless to access one of the 1,260 shelter beds under the Province's Emergency Shelter Program.				
Variance Explanation Target not determined.				
Data Sources and Issues The source for this data is BC Housing. Measuring success in alleviating homelessness is very difficult because of the transient nature of the population and the lack of information collected. This measure allows government to track emergency shelter bed usage and will help ensure resources are allocated where they are needed most.				
Changes to the Measure The new measure for this objective in the 2006/07 Service Plan is "Percentage of nights where shelters are at full capacity." BC Housing assumed responsibility for this program in November 2005. Accordingly, there are limited operating data at this time. However, a system for tracking and reporting on this measure has been established, and baseline data will be available for 2006/07. In measuring results, it is important to recognize that a range of external factors can influence the outcomes, such as differences across regions, client groups and seasons. These factors will be included in the baseline analysis to ensure that appropriate information is being collected.				

Goal 2: Low and moderate income households have an expanded range of housing options.

Affordable rental housing in the private market is becoming increasingly scarce, particularly in Greater Vancouver and Victoria. The Vancouver CMA⁸ vacancy rate is 1.4 per cent with the Victoria CMA vacancy rate even lower at 0.5 per cent.⁹ This is due primarily to the lack of new affordable housing supply, coupled with a booming economy and an in-migration of workers.

There is minimal construction and investment in affordable rental housing in the private market and those units being added are in the higher rent ranges. Evidence suggests that

⁸ CMA = Census Metropolitan Area.

⁹ CMHC Rental Market Report, BC Highlights October 2005 Survey.

in spite of the high levels of demand, market rent levels are below the levels required to generate a reasonable return on investment.

Investor-owned condominiums and secondary suites in new and existing homes are areas where affordable rental housing is still growing. Over the past few years, the province has worked closely with local governments to promote the development of affordable market rental housing and permissive secondary suite bylaws and this work will continue.



To enhance affordability and increase housing options, tools, guides and workshops are developed in partnership with local governments, non-profit housing providers and industry. Planning guides assist with addressing a number of housing issues: secondary suite programs, community planning initiatives, design guidelines, financial incentives and land use planning and zoning tools. Legislation has been introduced to allow developers access to purchasers' deposit monies if those monies are appropriately insured. By lowering development costs, it is expected that the consumer will benefit.

Effective October 1, 2005, the Provincial Government doubled its funding for rent assistance under the Shelter Aid for Elderly Renters (SAFER) Program. Rent ceilings have been increased across the entire province, and separate rent ceilings have been established for the higher average rents in the Greater Vancouver Regional District. The program has also been expanded to include seniors who pay pad rental fees for owner-occupied manufactured homes.

Objective 1: Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities.

The ability to impact market housing affordability is limited. Local governments are best placed to improve the affordability of market housing through innovative planning and development practices. The province is committed to improving access to information on best practices in this area.

As part of an educational strategy, the Office is working with local governments and industry stakeholders to develop and deliver customized workshops on improving market housing affordability. The Office initiated partnerships with other ministries and local governments to help address affordable housing challenges resulting from oil and gas industry expansion in north-eastern British Columbia.

Every three years starting in 1996, the province has surveyed all local governments to measure the use of planning tools that promote housing affordability. The results of the survey are summarized and published, and are useful for local governments to describe advances in planning for housing affordability.

Measure 2.1.1	2004/05 Baseline	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques	69.9%	Data not available	Data not available	N/A	N/A
Data Considerations/Selection Rationale					
Use of these tools indicates local governments are enhancing their capacity and moving toward the goal of improved housing affordability.					
Variance Explanation					
N/A					
Data Sources and Issues					
Survey completed every three years.					
Changes to the Measure					
No change to this measure in the 2006/07 Service Plan.					

Objective 2: Partnership opportunities that explore innovation in housing are promoted and supported.

The annual number of partnerships does not allow for a representative data sample to accurately measure significant benefits in the area of housing affordability. As such, it is being removed from the Office's performance measures and will not be reported upon in 2006/07.

Objective 3: Senior renters can afford to continue living independently in their own homes.

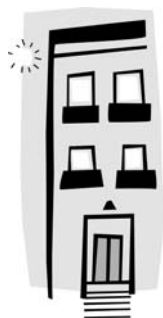
Effective October 1, 2005, many seniors across B.C. have benefited from a \$16.6 million increase to the Province's Shelter Aid for Elderly Renters (SAFER) Program. The SAFER budget will nearly double to \$34.1 million in 2006/07 and the average payment to eligible recipients will rise from \$105 to \$169 each month.

Rent ceilings have increased, creating expanded eligibility for the program and bringing them in line with average market rents for bachelor suites and one-bedroom apartments. For the first time, separate rent ceilings have been established for the Greater Vancouver Regional District to reflect local market conditions. Seniors faced with significant pad rental fees in owner-occupied manufactured homes are now eligible for SAFER benefits.



Goal 3: Landlord and tenant relationships are improved.

The Residential Tenancy Branch provides landlords and tenants with information and dispute resolution services, including arbitration.



An effective residential tenancy system assists landlords and tenants to resolve disputes on their own. The Residential Tenancy Branch contributes to this process by providing publications, workshops, and information about landlord and tenant rights and responsibilities through telephone, e-mail and in-person contacts.

Landlords and tenants who cannot resolve disputes on their own may ask the Residential Tenancy Branch to provide dispute resolution services. The dispute resolution process allows Information Officers to take a more active role in helping landlords and tenants resolve disputes. The aim of this process is to improve communication between the parties and help resolve disputes before they escalate to arbitration. When necessary, landlords and tenants may apply for arbitration — a quasi-judicial process where an arbitrator conducts a hearing and makes an impartial, binding decision on the parties. Decisions are based on the law and the evidence brought forward at the hearing.

Objective 1: Landlord and tenant disputes are resolved in a timely manner.

An important objective of the Branch is an effective residential tenancy system where landlord-tenant disputes are resolved in a timely manner. The Residential Tenancy Branch conducts approximately 18,000 arbitrations annually. With such high demand, the Branch strives to provide timely, efficient, and cost-effective services. The more quickly disputes are resolved, the better the rental market can function.

Measure 3.1.1	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of residential tenancy arbitrations scheduled to take place within six weeks or less	92%	70%	(22%)	Not met
Data Considerations/Selection Rationale				
This measure reflects the ability of government to meet statutory time limits for arbitration. Fluctuations in population, vacancy rates and availability of arbitrators influence the ability to meet targets.				
Variance Explanation				
The number of applications for arbitration increased in 2005/06 while there was a reduction in the number of arbitrators available to hear disputes. Proposed amendments to legislation will authorize the director to hire full time staff arbitrators and to fast track some common types of disputes. This will improve efficiency and ability to meet targets in future years.				
Data Sources and Issues				
Residential Tenancy Branch internal records (scheduling system).				
Changes to the Measure				
N/A				

Measure 3.1.2	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of residential tenancy disputes resolved without arbitration	2005/06 Service Plan measure was to be determined Measure dropped in the 2006/07 Service Plan			
Data Considerations/Selection Rationale Information is provided to landlords and tenants through various formats — written publications, website, telephone calls, e-mails, presentations, and other organizations. The Residential Tenancy Branch does not keep records of contacts unless arbitration is involved.				
Variance Explanation N/A				
Data Sources and Issues N/A				
Changes to the Measure Measure dropped in 2006/07 Service Plan. Although the Residential Tenancy Branch has data on disputes that are brought to arbitration, the Branch has no information on disputes that landlords and tenants resolve on their own.				

Goal 4: A safe built environment where social, economic and safety interests of participants are balanced.

Many different parties contribute to safety in the built environment, including designers, builders, building owners and various levels of government. The provincial role is to support safety in buildings through regulations and a regulatory framework that is consistent throughout British Columbia. Because there are many parties, there are also many interests, each with its own emphasis. The Office of Housing and Construction Standards seeks to balance the social, economic and safety interests of the participants in the system to achieve safety.



Objective 1: Policy and legislative frameworks maintain or enhance safety, health and accessibility in the built environment.

In 2005/06, the Office of Housing and Construction Standards began a system-wide review of regulations that support safety in the built environment, with a focus on regulations affecting building designers, builders and building owners. During the year, the Office of Housing and Construction Standards assessed the need for change, and, with the help of industry participants, found changes would improve the regulatory framework.

Measure 4.1.1	2005/06 Target	2005/06 Actual	Variance	Target Met?
Objective-based <i>BC Building Code</i> and <i>BC Fire Code</i> adopted	Adopt codes	New codes not adopted	New codes not adopted	Not met
<p>Selection Rationale</p> <p>Building and Fire Codes are continually being renewed, in response to new building science, new technologies and new building practices. The 1998 <i>BC Building Code</i> and <i>BC Fire Code</i> were scrutinized over the past eight years, and changes have been recommended.</p> <p>Adoption of the <i>BC Building Code</i> and <i>BC Fire Code</i> is tied to publication of the model <i>National Building Code of Canada</i> and the model <i>National Fire Code of Canada</i>, on which the BC codes are based. The provincial government has committed to increasing harmonization with the model national codes, which ties British Columbia to the model national codes production schedule.</p>				
<p>Variance Explanation</p> <p>The Office of Housing and Construction Standards did not publish the next edition of the <i>BC Building Code</i> and <i>BC Fire Code</i> in 2005/06. The <i>BC Building Code</i> and <i>BC Fire Code</i> are based on the model National Building, Plumbing and Fire Codes. All provinces and territories, including BC, are more involved than previously in the development of the model National Building, Plumbing and Fire Codes. As a result of increased provincial-territorial involvement, there were delays in issuing the model national codes. British Columbia was subsequently delayed in including its variations.</p>				
<p>Data Sources and Issues</p> <p>N/A</p>				
<p>Changes to the Measure</p> <p>The Minister Responsible for Housing is expected to adopt the next edition of the <i>BC Building Code</i> and <i>BC Fire Code</i> in 2006/07. This measure appears in the 2006/07 Service Plan in relation to a new objective “Relevant and responsive codes, standards and regulatory systems in place”, and reflects work associated with ongoing code development. A new unrelated performance measure “Home warranty claims within industry norms” replaces this measure in relation to the new related goal “Safety is achieved in the built environment” and objective “BC homeowners are protected”.</p>				

Measure 4.1.2	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of code users benefiting from objective-based <i>BC Building Code</i> and <i>BC Fire Code</i>	2005/06 Service Plan measure was to be determined Measure dropped in the 2006/07 Service Plan			
<p>Data Considerations/Selection Rationale</p> <p>Because the <i>BC Building Code</i> and <i>BC Fire Code</i>, like the model national codes on which they are based, are being produced for the first time in an objective-based code format, it is worthwhile to determine whether code users are benefiting from the additional information offered through objectives, functional statements, intent statements and application statements. However, since there is only one format of the <i>BC Building Code</i> and <i>BC Fire Code</i> in effect at any one time, it may be difficult to quantify the benefits of the format.</p>				

<p>Variance Explanation</p> <p>The Office of Housing and Construction Standards did not assess whether code users are benefiting from the objective-based <i>BC Building Code</i> and <i>BC Fire Code</i> because the codes were not yet available to code users.</p>
<p>Data Sources and Issues</p> <p>No data available.</p>
<p>Changes to the Measure</p> <p>Measure dropped in 2006/07 Service Plan. This and other measures related to the new related objective “Relevant and responsive codes, standards and regulatory systems in place” were replaced in the 2006/07 Service Plan with the new measure “Safety index to be established and safety trends maintained and improved.”</p>

Measure 4.1.3	2005/06 Target	2005/06 Actual	Variance	Target Met?
Safety trends by sector are maintained or improved	Indicators refined and data collected	Indicators identified Data collection system improvements underway	None	Target achieved

<p>Data Considerations/Selection Rationale</p> <p>The BC Safety Authority, in accordance with the requirements established in the Administrative Agreement to develop an annual state of safety report, have selected indicators and are collecting data that support the indicators. Work is ongoing to improve the quality of the data collected.</p>
<p>Variance Explanation</p> <p>No variance. Target achieved.</p>
<p>Data Sources and Issues</p> <p>Data are collected by the BC Safety Authority.</p>
<p>Changes to the Measure</p> <p>This measure was modified in the 2006/07 Service Plan to recognize the establishment of a safety index that will measure and assess the performance of the province’s technical safety framework in achieving acceptable public safety outcomes.</p>

Objective 2: The building safety regulatory system is responsive to the changing needs of system participants.

In 2005/06, the Office of Housing and Construction Standards prepared recommendations for modernizing and rationalizing relevant regulations to achieve safety in the design, construction and occupancy of buildings with significant input from various system participants. Government directed the Office of Housing and Construction Standards to proceed with a Modernization Strategy, which focuses on the following five areas where the potential for change will have the greatest impact:

- Information management and system performance
- Liability and risk
- Competency
- Consistent code application
- Consistent code compliance and enforcement processes.

Measure 4.2.1	2005/06 Target	2005/06 Actual	Variance	Target Met?
Prepare recommendations for modernizing and rationalizing the building safety regulatory system	Make preliminary recommendations by Fall 2005	Preliminary recommendations made	None	Target achieved
<p>Data Considerations/Selection Rationale</p> <p>Over the past 25 years, industry associations have made many submissions to the provincial government calling for reform of building regulations. In 2003, the provincial government moved forward with reform through adoption of the <i>Safety Standards Act</i>. It then shifted attention towards the system to achieve safety in the design, construction and occupancy of buildings.</p> <p>The first step towards reform was taken in 2005/06, with a comprehensive review of the need to reform the regulatory framework. In 2005/06, success was measured by achievement of this review.</p>				
<p>Variance Explanation</p> <p>N/A</p>				
<p>Data Sources and Issues</p> <p>Information was gained through:</p> <ul style="list-style-type: none"> • Review of submissions made to the provincial government between 1980 and 2005. • Workshops with industry representatives to confirm issues identified and to seek concurrence on critical issues to address. 				
<p>Changes to the Measure</p> <p>Measure dropped in 2006/07 Service Plan because it has been achieved. This and other measures related to the new related objective “Relevant and responsive codes, standards and regulatory systems in place” were replaced in the 2006/07 Service Plan with the new measure “Safety index to be established and safety trends maintained and improved.”</p>				

Measure 4.2.2	2005/06 Target	2005/06 Actual	Variance	Target Met?
Provide updated and improved technical regulations for the minister’s review annually	Refine and update regulations	2005/06 Service Plan measure was to be determined Measure replaced in the 2006/07 Service Plan		
<p>Data Considerations/Selection Rationale</p> <p>Continuous improvement in technical regulatory structure is essential to allow BC to benefit fully from changes in technology and industry practice.</p>				
<p>Variance Explanation</p> <p>N/A</p>				
<p>Data Sources and Issues</p> <p>Identification of changes to recommend to the Minister occurs through discussions with the BC Safety Authority and a broad range of stakeholders concerning improvements in consistency and flexibility.</p>				

Changes to the Measure

Discussions with the BC Safety Authority and a broad range of stakeholders concerning improvements in consistency and flexibility are ongoing. As continuous improvement is essential to allow BC to benefit fully from changes in technology and industry practice, this and other measures associated with the new related objective “Relevant and responsive codes, standards and regulatory systems in place” were replaced in the 2006/07 Service Plan with the new measure “Safety index to be established and safety trends maintained and improved.”

Report on Resources

The Office of Housing and Construction Standards' budget provides funding for housing and construction standard policy development as well as policy and operations within the Residential Tenancy Branch. Housing and construction standard programs are delivered by Crown Agencies, including BC Housing and the HPO, with funding transferred from the Office of Housing and Construction Standards. Ninety-three per cent of the budget is transferred to BC Housing for housing assistance programs.



Resource Summary Table 2005/06

	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses (\$000)					
Housing and Homelessness	207,701	500	208,201	207,498	703
Full-time Equivalents (Direct FTEs)					
Housing and Homelessness	96		82	82.05	13.95
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Housing and Homelessness	556		556		
Capital Plan (\$000)					
Housing and Homelessness	556		55	53	503

Report on Regulatory Reform

In support of government's regulatory reform efforts, the Office of Housing and Construction Standards made no material changes to its regulatory count.

Appendices (Part B)

Appendix B1: List of Legislation.

- *Building Officials' Association Act*
- *Commercial Tenancy Act*
- *Community Charter* (Part of) s. 9 (1) (d)
 - Buildings and Other Structures Bylaws Regulation
- *Fire Services Act* (Part of) s. 47 (2) (g) (h)
 - BC Fire Code Regulation
- *Homeowner Protection Act*
- *Local Government Act* (Part of) s. 692, 693
 - BC Building Code Regulation
 - Water Conservation Plumbing Regulation
- *Manufactured Home Park Tenancy Act*
- *Ministry of Lands, Parks and Housing Act* (s. 5, 8.1 and 10)
- *Railway Safety Act*
 - Railway Safety Adopted Provisions Regulation
 - Administration Delegation Regulation
 - Fee Setting Criteria Regulation
 - *Railway Safety Act* Transition Regulation
- *Railway Act* (s. 14 – 25)
- *Rent Distress Act*
- *Residential Tenancy Act*
- *Safety Standards Act*
 - Administration Delegation Regulation
 - Boiler Code Adoption Regulation
 - Electrical Safety Regulation
 - Elevating Devices Safety Regulation
 - Fee Setting Criteria Regulation
 - Gas Safety Regulation
 - Power Engineers, Boiler, Pressure Vessel and Refrigeration Safety Regulation
 - Safety Standards General Regulation
- *Safety Authority Act*
- *Shelter Aid for Elderly Renters Act*

Appendix B2: Report on Performance Service Plan Goal Changes Summary.

The table below shows changes to the Ministry's vision, mission, and values.

- The **left side** reflects the 05/06–07/08 Service Plan Update (September 2005) **vision, mission, and values**.
- The **right side** reflects the 06/07–08/09 Service Plan (February 2006) **vision, mission, and values**.
- Text in **bold** represents changes.

Vision, Mission and Values 05/06 September Service Plan		Vision, Mission and Values 06/07 February Service Plan Update	
Vision	Safe and Stable Housing for all British Columbians.	Vision	British Columbians enjoy secure and affordable housing and safe buildings in which to live work and play.
Mission	To provide leadership in meeting the housing needs of all British Columbians by enabling a range of housing choices.	Mission	To provide leadership in meeting the building needs of British Columbians by: <ul style="list-style-type: none"> • Promoting a range of housing choices; • Developing regulations and ensuring their application; • Providing information regarding rights and responsibilities; and, • Providing mechanisms for resolving disputes.

Vision, Mission and Values 05/06 September Service Plan		Vision, Mission and Values 06/07 February Service Plan Update	
Values	<p>The Housing Department is an organization guided by the following values:</p> <ul style="list-style-type: none"> • We value the importance of housing as a home — the foundation on which to build a healthy life and a sustainable community. • We value innovation and excellence in the work we do and are accountable to ourselves and ultimately to the citizens of British Columbia. • We value strong working relationships built on open communication and shared understanding that inspires trust and confidence. • We value integrated services and partnerships that optimize resources and improve the well being of our clients and stakeholders. • We value the people we work with and the people we serve, respecting diversity and treating everyone fairly and with dignity. 	Values	<p>The Office of Housing and Construction Standards is an organization guided by the following values:</p> <ul style="list-style-type: none"> • We value the importance of housing as a home — the foundation on which to build a healthy life and a sustainable community. • We value innovation and excellence in the work we do and are accountable to ourselves and ultimately to the citizens of British Columbia. • We value strong working relationships built on open communication and shared understanding that inspires trust and confidence. • We value integrated services and partnerships that optimize resources and improve the well being of our clients and stakeholders. • We proactively resolve conflicts in a neutral way, balancing the interests of our clients. • We value the people we work with and the people we serve, respecting diversity and treating everyone fairly and with dignity.

The table below shows changes to the Ministry's goals & objectives.

- The **left side** reflects the 05/06 – 07/08 Service Plan Update (September 2005) **goals and objectives**.
- The **right side** reflects the 06/07 – 08/09 Service Plan (February 2006) **goals and objectives**.
- Text in **bold** represents changes.

Goals and Objectives 05/06 September Service Plan Update		Goals and Objectives 06/07 February Service Plan	
Goal	Objective	Goal	Objective
1. BC's most vulnerable citizens have access to short and long-term social housing.	1.1 Housing and support services are integrated and targeted to those in greatest need.	1. Housing and support services are targeted to those most in need.	1.1 Housing and support services targeted to priority groups .
	1.2. Individuals in need have access to safe emergency shelter.		1.2 Individuals in need have access to emergency shelter.
			1.3 Senior renters receiving assistance in order to maintain independence.
2. Low and moderate-income households have an expanded range of housing options.	2.1. Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities.	2. Low and moderate income households have an expanded range of housing options.	2.1 Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities.
	2.2. Partnership opportunities that explore innovation in housing are promoted and supported.		
	2.3. Senior renters can afford to continue living independently in their own homes.		

Goals and Objectives 05/06 September Service Plan Update		Goals and Objectives 06/07 February Service Plan	
Goal	Objective	Goal	Objective
3. Landlord and tenant relationships are improved.	3.1 Landlord and tenant disputes are resolved in a timely manner.	3. Balanced landlord and tenant rights and responsibilities.	3.1 Landlord and tenant disputes are avoided or resolved in a timely manner.
			3.2 Consumer protection legislation in place for assisted living and supportive housing landlords and tenants.
4. A safe built environment where the social, economic and safety interests of participants are balanced.	4.1 Policy and legislative frameworks maintain or enhance safety, health and accessibility in the built environment.	4. Safety is achieved in the built environment.	4.1 Policy and legislative frameworks maintain or enhance safety, health and accessibility in the built environment.
	4.2 The building safety regulatory system is responsive to the changing needs of system participants.		4.2 B.C. homeowners are protected.
			4.3 Relevant and responsive codes, standards and regulatory systems in place.

The table below shows changes to the Ministry’s goals & objectives.

- The **left side** reflects the 05/06–07/08 Service Plan Update (September 2005) **goals and objectives**.
- The **right side** reflects the 06/07–08/09 Service Plan (February 2006) **goals and objectives**.
- “**X**” identifies those measures that have been dropped in the 06/07–08/09 Service Plan.
- Text in **bold** represents new 06/07–07/08 Service Plan Performance Measures or changes to Performance Measures in the 05/06–07/08 Service Plan Update.

Goals and Performance Measures 05/06 September Service Plan Update		Goals and Performance Measures 06/07 February Service Plan	
Goal	Performance Measure	Goal	Performance Measure
1. BC’s most vulnerable citizens have access to short and long-term social housing.	1.1 Develop a comprehensive provincial housing strategy. (X) Measure Achieved	1. Housing and support services are targeted to those most in need.	
	1.2 Percentage of tenants belonging to assisted priority groups.		1.1 Percentage of assisted clients belonging to priority groups .
	1.3 Number of frail and low-income senior households assisted through housing programs.		1.2 Number of senior households assisted through housing programs.
	1.4 Percentage of available shelter beds accessed.		1.3 Percentage of nights where shelters are at full capacity . 1.4 Number of units/beds created or adapted for priority clients .
2. Low and moderate-income households have an expanded range of housing options.	2.1 Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques.	2. Low and moderate income households have an expanded range of housing options.	2.1 Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques.
	2.2 TBD (X)		
	2.3 TBD (X)		

Goals and Performance Measures 05/06 September Service Plan Update		Goals and Performance Measures 06/07 February Service Plan	
Goal	Performance Measure	Goal	Performance Measure
3. Landlord and tenant relationships are improved.	3.1 Percentage of residential tenancy arbitrations scheduled to take place within 6 weeks or less .	3. Balanced landlord and tenant rights and responsibilities.	3.1 Percentage of residential tenancy arbitrations scheduled to take place within 6 weeks.
	3.2 Percentage of residential tenancy disputes resolved without arbitration. (X)		
			3.2 Legislation in place to extend protection to landlords and tenants in assisted living and supporting housing arrangements.
4. A safe built environment where the social, economic and safety interests of participants are balanced.	4.1 Objective-based BC Building and Fire Codes adopted. (X)	4. Safety is achieved in the built environment.	4.3 B.C. Building Code and B.C. Fire Code adopted in an objective-based format.
	4.2 Percentage of code users benefiting from objective-based BC Building and Fire Codes. (X)		
	4.3 Safety trends by sector are maintained or improved. (X)		4.2 Safety index to be established and safety trends maintained or improved.
	4.4 Prepare recommendations for modernizing and rationalizing the building safety regulatory system.		
	4.5 Provide updated and improved technical regulations for minister's review annually.		
			4.1 Home warranty claims within industry norms.

Note: **X** Symbol indicates measure has been dropped.

